FORM S-3/A

Registration statement for specified transactions by certain issuers [amend]

Filing Date: **1994-07-08**
SEC Accession No. 0000950120-94-000038

FILER

DUQUESNE LIGHT CO

CIK:**30573**| IRS No.: **250451600** | State of Incorp.:**PA** | Fiscal Year End: **1231**
Type: **S-3/A** | Act: **33** | File No.: **033-53563** | Film No.: **94538346**
SIC: **4911** Electric services

Business Address
ONE OXFORD CENTRE
301 GRANT ST
PITTSBURGH PA 15279
4123936000

DUQUESNE CAPITAL L P

CIK:**922946**| State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **S-3/A** | Act: **33** | File No.: **033-53563-01** | Film No.: **94538347**
SIC: **4911** Electric services

Mailing Address
ONE OXFORD CENTRE
301 GRANT STREET
PITTSBURGH PA 15279

Business Address
ONE OXFORD CENTRE
301 GRANT ST
PITTSBURGH PA 15279
4123936000

REGISTRATION NOS. 33-53563 AND 33-53563-01

==========

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

==========

FORM S-3
AMENDMENT NO. 1
TO
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

==========

DUQUESNE LIGHT COMPANY		DUQUESNE CAPITAL L.P.
(Exact name of registrant as specified in its charter)		(Exact name of registrant as specified in its charter)
Pennsylvania (State or other jurisdiction of incorporation or organization)	One Oxford Centre 301 Grant Street Pittsburgh, Pennsylvania 15279 (412) 393-6000	Delaware (State or other jurisdiction of incorporation or organization)
25-0451600 (I.R.S. Employer Identification No.)	(Address, including zip code, and telephone number, including area code, of registrants' principal executive offices)	Applied for (I.R.S. Employer Identification No.)

WESLEY W. VON SCHACK
CHAIRMAN OF THE BOARD, PRESIDENT
AND CHIEF EXECUTIVE OFFICER
DUQUESNE LIGHT COMPANY
ONE OXFORD CENTRE
301 GRANT STREET
PITTSBURGH, PENNSYLVANIA 15279
(412) 393-6000

(Name, address, including zip code, and telephone number, including area code, of agent for service for each registrant)

COPIES TO:

J. ANTHONY TERRELL, ESQ.
KEVIN STACEY, ESQ.
REID & PRIEST
40 WEST 57th STREET
NEW YORK, NEW YORK 10019
(212) 603-2108

THEODORE N. FARRIS, ESQ.
MUDGE ROSE GUTHRIE ALEXANDER & FERDON
180 MAIDEN LANE
NEW YORK, NEW YORK 10038
(212) 510-7792

==========

SUBJECT TO COMPLETION, DATED JULY 8, 1994
PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED _____, 1994

_____ PREFERRED SECURITIES
DUQUESNE CAPITAL
% CUMULATIVE MONTHLY INCOME PREFERRED SECURITIES, SERIES A ("MIPS"*)
(LIQUIDATION PREFERENCE $25 PER SECURITY)

GUARANTEED TO THE EXTENT DUQUESNE CAPITAL HAS FUNDS AS SET FORTH HEREIN BY DUQUESNE LIGHT COMPANY

==========

The % Cumulative Monthly Income Preferred Securities, Series A (the "Series A MIPS") offered hereby are being issued by, and represent limited partner interests in, Duquesne Capital L.P., a Delaware special purpose limited partnership ("Duquesne Capital"). Duquesne Capital was formed for the sole purpose of issuing its limited partnership interests and lending the proceeds thereof to Duquesne Light Company ("Duquesne Light"), the sole General Partner of Duquesne Capital. The proceeds of the Series A MIPS will be loaned to Duquesne Light in return for __% Subordinated Deferrable Interest Debentures, Series A (the "Series A Debentures").

Holders of the Series A MIPS will be entitled to receive, to the extent of funds held by Duquesne Capital and legally available therefor, periodic cash distributions ("dividends"), at an annual rate of % of the liquidation preference of $25 per security, accumulating from the date of original issuance and payable monthly in arrears on the last day of each calendar month, commencing _____, 1994. The payment of dividends and payments on liquidation or redemption with respect to the Series A MIPS, to the extent of funds held by Duquesne Capital and legally available therefor, will be guaranteed under a Payment and Guarantee Agreement (the

"Guarantee") of Duquesne Light to the extent described herein and in the accompanying Prospectus. The Guarantee does not cover payment of amounts in respect of the Series A MIPS to the extent that Duquesne Capital does not have legally available funds for the payment thereof and cash on hand sufficient to make such payment. Duquesne Capital's earnings will be limited to payments by Duquesne Light on the Series A Debentures and any other Indenture Securities (as defined in the accompanying Prospectus). If Duquesne Light fails to make interest payments on the Series A Debentures, Duquesne Capital will have insufficient funds to pay dividends on the Series A MIPS and the Guarantee will not cover payment of such dividends. In such event, the holders of Series A MIPS may enforce certain rights in respect of the Series A Debentures. See "Description of the Guarantee" in the accompanying Prospectus.

The Guarantee and the Series A Debentures will rank subordinate in right of payment to all Senior Indebtedness (as defined in the accompanying Prospectus) of Duquesne Light. As of June 30, 1994, Duquesne Light had approximately $1.5 billion of Senior Indebtedness outstanding.

The Series A MIPS are redeemable, at the option of Duquesne Capital (with Duquesne Light's consent), in whole or in part, from time to time, on or after _____, 1999, at $25 per security plus accumulated and unpaid dividends to the date fixed for redemption (the "Redemption Price").

In addition, upon redemption or payment at maturity of the Series A Debentures, the proceeds from such redemption or payment will be applied to redeem Series A MIPS. Under certain circumstances following the occurrence of a Special Event (as defined in the accompanying Prospectus), Duquesne Light may cause Duquesne Capital to redeem the Series A MIPS in whole at the Redemption Price or Duquesne Light may cause Duquesne Capital to distribute the Series A Debentures in exchange for the Series A MIPS in whole. If Series A Debentures are distributed, Duquesne Light will use its best efforts to have such Series A Debentures listed on the same exchange on which the Series A MIPS are then listed. See "Certain Terms of the Series A MIPS--Redemption or Exchange" and "Certain Terms of the Series A Debentures".

In the event of the liquidation of Duquesne Capital, holders of Series A MIPS will be entitled to receive for each security a liquidation preference of $25 plus accumulated and unpaid dividends to the date of payment, subject to certain limitations. See "Description of the MIPS--Liquidation Distribution" in the accompanying Prospectus.

Application will be made to list the Series A MIPS on the New York Stock Exchange.

==========

SEE "CERTAIN INVESTMENT CONSIDERATIONS" FOR CERTAIN FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES A MIPS, INCLUDING THE PERIOD AND CIRCUMSTANCES DURING AND UNDER WHICH DIVIDENDS ON THE SERIES A MIPS AND INTEREST ON THE SERIES A DEBENTURES MAY BE DEFERRED.

==========

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS TO WHICH IT RELATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

==========

	INITIAL PUBLIC OFFERING PRICE	UNDERWRITING COMMISSION (1)	PROCEEDS TO DUQUESNE CAPITAL(2)(3)
Per security	$	(2)	$
Total	$	(2)	$

---

(1) Duquesne Capital and Duquesne Light have agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting".

(2) In view of the fact that the proceeds of the sale of the Series A MIPS will be loaned to Duquesne Light, Duquesne Light has agreed, in the Underwriting Agreement, to pay to the Underwriters as compensation for their services $ per security (or $ in the aggregate); provided that such compensation will be $ per security sold to certain institutions. Therefore, to the extent that Series A MIPS are sold to such institutions, the actual amount of Underwriters' compensation will be less than the amount specified in the preceding sentence and the Proceeds to Duquesne Capital will be greater than the amount set forth in the table above. See "Underwriting".

(3) Expenses of the offering, which are payable by Duquesne Light, are estimated to be $.

==========

The Series A MIPS offered hereby are offered severally by the Underwriters, as specified herein, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that delivery of the Series A MIPS will be made only in book-entry form through the facilities of The Depository Trust Company on or about , 1994.

==========

* An application has been filed by Goldman, Sachs & Co. with the United States Patent and Trademark Office for the registration of the MIPS servicemark.

GOLDMAN, SACHS & CO.

==========

The date of this Prospectus Supplement is ,1994.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor

may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus supplement shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CERTAIN INVESTMENT CONSIDERATIONS

Prospective purchasers of the Series A MIPS should carefully review the information contained in the Prospectus and elsewhere in this Prospectus Supplement and should particularly consider the following matters. Capitalized terms used in this Prospectus Supplement shall have the meanings ascribed thereto in the Prospectus unless otherwise defined in this Prospectus Supplement.

SUBORDINATION OF DUQUESNE LIGHT'S OBLIGATIONS

The payment of dividends and payments on liquidation or redemption with respect to the Series A MIPS, to the extent of funds held by Duquesne Capital and legally available to make such payments, will be guaranteed by Duquesne Light under the Guarantee. The Guarantee does not cover payment of amounts in respect of the Series A MIPS to the extent that Duquesne Capital does not have legally available funds for the payment thereof and cash on hand sufficient to make such payment.

Duquesne Light's obligations under the Guarantee and the Series A Debentures will be subordinate in right of payment to all Senior Indebtedness of Duquesne Light. As of June 30, 1994, Duquesne Light had approximately $1.5 billion of Senior Indebtedness outstanding (exclusive of certain guarantees and other contingent obligations, but inclusive of capitalized lease obligations and current installments and short-term notes payable). See "Description of the Guarantee--Status of the Guarantee" and "Description of the Debentures and the Indenture--Subordination" in the Prospectus. There are no provisions in the Series A MIPS, the Guarantee, the Partnership Agreement or the Indenture that limit Duquesne Light's ability to incur additional indebtedness, including indebtedness that ranks senior to the Guarantee and the Series A Debentures.

OPTION TO EXTEND INTEREST PAYMENT PERIOD

Duquesne Light has the right under the Indenture, from time to time, to extend interest payment periods on the Series A Debentures for up to 18 consecutive months, and, as a consequence, monthly dividends on the Series A MIPS will be deferred by Duquesne Capital (and will continue to accumulate but without interest on any amounts so deferred) during any such extended interest payment period. During any such extended interest period, Duquesne Light may not declare or pay dividends on, or redeem, purchase, acquire or make a liquidation payment with respect to, any shares of its capital stock. Duquesne Light has no current intention to extend the interest payment period as described above. See "Description of the Debentures and the Indenture--Option to Extend Interest Payment Period" and "Description of the MIPS--Voting Rights" in the accompanying Prospectus.

TAX CONSEQUENCES OF EXTENDED INTEREST PAYMENT PERIOD

Should an extended interest payment period occur, Duquesne Capital will continue to accrue income for Federal income tax purposes which will be allocated but not distributed to record holders of Series A MIPS. As a result, such a holder will include such interest in gross income for Federal income tax purposes in advance of the receipt of cash, and will not receive the cash related to such income if such a holder disposes of the Series A MIPS prior to the record date for payment of dividends. The tax basis of the Series A MIPS will be increased by the amount of any interest that is included in a Series A MIPS holder's income without receipt of cash, and will be decreased when and if such cash is subsequently received by such Series A MIPS holder from Duquesne Capital. See "United States Income Taxation--Potential Extension of Interest Payment Period" in the accompanying Prospectus.

SPECIAL EVENT REDEMPTION OR EXCHANGE

Upon the occurrence and continuation of a Special Event (as defined in the accompanying Prospectus, which term, as so defined, relates to a change in law or regulation or official interpretation thereof), Duquesne Light, as general partner of Duquesne Capital (the "General Partner"), will elect to either (i) cause Duquesne Capital to redeem the Series A MIPS in whole (and not in part) or (ii) cause Duquesne Capital to distribute the Series A Debentures in exchange for Series A MIPS. In the case of a Special Event which is a Tax Event, the General Partner may also elect to cause the Series A MIPS to remain outstanding. See "Certain Terms of the Series A MIPS -- Redemption or Exchange" herein and "Description of the MIPS -- Special Event Redemption or Exchange" in the accompanying Prospectus.

Such an exchange will generally be treated as a non-taxable exchange and will result in each Series A MIPS holder receiving an aggregate basis in its Series A Debentures equal to such holder's aggregate tax basis in its Series A MIPS. A Series A MIPS holder's holding period in the Series A Debentures received in such an exchange will include the period for which the Series A MIPS were held by such holder, provided the Series A MIPS were

held as a capital asset.

If such an exchange occurs following a determination that, due to a change in law, Duquesne Capital is subject to Federal income tax with respect to interest received on the Series A Debentures, such exchange will generally be taxable to the Series A MIPS holder. Gain or loss will be recognized in an amount measured by the difference between the Series A MIPS holder's basis in its Series A MIPS and the value of the Series A Debentures received in the exchange. In such case, the holding period of the Series A MIPS holder for the Series A Debentures will not include the period for which the Series A MIPS were held.

DUQUESNE LIGHT COMPANY

Duquesne Light was formed under the laws of Pennsylvania by the consolidation and merger in 1912 of three constituent companies. As part of a corporate reorganization, Duquesne Light became a wholly-owned subsidiary of DQE, an energy services holding company formed in 1989. Duquesne Light is engaged in the production, transmission, distribution and sale of electric energy. Duquesne Light provides electric service to customers in Allegheny County, including the City of Pittsburgh, and Beaver County. This represents a service territory of approximately 800 square miles.

DUQUESNE CAPITAL

Duquesne Capital is a limited partnership which was formed under the Delaware Revised Uniform Limited Partnership Act, as amended (the "Delaware Act"), on April 27, 1994. Duquesne Capital was formed for the sole purpose of issuing its limited partnership interests and lending the proceeds thereof to Duquesne Light. Duquesne Light is the sole General Partner of Duquesne Capital and will manage the business and affairs of Duquesne Capital. Holders of MIPS and other Preferred Securities of Duquesne Capital will be limited partners in Duquesne Capital. Duquesne Light will make capital contributions from time to time to the extent required so that the total contributions made by the General Partner shall at all times be at least equal to 1% of the total contributions made by all partners. Duquesne Capital will lend such amounts to Duquesne Light from time to time in return for Indenture Securities of Duquesne Light, including the Debentures. The rights and obligations of the General Partner and the limited partners of Duquesne Capital will be governed by the Delaware Act and by an Amended and Restated Agreement of Limited Partnership of Duquesne Capital (the "Partnership Agreement") substantially in the form filed as an exhibit to the Registration Statement of which this Prospectus Supplement is a part.

USE OF PROCEEDS

The proceeds from the sale of the Series A MIPS will be lent to Duquesne Light in return for Series A Debentures of Duquesne Light. Duquesne Light intends to apply the proceeds of such loan or loans to the

payment or provision for payment at maturity, the purchase, on the open market, in private transactions or otherwise, or the redemption of outstanding securities of Duquesne Light and for general corporate purposes.

CERTAIN TERMS OF THE SERIES A MIPS

THE FOLLOWING SUMMARY OF CERTAIN TERMS OF THE SERIES A MIPS SUPPLEMENTS THE DESCRIPTION OF THE MIPS SET FORTH IN THE ACCOMPANYING PROSPECTUS UNDER THE HEADING "DESCRIPTION OF THE MIPS", TO WHICH DESCRIPTION REFERENCE IS HEREBY MADE.

GENERAL

The Series A MIPS will be issued as the initial series of Preferred Securities pursuant to the Partnership Agreement.

DIVIDENDS

Dividends on the Series A MIPS will be cumulative from the date of issue and will be payable monthly in arrears on the last day of each calendar month at an annual rate of ___% of the liquidation preference of $25 per security. The first dividend payment date for the Series A MIPS will be _____, 1994.

Dividends on the Series A MIPS are required to be paid to the extent that, on any scheduled dividend payment date, Duquesne Capital has (x) funds legally available for the payment of such dividends, as determined by the General Partner, and (y) cash on hand sufficient to permit such payment. Duquesne Capital's earnings will be limited to Duquesne Light's payments of interest on the Series A Debentures and any other Indenture Securities. See "Description of the Debentures and the Indenture" in the accompanying Prospectus. Duquesne Light has the right under the Indenture, from time to time, to extend the interest payment periods on the Series A Debentures for up to 18 consecutive months, and, as a consequence, monthly dividends on the Series A MIPS will be deferred by Duquesne Capital (and will continue to accumulate but without interest on any amounts so deferred) during any such extended interest payment period. See "Description of the Debentures and the Indenture--Option to Extend Interest Payment Period" in the accompanying Prospectus.

Dividends on the Series A MIPS will be payable to the holders thereof as they appear on the books and records of Duquesne Capital on the relevant record dates, which will be one Business Day (as defined in the accompanying Prospectus) prior to the relevant payment dates; provided, however, that if the Series A MIPS of any series are not held by a securities depositary, the General Partner shall have the right to change such record dates.

REDEMPTION OR EXCHANGE

On or after _____, 1999, Duquesne Capital may, at its option and at the direction of Duquesne Light, redeem the Series A MIPS in whole or in part upon not less than 30 nor more than 60 days' notice at a redemption price of $25 per security plus an amount equal to accumulated and unpaid dividends thereon, if any, to the date fixed for redemption.

In addition, upon the payment of the Series A Debentures at maturity, the proceeds from such payment will be applied to redeem Series A MIPS at a redemption price of $25 per security plus an amount equal to accumulated and unpaid dividends, if any, thereon, to such maturity date. See "Certain Terms of the Series A Debentures" herein and "Description of the MIPS -- Redemption Procedures" in the accompanying Prospectus.

If a Special Event shall occur, Duquesne Capital may redeem the Series A MIPS in whole or cause Series A Debentures to be distributed in exchange for the Series A MIPS. In the event of any such distribution, each holder of Series A MIPS would receive Series A Debentures in an aggregate principal amount equal to the aggregate liquidation preference of $25 per security on the Series A MIPS held by it. Upon any such distribution of Series A Debentures in exchange for the Series A MIPS, Duquesne Light will use its best efforts to have the Series A Debentures listed on the same exchange on which the Series A MIPS are listed. After the date fixed for any such exchange, (i) the Series A MIPS will no longer be deemed to be outstanding, (ii) DTC or its nominee, as the record holder of the Series A MIPS will exchange the global certificate or certificates representing the Series A MIPS for a registered global certificate or certificates representing the Series A Debentures to be delivered upon such exchange and (iii) any certificates representing Series A MIPS not held by DTC or its nominee will be deemed to represent Series A Debentures having a principal amount equal to the aggregate liquidation preference of such Series A MIPS until such certificates are presented to Duquesne Capital or its agent for exchange.

CERTAIN TERMS OF THE SERIES A DEBENTURES

THE FOLLOWING SUMMARY OF CERTAIN TERMS AND PROVISIONS OF THE SERIES A DEBENTURES SUPPLEMENTS THE DESCRIPTION OF THE DEBENTURES SET FORTH IN THE ACCOMPANYING PROSPECTUS UNDER THE HEADING "DESCRIPTION OF THE DEBENTURES AND THE INDENTURE", TO WHICH DESCRIPTION REFERENCE IS HEREBY MADE.

GENERAL

Pursuant to the Indenture and in return for the loan by Duquesne Capital to Duquesne Light of the proceeds of the issuance of the Series A MIPS and the related capital contribution made by the General Partner, Duquesne Light will issue Series A Debentures to Duquesne Capital in an aggregate principal amount equal to the sum of the aggregate liquidation preference of the Series A MIPS and the amount of such capital contribution.

The entire principal amount of the Series A Debentures will become due

and payable, together with any accrued and unpaid interest thereon, including Additional Interest (as defined in the accompanying Prospectus), if any, on , 204_ (subject to Duquesne Light's rights and obligations to redeem the Series A Debentures). See "Redemption" below.

INTEREST

The Series A Debentures will bear interest at a rate of % per annum from the date they are issued until maturity. Such interest will be payable monthly on the last day of each calendar month of each year, commencing , 1994.

REDEMPTION

The Series A Debentures may be redeemed at the option of Duquesne Light, at any time on or after _____, 1999, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus any accrued but unpaid interest, including Additional Interest, if any, to the date fixed for redemption. In addition, the Series A Debentures may be subject to mandatory redemption at any time under the circumstances described under "Description of the Debentures and the Indenture--Mandatory Redemption" in the accompanying Prospectus.

UNDERWRITING

Subject to the terms and conditions of the Underwriting Agreement, Duquesne Capital has agreed to sell to each of the Underwriters named below, and each of the Underwriters, for whom Goldman, Sachs & Co., and _____ are acting as Representatives, has severally agreed to purchase from Duquesne Capital, the respective number of Series A MIPS set forth opposite its name below:

UNDERWRITERS	NUMBER OF SERIES A MIPS
Goldman, Sachs & Co.	
Total	========

Under the terms and conditions of the Underwriting Agreement, the Underwriters are committed to take and pay for all such Series A MIPS offered hereby, if any are taken.

The Underwriters propose to offer the Series A MIPS in part directly to the public at the initial public offering price set forth on the cover page of this Prospectus Supplement, and in part to certain securities dealers at such price less a concession of $ per security. The Underwriters may allow, and such dealers may reallow, a concession not in excess of $ per security to certain brokers and dealers. After the Series A MIPS are released for sale to the public, the offering price and other selling terms may from time to time be varied by the Representatives.

In view of the fact that the proceeds of the sale of the Series A MIPS will be loaned to Duquesne Light, Duquesne Light has agreed, in the Underwriting Agreement, to pay to the Underwriters as compensation for their services an amount of $ per security ($ per security sold to certain institutions) for the accounts of the several Underwriters.

Certain of the Underwriters engage in transactions with, and from time to time have performed services for, Duquesne Light in the ordinary course of business.

Prior to this offering, there has been no public market for the Series A MIPS. The Underwriters have advised Duquesne Capital and Duquesne Light that they will undertake to sell lots of 100 or more Series A MIPS to a minimum of 400 beneficial holders in order to meet one of the requirements for listing the Series A MIPS on the New York Stock Exchange.

Duquesne Capital and Duquesne Light have agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

Duquesne Capital and Duquesne Light have agreed, during the period beginning from the date of the Underwriting Agreement and continuing to and including the earlier of (1) the termination of trading restrictions for the Series A MIPS, as determined by the Underwriters, or (2) 30 days after the closing date, not to offer, sell, contract to sell or otherwise dispose of any Preferred Securities of Duquesne Capital, any limited partnership interests of Duquesne Capital or any preferred stock of Duquesne Light or any other securities of Duquesne Capital or Duquesne Light which are substantially similar to the Preferred Securities, or any securities convertible into or exchangeable for Preferred Securities, limited partnership interests, preferred stock or such substantially similar securities of either Duquesne Capital or Duquesne Light, without the prior written consent of the Underwriters.

SUBJECT TO COMPLETION, DATED _____, 1994

$150,000,000
DUQUESNE CAPITAL
CUMULATIVE MONTHLY INCOME PREFERRED SECURITIES ("MIPS"*)

(LIQUIDATION PREFERENCE $25 PER SECURITY)

GUARANTEED TO THE EXTENT DUQUESNE CAPITAL HAS FUNDS AS SET FORTH HEREIN BY DUQUESNE LIGHT COMPANY

Duquesne Capital L.P. ("Duquesne Capital"), a Delaware special purpose limited partnership, the sole general partner of which is Duquesne Light Company ("Duquesne Light"), may offer, from time to time, in one or more series, up to $150,000,000 of its Cumulative Monthly Income Preferred Securities (the "MIPS"), which are preferred securities ("Preferred Securities"), representing limited partner interests in Duquesne Capital. The MIPS may be offered in amounts, at prices and on terms to be determined at the time of offering. Duquesne Capital was formed for the sole purpose of issuing its limited partnership interests and lending the proceeds thereof to Duquesne Light. Duquesne Capital will lend the proceeds of the sale of the MIPS to Duquesne Light in return for Subordinated Deferrable Interest Debentures of Duquesne Light in aggregate principal amount equal to the aggregate liquidation preference of the MIPS, bearing interest at an annual rate equal to the annual dividend rate on the MIPS and having certain redemption terms which correspond to the redemption terms for the MIPS ("Debentures").

The payment of periodic cash distributions ("dividends") and payments on liquidation or redemption with respect to the MIPS, to the extent of funds held by Duquesne Capital and legally available therefor, will be guaranteed under a Payment and Guarantee Agreement (the "Guarantee") of Duquesne Light to the extent described herein. The Guarantee and the Debentures will rank subordinate in right of payment to all Senior Indebtedness (as defined herein) of Duquesne Light. Duquesne Capital's earnings will be limited to payments by Duquesne Light on the Debentures and other Indenture Securities (as defined herein) issued under the Indenture (as defined herein). If Duquesne Light fails to make interest payments on the Debentures, Duquesne Capital will have insufficient funds to pay dividends on the MIPS and the Guarantee will not cover payment of such dividends. In such event, the holders of MIPS may enforce certain rights in respect of the Debentures under the Indenture. Interest on the Debentures may be deferred at the option of Duquesne Light as described under "Description of the Debentures and the Indenture--Option to Extend Interest Payment Period", and, as a consequence, monthly dividends on the MIPS may be deferred by Duquesne Capital. See "Description of the Guarantee" and "Description of the Debentures and the Indenture" herein for a description of the terms and limitations of such obligations of Duquesne Light relating to the MIPS.

Under certain circumstances described herein, Duquesne Light may cause Duquesne Capital to distribute the Debentures in exchange for MIPS. See "Description of the MIPS--Special Event Redemption or Exchange".

Certain specific terms of the MIPS and the related series of Debentures in respect of which this Prospectus is being delivered will be set forth in an accompanying Prospectus Supplement ("Prospectus Supplement"), including the series designation, number of securities and the dividend rate on MIPS, and the maturity and the interest rate on such

Debentures and any other special terms.

The MIPS will be sold directly, through agents, underwriters, including Goldman, Sachs & Co., or dealers as designated from time to time, or through a combination of such methods. If agents of Duquesne Capital or any dealers or underwriters are involved in the sale of the MIPS in respect of which this Prospectus is being delivered, the names of such agents, dealers or underwriters and any applicable commissions or discounts will be set forth in or may be calculated from the accompanying Prospectus Supplement. See "Plan of Distribution".

This Prospectus may not be used to consummate sales of the MIPS unless accompanied by a Prospectus Supplement.

==========

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

==========

GOLDMAN, SACHS & CO.

==========

The date of this Prospectus is , 1994.

==========

* An application has been filed by Goldman, Sachs & Co. with the United States Patent and Trademark Office for the registration of the MIPS servicemark.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

AVAILABLE INFORMATION

Duquesne Light is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Such reports and other information filed by Duquesne Light can be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: 7 World Trade Center, New York, New York 10048; and 500 West Madison Street, Chicago, Illinois 60661-2511. Copies of such

material can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Certain securities of Duquesne Light are listed on the New York Stock Exchange. Reports and other information concerning Duquesne Light may be inspected at the offices of such exchange at 20 Broad Street, New York, New York 10005. In addition, such reports and other information concerning Duquesne Light can be inspected at the principal office of Duquesne Light, One Oxford Centre, 301 Grant Street, Pittsburgh, Pennsylvania 15279.

This Prospectus does not contain all the information set forth in the Registration Statement on Form S-3, which Duquesne Light and Duquesne Capital have filed with the Commission under the Securities Act of 1933, as amended (the "Securities Act"). Statements contained or incorporated by reference herein concerning the provisions of documents are necessarily summaries of such documents, and each statement is qualified in its entirety by reference to such Registration Statement, as amended by Amendment No. 1 thereto, including the documents filed as exhibits thereto (the "Registration Statement").

No separate financial statements of Duquesne Capital have been included herein. Duquesne Light and Duquesne Capital do not consider that such financial statements would be material to holders of MIPS because Duquesne Capital is a newly organized special purpose entity, has no operating history and no independent operations and is not engaged in, and does not propose to engage in, any activity other than as set forth below. See "Description of the MIPS". Duquesne Capital is a special purpose limited partnership organized under the laws of the State of Delaware, and Duquesne Light is the sole general partner. Duquesne Capital exists for the sole purpose of issuing its limited partnership interests and lending the proceeds thereof to Duquesne Light.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

Duquesne Light's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 1994 have been filed with the Commission pursuant to the Exchange Act and are hereby incorporated herein by reference. All documents subsequently filed by Duquesne Light pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of the offering of the securities offered hereby shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing such documents. The documents incorporated or deemed to be incorporated herein by reference are sometimes referred to herein as the "Incorporated Documents". Any statement contained herein or in an Incorporated Document shall be deemed to be modified or superseded for all purposes to the extent that a statement contained herein, in any Prospectus Supplement or in any subsequently filed Incorporated Document modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Any person receiving a copy of this Prospectus may obtain without charge, upon request, a copy of any of the Incorporated Documents (not including the exhibits to such documents, unless such exhibits are specifically incorporated by reference in such Incorporated Documents). Requests for such copies should be directed to Ms. Diane S. Eismont, Secretary, Duquesne Light Company, One Oxford Centre, 301 Grant Street, Pittsburgh, Pennsylvania 15279, telephone number (412) 393-6080.

DUQUESNE LIGHT COMPANY

Duquesne Light was formed under the laws of Pennsylvania by the consolidation and merger in 1912 of three constituent companies. As part of a corporate reorganization, Duquesne Light became a wholly-owned subsidiary of DQE, an energy services holding company formed in 1989. Duquesne Light is engaged in the production, transmission, distribution and sale of electric energy. Duquesne Light provides electric service to customers in Allegheny County, including the City of Pittsburgh, and Beaver County. This represents a service territory of approximately 800 square miles. The principal executive office of Duquesne Light is located at One Oxford Centre, 301 Grant Street, Pittsburgh, Pennsylvania 15279. Its telephone number is (412) 393-6000. Additional information concerning Duquesne Light and its operations is contained in the Incorporated Documents, to which reference is hereby made.

DUQUESNE CAPITAL

Duquesne Capital is a limited partnership which was formed under the Delaware Revised Uniform Limited Partnership Act, as amended (the "Delaware Act"), on April 27, 1994. Duquesne Capital was formed for the sole purpose of issuing its limited partnership interests and lending the proceeds thereof to Duquesne Light. Duquesne Light is the sole general partner of Duquesne Capital (the "General Partner") and will manage the business and affairs of Duquesne Capital. Holders of MIPS and other Preferred Securities of Duquesne Capital will be limited partners in Duquesne Capital. Duquesne Light will make capital contributions from time to time to the extent required so that the total contributions made by the General Partner, as general partner, shall at all times be at least equal to 1% of the total contributions made by all partners. Duquesne Capital will lend such amounts to Duquesne Light from time to time in return for Indenture Securities of Duquesne Light, including the Debentures. The rights and obligations of Duquesne Light, as General Partner, and the limited partners of Duquesne Capital will be governed by the Delaware Act and by an Amended and Restated Agreement of Limited Partnership of Duquesne Capital (the "Partnership Agreement") substantially in the form filed as an exhibit to the Registration Statement of which this Prospectus is a part. The principal executive office of Duquesne Capital is c/o Duquesne Light Company, One Oxford Centre, 301 Grant Street, Pittsburgh, Pennsylvania 15279, and the telephone number is (412) 393-4131.

USE OF PROCEEDS

The proceeds from the sale of the MIPS will be lent to Duquesne Light in return for Debentures of Duquesne Light. Duquesne Light intends to apply the proceeds of such loan or loans to the payment or provision for payment at maturity, the purchase, on the open market, in private transactions or otherwise, or the redemption of outstanding securities of Duquesne Light and for general corporate purposes.

RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED AND PREFERENCE STOCK DIVIDEND REQUIREMENTS

	Three Months Ended March 31, 1994	Year Ended December 31, 1993	1992	1991	1990	1989
Ratio of Earnings to Fixed Charges	2.65	2.39	2.38	2.23	2.04	1.92
Ratio of Earnings to Combined Fixed Charges and Preferred and Preference Stock Dividend Requirements	2.48	2.19	2.19	2.05	1.85	1.72

For purposes of computing the foregoing ratios, Duquesne Light's share of the fixed charges of an unaffiliated coal supplier, which amounted to approximately $4 million for the year ended December 31, 1993, has been excluded.

DESCRIPTION OF THE MIPS

SET FORTH BELOW IS A SUMMARY OF CERTAIN TERMS AND PROVISIONS OF THE MIPS. THIS SUMMARY DOES NOT PURPORT TO BE COMPLETE AND IS SUBJECT TO, AND QUALIFIED IN ITS ENTIRETY BY REFERENCE TO, THE FORMS OF PARTNERSHIP AGREEMENT AND ACTION OF GENERAL PARTNER ESTABLISHING THE MIPS FILED AS EXHIBITS TO THE REGISTRATION STATEMENT OF WHICH THIS PROSPECTUS IS A PART.

GENERAL

The Partnership Agreement will authorize Duquesne Light as the

General Partner, to establish various series of Preferred Securities, including one or more series of MIPS, having such designations, rights, privileges, restrictions and other terms and provisions as the General Partner may determine. The MIPS are limited partner interests in Duquesne Capital, and may be issued from time to time, having terms described herein and in the Prospectus Supplement relating thereto. The limited partner interests represented by the MIPS will have a preference with respect to cash distributions and amounts payable on liquidation over the General Partner's interest in Duquesne Capital. The Action or Actions of General Partner creating the MIPS will not permit the issuance of any limited partnership interests of Duquesne Capital ranking, as to participation in profits or the assets of Duquesne Capital, senior to the MIPS.

Amounts payable in respect of the MIPS will be guaranteed by Duquesne Light to the extent set forth below under "Description of the Guarantee".

Under certain circumstances described herein, the MIPS may be exchanged for Debentures of Duquesne Light. See "Special Event Redemption or Exchange" below.

DIVIDENDS

Unless otherwise specified in a Prospectus Supplement, dividends on the MIPS of each series will be cumulative, will accumulate from the date of issue and will be payable monthly in arrears on the last day of each calendar month of each year except as otherwise described below.

The annual dividend rate on the MIPS of each series will be set forth in a Prospectus Supplement relating to such series.

The amount of dividends payable for any period will be computed on the basis of twelve 30-day months and a 360-day year and, for any period shorter than a full monthly dividend period, will be computed on the basis of the actual number of days elapsed in such period. Payment of dividends on the MIPS is limited in relation to the amount of funds held by Duquesne Capital and legally available therefor.

Dividends on the MIPS are required to be paid to the extent that, on any scheduled dividend payment date, Duquesne Capital has (x) funds legally available for the payment of such dividends, as determined by the General Partner, and (y) cash on hand sufficient to permit such payment. Duquesne Capital's earnings will be limited to Duquesne Light's payments of interest on the Debentures and other Indenture Securities. See "Description of the Debentures and the Indenture". Duquesne Light has the right under the Indenture, from time to time, to extend the interest payment periods on the Debentures for up to 18 consecutive months, and, as a consequence, monthly dividends on the MIPS will be deferred by Duquesne Capital (and will continue to accumulate but without interest on any amounts so deferred) during any such extended interest payment period. See "Description of the Debentures and the Indenture--Option to Extend Interest Payment Period".

Dividends on the MIPS will be payable to the holders thereof as they appear on the books and records of Duquesne Capital on the relevant record dates, which will be one Business Day (as hereinafter defined) prior to the relevant payment dates; provided, however, that if the MIPS of any series are not held by a securities depositary, the General Partner shall have the right to change such record dates. Subject to any applicable laws and regulations and the provisions of the Partnership Agreement, each such payment will be made as described under "Book-Entry-Only Issuance" below. In the event that any date on which dividends are payable on the MIPS is not a Business Day, then payment of the dividends payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect, and in the same amount, as if made on such date. A "Business Day" shall mean any day other than a day on which banking institutions in The City of New York or the City of Pittsburgh, Pennsylvania are authorized or required by law to close.

CERTAIN RESTRICTIONS ON DUQUESNE CAPITAL

If dividends have not been paid in full on the MIPS of any series, Duquesne Capital shall not:

(i) pay, or set aside for payment, any dividends on any other Preferred Securities ranking pari passu with the MIPS of such series as regards participation in profits of Duquesne Capital ("Dividend Parity Securities"), unless, at the time of such payment or setting aside, there shall also be paid, or set aside for payment, as the case may be, dividends on the MIPS of such series on a pro rata basis, so that, after giving effect to the payment of all such dividends,

(x) the ratio of (a) the aggregate amount of dividends paid on the MIPS of such series to (b) the aggregate amount of dividends paid on such Dividend Parity Securities is the same as

(y) the ratio of (a) the aggregate of all accumulated arrears of unpaid dividends in respect of the MIPS of such series to (b) the aggregate of all accumulated arrears of unpaid dividends in respect of such Dividend Parity Securities;

(ii) pay, or set aside for payment, any dividends or other distributions on any other securities of Duquesne Capital ranking junior to the MIPS of such series as to dividends ("Dividend Junior Securities"); or

(iii) redeem, purchase or otherwise acquire any MIPS of such series, any Dividend Parity Securities or any Dividend Junior Securities;

until, in each case, such time as all accumulated and unpaid dividends on

the MIPS of such series shall have been paid in full for all dividend periods terminating on or prior to, in the case of clauses (i) and (ii), such payment and, in the case of clause (iii), the date of such redemption, purchase or acquisition.

OPTIONAL REDEMPTION

Unless otherwise provided in a Prospectus Supplement, the MIPS of each series will be redeemable, at the option of Duquesne Capital and at the direction of Duquesne Light, in whole or in part from time to time, on or after the fifth anniversary of the last day of the month in which such MIPS are issued, upon not less than 30 nor more than 60 days' notice, at a redemption price of $25 per security, plus an amount equal to accumulated and unpaid dividends to the date fixed for redemption (the "Redemption Price"); provided, however, that prior to giving any such notice of redemption Duquesne Capital shall have received from Duquesne Light a notice of redemption of Debentures of the corresponding series having an aggregate principal amount equal to the aggregate liquidation preference of the MIPS to be redeemed. In the event that fewer than all the outstanding MIPS of any series are to be so redeemed, the MIPS to be redeemed will be selected as described under "Book-Entry-Only Issuance" below. If a partial redemption would result in a delisting of the MIPS of any series by any national securities exchange or other organization on which the MIPS of such series are then listed, Duquesne Capital may only redeem the MIPS of such series in whole.

