



All Regulatory Approvals Necessary to Close AltaGas Ltd.'s Acquisition of WGL Holdings, Inc. are Complete with Approval of the Public Service Commission of the District of Columbia

July 2, 2018

AltaGas, WGL and the other settling parties notified the DC PSC today that they accepted the Commission's conditions, clearing the way for the closing of the transaction, Friday, July 6, 2018

WASHINGTON--(BUSINESS WIRE)--Jul. 2, 2018-- WGL Holdings, Inc. (NYSE:WGL) and AltaGas Ltd. (TSX:ALA) announced today that they and the other parties to their unanimous settlement agreement signed in May have accepted the conditions imposed by the Public Service Commission of the District of Columbia (DC PSC). The Commission unanimously approved the settlement agreement June 28 and issued its order on June 29. The acceptance of the conditions completes the final step in the regulatory review process, allowing the companies to move forward with closing the \$4.5 billion transaction on Friday, July 6, 2018.

Together, the combined energy companies will be in a stronger position to deliver exceptional service at affordable rates, invest more in the community, provide additional clean energy choices to customers, and add good, secure jobs in Washington, D.C., Maryland and Virginia. Overall, AltaGas will provide more than \$138 million in customer benefits across all three jurisdictions as part of the merger.

"We are pleased to announce that the Public Service Commission of the District of Columbia has approved our acquisition of WGL after a rigorous regulatory review process," said Mr. David Harris, President and Chief Executive Officer of AltaGas. "The conditions crafted by the Commission are in alignment with the unanimous settlement agreement and the commitments made by AltaGas to safeguard and advance the public interest. This approval is the final one in a very comprehensive regulatory process, which required six key regulatory approvals including the states of Maryland and Virginia, as well as the District of Columbia.

"As we look forward, we see significant opportunity to be at the forefront of the new energy economy. The combination of AltaGas and WGL is a powerful one, with a North American footprint comprised of over \$20 billion of high quality, low-risk and long-lived infrastructure assets, and one which provides meaningful benefits for both customers and shareholders," concluded Mr. Harris.

"This merger brings together two complementary energy companies that will deliver more value for customers by providing a variety of energy products and services and investing in the communities we serve," said Mr. Terry McCallister, Chairman and CEO of WGL Holdings, Inc., the parent company of Washington Gas. "We appreciate the Public Service Commission's thorough consideration of the many positive benefits this merger brings to the District during its review process. We believe that Washington Gas will be an even stronger company as part of the AltaGas family and the new resources available as part of this combination will provide benefits for the District and the region for years to come."

WGL shareholders approved the merger in May 2017. Regulatory approvals also have been issued by Maryland, Virginia, the Federal Energy Regulatory Commission, the Federal Trade Commission, the Department of Justice, as well as the Committee on Foreign Investment in the United States, in addition to the DC PSC.

The DC PSC voted unanimously in favor of the merger on June 28, 2018. According to the final order issued by the Commission, AltaGas and WGL will provide about \$41 million in direct benefits to D.C. residents, businesses and the D.C. community, including—

- \$20.4 million in rate credits for residential customers resulting in a \$150 credit for each D.C. residential heating customer.
- \$5.4 million for one-time rate credits for non-residential customers in D.C.
- \$6 million to support workforce development initiatives in D.C., such as the Mayor's D.C. Infrastructure Academy.
- \$4.2 million for energy efficiency improvements for low-income qualified residential customers, including those who live in multi-family buildings.
- \$4 million to repair non-hazardous gas leaks more quickly.
- Develop a new 10MW electric grid energy storage or Tier 1 Renewable Resource in the District of Columbia, using best efforts to target the project in capacity constrained electric distribution areas, with a commitment that the operation of such facility will provide jobs for D.C. residents.

