

The background of the slide features a large, abstract graphic of flowing, wavy blue lines. These lines are layered and semi-transparent, creating a sense of depth and movement. The colors range from light sky blue to a deeper, more saturated blue. The overall effect is clean, modern, and professional.

First Quarter Fiscal Year 2008 Earnings Conference Call

February 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.

1Q FY2008 Consolidated Results

	12/31/07	12/31/06
Reported Consolidated Results (GAAP)	\$0.95	\$0.92
Regulated Utility	\$0.89	\$0.88
Energy Marketing	\$0.07	\$0.05
Commercial HVAC	\$0.01	\$0.00
Other Non-Utility	(\$0.02)	(\$0.01)
Reported Consolidated Results (GAAP)	\$0.95	\$0.92
Net Adjustments	\$0.01	(\$0.02)
Non-GAAP Operating Results ¹	\$0.96	\$0.90

1Q FY2008 Utility Results

Utility	12/31/07	12/31/06
Reported Operating Results (GAAP)	\$0.89	\$0.88
Adjustments for:		
Reversal of costs related to business process outsourcing	(\$0.02)	--
Unrealized mark-to-market loss on energy-related derivatives	\$0.03	--
Other regulatory adjustments	(\$0.02)	--
Retroactive depreciation expense adjustment	--	(\$0.05)
Non-GAAP Operating Results ¹	\$0.88	\$0.83

1Q FY2008 Utility Results Drivers

1Q FY2007 Non-GAAP Operating Results	\$0.83
New Rates and Regulatory Mechanisms	\$0.05
Asset Management Retained Earnings	\$0.05
Higher DC & VA Usage	\$0.04
Customer Growth	\$0.02
Operation & Maintenance Expense	(\$0.09)
VA PBR Earnings Sharing	(\$0.01)
Depreciation & General Taxes	(\$0.04)
Other, Net	\$0.03
1Q FY2008 Non-GAAP Operating Results	\$0.88

1Q FY2008 Retail Energy Results

Retail Energy Marketing	12/31/07	12/31/06
Reported Operating Results (GAAP)	\$0.07	\$0.05
Adjustments for:		
Unrealized mark-to-market (gain) loss on energy-related derivatives	\$0.02	\$0.03
Non-GAAP Operating Results ¹	\$0.09	\$0.08

1Q FY2008 Retail Energy Results Drivers

1Q FY2007 Non-GAAP Operating Results	\$0.08
Higher Natural Gas Gross Margins	\$0.01
Lower Interest Expense	\$0.01
Higher Salaries, General, & Administrative Expense	(\$0.01)
1Q FY2008 Non-GAAP Operating Results	\$0.09

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	45.0	60.0	20.0	15.0	140.7
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	\$179.4	\$192.6	\$133.1	\$123.6	\$765.3

¹ Includes conditioning facilities

Pending Regulatory Actions

Jurisdiction	Key Issues	Status
D.C.	Hexane recovery	Pending
D.C.	Decoupling/RNA	Washington Gas may file for RNA after decoupling decision in Pepco Case No. 1053
Maryland	Case No. 9103 Changes in Depreciation Rates	Hearings scheduled for May 12-13 Proposed Order expected by mid-July
Maryland	Phase II of Case No. 9104 Performance Based Rates/BPO	Hearings scheduled for June 10-12 Proposed Order expected by September
Virginia	Decoupling/RNA	Pending legislation provides regulatory mechanisms to recover LDC costs of customer conservation and activities that promote efficiency
FERC	Cove Point Request for Rehearing	WGL filed brief with DC Circuit Court of Appeals on Oct 5 FERC filed brief with Court on Dec 18 Cove Point and Shippers filed brief on Jan 9 WGL reply brief due on Feb 8

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)	¹	RNA	WNA
Performance-Based Rate Plan (PBR)	²	Pending	✓
Recovery of Hexane costs	Pending	✓	✓
Gas Administrative Charge (GAC)	✓	✓	✓
Asset Management sharing	✓	✓	✓

¹ Settling Parties agree that Washington Gas may seek approval of an RNA through a separate formal proceeding after the PSC has issued its initial decision on the proposed Bill Stabilization Adjustment in Case No. 1053 (Pepco), during the rate freeze period.

On January 30, 2008, the District of Columbia PSC issued an order in Case No. 1053, agreeing in concept to the Bill Stabilization Adjustment and will open a 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

Recent WGL Rate Cases

Virginia - \$3.9M rate increase (granted)*

Date	Rate Base	ROR	ROE	Equity	LT Debt	ST Debt	Preferred	Other ¹
12/18/03 Order	\$626,514,067	8.44%	10.50%	50.96%	39.72%	6.42%	1.80%	1.10%
9/15/06 Filing	\$649,980,494	9.12%	11.25%	55.56%	39.35%	2.44%	1.79%	0.86%
9/19/07 Order	N/A	8.41%	10.00%	55.70%	39.02%	2.70%	1.77%	0.81%

Four-year delivery service base rate freeze effective October 1, 2007.

District of Columbia - \$1.4M rate increase (granted)*

Date	Rate Base	ROR	ROE	Equity	LT Debt	ST Debt	Preferred	Other
11/10/03 Order	\$242,262,145	8.42%	10.60%	50.30%	42.08%	5.84%	1.78%	N/A
12/21/06 Filing	\$247,712,766	8.89%	11.08%	55.48%	38.99%	3.80%	1.73%	N/A
12/28/07 Order	N/A	8.12%	10.00%	51.09%	43.38%	3.80%	1.73%	N/A

No further change in distribution rates may be made prior to October 1, 2011.