SPECIAL EVENT REDEMPTION OR EXCHANGE

If a Special Event (as defined below) shall occur and be continuing, the General Partner will (i) cause Duquesne Capital to redeem the MIPS in whole (and not in part), upon not less than 30 nor more than 60 days' notice, at the Redemption Price within 90 days following the occurrence of such Special Event, or (ii) cause Duquesne Capital to distribute Debentures to holders of MIPS in exchange for such MIPS within 90 days following the occurrence of such Special Event. Notwithstanding the foregoing, if the Special Event is solely a Tax Event (as defined below), neither the General Partner nor Duquesne Capital shall be required to elect either of the options described in (i) or (ii) above and may, instead, allow the MIPS to remain outstanding.

In the event of a distribution of Debentures as described in (ii) above, each holder of MIPS would receive Debentures in an aggregate principal amount equal to the aggregate liquidation preference of $25 per security on the MIPS held by it and bearing interest at a rate per annum equal to the dividend rate per annum on such MIPS from the last date on which dividends on such MIPS were paid. Under such circumstances, if there are no other Preferred Securities then outstanding, Duquesne Light may cause Duquesne Capital to be dissolved.

After the date fixed for any such exchange, (i) the MIPS will no longer be deemed to be outstanding, (ii) the Depositary (as hereinafter

defined) or its nominee, as the record holder of the MIPS, will exchange the global certificate or certificates representing the MIPS for a registered global certificate or certificates representing the Debentures to be delivered upon such exchange and (iii) any certificates representing shares of MIPS not held by the Depositary or its nominee will be deemed to represent Debentures having a principal amount equal to the liquidation preference of such MIPS until such certificates are presented to Duquesne Light or its agent for exchange.

"Special Event" means an Investment Company Event or a Tax Event.

"Investment Company Event" means the occurrence of a change in law or regulation or a written change in official interpretation of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 40 Act Law") to the effect that Duquesne Capital is or will be considered an "investment company" required to be registered under the Investment Company Act of 1940, as amended (the "1940 Act"), which Change in 40 Act Law becomes effective on or after the date of the first issuance of MIPS of such series; provided that no Investment Company Event shall be deemed to have occurred if Duquesne Light or Duquesne Capital shall have obtained a written opinion of nationally recognized independent counsel experienced in practice under the 1940 Act, to the effect that Duquesne Light or Duquesne Capital has successfully taken either of the steps set forth in (i) or (ii) below to avoid such Change in 40 Act Law so that in the opinion of such counsel, notwithstanding such Change in 40 Act Law, Duquesne Capital is not required to be registered as an "investment company" within the meaning of the 1940 Act. Such steps shall be either (i) issuing an additional or supplemental irrevocable and unconditional guarantee (x) of accumulated and unpaid dividends (whether or not moneys are legally available therefor) on the MIPS and (y) upon a liquidation of Duquesne Capital, of the full amount of the Liquidation Distribution (as hereinafter defined) on the MIPS (regardless of the amount of assets of Duquesne Capital otherwise available for distribution in such liquidation), or (ii) the use of any other reasonable measures that do not adversely affect holders of MIPS in any material respect.

"Tax Event" means that Duquesne Light or Duquesne Capital shall have obtained an opinion of nationally recognized independent tax counsel experienced in such matters to the effect that, as a result of any amendment to, or change (including any announced prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, or any amendment to or change in an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date of the first issuance of MIPS of such series, and which change cannot be avoided by the use of any reasonable measures available to Duquesne Light or Duquesne Capital, there is a substantial increase in risk that (i) Duquesne Capital is subject to Federal income tax with respect to interest received on the Debentures, (ii) interest payable on the Debentures will not be deductible for Federal

income tax purposes or (iii) Duquesne Capital is subject to more than a de minimis amount of other taxes, duties or other governmental charges.

REDEMPTION PROCEDURES

If at any time Duquesne Light (i) pays at maturity or (ii) redeems Debentures of any series as described under "Description of the Debentures and the Indenture--Optional Redemption", the proceeds from such payment or redemption of principal of such Debentures will be applied to redeem MIPS of the related series at the Redemption Price upon not less than 30 nor more than 60 days' notice (except that no such notice will be required in the case of (i)).

If (a) Duquesne Capital gives a notice of redemption in respect of MIPS of any series (which notice will be irrevocable) or (b) MIPS of any series shall become redeemable by virtue of the maturity of the related Debentures, then, on the date fixed for redemption, which in the case of (b) shall be the applicable Debenture maturity date (the "Redemption Date"), Duquesne Capital will pay the applicable Redemption Price to the record holders of such MIPS. See "Book-Entry-Only Issuance" below. If notice of redemption has been given and payment or provision for payment has been made on the date fixed for redemption as required, then upon such date, all rights of holders of such MIPS so called for redemption will cease, except the right of such holders to receive the Redemption Price, but without interest. In the event that any Redemption Date is not a Business Day, payment of the Redemption Price payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day falls in the next calendar year, such payment will be made on the immediately preceding Business Day. In the event that payment of the Redemption Price in respect of any MIPS is not paid either by Duquesne Capital or by Duquesne Light pursuant to the Guarantee described under "Description of the Guarantee", dividends on such MIPS will continue to accumulate (but without any interest on amounts so accumulating) from the original Redemption Date to the date of payment, in which case the actual payment date will be considered the Redemption Date for purposes of calculating the Redemption Price.

Subject to the foregoing and applicable law (including, without limitation, Federal securities laws), Duquesne Light or its affiliates may at any time and from time to time purchase outstanding MIPS by tender, in the open market or by private agreement. In the event that Duquesne Light surrenders any MIPS to Duquesne Capital, Duquesne Capital will distribute to or upon the order of Duquesne Light, Debentures of the corresponding series in aggregate principal amount equal to the aggregate liquidation preference on the MIPS so surrendered.

LIQUIDATION DISTRIBUTION

In the event of any voluntary or involuntary dissolution, liquidation or winding up of Duquesne Capital, the holders of the MIPS of each series at the time outstanding will be entitled to receive out of the assets of Duquesne Capital available for distribution to partners of Duquesne Capital, after satisfaction of liabilities to creditors, if any, as required by the Delaware Act, before any distribution of assets is made to the General Partner or any other series of Preferred Securities ranking junior to the MIPS of such series with respect to participation in the assets of Duquesne Capital, but together with the holders of every other series of Preferred Securities outstanding, if any, ranking pari passu with
---- -----
the MIPS of such series with respect to participation in the assets of Duquesne Capital ("Liquidation Parity Securities"), an amount equal to the aggregate of the liquidation preference of $25 per security plus an amount equal to all accumulated and unpaid dividends on the MIPS of such series to the date of payment (the "Liquidation Distribution").

If, upon any such liquidation, the Liquidation Distribution for MIPS of any series can be paid only in part because Duquesne Capital has insufficient assets available to pay in full the aggregate Liquidation Distribution for such series and the aggregate maximum liquidation distributions on the Liquidation Parity Securities, then the amounts payable directly by Duquesne Capital on the MIPS of such series and on such Liquidation Parity Securities shall be paid on a pro rata basis, so that

(i) the ratio of (x) the aggregate amount paid in respect of the Liquidation Distribution to (y) the aggregate amount paid in respect of liquidation distributions on the Liquidation Parity Securities is the same as

(ii) the ratio of (x) the aggregate Liquidation Distribution to (y) the aggregate maximum liquidation distributions on the Liquidation Parity Securities.

Pursuant to the Partnership Agreement, Duquesne Capital shall be dissolved and its affairs shall be wound up: (i) on _____, 204_, the expiration of the term of Duquesne Capital, (ii) upon the withdrawal, removal or bankruptcy of the General Partner, or the assignment by the General Partner of its general partner interest in Duquesne Capital or the occurrence of any other event that results in the General Partner ceasing to be a general partner of Duquesne Capital under the Delaware Act, except for a transfer to a permitted successor of Duquesne Light under the Indenture, unless in any such case the business of Duquesne Capital is continued in accordance with the Delaware Act, (iii) upon the entry of decree of a judicial dissolution, or (iv) upon the written consent of all partners of Duquesne Capital, including the holders of the Preferred Securities.

SOURCE OF PAYMENT FOR THE MIPS

Duquesne Capital is a special purpose limited partnership formed for the sole purpose of issuing its limited partnership interests and lending the proceeds thereof to Duquesne Light in return for debt securities of Duquesne Light. The proceeds of the MIPS will be loaned to Duquesne Light in return for Debentures. Duquesne Capital's earnings will be limited to payments by Duquesne Light on the Debentures and other Indenture Securities.

Dividends on the MIPS must be paid to the extent of funds held by Duquesne Capital and legally available to make such payments. Under the terms of the Guarantee as described under "Description of the Guarantee - General" herein, such payments required to be made on the MIPS will be irrevocably and unconditionally guaranteed by Duquesne Light. Because the payment terms of the Debentures will generally correspond to the payment terms of the MIPS, Duquesne Capital is expected to have sufficient funds to make payments on the MIPS so long as Duquesne Light is not in default in payment of the Debentures. In addition, because Duquesne Light will covenant in the Guarantee to timely perform all of its duties as General Partner, including the duty to pay dividends on the MIPS and the duty to pay all costs and expenses of Duquesne Capital, it is expected that all payments on the Debentures will be available for the payment of dividends on the MIPS. Duquesne Light and Duquesne Capital believe that the obligations of Duquesne Light under the Guarantee, the Partnership Agreement and the Debentures, taken together, are substantially equivalent to a full and unconditional guarantee by Duquesne Light of payments due on the MIPS. The Guarantee will be one of payment and not of collection, and holders of MIPS may enforce the Guarantee directly against Duquesne Light, without first proceeding against Duquesne Capital. If Duquesne Light fails to make interest payments on the Debentures, Duquesne Capital will have insufficient funds to pay dividends on the MIPS, and the Guarantee will not cover payment of such dividends. In such event, the holders of MIPS may enforce certain rights in respect of the Debentures as third party beneficiaries under the Indenture. In addition, under certain circumstances, holders of MIPS will have the right to appoint a Special Representative to enforce Duquesne Capital's rights as holder of the Debentures.

See "Description of the Guarantee" and "Description of the Debentures and the Indenture" herein for a description of the terms and limitations of the obligations of Duquesne Light relating to the MIPS.

MERGER, CONSOLIDATION, AMALGAMATION, ETC. OF DUQUESNE CAPITAL

The General Partner is authorized and directed to conduct its affairs and to operate Duquesne Capital in such a way that Duquesne Capital would not be deemed to be an "investment company" required to be registered under the 1940 Act or taxed as a corporation for Federal income tax purposes and so that the Debentures will be treated as indebtedness of Duquesne Light for Federal income tax purposes. In this connection, the General Partner is authorized to take any action not inconsistent with applicable law, the Certificate of Limited Partnership or the Partnership Agreement and that

does not adversely affect the interests of holders of MIPS that the General Partner determines in its discretion to be necessary or desirable for such purposes.

Duquesne Capital may not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any partnership, corporation or other body, except as described below. Duquesne Light, as General Partner, may, without the consent of the holders of the MIPS, cause Duquesne Capital to consolidate, amalgamate, merge with or into, or be replaced by, or convey or transfer its properties and assets substantially as an entirety to, a Delaware limited partnership or "other business entity" (as defined in the Delaware Act but not including any general partnership) organized under the laws of any state of the United States or the Turks and Caicos Islands, provided that (i) such successor entity either (x) expressly assumes all of the obligations of Duquesne Capital under the MIPS or (y) substitutes for the MIPS other securities having substantially the same terms as the MIPS (the "Successor Securities") so long as the Successor Securities rank, with respect to participation in the profits and assets of the successor entity, at least as high as the MIPS rank, with respect to participation in the profits and assets of Duquesne Capital, (ii) Duquesne Light expressly acknowledges such successor entity as the holder of the Debentures relating to the MIPS, (iii) such merger, consolidation, amalgamation, replacement, conveyance or transfer does not cause the MIPS to be delisted by any national securities exchange or other organization on which the MIPS are then listed unless the MIPS are promptly relisted, or the Successor Securities are promptly listed, by such exchange or other organization, (iv) such merger, consolidation, amalgamation, replacement, conveyance or transfer does not cause the MIPS to be downgraded or the Successor Securities to be rated lower than the MIPS immediately prior to such merger, consolidation, amalgamation, replacement, conveyance or transfer by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act, (v) such merger, consolidation, amalgamation, replacement, conveyance or transfer does not adversely affect the powers, preferences and other special rights of holders of MIPS in any material respect, and (vi) prior to such merger, consolidation, amalgamation, replacement, conveyance or transfer Duquesne Light has received an opinion of nationally recognized independent counsel to Duquesne Capital experienced in such matters to the effect that (w) holders of MIPS will not recognize any gain or loss for Federal income tax purposes as a result of the merger, consolidation, amalgamation, replacement, conveyance or transfer, (x) such successor entity will be treated as a partnership for Federal income tax purposes, (y) following such merger, consolidation, amalgamation, replacement, conveyance or transfer, Duquesne Light and such successor entity will be in compliance with the 1940 Act without registering thereunder as an investment company, and (z) such merger, consolidation, amalgamation, replacement, conveyance or transfer will not adversely affect the limited liability of holders of MIPS.

VOTING RIGHTS

Except as provided below and under "Description of the Guarantee--Amendments and Assignments" and as otherwise required by law and the Partnership Agreement, the holders of the MIPS will have no voting rights.

If (i) Duquesne Capital fails to pay dividends in full on the MIPS of any series for any period of 18 consecutive months, (ii) an Event of Default with respect to the corresponding series of Debentures (as described under "Description of the Debentures and the Indenture--Events of Default; Remedies") occurs and is continuing, or (iii) Duquesne Light is in default on any of its payment or other obligations under the Guarantee (as described under "Description of the Guarantee--Certain Covenants of Duquesne Light"), then the holders of the outstanding MIPS of such series, together with the holders of any other series of Preferred Securities having the right to vote for the appointment of a special representative (the "Special Representative") in such event, acting as a single class, will be entitled, by vote of holders of a majority in aggregate liquidation preference of all Preferred Securities having the right to vote, to appoint and authorize a Special Representative to enforce Duquesne Capital's rights under the corresponding Indenture Securities (as hereinafter defined), including the corresponding Debentures, and the Indenture against Duquesne Light, enforce the obligations undertaken by Duquesne Light under the Guarantee and pay dividends on the MIPS of such series (to the extent Duquesne Capital has funds legally available for the payment of such dividends and cash on hand sufficient to permit such payment).

For purposes of determining whether Duquesne Capital has failed to pay dividends in full for 18 consecutive months, dividends shall be deemed to remain in arrears, notwithstanding any payments in respect thereof, until full cumulative dividends have been or contemporaneously are set aside and paid with respect to all monthly dividend periods terminating on or prior to the date of payment of such full cumulative dividends. Not later than 30 days after such right to appoint a Special Representative arises, the General Partner will convene a general meeting for the above purpose. If the General Partner fails to convene such meeting within such 30-day period, the holders of 10% in aggregate liquidation preference of the outstanding MIPS of any series will be entitled to convene such meeting. The provisions of the Partnership Agreement relating to the convening and conduct of the general meetings of partners of Duquesne Capital will apply with respect to any such meeting. Any Special Representative so appointed shall vacate office immediately if Duquesne Capital (or Duquesne Light pursuant to the Guarantee) shall have paid in full all accumulated and unpaid dividends on the MIPS of such series or such Event of Default or default under the Guarantee, as the case may be, shall have been cured. Notwithstanding the appointment of any such Special Representative, Duquesne Light shall retain its rights under the Indenture to extend the interest payment period as provided under "Description of the Debentures and the Indenture--Option to Extend Interest Payment Period".

If any proposed amendment to the Partnership Agreement provides for, or the General Partner otherwise proposes to effect, (x) any action which

would adversely affect the rights, preferences and privileges of the holders of MIPS of any series, whether by way of amendment to the Partnership Agreement or otherwise (including, without limitation, the authorization or issuance of any limited partnership interests of Duquesne Capital ranking, as to participation in the profits or assets of Duquesne Capital, senior to the MIPS of such series), or (y) the dissolution, liquidation or winding up of Duquesne Capital (other than in connection with a distribution of Debentures and dissolution of Duquesne Capital upon the occurrence of a Special Event), then holders of outstanding MIPS of such series will be entitled to vote on such amendment or proposed action of the General Partner (but not on any other amendment or action) together as a class with, in the case of an action described in clause (x) above which would equally adversely affect the rights, preferences or privileges of holders of any Dividend Parity Securities or any Liquidation Parity Securities, holders of such Dividend Parity Securities or such Liquidation Parity Securities, as the case may be, or, in the case of any amendment described in clause (y) above, holders of all Liquidation Parity Securities, and such amendment or action shall not be effective except with the approval of the holders of 66 2/3% in aggregate liquidation preference of such class; provided, however, that no such approval shall be required if the dissolution, liquidation or winding up of Duquesne Capital is proposed or initiated pursuant to the Partnership Agreement or upon the initiation of proceedings, or after proceedings have been initiated, for the dissolution, liquidation or winding up of Duquesne Light.

The rights of holders of MIPS of any series will be deemed not to be adversely affected by the creation or issue of, and no vote will be required for the creation of, any further limited partnership interests of Duquesne Capital ranking junior to, or pari passu with, the MIPS of such series with regard to participation in the profits or assets of Duquesne Capital. Holders of MIPS will have no preemptive rights.

The Partnership Agreement provides that the General Partner will not permit or cause Duquesne Capital to file a voluntary petition in bankruptcy without the affirmative vote of the holders of 66 2/3% in aggregate liquidation preference of the outstanding Preferred Securities.

If any action is, by the terms of the Indenture, not permitted to be taken by Duquesne Capital without the consent of holders of Preferred Securities or any Special Representative, the General Partner shall not, without such requisite consent, take any such action.

Any required approval of holders of MIPS of any series may be given at a separate meeting of such holders convened for such purpose, at a general meeting of partners of Duquesne Capital or pursuant to written consent. Duquesne Capital will cause a notice of any meeting at which holders of the MIPS of such series are entitled to vote, or of any matter upon which action by written consent of such holders is to be taken, to be mailed to each holder of record of such MIPS. Each such notice will include a statement setting forth (i) the date of such meeting or the date by which

such action is to be taken, (ii) a description of any matter on which such holders are entitled to vote or upon which written consent is sought and (iii) instructions for the delivery of proxies or consents.

No vote or consent of the holders of the MIPS will be required for Duquesne Capital to redeem and cancel MIPS in accordance with the Partnership Agreement.

Notwithstanding that holders of MIPS are entitled to vote or consent under any of the circumstances described above, the holders of MIPS that are owned by Duquesne Light or any affiliate of Duquesne Light shall not be entitled to vote or consent and shall, for the purposes of such vote or consent, be treated as if they were not outstanding.

BOOK-ENTRY-ONLY ISSUANCE

The Depository Trust Company ("DTC") will initially act as securities depository for the MIPS. The MIPS will be issued only as fully-registered securities registered in the name of Cede & Co. (DTC's nominee). DTC and any other depositary which may replace DTC as depositary for the MIPS are sometimes referred to herein as the "Depositary." One or more fully-registered global certificates will be issued for each series, representing in the aggregate the total number of MIPS for such series, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants ("Direct Participants") include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its Participants are on file with the Commission.

Purchases of MIPS under the DTC system must be made by or through Direct Participants, which will receive a credit for the MIPS on DTC's records. The ownership interest of each actual purchaser of MIPS ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants'

records. Beneficial Owners will not receive written confirmation from DTC of their purchases, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners purchased MIPS. Transfers of ownership interests in the MIPS are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in MIPS, except in the event that use of the book-entry system for the MIPS is discontinued.

To facilitate subsequent transfers, all MIPS deposited by Participants with DTC are registered in the name of Cede & Co. DTC has no knowledge of the actual Beneficial Owners of the MIPS; DTC's records reflect only the identity of the Direct Participants to whose accounts such MIPS are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to Cede & Co. If less than all of the MIPS of any series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series to be redeemed.

Although voting with respect to the MIPS is limited, in those cases where a vote is required, neither DTC nor Cede & Co. will consent or vote with respect to MIPS. Under its usual procedures, DTC would mail its Omnibus Proxy to Duquesne Capital as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the MIPS are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Dividend payments on the MIPS will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the relevant payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payments on such payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Duquesne Capital or Duquesne Light, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of dividends to DTC is the responsibility of Duquesne Capital, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the

responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the MIPS at any time by giving reasonable notice to Duquesne Capital. Under such circumstances, in the event that a successor securities depository is not obtained, MIPS certificates are required to be printed and delivered. Additionally, Duquesne Capital (with the consent of Duquesne Light) may decide to select another Depositary for the MIPS or to discontinue use of the system of book-entry transfers through DTC (or a successor Depositary). In the latter event, certificates for the MIPS will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC. Duquesne Capital and Duquesne Light believe such information to be reliable, but neither Duquesne Capital nor Duquesne Light takes any responsibility for the accuracy thereof.

None of Duquesne Light, Duquesne Capital any paying agent or any other agent of Duquesne Light or Duquesne Capital will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in MIPS or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

REGISTRAR, TRANSFER AGENT AND PAYING AGENT

Duquesne Light will act as registrar, transfer agent and paying agent for the MIPS.

Registration of transfers of MIPS will be effected without charge by or on behalf of Duquesne Capital, but upon payment in respect of any tax or other governmental charges which may be imposed in relation to it, together with the giving of such indemnity as Duquesne Capital or Duquesne Light may require.

Neither Duquesne Light nor Duquesne Capital will be required to register or cause to be registered the transfer of any MIPS which have been called for redemption.

DESCRIPTION OF THE GUARANTEE

SET FORTH BELOW IS A SUMMARY OF CERTAIN TERMS AND PROVISIONS OF THE PAYMENT AND GUARANTEE AGREEMENT (THE "GUARANTEE") WHICH WILL BE EXECUTED AND DELIVERED BY DUQUESNE LIGHT FOR THE BENEFIT OF THE HOLDERS OF ANY SERIES FROM TIME TO TIME OF THE PREFERRED SECURITIES. THIS SUMMARY DOES NOT PURPORT TO BE COMPLETE AND IS SUBJECT TO, AND QUALIFIED IN ITS ENTIRETY BY REFERENCE TO, THE FORM OF GUARANTEE FILED AS AN EXHIBIT TO THE REGISTRATION STATEMENT OF WHICH THIS PROSPECTUS IS A PART.

GENERAL

Duquesne Light will irrevocably and unconditionally agree, to the extent set forth herein, to pay in full, to the holders of the Preferred Securities of each series (including any series of MIPS), the Guarantee Payments (as defined below), as and when due, regardless of any defense, right of set-off or counterclaim which Duquesne Capital may have or assert. As used herein, Guarantee Payments means the following payments, without duplication, to the extent not paid by Duquesne Capital (the "Guarantee Payments"): (i) any accumulated and unpaid dividends on the Preferred Securities of such series, but only to the extent that Duquesne Capital has (a) funds legally available for the payment of such dividends, as determined by the General Partner, and (b) cash on hand sufficient to make such payment; (ii) the Redemption Price payable with respect to Preferred Securities of such series called for redemption by Duquesne Capital, but only to the extent that Duquesne Capital has (a) funds legally available for the payment of such Redemption Price, as determined by the General Partner, and (b) cash on hand sufficient to make such payment; and (iii) upon a liquidation of Duquesne Capital, the lesser of (a) the Liquidation Distribution and (b) the amount of assets of Duquesne Capital legally available to Duquesne Capital for distribution to holders of Preferred Securities. Duquesne Light's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by Duquesne Light to holders of Preferred Securities or by causing Duquesne Capital to pay such amounts to such holders.

If Duquesne Light fails to make payments of principal of or interest on the Debentures, Duquesne Capital will not have sufficient funds to make corresponding payments in respect of the Redemption Price or Liquidation Distribution, as the case may be, of, or dividends on, the MIPS. The Guarantee does not cover payment of amounts in respect of the MIPS to the extent that Duquesne Capital does not have legally available funds for the payment thereof and cash on hand sufficient to make such payment. In such event, a holder of MIPS may enforce certain rights in respect of the Debentures under the Indenture. See "Description of the Debentures and the Indenture--Enforcement of Certain Rights by Holders of MIPS".

CERTAIN COVENANTS OF DUQUESNE LIGHT

In the Guarantee, Duquesne Light will covenant that, so long as any Preferred Securities remain outstanding, Duquesne Light shall not declare or pay any dividend on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock or make any guarantee payments with respect to the foregoing (other than payments under the Guarantee) if at such time Duquesne Light is in default with respect to its payment or other obligations under the Guarantee or there has occurred and is continuing a payment default (whether before or after the expiration of any period of grace) or an Event of Default under the Indenture.

In the Guarantee, Duquesne Light will also covenant that, so long as any Preferred Securities of any series remain outstanding, it will (i) not voluntarily (to the extent permitted by law) dissolve, liquidate or wind up Duquesne Capital; (ii) remain the sole General Partner of Duquesne Capital

and timely perform all of its duties as General Partner of Duquesne Capital (including the duty to pay dividends on the Preferred Securities), provided that any permitted successor of Duquesne Light under the Indenture may succeed to Duquesne Light's duties as General Partner; and (iii) use its reasonable efforts to cause Duquesne Capital to remain a limited partnership (or permitted successor under the Partnership Agreement) and otherwise continue to be treated as a partnership for Federal income tax purposes.

AMENDMENTS AND ASSIGNMENT

Except with respect to any changes which do not adversely affect the rights of holders of Preferred Securities of any series (in which case no vote will be required), the Guarantee may be amended only with the prior approval of the holders of not less than 66 2/3% in aggregate liquidation preference of the outstanding Preferred Securities of each affected series (voting together as one class). All guarantees and agreements contained in the Guarantee will bind the successors, assigns, receivers and trustees of Duquesne Light and will inure to the benefit of the holders of the Preferred Securities.

TERMINATION OF THE GUARANTEE

The Guarantee will terminate and be of no further force and effect upon full payment of the Redemption Price of all Preferred Securities or upon full payment of the amounts payable upon liquidation of Duquesne Capital. The Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of Preferred Securities must restore payment of any sums paid under the Preferred Securities or the Guarantee.

STATUS OF THE GUARANTEE

The Guarantee will constitute an unsecured obligation of Duquesne Light and will rank, like the Debentures and other Indenture Securities, subordinate in right of payment to all Senior Indebtedness (as hereinafter defined). The Guarantee provides that each holder of Preferred Securities by acceptance thereof agrees that (1) amounts payable under the Guarantee will be subordinate in right of payment to amounts payable upon the Senior Indebtedness to the same extent that amounts payable under the Indenture and in respect of Indenture Securities (including the Debentures) are so subordinated and (2) the subordination provisions of the Indenture applicable to holders of Indenture Securities will be equally applicable to it. For a discussion of the subordination provisions relating to the Debentures and other Indenture Securities, see "Description of the Debentures and the Indenture--Subordination".

The Guarantee will constitute a guarantee of payment and not of collection. A holder of Preferred Securities may enforce the Guarantee directly against Duquesne Light, and Duquesne Light will waive any right or remedy to require that any action be brought against Duquesne Capital or any other person or entity before proceeding against Duquesne Light. The

Guarantee will not be discharged except by payment of the Guarantee Payments in full to the extent not paid by Duquesne Capital and by complete performance of all obligations under the Guarantee.

GOVERNING LAW

The Guarantee will be governed by and construed and interpreted in accordance with the laws of the State of New York.

DESCRIPTION OF THE DEBENTURES AND THE INDENTURE

SET FORTH BELOW IS A SUMMARY OF CERTAIN TERMS AND PROVISIONS OF THE INDENTURE AND THE DEBENTURES TO BE ISSUED THEREUNDER THAT WILL EVIDENCE THE LOANS TO BE MADE BY DUQUESNE CAPITAL TO DUQUESNE LIGHT OF THE PROCEEDS OF MIPS AND DUQUESNE LIGHT'S RELATED CAPITAL CONTRIBUTIONS TO DUQUESNE CAPITAL. THIS SUMMARY DOES NOT PURPORT TO BE COMPLETE AND IS SUBJECT TO, AND QUALIFIED IN ITS ENTIRETY BY REFERENCE TO, THE DETAILED PROVISIONS OF THE FORMS OF INDENTURE AND OFFICER'S CERTIFICATE ESTABLISHING THE DEBENTURES FILED AS EXHIBITS TO THE REGISTRATION STATEMENT OF WHICH THIS PROSPECTUS IS A PART. UNDER CERTAIN CIRCUMSTANCES FOLLOWING THE OCCURRENCE OF A SPECIAL EVENT, DEBENTURES MAY BE DISTRIBUTED TO THE HOLDERS OF MIPS AND DUQUESNE CAPITAL MAY BE DISSOLVED. SEE "DESCRIPTION OF THE MIPS--SPECIAL EVENT REDEMPTION OR EXCHANGE".

GENERAL

Pursuant to an Indenture (the "Indenture"), between Duquesne Light and The First National Bank of Chicago, trustee (the "Indenture Trustee"), Duquesne Light will issue to Duquesne Capital, with respect to each series of MIPS issued and sold by Duquesne Capital, a series of Monthly Income Subordinated Debentures (the "Debentures"), in an aggregate principal amount equal to the aggregate liquidation preference of such series of MIPS and the related capital contribution by Duquesne Light, bearing interest at an annual rate equal to the annual dividend rate on such series of MIPS and having certain other terms which correspond to the terms of such series of MIPS.

Unless otherwise provided in a Prospectus Supplement, the entire principal amount of all Debentures will become due and payable, together with any accrued and unpaid interest thereon, including Additional Interest (as hereinafter defined), if any, on the date that is the last dividend payment date prior to the fiftieth anniversary of the issuance of the MIPS of the first series issued.

The Indenture provides that, in addition to the Debentures, additional subordinated debentures may be issued thereunder, without limitation as to the aggregate principal amount, provided that such securities are issued to evidence loans by Duquesne Capital of the proceeds of the issuance of Preferred Securities and related capital contributions by Duquesne Light to Duquesne Capital. The Debentures and all other subordinated debentures hereafter issued under the Indenture are

collectively referred to as the "Indenture Securities". The Indenture does not limit the amount of other debt, secured or unsecured, which may be issued by Duquesne Light. The Indenture Securities will be subordinate and junior to all Senior Indebtedness of Duquesne Light. As of June 30, 1994, Duquesne Light had approximately $1.5 billion of Senior Indebtedness outstanding (exclusive of certain guarantees and other contingent obligations, but inclusive of capitalized lease obligations and current installments and short-term notes payable).

The Restated Articles of Duquesne Light provide that Duquesne Light may not issue any unsecured indebtedness without the consent of the holders of two-thirds of its outstanding preferred stock, except for certain limited purposes, if immediately after such issue the total principal amount of unsecured indebtedness issued or assumed by Duquesne Light then outstanding would exceed 20% of the aggregate of (i) the total principal amount of all secured indebtedness then outstanding and (ii) the total of the capital stock and earned and capital surplus of Duquesne Light plus any premiums on capital stock of Duquesne Light as then to be stated on its books plus any premiums on capital stock of Duquesne Light of any class then carried on its books. At June 30, 1994 Duquesne Light could have issued approximately $420 million of unsecured indebtedness (such as the Debentures) without violating this restriction.

MANDATORY REDEMPTION

If Duquesne Capital redeems MIPS of any series in accordance with the terms thereof, Duquesne Light shall redeem Debentures of the corresponding series, in a principal amount equal to the aggregate liquidation preference of the MIPS of such series so redeemed, at a redemption price equal to 100% of the aggregate principal amount of such Debentures to be redeemed, plus any accrued but unpaid interest, including Additional Interest, if any, any such redemption to be made on the date such MIPS are redeemed or on such earlier date as Duquesne Capital and Duquesne Light shall agree.

OPTIONAL REDEMPTION

Unless otherwise provided in a Prospectus Supplement, Duquesne Light will have the right to redeem the Debentures of any Series at any time on or after the fifth anniversary of the last day of the month in which such Debentures are issued, in whole or in part, at a redemption price equal to 100% of the aggregate principal amount of such Debentures to be redeemed, plus any accrued but unpaid interest, including Additional Interest, if any, to the date fixed for redemption, upon not less than 30 nor more than 60 days' notice.

INTEREST

The Debentures relating to MIPS of any series will bear interest at the annual rate set forth in the Prospectus Supplement for such series, accruing from the date they are issued until maturity. Such interest will be payable monthly in arrears on the last day of each calendar month to the

holder of record one Business Day prior to the relevant interest payment date, subject to the right of Duquesne Light to extend any interest payment period as described below; provided, however, that if the Debentures of any series are held neither by Duquesne Capital nor by a securities depositary, Duquesne Light shall have the right to change such record dates.

The amount of interest payable for any monthly interest payment period will be computed on the basis of twelve 30-day months and a 360-day year and, for any period shorter than a full monthly interest period, will be computed on the basis of the actual number of days elapsed in such period.

In the event that any date on which interest or principal is payable on the Debentures is not a Business Day, then payment of the amounts payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect, and in the same amount, as if made on such date.

OPTION TO EXTEND INTEREST PAYMENT PERIOD

Duquesne Light shall have the right at any time or times during the term of the Indenture Securities of any series, including any series of Debentures, so long as Duquesne Light is not in default in the payment of interest under any Indenture Securities, to extend interest payment periods for up to 18 consecutive months, and at, or at any time prior to, the end of any such extended interest payment period Duquesne Light will pay all interest then accrued and unpaid (together with interest thereon at the rate specified for such Indenture Securities to the extent permitted by applicable law); provided that, during any such extended interest payment
----
period, Duquesne Light shall not declare or pay any dividend on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock or make any guarantee payments with respect to the foregoing (other than payments under the Guarantee); and provided further that any
-------- -------
such extended interest payment period may only be selected with respect to any Indenture Securities if an extended interest payment period of identical length is simultaneously selected for all Indenture Securities. Prior to the end of any such extended interest payment period of less than 18 consecutive months, Duquesne Light may further extend the interest payment period; provided that such extended interest payment period,
----
together with all such further extensions thereof, may not exceed a period of 18 consecutive months. Following the termination of any extended interest payment period, if Duquesne Light has paid all accrued and unpaid interest required by the Indenture Securities for such period, Duquesne Light shall have the right to again extend interest payment periods for up to 18 consecutive months as herein described. So long as Duquesne Capital is the sole holder of Indenture Securities, Duquesne Light shall give

Duquesne Capital notice of its selection of any such extended interest payment period one Business Day prior to the earlier of (i) the date dividends on any series of Preferred Securities would otherwise be payable and (ii) the date Duquesne Capital is required to give notice of the record or payment date of such dividends to any national securities exchange on which the Preferred Securities of such series shall be listed or to holders of the Preferred Securities of such series, but in any event not less than two Business Days prior to such record date. Duquesne Light will cause Duquesne Capital to give such notice of Duquesne Light's selection of any such extended interest payment period to the holders of the Preferred Securities. If Duquesne Capital is not the sole holder of the Indenture Securities, Duquesne Light shall give the holders of Indenture Securities (including the Debentures) notice of its selection of such extended interest payment period ten Business Days prior to the related interest payment date.

ADDITIONAL INTEREST

If Duquesne Capital shall be required to pay, with respect to its income derived from the interest payments on the Indenture Securities of any series, any amounts for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed by the United States, or any other taxing authority, then, in any such case, Duquesne Light will pay as interest on such series of Indenture Securities such additional interest ("Additional Interest") as may be necessary in order that the net amounts received and retained by Duquesne Capital after the payment of such taxes, duties, assessments or governmental charges shall result in Duquesne Capital's having such funds as it would have had in the absence of the payment of such taxes, duties, assessments or governmental charges.

BOOK-ENTRY SYSTEM AND SETTLEMENT IN THE EVENT OF EXCHANGE

In the event that Debentures are to be distributed to the holders of the MIPS, it is anticipated that such distribution would occur in book-entry form and that DTC, or any successor Depositary for the MIPS, would act as depositary for the Debentures and that the depositary arrangements for the Debentures would be substantially identical to those in effect for the MIPS. For a description of DTC and the terms of the depositary arrangements relating to payments, transfers, voting rights, redemption and other notices and other matters, see "Description of the MIPS--Book-Entry-Only Issuance".

Except under certain limited circumstances as described under "Description of the MIPS--Book-Entry-Only Issuance" for delivery of certificates evidencing beneficial ownership in MIPS, the Debentures would not be issuable as, or exchangeable for, Debentures in definitive certificated form. In the event that Debentures were to be issued in certificated form, such Debentures would be in denominations of $25.00 and integral multiples thereof and principal and interest on such Debentures would be payable at, and transfers or exchanges of such Debentures would be

effected at, the office or agency of Duquesne Light designated for such purposes.

SUBORDINATION

The Indenture will provide (and each holder of MIPS by acceptance thereof agrees) that each of the Debentures is subordinate and junior in right of payment to all Senior Indebtedness. The Indenture defines "Senior Indebtedness" as all obligations (other than non-recourse obligations and the indebtedness issued under the Indenture) of, or guaranteed or assumed by, Duquesne Light for borrowed money (including both senior and subordinated indebtedness for borrowed money (other than the Indenture Securities)) or for the payment of money relating to any lease which is capitalized on the consolidated balance sheet of Duquesne Light and its subsidiaries in accordance with generally accepted accounting principles as in effect from time to time, or evidenced by bonds, debentures, notes or other similar instruments, and in each case, amendments, renewals, extensions, modifications and refundings of any such indebtedness or obligations, whether existing as of the date of the Indenture or subsequently incurred by Duquesne Light; provided that Duquesne Light's obligations under the Guarantee shall not be deemed to be "Senior Indebtedness" for purposes of the Indenture (or the Guarantee).

