



First Quarter Fiscal Year 2009 Earnings Conference Call

February 5, 2009

WGL Holdings, Inc

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 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,” 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 FY2009 Consolidated Results

	12/31/08	12/31/07
Reported Consolidated Results (GAAP)	\$1.03	\$0.95
Regulated Utility	\$1.01	\$0.89
Energy Marketing	\$0.01	\$0.07
Design-Build Energy Systems	\$0.02	\$0.01
Other Activities	(\$0.01)	(\$0.02)
Reported Consolidated Results (GAAP)	\$1.03	\$0.95
Net Adjustments	—	\$0.01
Non-GAAP Operating Results ¹	\$1.03	\$0.96

1Q FY2009 Utility Results

Utility	12/31/08	12/31/07
Reported Operating Results (GAAP)	\$1.01	\$0.89
Adjustments for:		
Unrealized mark-to-market loss (gain) on energy-related derivatives	(\$0.13)	\$0.03
Loss on settled derivatives - storage optimization	\$0.02	--
Prior period lower-of-cost or market adjustment - storage optimization	(\$0.01)	--
Prior period gain on settled derivatives - storage optimization	\$0.01	--
Reversal of costs related to business process outsourcing	--	(\$0.02)
Other regulatory adjustments	--	(\$0.02)
Non-GAAP Operating Results ¹	\$0.90	\$0.88

1Q FY2009 Utility Results Drivers

1Q FY2008 Non-GAAP Operating Results	\$0.88
Customer Growth	\$0.02
Storage Carrying Charge	\$0.04
Lower DC & VA Usage	(\$0.05)
Timing of MD Rate Relief Related to New RNA Factor	(\$0.05)
Asset Management Retained Net Margins	(\$0.02)
O&M, excludes Weather Protection Costs ¹	\$0.05
Weather Protection Costs	\$0.02
Other, Net	\$0.01
1Q FY2009 Non-GAAP Operating Results	\$0.90

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

1Q FY2009 Retail Energy Results

Retail Energy Marketing	12/31/08	12/31/07
Reported Operating Results (GAAP)	\$0.01	\$0.07
Adjustments for:		
Unrealized mark-to-market (gain) loss on energy-related derivatives	\$0.11	\$0.02
Non-GAAP Operating Results¹	\$0.12	\$0.09

1Q FY2009 Retail Energy Results Drivers

1Q FY2008 Non-GAAP Operating Results	\$0.09
Higher Natural Gas Gross Margins	\$0.04
Change in Operating & Interest Expense	(\$0.01)
1Q FY2009 Non-GAAP Operating Results	\$0.12

Achieving Stability Through Recovery Mechanisms

	DC	MD	VA
Automatic gas cost recovery via PGC	✓	✓	✓
Carrying costs on storage gas balances	✓	✓	✓
Carrying costs on over/undercollected gas costs	✓	---	✓
Pension & OPEB expense	✓	---	---
Normalization (RNA / WNA)	Pending ¹	RNA	WNA ³
Performance-Based Rate Plan (PBR)	✓ ²	---	✓
Recovery of hexane costs	Pending	✓	✓
Gas Administrative Charge (GAC)	✓	✓	✓
Asset Management sharing	✓	✓	✓

¹ RNA tariff filing will take place pending the final decision by the District of Columbia PSC on PEPCO's Bill Stabilization Adjustment. Phase II proceeding to address regulatory implementation issues.

² DC settlement includes rate freeze that enables Washington Gas to retain all earnings in excess of 8.12% ROR through Oct 1, 2011.

³ Completed legislation provides regulatory mechanisms (including revenue decoupling) to recover LDC costs of customer conservation and activities that promote energy efficiency

Pending Regulatory Actions

Jurisdiction	Key Issues	Status
D.C.	Hexane recovery	WGL reply comments filed November 10, 2008
D.C.	Decoupling/RNA	RNA filing pending DC PSC PEPCO decoupling decision
Maryland	Case No. 9103 Changes in Depreciation Rates	On October 15, 2008 a Proposed Order of Hearing Examiner was issued that will reduce annual depreciation expense by approximately \$11.2 million when new depreciation rates are implemented. Reply Memorandum filed on December 15, 2008; currently awaiting a final decision by the PSC
Maryland	Phase II of Case No. 9104 Performance Based Rates/BPO	Proposed Order approved 10-year amortization for initial implementation costs related to BPO and denied request for approval of PBR plan. MD Staff, OPC and other parties appealed. Reply Memorandum filed on November 5, 2008; currently awaiting a final decision by the PSC
Maryland	LNG Facility	Complaint filed in the United States District Court for the District of Maryland on April 16, 2008. A final decision of the Court is pending.
Maryland	Gas Purchasing	On Sept 4, 2008, new proceeding docketed to consider issues related to WGL asset management program and cost recovery of gas purchases
FERC	Cove Point LNG Expansion	WGL requested a rehearing of FERC's October 7, 2008 authorization of construction that capped LNG flows into pipelines that serve the WGL system at currently authorized levels. On January 15, 2009, the FERC issued an order denying Washington Gas's request for rehearing and affirmed its reauthorization of the expansion. WGL is considering the appropriate action with regard to this decision including an appeal to FERC and the Courts.

