



First Quarter Fiscal Year 2012 Earnings Conference Call

February 6, 2012

WGL Holdings, Inc

Forward-Looking Statements

This document 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 FY2012 Consolidated Results



	12/31/11	12/31/10
Reported Consolidated Results (GAAP) ¹	\$0.98	\$1.28
Net Adjustments	\$0.15	(\$0.25)
Non-GAAP Operating Results ²	\$1.13	\$1.03
Regulated Utility	\$0.86	\$0.87
Retail Energy Marketing	\$0.25	\$0.13
Commercial Energy Systems	\$0.01	\$0.00
Wholesale Energy Solutions	\$0.02	\$0.04
Other Activities	(\$0.01)	(\$0.01)
Non-GAAP Operating Results ²	\$1.13	\$1.03

¹ GAAP diluted earnings (loss) per average common share

² Non-GAAP operating earnings (loss) per share. For a reconciliation of GAAP to non-GAAP financial measures, please refer to our website at www.wglholdings.com (Investor Relations, Quarterly Results)

1Q FY2012 Utility Results Drivers



1Q FY2011 Non-GAAP Operating Results¹	\$0.87
Customer Growth	\$0.01
Rate Relief	\$0.07
Asset Optimization Retained Net Margins	(\$0.02)
Operations & Maintenance	(\$0.08)
Depreciation and Amortization Expense	(\$0.02)
Miscellaneous Revenue, Other	\$0.03
1Q FY2012 Non-GAAP Operating Results¹	\$0.86

1Q FY2012 Non-Utility Results Drivers



1Q FY2011 Non-GAAP Operating Results¹	\$0.16
Retail Energy Marketing	
Electric Gross Margins	\$0.10
Natural Gas Gross Margins	\$0.03
Change in Operating & Interest Expense	(\$0.01)
Commercial Energy Systems	\$0.01
Wholesale Energy Solutions	(\$0.02)
Other Non-Utility, Net	\$0.00
1Q FY2012 Non-GAAP Operating Results¹	\$0.27

Strong Balance Sheet and Top-Tier Credit Ratings



Committed Credit Available

As of December 31, 2011
(\$ in millions)

	WGL Holdings	Washington Gas	Total Consolidated
Committed credit agreements			
Unsecured revolving credit facility, expires 8/3/12 ^(a)	\$ 400.0	\$ 300.0	\$ 700.0
Less: Commercial Paper	(163.0)	(65.0)	(228.0)
Net committed credit available	\$ 237.0	\$ 235.0	\$ 472.0

^(a)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
	A+	A+
	Not Rated	A2
FitchRatings	A+	AA-

FY 2012 Non-GAAP Operating Guidance



	FY2012
Utility	\$1.82 – \$1.88
Non-Utility	\$0.64 – \$0.70
Total	\$2.46 – \$2.58

This forecast guidance has been determined as of February 3, 2012. 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 2012 Non-GAAP Operating Guidance Assumptions



Utility	
Full Year FY2012 average active customer meter additions ¹	8,600
Operations & Maintenance expense (GAAP)	\$288M
Retail Energy	
WGES natural gas volumes	60.5 BCF – 64.5 BCF
WGES natural gas margins	\$0.60/Dth – \$0.66/Dth
WGES electric volumes	12.3 million MWH – 12.9 million MWH
WGES electric margins	\$5.50/MWH – \$6.50/MWH
WGES non-commodity related expenses	\$56M – \$62M
Consolidated	
Effective tax rate	40%
Equity ratio target	Mid-50% range of total capital
Dividend payout ratio target	<= 65%
Average diluted shares outstanding	51,600,000

Drivers of Change in Projected Utility Operating Results



FY2012E Non-GAAP Utility EPS Guidance (11/18/11)¹	\$1.83
Operations & Maintenance	(\$0.01)
Miscellaneous Revenue, Other	\$0.03
FY2012E Non-GAAP Utility EPS Guidance (02/03/12)¹	\$1.85

Projected FY2012 Non-Utility Operating Results (Non-GAAP)



Midpoint FY2012E

Retail Energy Marketing	\$0.65
Commercial Energy Systems	\$0.05
Wholesale Energy Solutions	\$0.01
Other Non-Utility	(\$0.04)
Total	\$0.67

