



April 4, 2018

## **Maryland Public Service Commission Approves \$4.5 Billion Merger of WGL Holdings, Inc. and AltaGas Ltd.**

*Maryland joins Virginia, the Federal Energy Regulatory Commission, the Federal Trade Commission, the Department of Justice, and the Committee on Foreign Investment in approving the combination*

*The District of Columbia Public Service Commission's review is continuing*

*AltaGas and WGL are reviewing the Commission's changes in the order and expect to respond soon*

WASHINGTON--(BUSINESS WIRE)-- The Maryland Public Service Commission announced its approval Wednesday of the combination of WGL Holdings, Inc. (NYSE:WGL) with AltaGas Ltd. (TSX:ALA). The \$4.5 billion merger brings together two complementary energy companies committed to delivering more value for customers in Maryland and promises more investment in energy infrastructure and clean energy across the state.

"We are confident that our combination with AltaGas will benefit residents, businesses and the economy of Maryland. We appreciate the Commission's careful consideration of the many positive benefits this merger brings to the state as they thoroughly evaluated our application. We are reviewing the Commission's final order and will provide our joint response as soon as possible," said Terry D. McCallister, Chairman and CEO of WGL Holdings, Inc., the parent company of Washington Gas. "Washington Gas will be an even stronger company as part of the AltaGas family and the new resources available as part of this combination will provide benefits for the state for years to come."

"We are pleased that the Maryland Public Service Commission has approved our acquisition of WGL," said David Harris, President and Chief Executive Officer of AltaGas. "This marks another major milestone in bringing together AltaGas and WGL to deliver long-term value to customers and shareholders alike as we build a stronger future together."

The Commission voted 4 to 1 in favor of the merger. According to the final order issued by the Commission, AltaGas and WGL will provide benefits that include:

- | \$30.5 million for a one-time \$50 rate credit for Maryland residential heating customers and a rate credit for non-residential customers. In addition, the companies committed that operational savings resulting from the merger will be passed through to customers.
- | \$22.8 million to Montgomery and Prince George's counties for customer, educational, workforce development and energy efficiency programs, with at least 20% of such funds directed to benefit low- and moderate-income residents in both single- and multifamily communities.
- | \$100 million to expand natural gas infrastructure in the state of Maryland:
  - | \$70 million over 10 years in the Washington Gas service area (which will be included in the Washington Gas' rate base, subject to Commission approval).
  - | \$30.32 million to promote economic development, job creation and the expansion of natural gas infrastructure to underserved parts of Maryland, with a majority of this funding dedicated to the Washington Gas' service territory.
- | New Renewable Energy Resources developed in Montgomery and Prince George's counties.
- | AltaGas' U.S. power business head office will be relocated to Prince George's County.
- | \$4 million to further enhance safety.
- | Washington Gas will be required to strengthen its already robust efforts to increase supplier diversity through a variety of new strategies.

The companies have also made commitments to support all Washington Gas' service territories in Maryland, Virginia and the District of Columbia, including:

- | \$12 million in charitable contributions and local community support in the Washington, D.C., metropolitan area over the next 10 years, with at least \$475,000 in contributions annually to organizations serving Maryland residents.
- | \$1.5 million over five years to help pay gas bills for Washington Gas low- and moderate-income customers, with at least \$595,000 dedicated solely to Maryland residents, administered through the Washington Area Fuel Fund.
- | \$2.4 million over five years to add an additional Pipeline Damage Prevention Trainer/Educator in each jurisdiction.
- | \$350,000 in incremental funding for pipeline damage prevention awareness and education across all three Washington Gas jurisdictions.
- | \$450,000 for a renewable bio natural gas study.

The Commission is giving the companies until April 16, 2018, to indicate whether they will accept the new conditions that it is imposing as part of its approval.

McCallister said Wednesday that while WGL and AltaGas leadership begin the detailed review of the 100-page order to fully understand all of the Commission's requirements, customers will ultimately benefit from the combination of the companies. In addition, he said customers will continue to enjoy the high quality service they have come to expect from the 170-year-old company that has called the District of Columbia home since its founding.

"Our customers will experience a seamless transition and continue to receive safe, reliable, service provided by the same complement of dedicated Washington Gas employees just as they always have," McCallister said. "We will keep all of our current facilities including our walk-in offices."

With the favorable decision in Maryland on Wednesday, the companies now have one remaining regulatory review to complete in the District of Columbia. AltaGas and WGL are continuing to work with the District of Columbia Public Service Commission (DC PSC) and other parties involved in the regulatory proceedings to achieve a favorable decision that benefits all customers, protects existing jobs and adds new ones, and supports clean energy solutions for the future. A final decision from the DC PSC is expected in mid-2018.

As of April 4, 2018, 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
- | 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
- | Approval from the Maryland Public Service Commission on April 4, 2018

#### About WGL

WGL (NYSE: WGL), headquartered in Washington, D.C., 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](http://www.wgl.com).

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