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O Bonds are subject to redemption prior to the Company, as a whole at any time or upon prior notice (unless such notice is given by publication at least once each calendar week (the first publication (30) days nor more than ninety (90) days) in a daily newspaper printed and published and of general circulation in San Francisco, State of California, and redeemed are in fully registered form, notice shall be mailed to the registered holders of O Bonds to be redeemed not less than sixty (60) days before the redemption notice being given by publication (unless the holders of all Bonds to be redeemed), and as more fully set forth in the rules to be made upon the payment (except for the following percentages of the principal of O Bonds to be redeemed:

last day of February of the year					
Year	Percent	Year	Percent	Year	Percent
1970	107.50	1980	104.91	1990	102.33
1971	107.24	1981	104.66	1991	102.07
1972	106.98	1982	104.40	1992	101.81
1973	106.72	1983	104.14	1993	101.55
1974	106.47	1984	103.88	1994	101.29
1975	106.21	1985	103.62	1995	101.04
1976	105.95	1986	103.36	1996	100.78
1977	105.69	1987	103.10	1997	100.52
1978	105.43	1988	102.85	1998	100.26
1979	105.17	1989	102.59	1999	100.00

Notwithstanding the foregoing, the Company shall have the right to redeem any of the Bonds of Series O at its option prior to March 1, 1979, as a part of a refunding, or anticipated refunding, operation by the application, directly or indirectly, of money borrowed which shall have an interest cost to the Company (expressed as a percentage and calculated in accordance with generally accepted financial practice) of less than 7½% per annum. The Bonds are callable for redemption and payment duly provided.

The Bonds of Series O are entitled to the benefits of the sinking fund provided therein in the Sixteenth Supplemental Indenture dated March 1, 1969, and any one or more of the Bonds of Series O may be redeemed through the operation of the sinking fund as provided in said Supplemental Indenture and, to the extent provided in said Supplemental Indenture, are severally subject to redemption for the sinking fund prior to maturity at the principal amount thereof, together in any case with interest accrued thereon to the date of redemption and upon notice given in the manner above provided. The Bonds of Series O, upon the conditions specified in said Supplemental Indenture, are also severally subject to redemption through the operation of the Maintenance and Replacement Fund provided for in the Mortgage at the price at which Bonds of Series O may be redeemed for the sinking fund. As