



Washington Gas Energy Services

A Washington Gas Affiliated Company

13865 Sunrise Valley Drive
Suite 200
Herndon, VA 20171
P 703.793.7565
C 301.509.1508
F 703.793.7301

April 30, 2010

Mr. James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

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APR 30 2010

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

Re: Natural Gas Supplier License Application of Washington Gas Energy Service, Inc.

Dear Secretary McNulty:

Washington Gas Energy Services, Inc., ("WGES"), a licensed Electric Generation Supplier (License No. A-110158), submits the enclosed application seeking a natural gas supplier license to serve residential, commercial, industrial, and governmental customers in the service territories of Columbia Gas of PA and PECO.

Enclosed please find our completed application form and various attachments including:

- Attachment A – Articles of Incorporation/Certificate of Good Standing/Certificate of Authority;
- Attachment B – list of the parties served with a copy of this license application/attachments;
- Attachment C – sample newspaper ad to be published upon receipt of a docket number for this filing;
- Attachment D – Tax Certification;
- Attachment E – Residential/Small Commercial Sample Contract Terms & Conditions and Disclosure Statement;
- Attachment F – Dunn & Bradstreet Credit Report;
- Attachment G – WGES Proof of Insurance;
- Attachment H – 2009 Audited Financial Report;
- Attachment I – WGES Officers/Resumes;
- Attachment J – Statement of Technical Fitness;
- Attachment K – FERC Letter Order Granting WGES Power License;
- A check (No. 019684 in the amount of \$350 for the application fee.

In addition, as noted in question 17. b., WGES is in the process of obtaining the required proof of compliance with the credit requirements for PECO and Columbia Gas of PA and we will submit that information as soon as it is available.

Please feel free to contact me at 703.793.7565 or via Email at lgibbons@wges.com if you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Leah Gibbons". The signature is fluid and cursive, with the first name "Leah" and last name "Gibbons" clearly distinguishable.

Leah Gibbons
Director, Regulatory and Legislative Affairs

Enclosures

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Washington Gas Energy Services, Inc., d/b/a _____, for approval to offer, render, furnish, or as a(n) [as specified in item #8 below] to the public in the Commonwealth of Pennsylvania.

To the Pennsylvania Public Utility Commission:

1. **IDENTITY OF THE APPLICANT:** The name, address, telephone number, and FAX number of the Applicant are: Washington Gas Energy Services, Inc.
13865 Sunrise Valley Drive, Suite 200
Herndon, VA 20171
Phone: 703-793-7500
Fax: 703-793-7301

Please identify any predecessor(s) of the Applicant and provide other names under which the Applicant has operated within the preceding five (5) years, including name, address, and telephone number.

2. a. **CONTACT PERSON:** The name, title, address, telephone number, and FAX number of the person to whom questions about this Application should be addressed are:
Leah Gibbons, Director, Regulatory & Legislative Affairs
13865 Sunrise Valley Drive, Suite 200, Herndon, VA 20171
Phone: 703-793-7565 Fax: 703-793-7301
- b. **CONTACT PERSON-PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY:** The name, title, address telephone number and FAX number of the person with whom contact should be made by PEMA:
Phillip G. Woodyard, Vice President - Operations
13865 Sunrise Valley Drive, Suite 200, Herndon, VA 20171
Phone: 703-793-7560 Fax: 703-793-7301
- 3.a. **ATTORNEY:** If applicable, the name, address, telephone number, and FAX number of the Applicant's attorney are:
Telemac Chryssikos
Washington Gas Energy Services, Inc.
101 Constitution Avenue, NW, Room 319
Washington, DC 20080
Phone: 202-624-6116 Fax: 202-624-6040

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

- b. **REGISTERED AGENT:** If the Applicant does not maintain a principal office in the Commonwealth, the required name, address, telephone number and FAX number of the Applicant's Registered Agent in the Commonwealth are:

The Company Corporation
2704 Commerce Drive
Harrisburg, PA 17110
Phone: 800-315-9420
Fax: 302-636-5454

4. **FICTITIOUS NAME:** (select and complete appropriate statement)

☐ The Applicant will be using a fictitious name or doing business as ("d/b/a"):

Attach to the Application a copy of the Applicant's filing with the Commonwealth's Department of State pursuant to 54 Pa. C.S. §311, Form PA-953.

or

☒ The Applicant will not be using a fictitious name.

5. **BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:** (select and complete appropriate statement)

☐ The Applicant is a sole proprietor.

If the Applicant is located outside the Commonwealth, provide proof of compliance with 15 Pa. C.S. §4124 relating to Department of State filing requirements.

or

☐ The Applicant is a:

- ☐ domestic general partnership (*)
- ☐ domestic limited partnership (15 Pa. C.S. §8511)
- ☐ foreign general or limited partnership (15 Pa. C.S. §4124)
- ☐ domestic limited liability partnership (15 Pa. C.S. §8201)
- ☐ foreign limited liability general partnership (15 Pa. C.S. §8211)
- ☐ foreign limited liability limited partnership (15 Pa. C.S. §8211)

Provide proof of compliance with appropriate Department of State filing requirements as indicated above.

Give name, d/b/a, and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.

- ☐ * If a corporate partner in the Applicant's domestic partnership is not domiciled in Pennsylvania, attach a copy of the Applicant's Department of State filing pursuant to 15 Pa. C.S. §4124.

or

☒ The Applicant is a:

- ☐ domestic corporation (none)
☒ foreign corporation (15 Pa. C.S. §4124)
☐ domestic limited liability company (15 Pa. C.S. §8913)
☐ foreign limited liability company (15 Pa. C.S. §8981)
☐ Other _____

Provide proof of compliance with appropriate Department of State filing requirements as indicated above. Additionally, provide a copy of the Applicant's Articles of Incorporation. Please see Attachment A

Give name and address of officers.

Harry A. Warren, President

Laura L. Shaw, Secretary

Steven C. Clausman, Vice President

Phillip G. Woodyard, Vice President

Timothy Woods, Vice President, CFO, Treasurer

Joe Bartoletta, Controller

Business address for all officers:

13865 Sunrise Valley Drive, Suite 200

Herndon, VA 20171

The Applicant is incorporated in the state of Delaware

6. **AFFILIATES AND PREDECESSORS WITHIN PENNSYLVANIA:** (select and complete appropriate statement)

☐ Affiliate(s) of the Applicant doing business in Pennsylvania are:

Give name and address of the affiliate(s) and state whether the affiliate(s) are jurisdictional public utilities.

☒ Does the Applicant have any affiliation with or ownership interest in:

- (a) any other Pennsylvania retail natural gas supplier licensee or licensee applicant,
(b) any other Pennsylvania retail licensed electric generation supplier or license applicant,
(c) any Pennsylvania natural gas producer and/or marketer,
(d) any natural gas wells or
(e) any local distribution companies (LDCs) in the Commonwealth

If the response to parts a, b, c, or d above is affirmative, provide a detailed description and explanation of the affiliation and/or ownership interest.

Washington Gas Energy Services, Inc. is a licensed retail electric generation supplier, License No. A-110158

☒ Provide specific details concerning the affiliation and/or ownership interests involving:

- (a) any natural gas producer and/or marketers,
(b) any wholesale or retail supplier or marketer of natural gas, electricity, oil, propane or other energy sources.

Washington Gas Energy Services, Inc. is a licensed retail electric generation supplier, License No. A-110158

☒ Provide the Pa PUC Docket Number if the applicant has ever applied:

- (a) for a Pennsylvania Natural Gas Supplier license, or
(b) for a Pennsylvania Electric Generation Supplier license. License No. A-110158

- ☐ If the Applicant or an affiliate has a predecessor who has done business within Pennsylvania, give name and address of the predecessor(s) and state whether the predecessor(s) were jurisdictional public utilities.

or

- ☒ The Applicant has no affiliates doing business in Pennsylvania or predecessors which have done business in Pennsylvania.

7. **APPLICANT'S PRESENT OPERATIONS:** (select and complete the appropriate statement)

- ☒ The Applicant is presently doing business in Pennsylvania as a

- ☐ natural gas interstate pipeline.
- ☐ municipal providing service outside its municipal limits.
- ☐ local gas distribution company
- ☐ retail supplier of natural gas services in the Commonwealth
- ☐ a natural gas producer
- ☒ Other. (Identify the nature of service being rendered.)

