

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

The Application of Duke Energy Kentucky, Inc.)
for an Order Authorizing the Issuance of)
Unsecured Debt and Long-Term Notes,)
Execution and Delivery of Long-Term Loan)
Agreements, and Use of Interest Rate)
Management Instruments.)

Case No. 2020-00321

APPLICATION FOR FINANCING AUTHORITY

Pursuant to KRS 278.300 and 807 KAR 5:001 Sections 12 and 18, Duke Energy Kentucky, Inc. (Duke Energy Kentucky) respectfully requests that the Commission authorize Duke Energy Kentucky to, effective upon approval, issue securities, assume obligations and enter into all necessary agreements relating thereto, to issue and sell up to \$250,000,000 principal amount, for a term not to exceed fifty (50) years, consisting of long-term debt that Duke Energy Kentucky may elect to issue pursuant to: (1) the Indenture between The Union Light, Heat and Power Company (n/k/a Duke Energy Kentucky) and Deutsche Bank Trust Company dated as of December 1, 2004, or any amendments thereto (the Deutsche Bank Indenture); (2) the Indenture between The Union Light, Heat and Power Company (n/k/a Duke Energy Kentucky) and The Fifth Third Bank (succeeded by The Bank of New York) dated July 1, 1995, or any amendments thereto (the BONY Indenture); or (3) other long-term debt, including conversion of short-term borrowings into long-term debt.

Duke Energy Kentucky also requests ability to borrow from Boone County Kentucky, or another authorized issuer of tax exempt bonds in the State of Kentucky (Authority), for a term not to exceed fifty (50) years, the proceeds of up to a maximum of \$76,720,000 aggregate

principal amount of Authority tax exempt revenue bonds that may be issued in one or more series (Authority Bonds).¹ Duke Energy Kentucky proposes to enter into one or more loan agreements (Loan Agreements) with the Authority to evidence and secure its obligations to repay such loan or loans. Duke Energy Kentucky will use the proceeds from any such loans to refinance existing tax-exempt Authority Bonds. The proceeds from the issuance of the securities will be used to refund existing obligations on currently outstanding tax exempt bonds, which are puttable to Duke Energy Kentucky, in particular, the \$50,000,000 County of Boone, Kentucky Pollution Control Revenue Refunding Bonds (Duke Energy Kentucky, Inc. Project), due August 1, 2027, which were originally issued as series 2008A on December 3, 2008 (the 2008A Bonds) and the \$26,720,000 County of Boone, Kentucky Pollution Control Revenue Refunding Bonds (Duke Energy Kentucky, Inc. Project), due August 1, 2027, which were issued as series 2010 on November 24, 2010 (the 2010 Bonds). Duke Energy Kentucky requests such authority beginning upon approval by the Commission through the period ending December 31, 2022, unless amended by Commission Order.

In support of this Application, Duke Energy Kentucky states as follows:

1. **807 KAR 5:001 Section 18(1)(a).** Pursuant to 807 KAR 5:001, Section 14(2), Duke Energy Kentucky is a Kentucky Corporation that was originally incorporated on March 20, 1901, is in good standing, and, as a public utility, as that term is defined in KRS 278.010(3), is subject to the Commission's jurisdiction. Duke Energy Kentucky is engaged in the business of providing retail gas and electric service to its customers in Northern Kentucky in various municipalities and unincorporated areas of Kenton, Campbell, Boone, Gallatin, Grant, and Pendleton Counties. Duke Energy Kentucky's business address is 139 East Fourth Street,

¹ *In the Matter of: The Application of Duke Energy Kentucky, Inc., for an Order Authorizing the Issuance of Unsecured Debt and Long-Term Notes, Execution and Delivery of Long-Term Loan Agreements, and Use of Interest Rate Management Instruments*, Case No. 2012-00575, (Order)(February 12, 2013).

Cincinnati, Ohio 45202. The Company's local office in Kentucky is the Duke Energy Erlanger Operations Center, 1262 Cox Road, Erlanger, Kentucky 41018. Duke Energy Kentucky's email address is KYfilings@duke-energy.com. Duke Energy Kentucky's articles of incorporation are on file with the Commission in Case No. 2013-00097 and are hereby incorporated by reference.

2. **807 KAR 5:001 Section 18(1)(b).** As of June 30, 2020, the original cost of Duke Energy Kentucky's property was \$2,818,802,000. The Company's principal properties consist of electric generating plants, and gas and electric distribution facilities.

3. **807 KAR 5:001 Section 18(1)(c).** Duke Energy Kentucky proposes, with the necessary consent and authority of this Commission, to issue and sell, from time to time over a period ending December 31, 2022, up to \$250,000,000 principal amount of secured indebtedness (Bonds) or unsecured indebtedness (Debentures), or other long term unsecured indebtedness, including but not limited to, bank loans (Long Term Notes) in any combination thereof. Duke Energy Kentucky also expects to continue to classify \$25 million of borrowings under the Utility Money Pool Agreement as long-term debt via allocation of Duke Energy Corporation's borrowing capacity under its master credit facility. The foregoing types of debt are referred to collectively as the "Securities." Duke Energy Kentucky also requests permission to borrow from time to time over a period ending December 31, 2022, up to \$76,720,000 principal amount of proceeds of tax-exempt Authority Bonds issued for a term not to exceed fifty (50) years. Duke Energy Kentucky proposes to enter into one or more Loan Agreements with the Authority to evidence and secure its obligations to repay such loan or loans. Duke Energy Kentucky will use the proceeds from any such loans to refinance existing tax-exempt financings.

Method of Issuance. Duke Energy Kentucky proposes to either: (a) sell the Securities to one or more purchasers or underwriters through negotiated offerings; or, (b) sell the Securities through a competitive bidding process; (c) and continue to classify \$25 million of borrowings

under the Utility Money Pool Agreement as long-term debt via allocation of Duke Energy Corporation's borrowing capacity under its master credit facility. If the Securities are sold through a negotiated offering, the terms of each offering of the Securities will be negotiated by Duke Energy Kentucky either with one or more underwriters/managing underwriters, with one or more purchasers, for direct sale or for sale through agents. If the Securities are sold through competitive bidding, the Securities will be sold to the bidder(s) whose proposal results in the lowest annual cost of money, with Duke Energy Kentucky having the right to reject any or all bids. The bidders will be required to specify the coupon rate and the price, exclusive of accrued interest, to be paid for the Securities. After approval of the terms for each offering by Duke Energy Kentucky's Board of Directors, or by persons authorized by Duke Energy Kentucky's Board of Directors, it is anticipated that an agreement and other transaction documents setting forth the terms of the Securities would be concluded.

The Authority Bonds will be issued pursuant to one or more Indentures of Trust (Indentures) to be entered into between the Authority and the trustee to be determined, which Indentures establish the terms of each series of the Authority Bonds. The Authority Bonds will be special obligations payable solely out of revenues derived from the payments by Duke Energy Kentucky under the Loan Agreements.

Pricing Parameters. Duke Energy Kentucky has developed parameters under which the Securities and Authority Bonds are to be sold. The parameters, as set forth in Exhibit A, are designed to provide a reasonable allowance for potential changes in financial market conditions between the time of Commission authorization and the actual sale of the Securities. The inclusion of the parameters within the Order would allow Duke Energy Kentucky to sell the Securities or Authority Bonds at any time when it believes it is prudent to do so, provided the terms are within the parameters. Exhibit B is a representative form of senior note.

Duke Energy Kentucky proposes that the Commission issue its order authorizing Duke Energy Kentucky to execute and deliver the Loan Agreements prior to the time Duke Energy Kentucky and the underwriters reach agreement with respect to the terms of the Authority Bonds.

It is anticipated the underwriters would offer the Authority Bonds to purchasers pursuant to one or more Official Statements. The proposed sale of the Authority Bonds will be exempt from registration under the Securities Act of 1933, as amended.

Security and Other Agreements. The Bonds will be issued under and secured by the Deutsche Bank Indenture, the BONY Indenture, or a new indenture or mortgage agreement with a trustee to be determined. If the Debentures are issued, they will be issued under the Deutsche Bank Indenture, the BONY Indenture, and to be supplemented by one or more supplemental indentures, or a new indenture with a trustee to be determined.

Duke Energy Kentucky's obligations under the Loan Agreements will be to provide the Authority with sufficient revenues to enable it to pay the principal of, premium, if any, and interest on, the Authority Bonds as and when any and all payments are due. Duke Energy Kentucky may enter into letter of credit agreements to secure Duke Energy Kentucky's obligations under the Loan Agreements. Alternatively, such Loan Agreement obligations may be unsecured.

Duke Energy Kentucky would consider arranging an irrevocable letter of credit which would support future payments of interest and principal on the Authority's Bonds, if needed. Duke Energy Kentucky would use such credit enhancements if the projected interest savings from having such credit enhancements would exceed the cost of the credit enhancement. Each Loan Agreement will stand alone, allowing Duke Energy Kentucky the option of providing or

not providing security, letters of credit or other credit enhancements under each Loan Agreement.

Accounting. Duke Energy Kentucky proposes to either credit premiums or charge discounts, if any, and to charge the expenses to be incurred in connection with each issue to the proper deferred accounts and amortize such amounts over the respective lives of the Securities or Authority Bonds respectively, in equal annual amounts to current income.

Request for Commission Approval. Duke Energy Kentucky requests that the Commission issue its order authorizing the issuance and sale of the Securities, authorizing the borrowing of proceeds of the issuance and sale of the Authority Bonds, and the described Loan Agreements as requested herein. The Commission's authorization would not relieve Duke Energy Kentucky of its responsibility to negotiate and obtain the best terms available for the structure selected and, therefore, it is appropriate and reasonable for this Commission to authorize Duke Energy Kentucky to agree to such terms and prices consistent with these pricing parameters.

Use of Interest Rate Management Techniques. Duke Energy Kentucky requests that the Commission grant Duke Energy Kentucky authority to continue to utilize interest rate management techniques and enter into interest rate management agreements to manage its overall effective interest cost and interest rate risk. Such authority will allow Duke Energy Kentucky sufficient alternatives and flexibility when striving to better manage its interest cost and interest rate risk. Such authority was previously granted in Case Nos. 2004-00435, 2006-00563, 2008-00118, 2008-00503, 2010-00369, 2012-00575, 2014-00343, 2016-00379, 2018-00323, and 2019-00238.

Description of the Interest Rate Management Agreements. The interest rate management agreements will facilitate products commonly used in today's capital markets, consisting of interest rate swaps, caps, collars, floors, options, or hedging products such as forwards or futures,

or similar products, the purpose of which being to manage interest costs. Duke Energy Kentucky expects to enter into these agreements with counterparties that are highly rated financial institutions. The transactions will be for a fixed period and a stated principal amount and may be for underlying fixed or variable obligations of Duke Energy Kentucky.

Pricing Parameters. Duke Energy Kentucky proposes that the pricing parameters for interest rate management agreements be governed by the parameters corresponding to the underlying obligation in effect at its original issuance as specified in the Order authorizing such obligation by this Commission, if applicable.

Net fees and commissions in connection with any interest rate management agreement will be in addition to the above parameters and will not exceed 10% of the amount of the underlying obligation involved.

Accounting. Duke Energy Kentucky proposes to account for these transactions in accordance with generally accepted accounting principles.

Request for Commission Approval. Since market opportunities for these interest rate management alternatives are transitory, Duke Energy Kentucky must be able to execute interest rate management transactions when the opportunity arises to obtain the most competitive pricing. Thus, Duke Energy Kentucky seeks approval to enter into any or all of the described transactions within the parameters discussed above prior to the time Duke Energy Kentucky reaches agreement with respect to the terms of such transactions.

The authorization of the interest rate management agreements consistent with the parameters does not relieve Duke Energy Kentucky of its responsibility to obtain the best terms available for the product selected and, therefore, it is appropriate and reasonable for this Commission to authorize Duke Energy Kentucky to agree to such terms and prices consistent with said pricing parameters.

Conversion of Short-Term Loans Under Utility Money Pool Agreement. Duke Energy Kentucky entered into a Utility Money Pool Agreement, for the purpose of making its funds available for short-term borrowing with its affiliated operating companies, and for borrowing funds from such affiliates. The Commission approved the Utility Money Pool Agreement in Case No. 2011-00124. The agreement only allows for short-term borrowings.

Request for Commission Approval. Duke Energy Kentucky received approval to convert borrowings under the Utility Money Pool Agreement to long-term debt, if Duke Energy Kentucky deems it prudent to do so. Duke Energy Kentucky has converted \$25 million of borrowings under the Utility Money Pool Agreement to long-term debt via allocation of Duke Energy Corporation's borrowing capacity under its master credit facility. Duke Energy Kentucky expects to continue with this classification through the two year period of this application.

4. **807 KAR 5:001 Section 18(1)(d).** The Company seeks up to \$250,000,000 principal amount of financing authority through December 31, 2022. The proceeds from the issuance of the Securities are expected to be used: (a) to repay Duke Energy Kentucky's short-term or expiring long-term indebtedness; (b) to redeem early or at maturity long-term debt of Duke Energy Kentucky, if market conditions are favorable; (c) to fund estimated future capital expenditures related to its gas delivery and electric generation, transmission and distribution businesses of approximately \$229 million in 2020, \$149 million in 2021 and \$202 million in 2022; (d) for such additional expenditures as contemplated by KRS 278.300; or (e) for other lawful corporate purposes.

The Company currently projects that it will need to issue at least \$120,000,000 in long-term debt by the end of 2022 in order to pay for planned capital expenditures, in the normal course of the Company's business. Exhibit C sets forth further details of the Company's projected capital expenditures during this period.

The financing authority requested herein is consistent with the proper performance by Duke Energy Kentucky of its services to the public, will not impair its ability to perform those services, and is reasonably necessary and appropriate for such purposes. As described above, the proceeds from the issuance of the Authority Bonds will be used to refund the Boone County Bonds.

Duke Energy Kentucky does not have any definitive plans to acquire any specific property with the long-term debt financing authority that the Company seeks in this application. If the Commission grants Duke Energy Kentucky the financing authority it seeks, and if Duke Energy Kentucky later decides to acquire property and directly finance it by using such financing authority, Duke Energy Kentucky commits that it will provide the Commission with the details of any significant transaction.

5. **807 KAR 5:001 Section 18(1)(e).** See Exhibit C concerning estimated capital expenditures, attached hereto, and made a part hereof. Duke Energy Kentucky does not have any plans to acquire any specific property with the long-term debt financing authority that the Company seeks in this application. If the Commission grants Duke Energy Kentucky the financing authority it seeks, and if Duke Energy Kentucky later decides to acquire property and directly finance it by using such financing authority, Duke Energy Kentucky commits that it will provide the Commission with the details of any significant transaction.

6. **807 KAR 5:001 Section 18(1)(f).** Duke Energy Kentucky proposes to enter into one or more Loan Agreements with the Authority to evidence and secure its obligations to repay such loan or loans. Duke Energy Kentucky will use the proceeds from any such loans to refinance existing tax-exempt Authority Bonds. The Boone County Bonds were issued for their principal amount, \$76,720,000. The proceeds of the sale of the Boone County Bonds were used to refund previously outstanding securities as further described on page 1 of the Official

Statement previously provided to this Commission as Exhibit D to the Company’s Application in Case No., 2012-00575 and hereby incorporated by reference. The Boone County Bonds were issued as auction rate securities, and therefore bear a rate of interest determined by the Auction Procedures described in Schedule C to the Official Statement.²

The Company does not have any other present plans to discharge or refund any specific long-term indebtedness or notes.

7. **807 KAR 5:001 Section 12(1)(g).** In Case No. 2019-00238, the Commission approved the issuance and sale of up to \$280,000,000 principal amount of Securities for general business purposes, for a period ending December 31, 2020. To date, Duke Energy Kentucky has issued \$280 million of long-term debt securities. Also, the Company has converted \$25 million of borrowings under the Utility Money Pool Agreement to long-term debt via allocation of Duke Energy Corporation’s borrowing capacity under its master credit facility related to this authority. The Company seeks authority to issue up to \$250,000,000 principal amount of secured or unsecured indebtedness.

8. **807 KAR 5:001 Section 12 and Section 18(2)(a).** Duke Energy Kentucky is filing the following information in Exhibit D, which is incorporated herein and made a part of this application:

<u>Exhibit D</u> <u>Page</u>	<u>Description</u>	<u>807 KAR 5:001</u> <u>Section Reference</u>
	Financial Exhibit	12 and 18(2)(a)
1	Amount and kinds of stock authorized	12(2)(a)
1	Amount and kinds of stock issued and outstanding	12(2)(b)
1	Terms of preference or preferred stock	12(2)(c)
1	Brief description of each mortgage on property of Duke Energy Kentucky	12(2)(d)

² See Exhibit D to Application in Case No. 2012-00575.

1-2	Amount of bonds authorized and issued and related information	12(2)(e)
2	Notes outstanding and related information	12(2)(f)
2-3	Other indebtedness and related information	12(2)(g)
3	Dividend information	12(2)(h)
3-5	Detailed Income Statement and Balance Sheet	12(2)(i)

9. **807 KAR 5:001 Section 18(2)(b).** The Company does not have any deed of trust or mortgage currently in effect. However, as stated in this Application, the Company has issued securities through its unsecured indenture and supplements thereto. Such indenture and certain supplements were previously provided to this Commission as Exhibits in the Company's Application in Case No. 2012-00575 and Case No. 2018-00323 and are hereby incorporated by reference. These documents include the following:

- Indenture between The Union Light, Heat and Power Company and Deutsche Bank Trust Company Americas, Trustee dated as of December 1, 2004,
- First through Fourth Supplemental Indentures to the Indenture.


The Fifth, Sixth, Seventh, and Eighth Supplemental Indentures between The Union Light, Heat and Power Company and Deutsche Bank Trust Company Americas are attached to this Application as Exhibits E, F, G, and H.

10. **807 KAR 5:001 Section 18(2)(c).** Duke Energy Kentucky does not have any plans to acquire any specific property with the long-term debt financing authority that the Company seeks in this application. If the Commission grants Duke Energy Kentucky the financing authority it seeks, and if Duke Energy Kentucky later decides to acquire property and finance it by using such financing authority, Duke Energy Kentucky commits that it will provide the Commission with the details of such transaction.

WHEREFORE, Duke Energy Kentucky respectfully requests that the Commission issue an order authorizing Duke Energy Kentucky to issue and sell up to \$250,000,000 principal amount of its Bonds, Debentures, Long Term Notes, or any combination thereof; to utilize

Interest Rate Management Techniques; to continue to classify \$25 million of borrowings under the Utility Money Pool Agreement as long-term debt; to include the ability to borrow the proceeds of tax exempt bonds from the Authority; to enter into one or more Loan Agreements with the Authority to evidence and secure its obligations to repay such loan or loans; and authorizing Duke Energy Kentucky to account for such transactions in the manner as herein set forth.

DUKE ENERGY KENTUCKY, INC.

By: 
Karl W. Newlin
Senior Vice President,
Corporate Development and Treasurer

Its Attorney:

/s/Rocco D'Ascenzo
Rocco D'Ascenzo
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Duke Energy Kentucky, Inc.

Summary of Bonds/Debentures Pricing Parameters

Principal Amount:	Up to \$250,000,000 of first mortgage bonds (the “Bonds”) or unsecured indebtedness (the “Debentures”), or any combination thereof, in one or more series. In addition, up to \$76,720,000 of Authority’s Pollution Control Revenue Refunding Bonds (“Authority’s Bonds”) in one or more series.
Maturity:	Up to 50 years for the Bonds and the Debentures.
Purpose:	To refund outstanding obligations, for construction expenditures, or for other general purposes. Also, to refinance existing tax-exempt Authority Bonds; \$26,720,000 County of Boone, Kentucky, Pollution Control Revenue Refunding Bonds Series 2010 and \$50,000,000 County of Boone, Kentucky, Pollution Control Revenue Refunding Bonds Series 2008A.
Lead Underwriters:	To be named.
Underwriting Commissions or Agents’ Fees:	Not to exceed 3.50% of the principal amount.
Price to Public:	No higher than 102% nor less than 98% of the principal amount, plus accrued interest, if any.
Interest Rate:	Not to exceed those generally obtainable at the time of pricing or repricing of such Bonds and Debentures for securities having the same or reasonably similar maturities and having reasonably similar terms, conditions and features issued by utility companies or utility holding companies of the same or reasonably comparable credit quality.
Security:	The Authority’s Bonds may include credit enhancements such as letters of credit or other security.

Duke Energy Kentucky, Inc.

No. _____

\$ _____

CUSIP NO. _____

Duke Energy Kentucky, Inc., a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (herein called the "Company", which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars on _____ [if the Security is to bear interest prior to Maturity, insert: _____, and to pay interest thereon from _____ or from the most recent Interest Payment Date to which interest has been paid or duly provided for, _____ on _____ and _____ in each year, commencing _____, at the rate of ...% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the or (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture].

[If the Security is not to bear interest prior to Maturity, insert: The principal of this Security shall not bear interest except in the case of a default in payment of principal upon acceleration, upon redemption or at Stated Maturity and in such case the overdue principal and any overdue premium shall bear interest at the rate of ...% per annum (to the extent that the payment of such interest shall be legally enforceable), from the dates such amounts are due until they are paid or made available for payment. Interest on any overdue principal or premium shall be payable on demand. Any such interest on overdue principal or premium which is not paid on demand shall bear interest at the rate of% per annum (to the extent that the payment of such interest on interest shall be legally enforceable), from the date of such demand until the amount so demanded is paid or made available for payment. Interest on any overdue interest shall be payable on demand.]

Payment of the principal of (and premium, if any) and [if applicable, insert: any such] interest on this Security will be made at the office or agency of the Company maintained for that purpose in _____, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts [if applicable, insert: ;provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register].

Any payment on this Security due on any day which is not a Business Day in the City of New York need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the due date and no interest shall accrue for the period from and after such date.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, [if subordinated, insert: including, without limitation, provisions subordinating the payment of the principal hereof and any premium and interest hereon to the payment in full of all Senior Debt as defined in the Indenture] which such further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

In Witness Whereof, the Company has caused this instrument to be duly executed.

DUKE ENERGY KENTUCKY, INC.

By _____

Duke Energy Kentucky
 Capital Expenditures
 (\$ in thousands)

	2020	2021	2022
Environmental	8,121		2,413
Customer additions	29,325	19,470	19,695
Grid modernization	22,361	19,629	21,093
Major projects	55,538	32,289	83,715
Maintenance	96,745	75,574	72,514
Other transmission & distribution expansion	16,566	2,210	2,184
Total Forecasted Capital Expenditures*	\$ 228,656	\$ 149,171	\$ 201,613

*includes capital, retirements, and AFUDC

FINANCIAL EXHIBIT

(1) **Section 12(2)(a) Amount and kinds of stock authorized.**

1,000,000 shares of Capital Stock \$15 par value amounting to \$15,000,000 par value.

(2) **Section 12(2)(b) Amount and kinds of stock issued and outstanding.**

585,333 shares of Capital Stock \$15 par value amounting to \$8,779,995 total par value. Total Capital Stock and Additional Paid-in Capital as of June 30, 2020:

Capital Stock and Additional Paid-in Capital
As of June 30, 2020
(\$ per 1,000)

Capital Stock	\$8,780
Premiums thereon	18,839
Total Capital Contributions from Parent (since 2006)	83,594
Contribution from Parent Company for Purchase of Generation Assets	<u>140,061</u>
Total Capital Stock and Additional Paid-in-Capital	\$251,274

(3) **Section 12(2)(c) Terms of preference or preferred stock, cumulative or participating, or on dividends or assets or otherwise.**

There is no preferred stock authorized, issued or outstanding.

(4) **Section 12(2)(d) Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name or mortgagee, or trustee, amount of indebtedness authorized to be secured, and the amount of indebtedness actually secured, together with any sinking fund provision.**

Duke Energy Kentucky does not have any liabilities secured by a mortgage.

(5) **Section 12(2)(e) Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving the date of issue, face value, rate of interest, date of maturity and how secured, together with the amount of interest paid thereon during the last fiscal year.**

The Company has fourteen (14) outstanding issues of unsecured senior debentures issued under an Indenture dated December 1, 2004, between itself and Deutsche Bank Trust Company Americas, as Trustee, as supplemented by three Supplemental Indentures. The

Indenture allows the Company to issue debt securities in an unlimited amount from time to time. The Debentures issued and outstanding under the Indenture are the following:

Supplemental Indenture	Date of Issue	Principal Amount Authorized and Issued	Principal Amount Outstanding	Rate of Interest	Date of Maturity	Interest Paid Year 2019
1 st Supplemental	3/7/2006	65,000,000	65,000,000	6.200%	3/10/2036	4,030,000
3 rd Supplemental	1/5/2016	45,000,000	45,000,000	3.420%	1/15/2026	1,539,000
3 rd Supplemental	1/5/2016	50,000,000	50,000,000	4.450%	1/15/2046	2,225,000
4 th Supplemental	9/7/2017	30,000,000	30,000,000	3.350%	9/15/2029	1,005,000
4 th Supplemental	9/7/2017	30,000,000	30,000,000	4.110%	9/15/2047	1,233,000
4 th Supplemental	9/7/2017	30,000,000	30,000,000	4.260%	9/15/2057	1,278,000
5 th Supplemental	10/3/2018	25,000,000	25,000,000	4.010%	10/15/2023	1,035,917
5 th Supplemental	10/3/2018	40,000,000	40,000,000	4.180%	10/15/2028	1,727,733
5 th Supplemental	12/12/2018	35,000,000	35,000,000	4.620%	12/15/2048	1,630,475
6 th Supplemental	7/17/2019	40,000,000	40,000,000	4.320%	7/15/2049	-
7 th Supplemental	9/26/2019	95,000,000	95,000,000	3.230%	10/01/2025	-
7 th Supplemental	9/26/2019	75,000,000	75,000,000	3.560%	10/01/2029	-
8 th Supplemental	9/15/2020	35,000,000	35,000,000	2.650%	9/15/2030	-
8 th Supplemental	9/15/2020	35,000,000	35,000,000	3.660%	9/15/2050	-
			630,000,000			15,704,125

(6) **Section 12(2)(f) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.**

Not applicable.

(7) **Section 12(2)(g) Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.**

The Company has two series of Pollution Control Revenue Refunding Bonds issued under a Trust Indenture dated as of August 1, 2006 and a Trust Indenture dated as of December 1, 2008, between the County of Boone, Kentucky and Deutsche Bank National Trust Company as Trustee. The Company's obligation to make payments equal to debt service on the Bonds is evidenced by a Loan Agreement dated as of August 1, 2006 and December 1, 2008 between the County of Boone, Kentucky and Duke Energy Kentucky. The Bonds issued under the Indentures are as follows:

Indenture	Date of Issue	Principal Amount Authorized and Issued	Principal Amount Outstanding	Rate of Interest	Date of Maturity	Interest Paid Year 2019
Series 2010	11/24/2010	26,720,000	26,720,000	3.86% ⁽¹⁾	8/1/2027	1,031,392
Series 2008A	12/01/2011	50,000,000	<u>50,000,000</u>	2.27% ⁽²⁾	8/1/2027	<u>1,136,202</u>
			76,720,000			2,167,594

⁽¹⁾ The bonds were issued at a variable-rate and were swapped to a fixed rate of 3.86% for the life of the debt. The average floating-rate of interest on the bonds for 2019 was 1.52%.

⁽²⁾ The interest rate represents the average floating-rate of interest on the bonds for 2019. The interest rate on the bonds resets on the first day of every month based on 70% of the sum of one-month LIBOR and a credit spread of 1.125%.

The Company has no outstanding financing leases as of June 30, 2020.

The Company also has \$105,660,000 of money pool borrowings outstanding as of June 30, 2020, \$25,000,000 of which is classified as Long-Term Debt payable to affiliated companies. This obligation, which is short-term by nature, is classified as long-term due to Duke Energy Kentucky's intent and ability to utilize such borrowings as long-term financing.

(8) Section 12(2)(h) Rate and amount of dividends paid during the last five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.

