

The background of the slide features a series of overlapping, wavy, translucent blue bands that create a sense of motion and depth. The bands are set against a light blue gradient background.

Third Quarter Fiscal Year 2008 Earnings Conference Call

August 5, 2008

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.

3Q FY2008 Consolidated Results

	6/30/08	6/30/07
Reported Consolidated Results (GAAP)	(\$0.01)	\$0.26
Regulated Utility	(\$0.16)	(\$0.04)
Energy Marketing	\$0.16	\$0.32
Commercial HVAC	\$0.01	\$0.00
Other Non-Utility	(\$0.02)	(\$0.02)
Reported Consolidated Results (GAAP)	(\$0.01)	\$0.26
Net Adjustments	\$0.07	(\$0.12)
Non-GAAP Operating Results ¹	\$0.06	\$0.14

3Q FY2008 Utility Results

Utility	6/30/08	6/30/07
Reported Operating Results (GAAP)	(\$0.16)	(\$0.04)
Adjustments for:		
Colder-than-normal weather	--	(\$0.04)
Unrealized mark-to-market loss on energy-related derivatives	\$0.13	(\$0.01)
Non-GAAP Operating Results ¹	(\$0.03)	(\$0.09)

3Q FY2008 Utility Results Drivers

3Q FY2007 Non-GAAP Operating Results	(\$0.09)
New Rates and Regulatory Mechanisms	\$0.08
Asset Management Retained Net Margins	\$0.02
Storage Carrying Charge	\$0.01
Customer Growth	\$0.01
Operation & Maintenance Expense	(\$0.06)
Interest Income	(\$0.02)
Other, Net	\$0.02
3Q FY2008 Non-GAAP Operating Results	(\$0.03)

3Q FY2008 Retail Energy Results

Retail Energy Marketing	6/30/08	6/30/07
Reported Operating Results (GAAP)	\$0.16	\$0.32
Adjustments for:		
Unrealized mark-to-market (gain) loss on energy-related derivatives	(\$0.06)	(\$0.07)
Other (rounding)	--	\$0.01
Non-GAAP Operating Results¹	\$0.10	\$0.26

3Q FY2008 Retail Energy Results Drivers

3Q FY2007 Non-GAAP Operating Results	\$0.26
Lower Electric Gross Margins	(\$0.08)
Lower Natural Gas Gross Margins	(\$0.06)
Change in Operating & Interest Expense	(\$0.02)
3Q FY2008 Non-GAAP Operating Results	\$0.10

9-Month FY2008 Consolidated Results

	6/30/08	6/30/07
Reported Consolidated Results (GAAP)	\$2.56	\$2.46
Regulated Utility	\$2.29	\$2.16
Energy Marketing	\$0.30	\$0.35
Commercial HVAC	\$0.02	\$0.00
Other Non-Utility	(\$0.05)	(\$0.05)
Reported Consolidated Results (GAAP)	\$2.56	\$2.46
Net Adjustments	\$0.11	(\$0.16)
Non-GAAP Operating Results ¹	\$2.67	\$2.30

9-Month FY2008 Utility Results

Utility	6/30/08	6/30/07
Reported Operating Results (GAAP)	\$2.29	\$2.16
Adjustments for:		
Colder-than-normal weather	--	(\$0.07)
Reversal of costs related to business process outsourcing	(\$0.02)	--
Unrealized mark-to-market loss on energy-related derivatives	\$0.20	\$0.01
Other regulatory adjustments	(\$0.02)	--
Retroactive depreciation expense adjustment	--	(\$0.05)
Other (rounding)	(\$0.01)	\$0.01
Non-GAAP Operating Results ¹	\$2.44	\$2.06

