



February 4, 2010

Forward-Looking Statements

This information 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 outlook for earnings, revenues and other future financial business performance or strategies and expectations. Forward-looking statements are typically identified by words such as, but not limited to, “estimates,” “expects,” “anticipates,” “intends,” “believes,” “plans,” “forecasts,” 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 today, 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 and the factors discussed under the “Risk Factors” heading in our most recent annual report on Form 10-K and other documents filed with or furnished to the Securities and Exchange Commission.

1Q FY2010 Consolidated Results

	12/31/09	12/31/08
Reported Consolidated Results (GAAP)	\$0.94	\$1.09
Regulated Utility	\$0.81	\$1.07
Energy Marketing	\$0.15	\$0.01
Design-Build Energy Systems	(\$0.01)	\$0.02
Other Activities	(\$0.01)	(\$0.01)
Reported Consolidated Results (GAAP)	\$0.94	\$1.09
Net Adjustments	\$0.07	(\$0.06)
Non-GAAP Operating Results ¹	\$1.01	\$1.03

1Q FY2010 Utility Results

Utility	12/31/09	12/31/08
Reported Operating Results (GAAP)	\$0.81	\$1.07
Adjustments for:		
Unrealized mark-to-market loss (gain) on energy-related derivatives	\$0.05	(\$0.13)
Storage optimization program	\$0.01	\$0.02
Amortization of derivative contract termination	(\$0.01)	--
Weather derivative products	\$0.01	--
Reversal of reserve for natural gas costs	--	(\$0.06)
Non-GAAP Operating Results ¹	\$0.87	\$0.90

1Q FY2010 Utility Results Drivers

1Q FY2009 Non-GAAP Operating Results	\$0.90
Customer Growth	\$0.02
Storage Carrying Charge	(\$0.03)
Miscellaneous Revenues	(\$0.02)
O&M, excludes Weather Protection Costs ¹	(\$0.02)
Interest Expense	\$0.03
Other, Net	(\$0.01)
1Q FY2010 Non-GAAP Operating Results	\$0.87

¹ In addition to the costs, this also excludes the potential gains or losses from weather protection products

1Q FY2010 Retail Energy Results

Retail Energy Marketing	12/31/09	12/31/08
Reported Operating Results (GAAP)	\$0.15	\$0.01
Adjustments for:		
Unrealized mark-to-market (gain) loss on energy-related derivatives	--	\$0.11
Non-GAAP Operating Results¹	\$0.15	\$0.12

1Q FY2010 Retail Energy Results Drivers

1Q FY2009 Non-GAAP Operating Results	\$0.12
Higher Natural Gas Gross Margins	\$0.07
Lower Electric Gross Margins	(\$0.02)
Change in Operating & Interest Expense	(\$0.02)
1Q FY2010 Non-GAAP Operating Results	\$0.15

Strong Balance Sheet and Top-Tier Credit Ratings



Committed Credit Available

As of December 31, 2009
(\$ in millions)

	WGL Holdings	Washington Gas	Total Consolidated
Committed credit agreements			
Unsecured revolving credit facility, expires August 3, 2012 ⁽⁹⁾	\$ 400.0	\$ 300.0	\$ 700.0
Total committed credit agreements	\$ 400.0	\$ 300.0	\$ 700.0
Less: Commercial Paper	(108.2)	(68.3)	(176.5)
Net committed credit available	\$ 291.8	\$ 231.7	\$ 523.5

⁽⁹⁾ Both WGL Holdings and Washington Gas have the right to request extensions with the banks' approval. WGL Holdings' revolving credit facility permits it to borrow an additional \$50 million, with the banks' approval, for a total of \$450 million. Washington Gas's revolving credit facility permits it to borrow an additional \$100 million, with the banks' approval, for a total of \$400 million.

Credit Ratings for Medium-Term Notes

	WGL Holdings, Inc	Washington Gas
	AA-	AA-
	Not Rated	A2
FitchRatings	A+	AA-

FY 2010 Non-GAAP Operating Guidance

	FY2010
Utility	\$1.79 – \$1.85
Non-Utility	\$0.43 – \$0.49
Total	\$2.22 – \$2.34

This forecast guidance has been determined as of February 3, 2010. The Company assumes no obligation to update this guidance. The absence of any statement by the Company in the future should not be presumed to represent an affirmation of this earnings guidance.

FY 2010 Non-GAAP Operating Guidance Assumptions

Utility	
Full Year FY2010 average active customer meter additions ¹	8,900
Operations & Maintenance expense (GAAP)	\$266M

Retail Energy	
WGES natural gas volumes	61.0 - 64.0 BCF
WGES natural gas margins	\$0.55/Dth - \$0.65/Dth
WGES electric volumes	9.0 million MWH - 9.6 million MWH
WGES electric margins	\$5.25/MWH - \$6.25/MWH
WGES non-commodity related expenses	\$47M-\$53M

Consolidated	
Effective tax rate	39%
Equity ratio target	Mid-50% range of total capital
Dividend payout ratio target	<= 65%
Average diluted shares outstanding	50,700,000

¹ Active customer meter additions based on 13-month average

Drivers of Change in Projected Utility Operating Results

FY2009 Non-GAAP Utility EPS	\$2.04
Customer Growth	\$0.05
Storage Carrying Charge	(\$0.06)
Interruptible and Miscellaneous Revenues	(\$0.04)
Asset Management Retained Net Margins	(\$0.04)
Pension and Retiree Medical Costs	(\$0.12)
Depreciation & Amortization	(\$0.05)
Other, Net	\$0.04
Midpoint of FY2010E Non-GAAP Utility EPS Guidance	\$1.82

