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OFFICE OF CHIEF COUNSEL
CORPORATION FINANCE

Securities Exchange Act of 1934--
Sections 13(d), 13(e), 13(g), 14 and 16(a)

December 1, 2006

BY HAND DELIVERY

Office of the Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549
Attention: Heather Maples

Re: Request for No-Action Letter on behalf of Pepco Holdings, Inc., Atlantic City Electric Company, Delmarva Power & Light Company and Potomac Electric Power Company

Dear Ms. Maples:

On behalf of Pepco Holdings, Inc. ("PHI") and its subsidiaries, Atlantic City Electric Company ("ACE"), Delmarva Power & Light Company ("DPL") and Potomac Electric Power Company ("Pepco" and together with ACE and DPL, the "PHI Subsidiaries"), we submitted to the staff of the Division of Corporation Finance of the Securities and Exchange Commission (the "Commission") a letter dated August 9, 2006, requesting the advice of the staff that it would not recommend an enforcement action to the Commission if the PHI Subsidiaries proceed as described in that letter. Based on our telephone conversation with you on November 29, 2006, we are submitting this revised letter, which supersedes our prior letter.

Each of the PHI Subsidiaries is a direct or indirect wholly owned subsidiary of PHI. All of the outstanding shares of capital stock of Pepco are owned by PHI. All of the outstanding shares of common stock of ACE and DPL are owned by Conectiv, and all of the outstanding shares of capital stock of Conectiv are owned by PHI.¹ PHI is a corporation meeting the Registrant Requirements specified in General Instruction I.A to Form S-3.

¹ Each of ACE and DPL has outstanding shares of non-convertible preferred stock of various series. The holders of this preferred stock do not have the right to vote for the election directors (except in the case of non-payment of dividends for prescribed periods) or otherwise have voting rights, except for certain limited consent rights set forth (continued...)

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Each of the PHI Subsidiaries from time to time in the future expects to offer and sell non-convertible investment grade debt securities in transactions registered under the Securities Act of 1933, as amended (the "Securities Act"), that satisfy the Transaction Requirements specified in General Instruction I.B.2 to Form S-3. Because PHI satisfies the Registrant Requirements specified in General Instruction I.A to Form S-3, each of the PHI Subsidiaries, as a "majority-owned subsidiary" of PHI, qualifies for use of Form S-3 in accordance with General Instruction I.C.2 to Form S-3.²

Each of the PHI Subsidiaries currently has outstanding debt securities, and ACE and DPL also have outstanding preferred stock, issued pursuant to registration statements filed under the Securities Act, and each currently files reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). However, none of the PHI Subsidiaries currently has any securities registered under Section 12 of the Exchange Act, and thus none of them are required to file reports pursuant to Section 13(a) of the Exchange Act. In addition, the obligation of each of the PHI Subsidiaries to file Exchange Act reports pursuant to Commission rules under Section 15(d) of the Exchange Act is automatically suspended because, as of January 1, 2006, the beginning of its current fiscal year, its outstanding debt securities, and, in the case of ACE and DPL, its outstanding shares of preferred stock, issued pursuant to registration statements filed under the Securities Act were held of record by fewer than 300 persons and none of the registration statements was declared effective in the current fiscal year. Therefore, although the PHI Subsidiaries continue to file reports under the Exchange Act, they are doing so on a voluntary basis.

Item 12 of Form S-3 requires a registrant to incorporate periodic reports "filed pursuant to Section 13(a) or 15(d) of the Exchange Act" into registration statements on Form S-3. We understand that it is the Commission's position that because the PHI Subsidiaries are not required to file reports under the Exchange Act, they do not file periodic reports "pursuant to" Section 13(a) or 15(d) of the Exchange Act and therefore, cannot satisfy this requirement of Form S-3. Therefore, in order to become eligible to incorporate by reference reports filed pursuant to the Exchange Act as required by Form S-3, each PHI Subsidiary intends to file a registration statement on Form 10 pursuant to Section 12(g) of the Exchange Act, registering its

in its certificate of incorporation and as otherwise provided by law in circumstances where the rights of the holders would be altered. None of such preferred stock is traded on a securities exchange.

² In order to provide greater financing flexibility, each of the PHI Subsidiaries also may elect to register for future sale non-convertible, non-voting investment grade preferred stock for which they would also be eligible to use Form S-3 in accordance with General Instruction I.C.2.

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common stock, and as a consequence will be required to file reports pursuant to Section 13(a) of the Exchange Act.

Registration under the Exchange Act of the common stock of each PHI Subsidiary would impose certain requirements under Sections 13(d), 13(e), 13(g), 14 and 16(a) of the Exchange Act on such PHI Subsidiary and its directors and officers, as well as PHI and, in respect of ACE and DPL, Conectiv. These requirements are designed for the benefit or protection of the holders of equity securities registered under Section 12 of the Exchange Act.³ However, where all of the outstanding common stock of each PHI Subsidiary is owned by PHI, or a wholly owned subsidiary of PHI, such protection is unnecessary, and therefore the disclosure and reporting requirements of such provisions have no meaningful application. In these circumstances, we submit that requiring compliance with these provisions would merely impose increased costs and regulatory burdens on PHI and the PHI Subsidiaries, with no corresponding public benefit.

We therefore propose that, so long as all of the outstanding common stock of a PHI Subsidiary is owned directly or indirectly by PHI and no other security of such PHI Subsidiary is required to be registered under Section 12 of the Exchange Act (a) such PHI Subsidiary will not file proxy or information statements pursuant to Section 14 of the Exchange Act and the Commission rules thereunder with respect to its common stock, (b) the directors, officers and shareholders of such PHI Subsidiary will not file reports with respect to the common stock of such PHI Subsidiary under Section 16(a) of the Exchange Act, (c) the shareholders of such PHI Subsidiary will not file reports under Section 13(d) or 13(g) of the Exchange Act with respect to holdings of such PHI Subsidiary's common stock and (d) such PHI Subsidiary will not comply with the filing requirements under Section 13(e) of the Exchange Act in connection with transactions involving its common stock.

We respectfully request that the staff confirm that it will not recommend enforcement action to the Commission if each PHI Subsidiary and its officers, directors and shareholders proceed as outlined in the immediately preceding paragraph. We note that substantially the same relief has been afforded by the staff in letters to Allstate Life Insurance Company (available August 23, 2002), Duke Energy Corporation (available December 29, 1997), NationsBank Corporation (available September 19, 1995), GE Global Insurance Holding Corporation (available June 21, 1995), Ford Holdings, Inc. (available February 8, 1990) and Discover Credit Corporation (available August 28, 1989).

³ As discussed above, the outstanding classes of preferred stock of ACE and DPL, of which there are fewer than 300 shareholders of record, are not, nor are they required to be, registered under Section 12(g) of the Exchange Act. Consequently, the holders of such preferred stock are not entitled to the benefits and protections afforded by Sections 13(d), 13(e), 13(g), 14 and 16(a) of the Exchange Act that otherwise would apply if the classes of preferred stock were so registered.

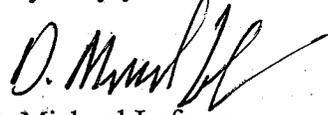
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In compliance with procedures set forth in Securities Act Release Nos. 33-6269 (December 5, 1980) and 33-5127 (January 25, 1971), seven copies of this letter are enclosed. Should you have any questions regarding this matter, please do not hesitate to contact the undersigned at (202) 662-5276 or Ed Dixon at (202) 662-5541.

Very truly yours,



D. Michael Lefever

cc: Ellen Sheriff Rogers