WGES is a licensed retail electric generation supplier, License No. A-110158

or

- ☐ The Applicant is not presently doing business in Pennsylvania.

8. **APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as a:

- ☒ supplier of natural gas services.
- ☐ Municipal supplier of natural gas services.
- ☐ Cooperative supplier of natural gas services.
- ☒ Broker/Marketer engaged in the business of supplying natural gas services.
- ☒ Aggregator engaged in the business of supplying natural gas services.
- ☐ Other (Describe):

9. **PROPOSED SERVICES:** Generally describe the natural gas services which the Applicant proposes to offer.
WGES proposes to act as Customer's limited agent in providing retail gas supply services, including: obtain information about Customer's LDC account (e.g., account numbers, billing history, payment history, historical usage, projected usage, meter readings and characteristics of service), enter into retail gas supply sales agreements, make nominations, schedule, balance, make settlement, obtain Customer's credit and payment information, and perform all duties necessary to deliver retail natural gas supply to all Customer types.

10. **SERVICE AREA:** Provide each Natural Gas Distribution Company (NGDC) in which Applicant proposes to offer services.

Columbia Gas of PA, Inc.
PECO

11. **CUSTOMERS:** Applicant proposes to initially provide services to:

- ☐ Residential Customers
- ☐ Commercial Customers - (Less than 6,000 Mcf annually)
- ☐ Commercial Customers - (6,000 Mcf or more annually)
- ☐ Industrial Customers
- ☐ Governmental Customers
- ☒ All of above
- ☐ Other (Describe):

12. **START DATE:** The Applicant proposes to begin delivering services on July 1, 2010
(approximate date).

13. **NOTICE:** Pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14, serve a copy of the signed and verified Application with attachments on the following: Please see Attachments B & C

Irwin A. Popowsky
Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120-1921

Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

William R. Lloyd, Jr.
Commerce Building, Suite 1102
Small Business Advocate
300 North Second Street
Harrisburg, PA 17101

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

Any of the following Natural Gas Distribution Companies through whose transmission and distribution facilities the applicant intends to supply customers:

Valley Energy Inc. Robert Crocker 523 South Keystone Avenue Sayre, PA 18840-0340 PH: 570.888-9664 FAX: 570.888.6199 email: rcrocker@ctenterprises.org	National Fuel Gas Distribution Corp. David D. Wolford 6363 Main Street Williamsville, NY 14221 PH: 716.857.7483 FAX: 716.857.7479 e-mail: wolfordd@natfuel.com
PPL Gas Utilities Corporation Curtis L. Rounds or Edward L. Farber 555 Camargo Road Quarryville, PA 17566 PH: 717.519.2922 717.519.2923 FAX: 717.806.1907 717.806.1907 e-mail: clrounds@pplweb.com or elfarber@pplweb.com	The Peoples Natural Gas Company Joe Gregorini 1201 Pitt Street Pittsburgh, PA 15221 e-mail: Joseph.A.Gregorini@peoples-gas.com PH: 412.473.4146 FAX: 412.473.4143
T. W. Phillips Gas and Oil Company Robert M. Hovanec 205 North Main Street Butler, PA 16001 PH: 724.287.2725 FAX: 724.287.5021 e-mail: rhovanec@twphillips.com	UGI Chris Brown or Bob Krieger PO Box 12677 or 225 Morgantown Rd Reading, PA 15222 Reading, PA 15222 PH: 610.796.3425 PH: 610.796.3516 FAX: 610.796.3559
PG Energy Richard N. Marshall or Wendy K. Saxe One PEI Center Wilkes-Barre, PA 18711-0601 e-mail: marshall@pgenergy.com or saxe@pgenergy.com PH: 570.829.8795 FAX: 570.829.8652	Equitable Gas Company Jerald Moody 225 North Shore Drive Pittsburgh, PA 15212-5352 PH: 412.395.3209 FAX: 412.395.3335
Carnegie Natural Gas Company Donald A. Melzer 800 Regis Avenue Pittsburgh, PA 19236 PH: 412.655.8510 ext. 331 FAX: 412.655.0335	Columbia Gas of PA, Inc. Heather Bauer 200 Civic Center Drive Columbus, OH 43215 PH: 614.460.6254 or 614.460.5554 FAX: 614.460.4291
Philadelphia Gas Works Eric Burgis 800 West Montgomery Avenue Philadelphia, PA 19122 email: eric.burgis@pgworks.com PH: 215.684.6907 FAX: 215.684.6564	PECO Amy Hamilton, Manager Gas Regulatory and Transportation 2301 Market Street, S9-1 Philadelphia, PA 19103 Email: amy.hamilton@exeloncorp.com PH: 215.841.6783

Pursuant to Sections 1.57 and 1.58 of the Commission's Regulations, 52 Pa. Code §§1.57 and 1.58, attach Proof of Service of the Application and attachments upon the above named parties. Upon review of the Application, further notice may be required pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14.

14. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as Appendix B to this application.
Please see Attachment D

15. **COMPLIANCE:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application has been convicted of a crime involving fraud or similar activity. Identify all proceedings, by name, subject and citation, dealing with business operations, in the last five (5) years, whether before an administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.

Neither the Applicant (WGES), nor an affiliate, a predecessor of either, or a person identified in this application has been convicted of a crime involving fraud or similar activity.

16. **STANDARDS, BILLING PRACTICES, TERMS AND CONDITIONS OF PROVIDING SERVICE AND CONSUMER EDUCATION:** All services should be priced in clearly stated terms to the extent possible. Common definitions should be used. All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.

- a. **Contacts for Consumer Service and Complaints:** Provide the name, title, address, telephone number and FAX number of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with Applicant, the Distribution Company, the Pennsylvania Public Utility Commission or other agencies.

Aileen Cannon, Customer Service Manager, 13865 Sunrise Valley Drive, Suite 200, Herndon, VA 20171 P 703-793-7524 F 703-793-7301

- b. Provide a copy of all standard forms or contracts that you use, or propose to use, for service provided to residential customers.

Please see Attachment E

- c. If proposing to serve Residential and/or Small Commercial customers, provide a disclosure statement. A sample disclosure statement is provided as Appendix B to this Application.

Please see Attachment E

17. **FINANCIAL FITNESS:**

- A. Applicant shall provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies.
- Published parent company financial and credit information.

Please visit: www.wglholdings.com/sec.cfm and www.wglholdings.com/ratings.cfm

- Applicant's balance sheet and income statement for the most recent fiscal year. Published financial information such as 10K's and 10Q's may be provided, if available.

Please visit: www.wglholdings.com/sec.cfm

- Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report and Robert Morris and Associates financial form or other independent financial service reports.

Please see Attachment F - Note: D&B Report contains some minor technical inaccuracies that WGES is in the process of correcting.

- A description of the types and amounts of insurance carried by Applicant which are specifically intended to provide for or support its financial fitness to perform its obligations as a licensee. Please see Attachment G
- Audited financial statements Please see Attachment H
- Such other information that demonstrates Applicant's financial fitness.

- B. Applicant must provide the following information:

- Provide proof of compliance with bonding/credit requirements for each NGDC the applicant is proposing to provide service in. This requirement is designated by each NGDC and can commonly be found in the NGDC supplier tariff. Pending

- Identify Applicant's chief officers including names and their professional resumes. Please see Attachment I

- Provide the name, title, address, telephone number and FAX number of Applicant's custodian for its accounting records.

Joe Bartoletta, Controller, 13865 Sunrise Valley Dr., Herndon, VA 703-793-7573, F 703-793-7301

18. **TECHNICAL FITNESS:** To ensure that the present quality and availability of service provided by natural gas utilities does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:
 - The identity of the Applicant's officers directly responsible for operations, including names and their professional resumes. Please see Attachment J
 - A copy of any Federal energy license currently held by the Applicant. Please see Attachment K
 - Proposed staffing and employee training commitments.
 - Business plans.
19. **TRANSFER OF LICENSE:** The Applicant understands that if it plans to transfer its license to another entity, it is required to request authority from the Commission for permission prior to transferring the license. See 66 Pa. C.S. Section 2208(D). Transferee will be required to file the appropriate licensing application.
20. **UNIFORM STANDARDS OF CONDUCT AND DISCLOSURE:** As a condition of receiving a license, Applicant agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission.
21. **REPORTING REQUIREMENTS:** Applicant agrees to provide the following information to the Commission or the Department of Revenue, as appropriate:
 - a. **Reports of Gross Receipts:** Applicant shall report its Pennsylvania intrastate gross receipts to the Commission on an annual basis no later than 30 days following the end of the calendar year.

