

PEPCO HOLDINGS INC  
Form U-9C-3  
August 29, 2003

As Filed with the Securities  
and Exchange Commission  
on August 29, 2003  
Contains Confidential Information  
Filed pursuant to a request for  
Confidential Treatment

U.S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM U-9C-3

QUARTERLY REPORT PURSUANT TO RULE 58 OF  
THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

For the quarterly period ended June 30, 2003

Pepco Holdings, Inc.  
Conectiv  
Conectiv Energy Holding Company  
ACE REIT, Inc.  
(Name of Registered Holding Companies)

701 Ninth Street, N.W.  
Washington, DC 20068  
(Address of Principal Executives Offices)

Inquiries concerning this Form U-9C-3 may  
be directed to:

Anthony J. Kamerick  
Vice President and Treasurer  
Pepco Holdings, Inc.  
701 Ninth Street, N.W.  
Washington, DC 20068  
(202) 872-2056

Pepco Holdings, Inc.  
 FORM U-9C-3  
 For the Quarter Ended June 30, 2003

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Item 1. - ORGANIZATION CHART

<u>Name of Reporting Company</u>	<u>Energy or Gas Related Company</u>	<u>State of Organization</u>	<u>Date of Organization</u>	<u>% of Voting Securities Held</u>
Pepco Holdings, Inc.				
Potomac Electric Power Company				
Microcell Corporation	Energy related	NC	1/3/00	5
Pepco Energy Services, Inc.	Energy related	DE	3/7/95	100

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Trigen-Pepco Energy Services, LLC	Energy related	DC	12/15/00	50
Pepco Government Services LLC	Energy related	DE	9/30/99	100
PES Landfill Gas Corporation	Energy related	DE	5/31/02	100
Fauquier Landfill Gas, LLC	Energy related	DE	4/23/99	75
Pepco Building Services, Inc.	Energy related	DE	12/7/98	100
MET Electrical Testing Company, Inc	Energy related	DE	12/7/98	100
Seaboard Mechanical Services, Inc.	Energy related	DE	6/27/01	100
Engineered Services, Inc.	Energy related	DE	11/27/00	100
Unitemp, Inc.	Energy related	DE	5/31/01	100
G&L Mechanical Services, Inc.	Energy related	DE	12/5/00	100
Conectiv				
Conectiv Energy Holding Company				
Conectiv Energy Supply, Inc.	Energy related	DE	7/3/75	100
Conectiv Operating Services Company	Energy related	DE	5/8/87	100
Delaware Operating Services Company	Energy related	DE	12/19/02	100
PHI Operating Services Company	Energy related	DE	12/19/02	100
Atlantic Generation, Inc.	Energy related	DE	10/9/86	100
Vineland Limited, Inc.	Energy related	DE	8/24/90	100
Vineland Cogen. Limited Partnership	Energy related	DE	9/27/90	50
Vineland General, Inc.	Energy related	DE	8/24/90	100
Pedrick Gen, Inc.	Energy related	DE	7/28/89	100
Binghamton Limited, Inc.	Energy related	DE	5/2/90	100
Binghamton General, Inc.	Energy related	DE	5/2/90	100
Conectiv Solutions LLC				
Conectiv Services, Inc.				

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Conectiv Thermal Systems, Inc.	Energy related	DE	5/5/94	100
ATS Operating Services, Inc.	Energy related	DE	3/31/95	100
Atlantic Jersey Thermal Systems, Inc	Energy related	DE	5/10/94	100
Thermal Energy L.P. I	Energy related	DE		100
ATE Investment, Inc.				
King Street Assurance Ltd.				
Enertech Capital Partners, LP	Energy related	DE	8/9/96	94
Enertech Capital Partners II, LP	Energy related	DE	4/14/00	10
Conectiv Properties and Investments, Inc.				
DCTC-Burney, Inc.	Energy related	DE	6/26/87	100
Forest Products, L.P.	Energy related	DE	10/5/89	1
Burney Forest Products, a Joint Venture	Energy related	CA		55.56
Tech Leaders II, L.P.	Energy related	DE	10/28/94	2.6

Item 2. - ISSUANCES AND RENEWALS OF SECURITIES AND CAPITAL CONTRIBUTIONS

ISSUANCES AND RENEWALS OF SECURITIES

<u>Company Issuing Security</u>	<u>Company To Whom Security Was Issued</u>	<u>Type of Security Issued</u>	<u>Issue or Renewal</u>	<u>Amount of Securities During Period(\$)</u>	<u>Interest Rate (%)</u>	<u>Cumulative Amount of Securities (\$)</u>
PHI Service Company, Agent	Atlantic Generation, Inc.	Money Pool Advance	N/A	*	N/A	*