DIVIDENDS PER SHARE

Year Ending	Per Share	Total	No. of Shares	Par Value of Stock
December 31, 2015	93.96	55,000,000	585,333	8,779,995
December 31, 2016	17.08	10,000,000	585,333	8,779,995
December 31, 2017	0.00	0	585,333	8,779,995
December 31, 2018	0.00	0	585,333	8,779,995
December 31, 2019	0.00	0	585,333	8,779,995

(9) Section 12(2)(i) Detailed Income Statement and Balance Sheet

See the attached pages for the detailed Income Statement for the twelve months ended June 30, 2020 and the detailed Balance Sheet as of June 30, 2020.

FINANCIAL STATEMENTS

DUKE ENERGY KENTUCKY, INC.
Condensed Statements of Operations
(Unaudited)

(in thousands)	Six Months Ended June 30,	
	2020	2019
Operating Revenues		
Electric	\$ 164,815	\$ 182,750
Natural gas	56,383	62,387
Total operating revenues	221,198	245,137
Operating Expenses		
Fuel used in electric generation and purchased power	47,002	59,033
Cost of natural gas	15,124	26,937
Operation, maintenance and other	66,801	74,220
Depreciation and amortization	38,840	37,650
Property and other taxes	8,916	7,858
Total operating expenses	176,683	205,698
Gains on Sales of Other Assets and Other, net	60	78
Operating Income	44,575	39,517
Other Income and Expenses, net	1,747	3,783
Interest Expense	12,464	11,253
Income Before Income Taxes	33,858	32,047
Income Tax Expense	5,618	4,573
Net Income	\$ 28,240	\$ 27,474

FINANCIAL STATEMENTS

**DUKE ENERGY KENTUCKY, INC.
Condensed Balance Sheets
(Unaudited)**

(in thousands, except share amounts)	June 30, 2020	December 31, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 3,499	\$ 7,146
Receivables (net of allowance for doubtful accounts of \$602 at 2020 and \$314 at 2019)	4,785	6,659
Receivables from affiliated companies	10,145	26,116
Inventory	47,286	50,653
Regulatory assets	13,019	14,300
Other	10,530	9,254
Total current assets	89,264	114,128
Property, Plant and Equipment		
Cost	2,818,802	2,739,794
Accumulated depreciation and amortization	(1,003,305)	(991,145)
Net property, plant and equipment	1,815,497	1,748,649
Other Noncurrent Assets		
Regulatory assets	111,070	110,995
Operating lease right-of-use assets, net	8,970	9,152
Other	12,827	11,489
Total other noncurrent assets	132,867	131,636
Total Assets	\$ 2,037,628	\$ 1,994,413
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 37,211	\$ 54,987
Accounts payable to affiliated companies	20,058	12,534
Notes payable to affiliated companies	80,660	82,509
Taxes accrued	12,178	16,336
Interest accrued	7,064	7,146
Asset retirement obligations	4,838	1,428
Regulatory liabilities	15,318	16,112
Other	19,150	20,338
Total current liabilities	196,477	211,390
Long-Term Debt	633,949	633,807
Long-Term Debt Payable to Affiliated Companies	25,000	25,000
Other Noncurrent Liabilities		
Deferred income taxes	240,997	231,695
Asset retirement obligations	45,401	48,352
Regulatory liabilities	133,348	137,624
Operating lease liabilities	8,847	8,989
Accrued pension and other post-retirement benefit costs	29,418	28,360
Other	25,858	24,103
Total other noncurrent liabilities	483,869	479,123
Commitments and Contingencies		
Minority Interests		
Equity		
Common stock, \$15.00 par value, 1,000,000 shares authorized and 585,333 shares outstanding	8,780	8,780
Additional paid-in capital	242,494	217,494
Retained earnings	447,059	418,819
Total equity	698,333	645,093
Total Liabilities and Equity	\$ 2,037,628	\$ 1,994,413

DUKE ENERGY KENTUCKY, INC.
(FORMERLY NAMED “THE UNION LIGHT, HEAT AND POWER COMPANY”)

AND

**DEUTSCHE BANK TRUST COMPANY AMERICAS,
AS TRUSTEE**

FIFTH SUPPLEMENTAL INDENTURE

DATED AS OF October 1, 2018

TO

INDENTURE

DATED AS OF DECEMBER 1, 2004

Authorizing

4.01% Debentures due 2023

4.18% Debentures due 2028

4.62% Debentures due 2048

and

Otherwise Amending and Supplementing the Indenture

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THIS FIFTH SUPPLEMENTAL INDENTURE, dated as of October 1, 2018, is between Duke Energy Kentucky, Inc. (formerly named The Union Light, Heat and Power Company), a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (the “Company”), having its principal office at 139 East Fourth Street, Cincinnati, Ohio 45202, and Deutsche Bank Trust Company Americas, as Trustee (the “Trustee”) under the Indenture, dated as of December 1, 2004, between the Company and the Trustee, as heretofore supplemented (the “Indenture”).

RECITALS OF THE COMPANY

The Company has executed and delivered the Indenture to the Trustee to provide for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (the “Securities”), to be issued in one or more series as provided in the Indenture.

Pursuant to the terms of the Indenture, the Company desires to provide for the establishment of three new series of its Securities to be known as its 4.01% Debentures due 2023 (the “2023 Debentures”), its 4.18% Debentures due 2028 (the “2028 Debentures”) and its 4.62% Debentures due 2048 (the “2048 Debentures” and together with the 2023 Debentures and the 2028 Debentures, the “Debentures”), in this Fifth Supplemental Indenture.

All things necessary to make this Fifth Supplemental Indenture a valid agreement of the Company have been done.

NOW, THEREFORE, THIS FIFTH SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Debentures by the Purchasers and the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Debentures, as follows:

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ARTICLE ONE.

DEFINITIONS

SECTION 101. DEFINITIONS.

(a) In addition to the words and terms defined elsewhere in this Fifth Supplemental Indenture, the following defined term used herein shall, unless the context otherwise requires, have the meaning specified below.

“Affiliate” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person. As used in this definition, “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an “Affiliate” is a reference to an Affiliate of the Company.

“Blocked Person” means any Person who is (i) an OFAC Listed Person, (ii) an agent, department, or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is subject to any OFAC Sanctions Program, or (iii) otherwise blocked, subject to sanctions under or engaged in any activity in violation of other U.S. Economic Sanctions.

“Business Day” means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

“Capital Lease” means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

“CISADA” means the Comprehensive Iran Sanctions, Accountability and Divestment Act.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“Default” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“Default Rate” means a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) 2.00% per annum above the rate of interest stated on the face of the Debentures.

“EDGAR” means the SEC’s Electronic Data Gathering, Analysis and Retrieval System or any successor SEC electronic filing system for such purposes.

“Environmental Laws” means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States of America.

“Governmental Authority” means

(a) the government of

(i) the United States of America or any state or other political subdivision thereof, or

(ii) any other jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

“Guaranty” means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

“Hazardous Materials” means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

“Indebtedness” with respect to any Person means, at any time, without duplication,

(a) its liabilities for borrowed money and its redemption obligations in respect of mandatorily redeemable Preferred Stock;

(b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) (i) all liabilities appearing on its balance sheet in accordance with GAAP in respect of Capital Leases and (ii) all liabilities which would appear on its balance sheet in accordance with GAAP in respect of Synthetic Leases assuming such Synthetic Leases were accounted for as Capital Leases;

(d) all liabilities for borrowed money secured by any lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities);

(e) all its liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions (whether or not representing obligations for borrowed money);

(f) the aggregate Swap Termination Value of all Swap Contracts of such Person; and

(g) any Guaranty of such Person with respect to liabilities of a type described in any of clauses (a) through (f) hereof.

“Institutional Investor” means (a) any Purchaser of a Debenture, (b) any Holder of a Debenture holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Debentures then outstanding, (c) any bank, trust company, savings and

loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any Holder of any Debenture.

“lien” means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

“Make-Whole Amount” shall have the meaning set forth in Section 208(c) hereof.

“Material” means material in relation to the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole.

“Material Adverse Effect” means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, (b) the ability of the Company to perform its obligations under this Agreement, the Indenture and the Debentures, (c) the ability of any Subsidiary Guarantor to perform its obligations under its Subsidiary Guaranty, or (d) the validity or enforceability of this Agreement, the Indenture or the Debentures.

“Material Credit Facility” means, as to the Company and its Subsidiaries:

(a) the Credit Agreement dated as of November 18, 2011 (as amended by Amendment No. 1 and Consent dated as of December 18, 2013, Amendment No. 2 and Consent dated as of January 30, 2015 and Amendment No. 3 and Consent dated as of March 16, 2017) among Duke Energy Corporation, the Company, *et al.* and Wells Fargo Bank, National Association as Administrative Agent, including any renewals, extensions, amendments, supplements, restatements, replacements or refinancing thereof (the “Existing Credit Facility”); and

(b) any other agreement(s) creating or evidencing indebtedness for borrowed money entered into on or after the date hereof by the Company or any Subsidiary, or in respect of which the Company or any Subsidiary is an obligor or otherwise provides a guarantee or other credit support (“Credit Facility”), in a principal amount outstanding or available for borrowing equal to or greater than \$125,000,000 (or the equivalent of such amount in the relevant currency of payment, determined as of the date of the closing of such facility based on the exchange rate of such other currency);

provided, however, if neither the Existing Credit Facility nor a Credit Facility that equals or exceeds the amount set forth in clause (b) of this definition is in effect, then the largest Credit Facility shall be deemed to be a Material Credit Facility.

“Multiemployer Plan” means any Plan that is a “multiemployer plan” (as such term is defined in section 4001(a)(3) of ERISA).

“OFAC” means the Office of Foreign Assets Control, United States Department of the Treasury.

“OFAC Listed Person” means a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC.

“OFAC Sanctions Program” means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>.

“Officer’s Certificate” means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

“Person” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

“Plan” means an “employee benefit plan” (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

“Preferred Stock” means any class of capital stock of a Person that is preferred over any other class of capital stock (or similar equity interests) of such Person as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such Person.

“property” or “properties” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“Purchase Agreement” means that certain Debenture Purchase Agreement dated October 3, 2018, among the Company and the Purchasers named therein, whereby the Debentures were or will be issued and sold, including all schedules attached thereto, as it may be amended, restated, supplemented or otherwise modified from time to time.

“Purchaser” or “Purchasers” means each of the purchasers that has executed and delivered the Purchase Agreement to the Company and such Purchaser’s successors and assigns (so long as any such assignment complies with the terms hereof), *provided, however*, that any Purchaser of a Debenture that ceases to be the Holder thereof or a beneficial owner (through a nominee) of such Debenture as the result of a transfer thereof shall cease to be included within the meaning of “Purchaser” of such Debenture for the purposes hereof upon such transfer.

“Related Fund” means, with respect to any Holder of any Debenture, any fund or entity that (i) invests in Securities or bank loans, and (ii) is advised or managed by such Holder, the same investment advisor as such Holder or by an affiliate of such Holder or such investment advisor.

“Required Holders” means (i) after the issuance of the 4.01% Debentures due 2023 and the 4.18% Debentures due 2028, but prior to the issuance of the 4.62% Debentures due 2048, (A) the Holders of more than 50% in principal amount of the 4.01% Debentures due 2023 and the 4.18% Debentures due 2028 at the time outstanding and (B) the Purchasers of the 4.62% Debentures due 2048 and (ii) at any time after the issuance of the 4.62% Debentures due 2048, the Holders of more than 50% in principal amount of the Debentures at the time outstanding (in each case, exclusive of Debentures then owned by the Company or any of its Affiliates).

“Responsible Officer” means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

“Securities” or “Security” shall have the meaning specified in section 2(1) of the Securities Act.

“Securities Act” means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“Senior Financial Officer” means the chief financial officer, the principal accounting officer, the treasurer, any assistant treasurer, the controller or any assistant controller of the Company.

“Significant Subsidiary” means at any time any Subsidiary that would at such time constitute a “significant subsidiary” (as such term is defined in Regulation S-X of the SEC as in effect on the date hereof) of the Company.

“Subsidiary” means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a “Subsidiary” is a reference to a Subsidiary of the Company.

“Subsidiary Guarantor” means each Subsidiary that has executed and delivered a Subsidiary Guaranty.

“Subsidiary Guaranty” shall have the meaning set forth in Section 607(a) hereof.

“Swap Contract” means (a) any and all interest rate swap transactions, basis swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward foreign exchange

transactions, cap transactions, floor transactions, currency options, spot contracts or any other similar transactions or any of the foregoing (including, but without limitation, any options to enter into any of the foregoing), and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amounts(s) determined as the mark-to-market values(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

“Synthetic Lease” means, at any time, any lease (including leases that may be terminated by the lessee at any time) of any property (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

“U.S. Economic Sanctions” means, collectively, United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, CISADA or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing.

“USA PATRIOT Act” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“Wholly-Owned Subsidiary” means, at any time, any Subsidiary one hundred percent of all of the equity interests (except directors’ qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company’s other Wholly-Owned Subsidiaries at such time.

(b) Each capitalized term that is used herein and is defined in the Indenture shall have the meaning specified in the Indenture unless such term is otherwise defined herein. The terms defined herein include the plural as well as the singular.

ARTICLE TWO.

TERMS OF THE DEBENTURES

SECTION 201. CREATION AND DESIGNATION OF THE DEBENTURES; AGGREGATE PRINCIPAL AMOUNT; MATURITY DATES.

There is hereby authorized a series of Securities designated the “4.01% Debentures due 2023”, a series of Securities designated the “4.18% Debentures due 2028” and a series of Securities designated the “4.62% Debentures due 2048” (such series being, respectively, the “2023 Debentures”, the “2028 Debentures” and the “2048 Debentures” hereinbefore referred to). The 2023 Debentures, the 2028 Debentures and the 2048 Debentures shall mature and the principal shall be due and payable together with all accrued and unpaid interest thereon on October 15, 2023, on October 15, 2028 and on December 15, 2048, respectively.

The 2023 Debentures, the 2028 Debentures and the 2048 Debentures shall be limited in an aggregate principal amount of \$25,000,000, \$40,000,000 and \$35,000,000, respectively, except as provided in Section 301(2) of the Indenture.

SECTION 202. DEBENTURES IN REGISTERED FORM; REGISTRATION GENERALLY.

(a) The Debentures of each series shall be issued only in the form of a separate, single, authenticated, fully registered debenture which (i) need not be in the form of a lithographed or engraved certificate, but may be typewritten or printed on ordinary paper or such paper as the Trustee may reasonably request, (ii) shall be executed by the Company and authenticated by the Trustee in accordance with the provisions of the Indenture and this Fifth Supplemental Indenture, and (iii) shall be registered in the name of the Purchasers thereof as directed by the Company.

(b) The name and address of each Holder of one or more Debentures, each transfer thereof and the name and address of each transferee of one or more Debentures shall be registered in the Security Register. If any Holder of one or more Debentures is a nominee, then (i) the name and address of the beneficial owner of such Debenture or Debentures shall also be registered in the Security Register as an owner and Holder thereof and (ii) at any such beneficial owner’s option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant hereto. Prior to due presentment for registration of transfer, the Person(s) in whose name any Debenture(s) shall be registered shall be deemed and treated as the owner and Holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any Holder of a Debenture that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered Holders of Debentures.

SECTION 203. TRANSFER AND EXCHANGE OF DEBENTURES.

(a) Upon surrender of any Debenture to the Trustee for registration of transfer or exchange, within ten Business Days thereafter, the Company shall execute and deliver, at the Company’s expense (except as provided in the Indenture), one or more new Debentures of the

same series (as requested by the Holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Debenture. Each such new Debenture shall be payable to such Person as such Holder may request. Debentures shall not be transferred in denominations of less than \$100,000, *provided* that if necessary to enable the registration of transfer by a Holder of its entire holding of Debentures, one Debenture may be in a denomination of less than \$100,000. Any transferee, by its acceptance of a Debenture registered in its name (or the name of its nominee), shall be deemed to have made the representations set forth in Sections 6.1(b) and 6.2 of the Purchase Agreement.

(b) Notwithstanding the foregoing, the Company shall not effect any requested transfer of a Debenture unless such transfer is made (i) pursuant to an exemption from registration under the Securities Act or (ii) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable state securities laws and the securities laws of other jurisdictions. The Company shall not effect any requested transfer of a Debenture unless it has received: (x) a written instrument of transfer duly executed by the registered Holder of such Debenture or such Holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Debenture or part thereof and (y) unless such requested transfer is to be made pursuant to an effective registration statement, an opinion of counsel satisfactory to the Company that such transfer does not require registration under the Securities Act and other applicable laws.

SECTION 204. INTEREST RATES, INTEREST PAYMENT DATES AND REGULAR RECORD DATES; DEFAULT INTEREST.

(a) Interest on each of the 2023 Debentures shall be payable (i) on the principal amount thereof, semi-annually on April 15 and October 15 of each year (each an Interest Payment Date for the 2023 Debentures), commencing on April 15, 2019, at the rate of 4.01% per annum, from the date specified on the face of such 2023 Debenture, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal thereof is due and payable, and (ii) to the extent permitted by law, (A) on any overdue payment of interest, (B) on any overdue payment of the Redemption Price, and (C) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of Holders, on demand).

(b) Interest on each of the 2028 Debentures shall be payable (i) on the principal amount thereof, semi-annually on April 15 and October 15 of each year (each an Interest Payment Date for the 2028 Debentures), commencing on April 15, 2019, at the rate of 4.18% per annum, from the date specified on the face of such 2028 Debenture, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal thereof is due and payable, and (ii) to the extent permitted by law, (A) on any overdue payment of interest, (B) on any overdue payment of the Redemption Price, and (C) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of Holders, on demand).

(c) Interest on each of the 2048 Debentures shall be payable (i) on the principal amount thereof, semi-annually on June 15 and December 15 of each year (each an Interest Payment Date for the 2048 Debentures), commencing on June 15, 2019, at the rate of 4.62% per annum, from the date specified on the face of such 2048 Debenture, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal thereof is due and payable, and (ii) to the extent permitted by law, (A) on any overdue payment of interest, (B) on any overdue payment of the Redemption Price, and (C) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of Holders, on demand).

(d) The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the Person in whose name such Debenture is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day immediately preceding such Interest Payment Date. The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 205. PLACE AND MANNER OF PAYMENT OF THE DEBENTURES.

(a) Subject to Section 205(b) hereof, payments of interest will be made by check mailed to the Holder of each Debenture at the address shown in the Security Register, and payments of the principal amount of each Debenture will be made at maturity by check against presentation of the Debenture at the office or agency of the Trustee. The Company may at any time, by notice to each Holder of a Debenture, change the place of payment of the Debentures so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

(b) So long as any Purchaser or its nominee shall be the Holder of any Debentures, and notwithstanding anything contained in the Indenture or in such Debentures to the contrary, the Company will pay, or will cause the Trustee to pay, all sums becoming due on such Debentures for principal, Redemption Price, if any, and interest by such other method or at such other address as such Purchaser shall have from time to time specified to the Trustee and the Company in writing for such purpose, without the presentation or surrender of such Debentures or the making of any notation thereon, except that upon written request of the Trustee, in its capacity as the Security Registrar made concurrently with or reasonably promptly after payment or redemption in full of any Debentures, such Purchaser shall surrender such Debentures for cancellation, reasonably promptly after any such request, to the Security Registrar at its principal executive office or at the place of payment designated for the Debentures in Section 205(a) hereof. Prior to any sale or other disposition of any Debentures held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Debentures to the Security Registrar in exchange for new Debentures pursuant to Section 305 of the Indenture. The Security Registrar will afford the benefits of this Section to any Institutional Investor that is the direct or indirect transferee of any Debentures purchased by a Purchaser and that has made the same agreement relating to such Debentures as the Purchasers have made in this Section.

SECTION 206. DENOMINATIONS OF DEBENTURES.

The Debentures shall be issued in denominations of at least \$100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of Debentures.

SECTION 207. DEFEASANCE AND COVENANT DEFEASANCE SHALL NOT APPLY.

The Debentures shall not be subject to defeasance and covenant defeasance, at the Company's option, as provided for in Sections 1302 and 1303 of the Indenture.

SECTION 208. REDEMPTION PROVISIONS OF THE DEBENTURES.

(a) 2023 Debentures. Prior to September 15, 2023 (one month prior to the maturity of the 2023 Debentures), the Company has the right to redeem at any time all, or from time to time any part of, the 2023 Debentures at a Redemption Price equal to (1) 100% of the principal amount of the 2023 Debentures to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the 2023 Debentures to be redeemed. On or after September 15, 2023, the Company has the right to redeem at any time all, or from time to time any part of, the 2023 Debentures at a Redemption Price equal 100% of the principal amount of the 2023 Debentures to be redeemed.

(b) 2028 Debentures. Prior to July 15, 2028 (three months prior to the maturity of the 2028 Debentures), the Company has the right to redeem at any time all, or from time to time any part of, the 2028 Debentures at a Redemption Price equal to (1) 100% of the principal amount of the 2028 Debentures to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the 2028 Debentures to be redeemed. On or after July 15, 2028, the Company has the right to redeem at any time all, or from time to time any part of, the 2028 Debentures at a Redemption Price equal to 100% of the principal amount of the 2028 Debentures to be redeemed.

(c) 2048 Debentures. Prior to June 15, 2048 (six months prior to the maturity of the 2048 Debentures), the Company has the right to redeem at any time all, or from time to time any part of, the 2048 Debentures at a Redemption Price equal to (1) 100% of the principal amount of the 2048 Debentures to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the 2048 Debentures to be redeemed. On or after June 15, 2048, the Company has the right to redeem at any time all, or from time to time any part of, the 2048 Debentures at a Redemption Price equal to 100% of the principal amount of the 2048 Debentures to be redeemed.

(d) All calculations relating to the Redemption Price will be performed by the Company. For purposes of determining the Redemption Price, the following terms have the following meanings:

“Make-Whole Amount” means, with respect to any Debenture, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Debenture over the amount of such Called Principal, *provided* that the Make-Whole Amount may in no event be less than zero.

“Called Principal” means, with respect to any Debenture, the principal of such Debenture that is to be redeemed pursuant to this Section 208 or has become or is declared to be immediately due and payable pursuant to Section 502 of the Indenture, as the context requires.

“Discounted Value” means, with respect to the Called Principal of any Debenture, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Debentures is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Reinvestment Yield” means, with respect to the Called Principal of any Debenture, 0.50% over the yield to maturity implied by the yield(s) reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities (“Reported”) having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between the yields Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Debenture.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Reinvestment Yield” means, with respect to the Called Principal of any Debenture, 0.50% over the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release 1115 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Debenture.

“Remaining Average Life” means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year composed of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

“Remaining Scheduled Payments” means, with respect to the Called Principal of any Debenture, all payments of such Called Principal that would be due after the Settlement Date and interest thereon that would be due after the Settlement Date until, with respect to the 2023 Debentures, October 15, 2023 and, with respect to the 2028 Debentures, October 15, 2028, and, with respect to the 2048 Debentures, December 15, 2048, if no payment of such Called Principal were made prior to its scheduled due date, *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the Debentures, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date.

“Settlement Date” means, with respect to the Called Principal of any Debenture, the date on which such Called Principal is to be redeemed pursuant to this Section 208 or has become or is declared to be immediately due and payable pursuant to Section 502 of the Indenture, as the context requires.

(e) Partial Redemptions. Any partial redemption of the Debentures pursuant to Sections 208(a) or (b) hereof shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of such Debentures to be redeemed. In the case of each such partial redemption of the Debentures and, notwithstanding Section 1103 of the Indenture, the principal amount of the Debentures to be redeemed shall be allocated among all of the Debentures at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

(f) Notice of Redemption. Notice of redemption shall be given, by mail, not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Debentures to be redeemed, at his or her address appearing in the Security Register, unless, notwithstanding Section 1104 of the Indenture, the Company, the Trustee and the Required Holders agree to another time period or another method of delivery. In addition to the requirements of said Section 1104, each such notice shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such redemption (calculated as if the date of such notice were the date of the redemption), setting forth the details of such computation. Two Business Days prior to such redemption, the Company shall deliver to each Holder of Debentures to be redeemed a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified redemption date.

(g) In the case of each optional redemption, the Debentures to be redeemed shall, on the Redemption Date, become due and payable at the applicable Redemption Price, together with interest on the principal amount thereof. Unless the Company defaults in payment of the

Redemption Price therefor and accrued interest, on and after any Redemption Date therefor, interest will cease to accrue on the Debentures or portions thereof called for redemption.

(h) The Company will not, and will not permit any Affiliate to, purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Debentures except (a) upon the payment or redemption of the Debentures in accordance with this Section 208, or (b) pursuant to an offer to purchase made by the Company or an Affiliate pro-rata to the Holders of all Debentures at the time outstanding upon the same terms and conditions. Any such offer shall provide each Holder with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least 15 Business Days. If the Holders of more than 25% of the principal amount of the Debentures then outstanding accept such offer, the Company shall promptly notify the remaining Holders of such fact and the expiration date for the acceptance by Holders of Debentures of such offer shall be extended by the number of, days necessary to give each such remaining holder at least five Business Days from its receipt of such notice to accept such offer. The Company will promptly cancel all Debentures acquired by it or any Affiliate pursuant to any payment, redemption or purchase of Debentures pursuant to this Section 208 and no Debentures may be issued in substitution or exchange for any such Debentures.

(i) The Company shall indemnify and hold harmless the Trustee from any and all losses, costs, damages, expenses, fees (including reasonable attorneys' fees), court costs, judgments, penalties, obligations, suits, disbursements and liabilities of any kind or character whatsoever which may at any time be imposed upon, incurred by or asserted against the Trustee by reason of or arising out of or caused, directly or indirectly, by any act or omission of the Trustee with respect to this Section 208, except for such that would arise out of the gross negligence, willful misconduct or bad faith of the Trustee.

SECTION 209. FORM OF DEBENTURES OF EACH SERIES.

The Debentures of each series and the respective Trustee's certificate to be endorsed thereon shall be substantially in the following forms:

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(FORM OF FACE OF 2023 DEBENTURE)

THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL (WHICH MAY BE IN-HOUSE COUNSEL) SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

No. R-
PPN 26442L B#0

\$ _____
_____, 20__

DUKE ENERGY KENTUCKY, INC.
4.01% DEBENTURE DUE 2023

DUKE ENERGY KENTUCKY, INC., a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (herein called the "Company", which term includes any successor Person under the Indenture hereafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$ _____) on October 15, 2023, and to pay interest (a) thereon from October 3, 2018, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually, on April 15 and October 15 in each year, commencing April 15, 2019, at the rate of 4.01% per annum, until the principal hereof is due and payable, and (b) to the extent permitted by law, (i) on any overdue payment of interest, (ii) on any overdue payment of the Redemption Price, and (iii) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand). The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (x) the maximum rate permitted by applicable law, and (y) 6.01%.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Record Date for such interest, which shall be the fifteenth day preceding such Interest Payment Date, Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be

fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Subject to certain exceptions provided in the Indenture, payment of the principal of (and premium, if any) and interest on this Security will be made at the corporate trust office of the Trustee maintained for that purpose in the City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Any payment on this Security due on any day which is not a Business Day in the City of New York need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the due date and no interest shall accrue for the period from and after such date, unless such payment is a payment at maturity or upon redemption, in which case, notwithstanding Section 113 of the Indenture, interest shall accrue thereon at the stated rate for such additional days.

As used herein, "Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

In Witness Whereof, the Company has caused this instrument to be duly executed.

DUKE ENERGY KENTUCKY, INC.

By: _____

CERTIFICATE OF AUTHENTICATION

Dated: _____, 20__

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

DEUTSCHE BANK TRUST COMPANY
AMERICAS, Trustee

By: Deutsche Bank National Trust Company

By: _____
Authorized Signatory

(FORM OF REVERSE OF 2023 DEBENTURE)

This Security is one of a duly authorized issue of securities of the Company (herein called the “Securities”), issued and to be issued in one or more series under an Indenture, dated as of December 1, 2004, as supplemented by the Fifth Supplemental Indenture dated as of October 1, 2018 (the “Indenture”), between the Company and Deutsche Bank Trust Company Americas, as Trustee (herein called the “Trustee”, which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, which series is issuable without limitation as to the aggregate principal amount thereof.

