property additions shall be deemed to be in substitution for or in lieu of such property retirements to the extent that the cost or fair value to the Company, whichever shall be less, of such property additions does not exceed the amount of such property retirements irrespective of the kind or character of the property additions, but in no event shall the amount of the credit available to the Company pursuant to this item (c) exceed the amount of property retirements stated pursuant to this item (c). For the purposes of this item (c), the amount of such property retirements shall be computed as specified in the definition of "property retirements" in Article I of the Indenture except that retirements consisting of property additions not theretofore bonded shall be computed at the cost thereof to the Company. The fair value to the Company of property additions for the purpose of this item (c) shall be as stated in the replacement certificate in which such property additions were included in item (c) for the first time. If any property additions made the basis of a credit under this item (c) are subject to any prior lien, then the amount of such credit otherwise available to the Company shall be reduced by an amount equal to one hundred sixty-six and two-thirds per cent ($166\frac{2}{3}\%$) of the principal amount of the then outstanding prior lien bonds secured by such prior lien and not theretofore deducted in connection with any application under the Indenture for the authentication and delivery of bonds or the withdrawal or reduction of cash. Property additions shall not be considered to be bonded by reason of their utilization under this item (c).

(d) The aggregate of (1) the amount of any net property additions not theretofore bonded which the Company in such replacement certificate elects to make the basis of a credit under this Article III, and (2) the amount of net property additions utilized under item (d) of all previous replacement certificates, but only so far as the net property additions so utilized have not ceased to be bonded as permitted by Section 5 of this Article III at the date of the replacement certificate then being filed. The amount of net property additions utilized under item (d) of a replacement certificate for the first time shall be separately stated. The fair value to the Company of property additions, for the purpose of their inclusion in net property additions under this item (d), shall be as stated in the replacement certificate in which they are included in item (d) for the first time. In any such case, if any property additions made the basis of a credit under this item (d) are subject to any prior lien, then the amount of such credit otherwise available to the Company shall be reduced by an amount equal to one hundred sixty-six and two-thirds per cent ($166\frac{2}{3}\%$) of the principal amount of the then outstanding prior lien bonds secured by such prior lien and not theretofore deducted in connection with any application under the Indenture for the authentication and delivery of bonds or the withdrawal or reduction of cash. To the extent that net property additions are utilized under this item (d), they shall be deemed to have been bonded for all purposes of the Indenture; provided, however, that any net property additions not theretofore bonded which the Company elected to make the basis of a credit in maintenance and replacement certificates and replacement certificates filed for periods ended prior to or on December 31, 1964, pursuant to supplemental indentures heretofore executed and delivered shall not be deemed to be bonded by their use in such certificates as a credit under this Article III and said net property additions shall constitute a credit under this Article III whether or not they shall remain bonded or be bonded under any other provision of the Indenture or any indenture supplemental thereto on account of their use in such certificates; and to the extent that prior lien bonds are deducted under this item (d), they shall be deemed to have been deducted, for all purposes of the Indenture, in connection with an application for the withdrawal or reduction of cash.

(e) The aggregate of (1) an amount equal to (i) one hundred per cent (100%) of the principal amount of prior lien bonds which have been theretofore deducted in connection with the authentication and delivery of bonds and (ii) one hundred sixty-six and two-thirds per cent ($166\frac{2}{3}\%$) of the principal amount of prior lien bonds with respect to which one hundred sixty-six and two-thirds per cent ($166\frac{2}{3}\%$) of the principal amount thereof has theretofore been deducted in connection with the reduction or withdrawal of cash under any provision of the Indenture, which, in each case, prior to or simultaneously with the filing of the replacement certificate shall have been deposited with the Trustee or paid or redeemed or reduced or ascertained by final judicial determination to be invalid, which the Company in such replacement certificate elects to make the basis of a credit under this Article III and which shall not theretofore have been bonded, and (2) the aggregate amount of credit based on prior lien bonds utilized under item (e) of all previous replacement certificates, but only so far as the prior lien bonds so utilized have not ceased to be bonded as permitted by Section 5 of this Article III at the date of the replacement certificate then being filed. The amount of prior lien bonds utilized under item (e) of a replacement certificate for the first time shall be separately stated. To the extent that prior lien bonds are utilized under this item (e) they shall be deemed to have been bonded for all purposes of the Indenture.

(f) The aggregate of (1) the principal amount of bonds theretofore authenticated and delivered under any provision of the Indenture, which after such delivery and prior to or simultaneously with the filing of such replacement certificate shall have been or be surrendered for conversion (if convertible) except into other bonds, or paid or redeemed