9-Month FY2008 Utility Results Drivers

FY2007 Non-GAAP Operating Results through 6/30/07	\$2.06
New Rates and Regulatory Mechanisms	\$0.31
Asset Management Retained Net Margins	\$0.10
Higher DC & VA Usage	\$0.12
Customer Growth	\$0.06
Storage Carrying Charges	\$0.02
Operation & Maintenance Expense	(\$0.12)
VA PBR Earnings Sharing	(\$0.06)
Depreciation & General Taxes	(\$0.04)
Interest Income	(\$0.02)
Other, Net	\$0.01
FY2008 Non-GAAP Operating Results through 6/30/08	\$2.44

9-Month FY2008 Retail Energy Results

Retail Energy Marketing	6/30/08	6/30/07
Reported Operating Results (GAAP)	\$0.30	\$0.35
Adjustments for:		
Unrealized mark-to-market (gain) loss on energy-related derivatives	(\$0.04)	(\$0.06)
Non-GAAP Operating Results ¹	\$0.26	\$0.29

9-Month FY2008 Retail Energy Results Drivers

FY2007 Non-GAAP Operating Results through 6/30/07	\$0.29
Lower Electric Gross Margins	(\$0.09)
Higher Natural Gas Gross Margins	\$0.09
Change in Operating & Interest Expense	(\$0.03)
FY2008 Non-GAAP Operating Results through 6/30/08	\$0.26

5-Year Capital Expenditures (\$ in millions)

(\$ in millions)	2005A	2006A	2007A	2008E	2009E	2010E	2011E	2012E	Total '08-'12
New Business	\$58.2	\$48.7	\$44.9	\$51.8	\$53.3	\$60.4	\$55.3	\$49.3	\$270.1
Rehabilitation Project	8.2	47.8	30.8	2.5	0.0	0.0	0.0	0.0	2.5
Other Replacements	22.5	22.7	33.8	37.7	41.7	42.0	42.7	41.4	205.5
LNG Peaking Plant	1.5	5.8	0.3	0.7	3.7	36.5	64.9	44.6	150.4
Other ¹	33.7	36.5	48.3	43.9	39.4	30.2	15.1	17.9	146.5
Total	\$124.1	\$161.5	\$158.1	\$136.6	\$138.1	\$169.1	\$178.0	\$153.2	\$775.0


¹ Includes conditioning facilities

Pending Regulatory Actions

Jurisdiction	Key Issues	Status
D.C.	Hexane recovery	Comments due September 25
D.C.	Decoupling/RNA	RNA filing pending DC PSC PEPCO Decision
Maryland	Case No. 9103 Changes in Depreciation Rates	Reply Briefs due August 1 Proposed Order expected by September
Maryland	Phase II of Case No. 9104 Performance Based Rates/BPO	Hearings held June 10-12 Proposed Order expected by October
Maryland	LNG Facility	Complaint filed in the United States District Court for the District of Maryland on April 16, 2008
Maryland	Gas Purchasing	Petition filed by Staff of Maryland PSC on July 24, 2008 to request a review of the company's gas purchasing practices
Virginia	Decoupling/RNA	Completed legislation provides regulatory mechanisms (including revenue decoupling) to recover LDC costs of customer conservation and activities that promote energy efficiency
FERC	Cove Point LNG Expansion	On July 18, 2008, Court of Appeals remanded case to FERC to address whether expansion can go forward without causing unsafe conditions

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	Pending	✓
Recovery of hexane costs	Pending	✓	✓
Gas Administrative Charge (GAC)	✓	✓	✓
Asset Management sharing	✓	✓	✓

 = new since Sept '07

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

FY 2008 Non-GAAP Operating Guidance

	FY2008
Utility	\$2.07 – \$2.13
Non-Utility	\$0.24 – \$0.28
Total	\$2.31 – \$2.41

This guidance has been determined as of August 4, 2008. Estimates are based on July pricing data. 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 2008 Non-GAAP Operating Guidance Assumptions

Utility	
Active customer meter additions	7,000
Operations & Maintenance expense (GAAP)	\$250M

Retail Energy	
WGES natural gas volumes	63 - 64 BCF
WGES natural gas margins	\$0.45/Dth - \$0.55/Dth
WGES electric volumes	3.5 million MWH - 4.0 million MWH
WGES electric margins	\$5.50/Mwh - \$6.50/Mwh
WGES non-commodity related expenses	\$25M-\$30M

