

ORIGINAL
INDIANTOWN
Gas company, inc.



CLEAN AND EFFICIENT NATURAL GAS AND PROPANE GAS FOR ALL YOUR ENERGY NEEDS

February 24, 2004

Ms. Blanca Bayo
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Fl. 32399

RECEIVED-FPSC
FEB 25 AM 11:23
COMMISSION
CLERK

Re: Purchased Gas Adjustment True-up
FPSC Docket No. 030954-GU

Dear Ms Bayo:

Enclosed for filing in the above referenced docket on behalf of Indiantown Gas Company are an original and ten (10) copies of an Irrevocable Letter of Credit per PSC Order No. PSC-04-0180-PCO-GU. Please feel free to call me with any questions.

Sincerely,

Brian J. Powers
President
Indiantown Gas Co.

RECEIVED & FILED


FPSC-BUREAU OF RECORDS

- AUS _____
- CAF _____
- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC _____
- OTH _____

DOCUMENT NUMBER-DATE

16600 SW WARFIELD BLVD. • P. O. BOX 8 • INDIANTOWN, FLORIDA 32906
772.597.2268 or 772.597.2168 • FAX 772.597.2068

02756 FEB 25 04

FPSC-COMMISSION CLERK

ORIGINAL
DOCUMENT

ORIGINAL

FIRST BANK

Of Indiantown

IRREVOCABLE LETTER OF CREDIT

February 25, 2004

IRREVOCABLE LETTER OF CREDIT NUMBER: 165

BENEFICIARY: FLORIDA PUBLIC SERVICE COMMISSION ("Beneficiary")
2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850

ISSUED ON BEHALF OF: INDIANTOWN GAS COMPANY, INC
P.O. Box 8, Indiantown, FL 34956

First Bank of Indiantown (Lender") hereby establishes a Clean Irrevocable Letter of Credit in favor of Beneficiary for a sum not exceeding the aggregate amount of Sixty Eight Thousand Five Hundred Seven and 00/100s Dollars (\$68,507.00). These funds shall be made available by Beneficiary's drafts drawn at sight on Lender at its address indicated below (or such other address that Lender may provide Beneficiary with written notice of in the future) and accompanied by the signed written statements or documents indicated below.

WARNING TO BENEFICIARY: PLEASE EXAMINE THIS LETTER OF CREDIT AT ONCE. IF YOU FEEL UNABLE TO MEET ANY OF ITS REQUIREMENTS, EITHER SINGLY OR TOGETHER, YOU SHOULD CONTACT THE PARTY IN WHOSE FAVOR THIS LETTER OF CREDIT IS BEING ISSUED TO SEE IF THE LETTER OF CREDIT CAN BE AMENDED. OTHERWISE, YOU WILL RISK LOSING PAYMENT UNDER THIS LETTER OF CREDIT FOR FAILURE TO COMPLY STRICTLY WITH ITS TERMS AS WRITTEN.

DRAFT TERMS AND CONDITIONS:

Lender shall honor the drafts submitted by the beneficiary under the following terms and conditions: No additional terms or conditions are required than as stated elsewhere in this Letter of Credit.

Upon Lender's honor of such drafts and payment to the Beneficiary, lender, once the full amount of credit available under this Letter of Credit has been drawn, shall be fully discharged of its obligations under this Letter of Credit and shall not thereafter be obligated to make any further payments under this Letter of Credit in respect of such demand for payments to Beneficiary or any other person.

Beneficiary shall have no recourse against the Lender for any amount paid under this Letter of Credit after Lender honors any draft or other document which complies strictly with this Letter of Credit, and which on its face appears otherwise in order but which is signed, issued, or presented by any party or under the name of any party purporting to act for Beneficiary, purporting to claim through the Beneficiary, or posing as Beneficiary. By presenting upon Lender or confirmer, Beneficiary certifies that Beneficiary has not and will not present upon the other, unless and until Beneficiary meets with dishonor. Beneficiary promises to return to Lender and Confirmer any funds received by Beneficiary in excess of the Letter of Credit's maximum drawing amount.

