

(6) that the amount of the provision for depreciation and depletion of gas production properties deducted in determining such net earnings is not less than that required under the provisions of Section 7.11.

The term "retirement reserves" as used in this Section and elsewhere in this Indenture shall be deemed to include and mean "reserves for depreciation" or any like reserve established to provide for observed or theoretical deterioration and/or obsolescence of properties.

Interest received by the Company on obligations or indebtedness of any subsidiary or controlled corporation may be included in non-operating income of the Company only to the extent that (i) such interest is not in excess of the net earnings available for interest of such subsidiary or controlled corporation, computed in accordance with sound accounting practice, for the period in respect of which such interest was paid (after deducting from such net earnings available for interest an amount equal to all interest, if any, accrued for such period on obligations or indebtedness of such subsidiary or controlled corporation held by others than the Company and ranking prior to or on a parity with the obligations or indebtedness of such subsidiary or controlled corporation held by the Company in respect of which such interest was received) or (ii) such interest is properly capitalized as interest charged to construction in accordance with sound accounting practice; and any dividends received by the Company on stock of any subsidiaries or controlled corporations may be included in non-operating income of the Company only to the extent that the aggregate amount of such dividends is not in excess of the combined net earnings (computed in accordance with sound accounting practice) of all subsidiaries and controlled corporations, applicable to the stock interest of the Company in such subsidiaries and controlled corporations, for the period for which net earnings of the Company are being computed.

If any property (other than gas production property) which has been previously operated in the conduct of a natural gas business by others than the Company has been acquired by the Company within sixteen calendar months prior to the date of the application in connection with which such certificate is being furnished, or is to be ac-