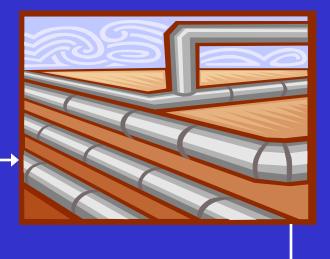


Physical Flow of Natural Gas before Deregulation

[Producers]

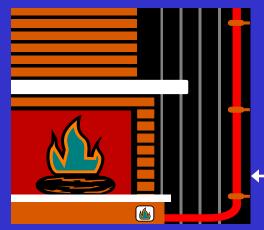
[4 Pipelines]

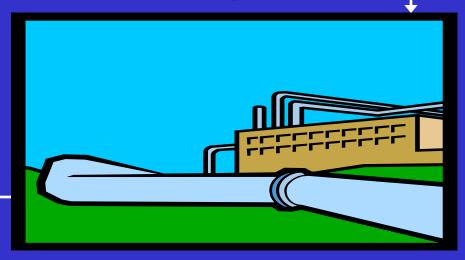




[Homes & Businesses]

[Washington Gas]





More Market Participants Involved in Financial Transactions

[Producers]



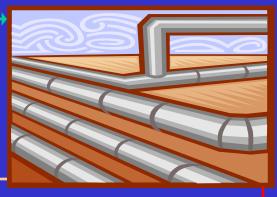
(Well Head Prices)

[Commodity]

[Marketers]



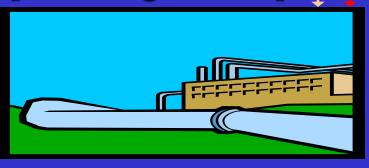
[4 Pipelines]



[Homes & Businesses]



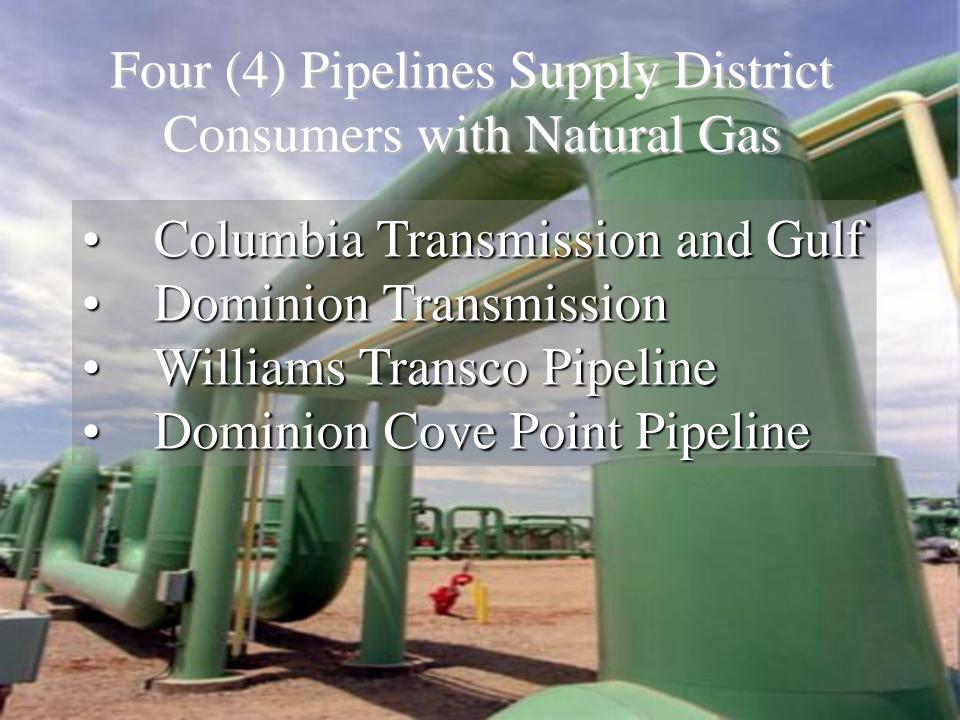
Washington Gas]



