

Pepco Energy Services, Inc.  
Balance Sheet  
(Dollars in Thousands)  
(Unaudited)

<b>ASSETS</b>	<u>As of June 30, 2003</u>
<b>Current Assets</b>	
Cash and cash equivalents	*
Inventories	*
Prepayments	*
Accounts receivable	*
Accounts receivable from associated companies	*
	*
<b>Investments and Other Assets</b>	
Goodwill	*
Other investments	*
	*
<b>Property, Plant, and Equipment</b>	
Property, plant, and equipment	*
Accumulated depreciation	*
	*
<b>Total Assets</b>	*
<b>LIABILITIES AND OWNER'S EQUITY</b>	
<b>Current Liabilities</b>	
Short term debt	*
Accounts payable	*
Interest and taxes accrued	*
Other	*
	*
<b>Deferred Credits</b>	
Deferred income taxes	*
Long-term capital lease obligations	*
Other	*
	*
	*
<b>Long Term Debt</b>	*
<b>Capitalization</b>	
Additional paid-in capital	*
Other comprehensive income	*
Retained deficit	*
Total capitalization	*
<b>Total Capitalization and Liabilities</b>	*

\* Filed under request for confidential treatment pursuant to Rule 104(b) of the Public Utility Holding Company Act of 1935.

**Pepco Energy Services, Inc.**  
**Consolidated Statements of Income**  
**(Dollars in Thousands)**  
**(Unaudited)**

**Six Months**  
**Ended June 30, 2003**

<b>OPERATING REVENUES</b>	*
<b>OPERATING EXPENSES</b>	
Electric fuel and purchased energy and capacity	*
Cost of sales	*
Operation and maintenance	*
Depreciation and amortization	*
	*
<b>OPERATING INCOME</b>	*
<b>OTHER INCOME</b>	*
<b>INTEREST EXPENSE</b>	*
<b>INCOME BEFORE INCOME TAXES</b>	*
<b>INCOME TAXES</b>	*
<b>NET INCOME</b>	*

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