Maryland - \$20.6M rate increase (granted)

Date	Rate Base	ROR	ROE	Equity	LT Debt	ST Debt	Preferred	Other
10/31/03 Order	\$539,628,108	8.61%	10.75%	51.49%	41.22%	5.46%	1.83%	N/A
4/20/07 Filing	\$667,087,664	8.88%	11.00%	56.02%	39.04%	3.21%	1.73%	N/A
11/16/07 Order	\$645,455,615	8.20%	10.00%	53.02%	37.95%	7.34%	1.69%	N/A

* The rate increases shown above do not reflect the financial effects of certain favorable regulatory mechanisms associated with the DC and VA rate cases.

FY 2008 Non-GAAP Operating Guidance

	FY2008
Utility	\$1.97 – \$2.03
Non-Utility	\$0.38 – \$0.42
Total	\$2.35 – \$2.45

This guidance has been determined as of February 4, 2008, and 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	17,500
Operations & Maintenance expense (GAAP)	\$249M

Retail Energy	
WGES natural gas volumes	63 - 64 BCF
WGES natural gas margins	\$0.45/Dth - \$0.55/Dth
WGES electric volumes	4.0 million MWH – 4.5 million MWH
WGES electric margins	\$6.50/Mwh - \$7.00/Mwh
WGES O&M expense	\$25M-\$30M

Consolidated	
Effective tax rate	39%
Equity ratio target	Mid-50% range of total capital
Dividend payout ratio target	< 70%
Average diluted shares outstanding	49,645,000

Drivers of Change in Projected Utility Operating Results

FY2007 Non-GAAP Utility EPS	\$1.71
New Rates and Regulatory Mechanisms	\$0.36
Asset Management Retained Earnings	\$0.11
Customer Growth	\$0.09
Higher DC & VA Usage	\$0.03
Operation & Maintenance Expense	(\$0.11)
Depreciation & General Taxes	(\$0.06)
VA PBR Earnings Sharing	(\$0.02)
Lost and Unaccounted for Gas FY2007	(\$0.03)
Other, Net	(\$0.08)
Midpoint of FY2008E Non-GAAP Utility EPS Guidance	\$2.00

Drivers of Change in Projected Non-Utility Operating Results

FY2007 Non-GAAP Non-Utility EPS	\$0.28
Retail Energy Marketing	
Higher Natural Gas Gross Margins	\$0.13
Lower Electric Gross Margins	(\$0.08)
Changes in Operating & Interest Expense	\$0.00
Commercial HVAC	\$0.02
Other Non-Utility	\$0.05
Midpoint of FY2008E Non-GAAP Non-Utility EPS Guidance	\$0.40

Drivers of Change in Projected Utility Operating Results

FY2008E Non-GAAP Utility EPS Guidance (11/08/07)	\$1.87
New Rates and Regulatory Mechanisms	\$0.08
Asset Management Retained Earnings	\$0.06
Higher DC & VA Usage	\$0.03
Operation & Maintenance Expense	(\$0.02)
VA PBR Earnings Sharing	(\$0.02)
FY2008E Non-GAAP Utility EPS Guidance (02/05/08)	\$2.00

Drivers of Change in Projected Non-Utility Operating Results

FY2008E Non-GAAP Non-Utility EPS Guidance (11/08/07)	\$0.35
Retail Energy Marketing	
Higher Electric Gross Margins	\$0.09
Lower Natural Gas Gross Margins	(\$0.01)
Higher Operating & Interest Expense	(\$0.02)
Commercial HVAC	\$0.00
Other Non-Utility	(\$0.01)
FY2008E Non-GAAP Non-Utility EPS Guidance (02/05/08)	\$0.40

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-one consecutive years of dividend increases;
157 consecutive years of dividend payouts

Appendix

Operating Segment Data¹

<i>(In thousands)</i>	Non-Utility Operations					Eliminations	Consolidated
	Regulated Utility	Retail Energy- Marketing	HVAC	Other Activities			
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
Three Months Ended December 31, 2006							
Operating Revenues	\$ 433,350	\$ 300,092	\$ 1,764	\$ 85	\$ (2,329)	\$	\$ 732,962
Operating Expenses:							
Cost of Energy-Related Sales	251,005	288,447	1,396	-	(2,329)		538,519
Operation	46,588	5,261	456	835	-		53,140
Maintenance	9,465	-	-	-	-		9,465
Depreciation and Amortization	18,551	87	2	-	-		18,640
General Taxes and Other Assessments:							
Revenue Taxes	15,277	172	-	-	-		15,449
Other	9,275	697	14	11	-		9,997
Total Operating Expenses	350,161	294,664	1,868	846	(2,329)		645,210
Operating Income (Loss)	83,189	5,428	(104)	(761)	-		87,752
Other Income (Expenses) – Net	(131)	-	106	884	(1,031)		(172)
Interest Expense	11,974	1,018	-	1,251	(1,031)		13,212
Dividends on Washington Gas Preferred Stock	330	-	-	-	-		330
Income Tax Expense (Benefit)	27,759	1,734	(95)	(458)	-		28,940
Net Income (Loss) Applicable to Common Stock	\$ 42,995	\$ 2,676	\$ 97	\$ (670)	\$ -	\$	\$ 45,098

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