Upon the maturity of any Senior Indebtedness of Duquesne Light by lapse of time, acceleration or otherwise, all such Senior Indebtedness then due and owing shall first be paid in full, before any payment is made on account of, or Duquesne Light can acquire, any Indenture Securities (including the Debentures).

In the event (a) of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings in respect of Duquesne Light or a substantial part of its property or of any proceedings for liquidation, dissolution or other winding up of Duquesne Light, whether or not involving insolvency or bankruptcy, or (b) that (i) a default shall have occurred with respect to the payment of principal of or interest on or other monetary amounts due and payable on any Senior Indebtedness or (ii) there shall have occurred a default (other than a default in the payment of principal or interest, or other monetary amounts due and payable) in respect of any Senior Indebtedness, as defined therein or in the instrument under which the same is outstanding, permitting the holder or holders thereof to accelerate the maturity thereof (with notice or lapse of time, or both), and such default shall have continued beyond the period of grace, if any, in respect thereof, and, in the cases of subclauses (i) and (ii) of this clause (b), such default shall not have been cured or waived or shall not have ceased to exist, or (c) that the principal of and the accrued interest on the Indenture Securities of any series shall have been declared due and payable upon an Event of Default and such declaration shall not have been rescinded and annulled as provided under the Indenture, then the holders of all Senior Indebtedness shall first be entitled to receive payment of the full amount due thereon, or provision shall be made for such payment in money or money's worth, before

the holders of any of the Indenture Securities are entitled to receive a payment on account of the principal of or any interest on the indebtedness evidenced by their Indenture Securities. Any payment or distribution, whether in cash, securities or other property, which would otherwise (but for the subordination provisions) be payable or deliverable in respect of the Indenture Securities shall be paid or delivered directly to the holders of such Senior Indebtedness (or their representative or trustee) in accordance with the priorities then existing among such holders until all Senior Indebtedness of Duquesne Light shall have been paid in full before any payment or distribution is made to the holders of Indenture Securities. In the event that notwithstanding such subordination provisions, any payment or distribution of assets of any kind or character is made on the Indenture Securities before all Senior Indebtedness is paid in full, the Indenture Trustee or the holders of Indenture Securities receiving such payment will be required to pay over such payment or distribution to the holders of such Senior Indebtedness.

No present or future holder of any Senior Indebtedness of Duquesne Light shall be prejudiced in the right to enforce subordination of the indebtedness under the Indenture by any act or failure to act on the part of Duquesne Light.

Senior Indebtedness will not be deemed to have been paid in full unless the holders thereof shall have received cash (or securities or other property satisfactory to such holders) in full payment of such Senior Indebtedness then outstanding. Upon the payment in full of all Senior Indebtedness, the holders of Indenture Securities shall be subrogated to all the rights of any holders of such Senior Indebtedness to receive any further payments or distributions of cash, property or securities of Duquesne Light applicable to such Senior Indebtedness until the Indenture Securities shall have been paid in full, and such payments or distributions of cash, property or securities received by the holders of Indenture Securities, by reason of such subrogation, which otherwise would be paid or distributed to the holders of such Senior Indebtedness, shall, as between Duquesne Light and its creditors other than the holders of Senior Indebtedness, on the one hand, and the holders of Indenture Securities on the other, be deemed to be a payment on account of Senior Indebtedness, and not on account of the Indenture Securities.

CERTAIN COVENANTS OF DUQUESNE LIGHT

The Indenture will provide that, so long as any Preferred Securities of any series remain outstanding, Duquesne Light will not declare or pay any dividend on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock or make any guarantee payments with respect to the foregoing (other than payments under the Guarantee) if at such time (i) Duquesne Light will be in default with respect to its payment or other obligations under the Guarantee, (ii) there has occurred and is continuing a payment default (whether before or after the expiration of any period of grace) or an Event of Default under the Indenture or (iii) Duquesne Light has given notice of its election to extend any interest

payment period as provided in the Indenture, and such period, or any extension thereof, shall be continuing.

The Indenture will also provide that, so long as Preferred Securities of any series remain outstanding, Duquesne Light will (i) maintain direct or indirect ownership of all interests in Duquesne Capital other than such Preferred Securities, (ii) not voluntarily (to the extent permitted by law) dissolve, liquidate or wind up Duquesne Capital, (iii) remain the sole General Partner of Duquesne Capital and timely perform in all material respects all of its duties as the General Partner of Duquesne Capital (including the duty to pay dividends on the MIPS as described in the fourth paragraph under "Description of the MIPS--Dividends"), provided that any permitted successor to Duquesne Light under the Indenture may succeed to Duquesne Light's duties as General Partner of Duquesne Capital, and (iv) use reasonable efforts to cause Duquesne Capital to remain a limited partnership and otherwise continue to be treated as a partnership for Federal income tax purposes; provided that Duquesne Light may permit
----
Duquesne Capital to consolidate or merge with or into another limited partnership or other permitted successor as described above under "Description of the MIPS--Merger, Consolidation, Amalgamation, etc. of Duquesne Capital" so long as Duquesne Light agrees to comply with the covenants described in clauses (i) through (iv) above with respect to such successor limited partnership or other permitted successor.

So long as Duquesne Capital holds the Debentures of any series, it may not waive compliance or waive any default in compliance by Duquesne Light with any covenant or other term in such Debentures or the Indenture, or any past default under the Indenture, without the approval or consent of the holders of at least 66 2/3% in aggregate liquidation preference of the outstanding Preferred Securities affected.

EVENTS OF DEFAULT; REMEDIES

The following events shall constitute Events of Default with respect to each series of Indenture Securities (including each series of Debentures) issued under the Indenture:

(a) Duquesne Light shall fail to pay any interest, including any Additional Interest, on any Indenture Securities of such series within 30 days after the same becomes due and payable (whether or not payment is prohibited by the provisions described above under "Subordination" or otherwise); provided that a valid extension of the
----
interest payment period by Duquesne Light shall not constitute a failure to pay interest for this purpose;

(b) Duquesne Light shall fail to pay when due any principal of or premium, if any, on any Indenture Securities of such series, whether at maturity, upon redemption, by declaration of acceleration or otherwise (whether or not payment is prohibited by the provisions described above

under "Subordination" or otherwise);

(c) Duquesne Light shall fail to perform or breach any covenant or warranty in the Indenture (other than a covenant or warranty a default in the performance of which or breach of which is dealt with elsewhere under this paragraph) for a period of 60 days after there has been given to Duquesne Light by the Indenture Trustee, or to Duquesne Light and the Indenture Trustee by the holders of at least 25% in principal amount of outstanding Indenture Securities of such series, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default", unless the Indenture Trustee, or the Indenture Trustee and the holders of a principal amount of Indenture Securities of such series not less than the principal amount of Indenture Securities of such series the holders of which gave such notice, as the case may be, agree in writing to an extension of such period prior to its expiration; provided, however, that the Indenture Trustee, or the Indenture Trustee and such holders, as the case may be, will be deemed to have agreed to an extension of such period if corrective action has been initiated by Duquesne Light within such period and is being diligently pursued;

(d) Certain events relating to reorganization, bankruptcy or insolvency of Duquesne Capital or Duquesne Light or the appointment of a receiver or trustee for its property; or

(e) any other Event of Default specified with respect to Indenture Securities of such series.

No Event of Default with respect to any series of Indenture Securities necessarily constitutes an Event of Default with respect to the Indenture Securities of any other series issued under the Indenture.

If an Event of Default due to the default in payment of principal of or interest on any series of Indenture Securities or due to the default in the performance or breach of any other covenant or warranty of Duquesne Light applicable to the Indenture Securities of such series but not applicable to all series occurs and is continuing, then either the Indenture Trustee or the holders of 25% in principal amount of the outstanding Indenture Securities of such series or a Special Representative appointed in respect of the Preferred Securities of the corresponding series as described under "Description of the MIPS--Voting Rights" may declare the principal of all of the Indenture Securities of such series and interest accrued thereon to be due and payable immediately (subject to the subordination provisions of the Indenture). If an Event of Default due to the default in the performance of any other covenants or agreements in the Indenture applicable to all outstanding Indenture Securities or due to certain events of bankruptcy, insolvency or reorganization of Duquesne Light or Duquesne Capital has occurred and is continuing, either the Indenture Trustee or the holders of not less than 25% in principal amount of all outstanding Indenture Securities, considered as one class, or the

Special Representative or Special Representatives appointed in respect of series of outstanding Indenture Securities representing not less than 25% in principal amount of all Indenture Securities then outstanding, and not the holders of the Indenture Securities of any one of such series or the Special Representative appointed in respect of any one series, may make such declaration of acceleration (subject to the subordination provisions of the Indenture).

At any time after the declaration of acceleration with respect to the Indenture Securities of any series has been made and before a judgment or decree for payment of the money due has been obtained, the Event or Events of Default giving rise to such declaration of acceleration will, without further act, be deemed to have been waived, and such declaration and its consequences will, without further act, be deemed to have been rescinded and annulled, if (a) Duquesne Light has paid or deposited with the Indenture Trustee a sum sufficient to pay (1) all overdue interest on all Indenture Securities of such series; (2) the principal of and premium, if any, on any Indenture Securities of such series which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Indenture Securities; (3) interest upon overdue interest at the rate or rates prescribed therefor in such Indenture Securities to the extent that payment of such interest is lawful; and (4) all amounts due to the Indenture Trustee under the Indenture; and (b) any other Event or Events of Default with respect to the Indenture Securities of such series, other than the nonpayment of the principal of the Indenture Securities of such series which has become due solely by such declaration of acceleration, have been cured or waived as provided in the Indenture.

If an Event of Default with respect to the Indenture Securities of any series occurs and is continuing, the holders of a majority in principal amount of the outstanding Indenture Securities of such series or the Special Representative appointed in respect of such series may direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee or exercising any trust or power conferred on the Indenture Trustee with respect to the Indenture Securities of such series; provided, however, that if an Event of Default occurs and is continuing with respect to more than one series of Indenture Securities, the holders of a majority in aggregate principal amount of the outstanding Indenture Securities of all such series, considered as one class, or the Special Representative or Special Representatives appointed with respect to series of outstanding Indenture Securities representing 66 2/3% in aggregate principal amount of the outstanding Indenture Securities of all such series, will have the right to make such direction, and not the holders of the Indenture Securities of any one of such series or the Special Representative of any one of such series; and provided, further, that such direction will not be in conflict with any rule of law or with the Indenture. Before proceeding to exercise any right or power under the Indenture at the direction of such holders or any such Special Representative, the Indenture Trustee shall be entitled to receive from such holders or any such Special Representative reasonable security or

indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with any such direction.

Duquesne Light will be required to furnish to the Indenture Trustee annually a statement of an officer of Duquesne Light to the effect that, to the best of such officer's knowledge, Duquesne Light is not in default in the performance of the terms of the Indenture or, if such officer has knowledge that Duquesne Light is in default, specifying such default.

The Indenture provides that no holder of Indenture Securities issued under the Indenture may institute any proceeding against Duquesne Light with respect to the Indenture unless (a) the holder has previously given to the Indenture Trustee written notice of a continuing Event of Default and unless the holders of not less than 25% in principal amount of the Indenture Securities of all series of Indenture Securities in respect of which an Event of Default has occurred and is continuing (considered as one class) have requested the Indenture Trustee to institute such action and shall have offered the Indenture Trustee reasonable indemnity, (b) the Indenture Trustee shall not have instituted such action within 60 days of such request, and (c) the Indenture Trustee shall not have received direction inconsistent with such written request by the holders of a majority in principal amount of the outstanding Indenture Securities of such affected series (considered as one class). Furthermore, no holder will be entitled to institute any such action if and to the extent that such action would disturb or prejudice the rights of other holders of Indenture Securities. Notwithstanding the foregoing, each holder of an Indenture Security has a right, which is absolute and unconditional, to receive payment of the principal of and premium, if any, and interest, subject to the right of Duquesne Light to extend interest payment periods in accordance with the Indenture, if any, on such Indenture Security when due and to institute suit for the enforcement of any such payment, and such rights may not be impaired without the consent of such holder.

The Indenture requires the Indenture Trustee to give to all holders of outstanding Indenture Securities of any series notice of any default to the extent required by the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), unless such default has been cured or waived; provided that in the case of any default of the character specified above in clause (c) under "Events of Default", no such notice will be given to such holders until at least 45 days after the occurrence thereof. The Trust Indenture Act currently permits the Indenture Trustee to withhold notices of default (except for certain payment defaults) if the Indenture Trustee in good faith determines the withholding of such notice to be in the interests of the holders.

ENFORCEMENT OF CERTAIN RIGHTS BY HOLDERS OF MIPS

Holders of MIPS will have the rights referred to under "Description of the MIPS--Voting Rights", including the right under certain circumstances to appoint a Special Representative, which Special Representative shall be authorized to exercise Duquesne Capital's right to

accelerate the principal amount of the Debentures and to enforce Duquesne Capital's other rights under the Debentures and the Indenture.

The Indenture provides that for so long as any Preferred Securities remain outstanding, the obligations of Duquesne Light thereunder are for the benefit of the holders of Preferred Securities. The holders, or a Special Representative appointed by and acting on behalf of the holders, may enforce Duquesne Light's obligations under the Indenture and the Debentures directly against Duquesne Light as third party beneficiary of Duquesne Light's obligations thereunder to the same extent as if such holders of Preferred Securities held a principal amount of Debentures equal to the liquidation preference of the Preferred Securities held by such holders.

MODIFICATION OF INDENTURE

Without the consent of any holders of Indenture Securities, Duquesne Light and the Indenture Trustee may enter into one or more supplemental indentures for any of the following purposes: (a) to evidence the assumption by any successor to Duquesne Light of the covenants of Duquesne Light in the Indenture and the Indenture Securities; or (b) to add one or more covenants of Duquesne Light or other provisions for the benefit of the holders of all or any series of outstanding Indenture Securities or to surrender any right or power conferred upon Duquesne Light by the Indenture; or (c) to add any additional Events of Default with respect to all or any series of outstanding Indenture Securities; or (d) to change or eliminate any provision of the Indenture or to add any new provision to the Indenture, provided that if such change, elimination or addition will adversely affect the interests of the holders of Indenture Securities of any series in any material respect, such change, elimination or addition will become effective with respect to such series only when there is no Indenture Security of such series remaining outstanding under the Indenture; or (e) to provide collateral security for the Indenture Securities; or (f) to establish the form or terms of Indenture Securities of any series as permitted by the Indenture; or (g) to evidence and provide for the acceptance of appointment of a successor Indenture Trustee under the Indenture with respect to the Indenture Securities of one or more series and to add to or change any of the provisions of the Indenture as shall be necessary to provide for or to facilitate the administration of the trusts under the Indenture by more than one trustee; or (h) to provide for the procedures required to permit the utilization of a noncertificated system of registration for any series of Indenture Securities; or (i) to change any place where (1) the principal of and premium, if any, and interest, if any, on any Indenture Securities shall be payable, (2) any Indenture Securities may be surrendered for registration of transfer or exchange and (3) notices and demands to or upon Duquesne Light in respect of Indenture Securities and the Indenture may be served; or (j) to cure any ambiguity or inconsistency or to make or change any other provisions with respect to matters and questions arising under the Indenture, provided such changes or additions shall not adversely affect the interests of the holders of Indenture Securities of any series in any material respect.

Without limiting the generality of the foregoing, if the Trust Indenture Act is amended after the date of the original Indenture in such a way as to require changes to the Indenture or the incorporation therein of additional provisions or so as to permit changes to, or the elimination of, provisions which, at the date of the original Indenture or at any time thereafter, were required by the Trust Indenture Act to be contained in the Indenture, Duquesne Light and the Indenture Trustee may, without the consent of any holders, enter into one or more supplemental indentures to effect or reflect any such amendment.

The consent of the holders of not less than a majority in aggregate principal amount of the Indenture Securities of all series then outstanding under the Indenture, considered as one class, is required for the purpose, pursuant to an indenture or supplemental indenture, of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Indenture or modifying in any manner the rights of the holders of such series; provided, however, that if less than all of the series of Indenture Securities outstanding under the Indenture are directly affected by a supplemental indenture, then the consent only of the holders of a majority in aggregate principal amount of the outstanding Indenture Securities of all series so directly affected, considered as one class, will be required; and provided, further, that no such supplemental indenture will, without the consent of the holder of each Indenture Security outstanding under the Indenture of each such series directly affected thereby, (a) change the stated maturity of, or any installment of principal of or the rate of interest on or method of calculating the rate of interest on (or the amount of any installment of interest on), any Indenture Security, or reduce the principal thereof or redemption premium thereon, if any, or change the currency in which any Indenture Security is payable, or impair the right to institute suit for the enforcement of payment on any Indenture Security, (b) reduce the percentage in principal amount of the Indenture Securities outstanding under such series (or, if applicable, in liquidation preference of any series of Preferred Securities) required to consent to any supplemental indenture or waiver under the Indenture or to reduce the requirements for quorum and voting or (c) modify the provisions in the Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults.

A supplemental indenture which changes or eliminates any covenant or other provision of the Indenture which has expressly been included solely for the benefit of one or more particular series of Indenture Securities, or which modifies the rights of the holders of Indenture Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under the Indenture of the holders of any other Indenture Securities.

Notwithstanding the foregoing, so long as any of the Preferred Securities remain outstanding, Duquesne Capital shall not agree to any such amendment that affects the holders of Preferred Securities then outstanding, without the prior consent of the holders of not less than

66 2/3% in aggregate liquidation preference of all such affected Preferred Securities outstanding considered as one class (or, in the case of changes described in (a), (b) or (c) above, 100% in aggregate liquidation preference of all such affected Preferred Securities then outstanding considered as one class).

DEFEASANCE

The Indenture Securities of any series, or any portion of the principal amount thereof, will be deemed to have been paid for purposes of the Indenture, and the entire indebtedness of Duquesne Light in respect thereof will be deemed to have been satisfied and discharged, if there shall have been irrevocably deposited with the Indenture Trustee or any paying agent other than Duquesne Light, in trust: (a) money in the amount which will be sufficient, or (b) Government Obligations (as defined below), which do not contain provisions permitting the redemption or other prepayment thereof at the option of the issuer thereof, the principal of and the interest on which when due, without any regard to reinvestment thereof, will provide monies which, together with the money, if any, deposited with or held by the Indenture Trustee, will be sufficient, or (c) a combination of (a) and (b) which will be sufficient, to pay when due the principal of and premium, if any, and interest, if any, due and to become due on such Indenture Securities or portions thereof on and prior to the maturity thereof. For this purpose, Government Obligations include direct obligations of, or obligations unconditionally guaranteed by, the United States of America entitled to the benefit of the full faith and credit thereof and certificates, depositary receipts or other instruments which evidence a direct ownership interest in such obligations or in any specific interest or principal payments due in respect thereof.

GOVERNING LAW

The Indenture and Debentures will be governed by and construed in accordance with the laws of the State of New York, except to the extent that the laws of any other jurisdiction shall be mandatorily applicable.

MISCELLANEOUS

The Indenture provides that Duquesne Light may consolidate or merge with, or convey, transfer or lease its properties and assets substantially as an entirety to any other corporation, provided that such successor corporation expressly assumes all obligations of Duquesne Light under the Indenture and certain other conditions are met.

RESIGNATION OF THE INDENTURE TRUSTEE

The Indenture Trustee may resign at any time by giving written notice thereof to Duquesne Light or may be removed at any time by act of the holders of a majority in principal amount of Indenture Securities then outstanding delivered to the Indenture Trustee and Duquesne Light; provided that so long as any Preferred Securities remain outstanding, Duquesne

Capital shall not enter into any act to remove the Indenture Trustee without the consent of the holders of 66 2/3% in aggregate liquidation preference of Preferred Securities outstanding. No resignation or removal of the Indenture Trustee and no appointment of a successor trustee will become effective until the acceptance of appointment by a successor trustee in accordance with the requirements of the Indenture. So long as no Event of Default or event which, after notice or lapse of time, or both, would become an Event of Default has occurred and is continuing, if Duquesne Light has delivered to the Indenture Trustee a resolution of its Board of Directors appointing a successor trustee and such successor has accepted such appointment in accordance with the terms of the Indenture, the Indenture Trustee will be deemed to have resigned and the successor will be deemed to have been appointed as trustee in accordance with the Indenture.

UNITED STATES INCOME TAXATION

IN GENERAL

This section is a summary of certain Federal income tax considerations that may be relevant to prospective purchasers of MIPS and represents the opinion of Reid & Priest, counsel to Duquesne Light and Duquesne Capital, insofar as it relates to matters of law and legal conclusions. This section is based upon current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed regulations thereunder and current administrative rulings and court decisions, all of which are subject to change. Subsequent changes may cause tax consequences to vary substantially from the consequences described below.

No attempt has been made in the following discussion to comment on all Federal income tax matters affecting purchasers of MIPS. Moreover, the discussion focuses on holders of MIPS who are individual citizens or residents of the United States and has only limited application to corporations, estates, trusts or non-resident aliens. Accordingly, each prospective purchaser of MIPS should consult, and should depend upon, his or her own tax advisor in analyzing the Federal, state, local and foreign income tax consequences of the purchase, ownership, or disposition of MIPS.

INCOME FROM MIPS

In the opinion of Reid & Priest, Duquesne Capital will be treated as a partnership for Federal income tax purposes. Accordingly, each MIPS holder will be required to include in gross income his or her distributive share of Duquesne Capital's net income. Any amount so included in a MIPS holder's gross income will increase his or her tax basis in the MIPS, and the amount of cash dividends distributed to the MIPS holder will be a non-taxable reduction in his or her tax basis in the MIPS. The income included in a MIPS holder's gross income should not exceed dividends received on such MIPS, except in the limited circumstances described below under "Potential Extension of Interest Payment Period." No portion of such income will be eligible for the dividends received deduction.

DISPOSITION OF MIPS

Upon the sale or redemption for cash of MIPS, gain or loss realized will be recognized by each MIPS holder in an amount equal to the difference between (i) the amount realized by the MIPS holder for such MIPS, and (ii) such holder's tax basis in such MIPS. Depending upon the particular circumstances of a MIPS holder, gain or loss recognized by such holder on the sale or exchange of MIPS held for more than one (1) year will generally be taxable as long-term capital gain or loss.

EXCHANGE OF THE MIPS FOR DEBENTURES

Under certain circumstances relating to changes in law, as described under the caption "Description of the MIPS - Special Event Redemption or Exchange", Duquesne Capital may distribute the Debentures to MIPS holders in exchange for the MIPS. Such an exchange will generally be treated as a non-taxable exchange and will result in each MIPS holder receiving an aggregate basis in its Debentures equal to such holder's aggregate tax basis in its MIPS. A MIPS holder's holding period in the Debentures received in such an exchange will include the period for which the MIPS were held by such holder, provided the MIPS were held as a capital asset.

If such an exchange occurs following a determination that, due to a change in law, Duquesne Capital is subject to Federal income tax with respect to interest received on the Debentures, such exchange will generally be taxable to the MIPS holder. Gain or loss will be recognized in amount measured by the difference between the MIPS holder's basis in its MIPS and the value of the Debentures received in the exchange. In such a case, the holding period of the MIPS holder for the Debentures will not include the period for which the MIPS were held.

DUQUESNE CAPITAL INFORMATION RETURNS AND AUDIT PROCEDURES

Duquesne Light, as the General Partner of Duquesne Capital, will furnish each MIPS holder with a Schedule K-1 for each year setting forth such MIPS holder's allocable share of income for the prior calendar year. Duquesne Light is currently required to furnish such Schedule K-1's as soon as practicable following the end of each year, but in any event prior to March 31.

Any person who holds MIPS as a nominee for another person is required to furnish to Duquesne Light: (i) the name, address and taxpayer identification number of the beneficial owner and nominee; (ii) information as to whether the beneficial owner is (a) a person that is not a United States person, (b) a foreign government, an international organization or any wholly-owned agency or instrumentality of the foregoing, or (c) a tax-exempt entity; (iii) the amount and description of the MIPS held, acquired or transferred for the beneficial owner; and (iv) certain information including the dates of acquisitions and transfers, means of acquisitions and transfers, and acquisition costs for purchases, as well as the amount of net proceeds from sales. Brokers and financial institutions are

required to furnish additional information, including whether they are United States persons, and certain information on MIPS that they acquire, hold, or transfer for their own accounts. A penalty of $50 per failure (up to a maximum of $100,000 per calendar year) is imposed by the Code for failure to report such information to Duquesne Light. The nominee is required to supply the beneficial owners of the MIPS with the information furnished to Duquesne Light.

POTENTIAL EXTENSION OF INTEREST PAYMENT PERIOD

Under the terms of the Debentures, Duquesne Light will be permitted to extend from time to time interest payment periods for up to 18 consecutive months. In the event that Duquesne Light exercises this right, it may not declare or pay dividends on any of its capital stock. Because the interest payment period is extendable, the interest on the Debentures will be treated as "original issue discount" ("OID") pursuant to Code sections 1271 et seq. and the Treasury Regulations promulgated thereunder. Pursuant thereto, Duquesne Capital will be required to include the interest on the Debentures in income as it accrues in accordance with a constant yield method based upon a compounding of interest before actual receipt of the cash payment representing such interest.

Accrued income includible by Duquesne Capital during an extended interest payment period pursuant to the OID rules will be allocated, but not distributed, to MIPS holders of record on the Business Day preceding the last day of each calendar month. As a result, during an extended interest payment period holders of MIPS will include interest in gross income in advance of the receipt of cash. The tax basis of MIPS will be increased by the amount of any interest that is included in a MIPS holder's income without receipt of cash, and will be decreased when and if such cash is subsequently received by such MIPS holder from Duquesne Capital.

However, in the event that interest payable on the Debentures is not deductible by Duquesne Light for Federal income tax purposes, during an extended interest payment period holders of the MIPS will not include any amount in gross income with respect to the MIPS until Duquesne Capital is required to include such amounts in its income, which should occur at approximately the same time as the receipt of cash from Duquesne Capital.

UNITED STATES ALIEN HOLDERS

For purposes of this discussion, a "United States Alien Holder" is any holder of MIPS who is (i) a nonresident alien individual, foreign corporation, partnership, estate or trust, and (ii) not subject to Federal income tax on a net income basis in respect of such MIPS.

Under current Federal income tax law:

(i) payments by Duquesne Capital or any of its paying agents to any United States Alien Holder will not be subject to Federal withholding tax provided that (a) the beneficial owner of MIPS does not actually or

constructively own ten percent (10%) or more of the total combined voting power of all classes of stock of Duquesne Light entitled to vote, (b) the beneficial owner of MIPS is not a controlled foreign corporation that is related to Duquesne Light through stock ownership, and (c) either (1) the beneficial owner of MIPS certifies to Duquesne Capital or its agent, under penalties of perjury, that it is a United States Alien Holder and provides its name and address, or (2) the holder of MIPS is a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "Financial Institution") and such holder certifies to Duquesne Capital or its agent under penalties of perjury that such statement has been received from the beneficial owner by it or by a Financial Institution between it and the beneficial owner and furnishes Duquesne Capital or its agent with a copy thereof; and

(ii) a United States Alien Holder will generally not be subject to Federal tax on any gain realized upon the sale or exchange of MIPS unless such holder is present in the United States for 183 days or more in the taxable year of the sale and either has a "tax home" in the United States or certain other requirements are met.

The above paragraphs (i) and (ii) are subject to the following discussion on backup withholding and assume satisfaction by Duquesne Light of its withholding tax obligations.

BACKUP WITHHOLDING AND INFORMATION REPORTING

In general, information reporting requirements will apply to payments of the proceeds of the sale of MIPS within the United States to noncorporate U.S. MIPS holders, and "backup withholding" at a rate of thirty-one percent (31%) will apply to such payments if such MIPS holder fails to provide to Duquesne Capital an accurate taxpayer identification number.

Payments of the proceeds from the sale by a United States Alien Holder of MIPS made to or through a foreign office or a broker will not be subject to information reporting or backup withholding. However, if the broker is a United States person, a controlled foreign corporation for United States tax purposes, or a foreign person fifty percent (50%) or more of whose gross income is effectively connected with a United States trade or business for a specified three (3) year period, information reporting may apply to such payments. Payments of the proceeds from the sale of MIPS to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its non-United States status or otherwise establishes an exemption from information reporting and backup withholding.

PLAN OF DISTRIBUTION

Duquesne Capital may sell MIPS (i) through underwriters, including Goldman, Sachs & Co., (ii) through dealers, (iii) through agents or (iv) directly to purchasers. The Prospectus Supplement relating to the MIPS of

any series will set forth the terms of such offering, including the names of any underwriters, dealers or agents involved in the sale of such MIPS, the number of MIPS of such series to be purchased by any underwriters, dealers or agents and any applicable commissions or discounts. The net estimated proceeds to Duquesne Capital from such series of MIPS will also be set forth in the Prospectus Supplement.

If underwriters are used in the sale, the MIPS being sold will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Unless otherwise set forth in the Prospectus Supplement relating to the MIPS of any series, the obligations of the underwriters to purchase such MIPS will be subject to certain conditions precedent and the underwriters will be obliged to purchase all of such MIPS if any of such MIPS are purchased. Any initial public offering price and any discounts or concessions allowed or reallowed or paid to dealers may be changed from time to time.

If dealers are used in the sale, unless otherwise indicated in the Prospectus Supplement relating to the MIPS of any series, Duquesne Capital will sell such MIPS to the dealers as principals. The dealers may then resell such MIPS to the public at varying prices to be determined by such dealers at the time of resale.

MIPS of any series may also be sold through agents designated by Duquesne Capital from time to time or directly by Duquesne Capital. Any agent involved in the offering and sale of any such MIPS will be named, and any commissions payable by Duquesne Capital to such agent will be set forth, in the Prospectus Supplement relating to the MIPS of such series. Unless otherwise indicated in such Prospectus Supplement, any such agent will act on a reasonable efforts basis for the period of its appointment.

Underwriters, dealers and agents may be entitled under agreements entered into with Duquesne Light or Duquesne Capital to indemnification by Duquesne Light or Duquesne Capital against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments which the underwriters, dealers or agents may be required to make in respect thereof. Underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, Duquesne Light and Duquesne Capital in the ordinary course of business.

Each series of MIPS will be a new issue of securities and will have no established trading market. Any underwriter to whom MIPS of any series are sold by Duquesne Capital for public offering and sale may make a market in such series of MIPS, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. If so indicated in the accompanying Prospectus Supplement for any series of MIPS, the MIPS of such series will be listed on a national securities exchange. No assurance can be given as to the liquidity of, or the trading markets for, any MIPS.

LEGAL OPINIONS

The validity of the MIPS will be passed upon by Richards, Layton & Finger as special Delaware counsel to Duquesne Capital. The validity of the Debentures and the Guarantee will be passed upon on behalf of Duquesne Light by Richard S. Christner, Esq., Associate General Counsel of Duquesne Light and Reid & Priest, special counsel to Duquesne Light. The validity of the MIPS, the Debentures and the Guarantee will be passed upon on behalf of the Underwriters by Mudge Rose Guthrie Alexander & Ferdon, counsel to the Underwriters. Mr. Christner may rely on Reid & Priest as to all matters of New York law, and Reid & Priest and Mudge Rose Guthrie Alexander & Ferdon may rely on the opinion of Mr. Christner as to all matters of Pennsylvania law. Mr. Christner, Reid & Priest and Mudge Rose Guthrie Alexander & Ferdon may rely on the opinion of Richards, Layton & Finger as to certain matters of Delaware law. Mudge Rose Guthrie Alexander & Ferdon has from time to time performed legal services for Duquesne Light.

As of June 30, 1994, Mr. Christner owned 1,428 shares of DQE Common Stock and 171 shares of Duquesne Light Company Plan Preference Stock (which is exchangeable into DQE Common Stock) under the matching feature of an employee benefit plan.

EXPERTS

The consolidated financial statements and related financial statement schedules incorporated in this Prospectus by reference to Duquesne Light's Annual Report on Form 10-K for the year ended December 31, 1993, have been audited by Deloitte & Touche, independent auditors, as stated in their report, which is incorporated herein by reference, and have been so incorporated in reliance upon such report given upon the authority of such firm as experts in auditing and accounting.

==========

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS DO NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES

==========

_____ PREFERRED SECURITIES

DUQUESNE CAPITAL

% CUMULATIVE MONTHLY INCOME PREFERRED SECURITIES, SERIES A

(LIQUIDATION PREFERENCE $25 PER SECURITY)

DESCRIBED IN THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS OR AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN OR THEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF SUCH INFORMATION.

GUARANTEED TO THE EXTENT DUQUESNE CAPITAL HAS FUNDS AS SET FORTH HEREIN BY

DUQUESNE LIGHT COMPANY

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT

Prospectus

PROSPECTUS SUPPLEMENT

GOLDMAN, SACHS & CO.

REPRESENTATIVES OF THE UNDERWRITERS

PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 16. LIST OF EXHIBITS.

Reference is made to the Exhibit Index on page II-5 hereof, such Exhibit Index being incorporated by such reference in this Item 16.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Duquesne Light Company has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pittsburgh, Commonwealth of Pennsylvania on the 8th day of July, 1994.

DUQUESNE LIGHT COMPANY
(Registrant)

By /s/ Gary L. Schwass

Gary L. Schwass
Vice President - Finance and
Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, Duquesne Capital L.P. has duly caused this Amendment No. 1 to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pittsburgh, Commonwealth of Pennsylvania on the 8th day of July, 1994.

DUQUESNE CAPITAL L.P.
(Registrant)

By: DUQUESNE LIGHT COMPANY,
General Partner

By /s/ Gary L. Schwass

Gary L. Schwass
Vice President - Finance and
Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to Registration Statement has been signed below on behalf of each of the registrants by the following persons in their capacities as officers or directors, as indicated below, of Duquesne Light Company, and on the dates so indicated.

Signature	Title	
*	Chairman of the Board, President and Chief Executive Officer	July 8, 1994
Wesley W. von Schack		
/s/ Gary L. Schwass	Vice President--Finance and Principal Financial Officer	July 8, 1994
Gary L. Schwass		
*	Controller and Principal Accounting Officer	July 8, 1994
Raymond H. Panza		
*John M. Arthur	Director	July 8, 1994
*Daniel Berg	Director	July 8, 1994
*Doreen E. Boyce	Director	July 8, 1994
*Robert P. Bozzone	Director	July 8, 1994
*Sigo Falk	Director	July 8, 1994
*W.H. Knoell	Director	July 8, 1994
*G. Christian Lantzsch	Director	July 8, 1994
*Robert Mehrabian	Director	July 8, 1994
*Thomas J. Murrin	Director	July 8, 1994

*Robert B. Pease	Director	July 8, 1994
*Eric W. Springer	Director	July 8, 1994

By /s/ Gary L. Schwass

Gary L. Schwass, As Attorney-in-fact
for each of the persons indicated by
by an asterisk

DUQUESNE LIGHT COMPANY
DUQUESNE CAPITAL L.P.
AMENDMENT NO. 1 TO
REGISTRATION STATEMENT
ON FORM S-3

EXHIBIT INDEX

Exhibit No.	Description and Method of Filing	
4.1	Revised Form of Amended and Restated Agreement of Limited Partnership of Duquesne Capital L.P.	Filed herewith.
4.2	Revised Form of Action of Duquesne Light Company as General Partner of Duquesne Capital L.P., establishing the terms of the MIPS	Filed herewith.
4.3	Revised Form of Indenture between Duquesne Light Company and The First National Bank of Chicago	Filed herewith.
4.4	Revised Form of Officer's Certificate establishing the Debentures	Filed herewith.
4.5	Revised Form of Payment and Guarantee Agreement with respect to the Preferred Securities	Filed herewith.
12.1	Revised Calculation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred and Preference Stock Dividend Requirements	Filed herewith.
24.1	*Power of Attorney	See pages II-5 through

---

* Previously filed as indicated and incorporated herein by reference.

EXHIBIT 12.1

DUQUESNE LIGHT COMPANY AND SUBSIDIARY

CALCULATION OF RATIO OF EARNINGS TO FIXED CHARGES
(THOUSANDS OF DOLLARS)

	Three Months Ended March 31, 1994	Year Ended December 31, 1993	1992	1991	1990	1989
FIXED CHARGES:						
Interest on long-term debt	$23,398	$102,938	$119,179	$127,606	$135,850	$140,623
Other interest	535	3,517	2,464	2,339	6,148	12,332
Amortization of debt discount, premium and expense-net	1,573	5,541	4,223	3,892	4,039	4,010
Portion of lease payments representing an interest factor	11,292	45,925	60,721	64,189	64,586	64,854
Total Fixed Charges	$36,798	$157,921	$186,587	$198,026	$210,623	$221,819
EARNINGS:						
Income from continuing						

operations	$35,492	$144,787	$149,768	$143,133	$135,456	$129,437
Income taxes	25,214	75,042	107,999	101,073	84,478	75,151
Fixed charges as above	36,798	157,921	186,587	198,026	210,623	221,819
Total Earnings	$97,504	$377,750	$444,354	$442,232	$430,557	$426,407
RATIO OF EARNINGS TO FIXED CHARGES	2.65	2.39	2.38	2.23	2.04	1.92

DUQUESNE LIGHT COMPANY AND SUBSIDIARY

CALCULATION OF RATIO TO COMBINED FIXED CHARGES
AND PREFERRED AND PREFERENCE STOCK DIVIDEND REQUIREMENTS
(THOUSANDS OF DOLLARS)

	Three Months Ended March 31,	Year Ended December 31,				
	1994	1993	1992	1991	1990	1989
FIXED CHARGES:						
Interest on long-term debt	$23,398	$102,938	$119,179	$127,606	$135,850	$140,623
Other interest	535	3,517	2,464	2,339	6,148	12,332
Amortization of debt discount, premium and expense-net	1,573	5,541	4,223	3,892	4,039	4,010
Portion of lease payments representing an interest factor	11,292	45,925	60,721	64,189	64,586	64,854
Preferred and Preference Dividends	2,499	14,368	15,908	18,001	22,384	26,397
Total Fixed Charges and Preferred and Preference Dividends	$39,297	$172,289	$202,495	$216,027	$233,007	$248,216

EARNINGS:						
Income from continuing operations	$35,492	144,787	$149,768	$143,133	$135,456	$129,437
Income taxes	25,214	75,042	107,999	101,073	84,478	75,151
Fixed charges as above	36,798	157,921	186,587	198,026	210,623	221,819
Total Earnings	$97,504	$377,750	$444,354	$442,232	$430,557	$426,407
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED AND PREFERENCE STOCK DIVIDEND REQUIREMENTS	2.48	2.19	2.19	2.05	1.85	1.72

EXHIBIT 4.1

AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF DUQUESNE CAPITAL L.P.

This AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF DUQUESNE CAPITAL L.P. dated _____, 1994 is entered into by and among Duquesne Light Company, a Pennsylvania corporation ("Duquesne Light"), as the General Partner, and _____ (the "Initial Limited Partner"), together with the other Persons who become Limited Partners of the Partnership as provided herein.

WHEREAS, Duquesne Light and the Initial Limited Partner have heretofore formed a limited partnership pursuant to Section 17-201 of the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. Section 17-101, et seq., as amended from time to time (the "Act"), by filing a Certificate of Limited Partnership with the office of the Secretary of State of the State of Delaware on April 27, 1994, and entering into an Agreement of Limited Partnership of Duquesne Light L.P., dated as of April 27, 1994, and Duquesne Light and the Initial Limited Partner have agreed pursuant to an Amended and Restated Agreement of Limited Partnership of Duquesne Capital L.P. dated as of May 9, 1994 to change the name of the Partnership from Duquesne Light L.P. to Duquesne Capital L.P. (the "Original Limited Partnership Agreement") and such name change has been reflected by filing an Amended and Restated Certificate of Limited Partnership with the office of the Secretary of State of the State of Delaware on May 9, 1994; and

WHEREAS, the Partners desire to continue the Partnership as a limited partnership under the Act and to amend and restate the Original Limited Partnership Agreement in its entirety;

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINED TERMS

Unless the context otherwise requires, the terms defined in this Article I shall, for the purposes of this Agreement, have the meanings herein specified.

"Act" shall mean the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. Section 17-101, et seq., as the same may be amended from time to time, and any successor to such Act.

"Affiliate" shall mean, with respect to a specified Person, any Person that directly or indirectly controls, is controlled by, or is under common control with, the specified Person. For purposes of this definition, the term "control" when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" shall mean this Amended and Restated Agreement of Limited Partnership of the Partnership, as amended, supplemented or restated and in effect from time to time.

"Bankruptcy" shall mean any events specified in Sections 17-402(a)(4) and (5) of the Act.

"Book-Entry Interest" shall mean a beneficial interest in an LP Certificate, ownership and transfers of which shall be made through book entries by the Depository as described in Section 14.4.

"Certificate" shall mean the Certificate of Limited Partnership and any and all amendments thereto and restatements thereof filed on behalf of the Partnership with the office of the Secretary of State of the State of Delaware pursuant to the Act.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, or any corresponding federal tax statute enacted after the date of this Agreement. A reference to a specific section (Section) of the Code refers not only to such specific section but also to any corresponding provision of any federal tax statute enacted after the date of this Agreement, as such specific section or corresponding provision is in effect on the date of application of the provisions of this Agreement containing such reference.

"Covered Person" shall mean the General Partner, any Affiliate of the General Partner or any officers, directors, shareholders, partners, employees, representatives or agents of the General Partner or their respective Affiliates, or any employee or agent of the Partnership or its Affiliates.

"Debentures" shall mean the subordinated debentures of Duquesne Light issued in one or more series under the Indenture and having certain payment terms that correspond to the terms of the related series of

Preferred Securities.

"Depository" shall mean The Depository Trust Company, New York, New York, or its successors and assigns and any other securities depository for the Preferred Securities in accordance with this Agreement.

"Dividends" shall mean the distributions paid or payable to any Limited Partner who is a Preferred Security Holder pursuant to the terms of the Preferred Securities held by such Limited Partner.

"Duquesne Light" means Duquesne Light Company, a Pennsylvania corporation, and any successor thereto permitted under the Indenture.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and any successor to such statute.

"Fiscal Year" shall mean (i) the period commencing upon the formation of the Partnership and ending on December 31, 1994, (ii) any subsequent twelve (12) month period commencing on January 1 and ending on December 31.

"General Partner" shall mean Duquesne Light, in its capacity as general partner of the Partnership, together with any successor thereto that becomes a general partner of the Partnership pursuant to the terms of this Agreement.

"General Partner Interests" shall mean the Interests of the General Partner in the Partnership.

"Guarantee" shall mean the Payment and Guarantee Agreement of Duquesne Light dated as of _____, 1994 relating to the Preferred Securities.

"Guarantor" means Duquesne Light.

"Holder" or "Preferred Security Holder" means a Person in whose name an LP Certificate is registered on the books and records of the Partnership; provided, however, that in determining whether the Holders of the requisite percentage of Preferred Securities have given any request, notice, consent or waiver hereunder, "Holder" shall not include Duquesne Light or any Affiliate of Duquesne Light.

"Indemnified Person" shall mean each Limited Partner, any Affiliate of the General Partner or any officers, directors, shareholders, partners, employees, representatives or agents of the General Partner or of any Affiliate of the General Partner, or any employee or agent of the Partnership or its Affiliates.

"Indenture" shall mean the Indenture of Duquesne Light dated as of _____, 1994 between Duquesne Light and The First National Bank of Chicago, as trustee.

"Initial Limited Partner" shall mean _____.

"Interest" shall mean the entire interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all of the terms and provisions of this Agreement.

"Limited Partners" shall mean any Person who is admitted to the Partnership as a limited partner of the Partnership in accordance with the terms of this Agreement, including the Preferred Security Holders, together with any successors thereto, in each such Person's capacity as a limited partner of the Partnership.

"LP Certificate" shall mean a certificate substantially in the form attached hereto as Exhibit A, evidencing the Preferred Securities held by a Limited Partner.

"Partners" shall mean the General Partner and the Limited Partners, collectively, and a "Partner" shall mean any one of the Partners.

"Partnership" shall mean the limited partnership heretofore formed and continued pursuant to this Agreement, and any successor thereto.

"Person" shall mean any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

"Preferred Securities" shall have the meaning set forth in Section 10.2 of this Agreement.

"Preferred Security Owner" shall mean, with respect to a Book-Entry Interest, a Person who is the beneficial owner of such Book-Entry Interest, as reflected on the books of the Depository, or on the books of a Person maintaining an account with such Depository (directly as a participant or as an indirect participant in the Depository, in each case in accordance with the rules of such Depository).

"Purchase Price" shall mean the amount paid for each Preferred Security by a Holder of such Preferred Security in the initial offering thereof.

"Securities Act" shall mean the Securities Act of 1933, as amended, and any successor to such statute.

"Tax Matters Partner" means the General Partner designated as such in Section 12.1 hereof.

"Treasury Regulations" means the income tax regulations, including temporary regulations, promulgated under the Code, as such

regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Underwriting Agreement" means an Underwriting Agreement among the Partnership, Duquesne Light and the underwriters named therein relating to the issuance and sale of one or more series of Preferred Securities.

ARTICLE II

CONTINUATION AND TERM

Section 2.1 Formation. The General Partner and the Initial Limited Partner have previously formed the Partnership as a limited partnership pursuant to the provisions of the Act and hereby amend and restate the Original Limited Partnership Agreement in its entirety.

Section 2.2 Continuation.

(a) The Partners hereby agree to continue the Partnership under and pursuant to the provisions of the Act and agree that the rights, duties and liabilities of the Partners shall be as provided in the Act, except as otherwise provided herein.

(b) Upon the execution of this Agreement or a counterpart of this Agreement, Duquesne Light shall continue as the General Partner and _____ shall continue as the Initial Limited Partner. Pursuant to Section 2.2(c) of this Agreement, the Holders of Preferred Securities from time to time shall be admitted to the Partnership as Limited Partners. Following the admission of any Holder of Preferred Securities to the Partnership as a Limited Partner, the Initial Limited Partner shall withdraw from the Partnership and shall receive the return of her capital contribution without interest or deduction, and the remaining Partners hereby agree to continue the business of the Partnership without dissolution.

(c) Without execution of this Agreement, upon receipt by a Person of an LP Certificate and payment for the Preferred Security being acquired by such Person, which shall be deemed to constitute a request by such Person that the books and records of the Partnership reflect its admission as a Limited Partner, such Person shall be admitted to the Partnership as a Limited Partner and shall become bound by this Agreement.

(d) The name and mailing address of each Partner and the amount contributed by such Partner to the capital of the Partnership shall be listed on the books and records of the Partnership. The General Partner shall be required to update the books and records from time to time as necessary to accurately reflect the information therein.

(e) The General Partner shall execute, deliver and file any and all amendments to and restatements of the Certificate.

Section 2.3 Name. The name of the Partnership heretofore formed and continued hereby is Duquesne Capital L.P., unless and until the name of the Partnership is changed by the General Partner, in its sole discretion, and an appropriate amendment to the Certificate is filed as required by the Act.

Section 2.4 Duration. The Partnership commenced on the date the Certificate was filed in the office of the Secretary of State of the State of Delaware and shall continue until December 31, 204[4/5] unless sooner dissolved before such date in accordance with the provisions of this Agreement.

Section 2.5 Registered Agent and Office. The Partnership's registered agent and office in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. At any time, the General Partner may designate another registered agent and/or registered office.

Section 2.6 Principal Place of Business. The principal place of business of the Partnership shall be c/o Duquesne Light Company, One Oxford Centre, 301 Grant Street, Pittsburgh, Pennsylvania 15279. The General Partner may change the location of the Partnership's principal place of business, in its sole and absolute discretion, to be the same as the location of the General Partner's principal place of business.

Section 2.7 Statutory Compliance. The General Partner shall execute and file on behalf and at the expense of the Partnership all appropriate certificates required by law to be filed in connection with the formation and existence of the Partnership, and the General Partner shall execute and so file such other documents, applications and instruments as it may be deemed necessary or appropriate with respect to the formation of and the conduct of business by the Partnership, including, without limitation, the conduct of business, if any, of the Partnership in Pennsylvania.

ARTICLE III

PURPOSE AND POWERS OF THE PARTNERSHIP

Section 3.1 Purpose. The sole purpose of the Partnership is to issue interests in the Partnership, including, without limitation, General

Partner Interests and Preferred Securities, and to loan the proceeds thereof to Duquesne Light in return for Debentures of Duquesne Light, and to engage in any and all activities necessary, advisable or incidental thereto.

Section 3.2 Powers of the Partnership.

(a) The Partnership shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purpose set forth in Section 3.1., including all of the powers that may be exercised by the General Partner on behalf of the Partnership pursuant to this Agreement.

(b) The Partnership, and the General Partner on behalf of the Partnership, may enter into and execute, deliver, acknowledge and perform one or more Underwriting Agreements, registration statements, applications and filings to list Preferred Securities on one or more national securities exchanges or qualify the Preferred Securities for sale in various jurisdictions, and any other contracts, applications, certificates or agreements contemplated thereby or specifically described therein, and make loans to Duquesne Light in return for Debentures of Duquesne Light, all without any further act, vote or approval of any Partner notwithstanding any other provision of this Agreement, the Act or other applicable law. The General Partner is hereby authorized to enter into and perform on behalf of the Partnership all such contracts, applications, filings, certificates and agreements, but such authorization shall not be deemed a restriction on the power of the General Partner to enter into other documents on behalf of the Partnership to the extent specifically provided for in this Agreement.

Section 3.3 Limitations on Partnership Powers. Notwithstanding the foregoing provisions of Section 3.2, neither the Partnership nor the General Partner on behalf of the Partnership shall have the power or authority to (a) borrow money or to become liable for the borrowings of any third party or (b) except as expressly provided in Section 3.1, to engage in any financial or other trade or business. The Partnership shall not do business in any jurisdiction other than Delaware or Pennsylvania.

ARTICLE IV

CAPITAL CONTRIBUTIONS, SECURITIES AND CAPITAL ACCOUNTS

Section 4.1 Capital Contributions.

(a) The General Partner has contributed the amount of $_____ to the capital of the Partnership and shall make such further

contributions as are necessary to satisfy its obligations under Section 6.4.

(b) The Initial Limited Partner has contributed the amount of $1 to the capital of the Partnership, which amount shall be returned to the Initial Limited Partner upon her withdrawal from the Partnership.

(c) Each Limited Partner has contributed to the capital of the Partnership the amount of the Purchase Price for the Preferred Securities held by it. No Limited Partner shall be required to make any additional capital contribution to the Partnership in respect of the Preferred Securities held by it.

Section 4.2 Securities.

(a) The Preferred Securities held by a Preferred Security Holder shall be registered in its name on the books and records of the Partnership. A Preferred Security Holder's Interests shall be represented by the Preferred Securities so registered in its name. Each Limited Partner and Holder of Preferred Securities hereby agrees that its Interests and any Preferred Securities held by it shall for all purposes be personal property. No Limited Partner or Holder of Preferred Securities shall have any interest in specific Partnership property.

(b) The General Partner Interests shall be set forth on the books and records of the Partnership. The General Partner hereby agrees that the General Partner Interests shall for all purposes be personal property. The General Partner shall have no interest in specific Partnership property.

Section 4.3 Capital Accounts. An individual capital account (a "Capital Account") shall be established and maintained for each Partner which shall be credited with the capital contributions made and the profits allocated to the Partner (or predecessor in interest) and debited by the distributions made and losses allocated to the Partner (or predecessor thereof). Any syndication expenses incurred by the Partnership shall be allocated exclusively to the Capital Account of the General Partner. All provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with the Treasury Regulations promulgated under Code Section 704(b), and shall be interpreted and applied in a manner consistent with such Treasury Regulations.

ARTICLE V

PARTNERS

Section 5.1 Powers of Partners. The Partners shall have the

power to exercise any and all rights or powers granted to the Partners pursuant to the express terms of this Agreement.

Section 5.2 Partition. Each Partner waives any and all rights that it may have to maintain an action for partition of the Partnership's property.

Section 5.3 Withdrawal. A Partner (other than the Initial Limited Partner) may not withdraw from the Partnership prior to the dissolution and winding up of the Partnership except upon the assignment of its Interests (including any redemption, repurchase or other acquisition by the Partnership or Duquesne Light, as the case may be), in accordance with the provisions of this Agreement. A withdrawing Partner shall not be entitled to receive any distribution and shall not otherwise be entitled to receive the fair value of its Interests except as otherwise expressly provided in this Agreement.

ARTICLE VI

MANAGEMENT

Section 6.1 Management of the Partnership. The General Partner shall have full, exclusive and complete discretion to manage and control the business and affairs of the Partnership, to make all decisions affecting the business and affairs of the Partnership and to take all such actions as it deems necessary, appropriate or convenient to accomplish the purpose of the Partnership as set forth herein.

Section 6.2 Expenses. The General Partner shall pay for all, and the Partnership shall not be obligated to pay, directly or indirectly, any, of the costs and expenses of the Partnership (including, without limitation, costs and expenses relating to the organization of, and offering of limited partner interests in, the Partnership and costs and expenses relating to the operation of the Partnership, including without limitation, costs and expenses of accountants, attorneys, statistical or bookkeeping services and computing or accounting equipment, any paying agents, registrars, transfer agents, duplicating, travel and telephone).

Section 6.3 Powers of the General Partner. The General Partner shall have the right, power and authority in the management of the business and affairs of the Partnership to do or cause to be done any and all acts deemed by the General Partner to be necessary, appropriate or convenient to effectuate the business, purposes and objectives of the Partnership. Without limiting the generality of the foregoing, the General Partner shall have the power and authority without any further act, vote or approval of

any Partner to:

(a) issue Interests, including the General Partner Interests, and the Preferred Securities in accordance with this Agreement;

(b) act as registrar and transfer agent for the Preferred Securities;

(c) establish a record date with respect to all actions to be taken hereunder that require a record date be established, including with respect to Dividends and voting rights and pay Dividends and make all other required payments and distributions on General Partner Interests and Preferred Securities as the Partnership's paying agent;

(d) bring and defend on behalf of the Partnership actions and proceedings at law or in equity before any court or governmental, administrative or other regulatory agency, body or commission or otherwise;

(e) employ or otherwise engage employees and agents (who may be designated as officers with titles) and managers, contractors, advisors and consultants and pay reasonable compensation for such services; and

(f) execute all documents or instruments, perform all duties and powers and do all things for and on behalf of the Partnership in all matters necessary or desirable or incidental to the foregoing.

The expression of any power or authority of the General Partner in this Agreement shall not in any way limit or exclude any other power or authority which is not specifically or expressly set forth in this Agreement.

Notwithstanding the foregoing, the General Partner shall not have the power to permit or cause the Partnership to file a voluntary petition in bankruptcy without the affirmative vote of the Holders of 66-2/3% in aggregate liquidation preference of the outstanding Preferred Securities.

Section 6.4 Ownership by the General Partner. The capital contributions made by the General Partner to the Partnership shall be at least equal to 1% of the total contributions made by all Partners to the Partnership, and except as otherwise provided in this Agreement, at all times at least 1% of all income, gain, loss, deduction and credit of the Partnership shall be allocated to the General Partner.

Section 6.5 No Management by the Limited Partners. Except as otherwise expressly provided herein, no Limited Partner, in its capacity as such, shall take part in the day-to-day management, operation or control of the business and affairs of the Partnership. The Limited Partners shall not be agents of the Partnership and shall not have any right, power or authority to transact any business in the name of the Partnership or to act

for or on behalf of or to bind the Partnership.

Section 6.6 Limitation of Liability. Except as otherwise expressly required by law, a Limited Partner, in its capacity as such, shall have no liability in excess of (a) the amount of its capital contributions, (b) its share of any assets and undistributed profits of the Partnership, and (c) the amount of any distributions wrongfully distributed to it. The Limited Partners and the Initial Limited Partner shall have no liability under this Agreement except as expressly provided in this Agreement or the Act.

ARTICLE VII

AMENDMENTS AND MEETINGS

Section 7.1 Amendments. Except as otherwise provided in this Agreement or by any applicable terms of any Action (as hereinafter defined) establishing a series of Preferred Securities, this Agreement may be amended by, and only by, a written instrument executed by the General Partner; PROVIDED, HOWEVER, that (i) no amendment shall be made, and any such purported amendment shall be void and ineffective, to the extent the result thereof would be to cause the Partnership to be treated as anything other than a partnership for purposes of United States income taxation and (ii) any amendment which would adversely affect the powers, preferences or special rights of any series of Preferred Securities may be effected only as permitted by the terms of such series of Preferred Securities.

Section 7.2 Meetings of the Partners.

(a) Meetings of the Partners may be called at any time by the General Partner or as provided in any Action establishing a series of Preferred Securities. Except to the extent otherwise provided in any such Action, the following provisions shall apply to meetings of Partners.

(b) Notice of any such meeting shall be given to all Partners not less than thirty (30) business days nor more than sixty (60) days prior to the date of such meeting. Partners may vote in person or by proxy at such meeting. Whenever a vote, consent or approval of Partners is permitted or required under this Agreement, such vote, consent or approval may be given at a meeting of Partners or by written consent.

(c) Each Partner may authorize any Person to act for it by proxy on all matters in which a Partner is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Partner or its attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be

revocable at the pleasure of the Partner executing it.

(d) Each meeting of Partners shall be conducted by the General Partner or by such other Person as the General Partner may designate.

(e) The General Partner, in its sole discretion, shall establish all other provisions relating to meetings of Partners, including notice of the time, place or purpose of any meeting at which any matter is to be voted on by any Partners, waiver of any such notice, action by consent without a meeting, the establishment of a record date, quorum requirements, voting in person or by proxy or any other matter with respect to the exercise of any such right to vote; provided however, that unless the General Partner has established a lower percentage, a majority of the Partners entitled to vote thereat shall constitute a quorum at all meetings of the Partners.

ARTICLE VIII

ALLOCATIONS

Section 8.1 Profits. Each fiscal period, the net profits of the Partnership will be allocated (i) first, to the Preferred Security Holders, in proportion to the number of Preferred Securities held by each such Holder, in an amount equal to the excess of (a) the Dividends accrued on the Preferred Securities since their date of issuance through and including the close of the current fiscal period (whether or not paid) over (b) the amount of profits allocated to the Preferred Security Holders pursuant to this Section 8.1(i) in all prior fiscal periods and (ii) thereafter, to the General Partner.

Section 8.2 Losses. Except in connection with a dissolution and liquidation of the Partnership, the net losses of the Partnership shall be allocated each year to the General Partner. Upon a dissolution and liquidation of the Partnership, net losses shall be allocated to each Preferred Security Holder in an amount equal to the excess of (a) such Preferred Security Holder's Capital Account over (b) such Preferred Security Holder's Liquidation Distribution (as defined with respect to each Preferred Security in the Action establishing such Preferred Security), with any remaining net losses being allocated to the General Partner.

Section 8.3 Allocation Rules.

(a) For purposes of determining the profits, losses or any other items allocable to any period, profits, losses and any such other items shall be determined on a daily, monthly or other basis, as determined by the General Partner using any method that is permissible under Section 706 of the Code and the Treasury Regulations thereunder.

(b) The Partners are aware of the income tax consequences of the allocations made by this Article VIII and hereby agree to be bound by the provisions of this Article VIII in reporting their shares of Partnership income and loss for income tax purposes.

ARTICLE IX

DIVIDENDS

Section 9.1 Dividends. Limited Partners shall receive periodic Dividends, if any, redemption payments and Liquidation Distributions in accordance with the applicable terms of the Preferred Securities. Subject to the rights of the Preferred Securities, all remaining cash shall be distributed to the General Partner at such time as the General Partner shall determine.

Section 9.2 Limitations on Distributions. Notwithstanding any provision to the contrary contained in this Agreement, the Partnership shall not make a distribution (including a Dividend) to any Partner on account of its interest in the Partnership if such distribution (including a Dividend) would violate Section 17-607 of the Act or other applicable law.

Section 9.3 Withholding. The Partnership shall comply with all withholding requirements under federal, state and local law. The Partnership shall request, and the Partners shall provide to the Partnership, such forms or certificates as are necessary to establish an exemption from withholding with respect to each Partner, and any representations and forms as shall reasonably be requested by the Partnership to assist it in determining the extent of, and in fulfilling, its withholding obligations. The Partnership shall file required forms with applicable jurisdictions and, unless an exemption from withholding is properly established by a Partner, shall remit amounts withheld with respect to the Partners to applicable jurisdictions. To the extent that the Partnership is required to withhold and pay over any amounts to any authority with respect to distributions or allocations to any Partner, the amount withheld shall be deemed to be a distribution in the amount of the withholding to the Partner. In the event of any claimed overwitholding, Partners shall be limited to an action against the applicable jurisdiction If the amount withheld was not withheld from actual distributions, the Partnership may reduce subsequent distributions by the amount of such withholding.

ARTICLE X

THE GENERAL PARTNER INTERESTS AND PREFERRED SECURITIES

Section 10.1 Interests of the Partners.

(a) Duquesne Light shall be the sole general partner of the Partnership and shall hold all of the General Partner Interests of the Partnership.

(b) The aggregate number of Preferred Securities which the Partnership shall have authority to issue is unlimited.

Section 10.2 Preferred Securities. (a) The General Partner on behalf of the Partnership is authorized to issue limited partner interests (the "Preferred Securities"), in one or more series, having such designations, rights, privileges, restrictions, preferences and other terms and provisions as may from time to time be established in a written action or actions (each, an "Action") of the General Partner providing for issue of such series. In connection with the foregoing, the General Partner is expressly authorized, prior to issuance, to set forth in an Action or Actions providing for the issue of such series, the following:

(i) the distinctive designation of such series which shall distinguish it from other series;

(ii) the number of Preferred Securities included in such series;

(iii) the annual Dividend rate (or method of determining such rate) for Preferred Securities of such series and the date or dates upon which such Dividends shall be payable;

(iv) whether Dividends on the Preferred Securities of such series shall be cumulative, and, in the case of Preferred Securities of any series having cumulative Dividend rights, the date or dates or method of determining the date or dates from which Dividends on the Preferred Securities of such series shall be cumulative;

(v) the amount or amounts which shall be paid out of the assets of the Partnership to the Holders of the Preferred Securities of such series upon voluntary or involuntary dissolution, liquidation or winding up of the Partnership;

(vi) the price or prices at which, the period or periods within which and the terms and conditions upon which the Preferred Securities of such series may be redeemed or purchased, in whole or in part, at the option of the Partnership;

(vii) the obligation, if any, of the Partnership to purchase or redeem Preferred Securities of such series pursuant to a sinking fund or otherwise and the price or prices at which, the period or periods

within which and the terms and conditions upon which the Preferred Securities of such series shall be redeemed, in whole or in part, pursuant to such obligation;

(viii) the period or periods within which and the terms and conditions, if any, including the price or prices or the rate or rates of conversion or exchange and the terms and conditions of any adjustments thereof, upon which the Preferred Securities of such series shall be convertible or exchangeable at the option of the Preferred Security Holder, the Partnership or Duquesne Light into any other Interests or securities or other property or cash or into any other series of Preferred Securities;

(ix) the voting rights, if any, of the Preferred Securities of such series in addition to those required by law, including the number of votes per Preferred Security and any requirement for the approval by the Holders of Preferred Securities, or of the Preferred Securities of one or more series, or of both, as a condition to specified Action or amendments to this Agreement;

(x) the ranking of the Preferred Securities of the series as compared with Preferred Securities of other series in respect of the right to receive Dividends and the right to receive payments out of the assets of the Partnership upon voluntary or involuntary dissolution, winding up or termination of the Partnership;

(xi) the nature and terms of the Debentures and any other backup undertakings of Duquesne Light and/or another subsidiary of Duquesne Light to be provided to Holders of the Preferred Securities of such series; and

(xii) any other relative rights, powers and duties of the Preferred Securities of the series not inconsistent with this Agreement or with applicable law;

provided that the proceeds of the issuance of each such series of Preferred Securities, together with the proceeds of any related capital contribution of the General Partner, shall be lent to Duquesne Light in return for a concurrently issued series of Debentures in aggregate principal amount equal to the aggregate liquidation preference of the Preferred Securities of such series and the related capital contribution, bearing interest at an annual rate equal to the annual Dividend rate on such Preferred Securities payable at such times as the Dividends on such Preferred Securities, and having certain redemption provisions which correspond to the redemption provisions for such Preferred Securities.

(b) In connection with the foregoing and without limiting the generality thereof, the General Partner is hereby expressly authorized, without the vote or approval of any Partner or Holder of Preferred Securities, to take any Action to create under the provisions of this Agreement a series of Preferred Securities that was not previously

outstanding, including a series ranking junior to other series of Preferred Securities in respect of the right to receive Dividends and the right to receive payments out of assets of the Partnership upon voluntary or involuntary dissolution, liquidation or winding up of the Partnership. Without the vote or approval of any Partner or Holder of Preferred Securities, the General Partner may execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection with the issue from time to time of Preferred Securities in one or more series as shall be necessary, convenient or desirable to reflect the issue of such series. The General Partner shall do all things it deems to be appropriate or necessary to comply with the Act and is authorized and directed to do all things it deems to be necessary or permissible in connection with any future issuance, including compliance with any statute, rule, regulation or guideline of any federal, state or other governmental agency or any securities exchange.

(c) Any Action or Actions taken by the General Partner pursuant to the provisions of this Section 10.2 shall be deemed an amendment and supplement to and part of this Agreement.

(d) All Preferred Securities shall rank senior to the General Partner Interests in respect of the right to receive Dividends or other property distributions and the right to receive payments out of the assets of the Partnership upon voluntary or involuntary dissolution, liquidation or winding up of the Partnership. All Preferred Securities redeemed, purchased or otherwise acquired by the Partnership (including Preferred Securities surrendered for conversion or exchange) shall be cancelled and thereupon restored to the status of authorized but unissued Preferred Securities undesignated as to series.

(e) No Holder of Preferred Securities shall be entitled as a matter of right to subscribe for or purchase, or have any preemptive right with respect to, any part of any new series or additional issue of an existing series of Preferred Securities, or of interests or securities convertible into any Preferred Securities, whether now or hereafter authorized and whether issued for cash or other consideration or by way of Dividend or distribution.

(f) Except as otherwise provided in this Agreement or by the General Partner in accordance with Section 10.2(a) above in respect of any series of Preferred Securities and as otherwise required by law, all management of the Partnership shall be vested exclusively in the General Partner.

(g) Any Person acquiring Preferred Securities shall be admitted to the Partnership as a Limited Partner upon compliance with Section 2.2.

(h) If any action is, by the terms of the Indenture, not permitted to be taken by the Partnership without the consent of holders of Preferred Securities or any representative appointed with respect to any series of Preferred Securities, the General Partner shall not, without such

requisite consent, take any such action.

(i) The General Partner shall notify holders of Preferred Securities of each series of any notice of default received from the trustee under the Indenture with respect to the related series of Debentures.

ARTICLE XI

BOOKS AND RECORDS

Section 11.1 Books, Records and Financial Statements.

(a) At all times during the continuance of the Partnership, the Partnership shall maintain, at its principal place of business, separate books of account for the Partnership that shall show a true and accurate record of all costs and expenses incurred, all charges made, all credits made and received and all income derived in connection with the operation of the Partnership's business in accordance with generally accepted accounting principles consistently applied, and, to the extent inconsistent therewith, in accordance with this Agreement. Such books of account, together with a copy of this Agreement and a certified copy of the Certificate, shall at all times be maintained at the principal place of business of the Partnership and shall be open to inspection and examination at reasonable times by each Limited Partner or its duly authorized representative for any purpose reasonably related to such Limited Partner's interest in the Partnership.

(b) Notwithstanding any other provision of this Agreement, the General Partner may, to the maximum extent permitted by applicable law, keep confidential from the Limited Partners any information the disclosure of which the General Partner reasonably believes is not in the best interests of the Partnership or is adverse to the interests of the Partnership or which the Partnership or the General Partner is required by law or by an agreement with any Person to keep confidential.

(c) The General Partner shall prepare and maintain, or cause to be prepared and maintained, the books of account of the Partnership and within three (3) months after the close of each Fiscal Year the General Partner shall transmit to each Partner a statement indicating such Partner's share of each item of Partnership income, gain, loss, deduction or credit for such Fiscal Year for Federal income tax purposes.

Section 11.2 Accounting Method.

For both financial and tax reporting purposes and for purposes of determining profits and losses, the books and records of the Partnership shall be kept on the accrual method of accounting applied in a consistent manner and shall reflect all Partnership transactions and be appropriate and adequate for the Partnership's

business.

ARTICLE XII

TAX MATTERS

Section 12.1 Tax Matters Partner. The General Partner is hereby designated as "Tax Matters Partner" of the Partnership for purposes of Section 6231(a)(7) of the Code and shall have the power to manage and control, on behalf of the Partnership, any administrative proceeding at the Partnership level with the Internal Revenue Service relating to the determination of any item of Partnership income, gain, loss, deduction or credit for Federal income tax purposes.

Section 12.2 No Right to Make Section 754 Election. The General Partner shall not make an election in accordance with Section 754 of the Code.

Section 12.3 Taxation as Partnership. The General Partner and the Preferred Security Holders acknowledge that they intend, for Federal income tax purposes, that the Partnership shall be treated as a partnership and that the General Partner and the Holders of Preferred Securities shall be treated as Partners of such Partnership for such purposes.

ARTICLE XIII

EXCULPATION AND INDEMNIFICATION

Section 13.1 Exculpation.

(a) No Covered Person shall be liable to the Partnership or any Indemnified Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Partnership and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that a Covered Person shall be liable for any such loss, damage or claim incurred by reason of such Covered Person's gross negligence, bad faith, recklessness or willful misconduct.

(b) Each Covered Person shall be fully protected in relying in good faith upon the records of the Partnership and upon such information, opinions, reports or statements presented to the Partnership by any Person as to matters such Covered Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Partnership, including information,

opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which distributions to Partners might properly be paid.

Section 13.2 Duties.

(a) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to any Indemnified Person, such Covered Person acting under this Agreement shall not be liable to the Partnership or to any other Indemnified Person for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Covered Person.

(b) Unless otherwise expressly provided herein, (a) whenever a conflict of interest exists or arises between a Covered Person, on the one hand, and the Partnership or a Limited Partner, on the other hand, or (b) whenever this Agreement or any other agreement contemplated herein or therein provides that a Covered Person shall act in a manner that is, or provide terms that are, fair and reasonable to the Partnership or any Partner, such Covered Person shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of gross negligence, recklessness, bad faith or willful misconduct by the Covered Person, the resolution, action or term so made, taken or provided by such Covered Person shall not constitute a breach of this Agreement or any other agreement contemplated herein or of any duty or obligation of such Covered Person at law or in equity or otherwise.

(c) Whenever in this Agreement the General Partner or an Indemnified Person is permitted or required to make a decision (i) in its "discretion" or under a grant of similar authority, the General Partner or such Indemnified Person shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Partnership or any other Person, or (ii) in its "good faith" or under another express standard, the General Partner or such Indemnified Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or other applicable law.

Section 13.3 Indemnification. To the fullest extent permitted by applicable law, an Indemnified Person shall be entitled to

indemnification from the Partnership for any loss, damage or claim incurred by such Indemnified Person by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Partnership and in a manner reasonably believed to be within the scope of authority conferred on such Indemnified Person by this Agreement, except that no Indemnified Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Indemnified Person by reason of gross negligence, recklessness, bad faith or willful misconduct with respect to such acts or omissions; provided, however, that any indemnity under this Section 13.3 shall be provided out of and to the extent of Partnership assets only, and no Covered Person shall have any personal liability on account thereof.

Section 13.4 Expenses. To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by an Indemnified Person in defending any claim, demand, action, suit or proceeding may, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall be determined that the Indemnified Person is not entitled to be indemnified as authorized in Section 13.3 hereof.

Section 13.5 Outside Businesses. Any Partner or Affiliate thereof may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Partnership, and the Partnership and the Partners shall have no rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the business of the Partnership, shall not be deemed wrongful or improper. No Partner or Affiliate thereof shall be obligated to present any particular investment opportunity to the Partnership even if such opportunity is of a character that, if presented to the Partnership, could be taken by the Partnership, and any Partner or Affiliate thereof shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment opportunity.

Section 13.6 Liability of the General Partner. Except as otherwise provided in the Act, the General Partner shall have the liabilities of a partner in a partnership without limited partners to any Person other than the Partnership and the Limited Partners. Except as otherwise provided in this Agreement or the Act, the General Partner shall have the liabilities of a partner in a partnership without limited partners to the Partnership and each Limited Partner.

Section 13.7 Waiver by General Partner; Indemnification of Partnership by General Partner. The General Partner hereby waives all rights of indemnification which it may have against the Partnership under this Agreement or otherwise. The General Partner also hereby agrees to indemnify and hold harmless the Partnership for (i) any payments made by it under this Article XIII, and (ii) any indemnity payments the Partnership may otherwise be required to make under applicable law.

ARTICLE XIV

TRANSFERS

Section 14.1 Transfer of Interests. (a) Preferred Securities shall be freely transferable by a Preferred Security Holder.

(b) The General Partner may not assign its interest in the Partnership in whole or in part under any circumstances, except to a successor of Duquesne Light under the Indenture. Any such assignee of all or a part of the Interest of a General Partner in the Partnership shall be admitted to the Partnership as a general partner of the Partnership immediately prior to the effective date of such assignment, and such additional or successor General Partner is hereby authorized to and shall continue the business of the Partnership without dissolution.

(c) No Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Agreement. Any transfer or purported transfer of any Interest not made in accordance with this Agreement shall be null and void.

Section 14.2 Transfer of LP Certificates. The General Partner shall provide for the registration of LP Certificates and of transfers of LP Certificates without charge by or on behalf of the Partnership, but upon payment in respect of any tax or other governmental charges which may be imposed in relation to it, together with the giving of such indemnity as the General Partner may require. Upon surrender for registration of transfer of any LP Certificate, the General Partner shall cause one or more new LP Certificates to be issued in the name of the designated transferee or transferees. Every LP Certificate surrendered for registration of transfer shall be accompanied by a written instrument of transfer in form satisfactory to the General Partner duly executed by the Preferred Security Holder or his or her attorney duly authorized in writing. Each LP Certificate surrendered for registration of transfer shall be cancelled by the General Partner. A transferee of an LP Certificate shall be admitted to the Partnership as a Limited Partner and shall be entitled to the rights and subject to the obligations of a Preferred Security Holder hereunder upon the receipt by such transferee of an LP Certificate. The transferor

of an LP Certificate shall cease to be a limited partner of the Partnership at the time that the transferee of the LP Certificate is admitted to the Partnership as a Limited Partner in accordance with this Section 14.2.

Section 14.3 Persons Deemed Preferred Security Holders. The Partnership may treat the Person in whose name any LP Certificate shall be registered on the books and records of the Partnership as the Preferred Security Holder and the sole holder of such LP Certificate for purposes of receiving Dividends and for all other purposes whatsoever and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such LP Certificate on the part of any other Person, whether or not the Partnership shall have actual or other notice thereof.

Section 14.4 Book-Entry Interests. The LP Certificates, on original issuance, will be issued in the form of a global LP Certificate or LP Certificates representing Book-Entry Interests, to be delivered to the Depository, by, or on behalf of, the Partnership. Such LP Certificate or LP Certificates shall initially be registered on the books and records of the Partnership in the name of the Depository or its nominee, and no Preferred Security Owner will receive a definitive LP Certificate representing such Preferred Security Owner's interests in such LP Certificate, except as provided in Section 14.6. Unless and until definitive, fully registered LP Certificates (the "Definitive LP Certificates") have been issued to the Preferred Security Owners pursuant to Section 14.6:

(a) The provisions of this Section shall be in full force and effect;

(b) The Partnership and the General Partner shall be entitled to deal with the Depository for all purposes of this Agreement (including the payment of Dividends on the LP Certificates and receiving approvals, votes or consents hereunder) as the Preferred Security Holder and the sole holder of the LP Certificates and shall have no obligation to the Preferred Security Owners;

(c) To the extent that the provisions of this Section conflict with any other provisions of this Agreement or any Action with respect to Preferred Securities, the provisions of this Section or any such Action shall control; and

(d) The rights of the Preferred Security Owners shall be exercised only through the Depository and shall be limited to those established by law and agreements between such Preferred Security Owners and the Depository and/or the Depository participants. Unless and until the Definitive LP Certificates are issued pursuant to Section 14.6, the Depository will be responsible for making book-entry transfers among its participants and accepting and transmitting payments of Dividends on the LP Certificates to such participants.

