

Net Earning Certificate shall be made and signed by an independent public accountant appointed by the Company and approved by the Corporate Trustee, in addition to being signed and verified by such officers of the Company but no such Net Earning Certificate need be made or signed by any such independent public accountant as to periods not covered by annual reports required to be filed by the Company, in the case of conditions precedent which depend upon a state of facts for a period or periods different from that required to be covered by such annual reports.

Each such certificate shall include the statements required by Section 121 hereof.

The term "Gross Operating Revenues of the Company" is hereby defined as the revenues received by the Company from the sale of electric public utility service and the amounts (other than amounts received for the use of facilities under joint-use agreements) received as rentals of fixed charges for the use by others (or the use by the Company for the account of others) of generating and transmission facilities owned by the Company (with all interdepartmental items eliminated), and after deducting an amount equal to the cost to the Company of electricity, or other products (if the revenues from such other products are included in such Gross Operating Revenues of the Company), purchased for exchange or resale, and after deducting an amount equal to the cost of rentals paid by the Company for electric generating, transmitting or distributing properties leased from others or, at the option of the Company, the revenues, received directly from customer, derived from the operation of such electric generating, transmitting or distributing properties leased from others (if readily ascertainable in accordance with sound accounting practice) and after deducting an amount equal to charges to the Company for transmission of electricity by others; provided, however, that any operating revenue of the Company which is in controversy as a result of any litigation or which has been impounded, shall be included in the Gross Operating Revenues of the Company for the purpose of this computation, but only after, and in the year in which, any such operating revenue in controversy or impounded is recovered or, at the option of the Company, after, and in the year in which, it shall have been finally determined that such operating revenues belong to the Company.

"Provision for property retirement", "appropriate on its books out of income for retirement of property", and other phrases of similar import shall be deemed to include not only charges to income made upon a retirement accounting theory but also charges made on any depreciation or other accounting theory intended to provide for retirement of property.

ARTICLE II

FORM, EXECUTION, REGISTRATION AND EXCHANGE OF BONDS.

SECTION 8. At the option of the Company, the bonds issued hereunder may be issued in one or more series, the bonds of each series (other than the 3-3/4% Series due 1965, hereinafter in Section 19 described) maturing on such date or dates and bearing interest at such rate as the Board of Directors of the Company prior to the authentication thereof may determine. Subject to the provisions of Section 19 hereof as to the 3-3/4% Series due 1965, the form of each series of bonds issued hereunder and of the coupons to be attached to the coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company. The bonds and coupons of any one or more series may be expressed in one or more foreign languages, if also expressed in the English language. The English text shall govern the construction thereof and both or all texts shall constitute but a single obligation. The English text of the coupon bonds, coupons, fully registered bonds and the Corporate Trustee's certificate shall be respectively substantially of the tenor and purport above recited, provided, however, that the form of each series, as established by the Board of ~~Board of~~ Directors, shall specify the descriptive title of the bonds, (which shall contain the words "Mortgage Bond"), the designation of the series, the date of the coupon bonds of that series, the rate of interest to be borne by the bonds of that series, the coin or currency in which payable, the date or dates of maturity, the dates for the payment of interest, and a place for the payment of principal and interest. Subject to the provisions of Section 19 hereof with respect to the 3-3/4% Series due 1965, and series of bonds may also contain such provisions not inconsistent with the provisions of this Indenture as the Board of Directors may, in its discretion, cause to be inserted therein:

(a) specifying any additional place or places, either in the United States of America or, subject to the provisions of Section 18 hereof, elsewhere, for the payment of principal and/or interest and/or a place or places for the registration of bonds and/or the transfer of bonds;

(b) expressing any obligation of the Company for the payment of the principal of the bonds of that series or the interest thereon, or both, without deduction for taxes and/or for the reimbursement of taxes in case of payment by the bondholders, it being agreed that such obligation may be limited to taxes imposed by any taxing authorities of a specified class and may exclude from its operation or be limited to any specified tax or taxes or any portion thereof; and/or expressing any obligation of the Company for the creation of a sinking fund or other analogous device for the bonds of that series, and/or expressing any obligation of the Company to permit the conversion of bonds of that series into capital stock of the Company or of any other corporation of any designated class or classes;