Consolidated	
Effective tax rate	39%
Equity ratio target	Mid-50% range of total capital
Dividend payout ratio target	< 65%
Average diluted shares outstanding	49,832,000

Drivers of Change in Projected Utility Operating Results

FY2007 Non-GAAP Utility EPS	\$1.71
New Rates and Regulatory Mechanisms	\$0.35
Asset Management Retained Net Margins	\$0.12
Customer Growth	\$0.07
Higher DC & VA Usage	\$0.10
Storage Carrying Charges	\$0.04
Operation & Maintenance Expense	(\$0.13)
Depreciation & General Taxes	(\$0.07)
VA PBR Earnings Sharing	(\$0.05)
Interest Income	(\$0.02)
Other, Net	(\$0.02)
Midpoint of FY2008E Non-GAAP Utility EPS Guidance	\$2.10

Drivers of Change in Projected Non-Utility Operating Results

FY2007 Non-GAAP Non-Utility EPS	\$0.28
Retail Energy Marketing	
Lower Electric Gross Margins	(\$0.15)
Higher Natural Gas Gross Margins	\$0.07
Change in Operating & Interest Expense	(\$0.01)
Commercial HVAC	\$0.02
Other Non-Utility	\$0.05
Midpoint of FY2008E Non-GAAP Non-Utility EPS Guidance	\$0.26

Drivers of Change in Projected Utility Operating Results

FY2008E Non-GAAP Utility EPS Guidance (04/30/08)	\$2.10
Customer Growth	(\$0.01)
Higher DC & VA Usage	\$0.02
Operation & Maintenance Expense	(\$0.05)
Higher Storage Carrying Charges	\$0.02
VA PBR Earnings Sharing	\$0.01
Other, Net	\$0.01
FY2008E Non-GAAP Utility EPS Guidance (08/04/08)	\$2.10

Drivers of Change in Projected Non-Utility Operating Results

FY2008E Non-GAAP Non-Utility EPS Guidance (04/30/08)	\$0.33
Retail Energy Marketing	
Lower Electric Gross Margins	(\$0.10)
Higher Natural Gas Gross Margins	\$0.02
Commercial HVAC	(\$0.00)
Other Non-Utility	\$0.01
FY2008E Non-GAAP Non-Utility EPS Guidance (08/04/08)	\$0.26

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;
157 consecutive years of dividend payouts

Appendix

Operating Segment Data

(In thousands)	Non-Utility Operations					Consolidated
	Regulated Utility	Retail Energy-Marketing	HVAC	Other Activities	Eliminations	
Three Months Ended June 30, 2008						
Operating Revenues	\$244,384	\$214,385	\$8,756	\$22	(\$2,898)	\$464,649
Operating Expenses:						
Cost of Energy-Related Sales	140,274	193,333	7,140	-	(2,898)	337,849
Operation	52,461	6,507	1,179	1,216	-	61,363
Maintenance	11,306	-	-	-	-	11,306
Depreciation and Amortization	23,398	200	12	-	-	23,610
General Taxes and Other Assessments:						
Revenue Taxes	10,565	128	-	-	-	10,693
Other	9,565	733	23	5	-	10,326
Total Operating Expenses	247,569	200,901	8,354	1,221	(2,898)	455,147
Operating Income (Loss)	(3,185)	13,484	402	(1,199)	-	9,502
Other Income (Expenses) – Net	295	81	87	4	(21)	446
Interest Expense	10,301	33	-	137	(21)	10,450
Dividends on Washington Gas Preferred Stock	330	-	-	-	-	330
Income Tax Expense (Benefit)	(5,470)	5,414	188	(472)	-	(340)
Net Income (Loss) Applicable to Common Stock	(\$8,051)	\$8,118	\$301	(\$860)	\$-	(\$492)
Three Months Ended June 30, 2007						
Operating Revenues	\$236,184	\$231,633	\$2,689	\$29	(\$3,077)	\$467,458
Operating Expenses:						
Cost of Energy-Related Sales	126,563	198,526	2,098	-	(3,077)	324,110
Operation	48,866	5,243	451	715	-	55,075
Maintenance	10,037	-	-	-	-	10,037
Depreciation and Amortization	23,597	154	7	-	-	23,758
General Taxes and Other Assessments:						
Revenue Taxes	11,156	207	-	-	-	11,363
Other	9,673	801	21	4	-	10,499
Total Operating Expenses	229,892	204,931	2,577	719	(3,077)	434,842
Operating Income (Loss)	6,492	26,702	112	(690)	-	32,616
Other Income (Expenses) – Net	2,040	25	107	370	(390)	2,152
Interest Expense	11,059	386	-	591	(390)	11,646
Dividends on Washington Gas Preferred Stock	330	-	-	-	-	330
Income Tax Expense (Benefit)	(876)	10,319	182	196	-	9,821
Net Income (Loss) Applicable to Common Stock	(\$1,981)	\$16,022	\$37	(\$1,107)	\$-	\$12,971