Prior to September 15, 2023 (one month prior to the maturity of this Security), the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal to (1) 100% of the principal amount of the Securities of this series to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the Securities of this series to be redeemed. On or after September 15, 2023, the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal 100% of the principal amount of the Securities of this series to be redeemed.

Any partial redemption of the Securities of this series shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of the Securities of this series to be redeemed. In the case of each such partial redemption of the Securities of this series, the principal amount of the Securities of this series to be redeemed shall be allocated among all of the Securities of this series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

Notice of any redemption by the Company will be mailed at least 30 days but not more than 60 days before any Redemption Date to each Holder of Securities to be redeemed.

Unless the Company defaults in payment of the Redemption Price, on and after any Redemption Date, interest will cease to accrue on the Securities or portions thereof called for redemption.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the

Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of a majority in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 35% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity reasonably satisfactory to the Trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees,

The Securities of this series are issuable only in registered form without coupons in denominations of at least \$100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of the Securities. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized

denomination, as requested by the Holder surrendering the same. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture,

(FORM OF FACE OF 2028 DEBENTURE)

THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE OFFERED SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL (WHICH MAY BE IN-HOUSE COUNSEL) SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

No. R-
PPN 26442L C*3

\$ _____
_____, 20__

DUKE ENERGY KENTUCKY, INC.
4.18% DEBENTURE DUE 2028

DUKE ENERGY KENTUCKY, INC., a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (herein called the "Company", which term includes any successor Person under the Indenture hereafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$ _____) on October 15, 2028, and to pay interest thereon from October 3, 2018, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually, on April 15 and October 15 in each year, commencing April 15, 2019, at the rate of 4.18% per annum, until the principal hereof is due and payable, and (b) to the extent permitted by law, (i) on any overdue payment of interest, (ii) on any overdue payment of the Redemption Price, and (iii) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand). The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (x) the maximum rate permitted by applicable law, and (y) 6.18%.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Record Date for such interest, which shall be the fifteenth day preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be

fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Subject to certain exceptions provided in the Indenture, payment of the principal of (and premium, if any) and interest on this Security will be made at the corporate trust office of the Trustee maintained for that purpose in the City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Any payment on this Security due on any day which is not a Business Day in the City of New York need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the due date and no interest shall accrue for the period from and after such date, unless such payment is a payment at maturity or upon redemption, in which case, notwithstanding Section 113 of the Indenture, interest shall accrue thereon at the stated rate for such additional days.

As used herein, "Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

In Witness Whereof, the Company has caused this instrument to be duly executed.

DUKE ENERGY KENTUCKY, INC.

By: _____

CERTIFICATE OF AUTHENTICATION

Dated: _____, 20__

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

DEUTSCHE BANK TRUST COMPANY
AMERICAS, Trustee

By: Deutsche Bank National Trust Company

By: _____
Authorized Signatory

(FORM OF REVERSE OF 2028 DEBENTURE)

This Security is one of a duly authorized issue of securities of the Company (herein called the “Securities”), issued and to be issued in one or more series under an Indenture, dated as of December 1, 2004, as supplemented by the Fifth Supplemental Indenture dated as of October 1, 2018 (the “Indenture”), between the Company and Deutsche Bank Trust Company Americas, as Trustee (herein called the “Trustee”, which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, which series is issuable without limitation as to the aggregate principal amount thereof.

Prior to July 15, 2028 (three months prior to the maturity of this Security), the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal to (1) 100% of the principal amount of the Securities of this series to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the Securities of this series to be redeemed. On or after July 15, 2028, the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal 100% of the principal amount of the Securities of this series to be redeemed.

Any partial redemption of the Securities of this series shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of the Securities of this series to be redeemed. In the case of each such partial redemption of the Securities of this series, the principal amount of the Securities of this series to be redeemed shall be allocated among all of the Securities of this series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

Notice of any redemption by the Company will be mailed at least 30 days but not more than 60 days before any Redemption Date to each Holder of Securities to be redeemed.

Unless the Company defaults in payment of the Redemption Price, on and after any Redemption Date, interest will cease to accrue on the Securities or portions thereof called for redemption.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the

Holder of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of a majority in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 35% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity reasonably satisfactory to the Trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of at least \$100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of the Securities. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized

denomination, as requested by the Holder surrendering the same. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

(FORM OF FACE OF 2048 DEBENTURE)

THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE OFFERED SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL (WHICH MAY BE IN-HOUSE COUNSEL) SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

No. R-
PPN 26442L C@1

\$ _____
_____, 20__

DUKE ENERGY KENTUCKY, INC.
4.62% DEBENTURE DUE 2048

DUKE ENERGY KENTUCKY, INC., a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (herein called the "Company", which term includes any successor Person under the Indenture hereafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$ _____) on December 15, 2048, and to pay interest thereon from December 12, 2018, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually, on June 15 and December 15 in each year, commencing June 15, 2019, at the rate of 4.62% per annum, until the principal hereof is due and payable, and (b) to the extent permitted by law, (i) on any overdue payment of interest, (ii) on any overdue payment of the Redemption Price, and (iii) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand). The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (x) the maximum rate permitted by applicable law, and (y) 6.62%.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Record Date for such interest, which shall be the fifteenth day preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be

fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Subject to certain exceptions provided in the Indenture, payment of the principal of (and premium, if any) and interest on this Security will be made at the corporate trust office of the Trustee maintained for that purpose in the City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Any payment on this Security due on any day which is not a Business Day in the City of New York need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the due date and no interest shall accrue for the period from and after such date, unless such payment is a payment at maturity or upon redemption, in which case, notwithstanding Section 113 of the Indenture, interest shall accrue thereon at the stated rate for such additional days.

As used herein, "Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

In Witness Whereof, the Company has caused this instrument to be duly executed.

DUKE ENERGY KENTUCKY, INC.

By: _____

CERTIFICATE OF AUTHENTICATION

Dated: _____, 20__

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

DEUTSCHE BANK TRUST COMPANY
AMERICAS, Trustee

By: Deutsche Bank National Trust Company

By: _____
Authorized Signatory

(FORM OF REVERSE OF 2048 DEBENTURE)

This Security is one of a duly authorized issue of securities of the Company (herein called the “Securities”), issued and to be issued in one or more series under an Indenture, dated as of December 1, 2004, as supplemented by the Fifth Supplemental Indenture dated as of October 1, 2018 (the “Indenture”), between the Company and Deutsche Bank Trust Company Americas, as Trustee (herein called the “Trustee”, which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, which series is issuable without limitation as to the aggregate principal amount thereof.

Prior to June 15, 2048 (six months prior to the maturity of this Security), the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal to (1) 100% of the principal amount of the Securities of this series to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the Securities of this series to be redeemed. On or after June 15, 2048, the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal 100% of the principal amount of the Securities of this series to be redeemed.

Any partial redemption of the Securities of this series shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of the Securities of this series to be redeemed. In the case of each such partial redemption of the Securities of this series, the principal amount of the Securities of this series to be redeemed shall be allocated among all of the Securities of this series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

Notice of any redemption by the Company will be mailed at least 30 days but not more than 60 days before any Redemption Date to each Holder of Securities to be redeemed.

Unless the Company defaults in payment of the Redemption Price, on and after any Redemption Date, interest will cease to accrue on the Securities or portions thereof called for redemption.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the

Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of a majority in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 35% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity reasonably satisfactory to the Trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of at least \$100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of the Securities. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized

denomination, as requested by the Holder surrendering the same. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ARTICLE THREE.

ORIGINAL ISSUE OF DEBENTURES

An initial issue of the Debentures in the aggregate principal amount of \$25,000,000 for the 2023 Debentures, \$40,000,000 for the 2028 Debentures and \$35,000,000 for the 2048 Debentures may, upon execution of this Fifth Supplemental Indenture, or from time to time hereafter, be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Debentures upon receipt of a Company Order, an Officers' Certificate and an Opinion of Counsel.

ARTICLE FOUR.

PAYING AGENT AND SECURITY REGISTRAR

Deutsche Bank Trust Company Americas will be the Paying Agent and Security Registrar for the Debentures.

ARTICLE FIVE.

DEFAULTS AND REMEDIES

SECTION 501. ADDITIONAL EVENTS OF DEFAULT.

In addition to those Events of Default set forth in Section 501 of the Indenture, the following events shall also be Events of Default with respect to the Debentures:

(a) the Company defaults in the performance of or compliance with any term contained in Sections 601(a)(iv), 608, 609 or 610 hereof; or

(b) (i) any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in the Purchase Agreement or any writing furnished in connection with the transactions contemplated thereby proves to have been false or incorrect in any material respect on the date as of which made, or (ii) so long as the obligation or condition giving rise to the requirement for a Subsidiary Guaranty under Section 607 hereof remains in effect, any representation or warranty made in writing by or on behalf of any Subsidiary Guarantor or by any officer of such Subsidiary Guarantor in any Subsidiary Guaranty or any writing furnished in connection with such Subsidiary Guaranty proves to have been false or incorrect in any material respect on the date as of which made; or

(c) (i) the Company or any Significant Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least \$50,000,000 beyond any period of grace provided with respect thereto, or (ii) the Company or any Significant Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least \$50,000,000 or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has

become, or has been declared, due and payable before its stated maturity or before its regularly scheduled dates of payment; or

(d) one or more final judgments or orders for the payment of money aggregating in excess of \$50,000,000, including, without limitation, any such final order enforcing a binding arbitration decision, are rendered against one or more of the Company and its Subsidiaries, (i) which judgments are not, within 60 days after entry thereof, bonded, vacated, satisfied, discharged or stayed pending appeal, or (ii) which judgments are not discharged within 60 days after the expiration of such stay; *provided, however*, that in the case of any liability or obligation arising from the proceedings described in Note 2 of the Company's financial statements for the year ended December 31, 2017, under the heading "MVP," such judgments or orders shall not result in an Event of Default under this subsection so long as payment obligations in excess of \$50,000,000 in a given year arising from such proceedings are bonded, vacated, satisfied, discharged or stayed pending appeal or similar proceedings within 60 days of the date upon which such payments are due; or

(e) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed an amount that could reasonably be expected to have a Material Adverse Effect, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, would reasonably be expected to have a Material Adverse Effect. As used in this Section 501(e), the terms "employee benefit plan" and "employee welfare benefit plan" shall have the respective meanings assigned to such terms in section 3 of ERISA; or

(f) So long as the obligation or condition giving rise to the requirement for a Subsidiary guaranty under Section 607 hereof remains in effect, (i) any Subsidiary Guaranty shall cease to be in full force and effect, (ii) any Subsidiary Guarantor or any Person acting on behalf of any Subsidiary Guarantor shall contest in any manner the validity, binding nature or enforceability of any Subsidiary Guaranty, or (iii) the obligations of any Subsidiary Guarantor under any Subsidiary Guaranty are not or cease to be legal, valid, binding and enforceable in accordance with the terms of such Subsidiary Guaranty.

SECTION 502. REMEDY TO ALSO INCLUDE MAKE-WHOLE AMOUNT.

Upon any Debentures becoming due and payable as a result of Section 502 of the Indenture, whether automatically or by declaration, such Debentures will forthwith mature and the entire unpaid principal amount of such Debentures, plus (x) all accrued and unpaid interest thereon and (y) the Make-Whole Amount, determined pursuant to Section 208(c) hereof, in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges that each Holder of a Debenture has the right to maintain its investment in the Debentures free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Debentures are redeemed or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

ARTICLE SIX.

COVENANTS

In addition to the covenants set forth in Article Ten of the Indenture, the Company covenants that so long as any of the Debentures are outstanding:

SECTION 601. INFORMATION ABOUT THE COMPANY.

(a) Financial and Business Information. The Company shall deliver to the Trustee and to each Purchasers and each Holder of a Debenture that is an Institutional Investor:

(i) *Quarterly Statements.* Within 60 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), copies of:

(A) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter; and

(B) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter;

which set forth in each case, in comparative form, the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments;

(ii) *Annual Statements.* Within 120 days after the end of each fiscal year of the Company, copies of:

(A) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, and

(B) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries for such year,

which set forth in each case, in comparative form, the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon (without a "going concern" or similar qualification or exception and without any qualification or exception as to the scope of the audit on which such opinion is based) of independent public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances;

(iii) *SEC and Other Reports.* Promptly upon their becoming available, copies of (A) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to its principal lending banks as a whole (excluding information sent to such banks in the ordinary course of administration of a bank facility, such as information relating to pricing and borrowing availability) or to its public Securities holders generally, and (B) each regular or periodic report, each registration statement that shall have become effective (without exhibits except as expressly requested by such Purchaser or Holder), and each final prospectus and all amendments thereto filed by the Company or any Subsidiary with the SEC;

(iv) *Notice of Default or Event of Default.* Promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default, a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(v) *ERISA Matters.* Promptly, and in any event within five days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(A) with respect to any Plan, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(B) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the

receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(C) any event, transaction or condition that could result in the inurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or lien, taken together with any other such liabilities or liens then existing, would reasonably be expected to have a Material Adverse Effect; and

(vi) *Requested Information.* With reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Company to perform its obligations hereunder and under the Debentures as from time to time may be reasonably requested by any such Purchaser or Holder of a Debenture.

(b) Officer's Certificate. Each set of financial statements delivered to a Purchaser or a Holder of a Debenture pursuant to Sections 601(a) or (b) hereof shall be accompanied by a certificate of a Senior Financial Officer certifying that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

(c) Electronic Delivery. Financial statements, opinions of independent certified public accountants, other information and Officer's Certificates that are required to be delivered by the Company pursuant to clauses (i), (ii) or (iii) of Section 601(a) hereof and Section 601(b) hereof shall be deemed to have been delivered if the Company satisfies any of the following requirements with respect thereto:

(i) such financial statements satisfying the requirements of clauses (i) or (ii) of Section 601(a) hereof and related Officer's Certificate satisfying the requirements of Section 601(b) hereof are delivered to each Purchaser and each Holder of a Debenture by e-mail;

(ii) such financial statements satisfying the requirements of clauses (i) or (ii) of Section 601(a) hereof and related Officer's Certificate satisfying the requirements of Section 601(b) hereof are timely posted by or on behalf of the Company on IntraLinks or on any other similar website to which each Purchaser and each Holder of Debentures has free access; or

(iii) the Company shall have filed any of the items referred to in clause (iii) of Section 601(a) hereof with the SEC on EDGAR and shall have made such items available on its home page on the internet or on IntraLinks or on any other similar website to which each Purchaser and Holder of Debentures has free access;

provided, however, that in the case of delivery under clauses (ii) or (iii) of this Section 601(c), the Company shall have given each Purchaser and each Holder of a Debenture written notice, which may be by e-mail, of such posting or filing in connection with each delivery.

SECTION 602. VISITATION.

The Company shall permit the representatives of each Purchaser and each Holder of a Debenture that is an Institutional Investor:

(a) *No Default.* If no Default or Event of Default then exists, at the expense of such Holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times as may be reasonably requested in writing; *provided* that each Purchaser and each Holder shall be limited to one visit during any twelve-month period; and

(b) *Default.* If a Default or an Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

SECTION 603. COMPLIANCE WITH LAWS.

Without limiting Section 609 hereof, the Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA, Environmental Laws, the USA PATRIOT Act and the other laws and regulations relating to U.S. Economic Sanctions, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, except, in each case, where (i) non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not reasonably be expected to have a Material Adverse Effect, or (ii) the necessity of compliance with such laws, ordinances or governmental rules or regulations are being contested in good faith by appropriate proceedings.

SECTION 604. INSURANCE.

The Company will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated. Upon request, the Company will provide written evidence of its or its Subsidiaries' insurance to the Trustee.

SECTION 605. CORPORATE EXISTENCE, ETC.

Subject to Article Eight of the Indenture, the Company will at all times preserve and keep in full force and effect, and will cause each of its Subsidiaries (unless merged into the Company or a Wholly-Owned Subsidiary) to preserve and keep in full force and effect, their respective legal existence and their respective rights and franchises unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such legal existence, right or franchise would not, individually or in the aggregate, have a Material Adverse Effect.

SECTION 606. BOOKS AND RECORDS.

The Company will, and will cause each of its Subsidiaries to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Company or such Subsidiary, as the case may be. The Company will, and will cause each of its Subsidiaries to, keep books, records and accounts which, in reasonable detail, accurately reflect all transactions and dispositions of assets. The Company and its Subsidiaries have devised a system of internal accounting controls sufficient to provide reasonable assurances that their respective books, records, and accounts accurately reflect all transactions and dispositions of assets and the Company will, and will cause each of its Subsidiaries to, continue to maintain such system.

SECTION 607. SUBSIDIARY GUARANTORS.

The Company will cause each of its Subsidiaries that guarantees or otherwise becomes liable at any time, whether as a borrower or an additional or co-borrower or otherwise, for or in respect of any Indebtedness under any Material Credit Facility to concurrently therewith:

(a) enter into an agreement in form and substance satisfactory to the Trustee and the Required Holders providing for the guaranty by such Subsidiary, on a joint and several basis with all other such Subsidiaries, of (i) the prompt payment in full when due of all amounts payable by the Company pursuant to the Debentures (whether for principal, interest, the Redemption Price or otherwise), including, without limitation, all indemnities, fees and expenses payable by the Company thereunder and (ii) the prompt, full and faithful performance, observance and discharge by the Company of each and every covenant, agreement, undertaking and provision required pursuant to the Debentures be performed, observed or discharged by it (a "Subsidiary Guaranty"); and

- (b) deliver the following to each Purchaser and each Holder of a Debenture:
- (i) an executed counterpart of such Subsidiary Guaranty;
 - (ii) a certificate signed by an authorized responsible officer of such Subsidiary containing representations and warranties on behalf of such Subsidiary as to organization, power, authority and compliance with laws with respect to such Subsidiary Guaranty in form and substance satisfactory to the Trustee and the Required Holders;
 - (iii) all documents as may be reasonably requested by the Trustee or the Required Holders to evidence the due organization, continuing existence and good standing of such Subsidiary and the due authorization by all requisite action on the part of such Subsidiary of the execution and delivery of such Subsidiary Guaranty and the performance by such Subsidiary of its obligations thereunder; and
 - (iv) an opinion of counsel reasonably satisfactory to the Trustee and the Required Holders covering such matters relating to such Subsidiary and such Subsidiary Guaranty as the Trustee or the Required Holders may reasonably request.

SECTION 608. LINE OF BUSINESS.

The Company will not and will not permit any Subsidiary to engage in any business if, as a result, the general nature of the business in which the Company and its Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Company and its Subsidiaries, taken as a whole, are engaged on the date hereof.

SECTION 609. TERRORISM SANCTIONS REGULATIONS.

The Company will not and will not permit any Subsidiary (a) to become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or any Person that is the target of sanctions imposed by the United Nations or by the European Union, or (b) directly or indirectly to have any investment in or engage in any dealing or transaction (including, without limitation, any investment, dealing or transaction involving the proceeds of the Debentures) with any Person if such investment, dealing or transaction (i) would cause any Purchaser or Holder to be in violation of any law or regulation applicable to such Holder, or (ii) is prohibited by or subject to sanctions under any U.S. Economic Sanctions, or (c) to engage, nor shall any Affiliate of either engage, in any activity that could subject such Person or any Purchaser or Holder to sanctions under CISADA or any similar law or regulation with respect to Iran or any other country that is subject to U.S. Economic Sanctions.

SECTION 610. NEGATIVE PLEDGE.

(a) While any of the Debentures remain outstanding, the Company shall not create, or permit to be created or to exist, any mortgage, lien, pledge, security interest or other encumbrance upon any of its property, whether owned on or acquired after the date hereof, to secure any indebtedness for borrowed money of the Company, unless the Debentures then outstanding are equally and ratably secured for so long as any such indebtedness is so secured.

(b) The restrictions of Section 610(a) hereof shall not apply with respect to, among other things:

(i) liens on property that existed when the Company acquired or constructed the property or were created within one year thereafter;

(ii) liens on property that secure payment of all or part of the purchase price or construction cost of the property, including the extension of any liens to repairs or improvements made on the property;

(iii) the pledge of any bonds or other securities at any time issued under any of the liens permitted by clauses (i) or (ii) above;

(iv) liens for taxes, assessments and other governmental charges or requirements which are not delinquent or which are being contested in good faith by appropriate proceedings or of which at least ten Business Days' notice has not been given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(v) mechanics', workmen's, repairmen's, materialmen's, warehousemen's, and carriers' liens, other liens incident to construction, liens or privileges of any employees of the Company for salary or wages earned, but not yet payable, and other liens, including without limitation liens for worker's compensation awards, arising in the ordinary course of business for charges or requirements which are not delinquent or which are being contested in good faith and by appropriate proceedings or of which at least ten Business Days' notice has not been given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(vi) liens in respect of attachments, judgments or awards arising out of judicial or administrative proceedings in an amount not exceeding the greater of (A) Fifty Million Dollars (\$50,000,000) and (B) three percent (3%) of the principal amount of the Securities then Outstanding;

(vii) liens in respect of attachments, judgments or awards arising out of judicial or administrative proceedings with respect to which the Company shall (A) in good faith be prosecuting an appeal or other proceeding for review and with respect to which the Company shall have secured a stay of execution pending such appeal or other proceeding or (B) have the right to prosecute an appeal or other proceeding for review or (C) have not received at least ten Business Days' notice given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(viii) easements, leases, reservations or other rights of others in, on, over and/or across, and laws, regulations and restrictions affecting, and defects, irregularities, exceptions and limitations in title to, the property of the Company or any part thereof;

(ix) liens, defects, irregularities, exceptions and limitations in (A) title to real property subject to rights-of-way in favor of the Company or otherwise or used or to be used by the Company primarily for right-of-way purposes; (B) real property held under

lease, easement, license or similar right; or (C) the rights-of-way, leases, easements, licenses or similar rights in favor of the Company; and defects, irregularities, exceptions and limitations in title to flood lands, flooding rights and/or water rights;

(x) liens securing indebtedness or other obligations neither created, assumed nor guaranteed by the Company nor on account of which it customarily pays interest upon real property or rights in or relating to real property acquired by the Company for the purpose of the generation of electric energy or the transmission or distribution of electric energy, gas or water, or for the purpose of telephonic, telegraphic, radio, wireless or other electronic communication, or otherwise for the purpose of obtaining rights-of-way;

(xi) leases existing at the date hereof affecting properties owned by the Company at said date and renewals and extensions thereof; and leases affecting such properties entered into after such date or affecting properties acquired by the Company after such date which, in either case, (A) have respective terms of not more than ten years (including extensions or renewals at the option of the tenant) or (B) do not materially impair the use by the Company of such properties for the respective purposes for which they are held by the Company;

(xii) liens vested in lessors, licensors, franchisors or permittees for rent or other amounts to become due or for other obligations or acts to be performed, the payment of which rent or the performance of which other obligations or acts is required under leases, subleases, licenses, franchises or permits, so long as the payment of such rent or other amounts or the performance of such other obligations or acts is not delinquent or is being contested in good faith and by appropriate proceedings;

(xiii) liens securing industrial revenue or pollution control bonds issued to finance any of the Company's pollution control, sewage or solid waste disposal facilities;

(xiv) controls, restrictions, obligations, duties and/or other burdens imposed by federal, state, municipal or other law, or by rules, regulations or orders of the government of the United States or of any State or Territory thereof or of the District of Columbia or of any county, municipality or other political subdivision of any thereof, or any department, agency, authority or other instrumentality of any of the foregoing (collectively, "Governmental Authorities"), upon the Company's property or any part thereof or the operation or use thereof or upon the Company with respect to the Company's property or any part thereof or the operation or use thereof or with respect to any franchise, grant, license, permit or public purpose requirement, or any rights reserved to or otherwise vested in Governmental Authorities to impose any such controls, restrictions, obligations, duties and/or other burdens;

(xv) rights which Governmental Authorities may have by virtue of franchises, grants, licenses, permits or contracts, or by virtue of law, to purchase, recapture or designate a purchaser of or order the sale of the Company's property or any part thereof, to terminate franchises, grants, licenses, permits, contracts or other rights or to regulate

the property and business of the Company; and any and all obligations of the Company correlative to any such rights;

(xvi) liens required by law or governmental regulations (A) as a condition to the transaction of any business or the exercise of any privilege or license, (B) to enable the Company to maintain self-insurance or to participate in any funds established to cover any insurance risks, (C) in connection with workmen's compensation, unemployment insurance, social security, any pension or welfare benefit plan or (D) to share in the privileges or benefits required for companies participating in one or more of the arrangements described in sub-clauses (B) and (C) above;

(xvii) liens on the Company's property or any part thereof which are granted by the Company to secure duties or public or statutory obligations or to secure, or serve in lieu of, surety, stay or appeal bonds;

(xviii) rights reserved to or vested in others to take or receive any part of any coal, ore, gas, oil and other minerals, any timber and/or any electric capacity or energy, gas, water, steam and any other products, developed, produced, manufactured, generated, purchased or otherwise acquired by the Company or by others on property of the Company;

(xix) (A) rights and interests of Persons other than the Company arising out of contracts, agreements and other instruments to which the Company is a party and which relate to the common ownership or joint use of property; and (B) all liens on the interests of Persons other than the Company in property owned in common by such Persons and the Company if and to the extent that the enforcement of such liens would not adversely affect the interests of the Company in such property in any material respect;

(xx) any restrictions on assignment and/or requirements of any assignee to qualify as a permitted assignee and/or public utility or public service corporation; and

(xxi) any liens which have been bonded for the full amount in dispute or for the payment of which other adequate security arrangements have been made.

(c) Notwithstanding the foregoing, the Company may create or assume any other mortgage, lien, pledge, security interest or other encumbrance not otherwise excepted under Section 610(b) hereof without equally and ratably securing the Debentures, if immediately after that creation or assumption, the principal amount of indebtedness for borrowed money of the Company that all such other mortgages, liens, pledges, security interests and other encumbrances secure does not exceed an amount equal to ten percent (10%) of the Company's total assets as shown on its balance sheet for the accounting period occurring immediately before the creation or assumption of that mortgage, lien, pledge, security interest or other encumbrance.

ARTICLE SEVEN.

AMENDMENTS TO INDENTURE.

Section 603 of the Indenture is hereby amended by adding the following new paragraphs (8), (9) and (10):

“(8) in no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(9) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture; the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(10) in no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.”

ARTICLE EIGHT.

MISCELLANEOUS

SECTION 801. INDENTURE RATIFIED AND CONFIRMED.

The Indenture, as amended and supplemented by this Fifth Supplemental Indenture, is in all respects ratified and confirmed, and this Fifth Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Fifth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company. The Trustee accepts the trusts created by the Indenture, as amended and supplemented by this Fifth Supplemental Indenture, and agrees to perform the same upon the terms and conditions of the Indenture, as amended and supplemented by this Fifth Supplemental Indenture. All of the provisions contained in the Indenture in respect of the rights, privileges, immunities, powers, and duties of the Trustee shall be applicable in

respect of the Fifth Supplemental Indenture as fully and with like force and effect as though fully set forth in full herein.

SECTION 802. EXECUTION IN COUNTERPARTS

This Fifth Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 803. EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings in this Fifth Supplemental Indenture and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 804. SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Fifth Supplemental Indenture by the Company and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 805. SEPARABILITY.

In case any provision in this Fifth Supplemental Indenture shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 806. BENEFITS OF INDENTURE.

Nothing in this Fifth Supplemental Indenture, the 2023 Debentures, the 2028 Debentures or the 2048 Debentures, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder and the Holders of any 2023 Debentures, any 2028 Debentures or any 2048 Debentures, any benefit or any legal or equitable right, remedy or claim under this Fifth Supplemental Indenture.

SECTION 807. GOVERNING LAW.

This Fifth Supplemental Indenture, the 2023 Debentures, the 2028 Debenture and the 2048 Debentures shall be governed by and construed in accordance with the laws of the State of New York.

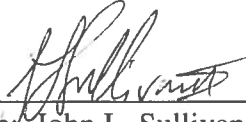
SECTION 808. USA PATRIOT ACT.