The companies have also made commitments to support all Washington Gas' service territories in the District of Columbia, Maryland, and Virginia, including—

- \$12 million in charitable contributions and local community support in the Washington, D.C., metropolitan area over the next 10 years, with at least \$210,000 in contributions annually to organizations serving D.C. residents.
- \$1.5 million over five years to help pay gas bills for Washington Gas low- and moderate-income customers, with at least \$260,000 dedicated solely to D.C. residents, administered through the Washington Area Fuel Fund.
- \$2.4 million over five years to add an additional Pipeline Damage Prevention Trainer/Educator in each jurisdiction.
- \$350,000 in incremental funding for pipeline damage prevention awareness and education across all three Washington Gas jurisdictions.

- \$450,000 for a renewable bio natural gas study.

In its efforts to ensure that ratepayers are well served by the merger, the Commission outlined additional conditions, which were consistent with the commitments proposed in the unanimous settlement agreement by AltaGas, WGL and other parties.

McCallister reinforced the many positive aspects of this combination for customers and the local community, emphasizing that Washington Gas will retain its name, operate as a business unit of AltaGas, and will continue to deliver affordable, reliable, high-quality energy services that customers have experienced in the company's 170-year history serving the District of Columbia.

"We will ensure a smooth transition process so that customers can look forward to enjoying the same exceptional level of service from our committed employees, and to receiving dependable energy services for many years ahead," McCallister said. "We will continue to be based in Washington, D.C., and will maintain our current facilities in the District, including walk-in offices, as we build a bigger, better and brighter future together in the D.C. region."

Upon today's filing with the Commission of full acceptance of the its order with conditions, and pursuant to the companies' original merger agreement, AltaGas and WGL expect to close the transaction on July 6, 2018.

The following is a timeline of the approvals received throughout the regulatory review process:

Shareholders

- Approval from WGL Holdings, Inc. shareholders on May 10, 2017

Federal

- Approval from the Federal Energy Regulatory Commission (FERC), an independent agency that regulates the interstate transmission of natural gas, electricity and oil, on July 6, 2017
- Expiration of the waiting period as of July 17, 2017, pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act), when the merger was deemed approved by the Federal Trade Commission and the Department of Justice
- Approval from the Committee on Foreign Investment in the United States (CFIUS) on July 28, 2017

State

- Approval from the Virginia State Corporation Commission on October 20, 2017
- Approval from the Maryland Public Service Commission on April 4, 2018
- Approval from the Public Service Commission of the District of Columbia on June 29, 2018.

About WGL

WGL (NYSE: WGL), headquartered in Washington, D.C., is a leading source for clean, efficient and diverse energy solutions. With activities and assets across the U.S., WGL consists of Washington Gas, WGL Energy, WGL Midstream and Hampshire Gas. WGL provides natural gas, electricity, green power and energy services, including generation, storage, transportation, distribution, supply and efficiency. Our calling as a company is to make energy surprisingly easy for our employees, our community and all our customers. Whether you are a homeowner or renter, small business or multinational corporation, state and local or federal agency, WGL is here to provide Energy Answers. Ask Us. For more information, visit us at www.wgl.com.

Forward-Looking Statements

This news release and other statements by us include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the merger with AltaGas and other expectations. Forward-looking statements are typically identified by words such as, but are not limited to, "estimates," "expects," "anticipates," "intends," "believes," "plans," and similar expressions, or future or conditional verbs such as "will," "should," "would," and "could." Although we believe such forward-looking statements are based on reasonable assumptions, we cannot give assurance that every objective will be achieved. Forward-looking statements speak only as of the date of this release, and we assume no duty to update them. Factors that could cause actual results to differ materially from those expressed or implied include, but are not limited to, general economic conditions, litigation related to the merger with AltaGas, the potential loss of customers, employees or business partners as a result of the merger and the factors discussed under the "Risk Factors" heading in our most recent annual report on Form 10-K and quarterly reports on Form 10-Q and other documents that we have filed with, or furnished to, the U.S. Securities and Exchange Commission.

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