Operating Segment Data

(In thousands)	Non-Utility Operations					Consolidated
	Regulated Utility	Retail Energy- Marketing	HVAC	Other Activities	Eliminations	
Nine Months Ended June 30, 2008						
Operating Revenues	\$1,386,561	\$843,161	\$18,316	\$8	(\$11,734)	\$2,236,312
Operating Expenses:						
Cost of Energy-Related Sales	825,689	794,812	15,140	-	(11,734)	1,623,907
Operation	154,888	19,175	2,032	3,012	-	179,107
Maintenance	33,247	-	-	-	-	33,247
Depreciation and Amortization	70,578	598	34	-	-	71,210
General Taxes and Other Assessments:						
Revenue Taxes	47,611	419	-	-	-	48,030
Other	33,961	2307	75	22	-	36,365
Total Operating Expenses	1,165,974	817,311	17,281	3,034	(11,734)	1,991,866
Operating Income (Loss)	220,587	25,850	1,035	(3,026)	-	244,446
Other Income (Expenses) – Net	1,259	75	308	999	(1,047)	1,594
Interest Expense	33,814	1050	-	1,323	(1,047)	35,140
Dividends on Washington Gas Preferred Stock	990	-	-	-	-	990
Income Tax Expense (Benefit)	72,919	9,920	518	(1,190)	-	82,167
Net Income (Loss) Applicable to Common Stock	\$114,123	\$14,955	\$825	(\$2,160)	\$	\$127,743
Nine Months Ended June 30, 2007						
Operating Revenues	\$1,377,196	\$950,342	\$6,682	\$113	(\$14,010)	\$2,320,323
Operating Expenses:						
Cost of Energy-Related Sales	836,373	900,210	5,261	-	(14,010)	1,727,834
Operation	155,269	15,998	1,390	2,877	-	175,534
Maintenance	29,556	-	-	-	-	29,556
Depreciation and Amortization	66,487	470	16	-	-	66,973
General Taxes and Other Assessments:						
Revenue Taxes	49,266	588	-	-	-	49,854
Other	31,943	2,268	60	17	-	34,288
Total Operating Expenses	1,168,894	919,534	6,727	2,894	(14,010)	2,084,039
Operating Income (Loss)	208,302	30,808	(45)	(2,781)	-	236,284
Other Income (Expenses) – Net	2,220	39	332	2,824	(2,718)	2,697
Interest Expense	34,204	2701	-	3,292	(2,718)	37,479
Dividends on Washington Gas Preferred Stock	990	-	-	-	-	990
Income Tax Expense (Benefit)	68,689	11,037	112	(770)	-	79,068
Net Income (Loss) Applicable to Common Stock	\$106,639	\$17,109	\$175	(\$2,479)	-	\$121,444

Mark-to-Market Life Cycle

Mark-to-Market Life Cycle of a Transaction