The parties hereto acknowledge that in accordance with Section 326 of the USA PATRIOT Act, the Trustee is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account. The Company agrees that it will cause Holders of the Debentures to provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the USA PATRIOT Act.

[EXECUTION PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Fifth Supplemental Indenture to be duly executed as of the day and year first above written.

DUKE ENERGY KENTUCKY, INC.

By: 
Name: John L. Sullivan, III
Title: Assistant Treasurer

DEUTSCHE BANK TRUST COMPANY AMERICAS, as
Trustee

By: Deutsche Bank National Trust Company

By: 
Name:
Title: **Kathryn Fischer**
Vice President

By: 
Name:
Title: **Chris Niesz**
Vice President

DUKE ENERGY KENTUCKY, INC.
(FORMERLY NAMED "THE UNION LIGHT, HEAT AND POWER COMPANY")

AND

**DEUTSCHE BANK TRUST COMPANY AMERICAS,
AS TRUSTEE**

SIXTH SUPPLEMENTAL INDENTURE

DATED AS OF July 15, 2019

TO

INDENTURE

DATED AS OF DECEMBER 1, 2004

Authorizing

4.32% Debentures due 2049

and

Otherwise Amending and Supplementing the Indenture

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THIS SIXTH SUPPLEMENTAL INDENTURE, dated as of July 15, 2019 is between Duke Energy Kentucky, Inc. (formerly named The Union Light, Heat and Power Company), a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (the “Company”), having its principal office at 139 East Fourth Street, Cincinnati, Ohio 45202, and Deutsche Bank Trust Company Americas, as Trustee (the “Trustee”) under the Indenture, dated as of December 1, 2004, between the Company and the Trustee, as heretofore supplemented (the “Indenture”).

RECITALS OF THE COMPANY

The Company has executed and delivered the Indenture to the Trustee to provide for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (the “Securities”), to be issued in one or more series as provided in the Indenture.

Pursuant to the terms of the Indenture, the Company desires to provide for the establishment of a new series of its Securities to be known as its 4.32% Debentures due 2049 (the “Debentures”), in this Sixth Supplemental Indenture.

All things necessary to make this Sixth Supplemental Indenture a valid agreement of the Company have been done.

NOW, THEREFORE, THIS SIXTH SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Debentures by the Purchasers and the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Debentures, as follows:

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.]

ARTICLE ONE.

DEFINITIONS

SECTION 101. DEFINITIONS.

(a) In addition to the words and terms defined elsewhere in this Sixth Supplemental Indenture, the following defined term used herein shall, unless the context otherwise requires, have the meaning specified below.

“Affiliate” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person. As used in this definition, “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an “Affiliate” is a reference to an Affiliate of the Company.

“Blocked Person” means any Person who is (i) an OFAC Listed Person, (ii) an agent, department, or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is subject to any OFAC Sanctions Program, or (iii) otherwise blocked, subject to sanctions under or engaged in any activity in violation of other U.S. Economic Sanctions.

“Business Day” means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

“Capital Lease” means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

“CISADA” means the Comprehensive Iran Sanctions, Accountability and Divestment Act.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“Default” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“Default Rate” means a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) 2.00% per annum above the rate of interest stated on the face of the Debentures.

“EDGAR” means the SEC’s Electronic Data Gathering, Analysis and Retrieval System or any successor SEC electronic filing system for such purposes.

“Environmental Laws” means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States of America.

“Governmental Authority” means

(a) the government of

(i) the United States of America or any state or other political subdivision thereof, or

(ii) any other jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

“Guaranty” means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

“Hazardous Materials” means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

“Indebtedness” with respect to any Person means, at any time, without duplication,

(a) its liabilities for borrowed money and its redemption obligations in respect of mandatorily redeemable Preferred Stock;

(b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) (i) all liabilities appearing on its balance sheet in accordance with GAAP in respect of Capital Leases and (ii) all liabilities which would appear on its balance sheet in accordance with GAAP in respect of Synthetic Leases assuming such Synthetic Leases were accounted for as Capital Leases;

(d) all liabilities for borrowed money secured by any lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities);

(e) all its liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions (whether or not representing obligations for borrowed money);

(f) the aggregate Swap Termination Value of all Swap Contracts of such Person; and

(g) any Guaranty of such Person with respect to liabilities of a type described in any of clauses (a) through (f) hereof.

“Institutional Investor” means (a) any Purchaser of a Debenture, (b) any Holder of a Debenture holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Debentures then outstanding, (c) any bank, trust company, savings and

loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any Holder of any Debenture.

“lien” means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

“Make-Whole Amount” shall have the meaning set forth in Section 208(a) hereof.

“Material” means material in relation to the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole.

“Material Adverse Effect” means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, (b) the ability of the Company to perform its obligations under this Agreement, the Indenture and the Debentures, (c) the ability of any Subsidiary Guarantor to perform its obligations under its Subsidiary Guaranty, or (d) the validity or enforceability of this Agreement, the Indenture or the Debentures.

“Material Credit Facility” means, as to the Company and its Subsidiaries:

(a) the Credit Agreement dated as of November 18, 2011 (as amended by Amendment No. 1 and Consent dated as of December 18, 2013, Amendment No. 2 and Consent dated as of January 30, 2015 and Amendment No. 3, Consent dated as of March 16, 2017 and Amendment No. 4 and Consent dated as of March 18, 2019) among Duke Energy Corporation, the Company, *et al.* and Wells Fargo Bank, National Association as Administrative Agent, including any renewals, extensions, amendments, supplements, restatements, replacements or refinancing thereof (the “Existing Credit Facility”); and

(b) any other agreement(s) creating or evidencing indebtedness for borrowed money entered into on or after the date hereof by the Company or any Subsidiary, or in respect of which the Company or any Subsidiary is an obligor or otherwise provides a guarantee or other credit support (“Credit Facility”), in a principal amount outstanding or available for borrowing equal to or greater than \$125,000,000 (or the equivalent of such amount in the relevant currency of payment, determined as of the date of the closing of such facility based on the exchange rate of such other currency);

provided, however, if neither the Existing Credit Facility nor a Credit Facility that equals or exceeds the amount set forth in clause (b) of this definition is in effect, then the largest Credit Facility shall be deemed to be a Material Credit Facility.

“Multiemployer Plan” means any Plan that is a “multiemployer plan” (as such term is defined in section 4001(a)(3) of ERISA).

“OFAC” means the Office of Foreign Assets Control, United States Department of the Treasury.

“OFAC Listed Person” means a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC.

“OFAC Sanctions Program” means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>.

“Officer’s Certificate” means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

“Person” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

“Plan” means an “employee benefit plan” (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

“Preferred Stock” means any class of capital stock of a Person that is preferred over any other class of capital stock (or similar equity interests) of such Person as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such Person.

“property” or “properties” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“Purchase Agreement” means that certain Debenture Purchase Agreement dated July 17, 2019 among the Company and the Purchasers named therein, whereby the Debentures were or will be issued and sold, including all schedules attached thereto, as it may be amended, restated, supplemented or otherwise modified from time to time.

“Purchaser” or “Purchasers” means each of the purchasers that has executed and delivered the Purchase Agreement to the Company and such Purchaser’s successors and assigns (so long as any such assignment complies with the terms hereof), *provided, however*, that any Purchaser of a Debenture that ceases to be the Holder thereof or a beneficial owner (through a nominee) of such Debenture as the result of a transfer thereof shall cease to be included within the meaning of “Purchaser” of such Debenture for the purposes hereof upon such transfer.

“Related Fund” means, with respect to any Holder of any Debenture, any fund or entity that (i) invests in Securities or bank loans, and (ii) is advised or managed by such Holder, the same investment advisor as such Holder or by an affiliate of such Holder or such investment advisor.

“Required Holders” means the Holders of more than 50% in principal amount of the Debentures at the time outstanding (in each case, exclusive of Debentures then owned by the Company or any of its Affiliates).

“Responsible Officer” means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

“Securities” or “Security” shall have the meaning specified in section 2(1) of the Securities Act.

“Securities Act” means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“Senior Financial Officer” means the chief financial officer, the principal accounting officer, the treasurer, any assistant treasurer, the controller or any assistant controller of the Company.

“Significant Subsidiary” means at any time any Subsidiary that would at such time constitute a “significant subsidiary” (as such term is defined in Regulation S-X of the SEC as in effect on the date hereof) of the Company.

“Subsidiary” means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a “Subsidiary” is a reference to a Subsidiary of the Company.

“Subsidiary Guarantor” means each Subsidiary that has executed and delivered a Subsidiary Guaranty.

“Subsidiary Guaranty” shall have the meaning set forth in Section 607(a) hereof.

“Swap Contract” means (a) any and all interest rate swap transactions, basis swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward foreign exchange transactions, cap transactions, floor transactions, currency options, spot contracts or any other similar transactions or any of the foregoing (including, but without limitation, any options to enter into any of the foregoing), and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of

master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amounts(s) determined as the mark-to-market values(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

“Synthetic Lease” means, at any time, any lease (including leases that may be terminated by the lessee at any time) of any property (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

“U.S. Economic Sanctions” means, collectively, United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, CISADA or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing.

“USA PATRIOT Act” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“Wholly-Owned Subsidiary” means, at any time, any Subsidiary one hundred percent of all of the equity interests (except directors’ qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company’s other Wholly-Owned Subsidiaries at such time.

(b) Each capitalized term that is used herein and is defined in the Indenture shall have the meaning specified in the Indenture unless such term is otherwise defined herein. The terms defined herein include the plural as well as the singular.

ARTICLE TWO.

TERMS OF THE DEBENTURES

SECTION 201. CREATION AND DESIGNATION OF THE DEBENTURES; AGGREGATE PRINCIPAL AMOUNT; MATURITY DATE.

There is hereby authorized a series of Securities designated the “4.32% Debentures due 2049.” The Debentures shall mature and the principal shall be due and payable together with all accrued and unpaid interest thereon on July 15, 2049.

The Debentures shall be limited in an aggregate principal amount of \$40,000,000, except as provided in Section 301(2) of the Indenture.

SECTION 202. DEBENTURES IN REGISTERED FORM; REGISTRATION GENERALLY.

(a) The Debentures shall be issued only in the form of a separate, single, authenticated, fully registered debenture which (i) need not be in the form of a lithographed or engraved certificate, but may be typewritten or printed on ordinary paper or such paper as the Trustee may reasonably request, (ii) shall be executed by the Company and authenticated by the Trustee in accordance with the provisions of the Indenture and this Sixth Supplemental Indenture, and (iii) shall be registered in the name of the Purchasers thereof as directed by the Company.

(b) The name and address of each Holder of one or more Debentures, each transfer thereof and the name and address of each transferee of one or more Debentures shall be registered in the Security Register. If any Holder of one or more Debentures is a nominee, then (i) the name and address of the beneficial owner of such Debenture or Debentures shall also be registered in the Security Register as an owner and Holder thereof and (ii) at any such beneficial owner’s option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant hereto. Prior to due presentment for registration of transfer, the Person(s) in whose name any Debenture(s) shall be registered shall be deemed and treated as the owner and Holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any Holder of a Debenture that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered Holders of Debentures.

SECTION 203. TRANSFER AND EXCHANGE OF DEBENTURES.

(a) Upon surrender of any Debenture to the Trustee for registration of transfer or exchange, within ten Business Days thereafter, the Company shall execute and deliver, at the Company’s expense (except as provided in the Indenture), one or more new Debentures of the same series (as requested by the Holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Debenture. Each such new Debenture shall be payable to such Person as such Holder may request. Debentures shall not be transferred in denominations of less than \$100,000, *provided* that if necessary to enable the registration of transfer by a Holder of its entire holding of Debentures, one Debenture may be in

a denomination of less than \$100,000. Any transferee, by its acceptance of a Debenture registered in its name (or the name of its nominee), shall be deemed to have made the representations set forth in Sections 6.1(b) and 6.2 of the Purchase Agreement.

(b) Notwithstanding the foregoing, the Company shall not effect any requested transfer of a Debenture unless such transfer is made (i) pursuant to an exemption from registration under the Securities Act or (ii) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable state securities laws and the securities laws of other jurisdictions. The Company shall not effect any requested transfer of a Debenture unless it has received: (x) a written instrument of transfer duly executed by the registered Holder of such Debenture or such Holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Debenture or part thereof and (y) unless such requested transfer is to be made pursuant to an effective registration statement, an opinion of counsel satisfactory to the Company that such transfer does not require registration under the Securities Act and other applicable laws.

SECTION 204. INTEREST RATES, INTEREST PAYMENT DATES AND REGULAR RECORD DATES; DEFAULT INTEREST.

(a) Interest on each of the Debentures shall be payable (i) on the principal amount thereof, semi-annually on January 15 and July 15 of each year (each an Interest Payment Date for the Debentures), commencing on January 15, 2020, at the rate of 4.32% per annum, from the date specified on the face of such Debenture, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal thereof is due and payable, and (ii) to the extent permitted by law, (A) on any overdue payment of interest, (B) on any overdue payment of the Redemption Price, and (C) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of Holders, on demand).

(b) The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the Person in whose name such Debenture is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day immediately preceding such Interest Payment Date. The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 205. PLACE AND MANNER OF PAYMENT OF THE DEBENTURES.

(a) Subject to Section 205(b) hereof, payments of interest will be made by check mailed to the Holder of each Debenture at the address shown in the Security Register, and payments of the principal amount of each Debenture will be made at maturity by check against presentation of the Debenture at the office or agency of the Trustee. The Company may at any time, by notice to each Holder of a Debenture, change the place of payment of the Debentures so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

(b) So long as any Purchaser or its nominee shall be the Holder of any Debentures, and notwithstanding anything contained in the Indenture or in such Debentures to the contrary, the Company will pay, or will cause the Trustee to pay, all sums becoming due on such Debentures for principal, Redemption Price, if any, and interest by such other method or at such other address as such Purchaser shall have from time to time specified to the Trustee and the Company in writing for such purpose, without the presentation or surrender of such Debentures or the making of any notation thereon, except that upon written request of the Trustee, in its capacity as the Security Registrar made concurrently with or reasonably promptly after payment or redemption in full of any Debentures, such Purchaser shall surrender such Debentures for cancellation, reasonably promptly after any such request, to the Security Registrar at its principal executive office or at the place of payment designated for the Debentures in Section 205(a) hereof. Prior to any sale or other disposition of any Debentures held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Debentures to the Security Registrar in exchange for new Debentures pursuant to Section 305 of the Indenture. The Security Registrar will afford the benefits of this Section to any Institutional Investor that is the direct or indirect transferee of any Debentures purchased by a Purchaser and that has made the same agreement relating to such Debentures as the Purchasers have made in this Section.

SECTION 206. DENOMINATIONS OF DEBENTURES.

The Debentures shall be issued in denominations of at least \$100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of Debentures.

SECTION 207. DEFEASANCE AND COVENANT DEFEASANCE SHALL NOT APPLY.

The Debentures shall not be subject to defeasance and covenant defeasance, at the Company's option, as provided for in Sections 1302 and 1303 of the Indenture.

SECTION 208. REDEMPTION PROVISIONS OF THE DEBENTURES.

(a) Prior to January 15, 2049 (six months prior to the maturity of the Debentures), the Company has the right to redeem at any time all, or from time to time any part of, the Debentures at a Redemption Price equal to (1) 100% of the principal amount of the Debentures to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the Debentures to be redeemed. On or after January 15, 2049 (six months prior to the maturity of the Debentures), the Company has the right to redeem at any time all, or from time to time any part of, the Debentures at a Redemption Price equal to 100% of the principal amount of the Debentures to be redeemed.

(b) All calculations relating to the Redemption Price will be performed by the Company. For purposes of determining the Redemption Price, the following terms have the following meanings:

“Make-Whole Amount” means, with respect to any Debenture, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with

respect to the Called Principal of such Debenture over the amount of such Called Principal, *provided* that the Make-Whole Amount may in no event be less than zero.

“Called Principal” means, with respect to any Debenture, the principal of such Debenture that is to be redeemed pursuant to this Section 208 or has become or is declared to be immediately due and payable pursuant to Section 502 of the Indenture, as the context requires.

“Discounted Value” means, with respect to the Called Principal of any Debenture, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Debentures is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Reinvestment Yield” means, with respect to the Called Principal of any Debenture, 0.50% over the yield to maturity implied by the yield(s) reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities (“Reported”) having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between the yields Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Debenture.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Reinvestment Yield” means, with respect to the Called Principal of any Debenture, 0.50% over the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release 1115 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than

such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Debenture.

“Remaining Average Life” means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year composed of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

“Remaining Scheduled Payments” means, with respect to the Called Principal of any Debenture, all payments of such Called Principal that would be due after the Settlement Date and interest thereon that would be due after the Settlement Date until July 15, 2049, if no payment of such Called Principal were made prior to its scheduled due date, *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the Debentures, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date.

“Settlement Date” means, with respect to the Called Principal of any Debenture, the date on which such Called Principal is to be redeemed pursuant to this Section 208 or has become or is declared to be immediately due and payable pursuant to Section 502 of the Indenture, as the context requires.

(c) Partial Redemptions. Any partial redemption of the Debentures pursuant to Sections 208(a) or (b) hereof shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of such Debentures to be redeemed. In the case of each such partial redemption of the Debentures and, notwithstanding Section 1103 of the Indenture, the principal amount of the Debentures to be redeemed shall be allocated among all of the Debentures at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

(d) Notice of Redemption. Notice of redemption shall be given, by mail, not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Debentures to be redeemed, at his or her address appearing in the Security Register, unless, notwithstanding Section 1104 of the Indenture, the Company, the Trustee and the Required Holders agree to another time period or another method of delivery. In addition to the requirements of said Section 1104, each such notice shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such redemption (calculated as if the date of such notice were the date of the redemption), setting forth the details of such computation. Two Business Days prior to such redemption, the Company shall deliver to each Holder of Debentures to be redeemed a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified redemption date.

(e) In the case of each optional redemption, the Debentures to be redeemed shall, on the Redemption Date, become due and payable at the applicable Redemption Price, together with interest on the principal amount thereof. Unless the Company defaults in payment of the Redemption Price therefor and accrued interest, on and after any Redemption Date therefor, interest will cease to accrue on the Debentures or portions thereof called for redemption.

(f) The Company will not, and will not permit any Affiliate to, purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Debentures except (a) upon the payment or redemption of the Debentures in accordance with this Section 208, or (b) pursuant to an offer to purchase made by the Company or an Affiliate pro-rata to the Holders of all Debentures at the time outstanding upon the same terms and conditions. Any such offer shall provide each Holder with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least 15 Business Days. If the Holders of more than 25% of the principal amount of the Debentures then outstanding accept such offer, the Company shall promptly notify the remaining Holders of such fact and the expiration date for the acceptance by Holders of Debentures of such offer shall be extended by the number of, days necessary to give each such remaining holder at least five Business Days from its receipt of such notice to accept such offer. The Company will promptly cancel all Debentures acquired by it or any Affiliate pursuant to any payment, redemption or purchase of Debentures pursuant to this Section 208 and no Debentures may be issued in substitution or exchange for any such Debentures.

(g) The Company shall indemnify and hold harmless the Trustee from any and all losses, costs, damages, expenses, fees (including reasonable attorneys' fees), court costs, judgments, penalties, obligations, suits, disbursements and liabilities of any kind or character whatsoever which may at any time be imposed upon, incurred by or asserted against the Trustee by reason of or arising out of or caused, directly or indirectly, by any act or omission of the Trustee with respect to this Section 208, except for such that would arise out of the gross negligence, willful misconduct or bad faith of the Trustee.

SECTION 209. FORM OF DEBENTURES.

The Debentures and the Trustee's certificate to be endorsed thereon shall be substantially in the following form:

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(FORM OF FACE OF DEBENTURE)

THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE OFFERED SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL (WHICH MAY BE IN-HOUSE COUNSEL) SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

No. R-
PPN 26442L D@0

\$ _____
_____, 20__

DUKE ENERGY KENTUCKY, INC.
4.32% DEBENTURE DUE 2049

DUKE ENERGY KENTUCKY, INC., a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (herein called the "Company", which term includes any successor Person under the Indenture hereafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$ _____) on July 15, 2049, and to pay interest thereon from July 17, 2019, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually, on January 15 and July 15 in each year, commencing January 15, 2020, at the rate of 4.32% per annum, until the principal hereof is due and payable, and (b) to the extent permitted by law, (i) on any overdue payment of interest, (ii) on any overdue payment of the Redemption Price, and (iii) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand). The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (x) the maximum rate permitted by applicable law, and (y) 6.32%.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Record Date for such interest, which shall be the fifteenth day preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be

fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Subject to certain exceptions provided in the Indenture, payment of the principal of (and premium, if any) and interest on this Security will be made at the corporate trust office of the Trustee maintained for that purpose in the City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Any payment on this Security due on any day which is not a Business Day in the City of New York need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the due date and no interest shall accrue for the period from and after such date, unless such payment is a payment at maturity or upon redemption, in which case, notwithstanding Section 113 of the Indenture, interest shall accrue thereon at the stated rate for such additional days.

As used herein, "Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

In Witness Whereof, the Company has caused this instrument to be duly executed.

DUKE ENERGY KENTUCKY, INC.

By: _____

CERTIFICATE OF AUTHENTICATION

Dated: _____, 20__

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

DEUTSCHE BANK TRUST COMPANY
AMERICAS, Trustee

By: _____
Authorized Signatory

(FORM OF REVERSE OF DEBENTURE)

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of December 1, 2004, as supplemented by the Sixth Supplemental Indenture dated as of July 15, 2019 (the "Indenture"), between the Company and Deutsche Bank Trust Company Americas, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, which series is issuable without limitation as to the aggregate principal amount thereof.

Prior to January 15, 2049 (six months prior to the maturity of this Security), the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal to (1) 100% of the principal amount of the Securities of this series to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the Securities of this series to be redeemed. On or after January 15, 2049, the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal 100% of the principal amount of the Securities of this series to be redeemed.

Any partial redemption of the Securities of this series shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of the Securities of this series to be redeemed. In the case of each such partial redemption of the Securities of this series, the principal amount of the Securities of this series to be redeemed shall be allocated among all of the Securities of this series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

Notice of any redemption by the Company will be mailed at least 30 days but not more than 60 days before any Redemption Date to each Holder of Securities to be redeemed.

Unless the Company defaults in payment of the Redemption Price, on and after any Redemption Date, interest will cease to accrue on the Securities or portions thereof called for redemption.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the

Holder of the Securities to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding to be affected. The Indenture also contains provisions permitting the Holders of a majority in principal amount of the Securities at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 35% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity reasonably satisfactory to the Trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of at least \$100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of the Securities. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same. No service charge shall be

made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ARTICLE THREE.

ORIGINAL ISSUE OF DEBENTURES

An initial issue of the Debentures in the aggregate principal amount of \$40,000,000 may, upon execution of this Sixth Supplemental Indenture, or from time to time hereafter, be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Debentures upon receipt of a Company Order, an Officers' Certificate and an Opinion of Counsel.

ARTICLE FOUR.

PAYING AGENT AND SECURITY REGISTRAR

Deutsche Bank Trust Company Americas will be the Paying Agent and Security Registrar for the Debentures.

ARTICLE FIVE.

DEFAULTS AND REMEDIES

SECTION 501. ADDITIONAL EVENTS OF DEFAULT.

In addition to those Events of Default set forth in Section 501 of the Indenture, the following events shall also be Events of Default with respect to the Debentures:

(a) the Company defaults in the performance of or compliance with any term contained in Sections 601(a)(iv), 608, 609 or 610 hereof; or

(b) (i) any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in the Purchase Agreement or any writing furnished in connection with the transactions contemplated thereby proves to have been false or incorrect in any material respect on the date as of which made, or (ii) so long as the obligation or condition giving rise to the requirement for a Subsidiary Guaranty under Section 607 hereof remains in effect, any representation or warranty made in writing by or on behalf of any Subsidiary Guarantor or by any officer of such Subsidiary Guarantor in any Subsidiary Guaranty or any writing furnished in connection with such Subsidiary Guaranty proves to have been false or incorrect in any material respect on the date as of which made; or

(c) (i) the Company or any Significant Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least \$50,000,000 beyond any period of grace provided with respect thereto, or (ii) the Company or any Significant Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least \$50,000,000 or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has

become, or has been declared, due and payable before its stated maturity or before its regularly scheduled dates of payment; or

(d) one or more final judgments or orders for the payment of money aggregating in excess of \$50,000,000, including, without limitation, any such final order enforcing a binding arbitration decision, are rendered against one or more of the Company and its Subsidiaries, (i) which judgments are not, within 60 days after entry thereof, bonded, vacated, satisfied, discharged or stayed pending appeal, or (ii) which judgments are not discharged within 60 days after the expiration of such stay; or

(e) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate “amount of unfunded benefit liabilities” (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed an amount that could reasonably be expected to have a Material Adverse Effect, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, would reasonably be expected to have a Material Adverse Effect. As used in this Section 501(e), the terms “employee benefit plan” and “employee welfare benefit plan” shall have the respective meanings assigned to such terms in section 3 of ERISA; or

(f) So long as the obligation or condition giving rise to the requirement for a Subsidiary guaranty under Section 607 hereof remains in effect, (i) any Subsidiary Guaranty shall cease to be in full force and effect, (ii) any Subsidiary Guarantor or any Person acting on behalf of any Subsidiary Guarantor shall contest in any manner the validity, binding nature or enforceability of any Subsidiary Guaranty, or (iii) the obligations of any Subsidiary Guarantor under any Subsidiary Guaranty are not or cease to be legal, valid, binding and enforceable in accordance with the terms of such Subsidiary Guaranty.

SECTION 502. REMEDY TO ALSO INCLUDE MAKE-WHOLE AMOUNT.

Upon any Debentures becoming due and payable as a result of Section 502 of the Indenture, whether automatically or by declaration, such Debentures will forthwith mature and the entire unpaid principal amount of such Debentures, plus (x) all accrued and unpaid interest thereon and (y) the Make-Whole Amount, determined pursuant to Section 208(a) hereof, in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or

further notice, all of which are hereby waived. The Company acknowledges that each Holder of a Debenture has the right to maintain its investment in the Debentures free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Debentures are redeemed or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

ARTICLE SIX.

COVENANTS

In addition to the covenants set forth in Article Ten of the Indenture, the Company covenants that so long as any of the Debentures are outstanding:

SECTION 601. INFORMATION ABOUT THE COMPANY.

(a) Financial and Business Information. The Company shall deliver to the Trustee and to each Purchasers and each Holder of a Debenture that is an Institutional Investor:

(i) *Quarterly Statements.* Within 60 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), copies of:

(A) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter; and

(B) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter;

which set forth in each case, in comparative form, the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments;

(ii) *Annual Statements.* Within 120 days after the end of each fiscal year of the Company, copies of:

(A) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, and

(B) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries for such year,

which set forth in each case, in comparative form, the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon (without a “going concern” or similar qualification or exception and without any qualification or exception as to the scope of the audit on which such opinion is based) of independent public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances;

(iii) *SEC and Other Reports.* Promptly upon their becoming available, copies of (A) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to its principal lending banks as a whole (excluding information sent to such banks in the ordinary course of administration of a bank facility, such as information relating to pricing and borrowing availability) or to its public Securities holders generally, and (B) each regular or periodic report, each registration statement that shall have become effective (without exhibits except as expressly requested by such Purchaser or Holder), and each final prospectus and all amendments thereto filed by the Company or any Subsidiary with the SEC;

(iv) *Notice of Default or Event of Default.* Promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default, a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(v) *ERISA Matters.* Promptly, and in any event within five days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(A) with respect to any Plan, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(B) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(C) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any lien on any of the rights,

properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or lien, taken together with any other such liabilities or liens then existing, would reasonably be expected to have a Material Adverse Effect; and

(vi) *Requested Information.* With reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Company to perform its obligations hereunder and under the Debentures as from time to time may be reasonably requested by any such Purchaser or Holder of a Debenture.