USE RESTRICTIONS

All drafts must be marked "DRAWN UNDER IRREVOCABLE LETTER OF CREDIT NUMBER 165 DATED FEBRUARY 25, 2004." Only Beneficiary may complete a draft and accompanying statements or documents required by this Letter of Credit and make draws under this Letter of Credit.

This Letter of Credit must accompany draft and the amount of said draft shall be marked on the draft.

ASSIGNMENT OR TRANSFER

The right to draw under this Letter of Credit shall not be transferable except for a transfer by direct operation of law to the original beneficiary's administrator, executor, bankruptcy trustee, receiver, liquidator, successor, or other representatives at law; and, the first immediate transfer by such legal representative to a third party after express approval of a governmental body (judicial, administrative, or executive).

First Bank of Indiantown
Courier Delivery: 15588 S.W. Warfield Boulevard, Indiantown, Florida
Mail Delivery: P.O. Box 365, Indiantown, Florida 34956
Phone: (772) 597-2181 • Fax: (772) 597-4159
DOCUMENT NUMBER-DATE
02756 FEB 25 04

TRANSFeree'S REQUIRED DOCUMENTS

When the presenter is a legal representative under the above paragraph or a third party under the above paragraph the documents required for a draw shall include:

All documents required elsewhere in this Letter of Credit, except that such documents may be in the name of either the original beneficiary or the presenter permitted in the above paragraph and

A certified copy of the one or more documents which show the presenter's authority to claim through or act with authority for the original beneficiary.

TIMING OF DISHONOR

To the extent not prohibited by law, Lender shall be entitled to honor or dishonor any draw submitted in connection with this Letter of Credit within five (5) banking days. Although Lender shall be entitled to honor or dishonor a draw beyond the expiry date of this Letter of Credit, Beneficiary shall not be entitled to submit a draw request or provide Lender with any documents in support of a draw after the expiry date hereof.

MODIFICATION

The modification or waiver of any of Lender's or Beneficiary's obligations or rights under this Letter of Credit must be contained in a writing signed by Lender. A waiver on one occasion does not constitute a waiver on any other occasion.

COMPLIANCE BURDEN

Under no circumstances shall Lender be held responsible for any impossibility or other difficulty in achieving strict compliance with the requirements of the Letter of Credit precisely as written. Beneficiary understands and acknowledges: (i) that unless and until the present wording of this Letter of Credit is amended with Lender's prior written consent, the burden of complying strictly with such wording remains solely upon Beneficiary; and (ii) that Lender is relying upon the lack of such amendment as constituting Beneficiary's initial and continued approval of such wording.

NON-SEVERABILITY

If any aspect of this Letter of Credit is ever declared unenforceable for any reason by any court or governmental body having jurisdiction, Lender's entire engagement under this Letter of Credit shall be deemed null and void and both Lender and Beneficiary shall be restored to a position each would have occupied with all rights available as though this Letter of Credit had never occurred. This non-severability provision shall override all other provisions in this Letter of Credit, no matter where such provision appears within the Letter's body.

CHOICE OF LAW/JURISDICTION

This Letter of Credit shall be governed by the laws of the State of Florida to the extent not governed by the International Chamber of Commerce Uniform Customs and Practice for Documentary credits (1998) revision, ICC Publication Number 500, and to the extent such laws are not inconsistent with the terms of this Letter of Credit. Lender and Beneficiary consent to the jurisdiction and venue of any court located in Florida in the event of any legal proceeding under this Letter of Credit.

EXPIRY

Lender hereby agrees with Beneficiary that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to the Lender on or before December 31, 2004.

It is understood that the beneficiary will no longer require this Letter of Credit once the final Florida Public Service Commission rate order is issued which is anticipated to be on or about May 4, 2004. Beneficiary should cancel and return this original Letter of Credit when it is no longer required if that is prior to the expiration date of December 31, 2004.

Dated February 25, 2004

LENDER: FIRST BANK OF INDIANTOWN

BY: 
Edward C. Appleton, President and CEO