5-Year Capital Expenditures (\$ in millions)

(\$ in millions)	2006A	2007A	2008A	2009E	2010E	2011E	2012E	2013E	Total '09-'13
New Business	\$48.7	\$44.9	\$45.8	55.2	64.7	71.4	75.1	76.3	342.7
Rehabilitation Project	47.8	30.8	8.1	-	-	-	-	-	-
Other Replacements	22.7	33.8	38.0	43.3	44.8	45.9	47.6	48.2	229.8
LNG Peaking Plant	5.8	0.3	0.1	3.7	36.5	64.9	44.6	1.1	150.8
Other ¹	36.5	48.3	39.4	45.1	39.5	26.5	22.6	27.4	161.1
Total	\$161.5	\$158.1	\$131.4	147.3	185.5	208.7	189.9	153.0	884.4

¹ Includes conditioning facilities




Strong Balance Sheet and Top-Tier Credit Ratings

Committed Credit Available (\$ in millions)

	WGL Holdings	Washington Gas
Committed credit agreements		
Unsecured revolving credit facility, expires August 3, 2012 ^(a)	\$ 400.0	\$ 300.0
Unsecured credit agreement, expires February 28, 2009	-	25.0
Unsecured credit agreement, expires May 27, 2009	-	75.0
Unsecured credit agreement, expires May 29, 2009	-	15.0
Unsecured credit agreement, expires September 19, 2009	-	10.0
Total committed credit agreements	\$ 400.0	\$ 425.0
Less: Commercial Paper	(114.0)	(251.3)
Net committed credit available	\$ 286.0	\$ 173.7

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

FY 2009 Non-GAAP Operating Guidance

	FY2009
Utility	\$2.00 – \$2.06
Non-Utility	\$0.41 – \$0.47
Total	\$2.41 – \$2.53

This guidance has been determined as of February 4, 2009. 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 2009 Non-GAAP Operating Guidance Assumptions

Utility	
Full Year FY2009 average active customer meter additions ¹	8,300
Operation & Maintenance expense (GAAP)	\$257M

Retail Energy	
WGES natural gas volumes	62.5 - 64.5 BCF
WGES natural gas margins	\$0.65/Dth - \$0.75/Dth
WGES electric volumes	4.0 million MWH - 4.5 million MWH
WGES electric margins	\$5.50/Mwh - \$6.50/Mwh
WGES non-commodity related expenses	\$30M-\$35M

Consolidated	
Effective tax rate	39%
Equity ratio target	Mid-50% range of total capital
Dividend payout ratio target	<= 65%
Average diluted shares outstanding	50,208,000

¹ Active customer meter additions based on 13-month average

Drivers of Change in Projected Utility Operating Results

FY2008 Non-GAAP Utility EPS	\$2.23
Customer Growth	\$0.06
Asset Management Retained Net Margins	\$0.02
Lower DC & VA Usage	(\$0.15)
Timing of MD Rate Relief Related to New RNA Factor	(\$0.05)
VA PBR Earnings Sharing	\$0.04
O&M, excludes Weather Protection Cost ¹	(\$0.02)
Storage Carrying Charge	(\$0.03)
Effective Tax Rate	(\$0.08)
Other, Net	\$0.01
Midpoint of FY2009E Non-GAAP Utility EPS Guidance	\$2.03

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

Drivers of Change in Projected Non-Utility Operating Results

FY2008 Non-GAAP Non-Utility EPS	\$0.21
Retail Energy Marketing	
Higher Electric Gross Margins	\$0.02
Higher Natural Gas Gross Margins	\$0.23
Change in Operating & Interest Expense	(\$0.03)
Design-Build Energy Systems	\$0.03
Other Activities	(\$0.02)
Midpoint of FY2009E Non-GAAP Non-Utility EPS Guidance	\$0.44

