

ties, and interest coupons, each bearing the facsimile signature of its Treasurer, to be attached hereto, all as of the first day of May, 1956.

DUKE POWER COMPANY,

By

Vice-President.

ATTORNEY:

Secretary.

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[FORM OF INTEREST COUPON, BONDS OF THE 1986 SERIES.]

No.

\$

On the first day of , 19 , Duke Power Company will pay to bearer, at its office or agency in the Borough of Manhattan, The City of New York, upon surrender of this coupon,

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, being six months' interest then due on its First and Refunding Mortgage Bond, 3 7/8% Series Due 1986, No. HM- , unless said bond shall have been called for previous redemption and payment duly provided for.

Treasurer.

[FORM OF REGISTERED BOND WITHOUT COUPONS OF THE 1986 SERIES.]

DUKE POWER COMPANY

FIRST AND REFUNDING MORTGAGE BOND,

3 7/8% SERIES DUE 1986

Due May 1, 1986

No. HR-

\$

Duke Power Company, a New Jersey corporation (hereinafter called the "Company"), for value received, acknowledges itself indebted and hereby promises to pay to or registered assigns on May 1, 1986,

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 from the interest payment day next preceding the date hereof, at the rate of three and five-eighths per cent. per annum, in like coin or currency, at said office or agency, semi-annually on May 1 and November 1 in each year, until the principal hereof becomes due and payable.

This bond is one of the bonds of a series, designated specially as First and Refunding Mortgage Bonds, 3 7/8% Series Due 1986, 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 the Company to 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 and January 1, 1955 and a supplemental indenture dated as of May 1, 1956, providing for said series (said indenture as so supplemented and modified being hereinafter referred to as the "Indenture"), to which Indenture reference is made for a de-