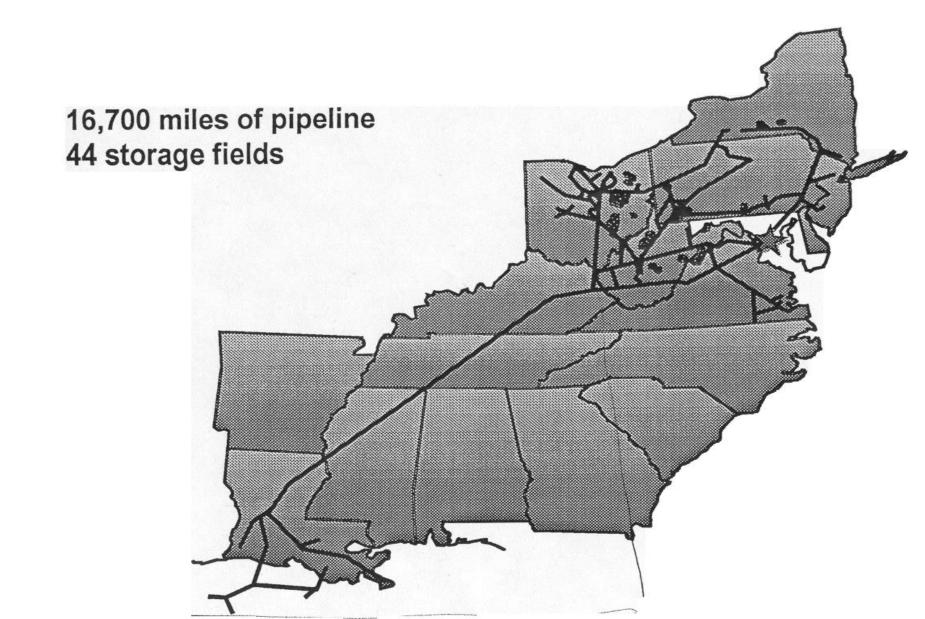


Washington Gas' Natural Gas Procurement Sources

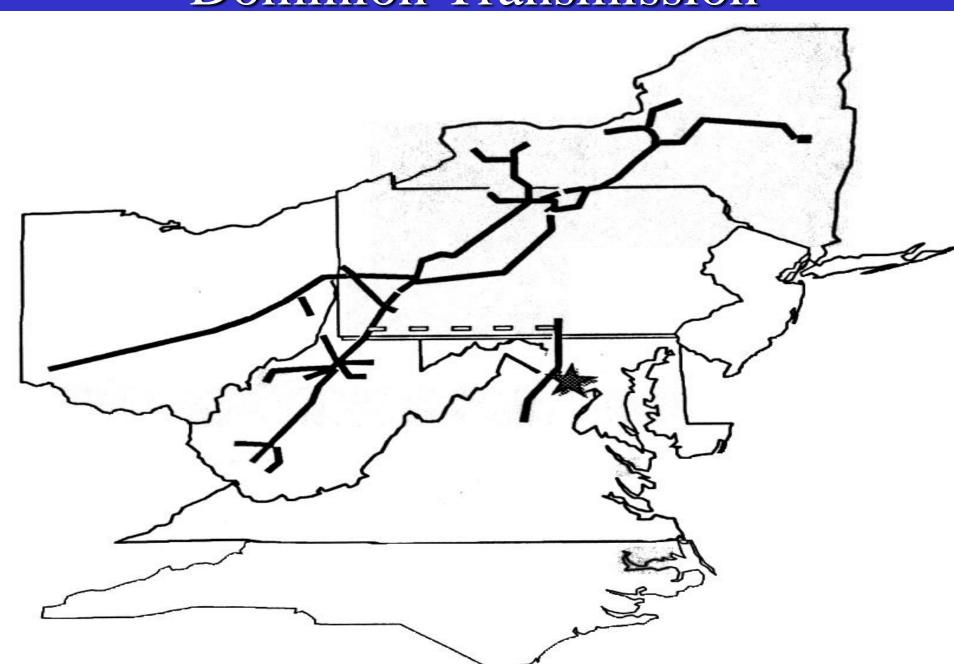
- Storage Natural Gas (Purchased between April and October)
- Long-term Contracts (Executed in early 1990s; guarantees supplies, but not prices)
- Monthly Contracts
- Daily Contracts (Natural Gas purchased the day before)
- Spot Market Prices (Natural Gas purchased on the same day)



