

Branches of the New Pipe Line or of the Loop Line Project, but have been charged to such fixed property accounts on or prior to August 31, 1948; plus

(c) an amount equal to 4% of all amounts recorded in the fixed property accounts of the Company and its subsidiaries for all transmission lines and other transmission facilities and general plant constituting a part of the Arizona Branches of the New Pipe Line or a part of the Loop Line Project or a part of the San Juan Project, and for all other such lines, facilities and plant (other than those constituting a part of the New Pipe Line as completed as aforesaid) which are charged to such fixed property accounts after August 31, 1948;

the amounts so recorded in the fixed property accounts of the Company and its subsidiaries to be taken in each instance as at the end of the month next preceding the month for which such computation is being made; provided, however, that in applying the foregoing percentages there shall be deducted in each case from the amounts recorded in such fixed property accounts (i) a proper allowance, determined in accordance with sound accounting practice, for the estimated net salvage value, if any, of the property in question, and (ii) amounts so recorded in respect of property for which provision for depreciation has theretofore been made in an amount equal to the amount so recorded in respect of such property less proper allowance for estimated net salvage value as provided in (i) above; and provided, further, that if any series of bonds (other than the 1964 Series, the Second 1964 Series, the 1965 Series or the 1967 Series) shall be created hereunder which is to be fully retired less than twenty years after the date of the coupon bonds of such series, all bondable additions used as the basis for the authentication and delivery of bonds of such series (or, in case of the authentication and delivery of any such bonds on the basis of the deposit of cash, any bondable additions or property additions used as the basis for the withdrawal of such cash) shall be depreciated at a rate or rates, in lieu of the rates hereinbefore specified, sufficient fully to depreciate such bondable additions and/or property additions (less proper allowance for the estimated net salvage value thereof) over a period commencing with the date or dates as of which the respective