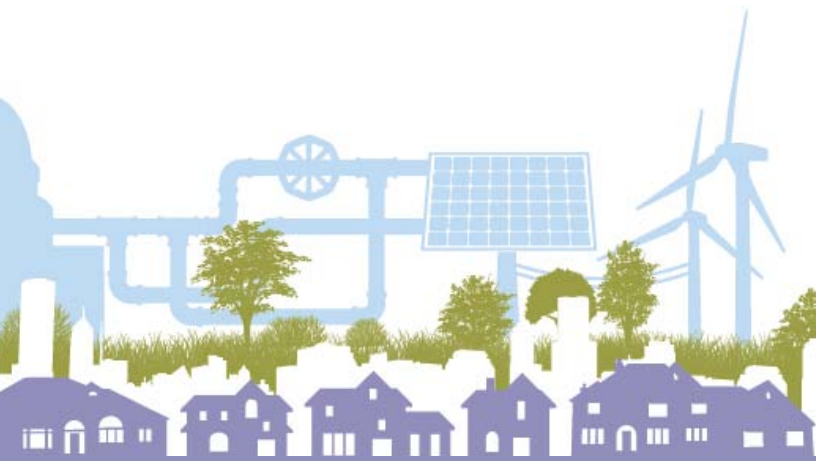


Producing Value for Our Communities



WGL Holdings, Inc.
2010 Community Report





WGL Holdings, Inc. embraces its commitment to be the preferred source of clean and efficient energy solutions that produce value for customers, investors and communities. The inclusion of communities in that vision is no mistake. As a member of the WGL Holdings family of companies, Washington Gas has been a Washington institution for more than 160 years. Our commitment to Washington, D.C., and the surrounding Maryland and Virginia regions is second to none, and we are proud of our steadfast relationship with our communities.

A message to our friends and family

As a member of the WGL Holdings family of companies, Washington Gas has a rich tradition of providing safe, reliable natural gas service at a reasonable cost.

In addition to providing natural gas service, nothing we do gives us more pride and pleasure than participating in the communities in which we live and serve. Washington Gas has been a fixture in the rich history of the Washington, D.C., region, from our very first customer in 1848, the U.S. Capitol building, to the more than one million customers we serve across the region today.

Our success as a company is not purely defined by the bottom line. True success is being able to contribute substantively to the well being of the community. Whether it is helping children and students succeed, or providing a lending hand to those who are facing challenges, everyone in our community is important to us.

The word "community" originates from a Latin word meaning fellowship, and is at the heart of what we do. Through our energy assistance programs, employee volunteerism, corporate giving and environmental leadership, we work together in fellowship for everyone.

The time, patience and hard work of the employees in our family of companies are at the heart of everything we do in our community. We invite you to learn more about our strong spirit of community and fellowship presented in this report and we thank you for your trust in WGL Holdings and Washington Gas.

With best regards,

Eric C. Grant
Vice President—Corporate Relations



6,328 residents

In 2010, Washington Gas employees joined with other utilities to help 6,328 District of Columbia residents seek energy assistance at Joint Utility Discount Day.

Commitment to Community Involvement

We are active leaders across the region working with charitable organizations, community groups and business associations. We provide energy assistance to those in need and support robust and growing volunteer and corporate giving programs. We serve as responsible stewards of our environment.

We are proud of the community in which we live and work, and of our leadership positions with organizations such as the Boys & Girls Clubs of Greater Washington, the National Symphony Orchestra, Northern Virginia Family Service and Clean Air Partners, to name a few. Our employees are also involved at the community leadership level with Leadership Greater Washington, Leadership Maryland and Lead Virginia.

Throughout the year, we work with homeowner, civic and business associations and participate in community forums, energy awareness events and signature area events such as Adams Morgan Day and the International Children's Festival. Each winter, we help prepare the homes of area residents for the cold months through our Project Weatherization initiative. For 24 years, employees from across our company have helped District of Columbia residents seek energy assistance at Joint Utility Discount Day, which assists thousands of residents in need every year.