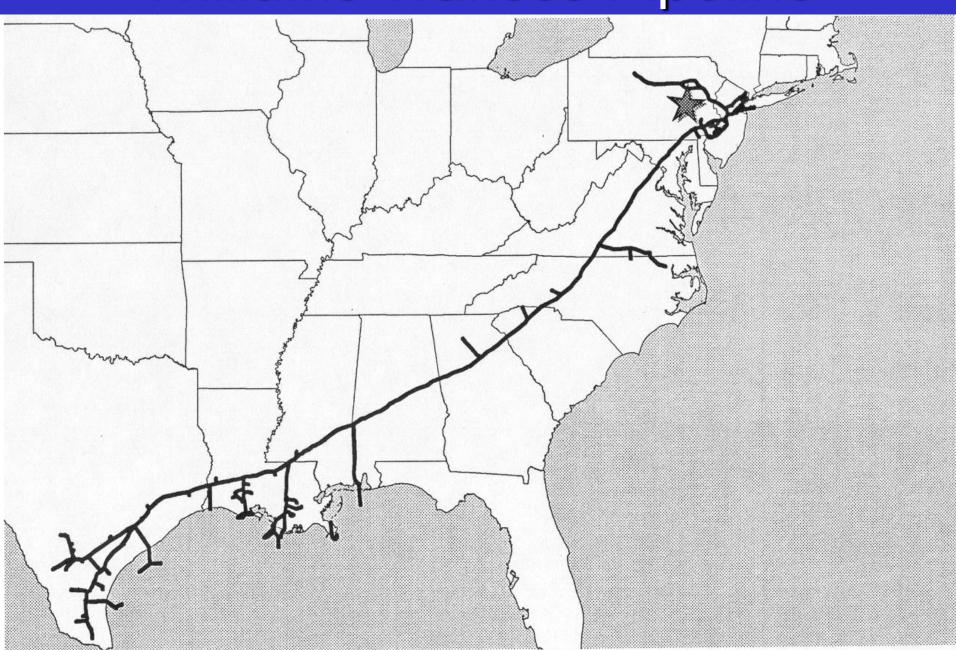
Columbia Transmission and Gulf



Dominion Transmission



Williams Transco Pipeline





Commodity Natural Gas Competition



There are four (4) Customer Choice programs, covering all residential and commercial customers. The residential program was made permanent in February, 2001. On January 30, 2002, the small commercial program was made permanent. The other two programs are for interruptible customers, established in 1988, and large commercial customers, established in 1998.

