Subsidiary:

The term "subsidiary" shall mean any corporation at least 80% of the shares (other than directors' qualifying shares) of which at the time outstanding having voting power for the election of the board of directors, either at all times or only so long as no senior class of stock has such power because of the happening of any contingency, are owned directly or indirectly by the Company and/or one or more of its subsidiaries.

Supplemental indenture:

See definition of "Indenture".

Trust estate:

See definition of "mortgaged property".

Trustee and Trustees:

The term "Trustee" shall mean Bankers Trust Company, or the corporate trustee under this Indenture for the time being, whether original or successor, but not the Individual Trustee or a co-trustee or additional trustee appointed pursuant to § 15.09 unless otherwise provided in the instrument of appointment executed pursuant to the provisions of said § 15.09, and only to the extent therein provided. The term "Trustees" shall mean the Trustee and the Individual Trustee.

Working Capital:

The term "working capital" of the Company shall mean the excess of consolidated current assets of the Company and its subsidiaries, if any, over the consolidated current liabilities of the Company and its subsidiaries, if any, both determined in accordance with generally accepted accounting principles.

Written Order of the Company and Written Request of the Company:

The term "written order of the Company" and "written request of the Company" shall mean an order or a request, respectively, signed in the name of the Company by the President or a Vice President and

by the Treasurer or an Assistant Treasurer of the Company and delivered to the Trustee.

ARTICLE 2.

Description and Manner of Execution, Authentication and Registration of Bonds.

§ 2.01. The aggregate principal amount of Bonds which may be executed by the Company and authenticated and delivered by the Trustee and secured by this Indenture and outstanding at any one time is limited to $500,000,000. The aggregate principal amount of Bonds which may be so executed, authenticated and delivered hereunder may, at any time at the election of the Company, evidenced by an indenture supplemental hereto, be limited to such aggregate principal amount as may be specified in such supplemental indenture. The Bonds may, at the election of the Board of Directors, be in one or more series and shall be designated generally as the First Mortgage Pipe Line Bonds of the Company, with such further appropriate particular designations added to or incorporated in or eliminated from such title, for the Bonds of any particular series, as the Board of Directors may determine. Each Bond shall bear upon the face thereof the designation so selected for the series to which it belongs. All Bonds of any one series at any time simultaneously outstanding shall be identical in respect of date of maturity (unless they are of serial maturities), the rate or rates of interest and dates of interest payments, the terms and rate or rates of optional redemption, if redeemable, the terms of convertibility, if convertible, and in respect of sinking fund or analogous provisions (if any) and tax provisions (if any). All coupon Bonds of any one series shall be dated as of the same date.

This Indenture shall be and constitute a continuing lien to secure the full and final payment of the principal of and interest (and premium, if any) on all Bonds which may from time to time be executed, authenticated and delivered hereunder. Except as otherwise herein expressly provided, all Bonds issued hereunder and all coupons appertaining thereto shall in all respects be equally and ratably secured hereby without preference, priority or distinction, as to lien or otherwise, on account of the actual time or times of the authentication and

21