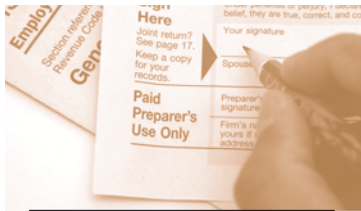


Lines

THE NEWSLETTER FOR PEPCO CUSTOMERS

WWW.PEPCO.COM

SEPT 2007



DID YOU KNOW?

Q: I'm thinking about making some home improvements for greater energy efficiency. If I want to take advantage of the federal energy tax credit, is there a deadline for making my improvements?

A: Tax credits are available for many types of home improvements, including adding and/or upgrading insulation, replacement windows, and certain high efficiency heating and cooling equipment.

The maximum amount of homeowner credit for all improvements combined is \$500 during the two-year period of the tax credit. This tax credit applies to improvements made from January 1, 2006 through December 31, 2007.

(cont. on back)

We're connected to you by more than power lines.®

Pepco Goes "Green" With Net Metering

In an effort to preserve the environment, some Pepco customers are considering generating their own electricity using renewable resources, such as solar and wind.

In response, Pepco offers residential customers a program called "Net Metering." This program enables customers to install small-scale generators and sell unused power back the utility grid. Here's how it works:

Customer Scenario:

On days when you produce more energy than you need, your electric meter runs in reverse, reflecting the energy you're sending back to the regional power grid. In cases when you need to draw energy from the grid, your meter runs as it normally does.

Your monthly Pepco bill will include the standard customer charges. However, in the energy supply portion of the bill, participating customers are charged for the "net" amount of energy used. That means

we first subtract the kilowatt-hours of electricity produced from the amount used – resulting in lower energy costs.

Application Process:

Customers who install renewable energy sources must first submit an application to link their system to Pepco's. This is done to ensure safety and compatibility with our electrical system. If you're interested in generating your own electricity, here are some helpful hints to get you started:

- Research the types of systems available to you. Customers should know that their renewable energy-generating system can be sized to meet all, or part, of their overall energy needs.
- Once your research is finalized, decide which type of system is best suited to meet your energy needs.
- Interview and select a reputable installing contractor, who will typically handle the application process, any rebate forms, permits, inspections, etc.

(cont. on back)

We Have a Speaker for Your Next Event

Pepco offers speakers on a broad range of issues including our plan to use innovative technologies to enhance reliability and help customers save on energy costs.

A Pepco speaker also can demonstrate our on-line bill analysis and energy-savings tool called My Account.

To learn more about the Speakers Bureau, visit www.pepco.com. Or call 202-872-2089 to arrange for a Pepco speaker at your next event. Speakers are available for day or evening events.



2007 Hurricane Season Reminder

Pepco wants to remind customers that hurricane season runs through November. To help you prepare for severe weather that could result in extended power outages, visit our Web site at www.pepco.com and click "Emergency Preparedness" on the homepage. And remember to report outages by calling toll free 1-877-PEPCO-62.

Pepco Goes "Green"

(cont. from front)

■ Keep in mind that Pepco does not sell or install renewable generation systems. If you decide to install a solar unit, for example, please follow the application process to facilitate review and acceptance of your application prior to installation and operation.

There are specific guidelines for Pepco's Net Metering program based on where you live. For more information, go to www.pepco.com or call 202-872-2040.

Did You Know? (cont. from front)

For more specific information on the federal energy tax credits under the Energy Policy Act of 2005, visit www.energytax-credit.com/summary.html or call your local IRS office.

If you have a question that you want answered in this column, please send it to one of the following:

Attn: Did You Know Column

Postal Address:

*Pepco Corporate Communications
701 Ninth St., NW, EP9626
Washington, D.C. 20068*

Fax: 202-331-4857

Attn : Did You Know Column

E-mail:

Lines@PepcoHoldings.com

Turning Up the Heat for Deserving Families

Thanks to the generosity of corporate friends and neighbors we have raised more than \$150,000 to help needy families pay energy bills. It's all part of the 2nd Annual Pepco Golf & Tennis Classic – a Cadillac invitational event – being held this month at the Country Club at Woodmore, in Mitchellville, MD.

Catholic Charities of Montgomery County, the Greater Washington Urban League in the District, and United Community Against Poverty, Inc., Prince George's County, will distribute funds to those who struggle to pay electric and gas bills during the coming heating season.

We appreciate Smooth Jazz 105.9 and WUSA9-TV, our media partners, who promoted the tournament. Visit pepco.com for more event information.

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Electricity Theft—Illegal and Dangerous

People attempting to steal electricity by tampering with electric meters, are not only breaking the law—they are placing themselves and others at great risk.

Those who tamper with meters are exposing themselves to potentially live wires, which can result in serious injury or even death.

Moreover, people who walk past tampered meters are at risk, especially children who may not be aware of the danger.

If you see someone who appears to be damaging an electric meter, please call our hotline number at 202-496-5835 to report it.



A PHI Company

Customer Service: (202) 833-7500
TTY Telephone Number for Hearing Impaired: (202) 872-2369
To Report Power Outages: 1-877-PEPCO 62 (1-877-737-2662)