(b) Officer's Certificate. Each set of financial statements delivered to a Purchaser or a Holder of a Debenture pursuant to Sections 601(a) or (b) hereof shall be accompanied by a certificate of a Senior Financial Officer certifying that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

(c) Electronic Delivery. Financial statements, opinions of independent certified public accountants, other information and Officer's Certificates that are required to be delivered by the Company pursuant to clauses (i), (ii) or (iii) of Section 601(a) hereof and Section 601(b) hereof shall be deemed to have been delivered if the Company satisfies any of the following requirements with respect thereto:

(i) such financial statements satisfying the requirements of clauses (i) or (ii) of Section 601(a) hereof and related Officer's Certificate satisfying the requirements of Section 601(b) hereof are delivered to each Purchaser and each Holder of a Debenture by e-mail;

(ii) such financial statements satisfying the requirements of clauses (i) or (ii) of Section 601(a) hereof and related Officer's Certificate satisfying the requirements of Section 601(b) hereof are timely posted by or on behalf of the Company on IntraLinks or on any other similar website to which each Purchaser and each Holder of Debentures has free access; or

(iii) the Company shall have filed any of the items referred to in clause (iii) of Section 601(a) hereof with the SEC on EDGAR and shall have made such items available on its home page on the internet or on IntraLinks or on any other similar website to which each Purchaser and Holder of Debentures has free access;

provided, however, that in the case of delivery under clauses (ii) or (iii) of this Section 601(c), the Company shall have given each Purchaser and each Holder of a Debenture written notice, which may be by e-mail, of such posting or filing in connection with each delivery.

SECTION 602. VISITATION.

The Company shall permit the representatives of each Purchaser and each Holder of a Debenture that is an Institutional Investor:

(a) *No Default.* If no Default or Event of Default then exists, at the expense of such Holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times as may be reasonably requested in writing; *provided* that each Purchaser and each Holder shall be limited to one visit during any twelve-month period; and

(b) *Default.* If a Default or an Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

SECTION 603. COMPLIANCE WITH LAWS.

Without limiting Section 609 hereof, the Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA, Environmental Laws, the USA PATRIOT Act and the other laws and regulations relating to U.S. Economic Sanctions, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, except, in each case, where (i) non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not reasonably be expected to have a Material Adverse Effect, or (ii) the necessity of compliance with such laws, ordinances or governmental rules or regulations are being contested in good faith by appropriate proceedings.

SECTION 604. INSURANCE.

The Company will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated. Upon request, the Company will provide written evidence of its or its Subsidiaries' insurance to the Trustee.

SECTION 605. CORPORATE EXISTENCE, ETC.

Subject to Article Eight of the Indenture, the Company will at all times preserve and keep in full force and effect, and will cause each of its Subsidiaries (unless merged into the Company or a Wholly-Owned Subsidiary) to preserve and keep in full force and effect, their respective legal existence and their respective rights and franchises unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such legal existence, right or franchise would not, individually or in the aggregate, have a Material Adverse Effect.

SECTION 606. BOOKS AND RECORDS.

The Company will, and will cause each of its Subsidiaries to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Company or such Subsidiary, as the case may be. The Company will, and will cause each of its Subsidiaries to, keep books, records and accounts which, in reasonable detail, accurately reflect all transactions and dispositions of assets. The Company and its Subsidiaries have devised a system of internal accounting controls sufficient to provide reasonable assurances that their respective books, records, and accounts accurately reflect all transactions and dispositions of assets and the Company will, and will cause each of its Subsidiaries to, continue to maintain such system.

SECTION 607. SUBSIDIARY GUARANTORS.

The Company will cause each of its Subsidiaries that guarantees or otherwise becomes liable at any time, whether as a borrower or an additional or co-borrower or otherwise, for or in respect of any Indebtedness under any Material Credit Facility to concurrently therewith:

(a) enter into an agreement in form and substance satisfactory to the Trustee and the Required Holders providing for the guaranty by such Subsidiary, on a joint and several basis with all other such Subsidiaries, of (i) the prompt payment in full when due of all amounts payable by the Company pursuant to the Debentures (whether for principal, interest, the Redemption Price or otherwise), including, without limitation, all indemnities, fees and expenses payable by the Company thereunder and (ii) the prompt, full and faithful performance, observance and discharge by the Company of each and every covenant, agreement, undertaking and provision required pursuant to the Debentures be performed, observed or discharged by it (a “Subsidiary Guaranty”); and

(b) deliver the following to each Purchaser and each Holder of a Debenture:

(i) an executed counterpart of such Subsidiary Guaranty;

(ii) a certificate signed by an authorized responsible officer of such Subsidiary containing representations and warranties on behalf of such Subsidiary as to organization, power, authority and compliance with laws with respect to such Subsidiary Guaranty in form and substance satisfactory to the Trustee and the Required Holders;

(iii) all documents as may be reasonably requested by the Trustee or the Required Holders to evidence the due organization, continuing existence and good standing of such Subsidiary and the due authorization by all requisite action on the part of such Subsidiary of the execution and delivery of such Subsidiary Guaranty and the performance by such Subsidiary of its obligations thereunder; and

(iv) an opinion of counsel reasonably satisfactory to the Trustee and the Required Holders covering such matters relating to such Subsidiary and such Subsidiary Guaranty as the Trustee or the Required Holders may reasonably request.

SECTION 608. LINE OF BUSINESS.

The Company will not and will not permit any Subsidiary to engage in any business if, as a result, the general nature of the business in which the Company and its Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Company and its Subsidiaries, taken as a whole, are engaged on the date hereof.

SECTION 609. TERRORISM SANCTIONS REGULATIONS.

The Company will not and will not permit any Subsidiary (a) to become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or any Person that is the target of sanctions imposed by the United Nations or by the European Union, or (b) directly or indirectly to have any investment in or engage in any dealing or transaction (including, without limitation, any investment, dealing or transaction involving the proceeds of the Debentures) with any Person if such investment, dealing or transaction (i) would cause any Purchaser or Holder to be in violation of any law or regulation applicable to such Holder, or (ii) is prohibited by or subject to sanctions under any U.S. Economic Sanctions, or (c) to engage, nor shall any Affiliate of either engage, in any activity that could subject such Person or any Purchaser or Holder to sanctions under CISADA or any similar law or regulation with respect to Iran or any other country that is subject to U.S. Economic Sanctions.

SECTION 610. NEGATIVE PLEDGE.

(a) While any of the Debentures remain outstanding, the Company shall not create, or permit to be created or to exist, any mortgage, lien, pledge, security interest or other encumbrance upon any of its property, whether owned on or acquired after the date hereof, to secure any indebtedness for borrowed money of the Company, unless the Debentures then outstanding are equally and ratably secured for so long as any such indebtedness is so secured.

(b) The restrictions of Section 610(a) hereof shall not apply with respect to, among other things:

(i) liens on property that existed when the Company acquired or constructed the property or were created within one year thereafter;

(ii) liens on property that secure payment of all or part of the purchase price or construction cost of the property, including the extension of any liens to repairs or improvements made on the property;

(iii) the pledge of any bonds or other securities at any time issued under any of the liens permitted by clauses (i) or (ii) above;

(iv) liens for taxes, assessments and other governmental charges or requirements which are not delinquent or which are being contested in good faith by appropriate proceedings or of which at least ten Business Days' notice has not been given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(v) mechanics', workmen's, repairmen's, materialmen's, warehousemen's, and carriers' liens, other liens incident to construction, liens or privileges of any employees of the Company for salary or wages earned, but not yet payable, and other liens, including without limitation liens for worker's compensation awards, arising in the ordinary course of business for charges or requirements which are not delinquent or which are being contested in good faith and by appropriate proceedings or of which at least ten Business Days' notice has not been given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(vi) liens in respect of attachments, judgments or awards arising out of judicial or administrative proceedings in an amount not exceeding the greater of (A) Fifty Million Dollars (\$50,000,000) and (B) three percent (3%) of the principal amount of the Securities then Outstanding;

(vii) liens in respect of attachments, judgments or awards arising out of judicial or administrative proceedings with respect to which the Company shall (A) in good faith be prosecuting an appeal or other proceeding for review and with respect to which the Company shall have secured a stay of execution pending such appeal or other proceeding or (B) have the right to prosecute an appeal or other proceeding for review or (C) have not received at least ten Business Days' notice given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(viii) easements, leases, reservations or other rights of others in, on, over and/or across, and laws, regulations and restrictions affecting, and defects, irregularities, exceptions and limitations in title to, the property of the Company or any part thereof;

(ix) liens, defects, irregularities, exceptions and limitations in (A) title to real property subject to rights-of-way in favor of the Company or otherwise or used or to be used by the Company primarily for right-of-way purposes; (B) real property held under lease, easement, license or similar right; or (C) the rights-of-way, leases, easements, licenses or similar rights in favor of the Company; and defects, irregularities, exceptions and limitations in title to flood lands, flooding rights and/or water rights;

(x) liens securing indebtedness or other obligations neither created, assumed nor guaranteed by the Company nor on account of which it customarily pays interest

upon real property or rights in or relating to real property acquired by the Company for the purpose of the generation of electric energy or the transmission or distribution of electric energy, gas or water, or for the purpose of telephonic, telegraphic, radio, wireless or other electronic communication, or otherwise for the purpose of obtaining rights-of-way;

(xi) leases existing at the date hereof affecting properties owned by the Company at said date and renewals and extensions thereof; and leases affecting such properties entered into after such date or affecting properties acquired by the Company after such date which, in either case, (A) have respective terms of not more than ten years (including extensions or renewals at the option of the tenant) or (B) do not materially impair the use by the Company of such properties for the respective purposes for which they are held by the Company;

(xii) liens vested in lessors, licensors, franchisors or permittees for rent or other amounts to become due or for other obligations or acts to be performed, the payment of which rent or the performance of which other obligations or acts is required under leases, subleases, licenses, franchises or permits, so long as the payment of such rent or other amounts or the performance of such other obligations or acts is not delinquent or is being contested in good faith and by appropriate proceedings;

(xiii) liens securing industrial revenue or pollution control bonds issued to finance any of the Company's pollution control, sewage or solid waste disposal facilities;

(xiv) controls, restrictions, obligations, duties and/or other burdens imposed by federal, state, municipal or other law, or by rules, regulations or orders of the government of the United States or of any State or Territory thereof or of the District of Columbia or of any county, municipality or other political subdivision of any thereof, or any department, agency, authority or other instrumentality of any of the foregoing (collectively, "Governmental Authorities"), upon the Company's property or any part thereof or the operation or use thereof or upon the Company with respect to the Company's property or any part thereof or the operation or use thereof or with respect to any franchise, grant, license, permit or public purpose requirement, or any rights reserved to or otherwise vested in Governmental Authorities to impose any such controls, restrictions, obligations, duties and/or other burdens;

(xv) rights which Governmental Authorities may have by virtue of franchises, grants, licenses, permits or contracts, or by virtue of law, to purchase, recapture or designate a purchaser of or order the sale of the Company's property or any part thereof, to terminate franchises, grants, licenses, permits, contracts or other rights or to regulate the property and business of the Company; and any and all obligations of the Company correlative to any such rights;

(xvi) liens required by law or governmental regulations (A) as a condition to the transaction of any business or the exercise of any privilege or license, (B) to enable the Company to maintain self-insurance or to participate in any funds established to cover any insurance risks, (C) in connection with workmen's compensation, unemployment

insurance, social security, any pension or welfare benefit plan or (D) to share in the privileges or benefits required for companies participating in one or more of the arrangements described in sub-clauses (B) and (C) above;

(xvii) liens on the Company's property or any part thereof which are granted by the Company to secure duties or public or statutory obligations or to secure, or serve in lieu of, surety, stay or appeal bonds;

(xviii) rights reserved to or vested in others to take or receive any part of any coal, ore, gas, oil and other minerals, any timber and/or any electric capacity or energy, gas, water, steam and any other products, developed, produced, manufactured, generated, purchased or otherwise acquired by the Company or by others on property of the Company;

(xix) (A) rights and interests of Persons other than the Company arising out of contracts, agreements and other instruments to which the Company is a party and which relate to the common ownership or joint use of property; and (B) all liens on the interests of Persons other than the Company in property owned in common by such Persons and the Company if and to the extent that the enforcement of such liens would not adversely affect the interests of the Company in such property in any material respect;

(xx) any restrictions on assignment and/or requirements of any assignee to qualify as a permitted assignee and/or public utility or public service corporation; and

(xxi) any liens which have been bonded for the full amount in dispute or for the payment of which other adequate security arrangements have been made.

(c) Notwithstanding the foregoing, the Company may create or assume any other mortgage, lien, pledge, security interest or other encumbrance not otherwise excepted under Section 610(b) hereof without equally and ratably securing the Debentures, if immediately after that creation or assumption, the principal amount of indebtedness for borrowed money of the Company that all such other mortgages, liens, pledges, security interests and other encumbrances secure does not exceed an amount equal to ten percent (10%) of the Company's total assets as shown on its balance sheet for the accounting period occurring immediately before the creation or assumption of that mortgage, lien, pledge, security interest or other encumbrance.

ARTICLE SEVEN.

AMENDMENTS TO INDENTURE.

Section 603 of the Indenture is hereby amended by adding the following new paragraphs (8), (9) and (10):

“(8) in no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(9) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture; the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(10) in no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.”

ARTICLE EIGHT.

MISCELLANEOUS

SECTION 801. INDENTURE RATIFIED AND CONFIRMED.

The Indenture, as amended and supplemented by this Sixth Supplemental Indenture, is in all respects ratified and confirmed, and this Sixth Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Sixth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company. The Trustee accepts the trusts created by the Indenture, as amended and supplemented by this Sixth Supplemental Indenture, and agrees to perform the same upon the terms and conditions of the Indenture, as amended and supplemented by this Sixth Supplemental Indenture. All of the provisions contained in the Indenture in respect of the rights, privileges, immunities, powers, and duties of the Trustee shall be applicable in respect of the Sixth Supplemental Indenture as fully and with like force and effect as though fully set forth in full herein.

SECTION 802. EXECUTION IN COUNTERPARTS

This Sixth Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 803. EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings in this Sixth Supplemental Indenture and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 804. SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Sixth Supplemental Indenture by the Company and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 805. SEPARABILITY.

In case any provision in this Sixth Supplemental Indenture shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 806. BENEFITS OF INDENTURE.

Nothing in this Sixth Supplemental Indenture or the Debentures, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder and the Holders of any Debentures, any benefit or any legal or equitable right, remedy or claim under this Sixth Supplemental Indenture.

SECTION 807. GOVERNING LAW.

This Sixth Supplemental Indenture and the 2049 Debentures shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 808. USA PATRIOT ACT.

The parties hereto acknowledge that in accordance with Section 326 of the USA PATRIOT Act, the Trustee is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account. The Company agrees that it will cause Holders of the Debentures to provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the USA PATRIOT Act.

[EXECUTION PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Sixth Supplemental Indenture to be duly executed as of the day and year first above written.

DUKE ENERGY KENTUCKY, INC.

By: 
Name: John L. Sullivan, III
Title: Assistant Treasurer

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

By: 

Name: **Luke Russell**
Title: **Assistant Vice President**

By: 

Name:
Title: **Kathryn Fischer**
Vice President

DUKE ENERGY KENTUCKY, INC.
(FORMERLY NAMED "THE UNION LIGHT, HEAT AND POWER COMPANY")

AND

**DEUTSCHE BANK TRUST COMPANY AMERICAS,
AS TRUSTEE**

SEVENTH SUPPLEMENTAL INDENTURE

DATED AS OF September 15, 2019

TO

INDENTURE

DATED AS OF DECEMBER 1, 2004

Authorizing

3.23% Debentures due 2025

3.56% Debentures due 2029

and

Otherwise Amending and Supplementing the Indenture

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THIS SEVENTH SUPPLEMENTAL INDENTURE, dated as of September 15, 2019 is between Duke Energy Kentucky, Inc. (formerly named The Union Light, Heat and Power Company), a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (the “Company”), having its principal office at 139 East Fourth Street, Cincinnati, Ohio 45202, and Deutsche Bank Trust Company Americas, as Trustee (the “Trustee”) under the Indenture, dated as of December 1, 2004, between the Company and the Trustee, as heretofore supplemented (the “Indenture”).

RECITALS OF THE COMPANY

The Company has executed and delivered the Indenture to the Trustee to provide for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (the “Securities”), to be issued in one or more series as provided in the Indenture.

Pursuant to the terms of the Indenture, the Company desires to provide for the establishment of three new series of its Securities to be known as its 3.23% Debentures due 2025 (the “2025 Debentures”) and its 3.56% Debentures due 2029 (the “2029 Debentures” and together with the 2025 Debentures, the “Debentures”), in this Seventh Supplemental Indenture.

All things necessary to make this Seventh Supplemental Indenture a valid agreement of the Company have been done.

NOW, THEREFORE, THIS SEVENTH SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Debentures by the Purchasers and the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Debentures, as follows:

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.]

ARTICLE ONE.

DEFINITIONS

SECTION 101. DEFINITIONS.

(a) In addition to the words and terms defined elsewhere in this Seventh Supplemental Indenture, the following defined term used herein shall, unless the context otherwise requires, have the meaning specified below.

“Affiliate” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person. As used in this definition, “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an “Affiliate” is a reference to an Affiliate of the Company.

“Blocked Person” means any Person who is (i) an OFAC Listed Person, (ii) an agent, department, or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is subject to any OFAC Sanctions Program, or (iii) otherwise blocked, subject to sanctions under or engaged in any activity in violation of other U.S. Economic Sanctions.

“Business Day” means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

“Capital Lease” means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

“CISADA” means the Comprehensive Iran Sanctions, Accountability and Divestment Act.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“Default” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“Default Rate” means a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) 2.00% per annum above the rate of interest stated on the face of the Debentures.

“EDGAR” means the SEC’s Electronic Data Gathering, Analysis and Retrieval System or any successor SEC electronic filing system for such purposes.

“Environmental Laws” means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States of America.

“Governmental Authority” means

(a) the government of

(i) the United States of America or any state or other political subdivision thereof, or

(ii) any other jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

“Guaranty” means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

“Hazardous Materials” means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

“Indebtedness” with respect to any Person means, at any time, without duplication,

(a) its liabilities for borrowed money and its redemption obligations in respect of mandatorily redeemable Preferred Stock;

(b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) (i) all liabilities appearing on its balance sheet in accordance with GAAP in respect of Capital Leases and (ii) all liabilities which would appear on its balance sheet in accordance with GAAP in respect of Synthetic Leases assuming such Synthetic Leases were accounted for as Capital Leases;

(d) all liabilities for borrowed money secured by any lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities);

(e) all its liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions (whether or not representing obligations for borrowed money);

(f) the aggregate Swap Termination Value of all Swap Contracts of such Person; and

(g) any Guaranty of such Person with respect to liabilities of a type described in any of clauses (a) through (f) hereof.

“Institutional Investor” means (a) any Purchaser of a Debenture, (b) any Holder of a Debenture holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Debentures then outstanding, (c) any bank, trust company, savings and

loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any Holder of any Debenture.

“lien” means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

“Make-Whole Amount” shall have the meaning set forth in Section 208(c) hereof.

“Material” means material in relation to the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole.

“Material Adverse Effect” means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, (b) the ability of the Company to perform its obligations under this Agreement, the Indenture and the Debentures, (c) the ability of any Subsidiary Guarantor to perform its obligations under its Subsidiary Guaranty, or (d) the validity or enforceability of this Agreement, the Indenture or the Debentures.

“Material Credit Facility” means, as to the Company and its Subsidiaries:

(a) the Credit Agreement dated as of November 18, 2011 (as amended by Amendment No. 1 and Consent dated as of December 18, 2013, Amendment No. 2 and Consent dated as of January 30, 2015 and Amendment No. 3, Consent dated as of March 16, 2017 and Amendment No. 4 and Consent dated as of March 18, 2019) among Duke Energy Corporation, the Company, *et al.* and Wells Fargo Bank, National Association as Administrative Agent, including any renewals, extensions, amendments, supplements, restatements, replacements or refinancing thereof (the “Existing Credit Facility”); and

(b) any other agreement(s) creating or evidencing indebtedness for borrowed money entered into on or after the date hereof by the Company or any Subsidiary, or in respect of which the Company or any Subsidiary is an obligor or otherwise provides a guarantee or other credit support (“Credit Facility”), in a principal amount outstanding or available for borrowing equal to or greater than \$125,000,000 (or the equivalent of such amount in the relevant currency of payment, determined as of the date of the closing of such facility based on the exchange rate of such other currency);

provided, however, if neither the Existing Credit Facility nor a Credit Facility that equals or exceeds the amount set forth in clause (b) of this definition is in effect, then the largest Credit Facility shall be deemed to be a Material Credit Facility.

“Multiemployer Plan” means any Plan that is a “multiemployer plan” (as such term is defined in section 4001(a)(3) of ERISA).

“OFAC” means the Office of Foreign Assets Control, United States Department of the Treasury.

“OFAC Listed Person” means a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC.

“OFAC Sanctions Program” means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>.

“Officer’s Certificate” means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

“Person” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

“Plan” means an “employee benefit plan” (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

“Preferred Stock” means any class of capital stock of a Person that is preferred over any other class of capital stock (or similar equity interests) of such Person as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such Person.

“property” or “properties” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“Purchase Agreement” means that certain Debenture Purchase Agreement dated July 17, 2019 among the Company and the Purchasers named therein, whereby the Debentures were or will be issued and sold, including all schedules attached thereto, as it may be amended, restated, supplemented or otherwise modified from time to time.

“Purchaser” or “Purchasers” means each of the purchasers that has executed and delivered the Purchase Agreement to the Company and such Purchaser’s successors and assigns (so long as any such assignment complies with the terms hereof), *provided, however*, that any Purchaser of a Debenture that ceases to be the Holder thereof or a beneficial owner (through a nominee) of such Debenture as the result of a transfer thereof shall cease to be included within the meaning of “Purchaser” of such Debenture for the purposes hereof upon such transfer.

“Related Fund” means, with respect to any Holder of any Debenture, any fund or entity that (i) invests in Securities or bank loans, and (ii) is advised or managed by such Holder, the same investment advisor as such Holder or by an affiliate of such Holder or such investment advisor.

“Required Holders” means the Holders of more than 50% in principal amount of the Debentures at the time outstanding (in each case, exclusive of Debentures then owned by the Company or any of its Affiliates).

“Responsible Officer” means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

“Securities” or “Security” shall have the meaning specified in section 2(1) of the Securities Act.

“Securities Act” means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“Senior Financial Officer” means the chief financial officer, the principal accounting officer, the treasurer, any assistant treasurer, the controller or any assistant controller of the Company.

“Significant Subsidiary” means at any time any Subsidiary that would at such time constitute a “significant subsidiary” (as such term is defined in Regulation S-X of the SEC as in effect on the date hereof) of the Company.

“Subsidiary” means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a “Subsidiary” is a reference to a Subsidiary of the Company.

“Subsidiary Guarantor” means each Subsidiary that has executed and delivered a Subsidiary Guaranty.

“Subsidiary Guaranty” shall have the meaning set forth in Section 607(a) hereof.

“Swap Contract” means (a) any and all interest rate swap transactions, basis swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward foreign exchange transactions, cap transactions, floor transactions, currency options, spot contracts or any other similar transactions or any of the foregoing (including, but without limitation, any options to enter into any of the foregoing), and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of

master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amounts(s) determined as the mark-to-market values(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

“Synthetic Lease” means, at any time, any lease (including leases that may be terminated by the lessee at any time) of any property (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

“U.S. Economic Sanctions” means, collectively, United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, CISADA or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing.

“USA PATRIOT Act” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“Wholly-Owned Subsidiary” means, at any time, any Subsidiary one hundred percent of all of the equity interests (except directors’ qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company’s other Wholly-Owned Subsidiaries at such time.

(b) Each capitalized term that is used herein and is defined in the Indenture shall have the meaning specified in the Indenture unless such term is otherwise defined herein. The terms defined herein include the plural as well as the singular.

ARTICLE TWO.

TERMS OF THE DEBENTURES

SECTION 201. CREATION AND DESIGNATION OF THE DEBENTURES; AGGREGATE PRINCIPAL AMOUNT; MATURITY DATES.

There is hereby authorized a series of Securities designated the “3.23% Debentures due 2025” and a series of Securities designated the “3.56% Debentures due 2029” (such series being, respectively, the “2025 Debentures” and the “2029 Debentures” hereinbefore referred to). The 2025 Debentures and the 2029 Debentures shall mature and the principal shall be due and payable together with all accrued and unpaid interest thereon on October 1, 2025 and on October 1, 2029, respectively.

The 2025 Debentures and the 2029 Debentures shall be limited in an aggregate principal amount of \$95,000,000 and \$75,000,000, respectively, except as provided in Section 301(2) of the Indenture.

SECTION 202. DEBENTURES IN REGISTERED FORM; REGISTRATION GENERALLY.

(a) The Debentures of each series shall be issued only in the form of a separate, single, authenticated, fully registered debenture which (i) need not be in the form of a lithographed or engraved certificate, but may be typewritten or printed on ordinary paper or such paper as the Trustee may reasonably request, (ii) shall be executed by the Company and authenticated by the Trustee in accordance with the provisions of the Indenture and this Seventh Supplemental Indenture, and (iii) shall be registered in the name of the Purchasers thereof as directed by the Company.

(b) The name and address of each Holder of one or more Debentures, each transfer thereof and the name and address of each transferee of one or more Debentures shall be registered in the Security Register. If any Holder of one or more Debentures is a nominee, then (i) the name and address of the beneficial owner of such Debenture or Debentures shall also be registered in the Security Register as an owner and Holder thereof and (ii) at any such beneficial owner’s option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant hereto. Prior to due presentment for registration of transfer, the Person(s) in whose name any Debenture(s) shall be registered shall be deemed and treated as the owner and Holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any Holder of a Debenture that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered Holders of Debentures.

SECTION 203. TRANSFER AND EXCHANGE OF DEBENTURES.

(a) Upon surrender of any Debenture to the Trustee for registration of transfer or exchange, within ten Business Days thereafter, the Company shall execute and deliver, at the Company’s expense (except as provided in the Indenture), one or more new Debentures of the same series (as requested by the Holder thereof) in exchange therefor, in an aggregate principal

amount equal to the unpaid principal amount of the surrendered Debenture. Each such new Debenture shall be payable to such Person as such Holder may request. Debentures shall not be transferred in denominations of less than \$100,000, *provided* that if necessary to enable the registration of transfer by a Holder of its entire holding of Debentures, one Debenture may be in a denomination of less than \$100,000. Any transferee, by its acceptance of a Debenture registered in its name (or the name of its nominee), shall be deemed to have made the representations set forth in Sections 6.1(b) and 6.2 of the Purchase Agreement.

(b) Notwithstanding the foregoing, the Company shall not effect any requested transfer of a Debenture unless such transfer is made (i) pursuant to an exemption from registration under the Securities Act or (ii) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable state securities laws and the securities laws of other jurisdictions. The Company shall not effect any requested transfer of a Debenture unless it has received: (x) a written instrument of transfer duly executed by the registered Holder of such Debenture or such Holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Debenture or part thereof and (y) unless such requested transfer is to be made pursuant to an effective registration statement, an opinion of counsel satisfactory to the Company that such transfer does not require registration under the Securities Act and other applicable laws.

SECTION 204. INTEREST RATES, INTEREST PAYMENT DATES AND REGULAR RECORD DATES; DEFAULT INTEREST.

(a) Interest on each of the 2025 Debentures shall be payable (i) on the principal amount thereof, semi-annually on April 1 and October 1 of each year (each an Interest Payment Date for the 2025 Debentures), commencing on April 1, 2020, at the rate of 3.23% per annum, from the date specified on the face of such 2025 Debenture, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal thereof is due and payable, and (ii) to the extent permitted by law, (A) on any overdue payment of interest, (B) on any overdue payment of the Redemption Price, and (C) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of Holders, on demand).

(b) Interest on each of the 2029 Debentures shall be payable (i) on the principal amount thereof, semi-annually on April 1 and October 1 of each year (each an Interest Payment Date for the 2029 Debentures), commencing on April 1, 2020, at the rate of 3.56% per annum, from the date specified on the face of such 2029 Debenture, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal thereof is due and payable, and (ii) to the extent permitted by law, (A) on any overdue payment of interest, (B) on any overdue payment of the Redemption Price, and (C) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of Holders, on demand).