Through our programs, our advocacy and associations, and our employees, WGL Holdings and Washington Gas are not just involved in our community, we are committed to it.





DOING THE MOST GOOD™

The Washington Area Fuel Fund

WASHINGTONAREAFUELFUND.ORG

WAFF

7,500 residents

In 2010 alone, the Washington Area Fuel Fund disbursed \$850,000 to help 7,500 area residents stay warm during the cold winter months.



Our signature philanthropic program is The Washington Area Fuel Fund (WAFF). Since 1983, WAFF has been providing assistance to heat the homes of families in need. Over its history, WAFF has provided more than \$20 million to help nearly a quarter million area residents.

The Washington Area Fuel Fund has been a vital safety net for area residents for more than a generation. Founded by Washington Gas, and administered by The Salvation Army, WAFF provides funds to pay for **all types of fuel** when government assistance has run out, or simply is not available.

Since its inception, Washington Gas has paid for all of WAFF's administrative costs, so that 100 percent of every donation goes directly to heat the homes of those in need. WAFF is supported through the generous contributions of our customers, friends, families and our employees. Every year, during our annual Employee Giving Campaign, more employees donate to WAFF than to any of the hundreds of other charities they support.

WAFF serves residents of the District of Columbia; the Maryland counties of Calvert, Charles, Montgomery, Prince George's and St. Mary's; the Virginia counties of Arlington, Fairfax, Loudoun and Prince William; and the Virginia cities of Alexandria, Fairfax and Falls Church.

We look forward to a day when there will be no need for WAFF. Unfortunately, that day has not yet arrived. To learn more about WAFF, please visit www.washingtonareafueelfund.org.



Employee Volunteerism

The commitment by our employees to the communities we serve is second to none. Each year, our employees donate time and tireless effort to lend a helping hand across the District of Columbia, Maryland and Virginia.

The Washington Gas employee volunteer program was formed in 2003 to give employees increased opportunities to lend a hand in our communities. Our employees have embraced this program with increasing numbers of volunteers and volunteer hours over the course of the last seven years. In 2010, our company ranked 14th for volunteer hours in the *Washington Business Journal's* list of top corporate philanthropists.

Through the volunteer program, employees support charitable organizations across the District of Columbia, Maryland and Virginia in the areas of health, education and the environment. Employees participate in volunteer events large and small, from feeding the homeless at a shelter to cleaning up our treasured parks and national monuments at the 9-11 National Day of Service.

One of our signature events is the Light The Night Walk to support cancer research for The Leukemia & Lymphoma Society. In 2010, we were one of only two companies nationwide to receive The Leukemia & Lymphoma Society's National Partners Award for more than a decade of commitment to fighting blood cancer. Since 2000, Washington Gas and our employees have raised more than \$385,000 to fight leukemia, lymphoma and related diseases.



7,874
hours

In 2010, more than 450 employees in the WGL Holdings family of companies volunteered their time to help those in need. Overall, employees donated nearly 8,000 hours of their time in that one year alone.



Corporate Giving

Our company and our employees are dedicated to generous giving. Similar to our employee volunteer program, our Charitable Giving Program is focused on health, education and the environment. The program supports hundreds of regional charitable organizations through contributions, in-kind donations and employee fundraising.

Employee fundraising takes place year round and is organized by our volunteer teams. Whether raising money to donate thousands of pounds of food to area food banks, buy holiday presents for Toys for Tots, or to provide children with much needed school supplies, our employees are giving back throughout the year. One of our long-standing relationships is with Junior Achievement. Since 1998, employees have raised nearly \$200,000 to help almost 4,000 area students succeed.

Annually, we also conduct an Employee Giving Campaign, in which employees choose and support hundreds of area charities each year. Since 2002, the Employee Giving Campaign has raised more than \$900,000. In recognition of this generosity, our giving campaign partner, America's Charities, awarded Washington Gas with its Employee Involvement Award.