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PHI Service Company, Agent	Conectiv Energy Supply, Inc.	Money Pool Advance	Issue	*	N/A	*
Pepco Holdings, Inc.	Delaware Operating Services Company	Short-Term Note	Issue	*	1.38	*
PHI Service Company, Agent	Pepco Energy Services, Inc.	Money Pool Advance	N/A	*	1.38	*
Conectiv Thermal Systems, Inc.	Conectiv	Long-Term Note	N/A	*	N/A	*

Note: PHI Service Company serves as agent for the PHI System Money Pool.

CAPITAL CONTRIBUTIONS:

<u>Company Contributing Capital</u>	<u>Company Receiving Capital</u>	<u>Amount During Period (\$)</u>	<u>Cumulative Amount(\$)</u>
Conectiv	Enertech Capital Partners, LP	*	*
Pepco Energy Services, Inc.	MET Electrical Testing Company, Inc.	*	*
Potomac Capital Investment Corporation	Kinetic Ventures Funds	*	*

Note: Enerval is no longer an active company.

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## Item 3. - ASSOCIATED TRANSACTIONS

Part I. - Transactions performed by reporting companies on behalf of associate companies.

<u>Reporting Company Rendering Services</u>	<u>Associate Company Receiving Services</u>	<u>Types of Services Rendered</u>	<u>Direct Costs Charged (\$)</u>	<u>Indirect Costs Charged (\$)</u>	<u>Total Amount Billed (\$)</u>
Conectiv Energy Supply, Inc.	Conectiv Atlantic Generation, L.L.C.	Fuel	*		*
Conectiv Energy Supply, Inc.	Delmarva Power & Light Company	Power and Capacity	*		*
Conectiv Energy Supply, Inc.	Conectiv Thermal Systems, Inc.	Gas	*		*
Conectiv Energy Supply, Inc.	Delmarva Power & Light Company	Power	*		*
Conectiv Energy Supply, Inc.	Delmarva Power & Light Company	Gas	*		*
Conectiv Energy Supply, Inc.	Pepco Energy Services, Inc.	Gas	*		*
Pepco Energy Services, Inc.	Conectiv Energy Supply, Inc.	Emissions	*		*
Conectiv Energy Supply, Inc.	Pepco Energy Services, Inc.	Power	*		*
Conectiv Energy Supply, Inc.	Pepco Energy Services, Inc.	Capacity	*		*
MET Electrical Testing	Conectiv Operating	Maintenance	(1)		(1)

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Company	Services Company		*	*
MET Electrical Testing Company	Pepco Energy Services, Inc.	Maintenance	(1)	(1)
Substation Test Company	Potomac Electric Power Company	Maintenance	(1)	(1)
Substation Test Company	Potomac Power Resources LLC	Maintenance	(1)	(1)
G&L Mechanical Services, Inc.	Pepco Energy Services, Inc.	Maintenance	(1)	(1)
MET Electrical Testing Company	Atlantic City Electric Company	Maintenance	*	*
G&L Mechanical Services, Inc.	Potomac Electric Power Company	Maintenance	*	*
Engineered Services, Inc.	Potomac Electric Power Company	Maintenance	*	*

(1)

Represents amounts for period from January 1, 2003 to June 30, 2003

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Part II - Transactions performed by associate companies on behalf of reporting companies.

Associate Company	Reporting Company	Types of Services	Direct Costs	Indirect Costs	Total Amount
<u>Rendering Services</u>	<u>Receiving Services</u>	<u>Rendered</u>	<u>Charged (\$)</u>	<u>Charged (\$)</u>	<u>Billed (\$)</u>

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Conectiv Delmarva Generation, Inc.	Conectiv Energy Supply, Inc.	Electric Energy, Capacity and Ancillary Services	*	*
Conectiv Atlantic Generation, L.L.C.	Conectiv Energy Supply, Inc.	Electric Energy, Capacity and Ancillary Services	*	*
Delmarva Power & Light Company	Conectiv Energy Supply, Inc.	PJM Expenses	*	*
Conectiv Bethlehem, LLC	Conectiv Energy Supply, Inc.	Electric Energy, Capacity and Ancillary Services	*	*
Atlantic City Electric Company	Conectiv Energy Supply, Inc.	Electric Energy, Capacity and Ancillary Services	*	*
Pepco Energy Services, Inc.	Conectiv Energy Supply, Inc.	Gas	*	*
W.A. Chester	Substation Test Company	Maintenance	(1)	(1)
			*	*

Note: PHI Service Company, the service company for the PHI System, provides services to various reporting companies. Such information is reported on the annual Form U-13-60.

