

TRANSACTION HIGHLIGHTS

AltaGas Ltd. and WGL Holdings, Inc. have entered into a definitive agreement for AltaGas to acquire WGL. Upon closing, the combined company will be in an even stronger position to deliver exceptional service at affordable rates, more investment in the community and workforce training programs, more clean energy choices to customers, and good, secure jobs right here in the region.

- On January 25, 2017, AltaGas announced the acquisition of WGL in an all cash transaction valued at \$6.4 billion. WGL shareholders will receive \$88.25 in cash per WGL share.
- The transaction is subject to regulatory approvals and is expected to close in first half of 2018.
- WGL will maintain its headquarters of its U.S. regulated utility business, Washington Gas, in Washington D.C., as it has for nearly 170 years.
- The combined company is expected to have pro forma enterprise value of approximately \$17 billion and will serve approximately 1.7 million customers across the U.S. and Canada.
- WGL will be part of a new business entity that is approximately double its current size with a broader and complementary set of energy businesses. This increase in scale and diversity of businesses will allow WGL to continue to grow through a larger and more geographically diverse enterprise.

Q: Why are AltaGas and WGL combining?

A: AltaGas and WGL share a vision for more growth and jobs in the region, more clean energy choices, and continued reliable service. Washington Gas is a proven provider of safe, reliable, affordable natural gas. It will continue to operate as a standalone utility headquartered in Washington, D.C., with the same complement of dedicated employees, while also assisting in the management of AltaGas' U.S. regulated utilities. AltaGas has a track record of great customer service, a broad geographic reach, expertise in natural gas infrastructure and power generation, and experience building and operating gas, power, wind, hydro and battery storage facilities. Together, AltaGas and WGL will help shape a company committed to offering reliable service at affordable rates to customers in the D.C. area.

Q: What does the transaction mean for Washington Gas's customers and communities?

A: Following the combination:

- Customers will experience a seamless transition and continue to receive safe and reliable service provided by the same complement of dedicated Washington Gas employees.
- Washington Gas' customer bills will not go up as a result of the combination.
- Washington Gas facilities, including walk-in offices, will remain in their current locations.
- More clean energy choices will be available.
- More investments in the community will be made.
- Good, secure jobs will be maintained.
- Washington Gas will continue operating as a standalone utility headquartered in Washington, D.C. with the same complement of dedicated employees, while also providing guidance to AltaGas' U.S. regulated utilities.

Q: Can customers count on reliable service from the new company?

A: Customers should expect the same high quality service and reliability standards following the combination. Washington Gas will provide the same great service it has provided for 170 years. The combined company will have the ability to grow, create local jobs and continue to provide safe, reliable and affordable energy. AltaGas has a track record of owning and operating high-performing gas distribution utilities. AltaGas' five utilities perform at high levels of safety and reliability, evidenced by the safety scores and awards they have received, as well as customer satisfaction levels.

Q: Will there be any change to the company structure and Washington Gas employees?

A: The combination will protect Washington Gas and its long tradition of reliable service and commitment to the region by keeping the company locally controlled and managed in the Washington Metropolitan Area. The company will have the same complement of dedicated employees to deliver safe and reliable service. AltaGas intends to retain existing WGL executives to continue managing Washington Gas' business and, assist in managing AltaGas' U.S. regulated utility business. No jobs will be lost as a result of the combination, in fact, as the combined company grows, more jobs will be added in the region in the coming years.

Learn more about the combination at wgldeliveringmore.com

AltaGas



Q. What can our community expect from the combination?

A. AltaGas and Washington Gas have a tradition of investing in the communities they serve. The combined company will increase charitable contributions, invest even more in workforce training programs, and help make clean energy more affordable for customers.

Q. What is the combined company's plan for renewable energy?

A. WGL and AltaGas have a shared vision for more growth and jobs in the advanced energy economy including distributed and renewable energy generation, battery storage and other customer-benefitting energy products. Growing our customer base of clean energy offerings, including natural gas, wind, hydro, solar and battery storage, will remain a focus.

Q. What is the regulatory approval process?

A. On April 24, 2017 AltaGas Ltd. and WGL Holdings, Inc. filed applications seeking regulatory approval from the Public Service Commission of the District of Columbia, the Maryland Public Service Commission and the Virginia State Corporation Commission to combine their operations. To date, the following reviews and approvals have been completed:

- Approval from the Federal Energy Regulatory Commission (FERC), on July 6, 2017, an independent agency that regulates the interstate transmission of natural gas, electricity and oil;
- 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; and
- The Virginia State Corporation Commission approved the proposed combination on October 20, 2017.

The Maryland Public Service Commission held evidentiary hearings from October 3–16 and is expected to issue its decision in early December 2017. In D.C., Evidentiary Hearings are scheduled from December 5–15 with the final Commission Order expected in the first half of 2018.

Q: Who is AltaGas?

A: AltaGas is a diversified clean energy infrastructure company with well-established natural gas, power and regulated utilities operations in the United States and Canada. With an exceptional record of customer service and a deep knowledge of clean energy, 1,600 employees safely provide energy in three business segments:

Natural Gas – Approximately 2 billion cubic feet transacted per day. Assets include natural gas gathering and processing, natural gas liquids extraction and separation, transmission and logistics, storage and marketing.

Power – 1,688 megawatts (MW) of clean power capacity using natural gas, wind, biomass and hydro assets plus 20 MW of energy storage. AltaGas is well situated to support the shift to cleaner sources of power.

Utilities – Regulated natural gas distribution utilities deliver clean and affordable natural gas to approximately 575,000 customers in Alaska, Michigan and Canada.

Q: Who is WGL?

A: WGL is a diversified energy business that provides natural gas, electricity, green power, carbon reduction and energy services.

Utility – Washington Gas provides natural gas service to more than 1.1 million customers throughout the District of Columbia, Maryland and Virginia.

Midstream – WGL Midstream engages in developing, acquiring, investing in, managing and optimizing natural gas storage and transportation assets.

WGL Energy – WGL Energy Services provides competitive retail energy services, including renewable energy, carbon offsets and more. WGL Energy Systems provides distributed generation and energy efficiency solutions to large commercial and government customers.