Section 14.5 Notices to the Depository. Whenever a notice or other communication to the Preferred Security Holders is required under this Agreement, unless and until Definitive LP Certificates shall have been issued to the Preferred Security Owners pursuant to Section 14.6, the General Partner shall give all such notices and communications specified herein to be given to the Preferred Security Holders to the Depository, and shall have no obligations to the Preferred Security Owners.

Section 14.6 Definitive LP Certificates. If (a) the Depository elects to discontinue its services as securities depository and gives reasonable notice to the Partnership, or (b) the Partnership elects to terminate the book-entry system through the Depository then the Partnership shall either (i) appoint a successor Depository or (ii) cause Definitive LP Certificates to be prepared by the Partnership. Upon surrender of the global LP Certificate or LP Certificates representing the Book-Entry Interests by the Depository, accompanied by registration instructions, the General Partner shall cause Definitive LP Certificates to be delivered to Preferred Security Owners in accordance with the instructions of the Depository. Neither the General Partner nor the Partnership shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Any Person receiving a Definitive LP Certificate in accordance with this Article XIV shall be admitted to the Partnership as a Limited Partner upon receipt of such Definitive LP Certificate. The Depository or the nominee of the Depository, as the case may be, shall cease to be a limited partner of the Partnership under this Section 14.6 at the time that at least one additional Person is admitted to the Partnership as a Limited Partner in accordance with this Section 14.6. The Definitive LP Certificates shall be printed, lithographed or engraved or may be produced in any other manner as is reasonably acceptable to the General Partner, as evidenced by its execution thereof.

Section 14.7 Surrender of Preferred Securities by General Partner. If at any time Duquesne Light shall surrender any Preferred Securities of a particular series to the Partnership, the Partnership shall surrender to or upon the order of Duquesne Light Debentures of the series issued concurrently with the Preferred Securities so surrendered, in aggregate principal amount equal to the aggregate liquidation preference of such Preferred Securities so surrendered.

ARTICLE XV

DISSOLUTION, LIQUIDATION AND TERMINATION

Section 15.1 No Dissolution. The Partnership shall not be

dissolved by the admission of additional or successor Partners in accordance with the terms of this Agreement. The death, withdrawal, incompetency, Bankruptcy, dissolution or other cessation to exist as a legal entity of a Limited Partner, or the occurrence of any other event which terminates the Interest of a Limited Partner in the Partnership, shall not in and of itself cause the Partnership to be dissolved and its affairs wound up. To the fullest extent permitted by applicable law, upon the occurrence of any such event, the General Partner may, without any further act, vote or approval of any Partner, admit any Person to the Partnership as an additional or substitute Limited Partner, which admission shall be effective as of the date of the occurrence of such event, and the business of the Partnership shall be continued without dissolution.

Section 15.2 Events Causing Dissolution. The Partnership shall be dissolved and its affairs shall be wound up upon the occurrence of any of the following events:

(a) the expiration of the term of the Partnership, as provided in Section 2.4 hereof;

(b) the withdrawal, removal or Bankruptcy of the General Partner or assignment by the General Partner of its entire Interest in the Partnership when the assignee is not admitted to the Partnership as an additional or successor General Partner in accordance with Section 14.1(b), or the occurrence of any other event that results in the General Partner ceasing to be a general partner of the Partnership under the Act, unless, in any such case, the business of the Partnership is continued in accordance with the Act;

(c) the entry of a decree of judicial dissolution under Section 17-802 of the Act; or

(d) the written consent of all Partners.

Section 15.3 Notice of Dissolution. Upon the dissolution of the Partnership, the General Partner, as liquidating trustee, shall promptly notify the Partners of such dissolution.

Section 15.4 Liquidation. Upon dissolution of the Partnership, the General Partner, as liquidating trustee, shall immediately commence to wind up the Partnership's affairs; provided, however, that a reasonable time shall be allowed for the orderly liquidation of the assets of the Partnership and the satisfaction of liabilities to creditors so as to enable the Partners to minimize the normal losses attendant upon a liquidation. The Preferred Security Holders shall continue to share profits and losses during liquidation in the same proportions, as specified

in Article VIII hereof, as before liquidation. The proceeds of liquidation shall be distributed, as realized, in the following order and priority:

(a) to creditors of the Partnership, including Partners who are creditors, to the extent permitted by law, in satisfaction of the liabilities of the Partnership (whether by payment or the making of reasonable provision for payment thereof), other than liabilities for distributions (including Dividends) to Partners;

(b) to the Preferred Security Holders of each series then outstanding in accordance with their respective interests and in the amount of their respective Liquidation Distributions; and

(c) the balance to the General Partner.

Section 15.5 Termination. The Partnership shall terminate when all of the assets of the Partnership shall have been distributed in the manner provided for in this Article XV, and the Certificate shall have been cancelled in the manner required by the Act.

ARTICLE XVI

MISCELLANEOUS

Section 16.1 Notices. All notices provided for in this Agreement shall be in writing, duly signed by the party giving such notice.

(a) All notices provided for in this Agreement to the Partnership or General Partner shall be delivered, telecopied or mailed by registered or certified mail, as follows:

(i) if given to the Partnership, in care of the General Partner at the Partnership's mailing address set forth below:

c/o Duquesne Light Company
One Oxford Centre
301 Grant Street
Pittsburgh, Pennsylvania 15279
Telecopy: (412) 393-6571
Telephone: (412) 393-4131
Attention: Treasurer

(ii) if given to the General Partner, at its mailing address set forth below:

Duquesne Light Company
One Oxford Centre
301 Grant Street

Pittsburgh, Pennsylvania 15279
Telecopy: (412) 393-6571
Telephone: (412) 393-6000
Attention: Treasurer

All such notices shall be deemed to have been given when received.

(b) All notices provided for in this Agreement to any other Partner shall be given at the address set forth on the books and records of the Partnership, by mail, first-class postage prepaid, and shall be deemed given when so mailed.

Section 16.2 Failure to Pursue Remedies. The failure of any party to seek redress for violation of, or to insist upon the strict performance of, any provision of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

Section 16.3 Cumulative Remedies. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

Section 16.4 Binding Effect. This Agreement shall be binding upon and inure to the benefit of all of the parties and, to the extent permitted by this Agreement, their successors, legal representatives and assigns.

Section 16.5 Interpretation. Throughout this Agreement, nouns, pronouns and verbs shall be construed as singular or plural, whichever shall be applicable. All references herein to "Articles", "Sections" and "paragraphs" shall refer to corresponding provisions of this Agreement.

Section 16.6 Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

Section 16.7 Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one instrument.

Section 16.8 Integration. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

SECTION 16.9 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, AND ALL RIGHTS AND REMEDIES SHALL BE GOVERNED BY SUCH LAWS WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

Section 16.10 Headings. The headings and subheadings in this Agreement are included for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

Section 16.11 Power of Attorney. Appointment of General Partner. (a) Each Limited Partner hereby irrevocably constitutes and appoints the General Partner as its true and lawful attorney in fact, in its name, place, and stead, to make, execute, acknowledge, and file the following documents, to the extent consistent with the other provisions of this Agreement:

(i) This Agreement, and, to the extent required by law, the Certificate;

(ii) Any fictitious or assumed-name certificates required to be filed on behalf of the Partnership;

(iii) Any application or registration to do business in any State other than, or in addition to, the State of Delaware;

(iv) Deeds, notes, mortgages, pledges, security instruments of any kind and nature, leases, and such other instruments as may be necessary to carry on the business of the Partnership; provided that no such instrument shall increase the personal liability of the Limited Partners;

(v) All certificates and other instruments that the General Partner deems appropriate or necessary to form and qualify, or continue the qualification of, the Partnership as a limited partnership in the State of Delaware and all jurisdictions in which the Partnership may intend to conduct business or own property;

(vi) Any duly adopted amendment to or restatement of this Agreement or the Certificate;

(vii) All conveyances and other instruments or documents that

the General Partner deems appropriate or necessary to effect or reflect the dissolution, liquidation and termination of the Partnership pursuant to the terms of this Agreement (including a certificate of cancellation); and

(viii) All other instruments as the attorneys-in-fact or any of them may deem necessary or advisable to carry out fully the provisions of this Agreement in accordance with its terms.

(b) It is expressly intended by each Limited Partner that the power of attorney granted by Section 16.11(a) is coupled with an interest, shall be irrevocable, and shall survive and not be affected by the subsequent disability or incapacity of such Limited Partner (or if such Limited Partner is a corporation, partnership, trust, association, limited liability company or other legal entity, by the dissolution or termination thereof).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above stated.

GENERAL PARTNER:

DUQUESNE LIGHT COMPANY

By: _____
Name:
Title:

INITIAL LIMITED PARTNER:

[INSERT NAME]

By: _____
Name:
Title:

Exhibit A

Certificate Number	Number of Preferred Securities

CUSIP NO.

Certificate Evidencing Preferred Securities

of

Duquesne Capital L.P.

_% Cumulative Monthly Income Preferred Securities, Series _
(liquidation preference $25 per security)

Duquesne Capital L.P., a limited partnership formed under the laws of the State of Delaware (the "PARTNERSHIP"), hereby certifies that _____ (the "PREFERRED SECURITY HOLDER") is the registered owner of _____ (_____) preferred securities of the Partnership representing Interests in the Partnership of a series designated the __% Cumulative Monthly Income Preferred Securities, Series __ (liquidation preference $25 per security) (the "SERIES __ PREFERRED SECURITIES"). The Series __ Preferred Securities are fully paid and nonassessable Interests in the Partnership, as to which the limited partners of the Partnership who hold the Series __ Preferred Securities, in their capacities as limited partners of the Partnership, will have no liability solely by reason of being Preferred Security Holders in excess of their obligations to make payments provided for in the Limited Partnership Agreement (as defined below) and their share of the Partnership's assets and undistributed profits (subject to the obligation of a Preferred Security Holder to repay any funds wrongfully distributed to it). The Series __ Preferred Securities are transferable on the books and records of the Partnership, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The powers, preferences and special rights and limitations of the Series __ Preferred Securities are established pursuant to, and this certificate and the Series __ Preferred Securities represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Amended and Restated Agreement of Limited Partnership of the Partnership dated as of _____, 1994, as the same may, from time to time, be amended (the "LIMITED PARTNERSHIP AGREEMENT") authorizing the issuance of the Series __ Preferred Securities and determining the powers, preferences, and other special rights and limitations, regarding Dividends, voting, return of capital and otherwise, and other matters relating to the Series __ Preferred Securities. Capitalized terms used herein but not defined shall have the meaning given them in the Limited Partnership Agreement. The Preferred Security Holder is entitled to the benefits of the Payment and Guarantee Agreement of Duquesne Light Company, a Pennsylvania corporation, dated as of _____ , 1994 (the "GUARANTEE") and the __% Subordinated Deferrable Interest Debentures, Series __ of Duquesne Light Company (the "DEBENTURES") issued pursuant to the Indenture dated as of _____, 1994 between

Duquesne Light Company and The First National Bank of Chicago, as Trustee, in each case to the extent provided therein and in the Limited Partnership Agreement. The Partnership will furnish a copy of the Limited Partnership Agreement, the Guarantee and the Debentures to the Preferred Security Holder without charge upon written request to the Partnership at its principal place of business or registered office.

The Preferred Security Holder, by accepting this certificate, is deemed to have agreed that the Debentures and the Guarantee are subordinate and junior in right of payment to all Senior Indebtedness of Duquesne Light Company as and to the extent provided in the Indenture and the Guarantee. Upon receipt of this certificate, the Preferred Security Holder is admitted to the Partnership as a Limited Partner, is bound by the Limited Partnership Agreement and is entitled to the benefits thereunder.

IN WITNESS WHEREOF, the Partnership has executed this certificate this ___ day of _____, 199_.

DUQUESNE CAPITAL L.P.

By: Duquesne Light Company, its General Partner

By:_____

EXHIBIT 4.2

ACTION OF GENERAL PARTNER

DUQUESNE LIGHT COMPANY, a Pennsylvania corporation ("Duquesne Light"), as General Partner of DUQUESNE CAPITAL L.P., a Delaware limited partnership (the "Partnership"), in accordance with Section 10.2(a) of the Amended and Restated Agreement of Limited Partnership of the Partnership dated as of _____, 1994, as heretofore amended (the "Partnership Agreement," capitalized terms used herein without definition having the meanings specified in the Partnership Agreement), does hereby establish a new series of Preferred Securities having the following designation, rights, privileges, restrictions and other terms and provisions (the numbered clauses set forth below corresponding to the subsections of Section 10.2(a) of the Partnership Agreement):

(i)-(ii) Designation and Number. _____ Preferred Securities of the Partnership with an aggregate liquidation preference of $_____ million ($_,000,000) and a liquidation preference of $25 per Preferred Security, are hereby designated as "___% Cumulative Monthly Income Preferred Securities, Series __" (hereinafter called the "Series __ Preferred Securities"). The LP Certificates evidencing the Series __ Preferred Securities shall be substantially in the form attached hereto as Exhibit A. The proceeds of the Series __ Preferred Securities shall be loaned to Duquesne Light in return for ___% Subordinated Deferrable Interest Debentures, Series __ of Duquesne Light in aggregate principal amount equal to the aggregate liquidation preference of the Series __ Preferred Securities, bearing interest at an annual rate equal to the annual dividend rate on the Series __ Preferred Securities and having certain payment and redemption provisions which correspond to the payment and redemption provisions of the Series __ Preferred Securities (the "Series __ Debentures").

(iii)-(iv) Dividends. (a) The Limited Partners who hold the Series __ Preferred Securities shall be entitled to receive, to the extent set forth in paragraph (b), cumulative cash Dividends at the annual rate of _ % of the liquidation preference of $25 per Preferred Security per annum, calculated for any full monthly dividend period on the basis of a 360-day year consisting of 12 months of 30 days each, and for any period shorter than a full monthly dividend period, Dividends will be computed on the basis of the actual number of days elapsed in such period. Dividends will be payable in United States dollars monthly in arrears on the last day of each calendar month of each year, commencing _____, 199_. Such

Dividends will accumulate (but there shall not accrue any interest on accumulated and unpaid Dividends) whether or not there are profits, surplus or other funds of the Partnership legally available to the Partnership for the payment of Dividends. Dividends on the Series __ Preferred Securities shall be cumulative from the date of original issue, and the cumulative portion from such date to _____, 199_ shall be payable on _____, 199_. In the event that any date on which Dividends are payable on the Series __ Preferred Securities is not a Business Day (as defined below), then payment of the Dividends payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect, and in the same amount, as if made on such date. A "Business Day" shall mean any day other than a day on which banking institutions in The City of New York or the City of Pittsburgh are authorized or required by law to close.

(b) Dividends on the Series __ Preferred Securities shall be paid to the extent that, on any scheduled Dividend payment date, the Partnership has (x) funds legally available for the payment of such Dividends, as determined by the General Partner, and (y) cash on hand sufficient to permit such payment. Dividends on the Series __ Preferred Securities will be payable to the Holders thereof as they appear on the books and records of the Partnership on the relevant record dates. Such record dates shall be one Business Day prior to the relevant payment dates; provided, however, that if the Series __ Preferred Securities are not held by a securities depositary, the General Partner shall have the right to change such record dates.

(c) If Dividends have not been paid in full on the Series __ Preferred Securities, the Partnership shall not:

(i) pay, or set aside for payment, any Dividends on any other Preferred Securities ranking pari passu with the Series __ Preferred
---- -----
Securities as regards participation in the profits of the Partnership ("Dividend Parity Securities"), unless, at the time of such payment or setting aside, there shall also be paid, or set aside for payment, as the case may be, Dividends on the Series __ Preferred Securities on a pro rata basis, so that after giving effect to the payment of all such Dividends,

(x) the ratio of (a) the aggregate amount of Dividends paid on the Series __ Preferred Securities to (b) the aggregate amount of Dividends paid on such Dividend Parity Securities is the same as

(y) the ratio of (a) the aggregate of all accumulated arrears of unpaid Dividends in respect of the Series __ Preferred Securities to (b) the aggregate of all accumulated arrears of

unpaid Dividends in respect of such Dividend Parity Securities;

(ii) pay, or set aside for payment, any Dividends or other distributions on the General Partner Interests or any other securities of the Partnership ranking junior to the Series __ Preferred Securities as to Dividends (collectively, the "Dividend Junior Securities"); or

(iii) redeem, purchase or otherwise acquire any Series __ Preferred Securities, any Dividend Parity Securities or any Dividend Junior Securities;

until, in each case, such time as all accumulated and unpaid Dividends on the Series __ Preferred Securities shall have been paid in full for all Dividend periods terminating on or prior to, in the case of clauses (i) and (ii), such payment and, in the case of clause (iii), the date of such redemption, purchase or acquisition.

(v) Liquidation Distribution. In the event of any voluntary or involuntary dissolution, liquidation or winding up of the Partnership, Preferred Security Holders who hold the Series __ Preferred Securities at the time outstanding will be entitled to receive out of the assets of the Partnership available for distribution to Partners after satisfaction of liabilities to creditors, if any, as required by the Act, before any distribution of assets is made to the General Partner or any other series of Preferred Securities ranking junior to the Series __ Preferred Securities with respect to participation in the assets of the Partnership, but together with the holders of every other series of Preferred Securities outstanding, if any, ranking pari passu with the Series __ Preferred Securities with respect to participation in the assets of the Partnership ("Liquidation Parity Securities"), an amount equal to the aggregate of the liquidation preference of $25 per Series __ Preferred Security plus an amount equal to all accumulated and unpaid Dividends thereon to the date of payment (the "Liquidation Distribution"). If, upon any such liquidation, the Liquidation Distribution can be paid only in part because the Partnership has insufficient assets available to pay in full the aggregate Liquidation Distribution and the aggregate maximum liquidation distributions on the Liquidation Parity Securities, then the amounts payable directly by the Partnership on the Series __ Preferred Securities and on such Liquidation Parity Securities shall be paid on a pro rata basis, so that

(i) the ratio of (x) the aggregate amount paid in respect of the Liquidation Distribution to (y) the aggregate amount paid in respect of liquidation distributions on the Liquidation Parity Securities is the same as

(ii) the ratio of (x) the aggregate Liquidation Distribution to (y) the aggregate maximum liquidation distributions on the Liquidation Parity Securities.

(vi)-(vii) Redemption. (a) The Series __ Preferred Securities shall be redeemable, at the option of the Partnership and at the direction of Duquesne Light, in whole or in part from time to time, on or after _____, 199_, upon not less than 30 nor more than 60 days notice, at a redemption price of $25 per Series __ Preferred Security plus an amount equal to accumulated and unpaid Dividends thereon to the date fixed for redemption (the "Redemption Price"); provided, however, that prior to giving any such notice of redemption, the Partnership shall have received from Duquesne Light a notice of redemption of Series __ Debentures in an aggregate principal amount equal to the aggregate liquidation preference of the Series __ Preferred Securities to be redeemed. If a partial redemption would result in a delisting of the Series __ Preferred Securities by any national securities exchange or other organization on which the Series __ Preferred Securities are then listed, the Partnership may only redeem the Series __ Preferred Securities in whole.

(b) If at any time Duquesne Light (1) pays at maturity or (2) redeems Series __ Debentures, the proceeds from such payment or redemption of principal on such Debentures shall be applied to redeem Series __ Preferred Securities at the Redemption Price.

(c) If a Special Event (as defined below) shall occur and be continuing, the General Partner shall (1) cause the Partnership to redeem the Series __ Preferred Securities in whole (and not in part) at the Redemption Price, within 90 days following the occurrence of such Special Event, or (2) cause the Partnership to distribute to Holders of Series __ Preferred Securities in exchange for such Holders' Series __ Preferred Securities, within 90 days following the occurrence of such Special Event, the Series __ Debentures. If the Special Event is solely a Tax Event (as defined below), neither Duquesne Light nor the Partnership shall be required to elect either of the options described in (1) or (2) above, and may, instead, allow the Series __ Preferred Securities to remain outstanding. For purposes of this Action, "Special Event" shall mean a Tax Event or an Investment Company Event. "Investment Company Event" shall mean the occurrence of a change in law or regulation or a written change in official interpretation of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 40 Act Law") to the effect that the Partnership is or will be considered an "investment company" required to be registered under the Investment Company Act of 1940, as amended (the "1940 Act"), which Change in 40 Act Law becomes effective on or after _____, 199_; provided that no Investment Company Event shall be deemed to have occurred if Duquesne Light or the Partnership shall have obtained a written opinion of nationally recognized independent counsel to the Partnership experienced in practice under the 1940 Act, to the effect that Duquesne Light or the Partnership has successfully taken either of the steps set forth in (a) or (b) below to avoid such Change in 40 Act Law so that in the opinion of such counsel, notwithstanding such Change in 40 Act Law, the Partnership is not required to be registered as an "investment company" within the meaning of the 1940

Act. Such steps shall be either (a) issuing an additional or supplemental irrevocable and unconditional guarantee (i) of accumulated and unpaid Dividends (whether or not moneys are legally available therefor) on the Series __ Preferred Securities and (ii) upon a liquidation of the Partnership, of the full amount of the Liquidation Distribution (as herein defined) on the Series __ Preferred Securities (regardless of the amount of assets of the Partnership otherwise available for distribution in such liquidation), or (b) the use of any other reasonable measures that do not adversely affect Holders of Series __ Preferred Securities in any material respect. "Tax Event" shall mean that Duquesne Light or the Partnership shall have obtained an opinion of nationally recognized independent tax counsel experienced in such matters to the effect that, as a result of any amendment to, or change (including any announced prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, or any amendment to or change in an official interpretation or application of such laws or regulations, which amendment or change is effective on or after _____, 199_, and which change cannot be avoided by the use of any reasonable measures available to Duquesne Light or the Partnership, there is a substantial increase in risk that (i) the Partnership is subject to Federal income tax with respect to interest received on the Series __ Debentures, (ii) interest payable on the Series __ Debentures will not be deductible for Federal income tax purposes or (iii) the Partnership is subject to more than a de minimis amount of other
-- -------
taxes, duties or other governmental charges.

(d) The Series __ Preferred Securities will [not] be subject to redemption or purchase by operation of a sinking or purchase fund. [Provisions for sinking fund, if applicable.]

(e) Redemption Procedure. (1) Notice of any redemption (a

"Notice of Redemption") of, or notice of distribution of Series __ Debentures in exchange for, the Series __ Preferred Securities will be given by the Partnership by mail to each Holder of Series __ Preferred Securities to be redeemed or exchanged not fewer than 30 nor more than 60 days prior to the date fixed for redemption or exchange thereof; provided, that no such notice shall be required in the case of a redemption of Series __ Preferred Securities resulting from payment at maturity of the Series __ Debentures as contemplated in (b)(1) above, the redemption date for the Series __ Preferred Securities being the same as such maturity date in such case. For purposes of the calculation of the date of redemption or exchange and the dates on which notices are given pursuant to this paragraph (b)(1), a Notice of Redemption or notice of distribution shall be deemed to be given on the day such notice is first mailed by first-class mail, postage prepaid, to Preferred Security Holders who hold Series __ Preferred Securities. Each Notice of Redemption or notice of distribution shall be addressed to the Preferred Security Holders who hold Series __ Preferred Securities at the address of each such Holder appearing in the books and records of the Partnership. No defect in the Notice of

Redemption or notice of distribution or in the mailing of either thereof with respect to any Holder shall affect the validity of the redemption or exchange proceedings with respect to any other Holder.

(2) In the event that fewer than all the outstanding Series __ Preferred Securities are to be redeemed, the Series __ Preferred Securities to be redeemed will be selected in accordance with paragraph (4) below or, in the event that Series __ Preferred Securities are not held by the Depository, by lot or in such other manner as the General Partner shall deem fair or appropriate.

(3) If (a) the Partnership gives a Notice of Redemption in respect of Series __ Preferred Securities (which notice shall be irrevocable) or (b) Series __ Preferred Securities shall become redeemable by virtue of the maturity of Series __ Debentures as contemplated in (b)(1) above, then on the date fixed for redemption, the Partnership will pay the Redemption Price to the Holders of Series __ Preferred Securities. If Notice of Redemption shall have been given and payment or provision for payment shall have been made on the date fixed for redemption as required, then upon such date, all rights of the Preferred Security Holders who hold such Series __ Preferred Securities so called for redemption will cease, except the right of the Holders of such Preferred Securities to receive the Redemption Price, but without interest. Neither the General Partner nor the Partnership shall be required to register or cause to be registered the transfer of any Series __ Preferred Securities which have been so called for redemption. In the event that any date fixed for redemption of Series __ Preferred Securities is not a Business Day, payment of the Redemption Price payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day falls in the next calendar year, such payment will be made on the immediately preceding Business Day. In the event that payment of the Redemption Price in respect of Series __ Preferred Securities is not paid either by the Partnership or by Duquesne Light pursuant to the Guarantee, Dividends on such Series __ Preferred Securities will continue to accumulate (but without any interest on amounts so accumulating), from the original date fixed for redemption to the date of payment, in which case the actual payment date will be considered the date fixed for redemption for purposes of calculating the Redemption Price.

(4) Redemption or exchange notices shall be sent to the Depository or its nominee. If less than all of the Series __ Preferred Securities are being redeemed, interests to be redeemed shall be determined in accordance with the Depository's practice which at the date hereof is to determine by lot the amount of the interest of each direct participant in such series to be redeemed.

(viii) Under the circumstances described in (vi)-(vii)(c)(2) above and as of the date fixed for distribution of Series __ Debentures, any LP Certificates representing Series __ Preferred Securities outstanding shall be deemed to represent the Series __ Debentures to be distributed on such an exchange, and the Series __ Preferred Securities will no longer be

deemed outstanding and may be cancelled by the General Partner. Under such circumstances, the General Partner may dissolve the Partnership if there are no other Preferred Securities outstanding. The Series __ Debentures distributed upon such an exchange shall have an aggregate principal amount equal to the aggregate liquidation preference of $25 per security on the Series __ Preferred Securities so exchanged, and shall bear interest at a rate per annum equal to the annual Dividend rate on such Series __ Preferred Securities from the last date on which Dividends on such Series __ Preferred Securities were paid.

(ix) Voting Rights. If (i) the Partnership fails to pay Dividends in full on the Series __ Preferred Securities for any period of 18 consecutive months; (ii) an Event of Default (as defined with respect to the Series __ Debentures) under the Indenture shall have occurred and be continuing; or (iii) Duquesne Light is in default on any of its payment or other obligations under the Guarantee, then the Holders of Series __ Preferred Securities, together with the holders of any other series of Preferred Securities having the right to vote for the appointment of a special representative in such event, acting as a single class, shall be entitled, by vote of holders of a majority in aggregate liquidation preference of all Preferred Securities having the right to vote, to appoint and authorize a special representative to enforce the Partnership's rights under the Series __ Debentures (and, if applicable, such other Debentures) and the Indenture against Duquesne Light, enforce the obligations undertaken by Duquesne Light under the Guarantee and pay Dividends on the Series __ Preferred Securities (to the extent the Partnership has funds legally available for the payment of such dividends and cash on hand sufficient to permit such payment). Any special representative so appointed shall not be admitted as a Partner in the Partnership or otherwise be deemed to be a Partner in the Partnership and shall have no liability for the debts, obligations or liabilities of the Partnership.

In furtherance of the foregoing, and without limiting the powers of any special representative so appointed and for the avoidance of any doubt concerning the powers of the special representative, any special representative, in its own name and as special representative of the Partnership, may institute a proceeding, including, without limitation, any suit in equity, an action at law or other judicial or administrative proceeding, to enforce the Partnership's rights directly against Duquesne Light or any other obligor in connection with such obligations to the same extent as the Partnership and on behalf of the Partnership, and may prosecute such proceeding to judgment or final decree, and enforce the same against Duquesne Light, or any other obligor in connection with such obligations.

For purposes of determining whether the Partnership has failed to pay Dividends in full for 18 consecutive months, Dividends shall be deemed to remain in arrears, notwithstanding any payments in respect thereof, until full cumulative Dividends have been or contemporaneously are set aside and paid with respect to all monthly Dividend periods terminating on

or prior to the date of payment of such full cumulative Dividends. Not later than 30 days after such right to appoint a special representative arises, the General Partner will convene a general meeting for the above purpose. If the General Partner fails to convene such meeting within such 30-day period, the Holders of 10% in aggregate liquidation preference of the outstanding Series __ Preferred Securities will be entitled to convene such meeting. The provisions of Section 7.2 of the Partnership Agreement relating to the convening and conduct of meetings of Partners will apply with respect to any such meeting. Any special representative so appointed shall vacate office immediately if the Partnership (or Duquesne Light pursuant to the Guarantee) shall have paid in full all accumulated and unpaid Dividends on the Series __ Preferred Securities or such Event of Default or default under the Guarantee by Duquesne Light, as the case may be, shall have been cured.

If any proposed amendment to the Partnership Agreement provides for, or the General Partner otherwise proposes to effect (pursuant to an Action or otherwise), (x) any action which would adversely affect the rights, preferences and privileges of the holders of the Series __ Preferred Securities, whether by way of amendment of the Partnership Agreement or otherwise (including, without limitation, the authorization or issuance of any Interests ranking, as to participation in the profits or assets of the Partnership, senior to the Series __ Preferred Securities), or (y) the dissolution, liquidation or winding up of the Partnership (other than in connection with a distribution of Series __ Debentures and dissolution of the Partnership upon the occurrence of a Special Event), then Limited Partners who hold the outstanding Series __ Preferred Securities will be entitled to vote on such amendment or proposed action of the General Partner (but not on any other amendment or action) together as a class with, in the case of an amendment or proposed action described in clause (x) above which would equally adversely affect the rights, preferences or privileges of holders of any Dividend Parity Securities or any Liquidation Parity Securities, holders of such Dividend Parity Securities or such Liquidation Parity Securities, as the case may be, or, in the case of any amendment described in clause (y) above, holders of all Liquidation Parity Securities, and such amendment or action shall not be effective except with the approval of Limited Partners holding 66-2/3% in aggregate liquidation preference of such class; provided, however, that no
-------- -------
such approval shall be required if the dissolution, liquidation or winding up the Partnership is proposed or initiated pursuant to Section 15.2 of the Partnership Agreement, or upon the initiation of proceedings, or after proceedings have been initiated, for the dissolution, liquidation or winding up of Duquesne Light.

The rights attached to the Series __ Preferred Securities will be deemed not to be adversely affected by the creation or issue of, and no vote will be required for the creation of, any further Interests ranking junior to, or pari passu with, the Series __ Preferred Securities with
---- -----
regard to participation in the profits or assets of the Partnership.

Any required approval of Holders of Series __ Preferred Securities may be given at a separate meeting of such Holders convened for such purpose, at a general meeting of Preferred Security Holders or pursuant to written consent. The Partnership will cause a notice of any meeting at which Holders of Series __ Preferred Securities are entitled to vote, or of any matter upon which action by written consent of such Holders is to be taken, to be mailed to each Holder of Series __ Preferred Securities. Each such notice will include a statement setting forth (i) the date of such meeting or the date by which such action is to be taken, (ii) a description of any matter on which such Holders are entitled to vote or upon which written consent is sought and (iii) instructions for the delivery of proxies or consents.

No vote or consent of Holders of Series __ Preferred Securities will be required for the Partnership to redeem and cancel Series __ Preferred Securities in accordance with the Partnership Agreement.

Notwithstanding that Holders of Series __ Preferred Securities are entitled to vote or consent under any of the circumstances described above, holders of any of the Series __ Preferred Securities and any other series of Preferred Securities that are entitled to vote or consent with such Series __ Preferred Securities as a class at such time that are owned by Duquesne Light or any Affiliate of Duquesne Light shall not be entitled to vote or consent and shall, for the purposes of such vote or consent, be treated as if they were not outstanding.

(x) Ranking. So long as any Series __ Preferred Securities are outstanding, the Partnership will not issue any Interests ranking, as to participation in the profits or assets of the Partnership, senior to the Series __ Preferred Securities.

(xi) See (i)-(ii) above for a description of the Series __ Debentures.

(xii) Mergers. The General Partner is authorized and directed to conduct its affairs and to operate the Partnership in such a way that the Partnership would not be deemed to be an "investment company" required to be registered under the 1940 Act or taxed as a corporation for Federal income tax purposes and so that the Series __ Debentures will be treated as indebtedness of Duquesne Light for Federal income tax purposes. In this connection, the General Partner is authorized to take any action not inconsistent with applicable law, the Certificate or the Partnership Agreement and that does not adversely affect the interests of Holders of Series __ Preferred Securities that the General Partner determines in its discretion to be necessary or desirable for such purposes.

The Partnership shall not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and

assets substantially as an entirety to any partnership, corporation or other body, except as described below. The General Partner may, without the consent of the Holders of the Series __ Preferred Securities, cause the Partnership to consolidate, amalgamate, merge with or into, or be replaced by, or convey or transfer its properties and assets substantially as an entirety to, a Delaware limited partnership or "other business entity" (as defined in the Act, but not including any general partnership) organized under the laws of any state of the United States or the Turks and Caicos Islands, provided that (i) such successor entity either (x) expressly assumes all of the obligations of the Partnership under the Series __ Preferred Securities or (y) substitutes for the Series __ Preferred Securities other securities having substantially the same terms as the Series __ Preferred Securities (the "Successor Securities") so long as the Successor Securities rank, with respect to participation in the profits and assets of the successor entity, at least as high as the Series __ Preferred Securities rank, with respect to participation in the profits and assets of the Partnership, (ii) Duquesne Light expressly acknowledges such successor entity as the holder of the Series __ Debentures, (iii) such merger, consolidation, amalgamation, replacement, conveyance or transfer does not cause the Series __ Preferred Securities to be delisted by any national securities exchange or other organization on which the Series __ Preferred Securities are then listed unless the Series __ Preferred Securities are promptly relisted, or the Successor Securities are promptly listed, by such exchange or other organization, (iv) such merger, consolidation, amalgamation, replacement, conveyance or transfer does not cause the Series __ Preferred Securities to be downgraded or the Successor Securities to be rated lower than the Series __ Preferred Securities immediately prior to such merger, consolidation, amalgamation, replacement, conveyance or transfer by any "nationally recognized statistical rating organization," as that term is defined by the Securities and Exchange Commission for purposes of Rule 436(g)(2) under the Securities Act, (v) such merger, consolidation, amalgamation, replacement, conveyance or transfer does not adversely affect the powers, preferences and other special rights of Holders of Series __ Preferred Securities in any material respect, and (vi) prior to such merger, consolidation, amalgamation, replacement, conveyance or transfer, the General Partner has received an opinion of nationally recognized independent counsel to the Partnership experienced in such matters to the effect that (w) Holders of outstanding Series __ Preferred Securities will not recognize any gain or loss for Federal income tax purposes as a result of the merger, consolidation, amalgamation, replacement, conveyance or transfer, (x) such successor entity will be treated as a partnership for Federal income tax purposes, (y) following such merger, consolidation, amalgamation, replacement, conveyance or transfer, Duquesne Light and such successor entity will be in compliance with the 1940 Act without registering thereunder as an investment company, and (z) such merger, consolidation, amalgamation, replacement, conveyance or transfer will not adversely affect the limited liability of Holders of Series __ Preferred Securities.

This written Action shall constitute an Action for purposes of the Partnership Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Action of General Partner this ____ day of _____, 1994.

GENERAL PARTNER:

DUQUESNE LIGHT COMPANY

By: _____
Name:
Title:

Exhibit A

Certificate Number	Number of Preferred Securities
R-1	

CUSIP NO.

Certificate Evidencing Preferred Securities

of

Duquesne Capital L.P.

_% Cumulative Monthly Income Preferred Securities, Series _
(liquidation preference $25 per security)

Duquesne Capital L.P., a limited partnership formed under the laws of the State of Delaware (the "PARTNERSHIP"), hereby certifies that _____ (the "PREFERRED SECURITY HOLDER") is the registered owner of _____ (_____) preferred securities of the Partnership representing Interests in the Partnership of a series designated the __% Cumulative Monthly Income Preferred Securities, Series __ (liquidation preference $25 per security) (the "SERIES __ PREFERRED SECURITIES"). The Series __ Preferred Securities are fully paid and nonassessable Interests in the Partnership, as to which the limited partners of the Partnership who hold the Series __ Preferred Securities, in their capacities as limited partners of the Partnership, will have no liability solely by reason of being Preferred Security Holders in excess of their obligations to make payments provided for in the Limited Partnership Agreement (as defined below) and

their share of the Partnership's assets and undistributed profits (subject to the obligation of a Preferred Security Holder to repay any funds wrongfully distributed to it). The Series __ Preferred Securities are transferable on the books and records of the Partnership, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The powers, preferences and special rights and limitations of the Series __ Preferred Securities are established pursuant to, and this certificate and the Series __ Preferred Securities represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Amended and Restated Agreement of Limited Partnership of the Partnership dated as of _____, 1994, as the same may, from time to time, be amended (the "LIMITED PARTNERSHIP AGREEMENT") authorizing the issuance of the Series __ Preferred Securities and determining the powers, preferences, and other special rights and limitations, regarding Dividends, voting, return of capital and otherwise, and other matters relating to the Series __ Preferred Securities. Capitalized terms used herein but not defined shall have the meaning given them in the Limited Partnership Agreement. The Preferred Security Holder is entitled to the benefits of the Payment and Guarantee Agreement of Duquesne Light Company, a Pennsylvania corporation, dated as of _____, 1994 (the "GUARANTEE") and the __% Subordinated Deferrable Interest Debentures, Series __ of Duquesne Light Company (the "DEBENTURES") issued pursuant to the Indenture dated as of _____, 1994 between Duquesne Light Company and The First National Bank of Chicago, as Trustee, in each case to the extent provided therein and in the Limited Partnership Agreement. The Partnership will furnish a copy of the Limited Partnership Agreement, the Guarantee and the Debentures to the Preferred Security Holder without charge upon written request to the Partnership at its principal place of business or registered office.

