

Environmental Stewardship & Sustainability
Wetlands Protection

Wetlands are areas where the frequent and prolonged presence of water at or near the soil surface determines the ecosystem: the kinds of soils that form, the plants that grow and the wildlife communities that use the habitat. Once regarded as wastelands, wetlands are now recognized as valuable landscape resources, providing numerous benefits to both people and wildlife. Swamps, marshes and bogs are well-recognized types of wetlands; however, many other, equally important wetland types have drier or more variable water systems.

Human activities cause wetland degradation and loss by changing water quality, quantity, and flow rates; introducing pollutants; and changing species composition through disturbance. Common causes of degradation include filling and draining for development and surfacing with impervious materials such as asphalt or cement, thereby increasing runoff of pollutant-carrying water into wetlands.

PHI recognizes and respects the valuable wetland resources within our service territories. We assess potential wetland impacts when designing both the configuration and siting of our transmission lines and facilities. Special attention is also given to any PHI activities that could adversely impact wetlands or other environmentally sensitive areas.

Protecting Our Diverse Wetlands

PHI is committed to protecting and preserving valuable wetland resources as part of its planning, design, construction, operation and maintenance activities. We work closely with government agencies and stakeholders including community representatives in order to maintain a compliant and proactive approach to avoiding or minimizing impacts to wetlands while conducting essential business activities. We adhere to required project-specific and/or general wetland permit conditions; where feasible, we go beyond minimum compliance by employing best-available wetland protection measures and technologies.

- PHI strives to use latest-available techniques to protect habitats in planning, design, construction, operation and maintenance of power lines in sensitive and wetland environments.
- When PHI cannot avoid causing a temporary, minor disturbance a wetland area, for instance by matting for equipment access, the site is restored to pre-disturbance conditions immediately upon completion of construction.
- PHI works closely with federal, state, regional and local agencies to obtain the appropriate permits for regulated wetland activities and implement compensatory and/or mitigation measures for unavoidable wetland impacts.



PHI Employs Best-Practice Construction and Wetland Protection Methods, Including...

- Route and site-selection analysis to avoid wetland areas whenever possible
- Detailed field studies and wetland delineations in appropriate project areas
- Design modifications where necessary to protect wetlands. Examples include increasing the distance between utility poles to minimize the number installed in wetlands; and siting equipment to avoid in-stream work
- Installation of soil erosion controls, such as silt fencing, to prevent sediment from entering wetlands or upstream waterways
- Use of specialized equipment and technologies - such as equipment pads/matting, sky-crane helicopters and horizontal directional drilling - to minimize disturbance in wetland areas.



PHI: A Partner in Wetlands Management

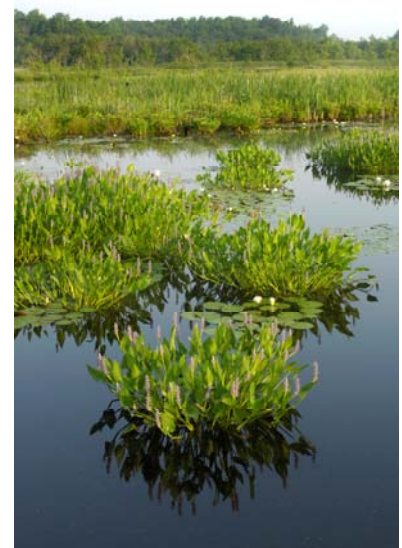
PHI partners with more than 60 environmental organizations, including the Corporate Wetlands Restoration Partnerships of Delaware and New Jersey, the Chesapeake Fund and many others, PHI also sponsors and participates in numerous ongoing programs aimed at the restoration and protection of wetland and environmentally sensitive areas. In addition, PHI closely monitors and adheres to advisories and regulations from government bodies at all levels to ensure all practices are up-to-date and compliant.

Regulations that Protect Wetlands

- **The Federal Rivers & Harbors Appropriation Act of 1899**, Section 10 (33 U.S.C. 403) established a program to regulate activities affecting navigation in United States waters, including wetlands. This law, along with Section 404 of the Clean Water Act (CWA), forms the basis for wetland regulation in the United States.
- **Section 404 of the Federal Clean Water Act (CWA)** established a program to regulate the discharge of dredged and fill material into waters of the United States, including wetlands. This statute – along with state laws and regulations – serves as the primary mechanism governing the protection of freshwater and coastal wetlands.

Agencies that Protect Wetlands

- **The United States Army Corps of Engineers and the United States Environmental Protection Agency**, as well as state, regional and local environmental agencies, regulate the discharge of dredged or fill material (i.e., material used to create dry land from wet land or to change the water's bottom elevation) into any U.S. body of water, including wetlands.
- The United States Army Corps of Engineers, in collaboration with federal, state and local regulatory agencies, issues Section 404 permits to discharge dredged or fill material into U.S. waters, including wetlands. Applicants must comply with strict requirements for avoiding, minimizing or mitigating wetland impacts



For more information on Pepco Holdings, Inc.'s environmental programs, send your query to enviroinfo@pepcoholdings.com, or visit us at www.pepcoholdings.com/services/environment/