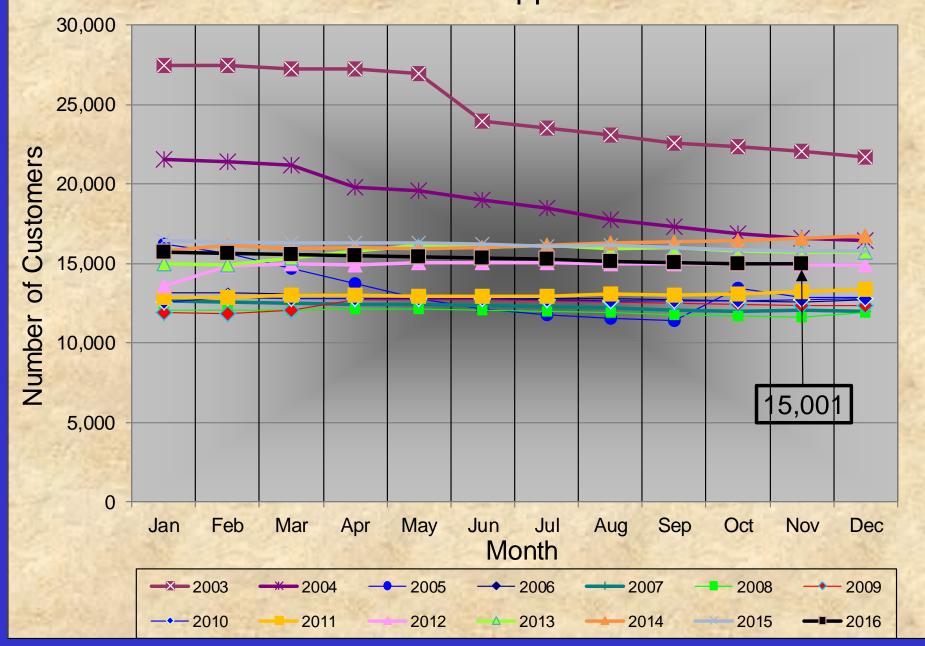


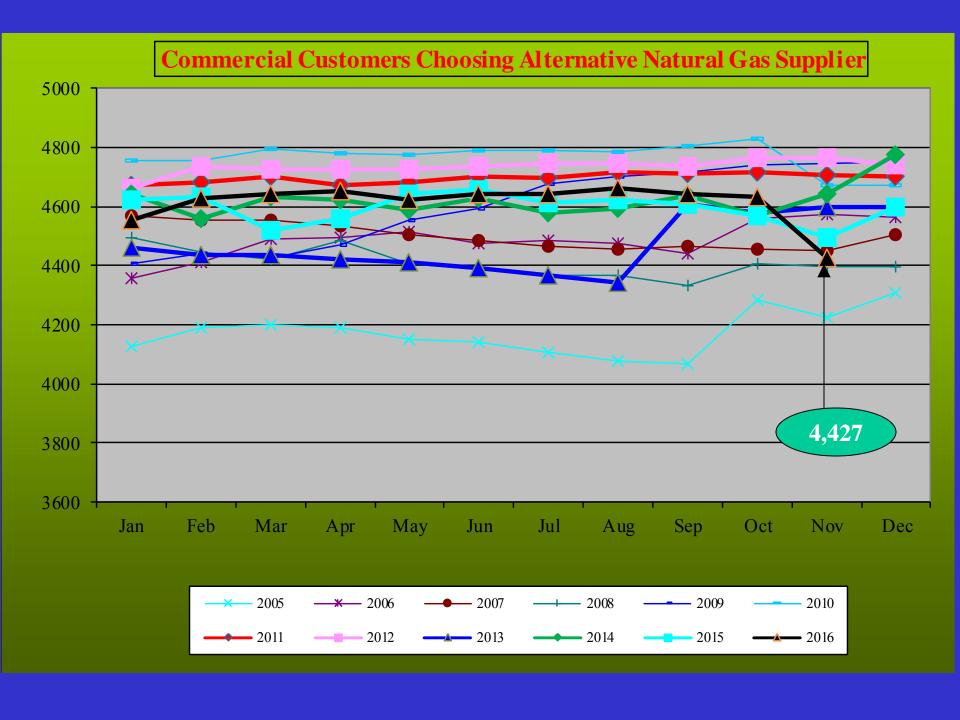


Current Status of Natural Gas Commodity Competition

As of November 1, 2016, there are ten (10) alternative natural gas commodity suppliers serving 15,001 participants in the residential program and accounting for 10% of all residential natural gas customers. There are thirteen (13) alternative natural gas commodity suppliers serving 4,427 commercial participants or 35% of all commercial accounts.

