

January 25, 2017

**Dear Customer:**

I am pleased to announce that, today, we entered into an agreement for WGL Holdings, Inc. to combine operations with AltaGas Ltd., a leading diversified energy infrastructure company. Once the agreement is final, Washington Gas, WGL Energy Services, WGL Energy Systems, WGL Midstream and Hampshire Gas will become wholly-owned subsidiaries of AltaGas.



This move represents a growth opportunity for our business and WGL jobs. It means that the WGL family of companies will become part of a larger, more broad-based business that spans the U.S. and Canada. This new organization will be roughly double our current size and will comprise a wider, complementary set of energy businesses upon which we will build our future growth and success.

Now, and after the transaction is completed, Washington Gas will continue to function as normal. Like Washington Gas, AltaGas is focused on finding innovative ways to safely and reliably deliver clean, affordable natural gas to its customers.

WGL Energy Services, WGL Energy Systems, WGL Midstream and Hampshire Gas will maintain their brands and their local operations. Customers will benefit from AltaGas' impressive U.S. infrastructure, resources and, most importantly, a focus on growth. We intend to maintain our employee staffing and therefore our high level of customer service through the transition and beyond. Key contacts within the companies will remain the same as well.

We also look forward to continuing to be a responsible corporate citizen by giving back to the communities we serve. We will expand upon our financial support for nonprofit organizations and promote a rich environment for employee volunteerism – efforts that will undoubtedly be strengthened after combining with AltaGas.

The exciting opportunities created by this combination are attributable to our attractive track-record of success. I am personally looking forward to joining with the AltaGas family of companies and to moving forward with you to this new era of opportunity and growth.

Sincerely,



Terry McCallister  
Chairman and Chief Executive Officer