<sup>(1)</sup> Represents amounts for period from January 1, 2003 to June 30, 2003

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Item 4. - SUMMARY OF AGGREGATE INVESTMENT



Investments in energy-related companies (in millions):

Total consolidated capitalization as of June 30, 2003 \$9,463.2 Line 1

Total capitalization multiplied by 15% 1,419.5 Line 2  
(Line 1 multiplied by 0.15)

Greater of \$50 million or line 2 \$1,419.5 Line 3

Total current aggregate investment:  
(categorized by major line of energy-related business)

Energy-related business Category - Rule 58(b)(1)(i) \$ \*

Energy-related business Category - Rule 58(b)(1)(ii) \*

Energy-related business Category - Rule 58(b)(1)(iv) \*

Energy-related business Category - Rule 58(b)(1)(v) \*

Energy-related business Category - Rule 58(b)(1)(vi) \*

Energy-related business Category - Rule 58(b)(1)(vii) \*

Energy-related business Category - Rule 58(b)(1)(viii) \*

Energy-related business Category - Rule 58(b)(1)(ix) \*

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Total current aggregate investment \$\* Line 4

Difference between the greater of \$50 million or 15% of Capitalization and the total aggregate investment of the registered holding company system (line 3 less line 4) \$\* Line 5

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Investments in gas-related companies:

NONE

Item 5. - OTHER INVESTMENTS

Prior to the registration of Pepco Holdings, Inc. as a registered holding company on August 1, 2002, Potomac Electric Power Company and its subsidiaries had investments of approximately \$140.4 million in "energy-related companies." Such amount is excluded from the calculations in Item 4 above.

**Item 6. - FINANCIAL STATEMENTS AND EXHIBITS**

A. Financial Statements:

FS-1

Financial statements of Pepco Holdings, Inc. (incorporated by reference to the filing by Pepco Holdings, Inc. on Form

10-Q for the period ended June 30, 2003)

FS-2	Financial statements of Conectiv (incorporated by reference to the filing by Conectiv on Form 10-Q for the period ended June 30, 2003)
FS-3	Financial statements of Pepco Energy Services, Inc. and Subsidiaries (confidential treatment requested)
FS-4	Financial statements of Conectiv Energy Supply, Inc. and Subsidiary (confidential treatment requested)
FS-5	Financial statements of Atlantic Generation, Inc. and Subsidiaries (confidential treatment requested)
FS-6	Financial statements of Conectiv Thermal Systems, Inc. and Subsidiaries (confidential treatment requested)
FS-7	Financial statements of DCTC-Burney, Inc. (confidential treatment requested)
FS-8	Financial statements of Delaware Operating Services Company (confidential treatment requested)
FS-9	Financial statements of PHI Operating Services Company (confidential treatment requested)

B. Exhibits:

B-2. Certificate of Pepco Holdings, Inc.

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SIGNATURE

The undersigned registered holding company has duly caused this quarterly report to be signed on its behalf by the undersigned officer thereunto duly authorized pursuant to the requirements of the Public Utility Holding Company Act of 1935.

PEPCO HOLDINGS, INC.

By: Anthony J. Kamerick  
Anthony J. Kamerick

Vice President and Treasurer

August 29, 2003

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Exhibit B-2

Certificate

I hereby certify that the Form U-9C-3 for Pepco Holdings, Inc. for the previous quarter has been provided to the state commissions listed below:

Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, DE 19904

Maryland Public Service Commission  
6 St. Paul Centre, 16th Floor  
Baltimore, MD 21202

Virginia State Corporation Commission  
1300 E. Main Street  
Tyler Building  
Richmond, VA 23219

New Jersey Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102

Public Service Commission of the District of Columbia  
2<sup>nd</sup> Floor - West Tower  
1333 H Street, N.W.  
Washington, DC 20005

PEPCO HOLDINGS, INC.

By: Anthony J. Kamerick  
Anthony J. Kamerick  
Vice President and Treasurer

Date: August 29, 2003