Applicant will be required to meet periodic reporting requirements as may be issued by the Commission to fulfill the Commission's duty under Chapter 22 pertaining to reliability and to inform the Governor and Legislature of the progress of the transition to a fully competitive natural gas market.
22. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur in the information upon which the Commission relied in approving the original filing.
23. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.
24. **FEE:** The Applicant has enclosed the required initial licensing fee of \$350.00 payable to the Commonwealth of Pennsylvania.

Applicant: Washington Gas Energy Services, Inc.

By: Phillip G. Woodyard

Title: Vice President - Operations

AFFIDAVIT

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[Commonwealth/State] of Virginia :

ss.

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

County of Fairfax :

Phillip G. Woodyard, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the Vice President-Operations (Office of Affiant) of Washington Gas Energy Services, Inc. (Name of Applicant);]

[That he/she is authorized to and does make this affidavit for said Applicant;]

That Washington Gas Energy Services, Inc., the Applicant herein, acknowledges that [Applicant] may have obligations pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; or with other applicable statutes or regulations including Emergency Orders which may be issued verbally or in writing during any emergency situations that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

That Washington Gas Energy Services, Inc., the Applicant herein, asserts that [he/she/it] possesses the requisite technical, managerial, and financial fitness to render natural gas supply service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

That Washington Gas Energy Services, Inc., the Applicant herein, certifies to the Commission that it is subject to , will pay, and in the past has paid, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 22 of Title 66. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of, shall be cause for the Commission to revoke the license of the Applicant. The Applicant acknowledges that it shall report to the Commission its jurisdictional natural gas sales for ultimate consumption, for the previous year or as otherwise required by the Commission. The Applicant also acknowledges that it is subject to 66 Pa. C.S. §506 (relating to the inspection of facilities and records).

Applicant, by filing of this application waives confidentiality with respect to its state tax information in the possession of the Department of Revenue, regardless of the source of the information, and shall consent to the Department of Revenue providing that information to the Pennsylvania Public Utility Commission.

That Washington Gas Energy Services, Inc., the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506, and the standards and billing practices of 52 PA. Code Chapter 56.

That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Commission's Office of Communications or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections of the law.

That the facts above set forth are true and correct/true and correct to the best of his/her knowledge, information, and belief.

Philip G. Woodard
Signature of Affiant

Sworn and subscribed before me this 30th day of April, 2010.

Tijana Yvette Plascencia
Signature of official administering oath

My commission expires July 31, 2012.



Tijana Yvette Plascencia
NOTARY PUBLIC
Commonwealth of Virginia
Reg. # 7210283
My Commission Expires
July 31, 2012

AFFIDAVIT

RECEIVED

APR 30 2010

[Commonwealth/State] of Virginia :

SS.

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

County of Fairfax :

Phillip G. Woodyard, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the Vice President-Operations (Office of Affiant) of Washington Gas Energy Services, Inc. (Name of Applicant);]

[That he/she is authorized to and does make this affidavit for said Applicant;]

That Washington Gas Energy Services, Inc., the Applicant herein certifies that it has caused the notice of the filing of its license application published in the following newspapers on Upon receipt of a docket number from the Commission (date)

A copy of the notice as it appeared in each of the above newspapers is attached. Noted on each copy is the newspaper section (name, number or letter), if applicable, and the page number on which the notice appeared.

That Washington Gas Energy Services, Inc., the Applicant will submit to the Commission the proof of publication from each newspaper in which notice of the application filing was published as soon as it is available.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.

Phillip G. Woodyard
Signature of Affiant

Sworn and subscribed before me this 30th day of April, 2010.

Tijuana Yvette Plascencia
Signature of official administering oath

My commission expires July 31, 2012



Tijuana Yvette Plascencia
NOTARY PUBLIC
Commonwealth of Virginia
Reg. # 7210283
My Commission Expires
July 31, 2012

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AFFIDAVIT

APR 30 2010

[Commonwealth/State] of Virginia :

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

SS.

County of Fairfax :

Phillip G. Woodyard, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

[He/she is the Vice President - Operations (Office of Affiant) of Washington Gas Energy Services, Inc. (Name of Applicant);]

[That he/she is authorized to and does make this affidavit for said Applicant;]

That the Applicant herein Washington Gas Energy Services, Inc. has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as a natural gas supplier pursuant to 66 Pa. C.S. §2208(c)(1).

That the Applicant herein Washington Gas Energy Services, Inc. has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

That the Applicant herein Washington Gas Energy Services, Inc. acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

That the Applicant herein Washington Gas Energy Services, Inc. acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.

Phillip G. Woodyard
Signature of Affiant

Sworn and subscribed before me this 30th day of April, 2010.

Tijuana Yvette Plascencia
Signature of official administering oath

My commission expires July 31, 2012.



Tijuana Yvette Plascencia
NOTARY PUBLIC
Commonwealth of Virginia
Reg. # 7210263
My Commission Expires
July 31, 2012

COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF STATE

RECEIVED

APR 30 2010

FEBRUARY 2, 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

I DO HEREBY CERTIFY THAT,

WASHINGTON GAS ENERGY SERVICES, INC.

is duly qualified to do business under the laws of the Commonwealth of
Pennsylvania and remains a subsisting corporation so far as the records of this
office show, as of the date herein.



IN TESTIMONY WHEREOF, I have
hereunto set my hand and caused
the Seal of the Secretary's Office to
be affixed, the day and year above
written.

Pedro A. Cortes

Secretary of the Commonwealth

COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF STATE

FEBRUARY 2, 2010

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

WASHINGTON GAS ENERGY SERVICES, INC.

I, Pedro A. Cortés, Secretary of the Commonwealth of Pennsylvania

**do hereby certify that the foregoing and annexed is a true and correct
copy of**

CERTIFICATE OF AUTHORITY filed on November 8, 2002

which appear of record in this department.



**IN TESTIMONY WHEREOF, I have
hereunto set my hand and caused
the Seal of the Secretary's Office to
be affixed, the day and year above
written.**

Pedro A. Cortés

Secretary of the Commonwealth

**PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU**

Application for Certificate of Authority
(15 Pa.C.S.)

Entity Number

- ☐ Foreign Business Corporation (§ 4124)
☐ Foreign Nonprofit Corporation (§ 6124)

Name ATT: DR. RANDOLPH DWAIN
WASHINGTON GAS ENERGY SERVICES
 Address
13865 SUNRISE VALLEY DRIVE, SUITE 200
 City State Zip Code
HERNDON VA 20171-4661

Document will be returned to the
name and address you enter to
the left.

←

Fee: \$180

Filed in the Department of State on

NOV 08 2007

C. Michael Jones
 Secretary of the Commonwealth

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations), the undersigned, hereby states that:

1. The name of the corporation is:

WASHINGTON GAS ENERGY SERVICES, INC

2. Complete only when the corporation must adopt a corporate designator for use in Pennsylvania.
 The name which the corporation adopts for use in this Commonwealth is:

3. If the name set forth in paragraph 1 or 2 is not available for use in this Commonwealth, complete the following:
 The fictitious name which the corporation adopts for use in transacting business in this Commonwealth is:

The corporation shall do business in Pennsylvania only under such fictitious name pursuant to the attached resolution of the board of directors under the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations) and the attached form DSCB:54-311 (Application for Registration of Fictitious Name).

4. The name of the jurisdiction under the laws of which the corporation is incorporated is:

DELAWARE

5. The address of its principal office under the laws of the jurisdiction in which it is incorporated is:

13865 SUNRISE VALLEY DRIVE, SUITE 200, HERNDON, VA 20171-4661

Number and street

City

State

Zip

Certification# 8560140-1 Page 1 of 2

61:0114 0-AON7002

2002094-1466

DSCB:15-4124/6124-2

6. The (a) address of this corporation's proposed registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and street City State Zip County

(b) Name of Commercial Registered Office Provider County

c/o: CORPORATION SERVICE COMPANY, 2704 COMMERCE DRIVE

HARRISBURG, PA 17110

7. Check one of the following:

☒ **Business Corporation:** The corporation is a corporation incorporated for a purpose or purposes involving pecuniary profit, incidental or otherwise.

