

[FORM OF BOND OF THE 2013 POLLUTION CONTROL SERIES]

DUKE POWER COMPANY
FIRST AND REFUNDING MORTGAGE BOND,
9 1/8% Pollution Control Series Due 2013

No.

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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 May 1, 2013, 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 November 1, 1983, in which case from May 1, 1983, and unless the date hereof is an April date subsequent to April 15, or an October date subsequent to October 15, in which case from the next succeeding May 1 or November 1, as the case may be) at the rate of nine and one-eighth per cent per annum, in like coin or currency, semi-annually on May 1 and November 1 in each year, commencing November 1, 1983 until the principal hereof shall become due and payable. Such interest payment 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 April or October, as the case may be (subject to certain exceptions provided in the Indenture hereinafter mentioned), at his last 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, 9 1/8% Pollution Control Series Due 2013, of an authorized issue of bonds of the Company, limited, except as otherwise provided in the Indenture (as hereinafter defined), in aggregate principal amount to \$77,000,000, 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

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