

SUBJECT TO A PRIOR LIEN OR LIENS (AS SAID TERM IS DEFINED IN SECTION 1 HEREOF) SECURING BONDS WHICH HAVE NOT THERETOFORE IN A PREVIOUS CERTIFICATE BEEN ESTABLISHED IN WHOLE OR IN PART AS REFUNDABLE BONDS, IN THE MANNER AND WITHIN THE LIMITATIONS PROVIDED IN SECTION 19 HEREOF. IF SO, SUCH PROPERTY SHALL BE SEPARATELY DESCRIBED IN SAID CERTIFICATE AND SAID CERTIFICATE SHALL ALSO STATE THE NATURE AND EXTENT OF SUCH PRIOR LIEN OR LIENS AND THE PRINCIPAL AMOUNT OF BONDS THEREBY SECURED THEN OUTSTANDING; ALSO THE PRINCIPAL AMOUNT THEREOF WHICH HAVE THERETOFORE BEEN, OR CONCURRENTLY THEREWITH, ARE TO BE, DEPOSITED WITH THE CORPORATE TRUSTEE OR WITH THE TRUSTEE OR MORTGAGEE OF A PRIOR LIEN UPON SUCH PROPERTY OR OF A REFUNDABLE LIEN, AND THE AMOUNT THEREOF WHICH ARE TO REMAIN OUTSTANDING AND TO BE ESTABLISHED AS "REFUNDABLE BONDS" AS AFORESAID; ALSO THAT THE AMOUNT OF SAID BONDS NOT DEPOSITED AS AFORESAID IS WITHIN THE LIMITATIONS PRESCRIBED IN SECTION 19 HEREOF.

(4) WHETHER ANY PART OF THE PROPERTY DESCRIBED IN SAID CERTIFICATE CONSISTS OF A NEW PLANT OR SYSTEM (WHICH TERMS SHALL MEAN A PLANT OR SYSTEM PURCHASED OR OTHERWISE ACQUIRED BY THE COMPANY AS A WHOLE, BUT NOT ORIGINALLY CONSTRUCTED BY OR FOR THE COMPANY); AND, IF SO, SUCH PROPERTY SHALL BE SEPARATELY DESCRIBED.

(5) THE COST TO THE COMPANY OF SAID ADDITIONAL PROPERTY, AND ALSO THE FAIR VALUE THEREOF, TO THE COMPANY AT THE DATE OF SUCH CERTIFICATE AS APPRAISED BY SAID ENGINEER; AND STATING THAT SAID COST AND FAIR VALUE HAVE BEEN COMPUTED AND ASCERTAINED AS REQUIRED BY SECTION 18 HEREOF. IF, BY VIRTUE OF THE PROVISIONS OF THE FOREGOING CLAUSES (3) AND/OR (4) OF THIS PARAGRAPH, ANY OF SAID PROPERTY SHALL BE SEPARATELY DESCRIBED IN SAID CERTIFICATE, THE COST AND FAIR VALUE OF SUCH PROPERTY SHALL BE SEPARATELY STATED; AND, IN THE CASE OF PROPERTY OF THE CHARACTER DESCRIBED IN CLAUSE (4) OF THIS PARAGRAPH, SAID FAIR VALUE SHALL NOT EXCEED THE VALUE OF SUCH PROPERTY AS STATED IN THE CERTIFICATE, ORDER OR OTHER DOCUMENT FILED WITH THE CORPORATE TRUSTEE PURSUANT TO PARAGRAPH F OF THIS SECTION.

(6) THAT ALL THE PROPERTY DESCRIBED IN SAID CERTIFICATE IS USED OR USEFUL FOR PUBLIC UTILITY PURPOSES AND CONSTITUTES ADDITIONAL PROPERTY AS SAID TERM IS DEFINED IN SECTION 18 HEREOF, AND THAT NO PART OF SAID PROPERTY IS PROPERTY WHOSE ACQUISITION UNDER THE PROVISIONS OF SECTION 18 HEREOF IS NOT PERMITTED TO BE MADE THE BASIS OF THE AUTHENTICATION AND DELIVERY OF BONDS UNDER THIS ARTICLE.

(7) THAT THE COMPANY IS NOT IN DEFAULT IN THE PERFORMANCE OF ANY OF THE COVENANTS ON ITS PART TO BE PERFORMED UNDER THE PROVISIONS OF THIS INDENTURE.

C. A CERTIFICATE OF THE COMPANY (HEREIN SOMETIMES CALLED "EARNINGS CERTIFICATE") SETTING FORTH:

(1) THE AMOUNT OF THE NET EARNINGS OF THE COMPANY AS HEREINAFTER IN SECTION 18 DEFINED, FOR A PERIOD OF 12 CONSECUTIVE CALENDAR MONTHS WITHIN THE 15 CALENDAR MONTHS IMMEDIATELY PRECEDING THE CALENDAR MONTH IN WHICH THE APPLICATION FOR THE AUTHENTICATION AND DELIVERY OF THE BONDS IS MADE, AND STATING SEPARATELY THE OPERATING AND NET NON-OPERATING REVENUES AND THE OPERATING EXPENSES OF THE COMPANY, WITH THE PRINCIPAL SUBDIVISIONS THEREOF.

(2) THE AGGREGATE AMOUNT OF THE ANNUAL INTEREST CHARGES UPON THE COMPANY'S "SECURED BONDED DEBT;" WHICH TERM SHALL BE TAKEN TO MEAN AND COMPRISE (A) ALL BONDS THERETOFORE AUTHENTICATED AND DELIVERED HEREUNDER AND NOT CANCELLED AT OR BEFORE THE DATE OF SAID CERTIFICATE, EXCEPTING, HOWEVER, BONDS FOR THE PAYMENT, REDEMPTION OR OTHER RETIREMENT WHEREOF CASH SHALL BE DEPOSITED WITH THE CORPORATE TRUSTEE HEREUNDER PRIOR TO OR