the Company states will be surrendered on said Sinking Fund Payment Date. Such statement is in this Article referred to as "the statement," and the balance resulting from such deduction in said statement is hereinafter in this Article referred to as the amount, or the principal amount, "set forth in the statement."

Section 2.5. The Trustee shall apply the cash paid to it under this Article for the account of the Sinking Fund to the redemption of bonds of Series C, at the Sinking Fund redemption price.

Promptly upon receipt by the Trustee of the statement of the Company provided by Section 2.4 to be delivered to the Trustee prior to each Sinking Fund Payment Date, the Trustee shall proceed to select for redemption, in the manner described in Section 6.03 of the Original Indenture, a principal amount of bonds of Series C equal to the amount set forth in the statement, and the Trustee shall forthwith give the Company notice in writing to that effect, specifying the numbers of the bonds which, or portions of which, have been selected to be redeemed and the principal amount thereof to be redeemed in the case of bonds to be redeemed in part only.

The Company, upon receipt of such notice from the Trustee, shall forthwith give notice, in the manner provided in Section 6.03 of the Original Indenture, of intention to redeem such bonds of Series C. Such notice shall state that the redemption is for the Sinking Fund, the date of redemption (which shall be the next succeeding Sinking Fund Payment Date), the place of redemption (which shall be the principal office of the Trustee in the City and County of Denver), the Sinking Fund redemption price and the numbers of the bonds to be redeemed (and in the case of partial redemption of a fully registered bond, the portion thereof to be redeemed) and that on the date fixed for redemption interest on such bonds or portions thereof shall cease. Proof in form satisfactory to the Trustee of the giving of such notice, as hereinabove provided, shall be furnished to the Trustee by the Company on or before such Sinking Fund Payment Date.

Section 2.6. All bonds redeemed or retired under the provisions of this Article and the appurtenant coupons shall forthwith be cancelled by the Trustee, and shall thereafter be cremated if in coupon form or delivered to the Company if in fully registered form, upon the written order of the Company. The Trustee shall note on its records the fact of such cancellation.

Bonds so redeemed or retired, or surrendered to the Trustee under the provisions of this Article, shall not thereafter, so long as any bonds of Series C are outstanding, be made the basis for the issue of bonds, or the withdrawal of cash, or the taking of a credit under any of the provisions of the Indenture.

ARTICLE 3.

Redemption of Bonds.

Section 3.1. The bonds of Series C shall, upon compliance with the provisions of Article 6 of the Original Indenture and in the manner and upon the terms therein provided, be redeemable prior to maturity, as a whole at any time, or from time to time in part, at the option of the Company at the principal amount of the bonds so to be redeemed and accrued interest to the date fixed for redemption together with a premium equal to 6% of the principal amount if redeemed prior to March 1, 1968, and, if redeemed thereafter, with a premium equal to a percentage of the principal amount thereof determined as set forth in the tabulation below (hereinafter called the redemption price):

If Redeemed During Twelve Months' Period Beginning March 1	Premium	If Redeemed During Twelve Months' Period Beginning March 1	Premium
1968	5.54%	1975	2.32%
1969	5.08%	1976	1.86%
1970	4.62%	1977	1.40%
1971	4.16%	1978	.94%
1972	3.70%	1979	.48%
1973	3.24%	1980	0%
1974	2.78%		

Provided, however, that no such redemption shall be made prior to March 1, 1968, directly or indirectly as a part of, or in anticipation of, any refunding operation involving the incurring of indebtedness by the Company if such indebtedness has an effective interest cost to the Company (calculated in accordance with accepted financial practice) less than the interest cost, similarly computed, of the bonds of Series C.

In case of the redemption of all or a part of the bonds of Series C prior to March 1, 1968, pursuant to the provisions of this Section 3.1, there