



Second Quarter Fiscal Year 2013 Earnings Conference Call

May 2, 2013

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 FY2013

Consolidated Results

	3/31/13	3/31/12
Reported Consolidated Results (GAAP) ¹	\$1.73	\$1.44
Net Adjustments	\$0.02	\$0.14
Non-GAAP Operating Results ²	\$1.75	\$1.58
Regulated Utility	\$1.57	\$1.49
Retail Energy Marketing	\$0.22	\$0.10
Commercial Energy Systems	\$0.01	\$0.01
Wholesale Energy Solutions	(\$0.04)	(\$0.02)
Other Activities	(\$0.01)	\$0.00
Non-GAAP Operating Results ²	\$1.75	\$1.58

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 FY2013 Consolidated Results

	3/31/13	3/31/12
Reported Consolidated Results (GAAP) ¹	\$2.74	\$2.42
Net Adjustments	\$0.15	\$0.28
Non-GAAP Operating Results ²	\$2.89	\$2.70
Regulated Utility	\$2.42	\$2.35
Retail Energy Marketing	\$0.46	\$0.36
Commercial Energy Systems	\$0.03	\$0.01
Wholesale Energy Solutions	\$0.03	\$0.00
Other Activities	(\$0.05)	(\$0.02)
Non-GAAP Operating Results ²	\$2.89	\$2.70

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)



FY2013 Utility Results Drivers

	2Q	YTD
FY2012 Non-GAAP Operating Results¹	\$1.49	\$2.35
Customer Growth	\$0.01	\$0.03
DC Usage	\$0.02	\$0.03
Rate Case Timing	\$0.00	\$0.03
Depreciation and Amortization Expense	(\$0.01)	(\$0.05)
Storage Carrying Cost Recovery	(\$0.01)	(\$0.03)
Effective Tax Rate, Other	\$0.07	\$0.06
FY2013 Non-GAAP Operating Results¹	\$1.57	\$2.42

¹ 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)



FY2013

Non-Utility Results Drivers

	2Q	YTD
FY2012 Non-GAAP Operating Results¹	\$0.09	\$0.35
Retail Energy Marketing		
Electric Gross Margins	\$0.03	(\$0.03)
Natural Gas Gross Margins	\$0.06	\$0.06
Change in Operating Expense	\$0.03	\$0.06
Effective Tax Rate & Other	\$0.00	\$0.01
Commercial Energy Systems	\$0.00	\$0.02
Wholesale Energy Solutions	(\$0.02)	\$0.03
Other Non-Utility, Net	(\$0.01)	(\$0.03)
FY2013 Non-GAAP Operating Results¹	\$0.18	\$0.47

¹ 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)



Strong Balance Sheet and Top-Tier Credit Ratings

Committed Credit Available


As of March 31, 2013

(\$ in millions)

	WGL Holdings	Washington Gas	Total Consolidated
Committed credit agreements			
Unsecured revolving credit facility, expires 4/3/17	\$ 450.0	\$ 350.0	\$ 800.0
Less: Commercial Paper	(155.1)	(27.0)	(182.1)
Net committed credit available	\$ 294.9	\$ 323.0	\$ 617.9

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 \$100 million, with the banks' approval, for a total of \$550 million. Washington Gas' revolving credit facility permits it to borrow an additional \$100 million, with the banks' approval, for a total of \$450 million.

Credit Ratings for Medium-Term Notes

	WGL Holdings, Inc	Washington Gas
	A+	A+
MOODY'S	Not Rated	A2
FitchRatings	A+	AA-



FY 2013 Non-GAAP Operating Guidance

	FY2013
Utility	\$1.79 – \$1.85
Non-Utility	\$0.63 – \$0.69
Total	\$2.42 – \$2.54

This forecast guidance has been determined as of May 1, 2013. 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 2013 Non-GAAP Operating Guidance Assumptions

Utility	
Full Year FY2013 average active customer meter additions ¹	11,000
Operations & Maintenance expense (GAAP)	\$299M

Retail Energy	
WGES natural gas volumes	69.0 BCF – 73.0 BCF
WGES natural gas margins	\$0.55/Dth – \$0.65/Dth
WGES electric volumes	12.2 million MWH – 12.8 million MWH
WGES electric margins	\$5.00/MWH – \$6.00/MWH
WGES non-commodity related expenses	\$52M – \$58M

Consolidated	
Effective tax rate (GAAP)	39%
Equity ratio target	Mid-50% range of total capital
Dividend payout ratio target	<= 65%
Average diluted shares outstanding	51.8 million

¹ Active customer meter additions based on 13-month average



Drivers of Change in Projected Utility Operating Results

FY2013E Non-GAAP Utility EPS Guidance (11/16/12)¹	\$1.73
Asset Optimization	\$0.03
Operations & Maintenance	\$0.05
Other, Net	\$0.01
FY2013E Non-GAAP Utility EPS Guidance (5/2/13)¹	\$1.82

¹ 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)



Projected FY2013 Non-Utility Operating Results (Non-GAAP)

	Midpoint FY2013E
Retail Energy Marketing	\$0.66
Commercial Energy Systems	\$0.08
Wholesale Energy Solutions	\$0.00
Other Non-Utility	(\$0.08)
Total	\$0.66



Drivers of Change in Projected Non-Utility Operating Results

FY2013E Non-GAAP Non-Utility EPS Guidance (11/16/12)¹	\$0.70
Retail Energy Marketing	
Electric Gross Margins	(\$0.11)
Natural Gas Gross Margins	\$0.07
Operating & Other Expense	\$0.07
Commercial Energy Systems	\$0.00
Wholesale Energy Solutions	(\$0.06)
Other Non-Utility, Net	(\$0.01)
FY2013E Non-GAAP Non-Utility EPS Guidance (5/2/13)¹	\$0.66

¹ 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)



Investment Highlights

High-growth service territory

Balance of strong, efficient utility operations and non-utility businesses

Strong balance sheet and top-tier credit ratings

Thirty-seven consecutive years of dividend increases

Targeting long-term top quartile total shareholder return

Appendix



Maryland Rate Case

Case Number: 9322

Case filed April 26, 2013

\$30.7 million revenue increase request

8.7% Rate of Return and 10.7% Return on Equity

Test year: 12 months ended March 31, 2013

Expected rates effective: November 2013



Drivers: Updated test period expenses and capital investment
Accelerated pipe replacement – first 12 months
Employee pension and benefits
Cost of equity/equity ratio
Resolve pending items (Cost to Achieve & Med D)