

This bond shall not 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 Vice Presidents, manually or by facsimile signature, and its corporate seal to be hereto affixed, or a facsimile thereof to be hereon engraved, lithographed or printed, and to be attested by the manual or facsimile signature of its Secretary or one of its Assistant Secretaries.

Dated:

Duke Power Company

By

President

ATTEST:

Secretary

[FORM OF TRUSTEE'S CERTIFICATE FOR ALL BONDS OF THE 1995 SERIES]

This bond is one of the bonds, of the series designated therein, described in the within-mentioned Indenture.

MORGAN GUARANTEE TRUST COMPANY OF NEW YORK, Trustee

By Authorized Officer

PART TWO. Replacement Fund.

SECTION 1. So long as any of the bonds of the 1995 Series are outstanding, the Company will continue to maintain the Replacement Fund set forth in, and in accordance with the applicable terms and conditions now contained in, Part Two of the supplemental indenture dated as of February 1, 1949, and the covenants on the part of the Company contained in such Part Two shall continue and remain in full force and effect, whether or not bonds of the 1979 Series are outstanding and to the same extent as though the words "or any bonds of the 1995 Series" were inserted after the word "Series" appearing in the second line of Section 1 and the second line of Section 4 of said Part Two of said supplemental indenture dated as of February 1, 1949.

SECTION 2. If at any time (a) bonds of the 1995 Series are outstanding and (b) no bonds of the 1979 Series, of the 1981 Series, of the 1975 Series, of the 1986 Series, of the 1992 Series or of the 1992 Series B are outstanding and (c) cash which shall have been deposited with the Trustee pursuant to such Replacement Fund shall not within five years from the date of deposit thereof have been paid out, or used or set aside by the Trustee for the payment, purchase or redemption of bonds, pursuant to such Replacement Fund, such cash shall, if in excess of fifty thousand dollars (\$50,000), be applied to the redemption of bonds of the 1995 Series in an aggregate principal amount sufficient to exhaust as nearly as possible the full amount of such cash. Anything in Section 5 of Part Two of the aforesaid supplemental indenture dated as of February 1, 1949, in Section 3 of Part Two of the supplemental indenture dated as of April 1, 1951, in Section 3 of Part Two of the supplemental indenture dated as of January 1, 1955, in Section 3 of Part Two of the supplemental indenture dated as of May 1, 1956, in Section 3 of Part Two of the supplemental indenture dated as of February 1, 1962, and in Section 3 of Part Two of the supplemental indenture dated as of August 1, 1962, to the contrary notwithstanding, no cash shall be paid over to the Company thereunder if at the time any bonds of the 1995 Series are then outstanding, and such cash shall in such event be applied as in this Part Two set forth.