

WHEREAS, § 16.01 of the Original Indenture provides, among other things, that the Company may execute and file with the Trustee and the Trustee at the request of the Company may join in indentures supplemental to the Original Indenture and which thereafter shall form a part thereof for the purposes, among other things, of (a) describing the terms of any new series of Bonds as established by resolution of the Board of Directors of the Company pursuant to § 2.01 and § 2.02 of the Original Indenture, (b) subjecting to the lien of the Original Indenture or perfecting the lien thereof upon any additional properties of any character, (c) (subject to the provisions of Article 12 and § 16.01 of the Original Indenture) modifying any of the provisions of the Indenture, and (d) for any other purpose not inconsistent with the terms of the Indenture, and which shall not impair the security of the same, or for the purpose of curing any ambiguity or curing, correcting or supplementing any defective or inconsistent provision contained in the Indenture; and

WHEREAS, there have heretofore been issued under the Indenture \$7,450,000 principal amount of First Mortgage Bonds, 3¾% Series due 1976 (hereinafter called "Bonds of the 1976 Series") and \$2,600,000 principal amount of First Mortgage Bonds, 4½% Series due 1977 (hereinafter called "Bonds of the 1977 Series"), of which \$7,202,000 principal amount of Bonds of the 1976 Series, and all of the Bonds of the 1977 Series remain outstanding on the date of the execution and delivery of this Supplemental Indenture; and

WHEREAS, the Company desires to modify the Indenture and the rights and obligations of the Company and of the holders of the Bonds as in this Supplemental Indenture provided, and to execute and deliver this Supplemental Indenture, in accordance with the provisions of Article 12 and Article 16 of the Indenture, embodying such modification; and

WHEREAS, the holders of all of the outstanding Bonds have executed and filed with the Trustee an instrument or instruments expressly consenting to the modifications of the Indenture as in this Supplemental Indenture set forth, and to the execution and delivery of this Supplemental Indenture; and

WHEREAS, the Board of Directors of the Company has established by resolution the terms of a new series of Bonds to be designated First Mortgage Bonds, 4¾% Series due 1981, to be due May 1, 1981, (hereinafter sometimes referred to as the "Bonds of the 1981 Series") in the principal amount of Two Million Dollars (\$2,000,000), and has authorized the issue of said Bonds of the 1981 Series to obtain funds for the corporate purposes of the Company; and

WHEREAS, the Company desires to execute this Supplemental Indenture for the purpose of describing the terms of the Bonds of the 1981 Series, confirming the lien of the Original Indenture, as heretofore supplemented, subjecting to the lien thereof the additional properties acquired by the Company since the execution and delivery of the Second Supplemental Indenture and modifying certain of the provisions of the Indenture; and

WHEREAS, coupon Bonds of the 1981 Series, the coupons appearing thereon, the registered Bonds without coupons of said Series and the Trustee's authentication certificate on all Bonds are to be substantially in the forms following, respectively:

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| No. M | [FORM OF COUPON BOND OF THE 1981 SERIES] | \$1,000 |
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PIEDMONT NATURAL GAS COMPANY, INC.

Incorporated under the laws of the State of New York

FIRST MORTGAGE BOND

4¾% Series due 1981

Due May 1, 1981

PIEDMONT NATURAL GAS COMPANY, INC., a New York corporation (herein referred to as the "Company"), for value received hereby promises to pay to the bearer or, in case this bond be registered as to principal, then to the registered owner hereof, on May 1, 1981 at the principal office in the Borough of Manhattan, City and State of New York, of J. P. MORGAN & Co. INCORPORATED (hereinafter with its successors in the trusts under the Indenture mentioned below sometimes called the "Trustee"), or at the principal office of its successor in said trusts, the principal sum of One Thousand Dollars (\$1,000) in