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SECTION 5. The aggregate principal amount of the bonds of the 2003 Series shall be unlimited.

SECTION 6. The place or places of payment (as to principal and premium, if any, and interest), redemption, transfer, exchange and registration of the bonds of the 2003 Series shall be the office or offices or the agency or agencies of the Company in the Borough of Manhattan, The City of New York, designated from time to time by the Board of Directors of the Company.

SECTION 7. The forms of the bonds of the 2003 Series and the certificate of the Trustee to be endorsed on the bonds, respectively, shall be substantially as follows:

[FORM OF BOND OF THE 2003 SERIES]

[FACE SIDE OF BOND]

DUKE POWER COMPANY

FIRST AND REFUNDING MORTGAGE BOND,

7¾% SERIES DUE 2003

No. $

DUKE POWER COMPANY, a North Carolina corporation (hereinafter called the "Company"), for value received, hereby promises to pay to
                              or registered assigns, the principal sum of
Dollars on June 1, 2003, 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 December 1, 1973, in which case from June 1, 1973, and unless the date hereof is a May date subsequent to May 15, or a November date subsequent to November 15, in which case from the next succeeding June 1 or December 1, as the case may be), at the rate of seven and three-quarters per cent per annum, in like coin or currency, semi-annually on June 1 and December 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 May or November, as