(c) The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the Person in whose name such Debenture is registered at the close

of business on the Regular Record Date for such interest, which shall be the fifteenth day immediately preceding such Interest Payment Date. The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 205. PLACE AND MANNER OF PAYMENT OF THE DEBENTURES.

(a) Subject to Section 205(b) hereof, payments of interest will be made by check mailed to the Holder of each Debenture at the address shown in the Security Register, and payments of the principal amount of each Debenture will be made at maturity by check against presentation of the Debenture at the office or agency of the Trustee. The Company may at any time, by notice to each Holder of a Debenture, change the place of payment of the Debentures so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

(b) So long as any Purchaser or its nominee shall be the Holder of any Debentures, and notwithstanding anything contained in the Indenture or in such Debentures to the contrary, the Company will pay, or will cause the Trustee to pay, all sums becoming due on such Debentures for principal, Redemption Price, if any, and interest by such other method or at such other address as such Purchaser shall have from time to time specified to the Trustee and the Company in writing for such purpose, without the presentation or surrender of such Debentures or the making of any notation thereon, except that upon written request of the Trustee, in its capacity as the Security Registrar made concurrently with or reasonably promptly after payment or redemption in full of any Debentures, such Purchaser shall surrender such Debentures for cancellation, reasonably promptly after any such request, to the Security Registrar at its principal executive office or at the place of payment designated for the Debentures in Section 205(a) hereof. Prior to any sale or other disposition of any Debentures held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Debentures to the Security Registrar in exchange for new Debentures pursuant to Section 305 of the Indenture. The Security Registrar will afford the benefits of this Section to any Institutional Investor that is the direct or indirect transferee of any Debentures purchased by a Purchaser and that has made the same agreement relating to such Debentures as the Purchasers have made in this Section.

SECTION 206. DENOMINATIONS OF DEBENTURES.

The Debentures shall be issued in denominations of at least \$100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of Debentures.

SECTION 207. DEFEASANCE AND COVENANT DEFEASANCE SHALL NOT APPLY.

The Debentures shall not be subject to defeasance and covenant defeasance, at the Company's option, as provided for in Sections 1302 and 1303 of the Indenture.

SECTION 208. REDEMPTION PROVISIONS OF THE DEBENTURES.

(a) 2025 Debentures. Prior to September 1, 2025 (one month prior to the maturity of the 2025 Debentures), the Company has the right to redeem at any time all, or from time to time

any part of, the 2025 Debentures at a Redemption Price equal to (1) 100% of the principal amount of the 2025 Debentures to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the 2025 Debentures to be redeemed. On or after September 1, 2025 (one month prior to the maturity of the 2025 Debentures), the Company has the right to redeem at any time all, or from time to time any part of, the 2025 Debentures at a Redemption Price equal 100% of the principal amount of the 2025 Debentures to be redeemed.

(b) 2029 Debentures. Prior to July 1, 2029 (three months prior to the maturity of the 2029 Debentures), the Company has the right to redeem at any time all, or from time to time any part of, the 2029 Debentures at a Redemption Price equal to (1) 100% of the principal amount of the 2029 Debentures to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the 2029 Debentures to be redeemed. On or after July 1 2029, (three months prior to the maturity of the 2029 Debentures), the Company has the right to redeem at any time all, or from time to time any part of, the 2029 Debentures at a Redemption Price equal to 100% of the principal amount of the 2029 Debentures to be redeemed.

(c) All calculations relating to the Redemption Price will be performed by the Company. For purposes of determining the Redemption Price, the following terms have the following meanings:

“Make-Whole Amount” means, with respect to any Debenture, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Debenture over the amount of such Called Principal, *provided* that the Make-Whole Amount may in no event be less than zero.

“Called Principal” means, with respect to any Debenture, the principal of such Debenture that is to be redeemed pursuant to this Section 208 or has become or is declared to be immediately due and payable pursuant to Section 502 of the Indenture, as the context requires.

“Discounted Value” means, with respect to the Called Principal of any Debenture, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Debentures is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Reinvestment Yield” means, with respect to the Called Principal of any Debenture, 0.50% over the yield to maturity implied by the yield(s) reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities (“Reported”) having a maturity equal to the Remaining Average Life of such Called Principal as of

such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between the yields Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Debenture.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Reinvestment Yield” means, with respect to the Called Principal of any Debenture, 0.50% over the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release 1115 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Debenture.

“Remaining Average Life” means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year composed of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

“Remaining Scheduled Payments” means, with respect to the Called Principal of any Debenture, all payments of such Called Principal that would be due after the Settlement Date and interest thereon that would be due after the Settlement Date until, with respect to the 2025 Debentures, October 1, 2025 and, with respect to the 2029 Debentures, October 1, 2029, if no payment of such Called Principal were made prior to its scheduled due date, *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the Debentures, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date.

“Settlement Date” means, with respect to the Called Principal of any Debenture, the date on which such Called Principal is to be redeemed pursuant to this Section 208 or

has become or is declared to be immediately due and payable pursuant to Section 502 of the Indenture, as the context requires.

(d) Partial Redemptions. Any partial redemption of the Debentures pursuant to Sections 208(a) or (b) hereof shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of such Debentures to be redeemed. In the case of each such partial redemption of the Debentures and, notwithstanding Section 1103 of the Indenture, the principal amount of the Debentures to be redeemed shall be allocated among all of the Debentures at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

(e) Notice of Redemption. Notice of redemption shall be given, by mail, not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Debentures to be redeemed, at his or her address appearing in the Security Register, unless, notwithstanding Section 1104 of the Indenture, the Company, the Trustee and the Required Holders agree to another time period or another method of delivery. In addition to the requirements of said Section 1104, each such notice shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such redemption (calculated as if the date of such notice were the date of the redemption), setting forth the details of such computation. Two Business Days prior to such redemption, the Company shall deliver to each Holder of Debentures to be redeemed a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified redemption date.

(f) In the case of each optional redemption, the Debentures to be redeemed shall, on the Redemption Date, become due and payable at the applicable Redemption Price, together with interest on the principal amount thereof. Unless the Company defaults in payment of the Redemption Price therefor and accrued interest, on and after any Redemption Date therefor, interest will cease to accrue on the Debentures or portions thereof called for redemption.

(g) The Company will not, and will not permit any Affiliate to, purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Debentures except (a) upon the payment or redemption of the Debentures in accordance with this Section 208, or (b) pursuant to an offer to purchase made by the Company or an Affiliate pro-rata to the Holders of all Debentures at the time outstanding upon the same terms and conditions. Any such offer shall provide each Holder with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least 15 Business Days. If the Holders of more than 25% of the principal amount of the Debentures then outstanding accept such offer, the Company shall promptly notify the remaining Holders of such fact and the expiration date for the acceptance by Holders of Debentures of such offer shall be extended by the number of, days necessary to give each such remaining holder at least five Business Days from its receipt of such notice to accept such offer. The Company will promptly cancel all Debentures acquired by it or any Affiliate pursuant to any payment, redemption or purchase of Debentures pursuant to this Section 208 and no Debentures may be issued in substitution or exchange for any such Debentures.

(h) The Company shall indemnify and hold harmless the Trustee from any and all losses, costs, damages, expenses, fees (including reasonable attorneys' fees), court costs,

judgments, penalties, obligations, suits, disbursements and liabilities of any kind or character whatsoever which may at any time be imposed upon, incurred by or asserted against the Trustee by reason of or arising out of or caused, directly or indirectly, by any act or omission of the Trustee with respect to this Section 208, except for such that would arise out of the gross negligence, willful misconduct or bad faith of the Trustee.

SECTION 209. FORM OF DEBENTURES OF EACH SERIES.

The Debentures of each series and the respective Trustee's certificate to be endorsed thereon shall be substantially in the following forms:

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(FORM OF FACE OF 2025 DEBENTURE)

THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL (WHICH MAY BE IN-HOUSE COUNSEL) SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

No. R-
PPN 26442L C#9

\$ _____
_____, 20__

DUKE ENERGY KENTUCKY, INC.
3.23% DEBENTURE DUE 2025

DUKE ENERGY KENTUCKY, INC., a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (herein called the "Company", which term includes any successor Person under the Indenture hereafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$ _____) on October 1, 2025, and to pay interest (a) thereon from September 26, 2019, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually, on April 1 and October 1 in each year, commencing April 1, 2020, at the rate of 3.23% per annum, until the principal hereof is due and payable, and (b) to the extent permitted by law, (i) on any overdue payment of interest, (ii) on any overdue payment of the Redemption Price, and (iii) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand). The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (x) the maximum rate permitted by applicable law, and (y) 5.23%.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day preceding such Interest Payment Date, Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted

Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Subject to certain exceptions provided in the Indenture, payment of the principal of (and premium, if any) and interest on this Security will be made at the corporate trust office of the Trustee maintained for that purpose in the City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Any payment on this Security due on any day which is not a Business Day in the City of New York need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the due date and no interest shall accrue for the period from and after such date, unless such payment is a payment at maturity or upon redemption, in which case, notwithstanding Section 113 of the Indenture, interest shall accrue thereon at the stated rate for such additional days.

As used herein, "Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

In Witness Whereof, the Company has caused this instrument to be duly executed.

DUKE ENERGY KENTUCKY, INC.

By: _____

CERTIFICATE OF AUTHENTICATION

Dated: _____, 20__

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

DEUTSCHE BANK TRUST COMPANY
AMERICAS, Trustee

By: _____
Authorized Signatory

(FORM OF REVERSE OF 2025 DEBENTURE)

This Security is one of a duly authorized issue of securities of the Company (herein called the “Securities”), issued and to be issued in one or more series under an Indenture, dated as of December 1, 2004, as supplemented by the Seventh Supplemental Indenture dated as of September 15, 2019 (the “Indenture”), between the Company and Deutsche Bank Trust Company Americas, as Trustee (herein called the “Trustee”, which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, which series is issuable without limitation as to the aggregate principal amount thereof.

Prior to September 1, 2025 (one month prior to the maturity of this Security), the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal to (1) 100% of the principal amount of the Securities of this series to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the Securities of this series to be redeemed. On or after September 1, 2025, the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal 100% of the principal amount of the Securities of this series to be redeemed.

Any partial redemption of the Securities of this series shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of the Securities of this series to be redeemed. In the case of each such partial redemption of the Securities of this series, the principal amount of the Securities of this series to be redeemed shall be allocated among all of the Securities of this series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

Notice of any redemption by the Company will be mailed at least 30 days but not more than 60 days before any Redemption Date to each Holder of Securities to be redeemed.

Unless the Company defaults in payment of the Redemption Price, on and after any Redemption Date, interest will cease to accrue on the Securities or portions thereof called for redemption.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the

Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of a majority in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 35% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity reasonably satisfactory to the Trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees,

The Securities of this series are issuable only in registered form without coupons in denominations of at least \$100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of the Securities. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized

denomination, as requested by the Holder surrendering the same. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

(FORM OF FACE OF 2029 DEBENTURE)

THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE OFFERED SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL (WHICH MAY BE IN-HOUSE COUNSEL) SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

No. R-
PPN 26442L D*2

\$ _____
_____, 20__

DUKE ENERGY KENTUCKY, INC.
3.56% DEBENTURE DUE 2029

DUKE ENERGY KENTUCKY, INC., a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (herein called the "Company", which term includes any successor Person under the Indenture hereafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$ _____) on October 1, 2029, and to pay interest thereon from September 26, 2019, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually, on April 1 and October 1 in each year, commencing April 1, 2020, at the rate of 3.56% per annum, until the principal hereof is due and payable, and (b) to the extent permitted by law, (i) on any overdue payment of interest, (ii) on any overdue payment of the Redemption Price, and (iii) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand). The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (x) the maximum rate permitted by applicable law, and (y) 5.56%.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted

Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Subject to certain exceptions provided in the Indenture, payment of the principal of (and premium, if any) and interest on this Security will be made at the corporate trust office of the Trustee maintained for that purpose in the City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Any payment on this Security due on any day which is not a Business Day in the City of New York need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the due date and no interest shall accrue for the period from and after such date, unless such payment is a payment at maturity or upon redemption, in which case, notwithstanding Section 113 of the Indenture, interest shall accrue thereon at the stated rate for such additional days.

As used herein, "Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

In Witness Whereof, the Company has caused this instrument to be duly executed.

DUKE ENERGY KENTUCKY, INC.

By: _____

CERTIFICATE OF AUTHENTICATION

Dated: _____, 20__

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

DEUTSCHE BANK TRUST COMPANY
AMERICAS, Trustee

By: _____
Authorized Signatory

(FORM OF REVERSE OF 2029 DEBENTURE)

This Security is one of a duly authorized issue of securities of the Company (herein called the “Securities”), issued and to be issued in one or more series under an Indenture, dated as of December 1, 2004, as supplemented by the Seventh Supplemental Indenture dated as of September 15, 2019 (the “Indenture”), between the Company and Deutsche Bank Trust Company Americas, as Trustee (herein called the “Trustee”, which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, which series is issuable without limitation as to the aggregate principal amount thereof.

Prior to July 1, 2029 (three months prior to the maturity of this Security), the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal to (1) 100% of the principal amount of the Securities of this series to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the Securities of this series to be redeemed. On or after July 1, 2029, the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal 100% of the principal amount of the Securities of this series to be redeemed.

Any partial redemption of the Securities of this series shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of the Securities of this series to be redeemed. In the case of each such partial redemption of the Securities of this series, the principal amount of the Securities of this series to be redeemed shall be allocated among all of the Securities of this series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

Notice of any redemption by the Company will be mailed at least 30 days but not more than 60 days before any Redemption Date to each Holder of Securities to be redeemed.

Unless the Company defaults in payment of the Redemption Price, on and after any Redemption Date, interest will cease to accrue on the Securities or portions thereof called for redemption.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the

Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of a majority in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 35% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity reasonably satisfactory to the Trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of at least \$100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of the Securities. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized

denomination, as requested by the Holder surrendering the same. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ARTICLE THREE.

ORIGINAL ISSUE OF DEBENTURES

An initial issue of the Debentures in the aggregate principal amount of \$95,000,000 for the 2025 Debentures and \$75,000,000 for the 2029 Debentures may, upon execution of this Seventh Supplemental Indenture, or from time to time hereafter, be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Debentures upon receipt of a Company Order, an Officers' Certificate and an Opinion of Counsel.

ARTICLE FOUR.

PAYING AGENT AND SECURITY REGISTRAR

Deutsche Bank Trust Company Americas will be the Paying Agent and Security Registrar for the Debentures.

ARTICLE FIVE.

DEFAULTS AND REMEDIES

SECTION 501. ADDITIONAL EVENTS OF DEFAULT.

In addition to those Events of Default set forth in Section 501 of the Indenture, the following events shall also be Events of Default with respect to the Debentures:

(a) the Company defaults in the performance of or compliance with any term contained in Sections 601(a)(iv), 608, 609 or 610 hereof; or

(b) (i) any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in the Purchase Agreement or any writing furnished in connection with the transactions contemplated thereby proves to have been false or incorrect in any material respect on the date as of which made, or (ii) so long as the obligation or condition giving rise to the requirement for a Subsidiary Guaranty under Section 607 hereof remains in effect, any representation or warranty made in writing by or on behalf of any Subsidiary Guarantor or by any officer of such Subsidiary Guarantor in any Subsidiary Guaranty or any writing furnished in connection with such Subsidiary Guaranty proves to have been false or incorrect in any material respect on the date as of which made; or

(c) (i) the Company or any Significant Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least \$50,000,000 beyond any period of grace provided with respect thereto, or (ii) the Company or any Significant Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least \$50,000,000 or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has

become, or has been declared, due and payable before its stated maturity or before its regularly scheduled dates of payment; or

(d) one or more final judgments or orders for the payment of money aggregating in excess of \$50,000,000, including, without limitation, any such final order enforcing a binding arbitration decision, are rendered against one or more of the Company and its Subsidiaries, (i) which judgments are not, within 60 days after entry thereof, bonded, vacated, satisfied, discharged or stayed pending appeal, or (ii) which judgments are not discharged within 60 days after the expiration of such stay; or

(e) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate “amount of unfunded benefit liabilities” (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed an amount that could reasonably be expected to have a Material Adverse Effect, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, would reasonably be expected to have a Material Adverse Effect. As used in this Section 501(e), the terms “employee benefit plan” and “employee welfare benefit plan” shall have the respective meanings assigned to such terms in section 3 of ERISA; or

(f) So long as the obligation or condition giving rise to the requirement for a Subsidiary guaranty under Section 607 hereof remains in effect, (i) any Subsidiary Guaranty shall cease to be in full force and effect, (ii) any Subsidiary Guarantor or any Person acting on behalf of any Subsidiary Guarantor shall contest in any manner the validity, binding nature or enforceability of any Subsidiary Guaranty, or (iii) the obligations of any Subsidiary Guarantor under any Subsidiary Guaranty are not or cease to be legal, valid, binding and enforceable in accordance with the terms of such Subsidiary Guaranty.

SECTION 502. REMEDY TO ALSO INCLUDE MAKE-WHOLE AMOUNT.

Upon any Debentures becoming due and payable as a result of Section 502 of the Indenture, whether automatically or by declaration, such Debentures will forthwith mature and the entire unpaid principal amount of such Debentures, plus (x) all accrued and unpaid interest thereon and (y) the Make-Whole Amount, determined pursuant to Section 208(c) hereof, in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or

further notice, all of which are hereby waived. The Company acknowledges that each Holder of a Debenture has the right to maintain its investment in the Debentures free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Debentures are redeemed or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

ARTICLE SIX.

COVENANTS

In addition to the covenants set forth in Article Ten of the Indenture, the Company covenants that so long as any of the Debentures are outstanding:

SECTION 601. INFORMATION ABOUT THE COMPANY.

(a) Financial and Business Information. The Company shall deliver to the Trustee and to each Purchasers and each Holder of a Debenture that is an Institutional Investor:

(i) *Quarterly Statements.* Within 60 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), copies of:

(A) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter; and

(B) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter;

which set forth in each case, in comparative form, the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments;

(ii) *Annual Statements.* Within 120 days after the end of each fiscal year of the Company, copies of:

(A) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, and

(B) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries for such year,

which set forth in each case, in comparative form, the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon (without a “going concern” or similar qualification or exception and without any qualification or exception as to the scope of the audit on which such opinion is based) of independent public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances;

(iii) *SEC and Other Reports.* Promptly upon their becoming available, copies of (A) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to its principal lending banks as a whole (excluding information sent to such banks in the ordinary course of administration of a bank facility, such as information relating to pricing and borrowing availability) or to its public Securities holders generally, and (B) each regular or periodic report, each registration statement that shall have become effective (without exhibits except as expressly requested by such Purchaser or Holder), and each final prospectus and all amendments thereto filed by the Company or any Subsidiary with the SEC;

(iv) *Notice of Default or Event of Default.* Promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default, a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(v) *ERISA Matters.* Promptly, and in any event within five days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(A) with respect to any Plan, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(B) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(C) any event, transaction or condition that could result in the incurrance of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any lien on any of the rights,

properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or lien, taken together with any other such liabilities or liens then existing, would reasonably be expected to have a Material Adverse Effect; and

(vi) *Requested Information.* With reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Company to perform its obligations hereunder and under the Debentures as from time to time may be reasonably requested by any such Purchaser or Holder of a Debenture.

(b) Officer's Certificate. Each set of financial statements delivered to a Purchaser or a Holder of a Debenture pursuant to Sections 601(a) or (b) hereof shall be accompanied by a certificate of a Senior Financial Officer certifying that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

(c) Electronic Delivery. Financial statements, opinions of independent certified public accountants, other information and Officer's Certificates that are required to be delivered by the Company pursuant to clauses (i), (ii) or (iii) of Section 601(a) hereof and Section 601(b) hereof shall be deemed to have been delivered if the Company satisfies any of the following requirements with respect thereto:

(i) such financial statements satisfying the requirements of clauses (i) or (ii) of Section 601(a) hereof and related Officer's Certificate satisfying the requirements of Section 601(b) hereof are delivered to each Purchaser and each Holder of a Debenture by e-mail;

(ii) such financial statements satisfying the requirements of clauses (i) or (ii) of Section 601(a) hereof and related Officer's Certificate satisfying the requirements of Section 601(b) hereof are timely posted by or on behalf of the Company on IntraLinks or on any other similar website to which each Purchaser and each Holder of Debentures has free access; or

(iii) the Company shall have filed any of the items referred to in clause (iii) of Section 601(a) hereof with the SEC on EDGAR and shall have made such items available on its home page on the internet or on IntraLinks or on any other similar website to which each Purchaser and Holder of Debentures has free access;

provided, however, that in the case of delivery under clauses (ii) or (iii) of this Section 601(c), the Company shall have given each Purchaser and each Holder of a Debenture written notice, which may be by e-mail, of such posting or filing in connection with each delivery.

SECTION 602. VISITATION.

The Company shall permit the representatives of each Purchaser and each Holder of a Debenture that is an Institutional Investor:

(a) *No Default.* If no Default or Event of Default then exists, at the expense of such Holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times as may be reasonably requested in writing; *provided* that each Purchaser and each Holder shall be limited to one visit during any twelve-month period; and

(b) *Default.* If a Default or an Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

SECTION 603. COMPLIANCE WITH LAWS.

Without limiting Section 609 hereof, the Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA, Environmental Laws, the USA PATRIOT Act and the other laws and regulations relating to U.S. Economic Sanctions, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, except, in each case, where (i) non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not reasonably be expected to have a Material Adverse Effect, or (ii) the necessity of compliance with such laws, ordinances or governmental rules or regulations are being contested in good faith by appropriate proceedings.

SECTION 604. INSURANCE.

The Company will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated. Upon request, the Company will provide written evidence of its or its Subsidiaries' insurance to the Trustee.

SECTION 605. CORPORATE EXISTENCE, ETC.

Subject to Article Eight of the Indenture, the Company will at all times preserve and keep in full force and effect, and will cause each of its Subsidiaries (unless merged into the Company or a Wholly-Owned Subsidiary) to preserve and keep in full force and effect, their respective legal existence and their respective rights and franchises unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such legal existence, right or franchise would not, individually or in the aggregate, have a Material Adverse Effect.

SECTION 606. BOOKS AND RECORDS.

The Company will, and will cause each of its Subsidiaries to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Company or such Subsidiary, as the case may be. The Company will, and will cause each of its Subsidiaries to, keep books, records and accounts which, in reasonable detail, accurately reflect all transactions and dispositions of assets. The Company and its Subsidiaries have devised a system of internal accounting controls sufficient to provide reasonable assurances that their respective books, records, and accounts accurately reflect all transactions and dispositions of assets and the Company will, and will cause each of its Subsidiaries to, continue to maintain such system.

SECTION 607. SUBSIDIARY GUARANTORS.

The Company will cause each of its Subsidiaries that guarantees or otherwise becomes liable at any time, whether as a borrower or an additional or co-borrower or otherwise, for or in respect of any Indebtedness under any Material Credit Facility to concurrently therewith:

(a) enter into an agreement in form and substance satisfactory to the Trustee and the Required Holders providing for the guaranty by such Subsidiary, on a joint and several basis with all other such Subsidiaries, of (i) the prompt payment in full when due of all amounts payable by the Company pursuant to the Debentures (whether for principal, interest, the Redemption Price or otherwise), including, without limitation, all indemnities, fees and expenses payable by the Company thereunder and (ii) the prompt, full and faithful performance, observance and discharge by the Company of each and every covenant, agreement, undertaking and provision required pursuant to the Debentures be performed, observed or discharged by it (a "Subsidiary Guaranty"); and

(b) deliver the following to each Purchaser and each Holder of a Debenture:

(i) an executed counterpart of such Subsidiary Guaranty;

(ii) a certificate signed by an authorized responsible officer of such Subsidiary containing representations and warranties on behalf of such Subsidiary as to organization, power, authority and compliance with laws with respect to such Subsidiary Guaranty in form and substance satisfactory to the Trustee and the Required Holders;

(iii) all documents as may be reasonably requested by the Trustee or the Required Holders to evidence the due organization, continuing existence and good standing of such Subsidiary and the due authorization by all requisite action on the part of such Subsidiary of the execution and delivery of such Subsidiary Guaranty and the performance by such Subsidiary of its obligations thereunder; and

(iv) an opinion of counsel reasonably satisfactory to the Trustee and the Required Holders covering such matters relating to such Subsidiary and such Subsidiary Guaranty as the Trustee or the Required Holders may reasonably request.

SECTION 608. LINE OF BUSINESS.

The Company will not and will not permit any Subsidiary to engage in any business if, as a result, the general nature of the business in which the Company and its Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Company and its Subsidiaries, taken as a whole, are engaged on the date hereof.

SECTION 609. TERRORISM SANCTIONS REGULATIONS.

The Company will not and will not permit any Subsidiary (a) to become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or any Person that is the target of sanctions imposed by the United Nations or by the European Union, or (b) directly or indirectly to have any investment in or engage in any dealing or transaction (including, without limitation, any investment, dealing or transaction involving the proceeds of the Debentures) with any Person if such investment, dealing or transaction (i) would cause any Purchaser or Holder to be in violation of any law or regulation applicable to such Holder, or (ii) is prohibited by or subject to sanctions under any U.S. Economic Sanctions, or (c) to engage, nor shall any Affiliate of either engage, in any activity that could subject such Person or any Purchaser or Holder to sanctions under CISADA or any similar law or regulation with respect to Iran or any other country that is subject to U.S. Economic Sanctions.

SECTION 610. NEGATIVE PLEDGE.

(a) While any of the Debentures remain outstanding, the Company shall not create, or permit to be created or to exist, any mortgage, lien, pledge, security interest or other encumbrance upon any of its property, whether owned on or acquired after the date hereof, to secure any indebtedness for borrowed money of the Company, unless the Debentures then outstanding are equally and ratably secured for so long as any such indebtedness is so secured.