Residential Customers Choosing Alternative Natural Gas Suppliers





Current Natural Gas Bill Format

ACCOUNT INFORMATION

Service	Address	s:			Gas Use		F	leading	Date	Method
Mailed			05/17/12		Current Reading			8242	05/14/12	READ BY CO.
Account	Number				Previous Reading		_	8200	04/13/12	READ BY CO.
Meter IE	No.				CCF of Gas Used		-	42		
Rate Cla	ass		RESIDENTIAL HEAT/COOL		Unmetered Gas Light (CCF)		+ (
Level			1		Total CCF of Gas U		-	42		
Next Me	eter Read	ing Date	06/13/12		Conversion Factor		Y	1.012		
Days in This Billing period		31	Total Therms (Used	^ -	42.5			
13-MON	ITH ENE		HISTORY	GAS USAG	E DETAIL	10.00	CUI	DCEE		
Mo/Yr	Temp	Th D	ays	GAS USAG	DEDETAIL		CHA	ARGES		
04/12	57	50	29	TOTAL THERM	IS USED	42.5	PREV	TOUS BI	LL AMOUNT	63.42
03/12	47	92	30	DISTRIBUTIO	ON SERVICE		PAYE	ENTS REC	CETVED	63.42
02/12	39	156	32	DISTRIBUT	ION CHARGE		- 3721		S PERIOD	
01/12	41	135	31	42.5 TH 6	\$ 3214	13.66	25.00		2 LEKTOD	50.40
12/11	47	100	33	CUSTOMER (7.95		USAGE		50.40
11/11	55	63	30		OF-WAY FEE		TOTA	L THIS	PERIOD	50.40
10/11	62	26	29			1.33				
09/11	65	9	32		S SUPPLY SERVICE		TOTA	AL DUE		\$ 50.40
08/11	65	8	29	PGC @ \$.55		23.60	Pesan			8.000,000
07/11	65	10	29	SUSTAINABL	LE ENERGY TRUST FUND	0.60	- ·	UOTD 1 47		
06/11	65	26	33	ENERGY ASS	SISTANCE TRUST FUND	0.26	PAYM	FULL FULL	RE RECETA	CHARGES, FULL ED BY 06/05/12
05/11	61	33	29	STATE & LOC	CAL				DE NEULIY	LD DI 00100112
04/11	50	72	29	DELIVERY 1	FAX @ .070700	3.00				
		Total Th	780)						
				TOTAL GAS (CHARGES \$	50.40	l .			

PAYMENTS NOT RECEIVED BY THE DUE DATE SUBJECT THE ACCOUNT TO A SECURITY DEPOSIT WHERE PERMITTED BY REGULATION.
THE BUDGET PLAN CAN HELP YOU MANAGE NATURAL GAS COSTS. CALL THE AUTOMATED LINE AT 703-750-7944 TO ENROLL TODAY.
PREVENT DAMAGE TO UNDERGROUND PIPELINES. CALL 811 BEFORE YOU DIG. IT'S THE LAW.



Residential Natural Gas Prices Two (2) Components

- Distribution Charge Set by the DCPSC in a rate case. Everyone pays this charge since there is only one distribution company, Washington Gas.
- Commodity Charge Price of the natural gas commodity itself. You can choose whether you want to purchase the commodity from either Washington Gas or other natural gas commodity suppliers. The commodity charge on Washington Gas' bill is called the Purchased Gas Charge.



Purchased Gas Charge



- Washington Gas' commodity charge is called the Purchased Gas Charge (PGC).
- The PGC is based on wholesale market prices which are under the Federal Energy Regulatory Commission's (FERC) jurisdiction.
- The DCPSC audits these costs.
- Washington Gas does not earn a profit on the PGC.