The Preferred Security Holder, by accepting this certificate, is deemed to have agreed that the Debentures are subordinate and junior in right of payment to all Senior Indebtedness of Duquesne Light Company as and to the extent provided in the Indenture and the Guarantee. Upon receipt of this certificate, the Preferred Security Holder is admitted to the Partnership as a Limited Partner, is bound by the Limited Partnership Agreement and is entitled to the benefits thereunder.

IN WITNESS WHEREOF, the Partnership has executed this certificate this ___ day of _____, 1994.

DUQUESNE CAPITAL L.P.

By: Duquesne Light Company, its General Partner

By:_____

EXHIBIT 4.3

==========

DUQUESNE LIGHT COMPANY

TO

THE FIRST NATIONAL BANK OF CHICAGO,

Trustee

_____

INDENTURE

Dated as of _____, 1994

_____

==========

DUQUESNE LIGHT COMPANY

RECONCILIATION AND TIE BETWEEN TRUST INDENTURE ACT OF 1939
AND INDENTURE, DATED AS OF _____, 1994

TRUST INDENTURE ACT SECTION		INDENTURE SECTION
Section 310	(a)(1)	909
	(a)(2)	909
	(a)(3)	NOT APPLICABLE
	(a)(4)	NOT APPLICABLE
	(b)	908

TABLE OF CONTENTS

NOTE: THIS TABLE OF CONTENTS SHALL NOT, FOR ANY PURPOSE, BE DEEMED TO BE A PART OF THE INDENTURE.)

ARTICLE FIVE

SINKING FUNDS

ARTICLE SIX

COVENANTS

ARTICLE SEVEN

SATISFACTION AND DISCHARGE

ARTICLE EIGHT

EVENTS OF DEFAULT; REMEDIES

ARTICLE TWELVE

SUPPLEMENTAL INDENTURES

ARTICLE THIRTEEN

MEETINGS OF HOLDERS; ACTION WITHOUT MEETING

ARTICLE FOURTEEN

IMMUNITY OF INCORPORATORS,
STOCKHOLDERS, OFFICERS AND DIRECTORS

ARTICLE FIFTEEN

SUBORDINATION OF SECURITIES

INDENTURE, dated as of _____, 1994, between DUQUESNE LIGHT COMPANY, a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania (herein called the "Company"), having its principal office at One Oxford Centre, 301 Grant Street, Pittsburgh, Pennsylvania 15279, and The First National Bank of Chicago, a national banking association duly organized and existing under the laws of the United States of America, having its principal corporate trust office at One First National Plaza, Suite 0126, Chicago, Illinois 60670, as Trustee (herein called the "Trustee").

RECITAL OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured subordinated debentures, notes or other evidences of indebtedness (herein called the "Securities"), to be issued in one or more series as contemplated herein; and all acts necessary to make this Indenture a valid agreement of the Company have been performed.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

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

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 101. DEFINITIONS.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(b) all terms used herein without definition which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States, and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States at the date of such computation or, at the election of the Company in any particular case, at the date of the execution and delivery of this Indenture; provided, however, that in determining generally accepted accounting principles applicable to the Company, the Company shall, to the extent required, conform to any order, rule or regulation of any administrative agency, regulatory authority or other governmental body having jurisdiction over the Company; and

(d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Certain terms, used principally in Article Nine, are defined in that Article.

"ACT", when used with respect to any Holder of a Security, has the meaning specified in Section 104.

"ADDITIONAL INTEREST" has the meaning specified in Section 312.

"AFFILIATE" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "CONTROL" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "CONTROLLING" and "CONTROLLED" have meanings correlative to the foregoing.

"AUTHENTICATING AGENT" means any Person (other than the Company or any Affiliate of the Company) authorized by the Trustee pursuant to Section 914 to act on behalf of the Trustee to authenticate one or more series of Securities.

"AUTHORIZED EXECUTIVE OFFICER" means the Chairman of the Board, the President, any Vice President, the Treasurer, any Assistant Treasurer or any other duly authorized officer of the Company.

"BOARD OF DIRECTORS" means either the board of directors of the Company or any committee thereof duly authorized to act in respect of matters relating to this Indenture.

"BOARD RESOLUTION" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"BUSINESS DAY", when used with respect to a Place of Payment or any other particular location specified in the Securities or this Indenture, means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in such Place of Payment or other location are generally authorized or required by law, regulation or executive order to remain closed, except as may be otherwise specified as contemplated by Section 301.

"COMMISSION" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or, if at any time after the date of execution and delivery of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body, if any, performing such duties at such time.

"COMPANY" means the Person named as the "Company" in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"COMPANY REQUEST" or "COMPANY ORDER" means a written request or order signed in the name of the Company by an Authorized Executive Officer and delivered to the Trustee.

"CORPORATE TRUST OFFICE" means the office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office at the date of execution and delivery of this Indenture is located at One First National Plaza, Suite 0126, Chicago, Illinois 60670.

"CORPORATION" means a corporation, association, company, joint stock company or business trust.

"DEFAULTED INTEREST" has the meaning specified in Section 307.

"DOLLAR" or "$" means a dollar or other equivalent unit in such coin or currency of the United States as at the time shall be legal tender for the payment of public and private debts.

"EVENT OF DEFAULT" has the meaning specified in Section 801.

"GOVERNMENTAL AUTHORITY" means 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 of the foregoing, or any department, agency, authority or other instrumentality of any of the foregoing.

"GOVERNMENT OBLIGATIONS" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States entitled to the benefit of the full faith and credit thereof; and

(b) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (a) above or in any specific interest or principal payments due in respect thereof; provided, however, that the custodian of such obligations or specific interest or principal payments shall be a bank or trust company (which may include the Trustee or any Paying Agent) subject to Federal or state supervision or examination with a combined capital and surplus of at least $50,000,000; and provided, further, that except as may be otherwise required by law, such custodian shall be obligated to pay to the holders of such certificates, depositary receipts or other

instruments the full amount received by such custodian in respect of such obligations or specific payments and shall not be permitted to make any deduction therefrom.

"GUARANTEE" means the Payment and Guarantee Agreement dated as of _____ __, 1994, delivered by the Company for the benefit of the holders of Preferred Securities.

"HOLDER" means a Person in whose name a Security is registered in the Security Register.

"INDENTURE" means this instrument as originally executed and delivered and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of particular series of Securities established as contemplated by Section 301.

"INTEREST PAYMENT DATE", when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

"MATURITY", when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as provided in such Security or in this Indenture, whether at the Stated Maturity, by declaration of acceleration, upon call for redemption or otherwise.

"OFFICER'S CERTIFICATE" means a certificate signed by an Authorized Executive Officer and delivered to the Trustee.

"OPINION OF COUNSEL" means a written opinion of counsel, who may be counsel for the Company, or other counsel acceptable to the Trustee.

"OUTSTANDING", when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(a) Securities theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities deemed to have been paid in accordance with Section 701; and

(c) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have beenauthenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it and the Company that such Securities are

held by a bona fide purchaser or purchasers in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether or not the Holders of the requisite principal amount of the Securities Outstanding under this Indenture, or the Outstanding Securities of any series, have given any request, demand, authorization, direction, notice, consent or waiver hereunder or whether or not a quorum is present at a meeting of Holders of Securities, Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor (unless the Company, such Affiliate or such obligor owns all Securities Outstanding under this Indenture, or all Outstanding Securities of each such series, as the case may be, determined without regard to this provision) shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver or upon any such determination as to the presence of a quorum, only Securities which the Trustee knows to be so owned shall be so disregarded; provided, however, that Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor; and provided, further, that, in the case of any Security the principal of which is payable from time to time without presentment or surrender, the principal amount of such Security that shall be deemed to be Outstanding at any time for all purposes of this Indenture shall be the original principal amount thereof less the aggregate amount of principal thereof theretofore paid.

"PARTNERSHIP" means Duquesne Capital L.P., a Delaware limited partnership, or any permitted successor under the Partnership Agreement.

"PARTNERSHIP AGREEMENT" means the Amended and Restated Agreement of Limited Partnership of Duquesne Capital L.P., dated as of _____, 1994, as it may be amended from time to time.

"PAYING AGENT" means any Person, including the Company, authorized by the Company to pay the principal of, and premium, if any, or interest, if any, on any Securities on behalf of the Company.

"PERSON" means any individual, corporation, partnership, joint venture, trust or unincorporated organization or any Governmental Authority.

"PLACE OF PAYMENT", when used with respect to the Securities of any series, means the place or places, specified as contemplated by Section 301, at which, subject to Section 602, principal of and premium, if

any, and interest, if any, on the Securities of such series are payable.

"PREDECESSOR SECURITY" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed (to the extent lawful) to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"PREFERRED SECURITIES" means any limited partnership interests issued by the Partnership or similar securities issued by a permitted successor to the Partnership in accordance with the Partnership Agreement.

"REDEMPTION DATE", when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"REDEMPTION PRICE", when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"REGULAR RECORD DATE" for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 301.

"RESPONSIBLE OFFICER", when used with respect to the Trustee, means any officer of the Trustee assigned by the Trustee to administer its corporate trust matters.

"SECURITIES" has the meaning stated in the first recital of this Indenture and more particularly means any securities authenticated and delivered under this Indenture.

"SECURITY REGISTER" and "SECURITY REGISTRAR" have the respective meanings specified in Section 305.

"SENIOR INDEBTEDNESS" means all obligations (other than non-recourse obligations and the indebtedness issued under this Indenture) of, or guaranteed or assumed by, the Company for borrowed money, including both senior and subordinated indebtedness for borrowed money (other than the Securities), or for the payment of money relating to any lease which is capitalized on the consolidated balance sheet of the Company and its subsidiaries in accordance with generally accepted accounting principles as in effect from time to time, or evidenced by bonds, debentures, notes or other similar instruments, and in each case, amendments, renewals,

extensions, modifications and refundings of any such indebtedness or obligations, whether existing as of the date of this Indenture or subsequently incurred by the Company; provided that the Company's obligations under the Guaranty shall not be deemed to be Senior Indebtedness.

"SPECIAL RECORD DATE" for the payment of any Defaulted Interest on the Securities of any series means a date fixed by the Trustee pursuant to Section 307.

"SPECIAL REPRESENTATIVE" means any special representative duly appointed by the holders of Preferred Securities of any series in accordance with the Partnership Agreement or Action or Actions of the General Partner establishing such series to act on their behalf or on behalf of the Partnership to enforce the obligations of the Company hereunder.

"STATED MATURITY", when used with respect to any obligation or any installment of principal thereof or interest thereon, means the date on which the principal of such obligation or such installment of principal or interest is stated to be due and payable (without regard to any provisions for redemption, prepayment, acceleration, purchase or extension).

"TRUST INDENTURE ACT" means, as of any time, the Trust Indenture Act of 1939, or any successor statute, as in effect at such time.

"TRUSTEE" means the Person named as the "Trustee" in the first paragraph of this Indenture until a successor Trustee shall have become such with respect to one or more series of Securities pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any series shall means the Trustee with respect to Securities of that series.

"UNITED STATES" means the United States of America, its territories, its possessions and other areas subject to its political jurisdiction.

SECTION 102. COMPLIANCE CERTIFICATES AND OPINIONS.

Except as otherwise expressly provided in this Indenture, upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall, if requested by the Trustee, furnish to the Trustee an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent,

if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that each Person signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such Person, such Person has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such Person, such condition or covenant has been complied with.

SECTION 103. FORM OF DOCUMENTS DELIVERED TO TRUSTEE.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such Officer's Certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless

such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Whenever, subsequent to the receipt by the Trustee of any Board Resolution, Officer's Certificate, Opinion of Counsel or other document or instrument, a clerical, typographical or other inadvertent or unintentional error or omission shall be discovered therein, a new document or instrument may be substituted therefor in corrected form with the same force and effect as if originally filed in the corrected form and, irrespective of the date or dates of the actual execution and/or delivery thereof, such substitute document or instrument shall be deemed to have been executed and/or delivered as of the date or dates required with respect to the document or instrument for which it is substituted. Anything in this Indenture to the contrary notwithstanding, if any such corrective document or instrument indicates that action has been taken by or at the request of the Company which could not have been taken had the original document or instrument not contained such error or omission, the action so taken shall not be invalidated or otherwise rendered ineffective but shall be and remain in full force and effect, except to the extent that such action was a result of willful misconduct or bad faith. Without limiting the generality of the foregoing, any Securities issued under the authority of such defective document or instrument shall nevertheless be the valid obligations of the Company entitled to the benefits of this Indenture equally and ratably with all other Outstanding Securities, except as aforesaid.

SECTION 104. ACTS OF HOLDERS.

(a) Any request, demand, authorization, direction, notice, consent, election, waiver or other action provided by this Indenture to be made, given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing or by a Special Representative or, alternatively, may be embodied in and evidenced by the record of Holders or Special Representatives, as the case may be, voting in

favor thereof, either in person or by proxies duly appointed in writing, at any meeting of Holders duly called and held in accordance with the provisions of Article Thirteen, or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments and any such

record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments and so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and (subject to Section 901) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section. The record of any meeting of Holders shall be proved in the manner provided in Section 1306.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof or may be proved in any other manner which the Trustee and the Company deem sufficient. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority.

(c) The principal amount and serial numbers of Securities held by any Person, and the date of holding the same, shall be proved by the Security Register.

(d) Any request, demand, authorization, direction, notice, consent, election, waiver or other Act of a Holder shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(e) Until such time as written instruments shall have been delivered to the Trustee with respect to the requisite percentage of principal amount of Securities for the action contemplated by such instruments, any such instrument executed and delivered by or on behalf of a Holder may be revoked with respect to any or all of such Securities by written notice by such Holder or any subsequent Holder, proven in the manner in which such instrument was proven.

(f) Securities of any series authenticated and delivered after any Act of Holders may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any action taken by such Act of Holders. If the Company shall so determine, new Securities of any

series so modified as to conform, in the opinion of the Trustee and the Company, to such action may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

(g) If the Company shall solicit from Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on the record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of the Outstanding Securities have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the Outstanding Securities shall be computed as of the record date.

SECTION 105. NOTICES, ETC. TO TRUSTEE AND COMPANY.

Any request, demand, authorization, direction, notice, consent, election, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with, the Trustee by any Holder or by the Company, or the Company by the Trustee or by any Holder, shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and delivered personally to an officer or other responsible employee of the addressee, or transmitted by facsimile transmission, telex or other direct written electronic means to such telephone number or other electronic communications address as the parties hereto shall from time to time designate, or transmitted by registered mail, charges prepaid, to the applicable address set opposite such party's name below or to such other address as either party hereto may from time to time designate:

If to the Trustee, to:

The First National Bank of Chicago
One First National Plaza
Suite 0126
Chicago, Illinois 60670

Attention: Corporate Trust Services Division
Telephone: (312) 407-1901
Telecopy: (312) 407-1708

If to the Company, to:

Duquesne Light Company

One Oxford Centre

301 Grant Street
Pittsburgh, Pennsylvania 15279

Attention: Treasurer
Telephone: (412) 393-6000
Telecopy: (412) 393-6571

Any communication contemplated herein shall be deemed to have been made, given, furnished and filed if personally delivered, on the date of delivery, if transmitted by facsimile transmission, telex or other direct written electronic means, on the date of transmission, and if transmitted by registered mail, on the date of receipt.

SECTION 106. NOTICE TO HOLDERS OF SECURITIES; WAIVER.

Except as otherwise expressly provided herein, where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given, and shall be deemed given, to Holders if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at the address of such Holder as it appears in the Security Register, not later than the latest date, if any, and not earlier than the earliest date, if any, prescribed for the giving of such notice.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice to Holders by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders.

Any notice required by this Indenture may be waived in writing by the Person entitled to receive such notice, either before or after the event otherwise to be specified therein, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 107. CONFLICT WITH TRUST INDENTURE ACT.

If any provision of this Indenture limits, qualifies or conflicts with another provision hereof which is required or deemed to be included in this Indenture by, or is otherwise governed by, any of the provisions of the Trust Indenture Act, such other provision shall control; and if any provision hereof otherwise conflicts with the Trust Indenture Act, the Trust Indenture Act shall control.

SECTION 108. EFFECT OF HEADINGS AND TABLE OF CONTENTS.

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

SECTION 109. SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 110. SEPARABILITY CLAUSE.

In case any provision in this Indenture or the Securities shall 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 111. BENEFITS OF INDENTURE.

Nothing in this Indenture or the Securities, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder, the Holders and, so long as the notice described in Section 1513 hereof has not been given, the holders of Senior Indebtedness, any benefit or any legal or equitable right, remedy or claim under this Indenture; provided, however, that for so long as any Preferred Securities remain outstanding, the holders of such Preferred Securities, or the Special Representative acting on behalf of such holders, subject to certain limitations set forth in this Indenture, may enforce the Company's obligations hereunder directly against the Company as third party beneficiaries of this Indenture without first proceeding against the Partnership.

SECTION 112. GOVERNING LAW.

THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT THAT THE LAW OF ANY OTHER JURISDICTION SHALL BE MANDATORILY APPLICABLE.

SECTION 113. LEGAL HOLIDAYS.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities other than a provision in Securities of any series, or in the Board Resolution or Officer's Certificate which establishes the terms of the Securities of such series, which specifically states that such provision shall apply in lieu of this Section) payment of interest or

principal and premium, if any, need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such

Place of Payment, except that if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect, and in the same amount, as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be, to such Business Day.

ARTICLE TWO

SECURITY FORMS

SECTION 201. FORMS GENERALLY.

The definitive Securities of each series shall be in substantially the form or forms thereof established in the supplemental indenture, Board Resolution or Officer's Certificate (or any combination thereof) establishing such series, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of the Securities. If the form or forms of Securities of any series are established in a Board Resolution or in an Officer's Certificate pursuant to a Board Resolution, such Board Resolution and Officer's Certificate, if any, shall be delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

The Securities of each series shall be issuable in registered form without coupons. The definitive Securities shall be produced in such manner as shall be determined by the officers executing such Securities, as evidenced by their execution thereof.

SECTION 202. FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION.

The Trustee's certificate of authentication shall be in substantially the form set forth below:

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

_____
as Trustee

By: _____
Authorized Officer

ARTICLE THREE

THE SECURITIES

SECTION 301. AMOUNT UNLIMITED; ISSUABLE IN SERIES.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited; provided, however, that all Securities shall be issued to evidence loans by the Partnership of the proceeds of the issuance of Preferred Securities of the Partnership plus the amount of capital contributions made by the Company to the Partnership from time to time.

The Securities may be issued in one or more series. Prior to the authentication and delivery of Securities of any series, there shall be established by specification in a supplemental indenture, a Board Resolution or an Officer's Certificate (or any combination thereof):

(a) the title of the Securities of such series (which shall distinguish the Securities of such series from Securities of all other series);

(b) any limit upon the aggregate principal amount of the Securities of such series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 304, 305, 306, 406 or 1206 and, except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(c) the Person or Persons (without specific identification) to whom interest on Securities of such series shall be payable on any Interest Payment Date, if other than the Persons in whose names such Securities (or one or more Predecessor Securities) are registered at the close of business on the Regular Record Date for such interest;

(d) the date or dates on which the principal of the

Securities of such series is payable or any formulary or other method or other means by which such date or dates shall be determined, by reference or otherwise (without regard to any provisions for redemption, prepayment, acceleration, purchase or extension);

(e) the rate or rates at which the Securities of such series shall bear interest, if any (including the rate or

rates at which overdue principal shall bear interest, if different from the rate or rates at which such Securities shall bear interest prior to Maturity, and, if applicable, the rate or rates at which overdue premium or interest shall bear interest, if any), or any formulary or other method or other means by which such rate or rates shall be determined, by reference or otherwise; the date or dates from which such interest shall accrue; the Interest Payment Dates on which such interest shall be payable and the Regular Record Date, if any, for the interest payable on such Securities on any Interest Payment Date; and the basis of computation of interest, if other than as provided in Section 310;

(f) the place or places at which (1) the principal of and premium, if any, and interest, if any, on Securities of such series shall be payable, (2) registration of transfer of Securities of such series may be effected, (3) exchanges of Securities of such series may be effected and (4) notices and demands to or upon the Company in respect of the Securities of such series and this Indenture may be served; the Security Registrar for such series; and if such is the case, that the principal of such Securities shall be payable without presentation or surrender thereof;

(g) the period or periods within which, or the date or dates on which, the price or prices at which and the terms and conditions upon which the Securities of such series may be redeemed, in whole or in part, at the option of the Company;

(h) the obligation or obligations, if any, of the Company to redeem or purchase the Securities of such series pursuant to any sinking fund or other mandatory redemption provisions or at the option of a Holder thereof and the period or periods within which or the date or dates on which, the price or prices at which and the terms and conditions upon which such Securities shall be redeemed or purchased, in whole or in part, pursuant to such obligation, and applicable exceptions to the requirements of Section 404 in the case of mandatory redemption or redemption at the option of the holder;

(i) the denominations in which Securities of such series shall be issuable if other than denominations of $25 and any integral multiple thereof;

(j) any Events of Default, in addition to those specified in Section 801, with respect to the Securities of such series, and any covenants of the Company for the benefit of the Holders of the Securities of such series in addition to those set forth in Article Six;

(k) if the Securities of such series are to be issued in global form, (i) any limitations on the rights of the Holder or Holders of such Securities to transfer or exchange the same or to obtain the registration of transfer thereof, (ii) any limitations on the rights of the Holder or Holders thereof to obtain certificates therefor in definitive form in lieu of temporary form and (iii) any and all other matters incidental to such Securities;

(l) any limitations on the rights of the Holders of the Securities of such Series to transfer or exchange such Securities or to obtain the registration of transfer thereof; and if a service charge will be made for the registration of transfer or exchange of Securities of such series, the amount or terms thereof;

(m) any exceptions to Section 113, or variation in the definition of Business Day, with respect to the Securities of such series; and

(n) any other terms of the Securities of such series not inconsistent with the provisions of this Indenture.

All Securities of any one series shall be substantially identical, except as to principal amount and date of issue and except as may be set forth in the terms of such series as contemplated above. The Securities of each series shall be subordinated in right of payment to Senior Indebtedness as provided in Article Fifteen.

SECTION 302. DENOMINATIONS.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, the Securities of each series shall be issuable in denominations of $25 and any integral multiple thereof.

SECTION 303. EXECUTION, AUTHENTICATION, DELIVERY AND DATING.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, the Securities shall be executed on behalf of the Company by an Authorized Executive Officer and may have the corporate seal of the Company affixed thereto or reproduced thereon attested by any other Authorized Executive Officer or by the Secretary of the Company. The signature of any or all of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at the time of execution Authorized Executive Officers or the Secretary of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior

to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

The Trustee shall authenticate and deliver Securities of a series, for original issue, at one time or from time to time in accordance with the Company Order referred to below, upon receipt by the Trustee of:

(a) the instrument or instruments establishing the form or forms and terms of such series, as provided in Sections 201 and 301;

(b) a Company Order requesting the authentication and delivery of such Securities and, to the extent that the terms of such Securities shall not have been established in an indenture supplemental hereto, a Board Resolution, or an Officer's Certificate (or any combination thereof), all as contemplated by Sections 201 and 301, establishing such terms;

(c) the Securities of such series, executed on behalf of the Company by an Authorized Executive Officer;

(d) an Opinion of Counsel to the effect that:

(i) the form or forms of such Securities have been duly authorized by the Company and have been established in conformity with the provisions of this Indenture;

(ii) the terms of such Securities have been duly authorized by the Company and have been established in conformity with the provisions of this Indenture; and

(iii) such Securities, when authenticated and delivered by the Trustee and issued and delivered by the Company in the manner and subject to any conditions specified in such

Opinion of Counsel, will have been duly issued under this Indenture and will constitute valid and legally binding obligations of the Company, entitled to the benefits provided by this Indenture, and enforceable in accordance with their terms, subject, as to enforcement, to laws relating to or affecting generally the enforcement of creditors' rights, including, without limitation, bankruptcy and insolvency laws and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

If the form or terms of the Securities of any series have been established by or pursuant to a Board Resolution or an Officer's Certificate as permitted by Sections 201 or 301, the Trustee shall not be required to authenticate such Securities if the issuance of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities, each Security shall be dated the date of its authentication.

Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities, no Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee or its agent by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder to the Company, or any Person acting on its behalf, but shall never have been issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 309 together with a written statement (which need not comply with Section 102 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits hereof.

SECTION 304. TEMPORARY SECURITIES.

Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed,

lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued, with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities; provided, however, that temporary Securities need not recite specific redemption, sinking fund, conversion or exchange provisions.

Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities, after the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable, without charge to the Holder thereof, for definitive Securities of such series upon surrender of such temporary Securities at the office or agency of the Company maintained pursuant to Section 602 in a Place of Payment for such Securities. Upon surrender of temporary Securities for such exchange, the Company shall, except as aforesaid, execute and the Trustee shall authenticate and deliver in exchange therefor definitive Securities of the same series, of authorized denominations and of like tenor and aggregate principal amount.

Until exchanged in full as hereinabove provided, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of the same series and of like tenor authenticated and delivered hereunder.

SECTION 305. REGISTRATION; REGISTRATION OF TRANSFER AND EXCHANGE.

The Company shall cause to be kept in each office designated pursuant to Section 602, with respect to the Securities of each series, a register (all registers kept in accordance with this Section being collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities of such series and the registration of transfer thereof. The Company shall designate one Person to maintain the Security Register for the Securities of each series on a consolidated basis, and such Person is referred to herein, with respect to such series, as the "Security Registrar." Anything herein to the contrary notwithstanding, the Company may designate one or more of its offices as an office in which a register with respect to the Securities of one or more series shall be maintained, and the Company may designate itself the Security Registrar with respect to one or more of such series. The Security Register shall be open for inspection by the Trustee and the Company at all reasonable times.

Except as otherwise specified as contemplated by Section 301 with respect to the Securities of any series, upon surrender for registration of transfer of any Security of such series at any office or agency of the

Company maintained pursuant to Section 602 in a Place of Payment for such series, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series, of authorized denominations and of like tenor and aggregate principal amount.

Except as otherwise specified as contemplated by Section 301 with respect to the Securities of any series, any Security of such series may be exchanged at the option of the Holder, for one or more new Securities of the same series, of authorized denominations and of like tenor and aggregate principal amount, upon surrender of the Securities to be exchanged at any such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities delivered upon any registration of transfer or exchange of Securities shall be valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company, the Trustee or the Security Registrar) be duly endorsed or shall be accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee or the Security Registrar, as the case may be, duly executed by the Holder thereof or his attorney duly authorized in writing.

Unless otherwise specified as contemplated by Section 301, with respect to Securities of any series, no service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 406 or 1206 not involving any transfer.

The Company shall not be required to execute or to provide for the registration of transfer of or the exchange of (a) Securities of any series during a period of 15 days immediately preceding the date notice is to be given identifying the serial numbers of the Securities of such series called for redemption or (b) any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

SECTION 306. MUTILATED, DESTROYED, LOST AND STOLEN SECURITIES.

If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series, and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (a) evidence to their satisfaction of the ownership of and the destruction, loss or theft of any Security and (b) such security or indemnity as may be reasonably required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security is held by a Person purporting to be the owner of such Security, the Company shall execute, and, upon the Company's request, the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series, and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

Notwithstanding the foregoing, in case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any

other reasonable expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone other than the Holder of such new Security, and any such new Security shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of such series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. PAYMENT OF INTEREST; INTEREST RIGHTS PRESERVED.

Unless otherwise specified as contemplated by Section 301 with respect to the Securities of any series, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or

one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Subject to Section 311, any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the related Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a date (herein called a "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit on or prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of

the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall promptly cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series at the address of such Holder as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date.

(b) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee

of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section and Section 305, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 308. PERSONS DEEMED OWNERS.

Prior to due presentment of a 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 such Security is registered as the owner of such Security for the purpose of receiving payment of principal of and premium, if any, and (subject to Sections 305 and 307) interest, if any, on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

SECTION 309. CANCELLATION BY SECURITY REGISTRAR.

All Securities surrendered for payment, redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Security Registrar, be delivered to the Security Registrar and, if not theretofore canceled, shall be promptly canceled by the Security Registrar. The Company may at any time deliver to the Security Registrar for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever or which the Company shall not have issued and sold, and all Securities so delivered shall be promptly canceled by the Security Registrar. No

Securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Securities held by the Security Registrar shall be disposed of in accordance with a Company Order delivered to the Security Registrar and the Trustee, and the Security Registrar shall promptly deliver a certificate of disposition to the Trustee and the Company unless, by a Company Order, similarly delivered, the Company shall direct that canceled Securities be returned to it. The Security Registrar shall promptly deliver evidence of any cancellation of a Security in accordance with this Section 309 to the Trustee and the Company.

SECTION 310. COMPUTATION OF INTEREST.

Except as otherwise specified as contemplated by Section 301 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year consisting of twelve 30-day

months and for any period shorter than a full month, on the basis of the actual number of days elapsed in such period.

SECTION 311. EXTENSION OF INTEREST PAYMENT PERIOD.

Unless otherwise specified as contemplated by Section 301 with respect to Securities of any series, the Company shall have the right at any time, so long as the Company is not in default in the payment of interest on the Securities of any series hereunder, to extend interest payment periods on all Securities of such series for a period of up to 18 consecutive months, and at, or at any time prior to, the end of any such extended interest payment period, the Company shall pay all interest then accrued and unpaid (together with interest thereon at the rate specified for such Securities to the extent permitted by applicable law) in the same manner as provided for the payment of Defaulted Interest in Section 307 hereof; provided that, during any such extended interest payment period, the Company shall not pay or declare any dividend on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock or make any guarantee payments with respect to the foregoing (other than payments under the Guarantee); and provided further that any such extended interest payment period may only be selected with respect to the Securities of such series if an extended interest payment period of identical length is simultaneously selected for all Securities then Outstanding under this Indenture. Prior to the end of any such extended interest payment period of less than 18 consecutive months, the Company may further extend the interest payment period, provided that such extended interest payment period together with all such further extensions thereof may not exceed a period of 18 consecutive months. Following the termination of any extended interest payment period, if the Company has paid all accrued and unpaid interest required by the Securities for such period, the Company shall have the right to again extend the interest payment periods for up to 18 consecutive months as herein provided.

If the Partnership is the sole holder of Securities at the time the Company elects to extend an interest payment period, the Company shall

give the Partnership and the Trustee notice of its selection of such extended interest payment period one Business Day prior to the earlier of (i) the date dividends on any series of the Preferred Securities would otherwise be payable and (ii) the date the Partnership is required to give notice of the record or payment date of such dividends to any national securities exchange on which the Preferred Securities of such series shall be listed or to holders of the Preferred Securities of such series, but in any event not less than two Business Days prior to such record date. The Company shall cause the Partnership to give such notice of the Company's selection of any such extended interest payment period to the holders of the Preferred Securities.

If the Partnership is not the sole holder of Securities at the

time the Company elects to extend an interest payment period, the Company shall give the holders of the Securities and the Trustee notice of its selection of such extended interest payment period ten Business Days prior to the related Interest Payment Date.

SECTION 312. ADDITIONAL INTEREST.

So long as any Preferred Securities remain outstanding, if the Partnership shall be required to pay, with respect to its income derived from the interest payments on the Securities of any series, any amounts for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed by the United States, or any other taxing authority, then, in any such case, the Company will pay as interest on such series such additional interest ("Additional Interest") as may be necessary in order that the net amounts received and retained by the Partnership after the payment of such taxes, duties, assessments or governmental charges shall result in the Partnership's having such funds as it would have had in the absence of the payment of such taxes, duties, assessments or governmental charges.

ARTICLE FOUR

REDEMPTION OF SECURITIES

SECTION 401. APPLICABILITY OF ARTICLE.

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for Securities of such series) in accordance with this Article.

SECTION 402. ELECTION TO REDEEM; NOTICE TO TRUSTEE.

The election of the Company to redeem any Securities shall be evidenced by a Board Resolution or an Officer's Certificate. The Company shall, at least 45 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date and of the principal amount of such Securities to be redeemed. In the case of any redemption of Securities (a) prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture or (b) pursuant to an election of the Company which is subject to a condition specified in the terms of such Securities, the Company shall furnish the Trustee with an Officer's Certificate evidencing compliance with such restriction or condition.

SECTION 403. SELECTION OF SECURITIES TO BE REDEEMED.

If less than all the Securities of any series are to be redeemed, the particular Securities to be redeemed shall be selected by the Security Registrar from the Outstanding Securities of such series not previously called for redemption, by such method as shall be provided for any particular series, or, in the absence of any such provision, by such method as the Security Registrar shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of such series or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than the minimum authorized denomination for Securities of such series; provided, however, that if, as indicated in an Officer's Certificate, the Company shall have offered to purchase all or any principal amount of the Securities then Outstanding of any series, and less than all of such Securities as to which such offer was made shall have been tendered to the Company for such purchase, the Security Registrar, if so directed by Company Order, shall select for redemption all or any principal amount of such Securities which have not been so tendered.

The Security Registrar shall promptly notify the Company and the Trustee in writing of the Securities selected for redemption and, in the case of any Securities selected to be redeemed in part, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 404. NOTICE OF REDEMPTION.

Notice of redemption shall be given in the manner provided in Section 106 to the Holders of the Securities to be redeemed not less than 30 nor more than 60 days prior to the Redemption Date.

All notices of redemption shall state:

(a) the Redemption Date,

(b) the Redemption Price,

(c) if less than all the Securities of any series are to be redeemed, the identification of the particular Securities to be redeemed and the portion of the principal amount of any Security to be redeemed in part,

(d) that on the Redemption Date the Redemption Price, together with accrued interest, if any, to the Redemption Date, will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,

(e) the place or places where such Securities are to be surrendered for payment of the Redemption Price and accrued interest, if any, unless it shall have been specified as contemplated by Section 301 with respect to such Securities that such surrender shall not be required,

(f) that the redemption is for a sinking or other fund, if such is the case, and

(g) such other matters as the Company shall deem desirable or appropriate.

If so specified with respect to any Securities in accordance with Section 301, with respect to any notice of redemption of Securities at the election of the Company, unless, upon the giving of such notice, such Securities shall be deemed to have been paid in accordance with Section 701, such notice may state that such redemption shall be conditional upon the receipt by the Paying Agent or Agents for such Securities, on or prior to the date fixed for such redemption, of money sufficient to pay the principal of and premium, if any, and interest, if any, on such Securities and that if such money shall not have been so received such notice shall be of no force or effect and the Company shall not be required to redeem such Securities. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption shall not be made and within a reasonable time thereafter notice shall be given, in the manner in which the notice of redemption was given, that such money was not so received and such redemption was not required to be made, and the Paying Agent or Agents for the Securities otherwise to have been redeemed shall promptly return to the Holders thereof any of such Securities which had been surrendered for payment upon such redemption.

Notice of redemption of Securities to be redeemed at the election of the Company, and any notice of non-satisfaction of a condition for redemption as aforesaid, shall be given by the Company or, at the Company's request, by the Security Registrar in the name and at the expense of the Company. Notice of mandatory redemption of Securities shall be given by the Security Registrar in the name and at the expense of the Company.

SECTION 405. SECURITIES PAYABLE ON REDEMPTION DATE.

Notice of redemption having been given as aforesaid, and the conditions, if any, set forth in such notice having been satisfied, the

Securities or portions thereof so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless, in the case of an unconditional notice of redemption, the Company shall default in the payment of the Redemption Price and accrued interest, if any) such Securities or portions thereof, if interest-bearing, shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with such notice, such Security or portion thereof shall be paid by the Company at the Redemption Price, together with accrued interest, if any, to the Redemption Date; provided, however, that no such surrender shall be a condition to such payment if so specified as contemplated by Section 301 with respect to such Security; and provided, further, that except as otherwise specified as contemplated by Section 301 with respect to such Security any installment of interest on any Security the Stated Maturity of which installment is on or prior to the Redemption Date shall be payable to the Holder of such Security, or one or more Predecessor Securities, registered as such at the close of business on the related Regular Record Date according to the terms of such Security and subject to the provisions of Section 307.

SECTION 406. SECURITIES REDEEMED IN PART.

Upon the surrender of any Security which is to be redeemed only in part at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, a new Security or Securities of the same series, of any authorized denomination requested by such Holder and of like tenor and in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

ARTICLE FIVE

SINKING FUNDS

SECTION 501. APPLICABILITY OF ARTICLE.

The provisions of this Article shall be applicable to any sinking fund for the retirement of the Securities of any series, except as otherwise specified as contemplated by Section 301 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory

sinking fund payment", and any payment in excess of such minimum amount

provided for by the terms of Securities of any series is herein referred to as an "optional sinking fund payment". If provided for by the terms of Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 502. Each sinking fund payment shall be applied to the redemption of Securities of the series in respect of which it was made as provided for by the terms of such Securities.

SECTION 502. SATISFACTION OF SINKING FUND PAYMENTS WITH SECURITIES.

The Company (a) may deliver Outstanding Securities (other than any previously called for redemption) of a series in respect of which a mandatory sinking fund payment is to be made and (b) may apply as a credit Securities of such series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities or Outstanding Securities purchased by the Company, in each case in satisfaction of all or any part of such mandatory sinking fund payment with respect to the Securities of such series; provided, however, that no Securities shall be applied in satisfaction of a mandatory sinking fund payment if such Securities shall have been previously so applied. Securities so applied shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 503. REDEMPTION OF SECURITIES FOR SINKING FUND.