☐ **Nonprofit Corporation:** The corporation is a corporation incorporated for a purpose or purposes not involving pecuniary profit, incidental or otherwise.

IN TESTIMONY WHEREOF, the undersigned corporation has caused this Application for Certificate of Authority to be signed by a duly authorized officer thereof this

5th day of November

2002

WASHINGTON GAS ENERGY SERVICES, INC.
Name of Corporation

Charles A. Wolf
Signature

PRESIDENT
Title

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "WASHINGTON GAS ENERGY SERVICES, INC." AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF INCORPORATION, FILED THE NINTH DAY OF SEPTEMBER, A.D. 1987, AT 9 O'CLOCK A.M.

CERTIFICATE OF AMENDMENT, CHANGING ITS NAME FROM "WASHINGTON RESOURCES CORPORATION" TO "WASHINGTON RESOURCES GROUP, INC.", FILED THE TWENTY-NINTH DAY OF FEBRUARY, A.D. 1988, AT 1:30 O'CLOCK P.M.

CERTIFICATE OF AMENDMENT, CHANGING ITS NAME FROM "WASHINGTON RESOURCES GROUP, INC." TO "WASHINGTON GAS ENERGY SERVICES, INC.", FILED THE SEVENTEENTH DAY OF JULY, A.D. 1996, AT 9 O'CLOCK A.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE AFORESAID CORPORATION, "WASHINGTON GAS ENERGY SERVICES, INC.".



2137262 8100H

100397475

You may verify this certificate online
at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 7939189

DATE: 04-19-10

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION

Washington Resources Group, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware DOES HEREBY CERTIFY:

FIRST: That by unanimous consent of the Board of Directors of Washington Resources Group, Inc., dated July 11, 1996, resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and submitting such resolution to the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows;

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the Article thereof numbered "FIRST" so that, as amended said Article shall be and read as follows:

"FIRST. The name of this corporation shall be Washington Gas Energy Services, Inc."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, the amendment was submitted to the sole stockholder of the corporation who unanimously voted in favor of the amendment, waiving notice and a meeting, pursuant to the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of said corporation shall not be reduced under or by reason of said amendment.

IN WITNESS WHEREOF, said Washington Resources Group, Inc., has caused this certificate to be signed by Joseph M. Schepis, its President and Karen B. Pancost, its Secretary, this 16th of July, 1996.

By: 

President

ATTEST: 

Secretary

H:\WP\AMEND.WRG

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 07/17/1996
960208001 - 2137262

Attachment B

Item 13: List of Parties Served with WGES License Application and Attachments

Irwin A. Popowsky
Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120

William R. Lloyd, Jr.
Commerce Building, Suite 1102
Small Business Advocate
300 North Second Street
Harrisburg, PA 17101

Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

Columbia Gas of PA, Inc.
Heather Bauer
200 Civic Center Drive
Columbus, OH 43215

PECO
Amy Hamilton
Manager Gas Regulatory and Transportation
2301 Market Street, S9-1
Philadelphia, PA 19103

RECEIVED

APR 30 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Attachment C
Newspaper Notice for
Erie Daily Times, Patriot-News, Philadelphia Inquirer, Pittsburgh Post-Gazette, and
Williamsport Sun Gazette

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
NOTICE

Application of Washington Gas Energy Services, Inc., For Approval To Offer, Render, Furnish Natural Gas Supply Services As A Supplier of Natural Gas Services, Broker/Marketer, or Aggregator Engaged In The Business Of Supplying Natural Gas Supply Services, To The Public In The Commonwealth Of Pennsylvania, Docket No. A-XXXXX.

On **April 23, 2010**, **Washington Gas Energy Services** filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply natural gas services as (1) a supplier of natural gas, (2) a broker/marketer engaged in the business of supplying natural gas, and (3) an aggregator engaged in the business of providing natural gas supply services. **Washington Gas Energy Services, Inc.**, proposes to sell natural gas and related services throughout all of Pennsylvania under the provisions of the Natural Gas Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **Washington Gas Energy Services, Inc.**, may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to **Washington Gas Energy Services, Inc.**, attorney at the address listed below. Please include the PUC's "docket number" on any correspondence, which is **A-XXXXX**.

By and through Counsel: Telemac N. Chryssikos

Washington Gas Energy Services, Inc.

101 Constitution Avenue, NW, Room 319

Washington, DC 20080

Phone: 202-624-6116

Fax: 202-624-6040

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APR 30 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ATTACHMENT D

RECEIVED

APPENDIX A

APR 30 2010

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

TAX CERTIFICATION STATEMENT

PA PUBLIC UTILITY COMMISSION

SECRETARY'S BUREAU

A completed Tax Certification Statement must accompany all applications for new licenses, renewals or transfers. Failure to provide the requested information and/or any outstanding state income, corporation, and sales (including failure to file or register) will cause your application to be rejected. If additional space is needed, please use white 8 1/2" x 11" paper. Type or print all information requested.

1. CORPORATE OR APPLICANT NAME Washington Gas Energy Services, Inc.				2. BUSINESS PHONE NO. (703) 793-7573 CONTACT PERSON(S) FOR TAX ACCOUNTS: Joe Bartoletta			
3. TRADE/FICTITIOUS NAME (IF ANY) Washington Gas Energy Services, Inc.							
4. LICENSED ADDRESS (STREET, RURAL ROUTE, P.O. BOX NO.) (POST OFFICE) STATE (ZIP) 13865 Sunrise Valley Drive, Suite 200, Herndon, VA 20171							
5. TYPE OF ENTITY <input type="checkbox"/> SOLE PROPRIETOR <input type="checkbox"/> PARTNERSHIP <input checked="" type="checkbox"/> CORPORATION							
8. LIST OWNER(S), GENERAL PARTNERS, OR CORPORATE OFFICER(S)							
NAME (PRINT) Harry Warren, President				SOCIAL SECURITY NUMBER (OPTIONAL) [][]-[][]-[][][][][][][]			
NAME (PRINT) Laura Shaw, Secretary				SOCIAL SECURITY NUMBER (OPTIONAL) [][]-[][]-[][][][][][][]			
NAME (PRINT) Phillip Woodyard, Vice President				SOCIAL SECURITY NUMBER (OPTIONAL) [][]-[][]-[][][][][][][]			
NAME (PRINT) Steve Clausman, Vice President				SOCIAL SECURITY NUMBER (OPTIONAL) [][]-[][]-[][][][][][][]			
NAME (PRINT) Timothy Woods, VP, CFO, Treasurer				SOCIAL SECURITY NUMBER (OPTIONAL) [][]-[][]-[][][][][][][]			
Joe Bartoletta, Controller							
9. LIST THE FOLLOWING STATE TAX IDENTIFICATION NUMBERS. (ALL ITEMS: A, B, AND C MUST BE COMPLETED).							
A. SALES TAX LICENSE (8 DIGITS)				C. CORPORATE BOX NUMBER (7 DIGITS)			
[8][5]-[0][3][1][9][3]-[8] <input type="checkbox"/> PENDING <input type="checkbox"/> N/A				[2][7][7][5][9][3][1] <input type="checkbox"/> PENDING <input type="checkbox"/> N/A			
B. EMPLOYER ID (EIN) (9 DIGITS)							
[5][2]-[1][5][4][2][8][8][7] <input type="checkbox"/> PENDING <input type="checkbox"/> N/A							
10. Do you have PA employees either resident or non-resident? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO							
11. Do you own any assets or have an office in PA? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO							

NAME AND PHONE NUMBER OF PERSON(S) RESPONSIBLE FOR FILING TAX RETURNS

PA SALES AND USE TAX
Deborah SismanEMPLOYER TAXES
Deborah SismanCORPORATE TAXES
Toni Washington

PHONE 202-624-6247

PHONE 202-624-6247

PHONE 202-624-6482

Telephone inquiries about this form may be directed to the Pennsylvania Department of Revenue at the following numbers:
(717) 772-2673, TDD# (717) 772-2252 (Hearing Impaired Only)

APR 30 2010

**Residential Natural Gas Supply Service Agreement - Terms & Conditions
and Disclosure Statement****PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