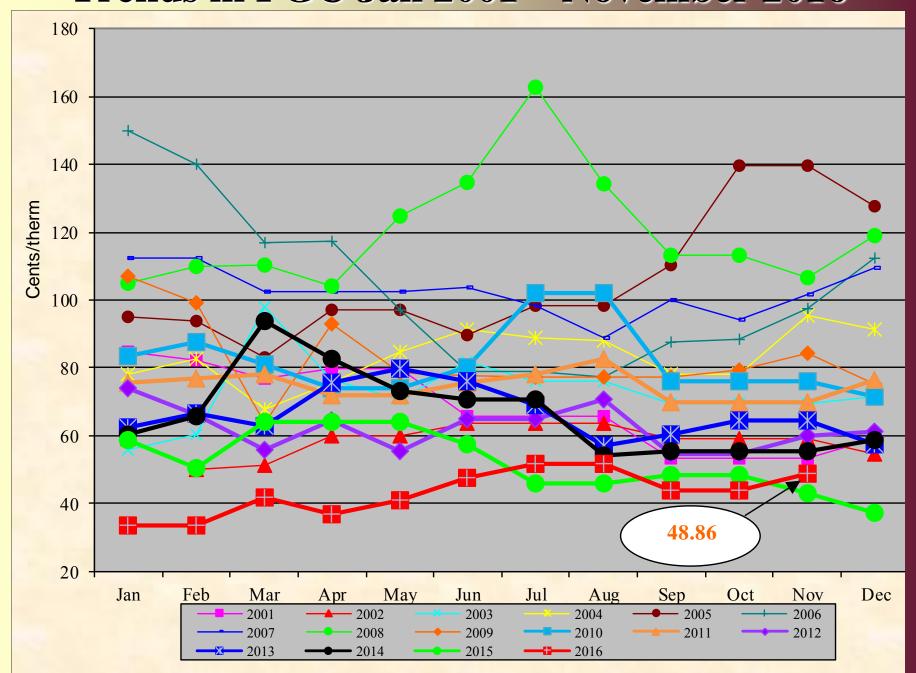
Composition of November 2016 Purchased Gas Charge – PGC

Commodity Costs	36.05 cents per therm
Demand ¹	16.47 cents per therm
Others ²	-3.66 cents per therm
Total Costs – PGC	48.86 cents per therm

¹-Demand includes firm transportation, storage, and peak shaving.

²-Others include items such as carrying charges, GAC, ACA, refunds, and credits.

Trends in PGC Jan 2001 – November 2016



What Can Consumers Do to Lessen the Impact of High Natural Gas Prices?

- Ensure your homes are energy efficient.
- Consider implementing energy conservation measures.
- Consider joining WGL's budget plan, which allows you to spread the costs over a longer period. Ultimately, a true-up will be rendered.
- Monitor the natural gas commodity prices on your bills because you can choose your natural gas commodity supplier. Check the Commission's website or contact the Commission's Consumer Services Office for more information.





How to Choose a Natural Gas Commodity Supplier



Selecting a Natural Gas Commodity Supplier

- Look at the outlook for wholesale natural gas prices
- Determine who are the suppliers and their prices and other terms
- Determine how much you would pay and save with each of the suppliers
- Look at the price history of the suppliers
- Look at whether current customers under contract have been saving money
- Look at market shares



Questions to Ask Each Supplier



- What is your price?
- Does this price include a "Balancing Charge"?
 - > If not, how much is the balancing charge?
 - ➤If "Variable", what is it based on?
 - > If "Fixed", for how long?
- Do I have to sign a contract?
- Is there a penalty for switching before the end of the contract? If yes, how much is the fee?
- Is there a minimum charge?
- How will I be billed? (Separately or on WGL bill)





What is the Balancing Charge?

- The cost to match the amount of natural gas supplied by Washington Gas with the amount of natural gas actually consumed by customers.
- Washington Gas performs the balancing function on a daily basis.
- The current charge is 0.58 cents per therm.



Current Natural Gas Commodity Prices for Residential Customers (as of November 7, 2016)



Residential Customers (as of November 7, 2010)									
Company	Price (Without Balancing Charge)	Price (With Balancing Charge)							
Ambit Energy 1 (877) 282-6248 ww2.ambitenergy.com	NA cents/therm for 1 year No minimum monthly charge	NA cents per therm for 1 year No minimum monthly charge							
Constellation Energy 1 (866) 938-2140 home2.constellation.com	58.90 cents/therm for 1 year No minimum monthly charge	59.48 cents per therm for 1 year No minimum monthly charge							
Deca Energy (202) 670-5558 www.decaenergy.com	56.00 cents/therm for 1 year No minimum monthly charge	56.58 cents per therm for 1 year No minimum monthly charge							
WGL Energy Services 1 (888) 236-9437 www.wglenergy.com	55.00 cents/therm for 1 year No minimum monthly charge	55.58 cents per therm for 1 year No minimum monthly charge							