Drivers of Change in Projected Non-Utility Operating Results



FY2012E Non-GAAP Non-Utility EPS Guidance (11/18/11)¹	\$0.69
Retail Energy Marketing	
Electric Gross Margins	\$0.01
Natural Gas Gross Margins	\$0.01
Operating & Other Expense	\$0.00
Commercial Energy Systems	\$0.00
Wholesale Energy Solutions	(\$0.04)
Other Non-Utility, Net	\$0.00
FY2012E Non-GAAP Non-Utility EPS Guidance (02/03/12)¹	\$0.67

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-five consecutive years of dividend increases;
161 consecutive years of dividend payouts

Appendix

Operating Segment Data¹



Operating Segment Financial Information



(In thousands)	Non-Utility Operations							Consolidated
	Regulated Utility	Retail Energy-Marketing	Commercial Energy Systems	Wholesale Energy Solutions	Other Activities	Eliminations		
Three Months Ended December 31, 2011								
Operating Revenues	(a) \$ 370,893	\$ 336,459	\$ 18,380	\$ 8,771	\$ -	(6,746)	\$ 727,757	
Operating Expenses:								
Cost of Energy-Related Sales	161,817	319,460	16,402	-	-	(6,508)	491,171	
Operation	53,655	13,203	969	350	851	(148)	68,880	
Maintenance	12,744	-	-	-	-	-	12,744	
Depreciation and Amortization	23,744	202	358	26	-	(90)	24,240	
General Taxes and Other Assessments:								
Revenue Taxes	22,593	1,328	-	-	-	-	23,921	
Other	11,723	1,041	56	52	4	-	12,876	
Total Operating Expenses	\$ 286,276	\$ 335,234	\$ 17,785	\$ 428	\$ 855	(6,746)	\$ 633,832	
Operating Income (Loss)	84,617	1,225	595	8,343	(855)	-	93,925	
Other Income (Expense)—Net	678	5	1	-	374	(17)	1,041	
Interest Expense	9,761	9	-	-	69	(17)	9,822	
Dividends on Washington Gas Preferred Stock	330	-	-	-	-	-	330	
Income Tax Expense (Benefit)	30,798	376	291	3,106	(195)	-	34,376	
Net Income (Loss) Applicable to Common Stock	\$ 44,406	\$ 845	\$ 305	\$ 5,237	\$ (355)	\$ -	\$ 50,438	
Total Assets	\$ 3,571,446	\$ 393,777	\$ 32,448	\$ 169,773	\$ 221,388	\$ (234,298)	\$ 4,154,534	
Capital Expenditures/Investments	\$ 47,679	\$ 143	\$ 11,567	\$ -	\$ 11,629	\$ -	\$ 71,018	

^(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. Operating revenue amounts in the "Eliminations" column represent total intersegment revenues associated with sales from the regulated utility segment to the retail energy-marketing segment.



New Non-Utility Operating Segments



FY2011:

Retail Energy Marketing	Design Build Energy Systems	Other Non-Utility		
 Washington Gas Energy Services <small>A Washington Gas Affiliated Company</small>	 Washington Gas Energy Systems <small>A Washington Gas Affiliated Company</small>	Capitol Energy Ventures Corp.	WGSW, Inc.	WGL Holdings, Inc.
Retail Energy Marketing	Design/Build	Asset Optimization	Solar Investments	Administrative
Commercial Solar (Own)	Commercial Solar (Build)		ASD	

FY2012:

Retail Energy Marketing	Commercial Energy Systems	Wholesale Energy Solutions	Other Non-Utility	
 Washington Gas Energy Services <small>A Washington Gas Affiliated Company</small>	 Washington Gas Energy Systems <small>A Washington Gas Affiliated Company</small>	Capitol Energy Ventures Corp.	WGSW, Inc.	WGL Holdings, Inc.
Retail Energy Marketing	Design/Build/Own/Operate all commercial solar and energy efficiency projects (wholly owned and managed)	Asset Optimization	Alternative Energy Investments	Administrative
			ASD, Skyline	