Background and General Conditions: This is an agreement for Natural Gas service supplied to you (Customer) by Washington Gas Energy Services, Inc. (WGES). WGES is licensed by the Pennsylvania Public Utility Commission ("Pennsylvania PUC") to offer and supply Natural Gas in Pennsylvania. Our Pennsylvania PUC license number is _____. WGES is an indirect subsidiary of WGL Holdings, Inc. and an affiliate company of Washington Gas Light Company. The gas lines that run down your street and into your home are still owned and operated by your local natural gas distribution company (NGDC) also known as your utility. The rates for that distribution part of your service are regulated by the Pennsylvania Public Utility Commission. But many Pennsylvania consumers can choose the company that provides the gas supply portion of their natural gas service through their regulated utility company's distribution lines. WGES provides the gas supply to your home for the price and term indicated in this Residential Natural Gas Supply Service Agreement. You agree to the terms and conditions set forth in this Agreement. This Agreement is contingent on you providing complete and accurate information to WGES and the NGDC (Utility) accepting you for gas delivery service with subsequent acknowledgement by WGES. WGES and you understand that the price(s) charged for gas supply service in this Agreement are not subject to regulation by any utility regulatory commission. If you select the Variable Month to Month Plan, the price indicated is only for the Beginning Month's usage and the monthly price for each subsequent month's usage will be determined by WGES, at its sole discretion, in response to changing gas market conditions. Your total gas bill will consist of charges from both WGES and the NGDC. This Agreement constitutes the entire Agreement between you and WGES. No statement, promise or inducement made by either party that is not contained in this agreement shall be valid or binding.

Right of Rescission: You have the right to cancel this agreement at any time before midnight of the third business day after receiving this disclosure statement.

Terms of Natural Gas Supply Service: WGES will arrange for delivery of natural gas to your home using the NGDC's distribution pipelines. You agree to pay WGES for all gas deliveries in accordance to the terms specified in this Residential Natural Gas Supply Service Agreement. If this Agreement is received after the offer expiration date, you will be notified of any material changes to this Agreement. The actual date that WGES gas deliveries can begin will depend on your billing cycle with the NGDC. Delivery of gas cannot be terminated or interrupted by the NGDC as a result of any dispute between you and WGES.

Billing and Payment: Charges under this Agreement will be included on your NGDC's bill, and are due and payable to the NGDC with its normal billing policies. You are responsible to pay all WGES charges, NGDC charges consistent with filed NGDC tariffs, all applicable balancing and storage charges, and all applicable taxes. If applicable, it is your responsibility to provide WGES with documentation of your sales tax exempt status for deliveries hereunder. You authorize WGES to access your billing and payment information for periods when charges are included on your NGDC bills. Late payments will be subject to a late payment charge of 1.25% per month. WGES reserves the right to change billing methods. You will be liable for all costs, including legal fees, associated with the collection of outstanding balances.

Budget Bill Plans: Customers enrolled in the NGDC's budget bill plan will continue to receive budget bills, following account reconciliation with the NGDC.

Change in Terms: If you have a fixed term agreement with us and it is approaching the expiration date or whenever we propose to change our terms of service in any type of agreement, you will receive two written notifications from us between 45 and 90 days before the expiration date or the effective date of the proposed change. We will explain the options to you in these two advance notifications.

Termination by WGES: WGES may terminate this Agreement on thirty (30) days written notice as a result of the following: 1) non-payment by Customer, 2) changes in any legislation, regulation or utility tariff that adversely affect this Agreement, or 3) acts of God. Should WGES terminate this Agreement, Customer will be returned to NGDC Sales Service. If WGES terminates this Agreement for non-payment by Customer, Customer shall be responsible for an early cancellation fee.

Termination by Customer & Early Cancellation Fees: You may cancel this Agreement by calling us at 1-888-236-WGES. If you cancel this agreement, the effective termination date will be on the next applicable meter read date, and the following early termination fees apply: Fixed Price Plan: An early cancellation fee of the greater of \$150 or \$20 per month for each month remaining in contract term will be charged to you. This fee will be waived if your termination is due to a change of residence. Variable Price Plan: No early cancellation fee applies. Should you terminate this Agreement, you will have the option of returning to NGDC Sales Service or choosing another natural gas supplier. If you cancel this Agreement before the term of the Agreement is completed, WGES reserves the right to deny your subsequent enrollment in any WGES Energy Supply Service.

Attachment E

Change of Residence: You must notify both the NGDC and WGES in writing of a change in your residence within forty-five (45) days of such change. A final meter reading will be made at your old address and your account will be closed and finalized with both the NGDC and WGES. If your change of residence is within the NGDC's service territory, then you may have the option of executing a new Natural Gas Supply Service Agreement with WGES at your new residence.

Limitation of Liability: You understand and agree that there are no warranties, either express or implied, associated with this offer or the natural gas supply sold under this Agreement. WGES will bear no liability to you or any third party for any special, punitive, indirect, incidental or consequential damages as a result of non-performance under this Agreement. This Agreement constitutes the entire Agreement between you and WGES. There are no third party beneficiaries to this Agreement and none are intended by the parties. No statement, promise or inducement made by either party that is not contained in this Agreement shall be valid or binding. Any payments due under the terms of this Agreement shall survive termination for any reason.

Information Release Authorization: Through this Agreement, you authorize WGES to obtain information from a NGDC (Utility) that includes, but is not limited to: billing history, historical and future gas usage, meter readings, and characteristics of gas supply service.

Dispute/Emergencies Procedures: WGES can be reached by mail at: WGES Correspondence Center, P.O. Box 24475 Cleveland, OH 44124-0475. Please contact WGES at the address above or call our Customer Care Center toll free at 1-888-236-WGES between 7:00 am to 7:00 pm weekdays, except holidays, to answer questions or resolve any disputes regarding this Agreement. You may call the Pennsylvania Public Utility Commission at 1-800-782-1110 or write to them at the Bureau of Consumer Service, P.O. Box 3265, Harrisburg, PA 17105-3265 if you are not satisfied after discussing your terms with WGES. **For emergencies pertaining to your gas service, please contact your NGDC .**

Contact Information:

Supplier Name: Washington Gas Energy Services
P.O. Box 24475, Cleveland, OH 44124-0475
1-888-236-WGES (toll free) Mon. Fri. 7:00 AM to 7:00 PM EST
www.wges.com

NGDC (Utility) Name: PCO or CGP
(Provider of Last Resort): PCO or CGP address, phone

Public Utility Commission:
Pennsylvania Public Utility Commission
P.O. Box 3265, Harrisburg, PA 17105-3265
1-800-782-1110

WGES reserves the right to cancel the availability of its natural gas offers at any time.

Attachment E

Small Commercial Natural Gas Supply Service Agreement - Terms & Conditions and Disclosure Statement

Background and General Conditions: This is an agreement for Natural Gas service supplied to you (Customer) by Washington Gas Energy Services, Inc. (WGES). WGES is licensed by the Pennsylvania Public Utility Commission ("Pennsylvania PUC") to offer and supply Natural Gas in Pennsylvania. Our Pennsylvania PUC license number is _____. WGES is an indirect subsidiary of WGL Holdings, Inc. and an affiliate company of Washington Gas Light Company. The gas lines that run down your street and into your home are still owned and operated by your local natural gas distribution company (NGDC) also known as your utility. The rates for that distribution part of your service are regulated by the Pennsylvania Public Utility Commission. But many Pennsylvania consumers can choose the company that provides the gas supply portion of their natural gas service through their regulated utility company's distribution lines. Washington Gas Energy Services, Inc. (WGES) provides the gas supply to your home for the price and term indicated in this Residential Natural Gas Supply Service Agreement. You agree to the terms and conditions set forth in this Agreement. This Agreement is contingent on you providing complete and accurate information to WGES and the NGDC (Utility) accepting you for gas delivery service with subsequent acknowledgement by WGES. WGES and you understand that the price(s) charged for gas supply service in this Agreement are not subject to regulation by any utility regulatory commission. If you select the Variable Month to Month Plan, the price indicated is only for the Beginning Month's usage and the monthly price for each subsequent month's usage will be determined by WGES, at its sole discretion, in response to changing gas market conditions. Your total gas bill will consist of charges from both WGES and the NGDC. This Agreement constitutes the entire Agreement between you and WGES. No statement, promise or inducement made by either party that is not contained in this agreement shall be valid or binding.

Right of Rescission: You have the right to cancel this agreement at any time before midnight of the third business day after receiving this disclosure statement.