Current Natural Gas Commodity Prices for New Residential Customers (as of November 7 2016)

Residential Customers (as of November 7, 2010)									
Company	Price (Without Balancing Charge)	Price (With Balancing Charge)							
NOVEC Energy Solutions 1 (888)-627-7283	49.90 cents per therm No minimum monthly charge	50.48 cents per therm -No minimum monthly charge							

1 (866) 663-2508 No minimum monthly charge www.decaenergy.com 47.45 cents per therm

12 month projection based on NYMEX index Washington Gas –

Go to link of

www.novec.com

Viridian Energy

Charge (PGC)

48.28 cents per therm **Purchased Natural Gas**

Prices vary each month.

Price quote is for service which

begins in following month

48.29 cents/therm for 1 year

No minimum monthly charge

48.03 cents per therm 48.86 cents per therm

Prices vary each month.

Price quote is for service which

48.87 cents per therm for 1 year

begins in following month

How To Calculate Natural Gas Savings

District of Columbia Instructions:

- Enter the natural gas supplier's name. This is required in order to view the results. You are allowed to enter information for up to four different suppliers. Click here for a list of participating natural gas suppliers.
- Enter the total natural gas price offering form each supplier. For example, if the price is 65 cents per therm, enter \$0.65.
- If the rate quote from the supplier does not include the balancing charge, add \$0.0192 to the quoted price.
- Enter you total natural gas usage (therms) for the past 12 months. If you do not have this number please contact Washington Gas at (703) 750-1000.
- The average usage (therms) for residential customers in the District of Columbia is approximately 1000 therms. Once you have completed these steps for each supplier, click the Calculate Savings button.

	Supplier Name	Supplier Total Natural Gas Price Offering	Supplier Monthly Fees
Supplier 1	Gateway Energy Services Corp.	0.978	0
Supplier 2	NOVEC	1.232	0
Supplier 3	WGES	1.112	0
Supplier 4			

Calculate Savings

Clear

Enter your usage (therms) for the previous 12 months: **1000** therms

Natural Gas Savings

Based on the following information that you supplied, the following results were produced:

Annual Natural Gas Usage: 1000 therms

Supplier Name	Total Annual Natural Gas Cost	Annual Natural Gas Cost Savings		
Washington Gas	\$1,030.00	-		
Gateway Energy Services Corp.	\$977.500	\$52.50		
NOVEC	\$1,232.200	(\$202.20)		
WGES	\$1112.200	(\$82.20)		

If the Annual Natural Gas Cost Savings is positive, the number represents the amount that you potentially save if you purchased your natural gas from the Marketer instead of purchasing it from Washington Gas.

If the Annual Natural Gas Cost Savings is negative (), the number represents the additional amount that you would potentially pay if you purchased your natural gas from the marketer Instead of purchasing it from Washington Gas.

CHANGING NATURAL GAS PRICES

- WGL's PGC of 48.86 cents per therm in November 2016 is up 12% from the previous month.
- WGL's November 2016 PGC is up 14% compared to the PGC rate for November 2015.
- WGL Energy's commodity charge of **55.58** cents per therm in November 2016 is unchanged from the rate for October 2016.

WHY ARE NATURAL GAS PRICES CHANGING?

- WGL has to pay different prices for natural gas that it procures during the year.
- Wholesale natural gas prices, however, are somewhat higher than last year due, in part, to:
 - increased use of natural gas for electricity generation;
 - not enough price incentive to produce natural gas;
 - less incentive to store natural gas.

WHAT IS EXPECTED BILL IMPACT OF CHANGES IN NATURAL GAS PRICES?

• On average, each therm will cost \$1.31 in November 2016 compared to \$1.22 in November 2015.

• This means, on average, the WGL gas heating residential bill—using 36 therms—is likely to be about \$47 in November 2016, up 7 percent compared to the same period a year ago.

WHAT CAN CONSUMERS DO?

- Check prices of other suppliers.
- Consider joining WGL's budget plan.
- Implement energy efficiency measures.

