

ducing, gathering, treating, compressing, transporting, supplying, distributing and/or disposing of natural, manufactured or mixed gas or of extracting, processing, treating and preparing for market natural gasoline and/or other hydrocarbon by-products or components of natural gas, and shall be properly chargeable to the fixed property accounts of the Company in accordance with sound accounting practice and shall have been charged to such accounts after December 31, 1945.

The term "bondable additions", without limiting the generality of the term as so defined, shall include:

(1) accessions, additions, improvements, betterments, developments, extensions and enlargements to, of or upon the properties, lines, plants, systems and equipment owned by the Company at December 31, 1945;

(2) other lines, plants, systems or properties constructed subsequent to December 31, 1945 or acquired after that date by purchase, merger, consolidation or otherwise, together with the accessions, additions, improvements, betterments, developments, extensions and enlargements to, of or upon such other plants, systems or properties;

(3) any property purchased, acquired, constructed or installed to replace property retired;

(4) construction work, and work in process of construction or erection in so far as actually constructed or erected; and

(5) any Bondable New Pipe Line Property, as defined in Section 1.12.

The term "bondable additions", however, shall not include:

(a) all property included in the Arizona Branches of the New Pipe Line as defined in Section 1.12 and necessary for the operation thereof at an aggregate installed and operating delivery capacity of 20,000,000 cubic feet of natural gas per day at their respective termini near Tucson and Avondale, Arizona;

(b) property acquired or constructed by the Company which except for this clause (b) would constitute bondable additions, and the cost of which, together with the cost of all property referred to in clause (a) above, equals \$3,000,000;