

of Directors of the Company, either as a whole or in part, at the redemption prices for redemption at the option of the Company set forth in the forms of Bonds of the 1980 Series in Section 1, Article 2, of this Eighth Supplemental Indenture, together in each case with accrued interest to the date fixed for redemption, except that no redemption may be carried out prior to August 1, 1964, directly or indirectly as a part of, or in anticipation of, any refunding operation involving the incurring of indebtedness which has an interest rate or cost to the Company, computed in accordance with generally accepted financial practice, of 5.15% per annum or less.

Subject to the provisions of Article 6 of the Indenture, notice of redemption of Bonds of the 1980 Series shall be given by publication once in each of three separate calendar weeks in an authorized newspaper in the Borough of Manhattan, The City of New York, the first of such publications to be not more than 60 days and not less than 30 days prior to the date fixed for redemption, and, if any of the Bonds of the 1980 Series to be redeemed are registered Bonds without coupons or coupon Bonds registered as to principal, similar notice shall be mailed by the Company, postage prepaid, at least 30 days and not more than 60 days prior to the date of redemption, to the registered owners of such Bonds at their addresses as the same shall appear on the transfer register of the Company; provided that, if notice by publication is duly given, failure to give notice by mail as aforesaid with respect to any redemption or any defect therein or in the mailing thereof shall not affect the validity of the proceedings for the redemption of any Bonds so to be redeemed.

SECTION 6. The Bonds of the 1980 Series shall also be subject to redemption and may be redeemed in part on any interest payment date beginning February 1, 1962, for the sinking fund provided for the Bonds of the 1980 Series by Section 7, Article 2, of this Eighth Supplemental Indenture, by the giving of notice as provided in Section 5, Article 2, of this Eighth Supplemental Indenture and in the manner

provided in Article 6 of the Indenture with respect to the partial redemption of Bonds of any Series. Redemptions for such sinking fund, including redemptions required by paragraph (B) of said Section 7, Article 2, 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 1980 Series and so long as any of the Bonds of the 1980 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 1980 Series in the respective aggregate principal amounts of \$320,000 on February 1, 1962 and on each August 1 and February 1 thereafter to and including August 1, 1977, and \$1,950,000 on February 1, 1978, August 1, 1978, February 1, 1979 and August 1, 1979 (leaving \$1,960,000 principal amount falling due on February 1, 1980, 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 February 1, 1980 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 1980 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 1980 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 1980 Series beginning with the February 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