

(FORM OF REGISTERED BOND WITHOUT COUPONS)

No. \_\_\_\_\_

## CITIES SERVICE GAS COMPANY

FIRST MORTGAGE PIPELINE BOND

3 1/4% SERIES DUE 1971

DUE MAY 1, 1971

CITIES SERVICE GAS COMPANY (hereinafter called the "Company"), a corporation of the State of Delaware, for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on the 1st day of May, 1971, at the office or agency of the Company in the Borough of Manhattan, The City of New York, \_\_\_\_\_ Dollars, in any coin or currency of the United States of America which at the time of payment shall be legal tender for public and private debts; and to pay interest thereon from the date hereof at the rate of 3 1/4% per annum, payable at said office or agency in New York or currency semiannually on May 1 and November 1 in each year until the maturity date hereof.

This Bond is one of an authorized issue of Bonds of the Company known as its "First Mortgage Pipeline Bonds", issued and to be issued in one or more series under, and all equally and ratably secured (except as sinking, amortization, improvement or other fund, established in accordance with the provisions of the indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust, dated as of December 1, 1938 (which, together with all instruments supplemental thereto, is herein called the "Indenture"), executed by the Company to Central Hanover Bank and Trust Company and Commerce Trust Company, a corporation of the State of Missouri, as Trustees, to which Indenture reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the holders of said Bonds and of the Trustees

and of the Company in respect of such security, and the terms and conditions upon which said Bonds are and are to be issued and secured. As provided in, and to the extent permitted by, said Indenture, the rights and obligations of the Company and of the holders of said Bonds and coupons may be changed and modified with the consent of the Company by the affirmative vote of the holders of at least 75% in principal amount of the Bonds then outstanding (excluding Bonds disqualified from voting by reason of the Company's interest therein as provided in said Indenture); provided, however, that without the consent of the holder hereof no such change or modification shall permit the reduction of the principal or the extension of the maturity of the principal of this Bond or the reduction in the rate of interest hereon or any other modification of the terms of payment of such principal or interest. As provided in said Indenture, said Bonds are issuable in series, which may vary as in said Indenture provided or permitted. This Bond is one of a series of Bonds entitled "First Mortgage Pipeline Bonds, 3 1/4% Series due 1971".

The Bonds of this series are subject to redemption prior to maturity, as a whole at any time or in part from time to time, upon at least 30 days' prior notice, at the option of the Company, all as more fully provided in said Indenture, at the following percentages of the principal amounts thereof, during the respective twelve months' periods beginning May 1 in each of the following years:

Beginning May 1	Percentage	Beginning May 1	Percentage
1951.....	103.250	1961.....	102.00
1952.....	103.125	1962.....	101.75
1953.....	103.000	1963.....	101.50
1954.....	102.875	1964.....	101.25
1955.....	102.750	1965.....	101.00
1956.....	102.625	1966.....	100.75
1957.....	102.500	1967.....	100.50
1958.....	102.375	1968.....	100.25
1959.....	102.250	1969.....	100.00
1960.....	102.125	1970.....	100.00

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

The Bonds of this series are entitled to the benefit of the Sinking Fund provided for in said Indenture and, in the manner and to the extent provided in said Indenture, any one or more of the Bonds of this series are subject to redemption through the operation of said Sinking Fund on May 15, 1957, or any subsequent May 15 prior to maturity, upon similar notice, at the principal amount thereof together with accrued interest to the date fixed for redemption.

This Bond has been issued in lieu of or in exchange for coupon Bonds of the same series whose distinctive numbers are endorsed hereon. If any of such coupon Bonds represented by such distinctive numbers shall be selected for redemption and payment duly provided therefor as provided in said Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption, except that, in the event of the selection for redemption of a part only of the coupon Bonds represented by the numbers so endorsed hereon, interest shall cease to accrue as aforesaid only upon that portion of the principal amount hereof equal to the aggregate principal amount of the coupon Bonds so selected for redemption, and in such event payment of the redemption price will be made only (a) upon presentation of this Bond for notation of the payment of such portion of the coupon Bond or hereon and of the distinctive number or numbers of the coupon Bond or Bonds reserved for exchange for such portion, or (b) upon surrender of this Bond in exchange for a Bond or Bonds of the same series, either registered or coupon (but only of authorized denominations), of an aggregate principal amount equal to the unredeemed balance of the principal amount of this Bond.

If an event of default, as defined in said Indenture, shall occur, the principal of this Bond may become or be declared due and payable, in the manner and with the effect provided in said Indenture.

This Bond is transferable by the registered owner hereof in person or by attorney authorized in writing, at the office or agency of the Company in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this Bond and on payment of charges, and upon any such transfer a new registered Bond without coupons,

of the same series, for the same aggregate principal amount, will be issued to the transferee in exchange hereof.

This Bond, alone or with other Bonds of the same series, may be exchanged, upon surrender thereof to Central Hanover Bank and Trust Company, or its successor as a Trustee under said Indenture, for one or more other registered Bonds without coupons, of the same series and of the same aggregate principal amount, but of a different authorized denomination or denominations, and this Bond may, upon surrender thereof as aforesaid, be exchanged for one or more coupon Bonds of the same series and of the same aggregate principal amount, of the denomination of \$1,000, accompanied by all appropriate coupons; all upon payment of charges and subject to the terms and conditions set forth in said Indenture.

No recourse shall be had for the payment of the principal of or the interest on this Bond, or for any claim based hereon or otherwise in respect hereof or of said Indenture, against any incorporator, stockholder, director or officer, past, present or future, of the Company or of any predecessor or successor corporation, either directly or through the Company or any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or by any legal or equitable proceeding or otherwise howsoever; all such liability being, by the acceptance hereof and as a part of the consideration for the issuance hereof, expressly waived and released by every holder hereof, as more fully provided in said Indenture; provided, however, that nothing herein or in said Indenture contained shall be taken to prevent recourse to and the enforcement of the liability, if any, of any shareholder or any stockholder or subscriber to capital stock upon or in respect of shares of capital stock not fully paid up.

This Bond shall not be valid or become obligatory for any purpose, until the certificate hereon shall have been signed by Central Hanover Bank and Trust Company, or its successor as a Trustee under said Indenture.

In WITNESS WHEREOF, the Company has caused this Bond to be signed in its name by its President or one of its Vice Presidents, and