

dends is not in excess of the combined net earnings of all subsidiaries and controlled corporations applicable to the stock interest of the Company in such subsidiaries and controlled corporations, computed as to each subsidiary or controlled corporation, in accordance with sound accounting practice, from the date on which such subsidiary or controlled corporation became a subsidiary or controlled corporation to the date of the most recent payment of a dividend to the Company by any subsidiary or controlled corporation, and (B) no deduction or adjustment shall be made for or on account of (i) any charges for redemption or prepayment premiums or other expenses in connection with the retirement by the Company, by redemption, payment or otherwise, of any of its bonds, debentures, promissory notes or preferred stocks or any charges for the write-off of the unamortized portion of any debt discount and expense applicable to any such retired bonds, debentures, notes or preferred stocks remaining at the time of the retirement thereof, or any expenses in connection with the creation, issuance or sale by the Company of any of its bonds, debentures, promissory notes, preferred stocks or Common Stock, (ii) interest, taxes or other overhead charges during construction to the extent chargeable to fixed property accounts of the Company in accordance with sound accounting practice and so charged, (iii) any profits realized or losses sustained in the sale of fixed properties or securities by the Company, (iv) any earned surplus adjustments properly applicable to any period or periods prior to January 1, 1958, other than adjustments required to give effect to assessments of additional income taxes paid by the Company or refunds of income taxes received by the Company applicable to any fiscal period or periods prior to January 1, 1958, or (v) any charges for amortization or elimination of gas plant adjustment accounts or acquisition adjustment accounts or other intangibles.

In the event that, at the time of any determination of net earnings of the Company for purposes of this Section, the Company shall be collecting increased rates which have been placed in effect subject to refund by order of the Federal Power Commission or other governmental regulatory authority or any court, in any proceeding relating to such rate increase, the revenues resulting from such rate increase shall