Drivers of Change in Projected Utility Operating Results

FY2009E Non-GAAP Utility EPS Guidance (11/13/08)	\$1.98
VA PBR Earnings Sharing	\$0.06
Asset Management Retained Net Margins	(\$0.03)
Operation and Maintenance Expense	\$0.02
FY2009E Non-GAAP Utility EPS Guidance (02/04/09)	\$2.03

Drivers of Change in Projected Non-Utility Operating Results

FY2009E Non-GAAP Non-Utility EPS Guidance (11/13/08)	\$0.35
Retail Energy Marketing	
Higher Electric Gross Margins	\$0.05
Higher Natural Gas Gross Margins	\$0.06
Change in Operating & Interest Expense	(\$0.03)
Design-Build Energy Systems	\$0.02
Other Non-Utility	(\$0.01)
FY2009E Non-GAAP Non-Utility EPS Guidance (02/04/09)	\$0.44

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-two consecutive years of dividend increases;
158 consecutive years of dividend payouts

Appendix

Operating Segment Data¹

(In thousands)	Operating Segment Financial Information						Consolidated
	Regulated Utility	Non-Utility Operations			Eliminations		
		Retail Energy - Marketing	Design-Build Energy Systems	Other Activities			
Three Months Ended December 31, 2008							
Operating Revenues	\$ 526,040	\$ 293,845	\$ 9,778	\$ (16)	\$ (8,159)	\$	\$ 821,488
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)	95,910	1,061	1,285	(632)	-		97,624
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)	32,627	331	528	(198)	-		33,288
Net Income (Loss) Applicable to Common Stock	\$ 50,936	\$ 450	\$ 832	\$ (374)	\$ -		\$ 51,844
Three Months Ended December 31, 2007							
Operating Revenues	\$ 464,428	\$ 285,267	\$ 4,414	\$ (5)	\$ (2,478)	\$	\$ 751,626
Operating Expenses:							
Cost of Energy-Related Sales	268,279	271,877	3,666	-	(2,478)		541,344
Operation	50,867	6,321	384	767	-		58,339
Maintenance	10,510	-	-	-	-		10,510
Depreciation and Amortization	24,046	199	10	-	-		24,255
General Taxes and Other Assessments:							
Revenue Taxes	15,453	137	-	-	-		15,590
Other	10,882	739	23	9	-		11,653
Total Operating Expenses	380,037	279,273	4,083	776	(2,478)		661,691
Operating Income (Loss)	84,391	5,994	331	(781)	-		89,935
Other Income (Expenses)—Net	536	-	114	506	(568)		588
Interest Expense	12,151	564	-	590	(568)		12,737
Dividends on Washington Gas preferred Stock	330	-	-	-	-		330
Income Tax Expense (Benefit)	28,244	2,149	172	(306)	-		30,259
Net Income (Loss) Applicable to Common Stock	\$ 44,202	\$ 3,281	\$ 273	\$ (559)	\$ -		\$ 47,197

¹ Figures are preliminary and may be different in filed 10-Q

Credit Exposure to Wholesale Counterparties (\$ in millions)

Rating ^(a)	Exposure Before Credit Collateral ^(b)	Offsetting Credit Collateral Held ^(c)	Net Exposure	Number of Counterparties Greater Than 10% ^(d)	Net Exposure of Counterparties Greater Than 10%
Washington Gas					
Investment Grade	\$ 16.7	\$ -	\$ 16.7	-	\$ -
Non-Investment Grade	0.1	-	0.1	-	-
No External Ratings	17.0	5.0	12.0	1	10.1
WGEServices					
Investment Grade	\$ 1.2	\$ -	\$ 1.2	1	\$ 1.2
Non-Investment Grade	-	-	-	-	-
No External Ratings	-	-	-	-	-

^(a) Included in "Investment Grade" are counterparties with a minimum Standard & Poor's or Moody's Investor Service rating of BBB- or Baa3, respectively. If a counterparty has provided a guarantee by a higher-rated entity (e.g., its parent), the guarantor's rating is used in this table.

^(b) Includes the net of all open positions on energy-related derivatives subject to mark-to-market accounting requirements, the net receivable/payable for realized transactions and net open positions for contracts designated as normal purchases and normal sales and not recorded on our balance sheet. Amounts due from counterparties are offset by liabilities payable to those counterparties to the extent that legally enforceable netting arrangements are in place.

^(c) Represents cash deposits and letters of credit received from counterparties, not adjusted for probability of default.

^(d) Using a percentage of the net exposure.