Terms of Natural Gas Supply Service: WGES will arrange for delivery of natural gas to your home using the NGDC's distribution pipelines. You agree to pay WGES for all gas deliveries in accordance to the terms specified in this Residential Natural Gas Supply Service Agreement. If this Agreement is received after the offer expiration date, you will be notified of any material changes to this Agreement. The actual date that WGES gas deliveries can begin will depend on your billing cycle with the NGDC. Delivery of gas cannot be terminated or interrupted by the NGDC as a result of any dispute between you and WGES.

Billing and Payment: Charges under this Agreement will be included on your NGDC's bill, and are due and payable to the NGDC with its normal billing policies. You are responsible to pay all WGES charges, NGDC charges consistent with filed NGDC tariffs, all applicable balancing and storage charges, and all applicable taxes. If applicable, it is your responsibility to provide WGES with documentation of your sales tax exempt status for deliveries hereunder. You authorize WGES to access your billing and payment information for periods when charges are included on your NGDC bills. Late payments will be subject to a late payment charge of 1.25% per month. WGES reserves the right to change billing methods. You will be liable for all costs, including legal fees, associated with the collection of outstanding balances.

Budget Bill Plans: Customers enrolled in the NGDC's budget bill plan will continue to receive budget bills, following account reconciliation with the NGDC.

Change in Terms: If you have a fixed term agreement with us and it is approaching the expiration date or whenever we propose to change our terms of service in any type of agreement, you will receive two written notifications from us between 45 and 90 days before the expiration date or the effective date of the proposed change. We will explain your options to you in these two advance notifications.

Termination by WGES: WGES may terminate this Agreement on twenty-five (25) days written notice as a result of the following: 1) non-payment by Customer, 2) changes in any legislation, regulation or utility tariff that adversely affect this Agreement, or 3) acts of God. Should WGES terminate this Agreement, Customer will be returned to NGDC Sales Service. If WGES terminates this Agreement for non-payment by Customer, Customer shall be responsible for an early cancellation fee.

Termination by Customer & Early Cancellation Fees: You may cancel this Agreement by calling us at 1-888-236-WGES. If you cancel this Agreement, the effective termination date will be on the next applicable meter reading date, and an early termination fee of the higher of: (1) \$500 if such event occurs in the first 6 months of the term hereunder and \$200 if such event occurs thereafter, or (2) the difference between the Resale Cost of natural gas and the price under this Agreement applied to estimated deliveries for the cancelled period, shall apply. Resale Cost is defined as the Henry Hub natural gas commodity cost plus the basis cost for transporting such gas to the Delivery Point using the NYMEX Settlement Price (as reported for the remaining delivery period) for the day you instruct WGES to cancel this Agreement, plus utility losses. WGES will waive the cancellation fee if you 1) terminate this Agreement and cease to operate or relocate your business outside the NGDC's service territory, or 2) are being billed under WGES' Variable Month to Month Plan. If you are terminating a Variable Month to Month Plan, you may apply to WGES for another Plan under new terms, conditions, and pricing available at the time you apply for another Plan.

Attachment E

Change of Business Location: You must notify both the NGDC and WGES in writing of a change in your business location within forty-five (45) days of such change. A final meter reading will be made at your old business location and your account will be closed and finalized with both the NGDC and WGES. If your change of business location is within the NGDC's service territory, then you may have the option of executing a new Natural Gas Supply Service Agreement with WGES at your new business location.

Limitation of Liability: You understand and agree that there are no warranties, either express or implied, associated with this offer or the natural gas supply sold under this Agreement. WGES will bear no liability to you or any third party for any special, punitive, indirect, incidental or consequential damages as a result of non-performance under this Agreement. This Agreement constitutes the entire Agreement between you and WGES. There are no third party beneficiaries to this Agreement and none are intended by the parties. No statement, promise or inducement made by either party that is not contained in this Agreement shall be valid or binding. Any payments due under the terms of this Agreement shall survive termination for any reason.

Information Release Authorization: Through this Agreement, you authorize WGES to obtain information from a NGDC that includes, but is not limited to: billing history, historical and future gas usage, meter readings, and characteristics of gas supply service.

Delivery Point & Title: The Delivery Point for all gas sold under this Agreement is the interconnection of the interstate pipeline with the NGDC distribution system. WGES warrants that it has good and marketable title to the gas up to the Delivery Point. Title to the gas shall pass to you at the Delivery Point.

Assignment: The terms and conditions of this Agreement shall extend and be binding upon the respective successors and assigns of you and WGES. However, You may not assign this Agreement without prior written permission of WGES. Reasonable consent will not be withheld.

Dispute/Emergencies Procedures: WGES can be reached by mail at: WGES Correspondence Center, P.O. Box 24475 Cleveland, OH 44124-0475. Please contact WGES at the address above or call our Customer Care Center toll free at 1-888-236-WGES between 7:00 am to 7:00 pm weekdays, except holidays, to answer questions or resolve any disputes regarding this Agreement. You may call the Pennsylvania Public Utility Commission at 1-800-782-1110 or write to them at the Bureau of Consumer Service, P.O. Box 3265, Harrisburg, PA 17105-3265 if you are not satisfied after discussing your terms with WGES. **For emergencies pertaining to your gas service, please contact your NGDC**

Contact Information:

Supplier Name: Washington Gas Energy Services
P.O. Box 24475, Cleveland, OH 44124-0475
1-888-236-WGES (toll free) Mon. Fri. 7:00 AM to 7:00 PM EST
www.wges.com

NGDC (Utility) Name: PCO or CGP
(Provider of Last Resort): PCO or CGP address, phone

Public Utility Commission:
Pennsylvania Public Utility Commission

P.O. Box 3265, Harrisburg, PA 17105-3265
1-800-782-1110

WGES reserves the right to cancel the availability of its natural gas offers at any time.

17. Financial Fitness: D&B Credit Report


DNBI
Risk/Management
ATTN: Paula Chipley
Report Printed: April 12, 2010

Live Report : WASHINGTON GAS ENERGY SERVICES INC

D-U-N-S® Number: 96-203-4856

Trade Names: (SUBSIDIARY OF WASHINGTON GAS LIGHT COMPANY, SPRINGFIELD, VA)*

Endorsement/Billing Reference: pchipley@wges.com

D&B Address

Address 13865 Sunrise Valley Dr
 #200
 Herndon, VA - 20171

Location Type Headquarters (Subsidiary)

Phone 703 793-7500

Web www.theotherenergycompany.com*
Fax
Added to Portfolio: 03/14/2007

Last View Date: 02/12/2010

Endorsement : pchipley@wges.com

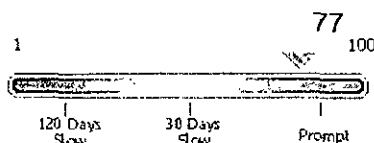
RECEIVED

Company Summary

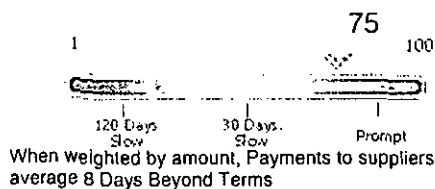
APR 30 2010

Currency: Shown in USD unless otherwise indicated

Score Bar

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU
PAYDEX® 77
Commercial Credit Score Class 2
Financial Stress Class 3
Credit Limit - D&B Conservative 90,000.00
D&B Rating 1R3

 When weighted by amount, Payments to suppliers
 average 5 days beyond terms

D&B 3-month PAYDEX®


 When weighted by amount, Payments to suppliers
 average 8 Days Beyond Terms

D&B Company Overview

This is a headquarters (subsidiary) location

Branch(es) or Division(s) exist Y

Chief Executive HARRY A WARREN
 JR, PRESIDENT

Year Started 1996

Employees 75 (30 Here)

SIC 4924

Line of business Gas energy services

NAICS 221210

History Status CLEAR

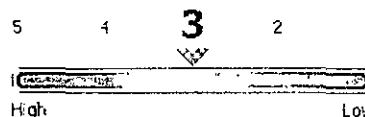
Public Filings

 The following data includes both open and closed filings
 found in D&B's database on this company.

Record Type	Number of Records	Most Recent Filing Date
Bankruptcies	0	-
Judgments	0	-
Liens	0	-
Suits	0	-
UCCs	0	-

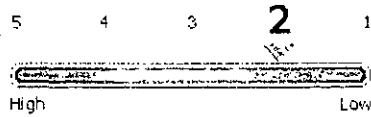
 The public record items contained herein may have
 been paid, terminated, vacated or released prior to
 today's date.

