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William T. Torgerson
Vice Chairman and
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June 10, 2005

Pepco Holdings, Inc.
701 Ninth Street, N.W.
Washington, D.C. 20068

Ladies and Gentlemen:

I am Vice Chairman and General Counsel of Pepco Holdings, Inc., a Delaware corporation (the "Company"), and have acted as counsel to the Company in connection with the offer and sale by the Company of \$250,000,000 in aggregate principal amount of Floating Rate Notes due June 1, 2010 (the "Notes") under and pursuant to Registration Statement on Form S-3 (Registration No. 333-123525) and Registration Statement on Form S-3 (Registration No. 333-104350) (collectively, the "Registration Statements") under the Securities Act of 1933, as amended (the "Act"), which were declared effective by the Securities and Exchange Commission (the "Commission") on April 13, 2005 and May 6, 2003, respectively, the Prospectus, dated April 13, 2005, and Prospectus Supplements, dated June 7, 2005 and June 9, 2005, and filed with the Commission pursuant to Rule 424(b) under the Act on June 8, 2005 and June 9, 2005, respectively, and the Purchase Agreement, dated June 7, 2005, between the Company and Greenwich Capital Markets, Inc., J.P. Morgan Securities Inc., and Scotia Capital (USA) Inc., on their own behalf and on behalf of Citigroup Global Markets Inc., KeyBanc Capital Markets (a division of McDonald Investments Inc.), Lazard Capital Markets LLC and SunTrust Capital Markets, Inc. (the "Purchase Agreement"). The Notes will be issued pursuant to an indenture, dated as of September 6, 2002, between the Company and The Bank of New York, as trustee (the "Indenture").

In connection with this opinion, I, or my representatives, have examined originals, or copies certified or otherwise identified to my or their satisfaction, of such instruments, certificates, records and documents, and have reviewed such questions of law, as I have deemed necessary or appropriate for purposes of this opinion. In such examination, I or my representatives have assumed the genuineness of all signatures, the authenticity of all documents submitted to me or them as originals, the conformity to the original documents of all documents submitted as copies and the authenticity of the originals of such latter documents. As to any facts material to my opinion, I have relied upon the aforesaid instruments, certificates, records and documents and inquiries of the Company's representatives.

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Based upon the foregoing I am of the opinion that the Notes have been duly authorized for issuance and, when executed by the Company and authenticated by the Trustee in the manner provided in the Indenture and delivered against payment of the purchase price therefor set forth in the Purchase Agreement, will be duly and validly issued and will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

I hereby consent to the filing of this opinion as an exhibit to a Current Report on Form 8-K that will be incorporated by reference into the Registration Statements.

Very truly yours,

/s/ WILLIAM T. TORGERSON
William T. Torgerson