



ROCKVILLE, MARYLAND

September 1, 2005

Mr. Thomas H. Graham
President, PEPCO Region
PEPCO Holdings, Inc.
701 Ninth Street, NW
Washington, DC 20068-0001

Dear Mr. Graham:

Today kicks off National Preparedness Month – a time to assess our readiness to face man-made or natural disasters. In light of the terrible devastation caused by Hurricane Katrina this week, we are further reminded that this season's hurricane season is shaping up as one of the worst in recent history. This summer, Montgomery County residents have been frustrated by numerous power outages already. To ensure that everything possible is being done to prepare for possible emergencies, we would like to better understand the source of these outages and find ways to ensure that our residents receive a more stable supply of power in the future.

Although electricity is an important part of everyone's daily life, it is particularly critical to the health and safety of our most vulnerable residents. Seniors and other at risk individuals have an especially tough time managing during extended periods without power. For others, who operate home businesses and do not have a back-up supply of electricity, power outages can mean the difference between making payroll or not. A constant supply of electricity is also necessary to power traffic lights and other safety devices, and any breakdowns in the system pose significant risks to the welfare of our community.

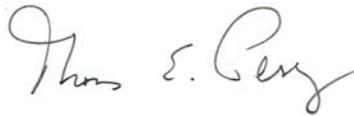
Because several storms earlier this summer seriously impacted service to our residents, we would like you to provide us with:

- An overview of the severity of the worst storms and the resulting damages that disrupted power to large numbers of our residents – including specific measures of infrastructure damage, such as the number of feet of lines and the number of transformers knocked out;
- The number of out-of-system crews that your company brought in to repair the damages;
- Information on the accuracy of the restoration times your staff gave to customers who called about the outages; and
- The effectiveness of measurements put in place two years ago in the aftermath of Hurricane Isabel to improve service and prevent outages, and any lessons learned.

Mr. Thomas H. Graham
August 15, 2005
Page 2

We want to ensure that our residents have the power they need to go about their daily routines and that we are prepared to meet the emergencies that we potentially face every day. We look forward to your response.

Sincerely,

Handwritten signature of Tom Perez in cursive script.

Tom Perez
County Council President

Handwritten signature of Douglas M. Duncan in cursive script.

Douglas M. Duncan
County Executive

cc: Maryland Public Services Commission