

## Exhibit H

### Limitations on Issuance of First Mortgage Bonds and Preferred Stock December 31, 2004

#### Mortgage

Bonds may be issued under the Company's Mortgage on the basis of: (1) Class "A" Bonds delivered to the Trustee under the Mortgage; (2) 70% of qualified Property Additions after adjustments to offset retirements; (3) retirement of Bonds or certain prior lien bonds; and/or (4) deposits of cash. With certain exceptions in the case of (1) and (3) above, the issuance of Bonds under the Mortgage is subject to adjusted net earnings of the Company for twelve out of the preceding fifteen months, before income taxes, being at least twice the annual interest requirements on all Bonds at the time outstanding, including any new issue, all outstanding Class "A" Bonds held other than by the Trustee or by the Company, and any other indebtedness secured by a lien prior to the Lien of the Mortgage.

Under above mortgage coverage tests, the Company estimates that it could have issued an additional \$3.2 billion principal amount of Bonds under the Mortgage as of December 31, 2004.

#### Preferred Stock

Not applicable to proposed issuance.