Not less than 45 days prior to each sinking fund payment date for the Securities of any series, the Company shall deliver to the Trustee an Officer's Certificate specifying:

(a) the amount of the next succeeding mandatory sinking fund payment for such series;

(b) the amount, if any, of the optional sinking fund payment to be made together with such mandatory sinking fund payment;

(c) the aggregate sinking fund payment;

(d) the portion, if any, of such aggregate sinking fund payment which is to be satisfied by the payment of cash;

(e) the portion, if any, of such aggregate sinking fund payment which is to be satisfied by delivering and crediting Securities of such series pursuant to Section 502 and stating the basis for such credit and that such Securities have not previously been so credited, and the Company shall also deliver to the Trustee any Securities to be

so delivered. If the Company shall not deliver such Officer's Certificate, the next succeeding sinking fund payment for such series shall be made entirely in cash in the amount of the mandatory sinking fund payment. Not less than 30 days before each such sinking fund payment date the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 403 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 404. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 405 and 406.

ARTICLE SIX

COVENANTS

SECTION 601. PAYMENT OF PRINCIPAL, PREMIUM AND INTEREST.

The Company shall pay the principal of and premium, if any, and interest, if any (including Additional Interest), on the Securities of each series in accordance with the terms of such Securities and this Indenture.

SECTION 602. MAINTENANCE OF OFFICE OR AGENCY.

The Company shall maintain in each Place of Payment for the Securities of each series an office or agency where payment of such Securities shall be made, where the registration of transfer or exchange of such Securities may be effected and where notices and demands to or upon the Company in respect of such Securities and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of each such office or agency and prompt notice to the Holders of any such change in the manner specified in Section 106. If at any time the Company shall fail to maintain any such required office or agency in respect of Securities of any series, or shall fail to furnish the Trustee with the address thereof, payment of such Securities shall be made, registration of transfer or exchange thereof may be effected and notices and demands may be served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent for all such purposes in any such event.

The Company may also from time to time designate one or more other offices or agencies with respect to the Securities of one or more series for any or all of the foregoing purposes and may from time to time rescind such designations; provided, however, that, unless otherwise specified as contemplated by Section 301 with respect to the Securities of such series, no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency for such purposes in each Place of Payment for such Securities in accordance with the requirements set forth above. The Company shall give prompt written

notice to the Trustee, and prompt notice to the Holders in the manner

specified in Section 106, of any such designation or rescission and of any change in the location of any such other office or agency.

Anything herein to the contrary notwithstanding, any office or agency required by this Section may be maintained at an office of the Company, in which event the Company shall perform all functions to be performed at such office or agency.

SECTION 603. MONEY FOR SECURITIES PAYMENTS TO BE HELD IN TRUST.

If the Company shall at any time act as its own Paying Agent with respect to the Securities of any series, it shall, on or before each due date of the principal of and premium, if any, and interest, if any, on any of such Securities, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and premium or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided. The Company shall promptly notify the Trustee of any failure by the Company (or any other obligor on such Securities) to make any payment of principal of or premium, if any, or interest, if any, on such Securities.

Whenever the Company shall have one or more Paying Agents for the Securities of any series, it shall, on or before each due date of the principal of and premium, if any, and interest, if any, on such Securities, deposit with such Paying Agents sums sufficient (without duplication) to pay the principal and premium or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company shall promptly notify the Trustee of any failure by it so to act.

The Company shall cause each Paying Agent for the Securities of any series, other than the Company or the Trustee, to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent shall:

(a) hold all sums held by it for the payment of the principal of and premium, if any, or interest, if any, on such Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(b) give the Trustee notice of any failure by the Company (or any other obligor upon such Securities) to make any payment of principal of or premium, if any, or interest, if any, on such Securities; and

(c) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent and furnish to the Trustee such information as it possesses regarding the names and addresses of the Persons entitled to such sums.

The Company may at any time pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent and, if so stated in a Company Order delivered to the Trustee, in accordance with the provisions of Article Seven; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of and premium, if any, or interest, if any, on any Security and remaining unclaimed for two years after such principal and premium, if any, or interest has become due and payable shall be paid to the Company on Company Request, or, if then held by the Company, shall be discharged from such trust; and, upon such payment or discharge, the Holder of such Security shall, as an unsecured general creditor and not as a Holder of an Outstanding Security, look only to the Company for payment of the amount so due and payable and remaining unpaid, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such payment to the Company, may at the expense of the Company cause to be mailed, on one occasion only, notice to such Holder that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such mailing, any unclaimed balance of such money then remaining will be paid to the Company.

SECTION 604. CORPORATE EXISTENCE.

Subject to the rights of the Company under Article Eleven, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

SECTION 605. MAINTENANCE OF PROPERTIES.

The Company shall cause (or, with respect to property owned in common with others, make reasonable effort to cause) all its properties used or useful in the conduct of its business to be maintained and kept in good condition, repair and working order and shall cause (or, with respect to property owned in common with others, make reasonable effort to cause) to be made all necessary repairs, renewals, replacements, betterments and

improvements thereof, all as, in the judgment of the Company, may be necessary so that the business carried on in connection therewith may be properly conducted; provided, however, that nothing in this Section shall prevent the Company from discontinuing, or causing the discontinuance of, the operation and maintenance of any of its properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business.

SECTION 606. STATEMENT AS TO COMPLIANCE.

The Company shall deliver to the Trustee, within 150 days after the end of each fiscal year of the Company ending after the date hereof, a written statement, which need not comply with Section 102, signed by an Authorized Executive Officer of the Company, stating that

(a) a review of the activities of the Company during such year and of performance under this Indenture has been made under such officer's supervision, and

(b) to the best of his knowledge, based on such review, either (1) the Company has fulfilled all its obligations under this Indenture throughout such year, or, if there has been a default in the fulfillment of any such obligation, specifying each such default known to such officer and the nature and status thereof and (2) no Event of Default has occurred and is continuing or, if an Event of Default has occurred and is continuing, specifying each such Event of Default known to such officer and the nature and status thereof.

SECTION 607. WAIVER OF CERTAIN COVENANTS.

The Company may omit in any particular instance to comply with any term, provision or condition set forth in (a) Section 602 or any additional covenant or restriction specified with respect to the Securities of any series as contemplated by Section 301 if before the time for such compliance the Holders of at least a majority in aggregate principal amount of the Outstanding Securities of all series with respect to which compliance with Section 602 or such additional covenant or restriction is to be omitted, considered as one class, shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition and (b) Section 604, 605, 606 or Article Eleven if before the time for such compliance the Holders of at least a majority in principal amount of Securities Outstanding under this Indenture shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition; but, in the case of (a) or (b), no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any

such term, provision or condition shall remain in full force and effect; provided, however, so long as the Partnership holds Securities of any series, the Partnership may not waive compliance or waive any default in compliance by the Company with any covenant or other term contained in this Indenture or the Securities of such series without the approval of the holders of at least 66 2/3% in aggregate liquidation preference of the outstanding Preferred Securities affected, obtained as provided in the Partnership Agreement.

SECTION 608. RESTRICTION ON PAYMENT OF DIVIDENDS.

So long as any Preferred Securities of any series remain outstanding, the Company shall not declare or pay any dividend on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of the Company's capital stock, or make any guarantee payments with respect to the foregoing (other than payments under the Guarantee) if at such time (a) the Company shall be in default with respect to its payment or other obligations under the Guarantee, (b) there shall have occurred and be continuing a payment default (whether before or after expiration of any period of grace) or an Event of Default hereunder or (c) the Company shall have elected to extend any interest payment period as provided in Section 311, and any such period, or any extension thereof, shall be continuing.

SECTION 609. MAINTENANCE OF PARTNERSHIP EXISTENCE.

So long as Preferred Securities of any series remain outstanding, the Company shall (i) maintain direct or indirect ownership of all interests in the Partnership other than such Preferred Securities, (ii) not voluntarily (to the extent permitted by law) dissolve, liquidate or wind up the Partnership, (iii) remain the sole General Partner of the Partnership and timely perform in all material respects all of its duties as General Partner of the Partnership (including the duty to pay dividends on the Preferred Securities), and (iv) use reasonable efforts to cause the Partnership to remain a limited partnership and otherwise continue to be treated as a partnership for Federal income tax purposes provided that any permitted successor to the Company under this Indenture may succeed to the Company's duties as General Partner of the Partnership; and provided further that the Company may permit the Partnership to consolidate or merge with or into another limited partnership or other permitted successor under the Partnership Agreement so long as the Company agrees to comply with this Section 609 with respect to such successor limited partnership or other permitted successor.

SECTION 610. RIGHTS OF HOLDERS OF PREFERRED SECURITIES.

The Company agrees that, for so long as any Preferred Securities remain outstanding, its obligations under this Indenture will also be for the benefit of the holders from time to time of Preferred Securities, and

the Company acknowledges and agrees that such holders, or the Special Representative or Special Representatives acting on behalf of such holders, will be entitled to enforce this Indenture, as third party beneficiaries, directly against the Company to the same extent as if such holders of Preferred Securities held a principal amount of Securities equal to the liquidation preference of the Preferred Securities held by such holders.

ARTICLE SEVEN

SATISFACTION AND DISCHARGE

SECTION 701. SATISFACTION AND DISCHARGE OF SECURITIES.

Any Security or Securities, or any portion of the principal amount thereof, shall be deemed to have been paid for all purposes of this Indenture, and the entire indebtedness of the Company in respect thereof shall be deemed to have been satisfied and discharged, if there shall have been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust:

(a) money in an amount which shall be sufficient, or

(b) in the case of a deposit made prior to the Maturity of such Securities or portions thereof, Government Obligations, which shall not contain provisions permitting the redemption or other prepayment thereof at the option of the issuer thereof, the principal of and the interest on which when due, without any regard to reinvestment thereof, will provide moneys which, together with the money deposited with or held by the Trustee or such Paying Agent, shall be sufficient, or

(c) a combination of (a) or (b) which shall be sufficient,

to pay when due the principal of and premium, if any, and interest, if any, due and to become due on such Securities or portions thereof on or prior to Maturity; provided, however, that in the case of the provision for payment or redemption of less than all the Securities of any series, such Securities or portions thereof shall have been selected by the Security Registrar as provided herein and, in the case of a redemption, the notice requisite to the validity of such redemption shall have been given or irrevocable authority shall have been given by the Company to the Trustee to give such notice, under arrangements satisfactory to the Trustee; and provided further that the Company shall have delivered to the Trustee and such Paying Agent:

(x) if such deposit shall have been made prior to the Maturity of such Securities, a Company Order stating that the

money and Government Obligations deposited in accordance with this Section shall be held in trust, as provided in Section 703; and

(y) if Government Obligations shall have been deposited, an Opinion of Counsel that the obligations so deposited constitute Government Obligations and do not contain provisions permitting the redemption or other prepayment at the option of the issuer thereof, and an opinion of an independent public accountant of nationally recognized standing, selected by the Company, to the effect that the requirements set forth in clause (b) above have been satisfied; and

(z) if such deposit shall have been made prior to the Maturity of such Securities, an Opinion of Counsel to the effect that the Holders of such Securities will not recognize income, gain or loss for Federal income tax purposes as a result of the

satisfaction and discharge of the Company's indebtedness in respect of such Securities, and such Holders will be subject to Federal income taxation on the same amounts and in the same manner and at the same times as if such satisfaction and discharge had not occurred.

Upon the deposit of money or Government Obligations, or both, in accordance with this Section, together with the documents required by clauses (x), (y) and (z) above, the Trustee shall, upon receipt of a Company Request, acknowledge in writing that the Security or Securities or portions thereof with respect to which such deposit was made are deemed to have been paid for all purposes of this Indenture and that the entire indebtedness of the Company in respect thereof has been satisfied and discharged as contemplated in this Section. In the event that all of the conditions set forth in the preceding paragraph shall have been satisfied in respect of any Securities or portions thereof except that, for any reason, the Opinion of Counsel specified in clause (z) shall not have been delivered, such Securities or portions thereof shall nevertheless be deemed to have been paid for all purposes of this Indenture, and the Holders of such Securities or portions thereof shall nevertheless be no longer entitled to the benefits of this Indenture or of any of the covenants of the Company under Article Six (except the covenants contained in Sections 602 and 603) or any other covenants made in respect of such Securities or portions thereof as contemplated by Section 301, but the indebtedness of the Company in respect of such Securities or portions thereof shall not be deemed to have been satisfied and discharged prior to Maturity for any other purpose, and the Holders of such Securities or portions thereof shall continue to be entitled to look to the Company for payment of the indebtedness represented thereby; and, upon Company Request, the Trustee shall acknowledge in writing that such Securities or portions thereof are deemed to have been paid for all purposes of this Indenture.

If payment at Stated Maturity of less than all of the Securities of any series is to be provided for in the manner and with the effect provided in this Section, the Security Registrar shall select such Securities, or portions of principal amount thereof, in the manner specified by Section 403 for selection for redemption of less than all the Securities of a series.

In the event that Securities which shall be deemed to have been paid for purposes of this Indenture, and, if such is the case, in respect of which the Company's indebtedness shall have been satisfied and discharged, all as provided in this Section, do not mature and are not to be redeemed within the sixty (60) day period commencing with the date of the deposit of moneys or Government Obligations, as aforesaid, the Company shall, as promptly as practicable, give a notice, in the same manner as a notice of redemption with respect to such Securities, to the Holders of such Securities to the effect that such deposit has been made and the effect thereof.

Notwithstanding that any Securities shall be deemed to have been paid for purposes of this Indenture, as aforesaid, the obligations of the Company and the Trustee in respect of such Securities under Sections 304, 305, 306, 404, 503 (as to notice of redemption), 602, 603, 907 and 914 and this Article Seven shall survive.

The Company shall pay, and shall indemnify the Trustee or any Paying Agent with which Government Obligations shall have been deposited as provided in this Section against, any tax, fee or other charge imposed on or assessed against such Government Obligations or the principal or interest received in respect of such Government Obligations, including, but not limited to, any such tax payable by any entity deemed, for tax purposes, to have been created as a result of such deposit.

Anything herein to the contrary notwithstanding, (a) if, at any time after a Security would be deemed to have been paid for purposes of this Indenture, and, if such is the case, the Company's indebtedness in respect thereof would be deemed to have been satisfied and discharged, pursuant to this Section (without regard to the provisions of this paragraph), the Trustee or any Paying Agent, as the case may be, shall be required to return the money or Government Obligations, or combination thereof, deposited with it as aforesaid to the Company or its representative under any applicable Federal or State bankruptcy, insolvency or other similar law, such Security shall thereupon be deemed retroactively not to have been paid and any satisfaction and discharge of the Company's indebtedness in respect thereof shall retroactively be deemed not to have been effected, and such Security shall be deemed to remain Outstanding and (b) any satisfaction and discharge of the Company's indebtedness in respect

of any Security shall be subject to the provisions of the last paragraph of Section 603.

SECTION 702. SATISFACTION AND DISCHARGE OF INDENTURE.

This Indenture shall upon Company Request cease to be of further effect (except as hereinafter expressly provided), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) no Securities remain Outstanding hereunder; and

(b) the Company has paid or caused to be paid all other sums payable hereunder by the Company;

provided, however, that if, in accordance with the last paragraph of Section 701, any Security, previously deemed to have been paid for purposes of this Indenture, shall be deemed retroactively not to have been so paid, this Indenture shall thereupon be deemed retroactively not to have been satisfied and discharged, as aforesaid, and to remain in full force and effect, and the Company shall execute and deliver such instruments as the Trustee shall reasonably request to evidence and acknowledge the same.

Notwithstanding the satisfaction and discharge of this Indenture as aforesaid, the obligations of the Company and the Trustee under Sections 304, 305, 306, 404, 503 (as to notice of redemption), 602, 603, 907 and 914 and this Article Seven shall survive.

Upon satisfaction and discharge of this Indenture as provided in this Section, the Trustee shall assign, transfer and turn over to the Company, subject to the lien provided by Section 907, any and all money, securities and other property then held by the Trustee for the benefit of the Holders of the Securities other than money and Government Obligations held by the Trustee pursuant to Section 703.

SECTION 703. APPLICATION OF TRUST MONEY.

Neither the Government Obligations nor the money deposited pursuant to Section 701, nor the principal or interest payments on any such Government Obligations, shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest, if any, on the Securities or portions of principal amount thereof in respect of which such deposit was made, all subject, however, to the provisions of Section 603; provided, however, that, so long as there shall not have occurred and be continuing an Event of Default any cash received from such principal or interest payments on such Government Obligations, if not then needed for such purpose, shall, to the extent practicable, be invested in Government Obligations of the type

described in clause (b) in the first paragraph of Section 701 maturing at such times and in such amounts as shall be sufficient to pay when due the principal of and premium, if any, and interest, if any, due and to become due on such Securities or portions thereof on and prior to the Maturity thereof, and interest earned from such reinvestment shall be paid over to the Company as received, free and clear of any trust, lien or pledge under this Indenture except the lien provided by Section 907; and provided, further, that, so long as there shall not have occurred and be continuing an Event of Default, any moneys held in accordance with this Section on the Maturity of all such Securities in excess of the amount required to pay the principal of and premium, if any, and interest, if any, then due on such Securities shall be paid over to the Company free and clear of any trust, lien or pledge under this Indenture except the lien provided by Section 907; and provided, further, that if an Event of Default shall have occurred and be continuing, moneys to be paid over to the Company pursuant to this Section shall be held until such Event of Default shall have been waived or cured.

ARTICLE EIGHT

EVENTS OF DEFAULT; REMEDIES

SECTION 801. EVENTS OF DEFAULT.

"Event of Default", wherever used herein with respect to Securities of any series, means any one of the following events:

(a) failure to pay any interest, including any Additional Interest, on any Security of such series within thirty (30) days after the same becomes due and payable (whether or not payment is prohibited by the provisions of Article Fifteen hereof); provided, however, that a valid extension of the interest payment period by the Company as contemplated in Section 311 of this Indenture shall not constitute a failure to pay interest for this purpose; or

(b) failure to pay the principal and premium, if any, on any Security of such series at its Maturity (whether or not payment is prohibited by the provisions of Article Fifteen hereof); or

(c) failure to perform or breach of any covenant or warranty of the Company in this Indenture (other than a covenant or warranty a default in the performance of which or breach of which is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of one or more series of Securities other than such series) for a period of 60 days after there has been given, by registered or certified mail, to the Company

by the Trustee, or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of such series, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder, unless the Trustee, or the Trustee and the Holders of a principal amount of Securities of such series not less than the principal amount of Securities the Holders of which gave such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee, or the Trustee and the Holders of such principal amount of Securities of such series, as the case may be, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Company within such period and is being diligently pursued; or

(d) the entry by a court having jurisdiction in the premises of (1) a decree or order for relief in respect of the Company or the Partnership in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (2) a decree or order adjudging the Company or the Partnership a bankrupt or insolvent, or approving as properly filed a petition by one or more Persons other than the Company or the Partnership seeking reorganization, arrangement, adjustment or composition of or in respect of the Company or the Partnership under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official for the Company or the Partnership or for any substantial part of either of their property, or ordering the winding up or liquidation of either of their affairs, and any such decree or order

for relief or any such other decree or order shall have remained un stayed and in effect for a period of 90 consecutive days; or

(e) the commencement by the Company or the Partnership of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by either the Company or the Partnership to the entry of a decree or order for relief in respect of it in a case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by either the Company or the Partnership of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by either the Company or the Partnership to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or the Partnership or of any substantial part of either of their property, or the making by either

the Company or the Partnership of an assignment for the benefit of creditors, or the admission by either in writing of its inability to pay its debts generally as they become due, or the authorization of such action by the Board of Directors or the General Partner, as the case may be; or

(f) any other Event of Default specified with respect to Securities of such series.

SECTION 802. ACCELERATION OF MATURITY; RESCISSION AND ANNULMENT.

If an Event of Default due to the default in payment of principal of, or interest on, any series of Securities or due to the default in the performance or breach of any other covenant or warranty of the Company applicable to the Securities of such series but not applicable to all outstanding Securities shall have occurred and be continuing, either the Trustee or the Holders of not less than 25% in principal amount of the Securities of such series or the Special Representative in respect of such series may then declare the principal of all Securities of such series and interest accrued thereon to be due and payable immediately (provided that the payment of principal and interest on such Securities shall remain subordinated to the extent provided in Article Fifteen hereof). If an Event of Default due to default in the performance of any other of the covenants or agreements herein applicable to all Outstanding Securities or due to certain events of bankruptcy, insolvency or reorganization of the Company or the Partnership shall have occurred and be continuing, either the Trustee or the Holders of not less than 25% in principal amount of all Securities then Outstanding (considered as one class) or the Special Representatives appointed in respect of series of Outstanding Securities representing not less than 25% in principal amount of all Securities then Outstanding, and not the Holders of the Securities of any one of such series or the Special Representative appointed in respect of any one

series, may declare the principal of all Securities and interest accrued thereon to be due and payable immediately (provided that the payment of principal and interest on such Securities shall remain subordinated to the extent provided in the Indenture).

At any time after such a declaration of acceleration with respect to Securities of any series shall have been made and before a judgment or decree for payment of the money due shall have been obtained by the Trustee as hereinafter in this Article provided, the Event or Events of Default giving rise to such declaration of acceleration shall, without further act, be deemed to have been waived, and such declaration and its consequences shall, without further act, be deemed to have been rescinded and annulled, if

(a) the Company shall have paid or deposited with the Trustee a sum sufficient to pay

(1) all overdue interest on all Securities of such series;

(2) the principal of and premium, if any, on any Securities of such series which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Securities;

(3) interest upon overdue interest at the rate or rates prescribed therefor in such Securities to the extent that payment of such interest is lawful;

(4) all amounts due to the Trustee under Section 907;

and

(b) any other Event or Events of Default with respect to Securities of such series, other than the non-payment of the principal of Securities of such series which shall have become due solely by such declaration of acceleration, shall have been cured or waived as provided in Section 813.

No such rescission shall affect any subsequent Event of Default or impair any right consequent thereon.

SECTION 803. COLLECTION OF INDEBTEDNESS AND SUITS FOR ENFORCEMENT BY Trustee.

If an Event of Default described in clause (a) or (b) of Section 801 shall have occurred and be continuing, the Company shall, upon demand of the Trustee, pay to it, for the benefit of the Holders of the Securities of the series with respect to which such Event of Default shall have occurred, the whole amount then due and payable on such Securities for

principal and premium, if any, and interest, if any, and, to the extent permitted by law, interest on premium, if any, and on any overdue principal and interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover any amounts due to the Trustee under Section 907.

If the Company shall fail to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other

obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series shall have occurred and be continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 804. TRUSTEE MAY FILE PROOFS OF CLAIM.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Partnership or the Company or any other obligor upon the Securities or the property of the Partnership or the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal, premium, if any, and interest, if any, owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for amounts due to the Trustee under Section 907) and of the Holders allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that

the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amounts due it under Section 907.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 805. TRUSTEE MAY ENFORCE CLAIMS WITHOUT POSSESSION OF SECURITIES.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders in respect of which such judgment has been recovered.

SECTION 806. APPLICATION OF MONEY COLLECTED.

Subject to the provisions of Article Fifteen, any money collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or premium, if any, or interest, if any, upon presentation of the Securities in respect of which or for the benefit of which such money shall have been collected and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 907;

SECOND: To the payment of the amounts then due and unpaid upon the Securities for principal of and premium, if any, and interest, if any, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, premium, if any, and interest, if any, respectively; and

THIRD: To the Company.

SECTION 807. LIMITATION ON SUITS.

No Holder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such Holder shall have previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of such series;

(b) the Holders of not less than a 25% in aggregate principal amount of the Outstanding Securities of all series in respect of which an Event of Default shall have occurred and be continuing, considered

as one class, shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(c) such Holder or Holders shall have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceeding; and

(e) no direction inconsistent with such written request shall have been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series in respect of which an Event of Default shall have occurred and be continuing, considered as one class;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other of such Holders or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all of such Holders.

SECTION 808. UNCONDITIONAL RIGHT OF HOLDERS TO RECEIVE PRINCIPAL, PREMIUM AND INTEREST.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and premium, if any, and (subject to Section 307 and 311) interest, if any, on such Security on the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 809. RESTORATION OF RIGHTS AND REMEDIES.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or to such Holder, then and in every

such case, subject to any determination in such proceeding, the Company, and Trustee and such Holder shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and such Holder shall continue as though no such proceeding had

been instituted.

SECTION 810. RIGHTS AND REMEDIES CUMULATIVE.

Except as otherwise provided in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 811. DELAY OR OMISSION NOT WAIVER.

No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 812. CONTROL BY HOLDERS OF SECURITIES.

If an Event of Default shall have occurred and be continuing in respect of a series of Securities, the Holders of a majority in principal amount of the Outstanding Securities of such series or the Special Representative appointed in respect of such series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series; provided, however, that if an Event of Default shall have occurred and be continuing with respect to more than one series of Securities, the Holders of a majority in aggregate principal amount of the Outstanding Securities of all such series, considered as one class, or the Special Representative or Special Representatives appointed with respect to series of Outstanding Securities representing 66 2/3% in aggregate principal amount of the Outstanding Securities of all such series, as the case may be, shall have the right to make such direction, and not the Holders of the Securities or the Special Representative of any one of such series; and provided, further, that such direction shall not be in conflict with any rule of law or with this Indenture. Before proceeding to exercise any right or power hereunder at the direction of such Holders or any such Special Representative, the Trustee shall be entitled to receive from such Holders or any such Special Representative reasonable security or indemnity against

the costs, expenses and liabilities which might be incurred by it in

compliance with any such direction.

SECTION 813. WAIVER OF PAST DEFAULTS.

The Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default

(a) in the payment of the principal of or premium, if any, or interest, if any, on any Security of such series, or

(b) in respect of a covenant or provision hereof which under Section 1202 cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected;

provided, however, that so long as the Partnership holds the Securities of any series, the Partnership may not waive any past default without the consent of at least 66 2/3% in aggregate liquidation preference of the outstanding Preferred Securities affected, obtained as provided in the Partnership Agreement.

Upon any such waiver, such default shall cease to exist, and any and all Events of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 814. UNDERTAKING FOR COSTS.

The Company and the Trustee agree, and each Holder by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in aggregate principal amount of the Outstanding Securities of all series in respect of which such suit may be brought, considered as one class, or to any suit instituted by any Holder for the enforcement of the payment of the principal of or premium, if any, or interest, if any, on any Security on or after the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

SECTION 815. WAIVER OF STAY OR EXTENSION LAWS.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE NINE

THE TRUSTEE

SECTION 901. CERTAIN DUTIES AND RESPONSIBILITIES.

(a) The Trustee shall have and be subject to all the duties and responsibilities specified with respect to an indenture trustee in the Trust Indenture Act.

(b) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 902. NOTICE OF DEFAULTS.

The Trustee shall give notice of any default hereunder with respect to the Securities of any series to the Holders of Securities of such series in the manner and to the extent required to do so by the Trust Indenture Act, unless such default shall have been cured or waived; provided, however, that in the case of any default of the character specified in Section 801(c), no such notice to Holders shall be given until at least 45 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time, or both, would become, an Event of Default.

SECTION 903. CERTAIN RIGHTS OF TRUSTEE.

Subject to the provisions of Section 901 and to the applicable

provisions of the Trust Indenture Act:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, or as otherwise expressly provided herein, and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate;

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any Holder pursuant to this Indenture, unless such Holder shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall (subject to applicable legal requirements) be entitled to examine, during normal business hours, the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible

for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(h) except as otherwise provided in Section 801, the Trustee shall not be charged with knowledge of any Event of Default with

respect to the Securities of any series for which it is acting as Trustee unless either (1) a Responsible Officer of the Trustee shall have actual knowledge of the Event of Default or (2) written notice of such Event of Default shall have been given to the Trustee by the Company, any other obligor on such Securities or by any Holder of such Securities.

SECTION 904. NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF SECURITIES.

The recitals contained herein and in the Securities (except the Trustee's certificates of authentication) shall be taken as the statements of the Company, and neither the Trustee nor any Authenticating Agent assumes responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 905. MAY HOLD SECURITIES.

Each of the Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 908 and 913, may otherwise deal with the Company with the same rights it would have if it were not the Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 906. MONEY HELD IN TRUST.

Money held by the Trustee in trust hereunder need not be segregated from other funds, except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as expressly provided herein or otherwise agreed with, and for the sole benefit of, the Company.

SECTION 907. COMPENSATION AND REIMBURSEMENT.

The Company shall

(a) pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances reasonably incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except to the extent that any such expense, disbursement or advance may be attributable to the Trustee's negligence, wilful misconduct or bad faith; and

(c) indemnify the Trustee for, and hold it harmless from and against, any loss, liability or expense reasonably incurred by it arising out of or in connection with the acceptance or administration of the trust or trusts hereunder or the performance of its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence, wilful misconduct or bad faith.

As security for the performance of the obligations of the Company under this Section, the Trustee shall have a lien prior to the Securities upon all property and funds held or collected by the Trustee as such other than property and funds held in trust under Section 703 (except as otherwise provided in Section 703). "Trustee" for purposes of this Section shall include any predecessor Trustee; provided, however, that the negligence, wilful misconduct or bad faith of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

SECTION 908. DISQUALIFICATION; CONFLICTING INTERESTS.

If the Trustee shall have or acquire any conflicting interest within the meaning of the Trust Indenture Act, it shall either eliminate such conflicting interest or resign to the extent, in the manner and with the effect, and subject to the conditions, provided in the Trust Indenture Act and this Indenture. For purposes of Section 310(b)(1) of the Trust Indenture Act and to the extent permitted thereby, the Trustee, in its capacity as trustee in respect of the Securities of any series, shall not be deemed to have a conflicting interest arising from its capacity as trustee in respect of the Securities of any other series.

SECTION 909. CORPORATE TRUSTEE REQUIRED; ELIGIBILITY.

There shall at all times be a Trustee hereunder which shall be

(a) a corporation organized and doing business under the laws of the United States of America, any State or Territory thereof or the District of Columbia, authorized under such laws to exercise corporate

trust powers, having a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by Federal or State authority, or

(b) if and to the extent permitted by the Commission by rule, regulation or order upon application, a corporation or other Person organized and doing business under the laws of a foreign government, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000 or the Dollar equivalent of the applicable foreign currency and subject to supervision or examination by authority of such foreign government or

a political subdivision thereof substantially equivalent to supervision or examination applicable to United States institutional trustees,

and, in either case, qualified and eligible under this Article and the Trust Indenture Act. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 910. RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 911.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 911 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Trustee and to the Company; provided that so long as any Preferred Securities remain outstanding, the Partnership shall not execute any Act to remove the Trustee without the consent of the holders of 66 2/3% in aggregate liquidation preference of Preferred Securities outstanding, obtained as provided in the Partnership Agreement.

(d) If at any time:

(1) the Trustee shall fail to comply with Section 908 after written request therefor by the Company or by any Holder who has been a bona fide Holder for at least six months, or

(2) the Trustee shall cease to be eligible under Section 909 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (x) the Company by a Board Resolution may remove the Trustee with respect to all Securities or (y) subject to Section 814, any Holder who has been a bona fide Holder for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause (other than as contemplated in clause (y) in subsection (d) of this Section), with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 911. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 911, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 911, any Holder who has been a bona fide Holder of a Security of such series for at least six

months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) So long as no Event of Default or event which is, or after notice or lapse of time, or both, would become, an Event of Default shall have occurred and be continuing, if the Company shall have delivered to the Trustee (i) a Board Resolution appointing a successor Trustee, effective as of a date specified therein, and (ii) an instrument of acceptance of such appointment, effective as of such date, by such successor Trustee in accordance with Section 911, the Trustee shall be deemed to have resigned as contemplated in subsection (b) of this Section, the successor Trustee shall be deemed to have been appointed pursuant to subsection (e) of this Section and such appointment shall be deemed to have been accepted as contemplated in Section 911, all as of such date, and all other provisions of this Section and Section 911 shall be applicable to such resignation,

appointment and acceptance except to the extent inconsistent with this subsection (f).

(g) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series by mailing written notice of such event by first-class mail, postage prepaid, to all Holders of Securities of such series as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its corporate trust office.

SECTION 911. ACCEPTANCE OF APPOINTMENT BY SUCCESSOR.

(a) In case of the appointment hereunder of a successor Trustee with respect to the Securities of all series, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of all sums owed to it, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to

the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts here-under administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the

retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee, upon payment of all sums owed to it, shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company shall execute any instruments which fully vest in and confirm to such successor Trustee all such rights, powers and trusts referred to in subsection (a) or (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 912. MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and

eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 913. PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY.

If the Trustee shall be or become a creditor of the Company or any other obligor upon the Securities (other than by reason of a relationship described in Section 311(b) of the Trust Indenture Act), the Trustee shall be subject to any and all applicable provisions of the Trust Indenture Act regarding the collection of claims against the Company or such other obligor. For purposes of Section 311(b) of the Trust Indenture Act:

(a) the term "cash transaction" means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand;

(b) the term "self liquidating paper" means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

SECTION 914. APPOINTMENT OF AUTHENTICATING AGENT.

The Trustee may appoint an Authenticating Agent or Agents with respect to the Securities of one or more series which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issuance and upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include

authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States, any State or territory thereof or the District of Columbia or the Commonwealth of Puerto Rico, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than $50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or

filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section, and the Trustee shall be entitled to be reimbursed for such payments, in accordance with, and subject to the provisions of, Section 907.

The provisions of Sections 308, 904 and 905 shall be applicable to each Authenticating Agent.

If an appointment with respect to the Securities of one or more series shall be made pursuant to this Section, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication substantially in the following form:

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

_____
As Trustee

By_____
As Authenticating
Agent

By_____
Authorized Signatory

If all of the Securities of a series may not be originally issued at one time, and if the Trustee does not have an office capable of authenticating Securities upon original issuance located in a Place of Payment where the Company wishes to have Securities of such series authenticated upon original issuance, the Trustee, if so requested by the Company in writing (which writing need not comply with Section 102 and need not be accompanied by an Opinion of Counsel), shall appoint, in accordance with this Section and in accordance with such procedures as shall be acceptable to the Trustee, an Authenticating Agent having an office in a Place of Payment designated by the Company with respect to such series of Securities.

ARTICLE TEN

HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 1001. LISTS OF HOLDERS.

Semiannually, not later than June 30 and December 31 in each year, commencing December 31, 1994, and at such other times as the Trustee may request in writing, the Company shall furnish or cause to be furnished to the Trustee information as to the names and addresses of the Holders, and the Trustee shall preserve such information and similar information received by it in any other capacity and afford to the Holders access to

information so preserved by it, all to such extent, if any, and in such manner as shall be required by the Trust Indenture Act; provided, however, that no such list need be furnished so long as the Trustee shall be the Security Registrar.

SECTION 1002. REPORTS BY TRUSTEE AND COMPANY.

Not later than December 31 in each year, the Trustee shall transmit to the Holders and the Commission a report with respect to any events and other matters described in Section 313(a) of the Trust Indenture Act, in such manner and to the extent required by the Trust Indenture Act. The Trustee shall transmit to the Holders and the Commission, and the Company shall file with the Trustee (within thirty (30) days after filing with the Commission in the case of reports which pursuant to the Trust Indenture Act must be filed with the Commission and furnished to the Trustee) and transmit to the Holders, such other information, reports and other documents, if any, at such times and in such manner, as shall be required by the Trust Indenture Act.

ARTICLE ELEVEN

CONSOLIDATION, MERGER, CONVEYANCE OR OTHER TRANSFER

SECTION 1101. COMPANY MAY CONSOLIDATE, ETC., ONLY ON CERTAIN TERMS.

The Company shall not consolidate with or merge into any other corporation, or convey or otherwise transfer or lease its properties and assets substantially as an entirety to any Person, unless

(a) the corporation formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia, and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and premium, if any, and interest, if any, on all Outstanding Securities and the performance of every covenant of this Indenture on the part of the Company to be performed or observed;

(b) immediately after giving effect to such transaction and treating any indebtedness for borrowed money which becomes an obligation of the Company as a result of such transaction as having been incurred by the Company at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be

continuing; and

(c) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, or other transfer or lease and such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transactions have been complied with.

SECTION 1102. SUCCESSOR CORPORATION SUBSTITUTED.

Upon any consolidation by the Company with or merger by the Company into any other corporation or any conveyance, or other transfer or lease of the properties and assets of the Company substantially as an entirety in accordance with Section 1101, the successor corporation formed by such consolidation or into which the Company is merged or the Person to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities Outstanding hereunder.

ARTICLE TWELVE

SUPPLEMENTAL INDENTURES

SECTION 1201. SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF HOLDERS.

Without the consent of any Holders, the Company and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities, all as provided in Article Eleven; or

(b) to add one or more covenants of the Company or other provisions for the benefit of all Holders or for the benefit of the Holders of, or to remain in effect only so long as there shall be Outstanding, Securities of one or more specified series, or to surrender any right or power herein conferred upon the Company; or

(c) to add any additional Events of Default with respect to all or any series of Securities Outstanding hereunder; or

(d) to change or eliminate any provision of this Indenture or to add any new provision to this Indenture; provided, however, that if such change, elimination or addition shall adversely affect the interests of the Holders of Securities of any series in any material respect, such change, elimination or addition shall become effective with respect to such series only when no Security of such series remains Outstanding; or

(e) to provide collateral security for the Securities; or

(f) to establish the form or terms of Securities of any series as contemplated by Sections 201 and 301; or

(g) to evidence and provide for the acceptance of appointment hereunder by a separate or successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 911(b); or

(h) to provide for the procedures required to permit the Company to utilize, at its option, a noncertificated system of registration for all, or any series of, the Securities; or

(i) to change any place or places where (1) the principal of and premium, if any, and interest, if any, on all or any series of Securities shall be payable, (2) all or any series of Securities may be surrendered for registration of transfer, (3) all or any series of Securities may be surrendered for exchange and (4) notices and demands to or upon the Company in respect of all or any series of Securities and this Indenture may be served; or

(j) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other changes to the provisions hereof or to add other provisions with respect to matters or questions arising under this Indenture, provided that such other changes or

additions shall not adversely affect the interests of the Holders of Securities of any series in any material respect.

