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## **Washington Gas Requests First Maryland Rate Increase in Five Years to Support Natural Gas Safety, Reliability and Service Enhancements**

*Continued progress towards the replacement of aging infrastructure, ongoing network upgrades for improved service, rising cost of service, among main drivers*

*Rate increase request reflects no costs associated with pending merger with AltaGas*

*AltaGas merger to save customers \$800,000 per year*

WASHINGTON--(BUSINESS WIRE)-- Washington Gas, a WGL Company (NYSE: WGL), filed an application today with the Maryland Public Service Commission to increase its base rates and charges for natural gas service. Washington Gas last requested a rate increase from the Commission five years ago.

The filing addresses rate relief necessary for Washington Gas to recover its costs of providing safe, reliable natural gas service in its Maryland service territory while delivering improved service to customers, and to allow the Company to earn its allowed rate of return. The proposed rates and charges would generate \$41.3 million in additional annual revenue. The change in revenue includes an increase in base rates of \$56.3 million partially offset by a reduction of \$15 million in surcharges currently paid by customers for system upgrades. Residential heating customers pay \$2 per month for this surcharge, which will be transferred into base rates and thus is not an increase to a customer's overall monthly bill. The typical residential heating customer will pay about \$5.18 more per month, approximately a 7 percent increase on their total gas bill.

The \$15 million that customers have been paying since 2014 through the monthly surcharge is associated with Washington Gas' natural gas infrastructure replacement and environmental improvement initiatives, previously approved by the Commission under Maryland's Strategic Infrastructure Development and Enhancement (STRIDE) statute.

### ***Gas Bills Reduced in February***

Washington Gas lowered customers' bills earlier this year by passing along federal corporate income tax savings as a result of the Tax Cuts and Jobs Act of 2017. Maryland customers received an annual rate decrease of \$14.8 million beginning February 1, 2018, or about \$2.16 per month for each residential heating customer.

"For 170 years, Washington Gas has been committed to adhering to the highest standards of safety and reliability when delivering high-quality natural gas service to our customers. In Maryland, we have been investing to improve the integrity of our system through ongoing replacement of aging infrastructure under STRIDE to deliver the benefits of natural gas while enhancing service delivery," said Adrian Chapman, President and Chief Operating Officer at Washington Gas. "Our proposal to the Commission reflects this commitment and includes our dedication to continue operational efficiency when providing clean natural gas to our 484,000 customers in Maryland."

The Company anticipates that the new rates will become effective in the December 2018 billing cycle given the statutory timeline for Commission consideration. The Commission approved Washington Gas' last rate increase in Maryland on November 22, 2013.

### ***Merger with AltaGas Will Not Impact Customer Rates***

The Commission approved the merger of WGL and AltaGas on April 4, 2018, and the deal is expected to close in mid-2018, pending final approval from the Public Service Commission of the District of Columbia. As part of its merger commitments, AltaGas and WGL have pledged that operational savings resulting from the merger will be passed through to customers. Maryland residential heating customers also will receive a one-time \$50 bill credit once the merger closes.

"It is important to note that no costs related to our pending merger with AltaGas are reflected in the rate request we are filing

with the Commission," said Chapman. "In fact, we expect that our customers will see significant benefits as a result of the merger, including \$800,000 in operational savings per year for the next five years which are included in this filing."

### **About Washington Gas**

Washington Gas Light Company is a regulated natural gas utility providing safe, reliable natural gas service to more than 1.1 million customers in the District of Columbia, Maryland and Virginia. A subsidiary of WGL Holdings, Inc. (WGL), the company has been providing energy to residential, commercial and industrial customers for 170 years. Follow us @washingtongas on Twitter.

### **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 options for 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 [wgl.com](http://wgl.com).

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Washington Gas

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