Our company matches our employees' enthusiasm and dedication to giving. Washington Gas ranks among the *Washington Business Journal's* top corporate philanthropists for corporate donations.



805,315

dollars

In 2010, Washington Gas provided more than \$800,000 in corporate donations to area charitable organizations.



Environmental Leadership

WGL Holdings is a leader in responsible environmental stewardship. Through community education and outreach, strategic partnerships and internal programs, we are committed to protecting our environment, reducing our own carbon footprint and building sustainable energy practices for the future.

Our unregulated subsidiaries, Washington Gas Energy Services and Washington Gas Energy Systems, are leading providers of energy efficient and alternative energy options. Washington Gas Energy Services provides wind and solar options for electricity generation. In 2010, the company launched CleanSteps™ Carbon Offsets, allowing customers to match a portion or all of their natural gas usage with carbon offsets to reduce overall greenhouse gas emissions.

Washington Gas Energy Systems provides energy efficient solutions to commercial and government customers such as the Department of Homeland Security and the Federal Emergency Management Administration.

Our outreach to the community goes well beyond our volunteer support of organizations such as the Anacostia Watershed Society and our long-standing partnership with Clean Air Partners. Through scholarship support, event sponsorship, speaking engagements and training initiatives, we are educating our community about sustainability and energy efficiency every day.

Internally, we are reducing our own carbon footprint. We continue to add compressed natural gas (CNG) vehicles to our fleet each year and we are building a new office and operations center in Springfield, Va., that will employ new power technologies and seek to achieve the highest environmental building standards.



150,000 miles

In only its first year, our Reduce the Commute program for employees is estimated to have saved more than 150,000 commuter miles and 7,000 gallons of fuel.



Giving Our Support





We proudly provide donations, in-kind contributions, volunteer hours and other support to charitable organizations across our community.

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| Accokeek Foundation | College Bound | Greater Washington Urban League |
| Action in the Community Through Service | Columbia Lighthouse for the Blind | Greenspace, NCR |
| Adams Morgan Main Street | Community Family Life Services | H Street Main Street |
| AEDC Scholarship Foundation | The Community Foundation for the National Capital Region | Habitat for Humanity of Arlington |
| Alternatives for Youth & Families | The Community Foundation for Prince George's County | Habitat for Humanity of Winchester |
| Alvin Ailey American Dance Theatre | The Community Foundation of Northern Virginia | The Heart of America Foundation |
| American Red Cross | Council for Court Excellence | The High Tea Society |
| American Youth Philharmonic Orchestras | Council on Foundations | Hispanic College Fund |
| Anacostia Watershed Society | Covenant House Washington | The Ideal Companies Scholarship Fund |
| Angel's Watch | CrisisLink | Inova Health System |
| Armed Forces Retirement Home | Cultural Development Corporation | InRoads |
| Arts Council of Fairfax County | Cultural Tourism DC | IONA Senior Center |
| Audubon Naturalist Society | CureSearch (National Childhood Cancer Foundation) | John H. Enders Volunteer Fire & Rescue Squad |
| Barney Neighborhood House | Dance Institute of Washington | Junior Achievement of the National Capital Area |
| Black Student Fund | DC Central Kitchen | Kappa Scholarship Endowment Fund |
| Boys & Girls Clubs of Greater Washington | District of Columbia College Access Program | La Clinica Del Pueblo |
| Boy Scouts of America, National Capital Area | DC Federation of Civic Associations | The Lab School of Washington |
| Breathe DC at the United Medical Center Foundation | DC Youth Orchestra | Ladies of IMANI |
| Capital Area Food Bank | Downtown DC Business Improvement District | Latin American Youth Center |
| Capital Bookfest | The Ellington Fund | Latino Economic Development Corporation |
| Capital City Symphony | Fairfax Spotlight on the Arts | Latino Student Fund |
| Carpenter's Shelter | Festivals DC, Ltd. | The Leukemia & Lymphoma Society—National Capital Area Chapter |
| CASA for Children of Washington, DC | Fight for Children | Lewine School of Music |
| Catholic Charities | Food & Friends | Liberty's Promise |
| Celebrate Fairfax | Georgetown Pediatrics | The Marcey House |
| CentroNia | Girl Scouts Council of the Nation's Capital | March of Dimes Maryland—National Capital Area Chapter |
| Child and Family Network Centers | Goodwill of Greater Washington | Martha's Table |
| Children's Hospital Foundation | Greater DC Cares | Maryland Classic Youth Orchestras—Music Center at Strathmore |
| Chillum Youth Project | Greater Prince William County Health Center | Maryland Science Center |
| Choral Arts Society | | |
| Cinderella Foundation | | |