(b) The restrictions of Section 610(a) hereof shall not apply with respect to, among other things:

(i) liens on property that existed when the Company acquired or constructed the property or were created within one year thereafter;

(ii) liens on property that secure payment of all or part of the purchase price or construction cost of the property, including the extension of any liens to repairs or improvements made on the property;

(iii) the pledge of any bonds or other securities at any time issued under any of the liens permitted by clauses (i) or (ii) above;

(iv) liens for taxes, assessments and other governmental charges or requirements which are not delinquent or which are being contested in good faith by appropriate proceedings or of which at least ten Business Days' notice has not been given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(v) mechanics', workmen's, repairmen's, materialmen's, warehousemen's, and carriers' liens, other liens incident to construction, liens or privileges of any employees of the Company for salary or wages earned, but not yet payable, and other liens, including without limitation liens for worker's compensation awards, arising in the ordinary course of business for charges or requirements which are not delinquent or which are being contested in good faith and by appropriate proceedings or of which at least ten Business Days' notice has not been given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(vi) liens in respect of attachments, judgments or awards arising out of judicial or administrative proceedings in an amount not exceeding the greater of (A) Fifty Million Dollars (\$50,000,000) and (B) three percent (3%) of the principal amount of the Securities then Outstanding;

(vii) liens in respect of attachments, judgments or awards arising out of judicial or administrative proceedings with respect to which the Company shall (A) in good faith be prosecuting an appeal or other proceeding for review and with respect to which the Company shall have secured a stay of execution pending such appeal or other proceeding or (B) have the right to prosecute an appeal or other proceeding for review or (C) have not received at least ten Business Days' notice given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(viii) easements, leases, reservations or other rights of others in, on, over and/or across, and laws, regulations and restrictions affecting, and defects, irregularities, exceptions and limitations in title to, the property of the Company or any part thereof;

(ix) liens, defects, irregularities, exceptions and limitations in (A) title to real property subject to rights-of-way in favor of the Company or otherwise or used or to be used by the Company primarily for right-of-way purposes; (B) real property held under lease, easement, license or similar right; or (C) the rights-of-way, leases, easements, licenses or similar rights in favor of the Company; and defects, irregularities, exceptions and limitations in title to flood lands, flooding rights and/or water rights;

(x) liens securing indebtedness or other obligations neither created, assumed nor guaranteed by the Company nor on account of which it customarily pays interest

upon real property or rights in or relating to real property acquired by the Company for the purpose of the generation of electric energy or the transmission or distribution of electric energy, gas or water, or for the purpose of telephonic, telegraphic, radio, wireless or other electronic communication, or otherwise for the purpose of obtaining rights-of-way;

(xi) leases existing at the date hereof affecting properties owned by the Company at said date and renewals and extensions thereof; and leases affecting such properties entered into after such date or affecting properties acquired by the Company after such date which, in either case, (A) have respective terms of not more than ten years (including extensions or renewals at the option of the tenant) or (B) do not materially impair the use by the Company of such properties for the respective purposes for which they are held by the Company;

(xii) liens vested in lessors, licensors, franchisors or permittees for rent or other amounts to become due or for other obligations or acts to be performed, the payment of which rent or the performance of which other obligations or acts is required under leases, subleases, licenses, franchises or permits, so long as the payment of such rent or other amounts or the performance of such other obligations or acts is not delinquent or is being contested in good faith and by appropriate proceedings;

(xiii) liens securing industrial revenue or pollution control bonds issued to finance any of the Company's pollution control, sewage or solid waste disposal facilities;

(xiv) controls, restrictions, obligations, duties and/or other burdens imposed by federal, state, municipal or other law, or by rules, regulations or orders of the government of the United States or of any State or Territory thereof or of the District of Columbia or of any county, municipality or other political subdivision of any thereof, or any department, agency, authority or other instrumentality of any of the foregoing (collectively, "Governmental Authorities"), upon the Company's property or any part thereof or the operation or use thereof or upon the Company with respect to the Company's property or any part thereof or the operation or use thereof or with respect to any franchise, grant, license, permit or public purpose requirement, or any rights reserved to or otherwise vested in Governmental Authorities to impose any such controls, restrictions, obligations, duties and/or other burdens;

(xv) rights which Governmental Authorities may have by virtue of franchises, grants, licenses, permits or contracts, or by virtue of law, to purchase, recapture or designate a purchaser of or order the sale of the Company's property or any part thereof, to terminate franchises, grants, licenses, permits, contracts or other rights or to regulate the property and business of the Company; and any and all obligations of the Company correlative to any such rights;

(xvi) liens required by law or governmental regulations (A) as a condition to the transaction of any business or the exercise of any privilege or license, (B) to enable the Company to maintain self-insurance or to participate in any funds established to cover any insurance risks, (C) in connection with workmen's compensation, unemployment

insurance, social security, any pension or welfare benefit plan or (D) to share in the privileges or benefits required for companies participating in one or more of the arrangements described in sub-clauses (B) and (C) above;

(xvii) liens on the Company's property or any part thereof which are granted by the Company to secure duties or public or statutory obligations or to secure, or serve in lieu of, surety, stay or appeal bonds;

(xviii) rights reserved to or vested in others to take or receive any part of any coal, ore, gas, oil and other minerals, any timber and/or any electric capacity or energy, gas, water, steam and any other products, developed, produced, manufactured, generated, purchased or otherwise acquired by the Company or by others on property of the Company;

(xix) (A) rights and interests of Persons other than the Company arising out of contracts, agreements and other instruments to which the Company is a party and which relate to the common ownership or joint use of property; and (B) all liens on the interests of Persons other than the Company in property owned in common by such Persons and the Company if and to the extent that the enforcement of such liens would not adversely affect the interests of the Company in such property in any material respect;

(xx) any restrictions on assignment and/or requirements of any assignee to qualify as a permitted assignee and/or public utility or public service corporation; and

(xxi) any liens which have been bonded for the full amount in dispute or for the payment of which other adequate security arrangements have been made.

(c) Notwithstanding the foregoing, the Company may create or assume any other mortgage, lien, pledge, security interest or other encumbrance not otherwise excepted under Section 610(b) hereof without equally and ratably securing the Debentures, if immediately after that creation or assumption, the principal amount of indebtedness for borrowed money of the Company that all such other mortgages, liens, pledges, security interests and other encumbrances secure does not exceed an amount equal to ten percent (10%) of the Company's total assets as shown on its balance sheet for the accounting period occurring immediately before the creation or assumption of that mortgage, lien, pledge, security interest or other encumbrance.

ARTICLE SEVEN.

AMENDMENTS TO INDENTURE.

Section 603 of the Indenture is hereby amended by adding the following new paragraphs (8), (9) and (10):

“(8) in no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(9) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture; the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(10) in no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.”

ARTICLE EIGHT.

MISCELLANEOUS

SECTION 801. INDENTURE RATIFIED AND CONFIRMED.

The Indenture, as amended and supplemented by this Seventh Supplemental Indenture, is in all respects ratified and confirmed, and this Seventh Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Seventh Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company. The Trustee accepts the trusts created by the Indenture, as amended and supplemented by this Seventh Supplemental Indenture, and agrees to perform the same upon the terms and conditions of the Indenture, as amended and supplemented by this Seventh Supplemental Indenture. All of the provisions contained in the Indenture in respect of the rights, privileges, immunities, powers, and duties of the Trustee shall be applicable in respect of the Seventh Supplemental Indenture as fully and with like force and effect as though fully set forth in full herein.

SECTION 802. EXECUTION IN COUNTERPARTS

This Seventh Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 803. EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings in this Seventh Supplemental Indenture and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 804. SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Seventh Supplemental Indenture by the Company and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 805. SEPARABILITY.

In case any provision in this Seventh Supplemental Indenture shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 806. BENEFITS OF INDENTURE.

Nothing in this Seventh Supplemental Indenture, the 2025 Debentures or the 2029 Debentures, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder and the Holders of any 2025 Debentures or any 2029 Debentures, any benefit or any legal or equitable right, remedy or claim under this Seventh Supplemental Indenture.

SECTION 807. GOVERNING LAW.

This Seventh Supplemental Indenture, the 2025 Debentures and the 2029 Debentures shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 808. USA PATRIOT ACT.

The parties hereto acknowledge that in accordance with Section 326 of the USA PATRIOT Act, the Trustee is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account. The Company agrees that it will cause Holders of the Debentures to provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the USA PATRIOT Act.

[EXECUTION PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Seventh Supplemental Indenture to be duly executed as of the day and year first above written.

DUKE ENERGY KENTUCKY, INC.

By: John L. Sullivan III
Name: John L. Sullivan, III
Title: Assistant Treasurer

DUKE ENERGY KENTUCKY, INC.
(FORMERLY NAMED “THE UNION LIGHT, HEAT AND POWER COMPANY”)

AND

DEUTSCHE BANK TRUST COMPANY AMERICAS,
AS TRUSTEE

EIGHTH SUPPLEMENTAL INDENTURE

DATED AS OF SEPTEMBER 15, 2020

TO

INDENTURE

DATED AS OF DECEMBER 1, 2004

Authorizing

2.65% Debentures due 2030

3.66% Debentures due 2050

and

Otherwise Amending and Supplementing the Indenture

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THIS EIGHTH SUPPLEMENTAL INDENTURE, dated as of September 15, 2020 is between Duke Energy Kentucky, Inc. (formerly named The Union Light, Heat and Power Company), a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (the “Company”), having its principal office at 139 East Fourth Street, Cincinnati, Ohio 45202, and Deutsche Bank Trust Company Americas, as Trustee (the “Trustee”) under the Indenture, dated as of December 1, 2004, between the Company and the Trustee, as heretofore supplemented (the “Indenture”).

RECITALS OF THE COMPANY

The Company has executed and delivered the Indenture to the Trustee to provide for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (the “Securities”), to be issued in one or more series as provided in the Indenture.

Pursuant to the terms of the Indenture, the Company desires to provide for the establishment of two new series of its Securities to be known as its 2.65% Debentures due 2030 (the “2030 Debentures”) and its 3.66% Debentures due 2050 (the “2050 Debentures” and together with the 2030 Debentures, the “Debentures”), in this Eighth Supplemental Indenture.

All things necessary to make this Eighth Supplemental Indenture a valid agreement of the Company have been done.

NOW, THEREFORE, THIS EIGHTH SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Debentures by the Purchasers and the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Debentures, as follows:

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.]

ARTICLE ONE.

DEFINITIONS

SECTION 101. DEFINITIONS.

(a) In addition to the words and terms defined elsewhere in this Eighth Supplemental Indenture, the following defined term used herein shall, unless the context otherwise requires, have the meaning specified below.

“Affiliate” means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person. As used in this definition, “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an “Affiliate” is a reference to an Affiliate of the Company.

“Blocked Person” means any Person who is (i) an OFAC Listed Person, (ii) an agent, department, or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is subject to any OFAC Sanctions Program, or (iii) otherwise blocked, subject to sanctions under or engaged in any activity in violation of other U.S. Economic Sanctions.

“Business Day” means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

“Capital Lease” means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

“CISADA” means the Comprehensive Iran Sanctions, Accountability and Divestment Act.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“Default” means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“Default Rate” means a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) 2.00% per annum above the rate of interest stated on the face of the Debentures.

“EDGAR” means the SEC’s Electronic Data Gathering, Analysis and Retrieval System or any successor SEC electronic filing system for such purposes.

“Environmental Laws” means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States of America.

“Governmental Authority” means

(a) the government of

(i) the United States of America or any state or other political subdivision thereof, or

(ii) any other jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

“Guaranty” means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

“Hazardous Materials” means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

“Indebtedness” with respect to any Person means, at any time, without duplication,

(a) its liabilities for borrowed money and its redemption obligations in respect of mandatorily redeemable Preferred Stock;

(b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) (i) all liabilities appearing on its balance sheet in accordance with GAAP in respect of Capital Leases and (ii) all liabilities which would appear on its balance sheet in accordance with GAAP in respect of Synthetic Leases assuming such Synthetic Leases were accounted for as Capital Leases;

(d) all liabilities for borrowed money secured by any lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities);

(e) all its liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions (whether or not representing obligations for borrowed money);

(f) the aggregate Swap Termination Value of all Swap Contracts of such Person; and

(g) any Guaranty of such Person with respect to liabilities of a type described in any of clauses (a) through (f) hereof.

“Institutional Investor” means (a) any Purchaser of a Debenture, (b) any Holder of a Debenture holding (together with one or more of its affiliates) more than 5% of the aggregate principal amount of the Debentures then outstanding, (c) any bank, trust company, savings and

loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any Holder of any Debenture.

“lien” means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

“Make-Whole Amount” shall have the meaning set forth in Section 208(c) hereof.

“Material” means material in relation to the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole.

“Material Adverse Effect” means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, (b) the ability of the Company to perform its obligations under this Agreement, the Indenture and the Debentures, (c) the ability of any Subsidiary Guarantor to perform its obligations under its Subsidiary Guaranty, or (d) the validity or enforceability of this Agreement, the Indenture or the Debentures.

“Material Credit Facility” means, as to the Company and its Subsidiaries:

(a) the Credit Agreement dated as of November 18, 2011 (as amended by Amendment No. 1 and Consent dated as of December 18, 2013, Amendment No. 2 and Consent dated as of January 30, 2015 and Amendment No. 3, Consent dated as of March 16, 2017, Amendment No. 4 and Consent dated as of March 18, 2019 and Amendment No. 5 and Consent dated as of March 16, 2020) among Duke Energy Corporation, the Company, *et al.* and Wells Fargo Bank, National Association as Administrative Agent, including any renewals, extensions, amendments, supplements, restatements, replacements or refinancing thereof (the “Existing Credit Facility”); and

(b) any other agreement(s) creating or evidencing indebtedness for borrowed money entered into on or after the date hereof by the Company or any Subsidiary, or in respect of which the Company or any Subsidiary is an obligor or otherwise provides a guarantee or other credit support (“Credit Facility”), in a principal amount outstanding or available for borrowing equal to or greater than \$125,000,000 (or the equivalent of such amount in the relevant currency of payment, determined as of the date of the closing of such facility based on the exchange rate of such other currency);

provided, however, if neither the Existing Credit Facility nor a Credit Facility that equals or exceeds the amount set forth in clause (b) of this definition is in effect, then the largest Credit Facility shall be deemed to be a Material Credit Facility.

“Multiemployer Plan” means any Plan that is a “multiemployer plan” (as such term is defined in section 4001(a)(3) of ERISA).

“OFAC” means the Office of Foreign Assets Control, United States Department of the Treasury.

“OFAC Listed Person” means a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC.

“OFAC Sanctions Program” means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>.

“Officer’s Certificate” means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

“Person” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

“Plan” means an “employee benefit plan” (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

“Preferred Stock” means any class of capital stock of a Person that is preferred over any other class of capital stock (or similar equity interests) of such Person as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such Person.

“property” or “properties” means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

“Purchase Agreement” means that certain Debenture Purchase Agreement dated September 15, 2020 among the Company and the Purchasers named therein, whereby the Debentures were or will be issued and sold, including all schedules attached thereto, as it may be amended, restated, supplemented or otherwise modified from time to time.

“Purchaser” or “Purchasers” means each of the purchasers that has executed and delivered the Purchase Agreement to the Company and such Purchaser’s successors and assigns (so long as any such assignment complies with the terms hereof), *provided, however*, that any Purchaser of a Debenture that ceases to be the Holder thereof or a beneficial owner (through a nominee) of such Debenture as the result of a transfer thereof shall cease to be included within the meaning of “Purchaser” of such Debenture for the purposes hereof upon such transfer.

“Related Fund” means, with respect to any Holder of any Debenture, any fund or entity that (i) invests in Securities or bank loans, and (ii) is advised or managed by such Holder, the same investment advisor as such Holder or by an affiliate of such Holder or such investment advisor.

“Required Holders” means the Holders of more than 50% in principal amount of the Debentures at the time outstanding (in each case, exclusive of Debentures then owned by the Company or any of its Affiliates).

“Responsible Officer” means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

“Securities” or “Security” shall have the meaning specified in section 2(1) of the Securities Act.

“Securities Act” means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“Senior Financial Officer” means the chief financial officer, the principal accounting officer, the treasurer, any assistant treasurer, the controller or any assistant controller of the Company.

“Significant Subsidiary” means at any time any Subsidiary that would at such time constitute a “significant subsidiary” (as such term is defined in Regulation S-X of the SEC as in effect on the date hereof) of the Company.

“Subsidiary” means, as to any Person, any other Person in which such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such second Person, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such first Person or one or more of its Subsidiaries or such first Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a “Subsidiary” is a reference to a Subsidiary of the Company.

“Subsidiary Guarantor” means each Subsidiary that has executed and delivered a Subsidiary Guaranty.

“Subsidiary Guaranty” shall have the meaning set forth in Section 607(a) hereof.

“Swap Contract” means (a) any and all interest rate swap transactions, basis swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward foreign exchange transactions, cap transactions, floor transactions, currency options, spot contracts or any other similar transactions or any of the foregoing (including, but without limitation, any options to enter into any of the foregoing), and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of

master agreement published by the International Swaps and Derivatives Association, Inc. or any International Foreign Exchange Master Agreement.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amounts(s) determined as the mark-to-market values(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

“Synthetic Lease” means, at any time, any lease (including leases that may be terminated by the lessee at any time) of any property (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

“U.S. Economic Sanctions” means, collectively, United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, CISADA or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing.

“USA PATRIOT Act” means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“Wholly-Owned Subsidiary” means, at any time, any Subsidiary one hundred percent of all of the equity interests (except directors’ qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company’s other Wholly-Owned Subsidiaries at such time.

(b) Each capitalized term that is used herein and is defined in the Indenture shall have the meaning specified in the Indenture unless such term is otherwise defined herein. The terms defined herein include the plural as well as the singular.

ARTICLE TWO.

TERMS OF THE DEBENTURES

SECTION 201. CREATION AND DESIGNATION OF THE DEBENTURES; AGGREGATE PRINCIPAL AMOUNT; MATURITY DATES.

There is hereby authorized a series of Securities designated the “2.65% Debentures due 2030” and a series of Securities designated the “3.66% Debentures due 2050” (such series being, respectively, the “2030 Debentures” and the “2050 Debentures” hereinbefore referred to). The 2030 Debentures and the 2050 Debentures shall mature and the principal shall be due and payable together with all accrued and unpaid interest thereon on September 15, 2030 and on September 15, 2050 respectively.

The 2030 Debentures and the 2050 Debentures shall be limited in an aggregate principal amount of \$35,000,000 and \$35,000,000, respectively, except as provided in Section 301(2) of the Indenture.

SECTION 202. DEBENTURES IN REGISTERED FORM; REGISTRATION GENERALLY.

(a) The Debentures of each series shall be issued only in the form of a separate, single, authenticated, fully registered debenture which (i) need not be in the form of a lithographed or engraved certificate, but may be typewritten or printed on ordinary paper or such paper as the Trustee may reasonably request, (ii) shall be executed by the Company and authenticated by the Trustee in accordance with the provisions of the Indenture and this Eighth Supplemental Indenture, and (iii) shall be registered in the name of the Purchasers thereof as directed by the Company.

(b) The name and address of each Holder of one or more Debentures, each transfer thereof and the name and address of each transferee of one or more Debentures shall be registered in the Security Register. If any Holder of one or more Debentures is a nominee, then (i) the name and address of the beneficial owner of such Debenture or Debentures shall also be registered in the Security Register as an owner and Holder thereof and (ii) at any such beneficial owner’s option, either such beneficial owner or its nominee may execute any amendment, waiver or consent pursuant hereto. Prior to due presentment for registration of transfer, the Person(s) in whose name any Debenture(s) shall be registered shall be deemed and treated as the owner and Holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any Holder of a Debenture that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered Holders of Debentures.

SECTION 203. TRANSFER AND EXCHANGE OF DEBENTURES.

(a) Upon surrender of any Debenture to the Trustee for registration of transfer or exchange, within ten Business Days thereafter, the Company shall execute and deliver, at the Company’s expense (except as provided in the Indenture), one or more new Debentures of the same series (as requested by the Holder thereof) in exchange therefor, in an aggregate principal

amount equal to the unpaid principal amount of the surrendered Debenture. Each such new Debenture shall be payable to such Person as such Holder may request. Debentures shall not be transferred in denominations of less than \$100,000, *provided* that if necessary to enable the registration of transfer by a Holder of its entire holding of Debentures, one Debenture may be in a denomination of less than \$100,000. Any transferee, by its acceptance of a Debenture registered in its name (or the name of its nominee), shall be deemed to have made the representations set forth in Sections 6.1(b) and 6.2 of the Purchase Agreement.

(b) Notwithstanding the foregoing, the Company shall not effect any requested transfer of a Debenture unless such transfer is made (i) pursuant to an exemption from registration under the Securities Act or (ii) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable state securities laws and the securities laws of other jurisdictions. The Company shall not effect any requested transfer of a Debenture unless it has received: (x) a written instrument of transfer duly executed by the registered Holder of such Debenture or such Holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Debenture or part thereof and (y) unless such requested transfer is to be made pursuant to an effective registration statement, an opinion of counsel satisfactory to the Company that such transfer does not require registration under the Securities Act and other applicable laws.

SECTION 204. INTEREST RATES, INTEREST PAYMENT DATES AND REGULAR RECORD DATES; DEFAULT INTEREST.

(a) Interest on each of the 2030 Debentures shall be payable (i) on the principal amount thereof, semi-annually on March 15 and September 15 of each year (each an Interest Payment Date for the 2030 Debentures), commencing on March 15, 2021, at the rate of 2.65% per annum, from the date specified on the face of such 2030 Debenture, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal thereof is due and payable, and (ii) to the extent permitted by law, (A) on any overdue payment of interest, (B) on any overdue payment of the Redemption Price, and (C) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of Holders, on demand).

(b) Interest on each of the 2050 Debentures shall be payable (i) on the principal amount thereof, semi-annually on March 15 and September 15 of each year (each an Interest Payment Date for the 2050 Debentures), commencing on March 15, 2021, at the rate of 3.66% per annum, from the date specified on the face of such 2050 Debenture, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal thereof is due and payable, and (ii) to the extent permitted by law, (A) on any overdue payment of interest, (B) on any overdue payment of the Redemption Price, and (C) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of Holders, on demand).

(c) The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will be paid to the Person in whose name such Debenture is registered at the close

of business on the Regular Record Date for such interest, which shall be the fifteenth day immediately preceding such Interest Payment Date. The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 205. PLACE AND MANNER OF PAYMENT OF THE DEBENTURES.

(a) Subject to Section 205(b) hereof, payments of interest will be made by check mailed to the Holder of each Debenture at the address shown in the Security Register, and payments of the principal amount of each Debenture will be made at maturity by check against presentation of the Debenture at the office or agency of the Trustee. The Company may at any time, by notice to each Holder of a Debenture, change the place of payment of the Debentures so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

(b) So long as any Purchaser or its nominee shall be the Holder of any Debentures, and notwithstanding anything contained in the Indenture or in such Debentures to the contrary, the Company will pay, or will cause the Trustee to pay, all sums becoming due on such Debentures for principal, Redemption Price, if any, and interest by such other method or at such other address as such Purchaser shall have from time to time specified to the Trustee and the Company in writing for such purpose, without the presentation or surrender of such Debentures or the making of any notation thereon, except that upon written request of the Trustee, in its capacity as the Security Registrar made concurrently with or reasonably promptly after payment or redemption in full of any Debentures, such Purchaser shall surrender such Debentures for cancellation, reasonably promptly after any such request, to the Security Registrar at its principal executive office or at the place of payment designated for the Debentures in Section 205(a) hereof. Prior to any sale or other disposition of any Debentures held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Debentures to the Security Registrar in exchange for new Debentures pursuant to Section 305 of the Indenture. The Security Registrar will afford the benefits of this Section to any Institutional Investor that is the direct or indirect transferee of any Debentures purchased by a Purchaser and that has made the same agreement relating to such Debentures as the Purchasers have made in this Section.

SECTION 206. DENOMINATIONS OF DEBENTURES.

The Debentures shall be issued in denominations of at least \$100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of Debentures.

SECTION 207. DEFEASANCE AND COVENANT DEFEASANCE SHALL NOT APPLY.

The Debentures shall not be subject to defeasance and covenant defeasance, at the Company's option, as provided for in Sections 1302 and 1303 of the Indenture.

SECTION 208. REDEMPTION PROVISIONS OF THE DEBENTURES.

(a) 2030 Debentures. Prior to June 15, 2030 (three months prior to the maturity of the 2030 Debentures), the Company has the right to redeem at any time all, or from time to time

any part of, the 2030 Debentures at a Redemption Price equal to (1) 100% of the principal amount of the 2030 Debentures to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the 2030 Debentures to be redeemed. On or after June 15, 2030 (three months prior to the maturity of the 2030 Debentures), the Company has the right to redeem at any time all, or from time to time any part of, the 2030 Debentures at a Redemption Price equal 100% of the principal amount of the 2030 Debentures to be redeemed.

(b) 2050 Debentures. Prior to March 15, 2050 (six months prior to the maturity of the 2050 Debentures), the Company has the right to redeem at any time all, or from time to time any part of, the 2050 Debentures at a Redemption Price equal to (1) 100% of the principal amount of the 2050 Debentures to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the 2050 Debentures to be redeemed. On or after March 15, 2050 (six months prior to the maturity of the 2050 Debentures), the Company has the right to redeem at any time all, or from time to time any part of, the 2050 Debentures at a Redemption Price equal to 100% of the principal amount of the 2050 Debentures to be redeemed.

(c) All calculations relating to the Redemption Price will be performed by the Company. For purposes of determining the Redemption Price, the following terms have the following meanings:

“Make-Whole Amount” means, with respect to any Debenture, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Debenture over the amount of such Called Principal, *provided* that the Make-Whole Amount may in no event be less than zero.

“Called Principal” means, with respect to any Debenture, the principal of such Debenture that is to be redeemed pursuant to this Section 208 or has become or is declared to be immediately due and payable pursuant to Section 502 of the Indenture, as the context requires.

“Discounted Value” means, with respect to the Called Principal of any Debenture, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Debentures is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Reinvestment Yield” means, with respect to the Called Principal of any Debenture, 0.50% over the yield to maturity implied by the yield(s) reported as of 10:00 a.m. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as “Page PX1” (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities (“Reported”) having a maturity equal to the Remaining Average Life of such Called Principal as of

such Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Remaining Average Life, then such implied yield to maturity will be determined by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between the yields Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Remaining Average Life and (2) closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Debenture.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then “Reinvestment Yield” means, with respect to the Called Principal of any Debenture, 0.50% over the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release 1115 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Remaining Average Life of such Called Principal as of such Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Debenture.

“Remaining Average Life” means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year composed of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

“Remaining Scheduled Payments” means, with respect to the Called Principal of any Debenture, all payments of such Called Principal that would be due after the Settlement Date and interest thereon that would be due after the Settlement Date until, with respect to the 2030 Debentures, September 15, 2030 and, with respect to the 2050 Debentures, September 15, 2050, if no payment of such Called Principal were made prior to its scheduled due date, *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the Debentures, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date.

“Settlement Date” means, with respect to the Called Principal of any Debenture, the date on which such Called Principal is to be redeemed pursuant to this Section 208 or

has become or is declared to be immediately due and payable pursuant to Section 502 of the Indenture, as the context requires.

(d) Partial Redemptions. Any partial redemption of the Debentures pursuant to Sections 208(a) or (b) hereof shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of such Debentures to be redeemed. In the case of each such partial redemption of the Debentures and, notwithstanding Section 1103 of the Indenture, the principal amount of the Debentures to be redeemed shall be allocated among all of the Debentures at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

(e) Notice of Redemption. Notice of redemption shall be given, by mail, not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Debentures to be redeemed, at his or her address appearing in the Security Register, unless, notwithstanding Section 1104 of the Indenture, the Company, the Trustee and the Required Holders agree to another time period or another method of delivery. In addition to the requirements of said Section 1104, each such notice shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such redemption (calculated as if the date of such notice were the date of the redemption), setting forth the details of such computation. Two Business Days prior to such redemption, the Company shall deliver to each Holder of Debentures to be redeemed a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified redemption date.

(f) In the case of each optional redemption, the Debentures to be redeemed shall, on the Redemption Date, become due and payable at the applicable Redemption Price, together with interest on the principal amount thereof. Unless the Company defaults in payment of the Redemption Price therefor and accrued interest, on and after any Redemption Date therefor, interest will cease to accrue on the Debentures or portions thereof called for redemption.

(g) The Company will not, and will not permit any Affiliate to, purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Debentures except (a) upon the payment or redemption of the Debentures in accordance with this Section 208, or (b) pursuant to an offer to purchase made by the Company or an Affiliate pro-rata to the Holders of all Debentures at the time outstanding upon the same terms and conditions. Any such offer shall provide each Holder with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least 15 Business Days. If the Holders of more than 25% of the principal amount of the Debentures then outstanding accept such offer, the Company shall promptly notify the remaining Holders of such fact and the expiration date for the acceptance by Holders of Debentures of such offer shall be extended by the number of, days necessary to give each such remaining holder at least five Business Days from its receipt of such notice to accept such offer. The Company will promptly cancel all Debentures acquired by it or any Affiliate pursuant to any payment, redemption or purchase of Debentures pursuant to this Section 208 and no Debentures may be issued in substitution or exchange for any such Debentures.

(h) The Company shall indemnify and hold harmless the Trustee from any and all losses, costs, damages, expenses, fees (including reasonable attorneys' fees), court costs,

judgments, penalties, obligations, suits, disbursements and liabilities of any kind or character whatsoever which may at any time be imposed upon, incurred by or asserted against the Trustee by reason of or arising out of or caused, directly or indirectly, by any act or omission of the Trustee with respect to this Section 208, except for such that would arise out of the gross negligence, willful misconduct or bad faith of the Trustee.

SECTION 209. FORM OF DEBENTURES OF EACH SERIES.

