

The background of the slide features a series of overlapping, wavy, translucent blue bands that create a sense of motion and depth. These bands curve and flow across the frame, with some appearing more prominent than others, set against a light blue gradient background.

Fourth Quarter Fiscal Year 2008 Earnings Conference Call

November 14, 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.

4Q FY2008 Consolidated Results

	9/30/08	9/30/07
Reported Consolidated Results (GAAP)	(\$0.22)	(\$0.27)
Regulated Utility	(\$0.01)	(\$0.34)
Energy Marketing	(\$0.20)	\$0.11
Design-Build Energy Systems	\$0.02	\$0.00
Other Activities	(\$0.03)	(\$0.04)
Reported Consolidated Results (GAAP)	(\$0.22)	(\$0.27)
Net Adjustments	(\$0.01)	(\$0.04)
Non-GAAP Operating Results ¹	(\$0.23)	(\$0.31)

4Q FY2008 Utility Results

Utility	9/30/08	9/30/07
Reported Operating Results (GAAP)	(\$0.01)	(\$0.34)
Adjustments for:		
Unrealized mark-to-market gain on energy-related derivatives	(\$0.19)	(\$0.01)
Gain on settled derivatives - storage optimization	(\$0.04)	--
Lower of cost or market adjustment - storage optimization	\$0.03	--
Non-GAAP Operating Results ¹	(\$0.21)	(\$0.35)

4Q FY2008 Utility Results Drivers

4Q FY2007 Non-GAAP Operating Results	(\$0.35)
New Rates and Regulatory Mechanisms	0.04
Asset Management Retained Net Margins	0.03
Storage Carrying Charge	0.04
Customer Growth	0.01
Higher DC & VA Usage	0.01
Operation & Maintenance Expense	(0.01)
Depreciation & General Taxes	(0.02)
Effective Tax Rate	0.05
Other, Net	(0.01)
4Q FY2008 Non-GAAP Operating Results	(\$0.21)

4Q FY2008 Retail Energy Results

Retail Energy Marketing	9/30/08	9/30/07
Reported Operating Results (GAAP)	(\$0.20)	\$0.11
Adjustments for:		
Unrealized mark-to-market (gain) loss on energy-related derivatives	\$0.19	(\$0.03)
Non-GAAP Operating Results ¹	(\$0.01)	\$0.08

4Q FY2008 Retail Energy Results Drivers

4Q FY2007 Non-GAAP Operating Results	\$0.08
Lower Electric Gross Margins	(0.04)
Lower Natural Gas Gross Margins	(0.05)
Change in Operating & Interest Expense	--
4Q FY2008 Non-GAAP Operating Results	(\$0.01)

FY2008 Consolidated Results

	9/30/08	9/30/07
Reported Consolidated Results (GAAP)	\$2.33	\$2.19
Regulated Utility	\$2.28	\$1.82
Energy Marketing	\$0.10	\$0.45
Design-Build Energy Systems	\$0.04	\$0.01
Other Activities	(\$0.09)	(\$0.09)
Reported Consolidated Results (GAAP)	\$2.33	\$2.19
Net Adjustments	\$0.11	(\$0.20)
Non-GAAP Operating Results ¹	\$2.44	\$1.99

FY2008 Utility Results

Utility	9/30/08	9/30/07
Reported Operating Results (GAAP)	\$2.28	\$1.82
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	\$0.01	--
Gain on settled derivatives - storage optimization	(\$0.04)	--
Lower of cost or market adjustment - storage optimization	\$0.03	--
Other regulatory adjustments	(\$0.02)	--
Retroactive depreciation expense adjustment	--	(\$0.05)
Other (rounding)	(\$0.01)	\$0.01
Non-GAAP Operating Results ¹	\$2.23	\$1.71

FY2008 Utility Results Drivers

FY2007 Non-GAAP Operating Results	\$1.71
New Rates and Regulatory Mechanisms	0.35
Asset Management Retained Net Margins	0.13
Higher DC & VA Usage	0.13
Customer Growth	0.06
Storage Carrying Charges	0.06
Operation & Maintenance Expense	(0.14)
VA PBR Earnings Sharing	(0.06)
Depreciation & General Taxes	(0.06)
Effective Tax Rate	0.06
Other, Net	(0.01)
FY2008 Non-GAAP Operating Results	\$2.23

FY2008 Retail Energy Results

Retail Energy Marketing	9/30/08	9/30/07
Reported Operating Results (GAAP)	\$0.10	\$0.45
Adjustments for:		
Unrealized mark-to-market (gain) loss on energy-related derivatives	\$0.15	(\$0.08)
Non-GAAP Operating Results ¹	\$0.25	\$0.37

FY2008 Retail Energy Results Drivers

FY2007 Non-GAAP Operating Results	\$0.37
Lower Electric Gross Margins	(0.14)
Higher Natural Gas Gross Margins	0.04
Change in Operating & Interest Expense	(0.02)
FY2008 Non-GAAP Operating Results	\$0.25

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

Pending Regulatory Actions

Jurisdiction	Key Issues	Status
D.C.	Hexane recovery	WGL reply comments due November 10
D.C.	Decoupling/RNA	RNA filing pending DC PSC PEPCO decoupling decision
Maryland	Case No. 9103 Changes in Depreciation Rates	On October 15, 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
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 PSC approval of PBR plan. OPC and Staff filed notice of appeal.
Maryland	LNG Facility	Complaint filed in the United States District Court for the District of Maryland on April 16, 2008
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	On November 7, WGL requested a rehearing of FERC's October 7 authorization of construction that capped LNG flows into pipelines that serve the WGL system at currently authorized levels.

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	✓	✓	✓

 = 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 2009 Non-GAAP Operating Guidance

	FY2009
Utility	\$1.95 – \$2.01
Non-Utility	\$0.32 – \$0.38
Total	\$2.27 – \$2.39

This guidance has been determined as of November 13, 2008. 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	
Average active customer meter additions ¹	9,500
Operations & Maintenance expense (GAAP)	\$256M

Retail Energy	
WGES natural gas volumes	59 - 61 BCF
WGES natural gas margins	\$0.60/Dth - \$0.70/Dth
WGES electric volumes	4.0 million MWH - 4.5 million MWH
WGES electric margins	\$5.00/Mwh - \$6.00/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	50,017,000

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
Asset Management Retained Net Margins	0.05
Customer Growth	0.06
Lower DC & VA Usage	(0.15)
VA PBR Earnings Sharing	(0.02)
O&M, excludes Weather Protection Cost	(0.04)
Interruptible Revenue & Storage Carrying Charge	(0.05)
Effective Tax Rate	(0.08)
Other, Net	(0.02)
Midpoint of FY2009E Non-GAAP Utility EPS Guidance	\$1.98

Drivers of Change in Projected Non-Utility Operating Results

FY2008 Non-GAAP Non-Utility EPS	\$0.21
Retail Energy Marketing	
Lower Electric Gross Margins	(0.02)
Higher Natural Gas Gross Margins	0.17
Change in Operating & Interest Expense	(0.01)
Design-Build Energy Systems	0.01
Other Activities	(0.01)
Midpoint of FY2009E Non-GAAP Non-Utility EPS Guidance	\$0.35

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

Operating Segment Financial Information							
(In thousands)	Non-Utility Operations				Discontinued Operations	Eliminations	Consolidated
	Regulated Utility	Retail Energy-Marketing	Design-Build Energy Systems	Other Activities			
Year Ended September 30, 2008							
Operating Revenues	\$ 1,552,344	\$ 1,062,692	\$ 29,051	\$ 8	\$ -	\$ (15,901)	\$ 2,628,194
Operating Expenses:							
Cost of Energy-Related Sales	885,234	1,023,297	23,849	-	-	(15,901)	1,916,479
Operation	205,311	26,531	2,621	3,276	-	-	237,739
Maintenance	44,819	-	-	-	-	-	44,819
Depreciation and Amortization	94,156	803	48	-	-	-	95,007
General Taxes and Other Assessments:							
Revenue Taxes	55,349	548	-	-	-	-	55,897
Other	43,685	2,841	92	29	-	-	46,647
Total Operating Expenses	1,328,554	1,054,020	26,610	3,305	-	(15,901)	2,396,588
Operating Income (Loss)	223,790	8,672	2,441	(3,297)	-	-	231,606
Other Income (Expenses) - Net	1,910	93	388	1,254	-	(1,120)	2,525
Interest Expense	45,397	1,139	-	1,381	-	(1,120)	46,797
Dividends on Washington Gas Preferred Stock	1,320	-	-	-	-	-	1,320
Income Tax Expense	65,260	2,813	1,038	380	-	-	69,491
Income (Loss) from Continuing Operations	113,723	4,813	1,791	(3,804)	-	-	116,523
Loss from Discontinued Operations, Net of Tax	-	-	-	-	-	-	-
Net Income (Loss) Applicable to Common Stock	\$ 113,723	\$ 4,813	\$ 1,791	\$ (3,804)	\$ -	\$ -	\$ 116,523
Total Assets	\$ 3,016,561	\$ 231,624	\$ 21,645	\$ 60,111	\$ -	\$ (90,138)	\$ 3,239,603
Capital Expenditures/Investments	\$ 134,570	\$ 231	\$ 160	\$ -	\$ -	\$ -	\$ 134,961
Operating Segment Financial Information							
(In thousands)	Non-Utility Operations				Discontinued Operations	Eliminations	Consolidated
	Regulated Utility	Retail Energy-Marketing	Design-Build Energy Systems	Other Activities			
Year Ended September 30, 2007							
Operating Revenues	\$ 1,513,839	\$ 1,138,440	\$ 10,175	\$ 119	\$ -	\$ (16,565)	\$ 2,646,008
Operating Expenses:							
Cost of Energy-Related Sales	892,376	1,071,563	7,815	-	-	(16,565)	1,955,189
Operation	206,623	23,253	2,053	3,730	-	-	235,659
Maintenance	39,685	-	-	-	-	-	39,685
Depreciation and Amortization	89,907	674	24	-	-	-	90,605
General Taxes and Other Assessments:							
Revenue Taxes	55,949	753	-	-	-	-	56,702
Other	40,648	2,561	87	25	-	-	43,321
Total Operating Expenses	1,325,188	1,098,804	9,979	3,755	-	(16,565)	2,421,161
Operating Income (Loss)	188,651	39,636	196	(3,636)	-	-	224,847
Other Income (Expenses) - Net	2,615	39	446	3,220	-	(2,942)	3,378
Interest Expense	45,157	2,930	-	3,723	-	(2,942)	48,868
Dividends on Washington Gas Preferred Stock	1,320	-	-	-	-	-	1,320
Income Tax Expense	54,900	14,319	275	643	-	-	70,137
Income (Loss) from Continuing Operations	89,889	22,426	367	(4,782)	-	-	107,900
Loss from Discontinued Operations, Net of Tax	-	-	-	-	-	-	-
Net Income (Loss) Applicable to Common Stock	\$ 89,889	\$ 22,426	\$ 367	\$ (4,782)	\$ -	\$ -	\$ 107,900
Total Assets	\$ 2,836,492	\$ 224,150	\$ 12,475	\$ 70,329	\$ -	\$ (97,085)	\$ 3,046,361
Capital Expenditures/Investments	\$ 162,561	\$ 1,885	\$ 85	\$ -	\$ -	\$ -	\$ 164,531

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	\$ 9.7	\$ -	\$ 9.7	2	\$ 5.2
Non-Investment Grade	0.7	-	0.7	-	-
No External Ratings	6.5	5.0	1.5	1	1.5
WGEServices					
Investment Grade	\$ 2.2	\$ -	\$ 2.2	2	\$ 2.1
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.

No single counterparty poses a significant risk to WGL

WGL Available Liquidity

Available Liquidity, as of November 12, 2008

(\$000)	Washington Gas	WGL Holdings
Total Credit Facilities	\$ 400,000	\$ 400,000
Plus:		
Cash and Investments	4,947	17,021
Less:		
Borrowings from Credit Facilities	0	0
Commercial Paper Outstanding	300,728	38,000
Letters of Credit Issued	0	0
Net Available Liquidity	<u>104,219</u>	<u>379,021</u>

Commercial Paper Maturities

	Washington Gas		WGL Holdings	
Overnight	\$ 0	0.0%	\$ 0	0.0%
2-10 days	49,500	16.5%	0	0.0%
11-20 days	43,736	14.5%	20,000	52.6%
20+ days	<u>207,492</u>	<u>69.0%</u>	<u>18,000</u>	<u>47.4%</u>
Total	300,728	100.0%	38,000	100.0%

WGL's Strength Despite Recent Market Volatility

- WGL Holdings and Washington Gas each have revolving credit agreements that permit the companies to borrow up to \$400 million and \$300 million, respectively.
 - In effect until August 2012.
 - Twelve banks participate.
- During late fiscal year 2008, Washington Gas entered into three credit agreements with commercial banks that permit Washington Gas to borrow up to \$100 million.
- On August 26, 2008, Washington Gas issued \$50 million of two-year floating rate notes, callable on or after February 26, 2009 at 100% of par value.
- Washington Gas has capacity, under a shelf registration, to issue up to \$250 million of medium term notes.