



Second Quarter Fiscal Year 2012 Earnings Conference Call

May 3, 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.

2Q FY2012 Consolidated Results



	3/31/12	3/31/11
Reported Consolidated Results (GAAP) ¹	\$1.44	\$1.55
Net Adjustments	\$0.14	(\$0.04)
Non-GAAP Operating Results ²	\$1.58	\$1.51
Regulated Utility	\$1.49	\$1.41
Retail Energy Marketing	\$0.10	\$0.16
Commercial Energy Systems	\$0.01	\$0.00
Wholesale Energy Solutions	(\$0.02)	(\$0.03)
Other Activities	\$0.00	(\$0.03)
Non-GAAP Operating Results ²	\$1.58	\$1.51

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)

6-Month FY2012 Consolidated Results



	3/31/12	3/31/11
Reported Consolidated Results (GAAP) ¹	\$2.42	\$2.83
Net Adjustments	\$0.28	(\$0.29)
Non-GAAP Operating Results ²	\$2.70	\$2.54
Regulated Utility	\$2.35	\$2.28
Retail Energy Marketing	\$0.36	\$0.29
Commercial Energy Systems	\$0.02	\$0.00
Wholesale Energy Solutions	\$0.00	\$0.01
Other Activities	(\$0.03)	(\$0.04)
Non-GAAP Operating Results ²	\$2.70	\$2.54

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)

FY2012 Utility Results Drivers



	2Q	YTD
FY2011 Non-GAAP Operating Results¹	\$1.41	\$2.28
Customer Growth	\$0.03	\$0.04
Rate Relief	\$0.11	\$0.19
Asset Optimization Retained Net Margins	(\$0.01)	(\$0.02)
Operations & Maintenance	(\$0.02)	(\$0.11)
Depreciation and Amortization Expense	(\$0.01)	(\$0.02)
Effective Tax Rate and Other	(\$0.02)	(\$0.01)
FY2012 Non-GAAP Operating Results¹	\$1.49	\$2.35

FY2012 Non-Utility Results Drivers



	2Q	YTD
FY2011 Non-GAAP Operating Results¹	\$0.10	\$0.26
Retail Energy Marketing		
Electric Gross Margins	\$0.04	\$0.14
Natural Gas Gross Margins	(\$0.08)	(\$0.05)
Change in Operating & Interest Expense	(\$0.02)	(\$0.02)
Commercial Energy Systems	\$0.01	\$0.02
Wholesale Energy Solutions	\$0.01	(\$0.01)
Other Non-Utility, Net	\$0.03	\$0.01
FY2012 Non-GAAP Operating Results¹	\$0.09	\$0.35

Strong Balance Sheet and Top-Tier Credit Ratings





Committed Credit Available

As of March 31, 2012
(\$ in millions)

	WGL Holdings	Washington Gas	Total Consolidated
Committed credit agreements			
Unsecured revolving credit facility	\$ 400.0	\$ 300.0	\$ 700.0
Less: Commercial Paper	(131.9)	-	(131.9)
Net committed credit available	\$ 268.1	\$ 300.0	\$ 568.1

Credit Ratings for Medium-Term Notes

	<i>WGL</i> 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	\$0.61 – \$0.67
Total	\$2.43 – \$2.55

This forecast guidance has been determined as of May 2, 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	8,800
Operations & Maintenance expense (GAAP)	\$282M

Retail Energy

WGES natural gas volumes	59.0 BCF – 63.0 BCF
WGES natural gas margins	\$0.60/Dth – \$0.66/Dth
WGES electric volumes	11.9 million MWH – 12.5 million MWH
WGES electric margins	\$5.75/MWH – \$6.75/MWH
WGES non-commodity related expenses	\$56M – \$62M

Consolidated

Effective tax rate (GAAP)	42%
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 (02/03/12)¹	\$1.85
Operations & Maintenance	\$0.01
Effective Tax Rate & Other	(\$0.01)
FY2012E Non-GAAP Utility EPS Guidance (05/02/12)¹	\$1.85

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



Midpoint FY2012E

Retail Energy Marketing	\$0.65
Commercial Energy Systems	\$0.04
Wholesale Energy Solutions	(\$0.01)
Other Non-Utility	(\$0.04)
Total	\$0.64

Drivers of Change in Projected Non-Utility Operating Results



FY2012E Non-GAAP Non-Utility EPS Guidance (02/03/12)¹	\$0.67
Retail Energy Marketing	
Electric Gross Margins	\$0.00
Natural Gas Gross Margins	(\$0.01)
Operating & Other Expense	\$0.01
Commercial Energy Systems	(\$0.01)
Wholesale Energy Solutions	(\$0.02)
Other Non-Utility, Net	\$0.00
FY2012E Non-GAAP Non-Utility EPS Guidance (05/02/12)¹	\$0.64

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