Drivers of Change in Projected Non-Utility Operating Results

FY2009 Non-GAAP Non-Utility EPS	\$0.49
Retail Energy Marketing	
Higher Electric Gross Margins	\$0.23
Lower Natural Gas Gross Margins	(\$0.09)
Change in Operating & Interest Expense	(\$0.14)
Design-Build Energy Systems	(\$0.03)
Other Activities	\$0.00
Midpoint of FY2010E Non-GAAP Non-Utility EPS Guidance	\$0.46

Drivers of Change in Projected Utility Operating Results

FY2010E Non-GAAP Utility EPS Guidance (11/12/09)	\$1.78
Interest Expense	\$0.03
Asset Management Retained Net Margins	(\$0.02)
Other	\$0.03
FY2010E Non-GAAP Utility EPS Guidance (02/03/10)	\$1.82

Drivers of Change in Projected Non-Utility Operating Results

FY2010E Non-GAAP Non-Utility EPS Guidance (11/12/09)	\$0.44
Retail Energy Marketing	
Higher Electric Gross Margins	\$0.13
Higher Natural Gas Gross Margins	\$0.01
Change in Operating & Interest Expense	(\$0.09)
Design-Build Energy Systems	(\$0.03)
Other Non-Utility	\$0.00
FY2010E Non-GAAP Non-Utility EPS Guidance (02/03/10)	\$0.46

Investment Highlights

- High-growth, demographically attractive service area
- Strong, operationally efficient utility operations
- Favorable regulatory framework
- Profitable retail energy marketing business
- Solid balance sheet and top-tier credit ratings
- Thirty-three consecutive years of dividend increases;
159 consecutive years of dividend payouts



Appendix



Operating Segment Data¹

Operating Segment Financial Information							
(In thousands)	Regulated Utility	Non-Utility Operations			Eliminations	Consolidated	
		Retail Energy - Marketing	Design-Build Energy Systems	Other Activities			
Three Months Ended December 31, 2009							
Operating Revenues ^(a)	\$ 398,864	\$ 333,524	\$ 3,362	\$ 5	\$ (8,332)	\$ 727,423	
Operating Expenses:							
Cost of Energy-Related Sales	205,609	310,499	2,706	-	(8,332)	510,482	
Operation	51,962	8,781	959	603	-	62,305	
Maintenance	11,211	-	-	-	-	11,211	
Depreciation and Amortization	23,974	173	16	-	-	24,163	
General Taxes and Other Assessments:							
Revenue Taxes	17,407	614	-	-	-	18,021	
Other	12,460	890	40	9	-	13,399	
Total Operating Expenses	322,623	320,957	3,721	612	(8,332)	639,561	
Operating Income (Loss)	76,241	12,567	(359)	(607)	-	87,842	
Other Income (Expenses)—Net	281	19	10	120	(61)	369	
Interest Expense	9,701	59	-	58	(61)	9,757	
Dividends on Washington Gas Preferred Stock	330	-	-	-	-	330	
Income Tax Expense (Benefit)	25,795	5,020	(137)	(195)	-	30,483	
Net Income (Loss) Applicable to Common Stock	\$ 40,696	\$ 7,507	\$ (212)	\$ (350)	\$ -	\$ 47,641	
Total Assets	\$ 3,262,330	\$ 365,295	\$ 18,303	\$ 129,959	\$ (171,031)	\$ 3,604,856	
Capital Expenditures/Investments	\$ 26,688	\$ 2,233	\$ 27	\$ -	\$ -	\$ 28,948	
Three Months Ended December 31, 2008							
Operating Revenues ^(a)	\$ 530,640	\$ 293,845	\$ 9,778	\$ (16)	\$ (8,159)	\$ 826,088	
Operating Expenses:							
Cost of Energy-Related Sales	314,943	284,939	7,299	-	(8,159)	599,022	
Operation	51,093	6,831	1,151	608	-	59,683	
Maintenance	10,651	-	-	-	-	10,651	
Depreciation and Amortization	23,860	207	14	-	-	24,081	
General Taxes and Other Assessments:							
Revenue Taxes	17,278	129	-	-	-	17,407	
Other	12,305	678	29	8	-	13,020	
Total Operating Expenses	430,130	292,784	8,493	616	(8,159)	723,864	
Operating Income (Loss)	100,510	1,061	1,285	(632)	-	102,224	
Other Income (Expenses)—Net	(232)	10	75	450	(286)	17	
Interest Expense	11,785	290	-	390	(286)	12,179	
Dividends on Washington Gas Preferred Stock	330	-	-	-	-	330	
Income Tax Expense (Benefit)	34,446	331	528	(198)	-	35,107	
Net Income (Loss) Applicable to Common Stock	\$ 53,717	\$ 450	\$ 832	\$ (374)	\$ -	\$ 54,625	
Total Assets	\$ 3,299,148	\$ 346,371	\$ 23,583	\$ 138,221	\$ (169,881)	\$ 3,637,442	
Capital Expenditures/Investments	\$ 30,392	\$ 1,167	\$ 14	\$ 1	\$ -	\$ 31,574	

^(a) Operating revenues are reported gross of revenue taxes. Revenue taxes of both the regulated utility and the retail energy-marketing segments include gross receipt taxes. Revenue taxes of the regulated utility segment also include PSC fees, franchise fees and energy taxes