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| Mary's Center for Maternal & Child Care | Recreation Wish List Committee | Virginia Commission on Civic Education |
| Montgomery County Chamber Community Foundation | Robert J. Fuller Transitional House | Virginia Sustainable Building Network |
| Multicultural Career Intern Program | Samaritan Inns | Voices for Virginia's Children |
| N Street Village | Sandy Spring Museum | Volunteer Fairfax |
| NAACP Legal Defense and Educational Fund, Inc. | Shepherd's Table | Washington Animal Rescue League |
| National Fuel Fund Network | Smithsonian Anacostia Community Museum | Washington Area Fuel Fund (WAFF) |
| National Multiple Sclerosis Society | So Others Might Eat | Washington DC Police Foundation |
| National Symphony Orchestra | Special Olympics District of Columbia | Washington Grantmakers |
| North Capitol Main Street | St. Ann's Infant and Maternity Home | Washington Performing Arts Society |
| Northern Virginia Family Service | Starlight Children's Foundation Washington | Washington Regional Alcohol Program |
| Northern Virginia Urban League | Student Conservation Association | The Wellness Community |
| Parklands Community Center | Town Hall Education Arts Recreation Campus (THEARC) | World Wide Community |
| Patriots Technology Training Center | Town of North Brentwood | Year Up—National Capital Region |
| Phi Community Foundation | Toys for Tots | YMCA of Metropolitan Washington |
| Prince George's Harlem Remembrance Foundation | Unity Health Care Foundation | |
| | Urban Nation | |
| | United States Capitol Historical Society | |

Photo Index

Community Involvement

-  Lorenzo Haley teaches safety lessons at YMCA Thingamajig.
-  David Mencarini helps a D.C. resident seek energy assistance at Joint Utility Discount Day.
-  Jason Rich teaches students important business lessons at JA in a Day.
-  Robert Harris discusses safety issues with Prince George's County (Md.) Fire and Emergency Medical Services.





Corporate Giving

-  Tracye Funn (right) provides a donation to Unity Health Care Foundation.
-  The Washington Gas Junior Achievement Bowl-a-thon team.
-  Shaun Brown and one of YMCA Thingamajig's young participants flex their muscles.
-  Eric Grant works with D.C. students at JA in a Day.

Environmental Leadership

-  Washington Gas Energy Services President Harry Warren announces the CleanSteps™ Carbon Offsets initiative.
-  Steve Himmelfarb helps to clean up the Anacostia watershed on Earth Day.
-  One of Washington Gas' growing fleet of clean, compressed natural gas vehicles.
-  A preview of Washington Gas' new Springfield, Va., office building and operations center, scheduled to open in 2012.

Employee Volunteerism

-  Earl Lenhart works on landscaping at a Habitat for Humanity home.
-  Employees help prepare homes for winter at Project Weatherization.
-  Employees rally to fight breast cancer at the Susan G. Komen Race for the Cure.
-  Bill Gamer and his wife, Mary, help raise leukemia awareness at Light The Night.



WGL Holdings, Inc

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Washington Gas
Washington Gas Energy Services
Washington Gas Energy Systems
Capitol Energy Ventures