The Debentures of each series and the respective Trustee's certificate to be endorsed thereon shall be substantially in the following forms:

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(FORM OF FACE OF 2030 DEBENTURE)

THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL (WHICH MAY BE IN-HOUSE COUNSEL) SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

No. R-
PPN 26442L D#8

\$ _____
_____, 20__

DUKE ENERGY KENTUCKY, INC.
2.65% DEBENTURE DUE 2030

DUKE ENERGY KENTUCKY, INC., a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (herein called the "Company", which term includes any successor Person under the Indenture hereafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$ _____) on September 15, 2030, and to pay interest (a) thereon from September 15, 2020, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually, on March 15 and September 15 in each year, commencing March 15, 2021, at the rate of 2.65% per annum, until the principal hereof is due and payable, and (b) to the extent permitted by law, (i) on any overdue payment of interest, (ii) on any overdue payment of the Redemption Price, and (iii) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand). The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (x) the maximum rate permitted by applicable law, and (y) 4.65%.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day preceding such Interest Payment Date, Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted

Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Subject to certain exceptions provided in the Indenture, payment of the principal of (and premium, if any) and interest on this Security will be made at the corporate trust office of the Trustee maintained for that purpose in the City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Any payment on this Security due on any day which is not a Business Day in the City of New York need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the due date and no interest shall accrue for the period from and after such date, unless such payment is a payment at maturity or upon redemption, in which case, notwithstanding Section 113 of the Indenture, interest shall accrue thereon at the stated rate for such additional days.

As used herein, "Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

In Witness Whereof, the Company has caused this instrument to be duly executed.

DUKE ENERGY KENTUCKY, INC.

By: _____

CERTIFICATE OF AUTHENTICATION

Dated: _____, 20__

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

DEUTSCHE BANK TRUST COMPANY
AMERICAS, Trustee

By: _____
Authorized Signatory

(FORM OF REVERSE OF 2030 DEBENTURE)

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of December 1, 2004, as supplemented by the Eighth Supplemental Indenture dated as of September 15, 2020 (the "Indenture"), between the Company and Deutsche Bank Trust Company Americas, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, which series is issuable without limitation as to the aggregate principal amount thereof.

Prior to June 15, 2030 (three months prior to the maturity of this Security), the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal to (1) 100% of the principal amount of the Securities of this series to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the Securities of this series to be redeemed. On or after June 15, 2030, the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal 100% of the principal amount of the Securities of this series to be redeemed.

Any partial redemption of the Securities of this series shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of the Securities of this series to be redeemed. In the case of each such partial redemption of the Securities of this series, the principal amount of the Securities of this series to be redeemed shall be allocated among all of the Securities of this series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

Notice of any redemption by the Company will be mailed at least 30 days but not more than 60 days before any Redemption Date to each Holder of Securities to be redeemed.

Unless the Company defaults in payment of the Redemption Price, on and after any Redemption Date, interest will cease to accrue on the Securities or portions thereof called for redemption.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the

Holder of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of a majority in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 35% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity reasonably satisfactory to the Trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of at least \$100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of the Securities. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized

denomination, as requested by the Holder surrendering the same. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

(FORM OF FACE OF 2050 DEBENTURE)

THIS DEBENTURE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND MAY NOT BE OFFERED SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL (WHICH MAY BE IN-HOUSE COUNSEL) SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

No. R-
PPN 26442L E*1

\$ _____
_____, 20__

DUKE ENERGY KENTUCKY, INC.
3.66% DEBENTURE DUE 2050

DUKE ENERGY KENTUCKY, INC., a corporation duly organized and existing under the laws of the Commonwealth of Kentucky (herein called the "Company", which term includes any successor Person under the Indenture hereafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$ _____) on September 15, 2050, and to pay interest thereon from September 15, 2020, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually, on March 15 and September 15 in each year, commencing March 15, 2021, at the rate of 3.66% per annum, until the principal hereof is due and payable, and (b) to the extent permitted by law, (i) on any overdue payment of interest, (ii) on any overdue payment of the Redemption Price, and (iii) during the continuance of an Event of Default, on any unpaid principal amount and on any overdue payment of any Make-Whole Amount, at a rate per annum equal to the Default Rate, payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand). The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (x) the maximum rate permitted by applicable law, and (y) 5.66%.

The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted

Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Subject to certain exceptions provided in the Indenture, payment of the principal of (and premium, if any) and interest on this Security will be made at the corporate trust office of the Trustee maintained for that purpose in the City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Any payment on this Security due on any day which is not a Business Day in the City of New York need not be made on such day, but may be made on the next succeeding Business Day with the same force and effect as if made on the due date and no interest shall accrue for the period from and after such date, unless such payment is a payment at maturity or upon redemption, in which case, notwithstanding Section 113 of the Indenture, interest shall accrue thereon at the stated rate for such additional days.

As used herein, "Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

In Witness Whereof, the Company has caused this instrument to be duly executed.

DUKE ENERGY KENTUCKY, INC.

By: _____

CERTIFICATE OF AUTHENTICATION

Dated: _____, 20__

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

DEUTSCHE BANK TRUST COMPANY
AMERICAS, Trustee

By: _____
Authorized Signatory

(FORM OF REVERSE OF 2050 DEBENTURE)

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of December 1, 2004, as supplemented by the Eighth Supplemental Indenture dated as of September 15, 2020 (the "Indenture"), between the Company and Deutsche Bank Trust Company Americas, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, which series is issuable without limitation as to the aggregate principal amount thereof.

Prior to March 15, 2050 (six months prior to the maturity of this Security), the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal to (1) 100% of the principal amount of the Securities of this series to be redeemed, plus (2) the Make-Whole Amount determined for the redemption date with respect to such principal amount of the Securities of this series to be redeemed. On or after March 15, 2050, the Company has the right to redeem at any time all, or from time to time any part of, the Securities of this series at a Redemption Price equal 100% of the principal amount of the Securities of this series to be redeemed.

Any partial redemption of the Securities of this series shall be for a principal amount of not less than 10% of the aggregate amount then outstanding of the Securities of this series to be redeemed. In the case of each such partial redemption of the Securities of this series, the principal amount of the Securities of this series to be redeemed shall be allocated among all of the Securities of this series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for redemption.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

Notice of any redemption by the Company will be mailed at least 30 days but not more than 60 days before any Redemption Date to each Holder of Securities to be redeemed.

Unless the Company defaults in payment of the Redemption Price, on and after any Redemption Date, interest will cease to accrue on the Securities or portions thereof called for redemption.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the

Holder of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of a majority in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 35% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee indemnity reasonably satisfactory to the Trustee, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of at least \$100,000, except as may be necessary to enable the registration of transfer by a Holder of its entire holding of the Securities. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized

denomination, as requested by the Holder surrendering the same. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ARTICLE THREE.

ORIGINAL ISSUE OF DEBENTURES

An initial issue of the Debentures in the aggregate principal amount of \$35,000,000 for the 2030 Debentures and \$35,000,000 for the 2050 Debentures may, upon execution of this Eighth Supplemental Indenture, or from time to time hereafter, be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Debentures upon receipt of a Company Order, an Officers' Certificate and an Opinion of Counsel.

ARTICLE FOUR.

PAYING AGENT AND SECURITY REGISTRAR

Deutsche Bank Trust Company Americas will be the Paying Agent and Security Registrar for the Debentures.

ARTICLE FIVE.

DEFAULTS AND REMEDIES

SECTION 501. ADDITIONAL EVENTS OF DEFAULT.

In addition to those Events of Default set forth in Section 501 of the Indenture, the following events shall also be Events of Default with respect to the Debentures:

(a) the Company defaults in the performance of or compliance with any term contained in Sections 601(a)(iv), 608, 609 or 610 hereof; or

(b) (i) any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in the Purchase Agreement or any writing furnished in connection with the transactions contemplated thereby proves to have been false or incorrect in any material respect on the date as of which made, or (ii) so long as the obligation or condition giving rise to the requirement for a Subsidiary Guaranty under Section 607 hereof remains in effect, any representation or warranty made in writing by or on behalf of any Subsidiary Guarantor or by any officer of such Subsidiary Guarantor in any Subsidiary Guaranty or any writing furnished in connection with such Subsidiary Guaranty proves to have been false or incorrect in any material respect on the date as of which made; or

(c) (i) the Company or any Significant Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least \$50,000,000 beyond any period of grace provided with respect thereto, or (ii) the Company or any Significant Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least \$50,000,000 or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has

become, or has been declared, due and payable before its stated maturity or before its regularly scheduled dates of payment; or

(d) one or more final judgments or orders for the payment of money aggregating in excess of \$50,000,000, including, without limitation, any such final order enforcing a binding arbitration decision, are rendered against one or more of the Company and its Subsidiaries, (i) which judgments are not, within 60 days after entry thereof, bonded, vacated, satisfied, discharged or stayed pending appeal, or (ii) which judgments are not discharged within 60 days after the expiration of such stay; or

(e) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate “amount of unfunded benefit liabilities” (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed an amount that could reasonably be expected to have a Material Adverse Effect, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, would reasonably be expected to have a Material Adverse Effect. As used in this Section 501(e), the terms “employee benefit plan” and “employee welfare benefit plan” shall have the respective meanings assigned to such terms in section 3 of ERISA; or

(f) So long as the obligation or condition giving rise to the requirement for a Subsidiary guaranty under Section 607 hereof remains in effect, (i) any Subsidiary Guaranty shall cease to be in full force and effect, (ii) any Subsidiary Guarantor or any Person acting on behalf of any Subsidiary Guarantor shall contest in any manner the validity, binding nature or enforceability of any Subsidiary Guaranty, or (iii) the obligations of any Subsidiary Guarantor under any Subsidiary Guaranty are not or cease to be legal, valid, binding and enforceable in accordance with the terms of such Subsidiary Guaranty.

SECTION 502. REMEDY TO ALSO INCLUDE MAKE-WHOLE AMOUNT.

Upon any Debentures becoming due and payable as a result of Section 502 of the Indenture, whether automatically or by declaration, such Debentures will forthwith mature and the entire unpaid principal amount of such Debentures, plus (x) all accrued and unpaid interest thereon and (y) the Make-Whole Amount, determined pursuant to Section 208(c) hereof, in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or

further notice, all of which are hereby waived. The Company acknowledges that each Holder of a Debenture has the right to maintain its investment in the Debentures free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Company in the event that the Debentures are redeemed or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

ARTICLE SIX.

COVENANTS

In addition to the covenants set forth in Article Ten of the Indenture, the Company covenants that so long as any of the Debentures are outstanding:

SECTION 601. INFORMATION ABOUT THE COMPANY.

(a) Financial and Business Information. The Company shall deliver to the Trustee and to each Purchaser and each Holder of a Debenture that is an Institutional Investor:

(i) *Quarterly Statements*. Within 60 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), copies of:

(A) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter; and

(B) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter;

which set forth in each case, in comparative form, the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments;

(ii) *Annual Statements*. Within 120 days after the end of each fiscal year of the Company, copies of:

(A) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, and

(B) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries for such year,

which set forth in each case, in comparative form, the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon (without a “going concern” or similar qualification or exception and without any qualification or exception as to the scope of the audit on which such opinion is based) of independent public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances;

(iii) *SEC and Other Reports.* Promptly upon their becoming available, copies of (A) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to its principal lending banks as a whole (excluding information sent to such banks in the ordinary course of administration of a bank facility, such as information relating to pricing and borrowing availability) or to its public Securities holders generally, and (B) each regular or periodic report, each registration statement that shall have become effective (without exhibits except as expressly requested by such Purchaser or Holder), and each final prospectus and all amendments thereto filed by the Company or any Subsidiary with the SEC;

(iv) *Notice of Default or Event of Default.* Promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default, a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(v) *ERISA Matters.* Promptly, and in any event within five days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(A) with respect to any Plan, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(B) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(C) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any lien on any of the rights,

properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or lien, taken together with any other such liabilities or liens then existing, would reasonably be expected to have a Material Adverse Effect; and

(vi) *Requested Information.* With reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Company to perform its obligations hereunder and under the Debentures as from time to time may be reasonably requested by any such Purchaser or Holder of a Debenture.

(b) Officer's Certificate. Each set of financial statements delivered to a Purchaser or a Holder of a Debenture pursuant to Sections 601(a) or (b) hereof shall be accompanied by a certificate of a Senior Financial Officer certifying that such Senior Financial Officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

(c) Electronic Delivery. Financial statements, opinions of independent certified public accountants, other information and Officer's Certificates that are required to be delivered by the Company pursuant to clauses (i), (ii) or (iii) of Section 601(a) hereof and Section 601(b) hereof shall be deemed to have been delivered if the Company satisfies any of the following requirements with respect thereto:

(i) such financial statements satisfying the requirements of clauses (i) or (ii) of Section 601(a) hereof and related Officer's Certificate satisfying the requirements of Section 601(b) hereof are delivered to each Purchaser and each Holder of a Debenture by e-mail;

(ii) such financial statements satisfying the requirements of clauses (i) or (ii) of Section 601(a) hereof and related Officer's Certificate satisfying the requirements of Section 601(b) hereof are timely posted by or on behalf of the Company on IntraLinks or on any other similar website to which each Purchaser and each Holder of Debentures has free access; or

(iii) the Company shall have filed any of the items referred to in clause (iii) of Section 601(a) hereof with the SEC on EDGAR and shall have made such items available on its home page on the internet or on IntraLinks or on any other similar website to which each Purchaser and Holder of Debentures has free access;

provided, however, that in the case of delivery under clauses (ii) or (iii) of this Section 601(c), the Company shall have given each Purchaser and each Holder of a Debenture written notice, which may be by e-mail, of such posting or filing in connection with each delivery.

SECTION 602. VISITATION.

The Company shall permit the representatives of each Purchaser and each Holder of a Debenture that is an Institutional Investor:

(a) *No Default.* If no Default or Event of Default then exists, at the expense of such Holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times as may be reasonably requested in writing; *provided* that each Purchaser and each Holder shall be limited to one visit during any twelve-month period; and

(b) *Default.* If a Default or an Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

SECTION 603. COMPLIANCE WITH LAWS.

Without limiting Section 609 hereof, the Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA, Environmental Laws, the USA PATRIOT Act and the other laws and regulations relating to U.S. Economic Sanctions, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, except, in each case, where (i) non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not reasonably be expected to have a Material Adverse Effect, or (ii) the necessity of compliance with such laws, ordinances or governmental rules or regulations are being contested in good faith by appropriate proceedings.

SECTION 604. INSURANCE.

The Company will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated. Upon request, the Company will provide written evidence of its or its Subsidiaries' insurance to the Trustee.

SECTION 605. CORPORATE EXISTENCE, ETC.

Subject to Article Eight of the Indenture, the Company will at all times preserve and keep in full force and effect, and will cause each of its Subsidiaries (unless merged into the Company or a Wholly-Owned Subsidiary) to preserve and keep in full force and effect, their respective legal existence and their respective rights and franchises unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such legal existence, right or franchise would not, individually or in the aggregate, have a Material Adverse Effect.

SECTION 606. BOOKS AND RECORDS.

The Company will, and will cause each of its Subsidiaries to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Company or such Subsidiary, as the case may be. The Company will, and will cause each of its Subsidiaries to, keep books, records and accounts which, in reasonable detail, accurately reflect all transactions and dispositions of assets. The Company and its Subsidiaries have devised a system of internal accounting controls sufficient to provide reasonable assurances that their respective books, records, and accounts accurately reflect all transactions and dispositions of assets and the Company will, and will cause each of its Subsidiaries to, continue to maintain such system.

SECTION 607. SUBSIDIARY GUARANTORS.

The Company will cause each of its Subsidiaries that guarantees or otherwise becomes liable at any time, whether as a borrower or an additional or co-borrower or otherwise, for or in respect of any Indebtedness under any Material Credit Facility to concurrently therewith:

(a) enter into an agreement in form and substance satisfactory to the Trustee and the Required Holders providing for the guaranty by such Subsidiary, on a joint and several basis with all other such Subsidiaries, of (i) the prompt payment in full when due of all amounts payable by the Company pursuant to the Debentures (whether for principal, interest, the Redemption Price or otherwise), including, without limitation, all indemnities, fees and expenses payable by the Company thereunder and (ii) the prompt, full and faithful performance, observance and discharge by the Company of each and every covenant, agreement, undertaking and provision required pursuant to the Debentures be performed, observed or discharged by it (a “Subsidiary Guaranty”); and

(b) deliver the following to each Purchaser and each Holder of a Debenture:

(i) an executed counterpart of such Subsidiary Guaranty;

(ii) a certificate signed by an authorized responsible officer of such Subsidiary containing representations and warranties on behalf of such Subsidiary as to organization, power, authority and compliance with laws with respect to such Subsidiary Guaranty in form and substance satisfactory to the Trustee and the Required Holders;

(iii) all documents as may be reasonably requested by the Trustee or the Required Holders to evidence the due organization, continuing existence and good standing of such Subsidiary and the due authorization by all requisite action on the part of such Subsidiary of the execution and delivery of such Subsidiary Guaranty and the performance by such Subsidiary of its obligations thereunder; and

(iv) an opinion of counsel reasonably satisfactory to the Trustee and the Required Holders covering such matters relating to such Subsidiary and such Subsidiary Guaranty as the Trustee or the Required Holders may reasonably request.

SECTION 608. LINE OF BUSINESS.

The Company will not and will not permit any Subsidiary to engage in any business if, as a result, the general nature of the business in which the Company and its Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Company and its Subsidiaries, taken as a whole, are engaged on the date hereof.

SECTION 609. TERRORISM SANCTIONS REGULATIONS.

The Company will not and will not permit any Subsidiary (a) to become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or any Person that is the target of sanctions imposed by the United Nations or by the European Union, or (b) directly or indirectly to have any investment in or engage in any dealing or transaction (including, without limitation, any investment, dealing or transaction involving the proceeds of the Debentures) with any Person if such investment, dealing or transaction (i) would cause any Purchaser or Holder to be in violation of any law or regulation applicable to such Holder, or (ii) is prohibited by or subject to sanctions under any U.S. Economic Sanctions, or (c) to engage, nor shall any Affiliate of either engage, in any activity that could subject such Person or any Purchaser or Holder to sanctions under CISADA or any similar law or regulation with respect to Iran or any other country that is subject to U.S. Economic Sanctions.

SECTION 610. NEGATIVE PLEDGE.

(a) While any of the Debentures remain outstanding, the Company shall not create, or permit to be created or to exist, any mortgage, lien, pledge, security interest or other encumbrance upon any of its property, whether owned on or acquired after the date hereof, to secure any indebtedness for borrowed money of the Company, unless the Debentures then outstanding are equally and ratably secured for so long as any such indebtedness is so secured.

(b) The restrictions of Section 610(a) hereof shall not apply with respect to, among other things:

(i) liens on property that existed when the Company acquired or constructed the property or were created within one year thereafter;

(ii) liens on property that secure payment of all or part of the purchase price or construction cost of the property, including the extension of any liens to repairs or improvements made on the property;

(iii) the pledge of any bonds or other securities at any time issued under any of the liens permitted by clauses (i) or (ii) above;

(iv) liens for taxes, assessments and other governmental charges or requirements which are not delinquent or which are being contested in good faith by appropriate proceedings or of which at least ten Business Days' notice has not been given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(v) mechanics', workmen's, repairmen's, materialmen's, warehousemen's, and carriers' liens, other liens incident to construction, liens or privileges of any employees of the Company for salary or wages earned, but not yet payable, and other liens, including without limitation liens for worker's compensation awards, arising in the ordinary course of business for charges or requirements which are not delinquent or which are being contested in good faith and by appropriate proceedings or of which at least ten Business Days' notice has not been given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(vi) liens in respect of attachments, judgments or awards arising out of judicial or administrative proceedings in an amount not exceeding the greater of (A) Fifty Million Dollars (\$50,000,000) and (B) three percent (3%) of the principal amount of the Securities then Outstanding;

(vii) liens in respect of attachments, judgments or awards arising out of judicial or administrative proceedings with respect to which the Company shall (A) in good faith be prosecuting an appeal or other proceeding for review and with respect to which the Company shall have secured a stay of execution pending such appeal or other proceeding or (B) have the right to prosecute an appeal or other proceeding for review or (C) have not received at least ten Business Days' notice given to the general counsel of the Company or to such other Person designated by the Company to receive such notices;

(viii) easements, leases, reservations or other rights of others in, on, over and/or across, and laws, regulations and restrictions affecting, and defects, irregularities, exceptions and limitations in title to, the property of the Company or any part thereof;

(ix) liens, defects, irregularities, exceptions and limitations in (A) title to real property subject to rights-of-way in favor of the Company or otherwise or used or to be used by the Company primarily for right-of-way purposes; (B) real property held under lease, easement, license or similar right; or (C) the rights-of-way, leases, easements, licenses or similar rights in favor of the Company; and defects, irregularities, exceptions and limitations in title to flood lands, flooding rights and/or water rights;

(x) liens securing indebtedness or other obligations neither created, assumed nor guaranteed by the Company nor on account of which it customarily pays interest

upon real property or rights in or relating to real property acquired by the Company for the purpose of the generation of electric energy or the transmission or distribution of electric energy, gas or water, or for the purpose of telephonic, telegraphic, radio, wireless or other electronic communication, or otherwise for the purpose of obtaining rights-of-way;

(xi) leases existing at the date hereof affecting properties owned by the Company at said date and renewals and extensions thereof; and leases affecting such properties entered into after such date or affecting properties acquired by the Company after such date which, in either case, (A) have respective terms of not more than ten years (including extensions or renewals at the option of the tenant) or (B) do not materially impair the use by the Company of such properties for the respective purposes for which they are held by the Company;

(xii) liens vested in lessors, licensors, franchisors or permittees for rent or other amounts to become due or for other obligations or acts to be performed, the payment of which rent or the performance of which other obligations or acts is required under leases, subleases, licenses, franchises or permits, so long as the payment of such rent or other amounts or the performance of such other obligations or acts is not delinquent or is being contested in good faith and by appropriate proceedings;

(xiii) liens securing industrial revenue or pollution control bonds issued to finance any of the Company's pollution control, sewage or solid waste disposal facilities;

(xiv) controls, restrictions, obligations, duties and/or other burdens imposed by federal, state, municipal or other law, or by rules, regulations or orders of the government of the United States or of any State or Territory thereof or of the District of Columbia or of any county, municipality or other political subdivision of any thereof, or any department, agency, authority or other instrumentality of any of the foregoing (collectively, "Governmental Authorities"), upon the Company's property or any part thereof or the operation or use thereof or upon the Company with respect to the Company's property or any part thereof or the operation or use thereof or with respect to any franchise, grant, license, permit or public purpose requirement, or any rights reserved to or otherwise vested in Governmental Authorities to impose any such controls, restrictions, obligations, duties and/or other burdens;

(xv) rights which Governmental Authorities may have by virtue of franchises, grants, licenses, permits or contracts, or by virtue of law, to purchase, recapture or designate a purchaser of or order the sale of the Company's property or any part thereof, to terminate franchises, grants, licenses, permits, contracts or other rights or to regulate the property and business of the Company; and any and all obligations of the Company correlative to any such rights;

(xvi) liens required by law or governmental regulations (A) as a condition to the transaction of any business or the exercise of any privilege or license, (B) to enable the Company to maintain self-insurance or to participate in any funds established to cover any insurance risks, (C) in connection with workmen's compensation, unemployment

insurance, social security, any pension or welfare benefit plan or (D) to share in the privileges or benefits required for companies participating in one or more of the arrangements described in sub-clauses (B) and (C) above;

(xvii) liens on the Company's property or any part thereof which are granted by the Company to secure duties or public or statutory obligations or to secure, or serve in lieu of, surety, stay or appeal bonds;

(xviii) rights reserved to or vested in others to take or receive any part of any coal, ore, gas, oil and other minerals, any timber and/or any electric capacity or energy, gas, water, steam and any other products, developed, produced, manufactured, generated, purchased or otherwise acquired by the Company or by others on property of the Company;

(xix) (A) rights and interests of Persons other than the Company arising out of contracts, agreements and other instruments to which the Company is a party and which relate to the common ownership or joint use of property; and (B) all liens on the interests of Persons other than the Company in property owned in common by such Persons and the Company if and to the extent that the enforcement of such liens would not adversely affect the interests of the Company in such property in any material respect;

(xx) any restrictions on assignment and/or requirements of any assignee to qualify as a permitted assignee and/or public utility or public service corporation; and

(xxi) any liens which have been bonded for the full amount in dispute or for the payment of which other adequate security arrangements have been made.

(c) Notwithstanding the foregoing, the Company may create or assume any other mortgage, lien, pledge, security interest or other encumbrance not otherwise excepted under Section 610(b) hereof without equally and ratably securing the Debentures, if immediately after that creation or assumption, the principal amount of indebtedness for borrowed money of the Company that all such other mortgages, liens, pledges, security interests and other encumbrances secure does not exceed an amount equal to ten percent (10%) of the Company's total assets as shown on its balance sheet for the accounting period occurring immediately before the creation or assumption of that mortgage, lien, pledge, security interest or other encumbrance.

ARTICLE SEVEN.

AMENDMENTS TO INDENTURE.

Section 603 of the Indenture is hereby amended by adding the following new paragraphs (8), (9) and (10):

“(8) in no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(9) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture; the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(10) in no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.”

ARTICLE EIGHT.

MISCELLANEOUS

SECTION 801. INDENTURE RATIFIED AND CONFIRMED.

The Indenture, as amended and supplemented by this Eighth Supplemental Indenture, is in all respects ratified and confirmed, and this Eighth Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Eighth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company. The Trustee accepts the trusts created by the Indenture, as amended and supplemented by this Eighth Supplemental Indenture, and agrees to perform the same upon the terms and conditions of the Indenture, as amended and supplemented by this Eighth Supplemental Indenture. All of the provisions contained in the Indenture in respect of the rights, privileges, immunities, powers, and duties of the Trustee shall be applicable in respect of the Eighth Supplemental Indenture as fully and with like force and effect as though fully set forth in full herein.

SECTION 802. EXECUTION IN COUNTERPARTS

This Eighth Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 803. EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings in this Eighth Supplemental Indenture and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 804. SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Eighth Supplemental Indenture by the Company and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 805. SEPARABILITY.

In case any provision in this Eighth Supplemental Indenture shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 806. BENEFITS OF INDENTURE.

Nothing in this Eighth Supplemental Indenture, the 2030 Debentures or the 2050 Debentures, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder and the Holders of any 2030 Debentures or any 2050 Debentures, any benefit or any legal or equitable right, remedy or claim under this Eighth Supplemental Indenture.

SECTION 807. GOVERNING LAW.

This Eighth Supplemental Indenture, the 2030 Debentures and the 2050 Debentures shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 808. USA PATRIOT ACT.

The parties hereto acknowledge that in accordance with Section 326 of the USA PATRIOT Act, the Trustee is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account. The Company agrees that it will cause Holders of the Debentures to provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the USA PATRIOT Act.

SECTION 809. ELECTRONIC SIGNATURES.

The parties agree to electronic contracting and signatures with respect to this Eighth Supplemental Indenture and the other documents delivered in connection herewith (other than the Debentures). Delivery of an electronic signature to, or a signed copy of, this Eighth Supplemental Indenture and such other documents (other than the Debentures) by facsimile, email or other electronic transmission shall be fully binding on the parties to the same extent as the delivery of the signed originals and shall be admissible into evidence for all purposes. The words “execution,” “execute”, “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Eighth Supplemental Indenture and the other documents (other than the Debentures) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Company, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce

Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Notwithstanding the foregoing, if the Company shall request manually signed counterpart signatures to this Eighth Supplemental Indenture or any other document delivered in connection herewith, the Trustee hereby agrees to use its reasonable endeavors to provide such manually signed signature pages as soon as reasonably practicable.

[EXECUTION PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have caused this Eighth Supplemental Indenture to be duly executed as of the day and year first above written.

DUKE ENERGY KENTUCKY, INC.

By:  _____

Name: John L. Sullivan, III

Title: Assistant Treasurer

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Trustee

By: _____
Name: _____
Title: _____

DocuSigned by:
Kathryn Ischen
783AEB0E6A81480...

By: _____
Name: _____
Title: _____

DocuSigned by:
Debra Schwall
F5CC8CE482974CF...