

addresses as they shall appear upon the bond register of the Company. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder receives such notice; and failure duly to give such notice by mail, or any defect in such notice, to the holder of any bond designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other bond. No publication of notice of such redemption shall be required.

SECTION 5. The aggregate principal amount of the bonds of the 1999 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 1999 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 1999 Series and the certificate of the Trustee to be endorsed on the bonds, respectively, are to be substantially as follows (certain of the provisions of the bonds of the 1999 Series may be set forth on the reverse thereof):

[FORM OF BOND OF THE 1999 SERIES]

DUKE POWER COMPANY

FIRST AND REFUNDING MORTGAGE BOND,

7% SERIES DUE 1999

No.

\$

DUKE POWER COMPANY, a North Carolina corporation (hereinafter called the "Company"), for value received, acknowledges itself indebted and hereby promises to pay to
or registered assigns on February 1, 1999,

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 Com-