

101.45% if redeemed thereafter and on or before August 31, 1971  
 101.36% if redeemed thereafter and on or before August 31, 1972  
 101.27% if redeemed thereafter and on or before August 31, 1973  
 101.17% if redeemed thereafter and on or before August 31, 1974  
 101.07% if redeemed thereafter and on or before August 31, 1975  
 100.97% if redeemed thereafter and on or before August 31, 1976  
 100.86% if redeemed thereafter and on or before August 31, 1977  
 100.75% if redeemed thereafter and on or before August 31, 1978  
 100.64% if redeemed thereafter and on or before August 31, 1979  
 100.52% if redeemed thereafter and on or before August 31, 1980  
 100.40% if redeemed thereafter and on or before August 31, 1981  
 100.27% if redeemed thereafter and on or before August 31, 1982  
 100.00% if redeemed thereafter and prior to maturity.

together, in each case, with interest accrued thereon to the date fixed for redemption thereof. Such redemption is in every case to be effected at the office or agency of the Company in the Borough of Manhattan, The City of New York, upon at least thirty days' prior notice, given as more fully provided in the Indenture, including publication at least once in each week for at least three successive weeks in a daily newspaper printed in the English language and published and of general circulation in said Borough of Manhattan.

If this bond is called for redemption and payment is duly provided, this bond shall cease to bear interest from and after the date fixed for such redemption.

This bond shall pass by delivery, except that the coupon bonds of this series may be registered as to principal in the holder's name on registration books to be kept for that purpose at the office or agency of the Company in the Borough of Manhattan, The City of New York, such registration being noted hereon by the registrar, and after such registration no transfer hereof shall be valid unless made on said books by the registered owner in person or by duly authorized attorney and noted hereon by the registrar. Any bond so registered as to principal may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored, but such bond may again, and from time to time, be registered or transferred to bearer as before. Such registration, however,

shall not affect the negotiability of the interest coupons hereto appertaining, which shall continue to be transferable by delivery merely and payment to the holder thereof shall discharge the Company in respect of the interest therein mentioned, whether or not this bond shall have been or then be registered.

The holder of any coupon bonds of this series may, at his option, and on surrender thereof with all unmatured coupons thereto appertaining at the office or agency of the Company in the Borough of Manhattan, The City of New York, receive in exchange therefor a registered bond or bonds without coupons of the same series and of any authorized denomination or denominations and in the same aggregate principal amount, upon payment, if the Company shall so require, of the charges provided for in the Indenture.

This bond is a corporate obligation only and no recourse whatsoever, either directly or through the Company or any trustee, receiver, assignee or any other person, shall be had for the payment of the principal or premium, if any, or interest on this bond, or for the enforcement of any claim based hereon, or otherwise in respect hereof or of the Indenture, against any promoter, subscriber to the capital stock, incorporator, or any past, present or future stockholder, officer or director of the Company as such, or of any successor or predecessor corporation, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment, penalty, subscription or otherwise, any and all such liability of promoters, subscribers, incorporators, stockholders, officers and directors being waived and released by each successive holder hereof by the acceptance of this bond, and as a part of the consideration for the issue hereof, and being likewise waived and released by the terms of the Indenture.

Neither this bond nor any of the coupons for interest hereon shall become or be valid or obligatory for any purpose until the Trustee shall have signed the form of certificate endorsed hereon.

IN WITNESS WHEREOF, said Duke Power Company has caused this bond to be signed in its name by its President or one of its