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100.86% if redeemed thereafter and on or before August 31, 1977
 100.75% if redeemed thereafter and on or before August 31, 1978
 100.64% if redeemed thereafter and on or before August 31, 1979
 100.52% if redeemed thereafter and on or before August 31, 1980
 100.40% if redeemed thereafter and on or before August 31, 1981
 100.27% if redeemed thereafter and on or before August 31, 1982
 100.00% if redeemed thereafter and prior to maturity.

together, in each case, with interest accrued thereon to the date fixed for redemption thereof.

SECTION 6. The aggregate principal amount of the bonds of the 1983 Series shall be unlimited.

SECTION 7. The place or places of payment (as to principal, premium, if any, and interest), redemption, transfer, exchange and registration of the bonds of the 1983 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 8. The bonds of the 1983 Series and the coupons attached thereto, and the certificate of the Trustee to be endorsed on the bonds, are to be substantially in the forms following, respectively:

[FORM OF COUPON BOND OF THE 1983 SERIES.]

DUKE POWER COMPANY

FIRST AND REFUNDING MORTGAGE BOND,

3¾% SERIES DUE 1983

Due September 1, 1983

No. FM-

\$1,000

Duke Power Company, a New Jersey corporation (hereinafter called the "Company"), for value received, acknowledges itself indebted and hereby promises to pay to the bearer, or, if this

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bond be registered as to principal, to the registered owner hereof, on September 1, 1983, One Thousand 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 September 1, 1953, at the rate of three and three-quarters per cent. per annum, in like coin or currency, at said office or agency, semi-annually on March 1 and September 1 in each year, until the principal hereof becomes due and payable, payable until the maturity of said principal according to the tenor of the respective coupons hereto attached and only upon presentation and surrender thereof.

This bond is one of the bonds of a series, designated specially as First and Refunding Mortgage Bonds, 3¾% Series Due 1983, 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 and April 1, 1951, and a supplemental indenture dated as of September 1, 1953, 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 description of the property mortgaged, the nature and extent of the security, the rights of the holders of the bonds in respect thereof, the terms and conditions upon which the bonds are secured and the restrictions subject to which additional bonds secured thereby may be issued. To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the bonds and coupons may be made with the consent of the Company by the affirmative vote, or with the written consent, of the holders of not less than 66⅔% in amount of the bonds then outstanding, and by the