

shall be made at the principal amount of Bonds so redeemed plus accrued interest to the date fixed for redemption, all in accordance with the provisions of Article 6 of the Indenture.

SECTION 7. (A) As a sinking fund for the retirement of Bonds of the 1978 Series and so long as any of the Bonds of the 1978 Series shall be outstanding and shall not have become due, the Company, subject to the provisions of paragraphs (B), (C) and (D) of this Section, will call for redemption and will redeem Bonds of the 1978 Series in the respective aggregate principal amounts of \$560,000 on June 1, 1962 and on each December 1 and June 1 thereafter to and including June 1, 1976, \$1,120,000 on December 1, 1976, June 1, 1977 and December 1, 1977, and \$2,800,000 on June 1, 1978 (leaving \$2,600,000 principal amount falling due on December 1, 1978, the final maturity date).

(B) In the event that the certificate of available gas supply filed with the Trustee for any December 1 pursuant to Section 8 of this Article 2 shall be a short term certificate and the terminal date with respect thereto shall be December 1, 1978 or an earlier date, the Company shall call for redemption and shall redeem on each of the two interest payment dates on the Bonds of the 1978 Series next succeeding such December 1, in lieu of the amount provided for in paragraph (A) of this Section for said respective dates, a principal amount of Bonds of the 1978 Series computed as follows:

(a) if the number of interest payment dates (herein referred to as the "remaining interest payment dates") on the Bonds of the 1978 Series beginning with the June 1 next succeeding such December 1 and continuing to and including the interest payment date next preceding such terminal date is seven or more, such principal amount shall be the amount (increased, if necessary, to the next largest even multiple of \$1,000) equal to the quotient resulting from dividing (i) the aggregate principal amount of the Bonds of the 1978 Series outstanding on such December 1 by (ii) the number which is eleven more than the number of remaining interest payment dates; and

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(b) if the number of remaining interest payment dates is less than seven, such principal amount shall be the amount (increased, if necessary, to the next largest even multiple of \$1,000) constituting the respective portion stated below of the aggregate principal amount of the Bonds of the 1978 Series outstanding on such December 1:

Number of Remaining Interest Payment Dates	Portion of Outstanding Bonds to be Redeemed on the Next Following	
	June 1	December 1
6.....	1/17	2/17
5.....	1/8	1/8
4.....	1/7	1/7
3.....	1/6	5/12
2.....	1/2	1/2
1.....	Entire Amount	

provided that, unless the certificate of available gas supply filed for any December 1 shall be signed by an independent engineer, the principal amount of Bonds of the 1978 Series to be retired on the two interest payment dates next succeeding such December 1 shall not be less than the principal amount required by the provisions of this paragraph (B) to have been retired on the two interest payment dates next preceding such December 1, and provided further that, if at a time when no Bond of the 1975 Series or of the 1976 Series is outstanding a short term certificate shall be filed for any December 1 and the terminal date for the Bonds of the 1978 Series on the basis of such certificate is earlier than the next succeeding June 1, the Company shall be obligated to redeem all remaining Bonds of the 1978 Series on said next succeeding June 1, and the Company shall not be in default hereunder by reason of any failure to retire said remaining Bonds prior to such June 1.

(C) The Company shall have the right to anticipate at any time or from time to time all or any part of any one or more of the sinking fund installments by delivering to the Trustee, as a credit upon such installment, Bonds of the 1978 Series accompanied by all unmatured coupons, or by applying as a credit upon such installment any Bonds