Financial Stress Score Class

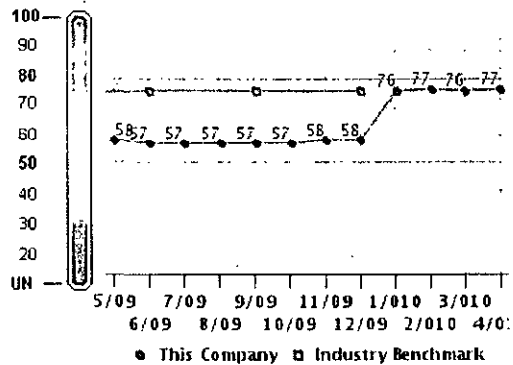


* Items pending correction

Commercial Credit Score Class



PAYDEX® Trend Chart



Corporate Linkage*

Domestic Ultimate

Company	City , State	D-U-N-S® NUMBER
WGL HOLDINGS, INC.	WASHINGTON , District of Columbia	15-377-6278

Parent

Company	City , State	D-U-N-S® NUMBER
WASHINGTON GAS LIGHT COMPANY	SPRINGFIELD , Virginia	00-692-0607

Branches (Domestic)


Company	City , State	D-U-N-S® NUMBER
WASHINGTON GAS ENERGY SERVICES INC	BALTIMORE , Maryland	12-339-7353

Affiliates (Domestic)

Company	City , State	D-U-N-S® NUMBER
SHENANDOAH GAS COMPANY	WINCHESTER , Virginia	00-885-5249

* Items pending correction

Predictive Scores

Currency: Shown in USD unless otherwise indicated 

Credit Capacity Summary

This credit rating was assigned because of D&B's assessment of the company's creditworthiness. For more information, see the "D&B Rating Key".

D&B Rating : 1R3

Number of employees: 1R indicates 10 or more employees

Composite credit appraisal: 3 is fair

The Rating was changed on December 18, 2009 because the company has not submitted a current financial statement.

The 1R and 2R ratings categories reflect company size based on the total number of employees for the business. They are assigned to business files that do not contain a current financial statement. In 1R and 2R Ratings, the 2, 3, or 4 creditworthiness indicator is based on analysis by D&B of public filings, trade payments, business age and other important factors. 2 is the highest Composite Credit Appraisal a company not supplying D&B with current financial information can receive.

Below is an overview of the company's rating history since 01-29-1998

Number of Employees Total: 75 (30 here)

D&B Rating	Date Applied
1R3	12-18-2009
5A3	12-15-2006
5A2	08-16-2006
4A2	02-06-2006
4A3	02-09-2004
--	02-03-2003
4A3	01-06-2003
--	11-20-2000
1R3	01-09-1999
1R2	01-29-1998

As of 09/30/07

Working Capital: \$84,970,600

Payment Activity: (based on 27 experiences)

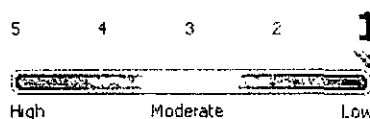
Average High Credit: 7,575

Highest Credit: 45,000

Total Highest Credit: 181,700

D&B Credit Limit Recommendation

Conservative credit Limit 90,000
Aggressive credit Limit: 200,000



Risk category for this business : LOW

This recommended Credit Limit is based on the company profile and on profiles of other companies with similarities in size, industry, and credit usage.

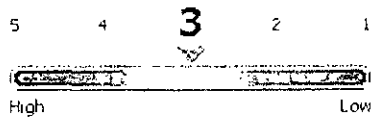
Risk is assessed using D&B's scoring methodology and is one factor used to create the recommended limits. See Help for details.

Financial Stress Class Summary

The Financial Stress Score predicts the likelihood of a firm ceasing business without paying all creditors in full, or reorganization or obtaining relief from creditors under state/federal law over the next 12 months. Scores were calculated using a statistically valid model derived from D&B's extensive data files.

The Financial Stress Class of 3 for this company shows that firms with this class had a failure rate of 0.24% (24 per 10,000), which is lower than the average of businesses in D & B's database

Financial Stress Class :



Moderate risk of severe financial stress, such as a bankruptcy, over the next 12 months.

Probability of Failure:

- Among Businesses with this Class: **0.24 %** (24 per 10,000)
- Financial Stress National Percentile : **64** (Highest Risk: 1; Lowest Risk: 100)
- Financial Stress Score : **1502** (Highest Risk: 1,001; Lowest Risk: 1,875)
- Average of Businesses in D&Bs database: **0.48 %** (48 per 10,000)

The Financial Stress Class of this business is based on the following factors:

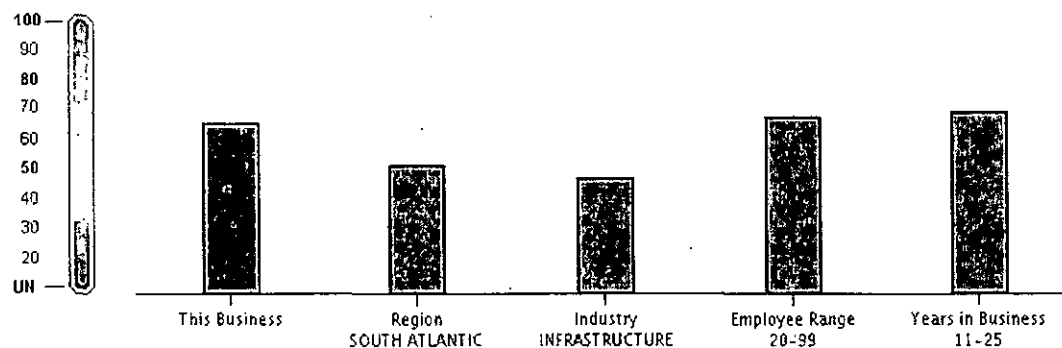
- Low proportion of satisfactory payment experiences to total payment experiences.
- Unstable Paydex over last 12 months.
- Business does not own facilities.
- Composite credit appraisal is rated fair.
- Higher risk legal structure.

Financial Stress Percentile Trend:

D&B does not have enough information on this company to build a Financial Stress Percentile Trend Chart.

Notes:

- The Financial Stress Class indicates that this firm shares some of the same business and financial characteristics of other companies with this classification. It does not mean the firm will necessarily experience financial stress.
- The Probability of Failure shows the percentage of firms in a given Class that discontinued operations over the past year with loss to creditors. The Probability of Failure - National Average represents the national failure rate and is provided for comparative purposes.
- The Financial Stress National Percentile reflects the relative ranking of a company among all scorable companies in D&Bs file.
- The Financial Stress Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.



Norms	National %
This Business	64
Region: SOUTH ATLANTIC	48
Industry: INFRASTRUCTURE	43
Employee range: 20-99	66
Years in Business: 11-25	68

This Business has a Financial Stress Percentile that shows:

- Lower risk than other companies in the same region.
- Lower risk than other companies in the same industry.

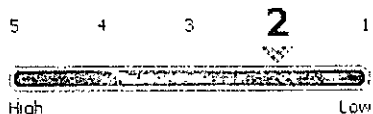
- Higher risk than other companies in the same employee size range.
- Higher risk than other companies with a comparable number of years in business.

Credit Score Class Summary

The Credit Score class predicts the likelihood of a firm paying in a severely delinquent manner (90+ Days Past Terms) over the next twelve months. It was calculated using statistically valid models and the most recent payment information in D&Bs files.

The Credit Score class of 2 for this company shows that 4.6% of firms with this classification paid one or more bills severely delinquent, which is lower than the average of businesses in D & B's database.

