

bondable additions or property additions are recorded in such fixed property accounts and extending not more than five years in excess of the term of the bonds of such series, or over the period of the expected useful life of such additions, whichever period is the shorter.

The foregoing provisions of this Section shall have no application to provision for depreciation and depletion of gas production properties or to charges for depreciation or provision for depreciation and depletion in respect of oil, by-product and petro-chemical properties or other properties not subject to the lien of this Indenture, and references in this Section to amounts recorded in fixed property accounts of the Company and its subsidiaries shall not include any amounts so recorded in respect of gas production properties or of oil, by-product and petro-chemical properties or other properties not subject to the lien of this Indenture. The provision for depreciation and depletion of gas production properties made by the Company and its subsidiaries for each calendar month shall be in the amounts resulting from the "Unit of Production" method and shall be determined by multiplying the units produced during such month from the properties in question by rates computed by dividing the net depreciable and depletable investment in such properties by the estimated recoverable reserves attributable thereto remaining as of the beginning of such month. The net depreciable and depletable investment shall be the cost of the gas production properties as recorded in the fixed property accounts of the Company or a subsidiary (less proper allowance for the estimated net salvage value thereof) reduced by the accumulated depreciation and depletion reserve recorded on the books of the Company or of such subsidiary in respect of such properties.

If at any time the Federal Power Commission or other regulatory body having authority in the premises shall limit or reduce the amounts which may be charged by the Company and/or any subsidiary for depreciation or depletion to amounts less than those resulting from the application of the foregoing provisions of this Section, then the maximum amounts permitted by such Commission or other regulatory body shall be charged in lieu of the amounts hereinabove provided for.

SECTION 7.12. That, so long as any of the bonds of any of the present series are outstanding, the Company will not