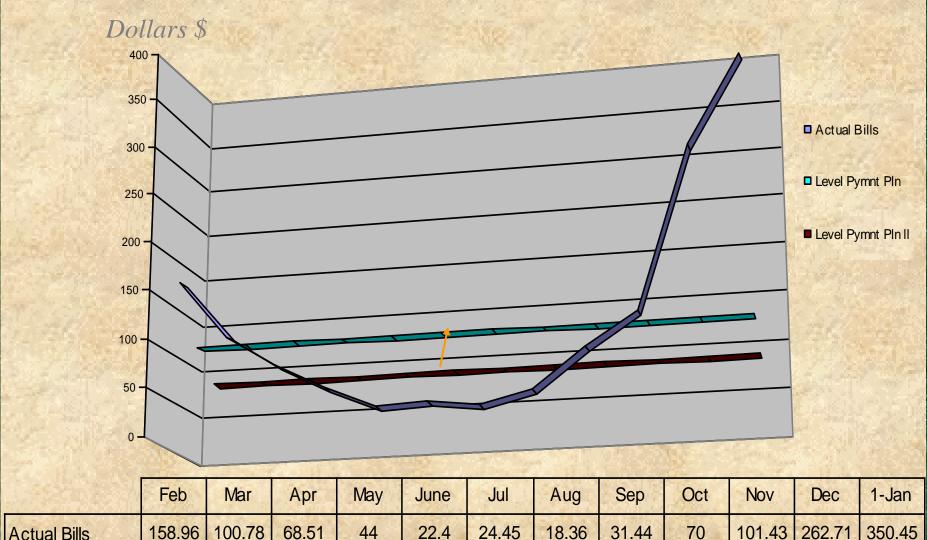


WHAT YOU SHOULD DO IF YOU CAN'T PAY YOUR NATURAL GAS BILL(S)



- Make and keep payment arrangements with Washington Gas.
- Consider joining Washington Gas' Level Payment Plan (spread costs over 12 months).
- Find ways to conserve energy.
- Contact Washington Gas, the Office of Consumer Services in the Public Service Commission, the Office of the People's Counsel, the District Department of the Environment's Energy Office or other agencies (e.g. LIHEAP, Washington Area Fuel Fund, etc.) for assistance.

WASHINGTON GAS LIGHT LEVEL PAYMENT PLAN (February 2000 through January 2001)



	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	1-Jan
Actual Bills	158.96	100.78	68.51	44	22.4	24.45	18.36	31.44	70	101.43	262.71	350.45
Level Pymnt Pln	105	105	105	105	105	105	105	105	105	105	105	105
Level Pymnt Pln II	78	78	78	78	78	78	78	78	78	78	78	78

Additional Energy Efficient Ideas





Watch Your Thermostat



- Set your thermostat at a comfortable setting between 65 and 70 degrees during the day and slightly lower at night.
- When you're away from home for more than a few hours, set your thermostat at 58 degrees.
- Warmer temperatures are recommended for homes with ill or elderly persons or infants.

Long-Term Tips

- Schedule a furnace check-up. Regular maintenance performed by a qualified professional can help ensure the safe, reliable, and efficient operation of your heating system.
- Consider purchasing a new, high-efficiency furnace or water heater is nearing the end of its normal life span or has experienced problems in the past, a new high-efficiency unit can save you as much as 20% on your heating bills.
- Consider purchasing a programmable thermostat. A
 programmable thermostat automatically reduces temperature settings
 without sacrificing comfort.



Day-to-Day Conservation Tips



- Change or clean your furnace filter once a month using your natural gas bill as a reminder.
- Seal leaks around doors, windows, and other openings, such as pipes or air ducts, with caulking or weather-stripping.
- Replace broken or cracked glass and consider installing storm windows
- Dress warmly in the home.
- Close vents and doors in unused rooms and close dampers in unused fireplaces.
- Run you washer and dryer with full loads.
- Never use natural gas stoves/ovens for heating purposes. Continuous burning can lead to Carbon Monoxide hazard