Without limiting the generality of the foregoing, if the Trust Indenture Act as in effect at the date of the execution and delivery of this Indenture or at any time thereafter shall be amended and

(x) if any such amendment shall require one or more changes to any provisions hereof or the inclusion herein of any additional provisions, or shall by operation of law be deemed to effect such

changes or incorporate such provisions by reference or otherwise, this Indenture shall be deemed to have been amended so as to conform to such amendment to the Trust Indenture Act, and the Company and the Trustee may, without the consent of any Holders, enter into an indenture supplemental hereto to effect or evidence such changes or additional provisions; or

(y) if any such amendment shall permit one or more changes to, or the elimination of, any provisions hereof which, at the date of the execution and delivery hereof or at any time thereafter, are required by the Trust Indenture Act to be contained herein, this Indenture shall be deemed to have been amended to effect such changes or elimination, and the Company and the Trustee may, without the consent of any Holders, enter into an indenture supplemental hereto to evidence such amendment hereof.

SECTION 1202. SUPPLEMENTAL INDENTURES WITH CONSENT OF HOLDERS.

With the consent of the Holders of not less than a majority in aggregate principal amount of the Securities of all series then Outstanding under this Indenture, considered as one class, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture or modifying in any manner the rights of the Holders of Securities of such series under the Indenture; provided, however, that if there shall be Securities of more than one series Outstanding hereunder and if a proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series so directly affected, considered as one class, shall be required; and provided, further, that no such supplemental indenture shall

(a) change the Stated Maturity of the principal of, or any installment of principal of or interest on (except as provided in Section 311 hereof), any Security, or reduce the principal amount thereof or the rate of interest thereon (or the amount of any installment of interest thereon) or the method of calculating such rate or reduce any premium payable upon the redemption thereof, or

change the coin or currency (or other property), in which any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity of any Security (or, in the case of redemption, on or after the Redemption Date), without, in any such case, the consent of the Holder of such Security, or

(b) reduce the percentage in principal amount of the Outstanding Securities of any series (or, if applicable, in liquidation preference of any series of Preferred Securities), the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with any provision of this Indenture or of any default hereunder and its consequences, or reduce the requirements of Section 1304 for quorum or voting, without, in any such case, the consent of the Holders of each Outstanding Security of such series, or

(c) modify any of the provisions of this Section, Section 607 or Section 813, with respect to the Securities of any series, except to increase the percentages in principal amount referred to in this Section or such other Sections or to provide that other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby; provided, however, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to "the Trustee" and concomitant changes in this Section, or the deletion of this proviso, in accordance with the requirements of Sections 911(b) and 1201(g).

Notwithstanding the foregoing, so long as any of the Preferred Securities remain outstanding, the Partnership may not consent to a supplemental indenture under this Section 1202 without the prior consent, obtained as provided in the Partnership Agreement, of the holders of not less than 66 2/3% in aggregate liquidation preference of all Preferred Securities affected, considered as one class, or, in the case of changes described in clauses (a), (b) and (c) above, 100% in aggregate liquidation preference of all Preferred Securities then outstanding which would be affected thereby, considered as one class. A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 1203. EXECUTION OF SUPPLEMENTAL INDENTURES.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications

thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 901) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, immunities or liabilities under this Indenture or otherwise.

SECTION 1204. EFFECT OF SUPPLEMENTAL INDENTURES.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby. Any supplemental indenture permitted by this Article may restate this Indenture in its entirety, and, upon the execution and delivery thereof, any such restatement shall supersede this Indenture as theretofore in effect for all purposes.

SECTION 1205. CONFORMITY WITH TRUST INDENTURE ACT.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

SECTION 1206. REFERENCE IN SECURITIES TO SUPPLEMENTAL INDENTURES.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

SECTION 1207. MODIFICATION WITHOUT SUPPLEMENTAL INDENTURE.

If the terms of any particular series of Securities shall have been established in a Board Resolution or an Officer's Certificate as contemplated by Section 301, and not in an indenture supplemental hereto, additions to, changes in or the elimination of any of such terms may be effected by means of a supplemental Board Resolution or Officer's Certificate, as the case may be, delivered to, and accepted by, the Trustee; provided, however, that such supplemental Board Resolution or

Officer's Certificate shall not be accepted by the Trustee or otherwise be

effective unless all conditions set forth in this Indenture which would be required to be satisfied if such additions, changes or elimination were contained in a supplemental indenture shall have been appropriately satisfied. Upon the acceptance thereof by the Trustee, any such supplemental Board Resolution or Officer's Certificate shall be deemed to be a "supplemental indenture" for purposes of Section 1204 and 1206.

ARTICLE THIRTEEN

MEETINGS OF HOLDERS; ACTION WITHOUT MEETING

SECTION 1301. PURPOSES FOR WHICH MEETINGS MAY BE CALLED.

A meeting of Holders of Securities of one or more, or all, series may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by Holders of Securities of such series.

SECTION 1302. CALL, NOTICE AND PLACE OF MEETINGS.

(a) The Trustee may at any time call a meeting of Holders of Securities of one or more, or all, series for any purpose specified in Section 1301, to be held at such time and at such place in the Borough of Manhattan, The City of New York, as the Trustee shall determine, or, with the approval of the Company, at any other place. Notice of every such meeting, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in Section 106, not less than 21 nor more than 180 days prior to the date fixed for the meeting.

(b) If the Trustee shall have been requested to call a meeting of the Holders of Securities of one or more, or all, series by the Company or by the Holders of 33% in aggregate principal amount of all of such series, considered as one class, for any purpose specified in Section 1301, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have given the notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Company or the Holders of Securities of such series in the amount above specified, as the case may be, may determine the time and the place in the Borough of Manhattan, The City of New York, or in such other place as shall be determined or approved by the Company, for such meeting and may call such meeting for such purposes by giving notice thereof as provided in subsection (a) of this Section.

(c) Any meeting of Holders of Securities of one or more, or all, series shall be valid without notice if the Holders of all Outstanding Securities of such series are present in person or by proxy and if rep-

resentatives of the Company and the Trustee are present, or if notice is waived in writing before or after the meeting by the Holders of all Outstanding Securities of such series, or by such of them as are not present at the meeting in person or by proxy, and by the Company and the Trustee.

SECTION 1303. PERSONS ENTITLED TO VOTE AT MEETINGS.

To be entitled to vote at any meeting of Holders of Securities of one or more, or all, series a Person shall be (a) a Holder of one or more Outstanding Securities of such series, or (b) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Securities of such series by such Holder or Holders. The only Persons who shall be entitled to attend any meeting of Holders of Securities of any series shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 1304. QUORUM; ACTION.

The Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of the series with respect to which a meeting shall have been called as hereinbefore provided, considered as one class, shall constitute a quorum for a meeting of Holders of Securities of such series; provided, however, that if any action is to be taken at such meeting which this Indenture expressly provides may be taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of such series, considered as one class, the Persons entitled to vote such specified percentage in principal amount of the Outstanding Securities of such series, considered as one class, shall constitute a quorum. In the absence of a quorum within one hour of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Securities of such series, be dissolved. In any other case the meeting may be adjourned for such period as may be determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for such period as may be determined by the chairman of the meeting prior to the adjournment of such adjourned meeting. Except as provided by Section 1305(e), notice of the reconvening of any meeting adjourned for more than 30 days shall be given as provided in Section 1302(a) not less than ten days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage, as provided above, of the principal amount of the Outstanding Securities of such series which shall constitute a quorum.

Except as limited by Section 1202, any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present as aforesaid may be adopted only by the affirmative vote of the Holders of

a majority in aggregate principal amount of the Outstanding Securities of the series with respect to which such meeting shall have been called, con-

sidered as one class; provided, however, that, except as so limited, any resolution with respect to any action which this Indenture expressly provides may be taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of such series, considered as one class, may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid by the affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Securities of such series, considered as one class.

Any resolution passed or decision taken at any meeting of Holders of Securities duly held in accordance with this Section shall be binding on all the Holders of Securities of the series with respect to which such meeting shall have been held, whether or not present or represented at the meeting.

SECTION 1305. ATTENDANCE AT MEETINGS; DETERMINATION OF VOTING RIGHTS; CONDUCT AND ADJOURNMENT OF MEETINGS.

(a) Attendance at meetings of Holders of Securities may be in person or by proxy; and, to the extent permitted by law, any such proxy shall remain in effect and be binding upon any future Holder of the Securities with respect to which it was given unless and until specifically revoked by the Holder or future Holder of such Securities before being voted.

(b) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Securities in regard to proof of the holding of such Securities and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 104 and the appointment of any proxy shall be proved in the manner specified in Section 104. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 104 or other proof.

(c) The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders as provided in Section 1302(b), in which case the Company or the Holders of Securities of the series calling the meeting, as the case may be, shall in like manner appoint a temporary

chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of all series represented at the meeting, considered as one class.

(d) At any meeting each Holder or proxy shall be entitled to one vote for each $1,000 principal amount of Securities held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Security or proxy.

(e) Any meeting duly called pursuant to Section 1302 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of all series represented at the meeting, considered as one class; and the meeting may be held as so adjourned without further notice.

SECTION 1306. COUNTING VOTES AND RECORDING ACTION OF MEETINGS.

The vote upon any resolution submitted to any meeting of Holders shall be by written ballots on which shall be subscribed the signatures of the Holders or of their representatives by proxy and the principal amounts and serial numbers of the Outstanding Securities, of the series with respect to which the meeting shall have been called, held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports of all votes cast at the meeting. A record of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 1302 and, if applicable, Section 1304. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to the Company, and another to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 1307. ACTION WITHOUT MEETING.

In lieu of a vote of Holders at a meeting as hereinbefore contemplated in this Article, any request, demand, authorization, direction, notice, consent, waiver or other action may be made, given or

taken by Holders by written instruments as provided in Section 104.

ARTICLE FOURTEEN

IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

SECTION 1401. LIABILITY SOLELY CORPORATE.

No recourse shall be had for the payment of the principal of or premium, if any, or interest, if any, on any Securities, or any part thereof, or for any claim based thereon or otherwise in respect thereof, or of the indebtedness represented thereby, or upon any obligation, covenant or agreement under this Indenture, against any incorporator, stockholder, officer or director, as such, past, present or future of the Company or of any predecessor or successor corporation (either directly or through the Company or a predecessor or successor corporation), whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Indenture and all the Securities are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any incorporator, stockholder, officer or director, past, present or future, of the Company or of any predecessor or successor corporation, either directly or indirectly through the Company or any predecessor or successor corporation, because of the indebtedness hereby authorized or under or by reason of any of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or to be implied herefrom or therefrom, and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of this Indenture and the issuance of the Securities.

ARTICLE FIFTEEN

SUBORDINATION OF SECURITIES

SECTION 1501. SECURITIES SUBORDINATE TO SENIOR INDEBTEDNESS.

The Company, for itself, its successors and assigns, covenants and agrees, and each Holder of the Securities of each series, by its acceptance thereof, likewise covenants and agrees, that the payment of the principal of and premium, if any, and interest, if any, on each and all of the Securities is hereby expressly subordinated, to the extent and in the manner set forth in this Article, in right of payment to the prior payment

in full of all Senior Indebtedness.

Each Holder of the Securities of each series, by its acceptance thereof, authorizes and directs the Trustee on its behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article, and appoints the Trustee its attorney-in-fact for any and all such purposes.

SECTION 1502. PAYMENT OVER OF PROCEEDS OF SECURITIES.

In the event (a) of any insolvency or bankruptcy proceedings or any receivership, liquidation, reorganization or other similar proceedings in respect of the Company or a substantial part of its property, or of any proceedings for liquidation, dissolution or other winding up of the Company, whether or not involving insolvency or bankruptcy, or (b) subject to the provisions of Section 1503, that (i) a default shall have occurred with respect to the payment of principal of or interest on or other monetary amounts due and payable on any Senior Indebtedness, or (ii) there shall have occurred a default (other than a default in the payment of principal or interest or other monetary amounts due and payable) in respect of any Senior Indebtedness, as defined therein or in the instrument under which the same is outstanding, permitting the holder or holders thereof to accelerate the maturity thereof (with notice or lapse of time, or both), and such default shall have continued beyond the period of grace, if any, in respect thereof, and, in the cases of subclauses (i) and (ii) of this clause (b), such default shall not have been cured or waived or shall not have ceased to exist, or (c) that the principal of and accrued interest on the Securities of any series shall have been declared due and payable pursuant to Section 801 and such declaration shall not have been rescinded and annulled as provided in Section 802, then:

(1) the holders of all Senior Indebtedness shall first be entitled to receive payment of the full amount due thereon, or provision shall be made for such payment in money or money's worth, before the Holders of any of the Securities are entitled to receive a payment on account of the principal of or interest on the indebtedness evidenced by the Securities, including, without limitation, any payments made pursuant to Articles Four and Five;

(2) any payment by, or distribution of assets of, the Company of any kind or character, whether in cash, property or securities, to which any Holder or the Trustee would be entitled except for the provisions of this Article, shall be paid or delivered by the person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of such Senior Indebtedness or their representative or representatives or to the

trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of such Senior Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness remaining unpaid after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness, before any payment or distribution is made to the Holders of the indebtedness evidenced by the Securities or to the Trustee under this Indenture; and

(3) in the event that, notwithstanding the foregoing, any payment by, or distribution of assets of, the Company of any kind or character, whether in cash, property or securities, in respect of principal of or interest on the Securities or in connection with any repurchase by the Company of the Securities, shall be received by the Trustee or any Holder before all Senior Indebtedness is paid in full, or provision is made for such payment in money or money's worth, such payment or distribution in respect of principal of or interest on the Securities or in connection with any repurchase by the Company of the Securities shall be paid over to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness may have been issued, ratably as aforesaid, for application to the payment of all Senior Indebtedness remaining unpaid until all such Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness.

Notwithstanding the foregoing, at any time after the 123rd day following the date of deposit of cash or Government Obligations pursuant to Section 701 (provided all conditions set out in such Section shall have been satisfied), the funds so deposited and any interest thereon will not be subject to any rights of holders of Senior Indebtedness including, without limitation, those arising under this Article Fifteen; provided that no event described in clauses (d) and (e) of Section 801 with respect to the Company has occurred during such 123-day period.

For purposes of this Article only, the words "cash, property or securities" shall not be deemed to include shares of stock of the Company as reorganized or readjusted, or securities of the Company or any other corporation provided for by a plan or reorganization or readjustment which are subordinate in right of payment to all Senior Indebtedness which may at the time be outstanding to the same extent as, or to a greater extent than, the Securities are so subordinated as provided in this Article. The consolidation of the Company with, or the merger of the Company into, another corporation or the liquidation or dissolution of the Company

following the conveyance or transfer of its property as an entirety, or substantially as an entirety, to another corporation upon the terms and conditions provided for in Article Eleven hereof shall not be deemed a dissolution, winding-up, liquidation or reorganization for the purposes of this Section 1502 if such other corporation shall, as a part of such consolidation, merger, conveyance or transfer, comply with the conditions stated in Article Eleven hereof. Nothing in Section 1501 or in this Section 1502 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 907.

SECTION 1503. DISPUTES WITH HOLDERS OF CERTAIN SENIOR INDEBTEDNESS.

Any failure by the Company to make any payment on or perform any other obligation in respect of Senior Indebtedness, other than any indebtedness incurred by the Company or assumed or guaranteed, directly or indirectly, by the Company for money borrowed (or any deferral, renewal, extension or refunding thereof) or any other or obligation as to which the provisions of this Section shall have been waived by the Company in the instrument or instruments by which the Company incurred, assumed, guaranteed or otherwise created such indebtedness or obligation, shall not be deemed a default under clause (b) of Section 1502 if (i) the Company shall be disputing its obligation to make such payment or perform such obligation and (ii) either (A) no final judgment relating to such dispute shall have been issued against the Company which is in full force and effect and is not subject to further review, including a judgment that has become final by reason of the expiration of the time within which a party may seek further appeal or review, or (B) in the event that a judgment that is subject to further review or appeal has been issued, the Company shall in good faith be prosecuting an appeal or other proceeding for review and a stay or execution shall have been obtained pending such appeal or review.

SECTION 1504. SUBROGATION.

Senior Indebtedness shall not be deemed to have been paid in full unless the holders thereof shall have received cash (or property or securities satisfactory to such holders) in full payment of such Senior Indebtedness then outstanding. Upon the payment in full of all Senior Indebtedness, the Holders of the Securities shall be subrogated to the rights of the holders of Senior Indebtedness to receive any further payments or distributions of cash, property or securities of the Company applicable to the holders of the Senior Indebtedness until all amounts owing on the Securities shall be paid in full; and such payments or distributions of cash, property or securities received by the Holders of the Securities, by reason of such subrogation, which otherwise would be paid or distributed to the holders of such Senior Indebtedness shall, as between the Company, its creditors other than the holders of Senior Indebtedness, and the Holders, be deemed to be a payment by the Company to

or on account of Senior Indebtedness, it being understood that the provisions of this Article are and are intended solely for the purpose of defining the relative rights of the Holders, on the one hand, and the holders of the Senior Indebtedness, on the other hand.

SECTION 1505. OBLIGATION OF THE COMPANY UNCONDITIONAL.

Nothing contained in this Article or elsewhere in this Indenture or in the Securities is intended to or shall impair, as among the Company, its creditors other than the holders of Senior Indebtedness and the Holders, the obligation of the Company, which is absolute and unconditional, to pay to the Holders the principal of and interest on the Securities as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the Holders and creditors of the Company other than the holders of Senior Indebtedness, nor shall anything herein or therein prevent the Trustee or any Holder from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article of the holders of Senior Indebtedness in respect of cash, property or securities of the Company received upon the exercise of any such remedy.

Upon any payment or distribution of assets or securities of the Company referred to in this Article, the Trustee and the Holders shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceedings are pending for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon, and all other facts pertinent thereto or to this Article.

SECTION 1506. PRIORITY OF SENIOR INDEBTEDNESS UPON MATURITY.

Upon the maturity of the principal of any Senior Indebtedness by lapse of time, acceleration or otherwise, all matured principal of Senior Indebtedness and interest and premium, if any, thereon shall first be paid in full before any payment of principal or premium or interest, if any, is made upon the Securities or before any Securities can be acquired by the Company or any sinking fund payment is made with respect to the Securities (except that required sinking fund payments may be reduced by Securities acquired before such maturity of such Senior Indebtedness).

SECTION 1507. TRUSTEE AS HOLDER OF SENIOR INDEBTEDNESS.

The Trustee shall be entitled to all rights set forth in this Article with respect to any Senior Indebtedness at any time held by it, to the same extent as any other holder of Senior Indebtedness. Nothing in this

Article shall deprive the Trustee of any of its rights as such holder.

SECTION 1508. NOTICE TO TRUSTEE TO EFFECTUATE SUBORDINATION.

Notwithstanding the provisions of this Article or any other provision of the Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by the Trustee unless and until the Trustee shall have received written notice thereof from the Company, from a Holder or from a holder of any Senior Indebtedness or from any representative or representatives of such holder and, prior to the receipt of any such written notice, the Trustee shall be entitled, subject to Section 901, in all respects to assume that no such facts exist; provided, however, that, if prior to the fifth Business Day preceding the date upon which by the terms hereof any such moneys may become payable for any purpose, or in the event of the execution of an instrument pursuant to Section 702 acknowledging satisfaction and discharge of this Indenture, then if prior to the second Business Day preceding the date of such execution, the Trustee shall not have received with respect to such moneys the notice

provided for in this Section, then, anything herein contained to the contrary notwithstanding, the Trustee may, in its discretion, receive such moneys and/or apply the same to the purpose for which they were received, and shall not be affected by any notice to the contrary, which may be received by it on or after such date; provided, however, that no such application shall affect the obligations under this Article of the persons receiving such moneys from the Trustee.

SECTION 1509. MODIFICATION, EXTENSION, ETC. OF SENIOR INDEBTEDNESS.

The holders of Senior Indebtedness may, without affecting in any manner the subordination of the payment of the principal of and premium, if any, and interest, if any, on the Securities, at any time or from time to time and in their absolute discretion, agree with the Company to change the manner, place or terms of payment, change or extend the time of payment of, or renew or alter, any Senior Indebtedness, or amend or supplement any instrument pursuant to which any Senior Indebtedness is issued, or exercise or refrain from exercising any other of their rights under the Senior Indebtedness including, without limitation, the waiver of default thereunder, all without notice to or assent from the Holders or the Trustee.

SECTION 1510. TRUSTEE HAS NO FIDUCIARY DUTY TO HOLDERS OF SENIOR INDEBTEDNESS.

With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants and objectives as are specifically set forth in this Indenture, and no implied covenants or obligations with respect to the holders of Senior Indebtedness

shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness, and shall not be liable to any such holders if it shall mistakenly pay over or deliver to the Holders or the Company or any other Person, money or assets to which any holders of Senior Indebtedness shall be entitled by virtue of this Article or otherwise.

SECTION 1511. PAYING AGENTS OTHER THAN THE TRUSTEE.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article shall in such case (unless the context shall otherwise require) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article in addition to or in place of the Trustee; provided, however, that Sections 1507, 1508 and 1510 shall not apply to the Company if it acts as Paying Agent.

SECTION 1512. RIGHTS OF HOLDERS OF SENIOR INDEBTEDNESS NOT IMPAIRED.

No right of any present or future holder of Senior Indebtedness to enforce the subordination herein shall at any time or in any way be

prejudiced or impaired by any act or failure to act on the part of the Company or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

SECTION 1513. EFFECT OF SUBORDINATION PROVISIONS; TERMINATION.

Notwithstanding anything contained herein to the contrary, other than as provided in the immediately succeeding sentence, all the provisions of this Indenture shall be subject to the provisions of this Article, so far as the same may be applicable thereto.

Notwithstanding anything contained herein to the contrary, the provisions of this Article Fifteen shall be of no further effect, and the Securities shall no longer be subordinated in right of payment to the prior payment of Senior Indebtedness, if the Company shall have delivered to the Trustee a notice to such effect. Any such notice delivered by the Company shall not be deemed to be a supplemental indenture for purposes of Article Twelve hereof.

This instrument 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.

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

DUQUESNE LIGHT COMPANY

By:_____

THE FIRST NATIONAL BANK OF CHICAGO,
as Trustee

By:_____

EXHIBIT 4.4

DUQUESNE LIGHT COMPANY

Officer's Certificate
(Under Section 301 of the Indenture
of Duquesne Light Company)

I, the undersigned _____, _____ of DUQUESNE LIGHT COMPANY (the "Company"), in accordance with Section 301 of the Indenture dated as of _____, 1994 (the "Indenture," capitalized terms used herein and not defined herein having the meanings specified in the Indenture), of the Company to The First National Bank of Chicago, Trustee, do hereby establish a series of Securities designated ___% Subordinated Deferrable Interest Debentures, Series __, and limited in aggregate principal amount (except as contemplated in Section 301(b) of the Indenture) to $_____, having the following terms and characteristics (the lettered clauses set forth below corresponding to the lettered subsections of Section 301 of the Indenture):

(a) the title of the Securities of such series shall be "___% Subordinated Deferrable Interest Debentures, Series __" (the "Debentures");

(b) the aggregate principal amount of Debentures which may be authenticated and delivered under the Indenture shall be limited to $_____, except as contemplated in Section 301(b) of the Indenture;

(c) interest on the Debentures shall be payable to the Person or Persons in whose name the Debentures are registered at the

close of business on the Regular Record Date for such interest;

(d) the Stated Maturity of the principal of the Debentures shall be _____, 204_;

(e) the Debentures shall bear interest at a rate of ___% per annum accruing from _____, 199_ or from the most recent Interest Payment Date (as defined below) to which interest has been paid or duly provided for; to the extent permitted by law, overdue installments of principal and interest shall also bear interest at such rate; subject to the right of the Company to extend interest payment periods pursuant to Section 311 of the Indenture, such interest shall be payable monthly on the last day of each calendar month (an "Interest Payment Date"), commencing on _____ to the Holder or Holders of the Debentures on the Regular Record Date for such interest, which shall be one Business Day prior to the relevant Interest Payment Date; provided, however, that if the Debentures are held neither by the Partnership nor by a securities depositary, the Company shall have the right to change the Regular Record Date by one or more Officer's Certificates supplemental to this Officer's Certificate;

(f) the office of The First National Bank of Chicago in New York, New York, shall be the office or agency of the Company at which (1) the principal of and premium, if any, and interest, if any, on the Debentures shall be payable, (2) registration of transfer of the Debentures may be effected, (3) exchanges of the Debentures may be effected and (4) notices and demands to or upon the Company in respect of the Debentures and the Indenture may be served; provided, however, that the Company reserves the right to change, by one or more Officer's Certificates, any such office or agency; and provided, further, that the Company reserves the right to designate, by one or more Officer's Certificates supplemental to this Officer's Certificate, its principal office in Pittsburgh, Pennsylvania as any such office or agency; and _____ shall be the Security Registrar for the Debentures;

(g) the Debentures shall be redeemable in whole or in part, at the option of the Company, at any time on or after _____, at a redemption price equal to 100% of the aggregate principal amount of such Debentures to be redeemed plus any accrued but unpaid interest, including Additional Interest, to the date fixed for redemption in the manner provided in the Indenture; no notice of redemption with respect to the Debentures may state that such redemption shall be conditional upon the receipt of certain monies as contemplated in the third paragraph of Section 404 of the Indenture;

(h) If the Partnership redeems ___% Monthly Income Preferred Securities, Series __ (the "Series __ Preferred Securities"), in accordance with the terms thereof, the Company shall redeem Debentures in a principal amount equal to the aggregate liquidation preference of

the Series __ Preferred Securities so redeemed at a redemption price equal to 100% of the aggregate principal amount of such Debentures to be redeemed plus any accrued and unpaid interest thereon, including Additional Interest, any such redemption to be made on the date such Series ___ Preferred Securities are so redeemed or on such earlier date as the Company and the Partnership shall agree;

(i) the Debentures shall be issued in denominations of $25 and integral multiples thereof;

(j) not applicable;

(k) not applicable; provided, however, that in the event that, at any time subsequent to the initial authentication and delivery of the Debentures, the Debentures are to be held by a securities depositary, the Company may at such time establish the matters contemplated in clause (k) in the second paragraph of Section 301 of the Indenture in an Officer's Certificate supplemental to this Officer's Certificate;

(l) no service charge shall be made for the registration of transfer or exchange of Debentures; provided, however, that the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the exchange or transfer (except that no such payment shall be required in connection with a distribution of the Debentures in exchange for Series ___ Preferred Securities upon the occurrence of a Special Event (as such term is defined in the Action of General Partner establishing the Series ___ Preferred Securities));

(m) the provisions of Section 113 shall apply to the Debentures; "Business Day" for purposes of the Debentures shall mean any day on which banking institutions in The City of New York, New York or the City of Pittsburgh, Pennsylvania are authorized or required by law to close; and

(n) (i) the proper officers of the Company may execute, with the Paying Agent and any Authenticating Agent for the Debentures, one or more Letter of Representations to The Depository Trust Company substantially in the form attached hereto and any supplements or amendments thereto necessary or desirable to make the Debentures eligible for deposit at such depositary; provided, however, that the Company reserves the right to terminate any such Letter of Representations by one or more Officer's Certificates supplemental to this Officer's Certificate; and provided, further, that the Company reserves the right to enter into similar agreements with any other depositary with respect to the Debentures by one or more Officer's Certificates supplemental to this Officer's Certificate; (ii) the Debentures shall be substantially in the form attached hereto and hereby authorized and approved and shall have such further terms as are set forth in such form; and (iii) in the event that Debentures are

distributed to holders of Series __ Preferred Securities as a result of the occurrence of a Special Event, the Company will use its best efforts to list the Debentures on the New York Stock Exchange or on such other exchange as the Series __ Preferred Securities are then listed.

IN WITNESS WHEREOF, I have executed this Officer's Certificate this _____ day of _____, 1994.

_____

EXHIBIT 4.5

PAYMENT AND GUARANTEE AGREEMENT

PAYMENT AND GUARANTEE AGREEMENT ("Guarantee Agreement"), dated as of _____ __, 1994, is executed and delivered by Duquesne Light Company, a Pennsylvania corporation (the "Guarantor"), for the benefit of the Holders (as defined below) from time to time of the Preferred Securities (as defined below) of Duquesne Capital L.P., a Delaware limited partnership (the "Issuer").

WHEREAS, the Issuer will issue from time to time its preferred limited partnership interests in one or more series ("Preferred Securities"), and the Guarantor desires to issue this Guarantee Agreement for the benefit of the Holders thereof from time to time, as provided herein;

WHEREAS, the Issuer will loan the proceeds from the issuance and sale of the Preferred Securities to the Guarantor in return for Debentures (as defined below) which will be issued by the Guarantor pursuant to the Indenture (as defined below); and

WHEREAS, the Guarantor desires hereby irrevocably and unconditionally to agree to the extent set forth herein to pay to the Holders the Guarantee Payments (as defined below) and to make certain other payments on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the purchase by each Holder of the Preferred Securities, which purchase the Guarantor hereby agrees shall benefit the Guarantor, the Guarantor executes and delivers this Guarantee Agreement for the benefit of the Holders.

ARTICLE I

As used in this Guarantee Agreement, the terms set forth below shall, unless the context otherwise requires, have the following meanings. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Amended and Restated Agreement of Limited Partnership of the Issuer dated as of _____ __, 1994 (the "Partnership Agreement").

"Debentures" shall mean subordinated debentures of the Guarantor

issued in one or more series under the Indenture and having certain payment terms which correspond to the terms of the related series of Preferred Securities.

"Guarantee Payments" shall mean the following payments, without duplication, to the extent not paid by the Issuer: (i) any accumulated and unpaid Dividends on the Preferred Securities of any series, but only to the extent that the Issuer has (a) funds legally available for the payment of such Dividends, as determined by the General Partner, and (b) cash on hand sufficient to make such payment; (ii) the Redemption Price (as defined below) payable with respect to any Preferred Securities called for redemption by the Issuer, but only to the extent that the Issuer has (a) funds legally available for the payment of such Redemption Price, as determined by the General Partner, and (b) cash on hand sufficient to make such payment; and (iii) upon a liquidation of the Issuer, the lesser of (a) the Liquidation Distribution (as defined below) and (b) the amount of assets of the Issuer legally available to the Issuer for distribution to holders of Preferred Securities.

"Holder" shall mean a Person in whose name an LP certificate evidencing a Preferred Security is registered on the books and records of the Issuer; provided, however, that in determining whether the Holders of
-------- -------
the requisite percentage of Preferred Securities have given any request, notice, consent or waiver hereunder, "Holder" shall not include the Guarantor or any Affiliate of the Guarantor.

"Indenture" shall mean the Indenture, dated as of the date hereof, between the Guarantor and The First National Bank of Chicago, as trustee, pursuant to which the Guarantor will issue Debentures from time to time to evidence the loan of the proceeds received by the Issuer from (i) the issuance and sale of the Preferred Securities and (ii) capital contributions made by the Guarantor to the Issuer.

"Liquidation Distribution" shall mean the aggregate of the liquidation preference of $25 per Preferred Security plus an amount equal to any accumulated and unpaid Dividends to the date of payment.

"Redemption Price" shall mean $25 per Preferred Security plus an amount equal to any accumulated and unpaid Dividends to the date fixed for redemption.

ARTICLE II

SECTION 2.01. The Guarantor irrevocably and unconditionally agrees to pay in full to the Holders the Guarantee Payments, as and when due, regardless of any defense, right of set-off or counterclaim which the Issuer may have or assert. The Guarantor's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by the

Guarantor to the Holders or by causing the Issuer to pay such amounts to the Holders.

SECTION 2.02. The Guarantor hereby waives notice of acceptance of this Guarantee Agreement and of any liability to which it applies or may apply, presentment, demand for payment, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands.

SECTION 2.03. The obligations, covenants, agreements and duties of the Guarantor under this Guarantee Agreement shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

(a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Preferred Securities to be performed or observed by the Issuer;

(b) the extension of time for the payment by the Issuer of all or any portion of the Dividends, Redemption Price, Liquidation Distribution or any other sums payable under the terms of the Preferred Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Preferred Securities (other than any extension arising out of a permitted extension of any interest payment periods for the Debentures);

(c) any failure, omission, delay or lack of diligence on the part of the Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Holders pursuant to the terms of the Preferred Securities, or any action on the part of the Issuer granting indulgence or extension of any kind;

(d) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt, of or other similar proceedings affecting, the Issuer or any of the assets of the Issuer;

(e) any invalidity of, or defect or deficiency in, any of the Preferred Securities; or

(f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred.

There shall be no obligation of the Holders to give notice to, or obtain consent of, the Guarantor with respect to the happening of any of the foregoing.

SECTION 2.04. This Guarantee Agreement is a guarantee of payment and not of collection. A Holder may enforce this Guarantee Agreement

directly against the Guarantor, and the Guarantor hereby waives any right or remedy to require that any action be brought against the Issuer or any other person or entity before proceeding against the Guarantor. Subject to Section 2.05, all waivers herein contained shall be without prejudice to the Holders' right at the Holders' option to proceed against the Issuer, whether by separate action or by joinder. The Guarantor agrees that this Guarantee Agreement shall not be discharged except by payment of the Guarantee Payments in full and by complete performance of all obligations of the Guarantor contained in this Guarantee Agreement.

SECTION 2.05. The Guarantor shall be subrogated to all (if any) rights of the Holders against the Issuer in respect of any amounts paid to the Holders by the Guarantor under this Guarantee Agreement and shall have the right to waive payment of any amount of Dividends in respect of which payment has been made to the Holders by the Guarantor pursuant to Section 2.01; provided, however, that the Guarantor shall not (except to the extent required by mandatory provisions of law) exercise any rights which it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of a payment under this Guarantee Agreement, if, at the time of any such payment, any amounts are due and unpaid under this Guarantee Agreement. To the extent that any amounts shall be paid to the Guarantor in violation of the preceding sentence, the Guarantor agrees to pay over such amounts to the Holders.

SECTION 2.06. The Guarantor acknowledges that its obligations hereunder are independent of the obligations of the Issuer with respect to the Preferred Securities and that the Guarantor shall be liable as principal and sole debtor hereunder to make Guarantee Payments pursuant to the terms of this Guarantee Agreement notwithstanding the occurrence of any event referred to in subsections (a) through (f), inclusive, of Section 2.03 hereof.

ARTICLE III

SECTION 3.01. So long as any Preferred Securities remain outstanding, the Guarantor shall not declare or pay any Dividend on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock or make any guarantee payments with respect to the foregoing (other than payments under this Guarantee Agreement) if at such time the Guarantor shall be in default with respect to its payment or other obligations hereunder or there shall have occurred and be continuing a payment default (whether before or after the expiration of any period of grace) or an Event of Default (as defined in the Indenture) under the Indenture.

SECTION 3.02. The Guarantor covenants, so long as any Preferred Securities remain outstanding, that it will: (i) not voluntarily (to the extent permitted by law) dissolve, liquidate or wind-up the Issuer; (ii) remain the sole General Partner (as defined in the Partnership Agreement) of the Issuer and timely perform all of its duties as General Partner of the Issuer (including the duty to declare and pay dividends on the

Preferred Securities), provided that any permitted successor of the Guarantor under the Indenture may succeed to the Guarantor's duties as General Partner; and (iii) use its reasonable efforts to cause the Issuer to remain a limited partnership (or permitted successor under the Partnership Agreement) and otherwise continue to be treated as a partnership for Federal income tax purposes.

SECTION 3.03. This Guarantee Agreement will constitute an unsecured obligation of the Guarantor and will rank subordinate in right of payment to all Senior Indebtedness (as defined in the Indenture). Each Holder shall be deemed to agree, by its acceptance hereof, and likewise covenants and agrees that (1) any amounts payable hereunder are hereby expressly subordinated, to the same extent as payments of principal of and premium, if any, and interest on each and all of the Debentures issued under the Indenture, in right of payment to the prior payment in full of all Senior Indebtedness, and (2) it accepts the provisions of Article Fifteen of the Indenture applicable to and binding the Debenture holders as if it were a Debenture holder and such provisions applied to it and to the same extent that such provisions apply to and bind the Debenture holders.

ARTICLE IV

This Guarantee Agreement shall terminate and be of no further force and effect upon full payment of the Redemption Price of all Preferred Securities or upon full payment of the Liquidation Distribution with respect to all Preferred Securities upon liquidation of the Issuer; provided, however, that this Guarantee Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any Holder of Preferred Securities must restore payment of any sums paid under the Preferred Securities or under this Guarantee Agreement for any reason whatsoever.

ARTICLE V

SECTION 5.01. All guarantees and agreements contained in this Guarantee Agreement shall bind the successors, assigns, receivers, trustees and representatives of the Guarantor and shall inure to the benefit of the Holders.

SECTION 5.02. Except with respect to any changes which do not adversely affect the rights of holders of Preferred Securities of any series (in which case no vote will be required), this Guarantee Agreement may only be amended by an instrument in writing signed by the Guarantor with the prior approval of the Holders of not less than 66-2/3% in aggregate liquidation preference of the outstanding Preferred Securities of each such affected series (voting together as one class), obtained in the manner provided in the Partnership Agreement.

SECTION 5.03. Any notice, request or other communication required or permitted to be given hereunder to the Guarantor shall be given in writing by delivering the same against receipt therefor by facsimile

transmission (confirmed by mail) or telex, addressed to the Guarantor, as follows (and if so given, shall be deemed given when mailed or upon receipt of an answer-back, if sent by telex):

Duquesne Light Company
One Oxford Centre
301 Grant Street
Pittsburgh, Pennsylvania 15279

Facsimile No.: (412) 393-6571
Attention: Treasurer

Any notice, request or other communication required or permitted to be given hereunder to the Holders shall be given by the Guarantor in the same manner as notices sent by the Issuer to the Holders.

SECTION 5.04. This Guarantee Agreement is solely for the benefit of the Holders and is not separately transferable from the Preferred Securities.

SECTION 5.05. THIS GUARANTEE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

This Guarantee Agreement is executed as of the day and year first above written.

DUQUESNE LIGHT COMPANY

By _____
Name:
Title: