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AltaGas Ltd. and WGL Holdings, Inc. Settlement Agreement Kickstarts Natural Gas Expansion in Maryland

BALTIMORE, MARYLAND--(Marketwired - Dec. 4, 2017) - AltaGas Ltd. (AltaGas) (TSX:ALA) and WGL Holdings, Inc. (NYSE:WGL) (WGL) announced today the achievement of a significant milestone in the regulatory approval process in Maryland, with the signing of a settlement agreement with the Maryland Energy Administration (MEA), Montgomery County, Prince George's County, and the Laborers' International Union of North America, its affiliated District Council, and Local Unions serving or located in Washington D.C. (collectively, LiUNA) on key terms for the merger of AltaGas and WGL currently before the Maryland Public Service Commission (PSC). The settlement is subject to review and approval by the PSC. AltaGas continues to anticipate closing the transaction in the first half of 2018.

Under the terms of the settlement agreement, AltaGas and WGL have committed \$103 million to expand natural gas infrastructure in Maryland. Washington Gas will invest \$70 million of this amount over a 10-year period to further extend natural gas service to unserved and underserved areas by adding to regulated assets within Washington Gas' service territory in Maryland. The remaining \$33 million will be used to establish the Maryland Gas Expansion Fund, which will be administered by the MEA to promote economic development, job creation and the expansion of natural gas infrastructure to underserved parts of Maryland.

"We are pleased to have reached a settlement agreement with the Maryland Energy Administration, Montgomery County, Prince George's County, and LiUNA, in support of government initiatives to boost economic development and job creation in Maryland. We look forward to building a stronger platform for clean natural gas in Maryland and continued exceptional service at affordable rates by Washington Gas," said David Harris, President and Chief Executive Officer of AltaGas.

"Following the combination, Washington Gas will provide the same great service we've provided for nearly 170 years, and we'll have the added ability to grow, create more local jobs and continue to provide safe, reliable and affordable energy solutions," said Terry D. McCallister, Chairman and CEO of WGL Holdings, Inc. and Washington Gas. "We are proud of our long history of service to the region and believe that our company will be in an even stronger position to deliver more value to our customers as part of the AltaGas family."

In addition to the more than \$100 million for natural gas expansion, AltaGas and WGL have made the following commitments in Maryland:

- Customers will receive a one-time rate credit;
- Low-income customers will receive assistance with energy efficiency initiatives;
- More investment in workforce and educational development;
- Development of renewable energy initiatives to support clean energy goals, including 5 MWs of renewable or other distributed generation in Maryland;
- Increased commitment to supplier diversity to support local businesses;
- Increased charitable giving; and

-- The head office of the AltaGas U.S. power business will be relocated to Prince George's County, Maryland.

Prince George's County is one of the largest service territories in the state of Maryland. "We look forward to welcoming AltaGas' U.S. Power Business to Prince George's County," said Prince George's County Executive Rushern L. Baker, III. "We are pleased that this significant agreement will benefit customers, promote clean energy projects in the County, and expand existing sustainable energy programs in our County by an additional \$13.4 million."

LiUNA represents construction, manufacturing and commerce public sector workers. "LiUNA members, who are literally in the trenches upgrading pipeline infrastructure and making the system safe and reliable for the general public, are proud to support the WGL Holdings - AltaGas merger. The merger is a win for workers and consumers. AltaGas has committed to an innovative agreement with the Baltimore Washington Laborers District Council to ensure that the skilled, trained men and women of LiUNA will continue to perform accelerated pipeline replacements and repairs. In addition, AltaGas has shown true leadership and corporate citizenship by helping the most vulnerable, lowest paid workers-traffic control flaggers-on the system. AltaGas is lifting these workers up and ensuring they will have a family supporting living wage, health care and retirement benefits," said Dave Allison, Baltimore/Washington District Council Business Manager, LiUNA.

The PSC held public hearings for the community to comment on the proposed combination in September in Montgomery and Prince George's counties. Evidentiary hearings before the PSC occurred in Baltimore from October 3-16, 2017. Since AltaGas and WGL announced their plans to combine, the companies have worked constructively with community groups, local leaders, and regulators to ensure Maryland customers have a significant voice and input in the process. The settlement agreement reflects that input and is an important milestone for the combination.

The combination has received the following approvals:

Shareholders

-- Approval from WGL Holdings, Inc. shareholders on May 10, 2017.

Federal

-- Approval from the Federal Energy Regulatory Commission (FERC), an independent agency that regulates the interstate transmission of natural gas, electricity and oil, on July 6, 2017;

-- Expiration of the waiting period as of July 17, 2017, pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act), when the merger was deemed approved by the Federal Trade Commission and the Department of Justice; and

-- Approval from the Committee on Foreign Investment in the United States (CFIUS) on July 28, 2017.

State

-- Approval from the Virginia State Corporation Commission on October 20, 2017.

The regulatory review process continues in the District of Columbia. AltaGas and WGL continue to work constructively with the District of Columbia Public Service Commission (DC PSC) and other parties involved in the regulatory proceedings to make sure all customers benefit, existing jobs are protected, new jobs are added, and support for clean energy is advanced. A final decision from the DC PSC on the combination is expected in the first half of 2018.

All of the above monetary figures are expressed in USD.

Learn more about the combination at www.wgldeliveringmore.com.

About AltaGas

AltaGas is an energy infrastructure company with a focus on natural gas, power and regulated utilities. AltaGas creates value by acquiring, growing and optimizing its energy infrastructure, including a focus on clean energy sources. For more information visit: www.altagas.ca.

About WGL

Headquartered in Washington, D.C., WGL is a leading source for clean, efficient and diverse energy solutions. With activities and assets across the U.S., WGL consists of Washington Gas, WGL Energy, WGL Midstream and Hampshire Gas. WGL provides natural gas, electricity, green power and energy services, including generation, storage, transportation, distribution, supply and efficiency. Our calling as a company is to make energy surprisingly easy for our employees, our community and all our customers. Whether you are a homeowner or renter, small business or multinational corporation, state and local or federal agency, WGL is here to provide Energy Answers. Ask Us. For more information, visit us at www.wgl.com.

This news release contains forward-looking statements. When used in this news release, the words "vision", "may", "would", "could", "can", "will", "be", "intend", "possible", "plan", "develop", "anticipate", "target", "believe", "seek", "propose", "continue", "estimate", "expect", "kickstarts", "commits" and similar expressions, as they relate to AltaGas or an affiliate of AltaGas, are intended to identify forward-looking statements. More particularly, and without limitation, this news release contains forward-looking statements with respect to the regulatory proceedings for the merger of AltaGas and WGL; review and approval of the settlement by the PSC; the extension of the statutory deadlines for approval by the PSC and the length of such extension; the investment by AltaGas, WGL and Washington Gas to expand natural gas infrastructure in Maryland; the extension of natural gas service to underserved areas; the addition to regulated assets within Washington Gas' service territory in Maryland; the establishment of the Maryland Gas Expansion Fund; the promotion of economic development and job creation; benefits to customers and communities served by Washington Gas in Maryland; the strength of Washington Gas' natural gas distribution network; the ability to choose natural gas as a clean, affordable and efficient source of energy; the provision by Washington Gas of safe, reliable and affordable energy solutions and the level of service by Washington Gas; the ability of Washington Gas to deliver more value to its customers; the ability of Washington Gas to grow and to

create more jobs; AltaGas and WGL's commitments in Maryland; the timing and the extent of the regulatory review process in the District of Columbia, including the outcome and date of a final decision from the DC PSC. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect AltaGas' current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, changes in market, competition, governmental or regulatory developments, including, without limitation, the likelihood of success of the regulatory approvals by the PSC and DC PSC, general economic conditions and other factors set out in AltaGas' public disclosure documents. Many factors could cause AltaGas' actual results, performance or achievements to vary from those described in this news release, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements included in, or incorporated by reference in this news release, should not be unduly relied upon. Such statements speak only as of the date of this news release. AltaGas does not intend, and does not assume any obligation, to update these forward-looking statements. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

FOR FURTHER INFORMATION PLEASE CONTACT:

AltaGas Investment Community

1-877-691-7199

Investor.relations@altagas.ca

AltaGas Media

403-691-7197

media.relations@altagas.ca

WGL Financial Community

Douglas Bonawitz

202-624-6129

WGL News Media

Brian Edwards

202-624-6620

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