

[FORM OF REGISTERED BOND WITHOUT COUPONS OF THE 1977 SERIES]

[*Italicized matter may be omitted from registered Bonds without coupons issued after right of conversion hereinafter set forth has terminated*]

No. R

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PIEDMONT NATURAL GAS COMPANY, INC.

Incorporated under the laws of the State of New York

FIRST MORTGAGE BOND

4 1/2% SERIES DUE 1977

Due July 1, 1977

(*Convertible to the extent specified herein prior to July 1, 1962*)

PIEDMONT NATURAL GAS COMPANY, INC., a New York corporation (herein referred to as the "Company"), for value received hereby promises to pay to

or registered assigns, on July 1, 1977 at the principal office in the Borough of Manhattan, City and State of New York, of J. P. Morgan & Co. Incorporated, (hereinafter with its successor in the trusts under the Indenture mentioned below sometimes called the "Trustee"), or at the principal office of its successor in said trusts, the principal sum of

Dollars

( \$ ) in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest on said principal sum from the date hereof, at the rate of four and one-half per centum (4 1/2%) per annum, at said principal office, in like coin or currency, semi-annually on the 1st day of January and on the 1st day of July in each year until the said principal sum shall have become due and payable and thereafter, if default be made in the payment of such principal sum, at the rate of six per centum (6%) per annum until said principal sum shall be paid.

This bond is one of an authorized issue of bonds of the Company, known as First Mortgage Bonds, limited as to maximum aggregate principal amount at any one time outstanding as provided in the Indenture hereinafter mentioned, all issued and to be issued in series from time to time (this bond being one of the First Mortgage Bonds, 4 1/2% Series due 1977) under, and, irrespective of the time of issue, equally secured (except in so far as any

sinking fund, improvement fund or other fund established in accordance with the provisions of the Indenture may afford additional security for the bonds of any specific series) by a Mortgage and Deed of Trust dated as of March 1, 1951, as supplemented and modified by a First Supplemental Indenture dated as of October 1, 1951 and a Second Supplemental Indenture dated as of July 1, 1952 (all of which instruments are herein collectively called the "Indenture"), duly executed and delivered by the Company to J. P. Morgan & Co. Incorporated, as Trustee, to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the property mortgaged and pledged as security for said bonds, the nature and extent of the security, and the rights, duties and immunities thereunder of the Trustee, and the rights of the holders of said bonds and of the Trustee and of the Company in respect of such security, and the limitations on such rights and the terms upon which said bonds may be issued thereunder; but neither the foregoing reference to the Indenture, nor any provision of this bond or of the Indenture, shall affect or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, interest and premium, if any, on this bond as herein provided.

*Subject to the provisions of the Indenture, unless such right shall have been heretofore exercised and notation of such exercise made hereon,*

Dollars

( \$ ) in principal amount of the indebtedness evidenced by this bond may be converted at the option of the registered owner hereof at any time after July 1, 1954 to and including July 1, 1962 into one full paid and nonassessable share of Common Stock of the Company in respect of each dollar of such principal amount, except that the shares of Common Stock to be received upon such conversion are subject to adjustment as to number and to change into other securities or property as required by the provisions of the Indenture, but such right may be exercised only upon surrender of this bond for conversion to the Company during usual business hours at the office or agency of the Company in the Borough of Manhattan, The City and State of New York. No fractional shares or scrip representing fractional shares shall be issuable upon any conversion. With respect to any fraction of a share called for on conversion hereof, an amount equal to such fraction, multiplied by the market value of the Common Stock of the Company at the close of business on the day of the conversion, will be paid in cash by the Company. Upon conversion of any