

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden
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— Check this box if no longer
subject to Section 16. Form 4 or
Form 5 obligations may continue.
See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public
Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person* Nussdorf, Lawrence C. <div style="display: flex; justify-content: space-between;"> (Last) (First) (Middle) </div> Pepco Holdings, Inc. 701 Ninth Street, NW <div style="text-align: center;">(Street)</div> Washington, DC 20068 <div style="display: flex; justify-content: space-between;"> (City) (State) (Zip) </div>			2. Issuer Name and Ticker or Trading Symbol Pepco Holdings, Inc. (POM) <div style="display: flex;"> <div style="width: 45%;"> 3. IRS Identification Number of Reporting Person, if an entity (voluntary) </div> <div style="width: 55%;"> 4. Statement for Month/Day/Year January 1, 2003 5. If Amendment, Date of Original (Month/Day/Year) </div> </div>			6. Relationship of Reporting Person(s) to Issuer (Check all applicable) <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> Director <input type="checkbox"/> Officer (give title below) </div> <div> <input type="checkbox"/> 10% Owner <input type="checkbox"/> Other (specify below) </div> </div> <hr style="width: 100%;"/> 7. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person				
Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned										
1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								1,000	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

**Persons who respond to the collection of information contained
in this form are not required to respond unless the form displays
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(Over)
SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, If Any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Phantom Stock (1)	(2)	1/01/03		A		195.160031		(2)	NA	Common Stock	195.160031	(1)			
Phantom Stock (1)	(2)	12/31/02		A		14.267291		(2)	NA	Common Stock	14.267291	(1)	1306.859326	D	

Explanation of Responses:

(1) Acquired in consideration for services, with the number of shares of phantom stock calculated by dividing the amount of meeting fees and/or retainer payable (\$1,250 per meeting or that portion of the annual retainer of \$30,000 which the director elected to receive in phantom stock) by the market price of the PHI shares at the close of business two business days before the meeting or retainer payment date, respectively. At least one-half of the retainer is required to be paid in common stock or phantom stock.

(2) Phantom stock on a date specified or to be specified by the participant is settled in cash in an amount equal to the market price of the PHI common stock on the settlement date.

** Intentional misstatements or omissions of facts constitute Federal Crime Violations.
See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Lawrence C. Nussdorf by Ellen Sheriff Rogers, Attorney-in-Fact

**Signature of Reporting Person

1/03/03

Date

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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