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NEWS RELEASE

FOR IMMEDIATE RELEASE
December 4, 2008

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PHI's MAPP Transmission Line Continues to Add Benefits

- PJM approves use of direct current cables for portion of line

Pepco Holdings, Inc. (NYSE: POM) continues to make progress in expanding the benefits for its Mid-Atlantic Power Pathway (MAPP) high-voltage transmission line by increasing the line's reliability to carry electricity to the Delmarva Peninsula.

The company announced today that the PJM Interconnection Board, the organization responsible for controlling the flow of bulk power in the mid-Atlantic region, has approved the use of direct current cabling for a portion of the line from Calvert County in southern Maryland to the Indian River substation in Delaware.

"By switching from alternating current to direct current for this portion of the 500-kilovolt line we will be able to better control the flow of power along the new line and safely direct more electricity to areas in need," said Vince Maione, project manager for MAPP.

He noted that direct current lines allow for better control of power flow than alternating current and also:

- Are easier to place avoiding sensitive environmental areas,
- Provide greater protection against blackouts, and
- Increase power transfer capabilities.

(more)

Maione said the cost of the upgraded line is projected at \$1.425 billion. When completed in 2013, MAPP will add about 40 cents per 1,000 kilowatt hours a month to customers' electric bills, an amount that had been factored in to earlier estimates to include the upgrade to DC current. All 51 million customers served by PJM in 13 states and the District of Columbia will share in the cost of constructing the line.

MAPP will run approximately 230 miles from northern Virginia, across southern Maryland and under the Chesapeake Bay to the Delmarva Peninsula and north to southern New Jersey.

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***About PHI:** Pepco Holdings, Inc., headquartered in Washington, D.C., delivers electricity and natural gas to about 1.9 million customers in Delaware, the District of Columbia, Maryland and New Jersey. Through its subsidiaries Pepco, Delmarva Power and Atlantic City Electric, PHI delivers regulated electricity and natural gas service. PHI provides competitive wholesale generation services through Conectiv Energy and retail energy products and services through Pepco Energy Services.*