

The terms "complete", "completed", and "completion", when used with reference to the second stage of pipe line development, shall mean completion and actual operation of the Pipe Line System, as certificated by the order of the Federal Power Commission in Docket No. G-1429 issued on June 18, 1954, with an operating capacity of 343,000 MCF of natural gas per day, including all items of property acquisition or capital expenditure which under customary pipe line construction procedures constitute part of the Pipe Line System as so completed.

The term "Completion Date" shall mean the date when the initial stage of pipe line development is completed.

Construction costs:

The term "construction costs" shall, except as herein below in this definition provided, mean all payments heretofore or hereafter made, and all obligations heretofore or hereafter incurred (other than for moneys borrowed), by the Company or for its account in connection with the Pipe Line System prior to the Completion Date, which construction costs (except production expenditures referred to in subparagraph (a) of this definition and except expenses aggregating not in excess of \$1,800,000 of the nature specified in subparagraph (b) of this definition) shall have been charged or shall be properly chargeable to the fixed property account of the Company under the applicable regulations, rules and orders of the Federal Power Commission or other commission or governmental authority having jurisdiction or supervisory authority over the accounts of the Company, including, without limitation or duplication, but subject to the foregoing restrictions and exceptions, the following:

(a) Costs of acquisition or construction of the Pipe Line System, including production expenditures in amounts not exceeding in the aggregate \$23,000,000 (whether or not such production expenditures are charged or properly chargeable to fixed property account) and the cost of property or rights acquired for the right-of-way in, on or under which pipe lines are or are to be located.

(b) Expenses incurred by the Company in connection with financing of the Pipe Line System and in connection with proceed-