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701 Ninth Street NW
Washington, DC 20068
pepcoholdings.com
NYSE: POM

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Media Contact: Robert Dobkin, 202-872-2680
radobkin@pepco.com

Investors Contact: Donna Kinzel, 302-429-3004

PHI Requests Procedural Delay for MAPP Project Work Continues on Design, Route and Environmental Studies

WASHINGTON--Pepco Holdings, Inc. (NYSE: POM) today asked Maryland regulators to suspend until June 2010 the procedural schedule on its application to build a high-voltage transmission line to the Delmarva Peninsula, pending completion of a review at that time of the Mid-Atlantic region's over-all transmission needs by PJM Interconnection, the independent regional power grid operator.

In a letter to the Maryland Public Service Commission, PHI said that "because of a significant change in circumstances" involving another proposed high-voltage transmission line in Virginia, "it is both prudent and efficient" to suspend the procedural schedule while awaiting completion of the new study. The company asked that a revised schedule then be established in June.

PHI, the corporate parent of Delmarva Power, has proposed to build the Mid-Atlantic Power Pathway (MAPP), a 150-mile, 500-kilovolt transmission line from Virginia, through Maryland and across the Chesapeake Bay. It would provide the Delmarva Peninsula with a strong backbone transmission system with a second link to additional energy sources, relieve higher energy costs resulting from congested high-voltage lines, and resolve current and future reliability issues facing the region.

PJM, which manages the grid system for a 13-state region and the District of Columbia, has scheduled an in-service date of 2014 for MAPP. However, the studies PJM had conducted for MAPP all relied on an assumption that the new Virginia line also would be in service at that time.

Last week, PJM indicated that certain preliminary studies based on new assumptions suggest that the Virginia line may not be needed as soon as originally predicted, but made no assessment of MAPP.

PHI believes that the overall need for MAPP remains in order to serve long-term energy demand and provide electric reliability. The company will continue with its design, environmental studies and route definition process for MAPP while awaiting the new PJM study results.

PHI remains committed to constructing a regional, reliable transmission system and has asked the Maryland commission to establish a revised procedural schedule for the proceedings in June.

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About PHI: *Pepco Holdings, Inc. (NYSE: POM) is one of the largest energy delivery companies in the Mid-Atlantic region, serving about 1.9 million customers in Delaware, the District of Columbia, Maryland and New Jersey. PHI subsidiaries Pepco, Delmarva Power and Atlantic City Electric provide regulated electricity service; Delmarva Power also provides natural gas service. PHI provides competitive wholesale generation services through Conectiv Energy and retail energy products and services through Pepco Energy Services.*