

hereby promises to pay to \_\_\_\_\_ or registered assigns  
on March 1, 2001,

Dollars, in any coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts, at the office or agency of the Company in the Borough of Manhattan, The City of New York, and to pay interest thereon at said office or agency from the interest payment date next preceding the date hereof to which interest on outstanding bonds of this series has been paid (unless the date hereof is prior to September 1, 1971, in which case from March 1, 1971, and unless the date hereof is a February date subsequent to February 15, or an August date subsequent to August 15, in which case from the next succeeding March 1 or September 1, as the case may be), at the rate of seven and one-half per cent per annum, in like coin or currency, semi-annually on March 1 and September 1 in each year, until the principal hereof shall become due and payable. Such interest payments shall be made by check mailed to the person in whose name this bond is registered at the close of business on the preceding 15th day of February or August, as the case may be (subject to certain exceptions provided in the Indenture hereinafter mentioned), at his address as it shall appear upon the bond register of the Company.

This bond is one of the bonds of a series, designated specially as First and Refunding Mortgage Bonds, 7½ % Series Due 2001, of an authorized issue of bonds of the Company, without limit as to aggregate principal amount, designated generally as First and Refunding Mortgage Bonds, all issued and to be issued under and equally and ratably secured by an indenture dated as of December 1, 1927, duly executed by Duke Power Company, a New Jersey corporation (hereinafter called the "New Jersey Company"), to Guaranty Trust Company of New York (now Morgan Guaranty Trust Company of New York), as Trustee, as supplemented and modified by indentures supplemental thereto, including supplemental indentures dated as of September 1, 1947, February 1, 1949, April 1, 1951, January 1, 1955, May 1, 1956, February 1, 1960, February 1, 1962, August 1, 1962, June 15, 1964 (under which the Company succeeded to and was substituted for the New Jersey Company), February 1, 1965, April 1, 1967, February 1, 1968, February 1, 1969, September 1, 1969, March 1, 1970, August 1, 1970 and March 1, 1971, the latter providing for said series (said indenture as so supplemented and modified being hereinafter referred to as the "Indenture"),