



SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

(For List of Communities Served, see Pages No. 4 and 5)

Issued By

DUQUESNE LIGHT COMPANY

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Pittsburgh, PA 15219

Morgan K. O'Brien
President and Chief Executive Officer

ISSUED: December 16, 2008

EFFECTIVE: February 14, 2009

Issued to provide language to clarify the Market Price Adjustment Rate Multiplier approved at Docket No. P-00072247.

NOTICE

THIS TARIFF SUPPLEMENT MAKES CHANGES TO AN EXISTING RIDER

See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

Rider No. 20 – Market Price Adjustment Rate Multiplier

**Third Revised Page No. 109
Cancelling Second Revised Page No. 109**

This modification provides additional language to clarify the methodology used to calculate the rate multiplier described in Rider No. 20 – Market Price Adjustment Rate Multiplier. This revision supports the proposed rates in Supplement No. 16 to Tariff No. 24 filed December 1, 2008, to become effective January 1, 2009.

STANDARD CONTRACT RIDERS - (Continued)**RIDER NO. 20 - MARKET PRICE ADJUSTMENT RATE MULTIPLIER – (Continued)****(Applicable to Rates GS/GM and GMH)****MARKET INDEX PRICE – (Continued)****(C)**

4. The resulting on and off-peak futures prices at NIHUB for January through June 2009 will then be adjusted by multiplying each price by the corresponding on-peak or off-peak basis differential factor as measured over the most recent twelve (12) calendar months. For either the on-peak or off-peak period, the basis differential factor shall be calculated as the simple average of the day-ahead Duquesne Zone locational marginal energy prices divided by the simple average of the day-ahead NIHUB locational marginal energy prices. For the calculation of the on-peak basis differential factor, all day-ahead locational marginal energy prices during the on-peak period will be used. For the calculation of the off-peak basis differential factor, all day-ahead locational marginal energy prices during the off-peak period will be used.
5. The resulting on and off-peak futures prices will then be weighted by the number of on-peak and off-peak hours during the six (6) month period to obtain the energy component of the Market Index Price for the six month index period; and, the Capacity Price Component will be calculated based on a weighting of the PJM capacity charges in effect for the applicable six month index period identified on the PJM website for each June to May planning year and shall be a part of the Market Index Price. The capacity charge in \$/MW-day will be converted to an equivalent \$/MWh charge using the rate class average load factor of 41.3% for the applicable rate classes.

(C)

The same methodology will be used to determine subsequent Market Index Prices, with applicable dates and months, using the applicable data for each time period.

BASE INDEX PRICE

The wholesale electricity forward prices for calendar years 2009 and 2010 as of January 2007 ("Base Index Price") have been calculated. The Base Index Price for calendar years 2009 and 2010 was calculated using the same methodology as for the Market Index Price, except that futures prices as of the 20 trading days immediately preceding January 11, 2007 were used, and locational marginal energy spot price data from the January 2006 – December 2006 period was used to calculate the basis differential factors.

The Base Index Price for 2009 is \$43.81/MWh and the Base Index Price for 2010 is \$44.49/MWh. The Base Index Price for capacity is \$40.694/MW-day equivalent to \$4.102/MWh based on the GS/GM and GMH rate class load factor.

(C)**RATE MULTIPLIER**

The Rate Multiplier for each six (6) month period will be calculated as follows:

$$\text{Rate Multiplier} = (\text{Market Index Price} / \text{Base Index Price})$$