

paragraph '*depreciable property*' shall not be deemed to include any lands owned in fee simple, land rights, rights-of-way, franchises, consents or other property of a character which is nondepreciable. The cost of depreciable property acquired or constructed shall be computed in the same manner as the Cost of Property Additions is, by the provisions of *Paragraph C of Section 24*, required to be computed. The amount of depreciable property which shall have been retired shall be computed in the same manner as Retirements of Bonded Property are, by the provisions of *Paragraph H of Section 24*, required to be computed except that as to all properties acquired or constructed subsequent to December 31, 1944 the cost thereof (computed in the same manner as the Cost of Property Additions) shall be used regardless of the fair value thereof.

"'*Net Operating Revenues from the Mortgaged Property*' shall mean the total net revenues derived by the Company from the sale of gas, computed and ascertained in accordance with accepted accounting practice, after deducting therefrom (a) the net revenue derived from the sale of gas which does not enter the mortgaged property for transportation and sale and (b) the net revenue, computed and ascertained in accordance with accepted accounting practice, derived from the sale of gas transported through pipeline systems in which the Company has only a leasehold interest or pipeline systems subject to a Prior Lien (other than Prepaid Lien). There shall be added to the result so obtained all income of the Company derived from stocks, bonds and other securities pledged with the New York Trustee. The net revenue referred to in (a) above shall be determined by deducting from the gross revenue derived from such sales, the royalties and production or other similar taxes payable in respect thereof and the cost to the Company of any gas purchased for such sales.

"'*Net Operating Revenues from the Mortgaged Property After Depreciation and Depletion*' shall be