Credit Score Class :



Moderate risk of severe payment delinquency over next 12 months.
Incidence of Delinquent Payment

- Among Companies with this Classification: **4.60 %**
- Average compared to businesses in D&Bs database: **20.10 %**
- Credit Score Percentile : **72** (Highest Risk: 1; Lowest Risk: 100)
- Credit Score : **503** (Highest Risk: 101; Lowest Risk: 670)

The Credit Score Class of this business is based on the following factors:

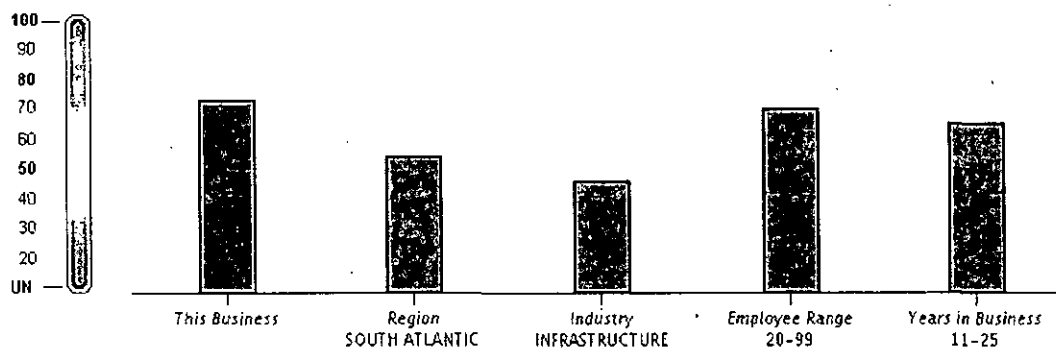
- No record of open suit(s), lien(s), or judgment(s) in the D & B files.

Credit Score Class Percentile Trend:

D&B does not have enough information on this company to build a Credit Score Class Percentile Trend Chart.

Notes:

- The Credit Score Class indicates that this firm shares some of the same business and payment characteristics of other companies with this classification. It does not mean the firm will necessarily experience delinquency.
- The Incidence of Delinquent Payment is the percentage of companies with this classification that were reported 90 days past due or more by creditors. The calculation of this value is based on an inquiry weighted sample.
- The Percentile ranks this firm relative to other businesses. For example, a firm in the 80th percentile has a lower risk of paying in a severely delinquent manner than 79% of all scorable companies in D&Bs files.
- The Credit Score offers a more precise measure of the level of risk than the Class and Percentile. It is especially helpful to customers using a scorecard approach to determining overall business performance.
- All Credit Class, Percentile, Score and Incidence statistics are based on sample data from



Norms

National %

This Business


72

Region: SOUTH ATLANTIC	51
Industry: INFRASTRUCTURE	42
Employee range: 20-99	69
Years in Business: 11-25	64

This business has a Credit Score Percentile that shows:

- Lower risk than other companies in the same region.
- Lower risk than other companies in the same industry.
- Lower risk than other companies in the same employee size range.
- Lower risk than other companies with a comparable number of years in business.

Trade Payments

Currency: Shown in USD unless otherwise indicated 

D&B PAYDEX®

The D&B PAYDEX is a unique, weighted indicator of payment performance based on payment experiences as reported to D&B by trader references. Learn more about the D&B PAYDEX

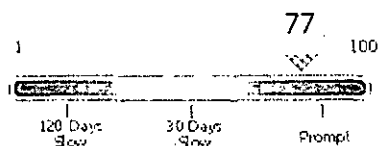
Timeliness of historical payments for this company.

Current PAYDEX is	77	Equal to 5 days beyond terms (Pays more promptly than the average for its industry of 6 days beyond terms)
Industry Median is	76	Equal to 6 days beyond terms
Payment Trend currently is	↔	Unchanged, compared to payments three months ago

Indications of slowness can be the result of dispute over merchandise, skipped invoices etc. Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Total payment Experiences in D&Bs File (HQ)	27
Payments Within Terms (not weighted)	86 %
Trade Experiences with Slow or Negative Payments(%)	12.96%
Total Placed For Collection	0
Average High Credit	7,575
Largest High Credit	45,000
Highest Now Owing	30,000
Highest Past Due	30,000

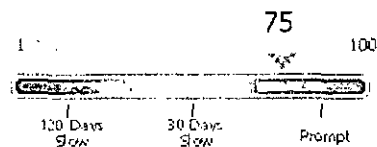
D&B PAYDEX



- High risk of late payment (Average 30 to 120 days beyond terms)
- ▨ Medium risk of late payment (Average 30 days or less beyond terms)
- Low risk of late payment (Average prompt to 30+ days sooner)

When weighted by amount, payments to suppliers average 5 days beyond terms

3-Month D&B PAYDEX



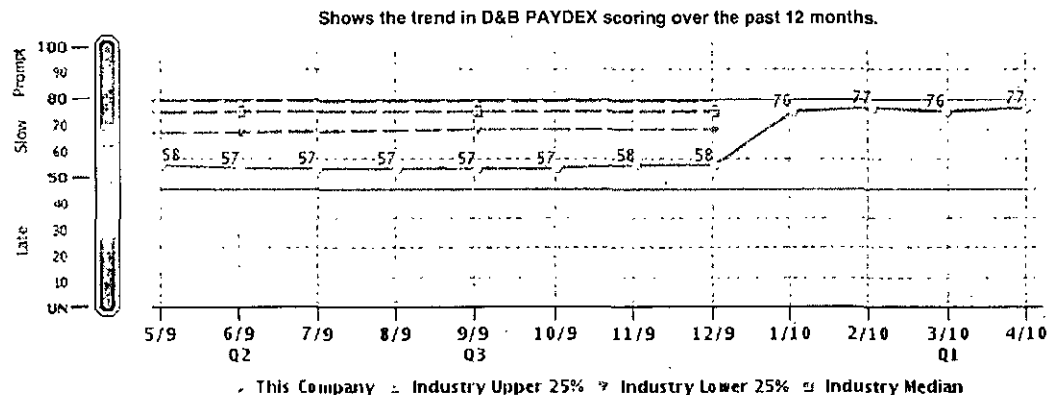
- High risk of late payment (Average 30 to 120 days beyond terms)
 - Medium risk of late payment (Average 30 days or less beyond terms)
 - Low risk of late payment (Average prompt to 30+ days sooner)
- Based on payments collected over last 3 months.

When weighted by amount, payments to suppliers average 8 days beyond terms

D&B PAYDEX® Comparison

Current Year

PAYDEX® of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Gas energy services, based on SIC code 4924.

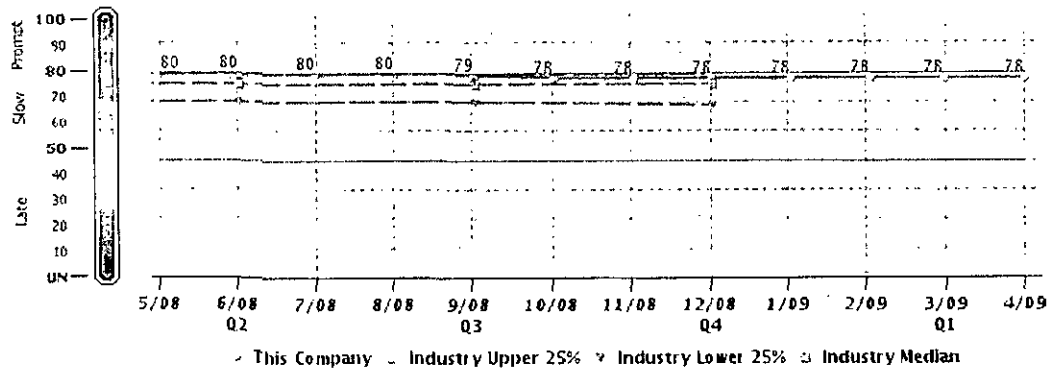


	5/09	6/09	7/09	8/09	9/09	10/09	11/09	12/09	1/10	2/10	3/10	4/10
This Business	58	57	57	57	57	57	58	58	76	77	76	77
Industry Quartiles												
Upper		79			79			79				
Median		76			76			76				
Lower		69			70			70				

- Current PAYDEX for this Business is 77, or equal to 5 days beyond terms
- The 12-month high is 77, or equal to 5 DAYS BEYOND terms
- The 12-month low is 57, or equal to 25 DAYS BEYOND terms

Previous Year

Shows PAYDEX of this Business compared to the Primary Industry from each of the last four quarters. The Primary Industry is Gas energy services, based on SIC code 4924.



Previous Year	06/08 Q2'08	09/08 Q3'08	12/08 Q4'08	03/09 Q1'09
This Business	80	79	78	78
Industry Quartiles				
Upper	79	79	79	79
Median	76	76	76	76
Lower	70	70	70	69

Based on payments collected over the last 4 quarters.

- Current PAYDEX for this Business is 77, or equal to 5 days beyond terms
- The present industry median Score is 76, or equal to 6 days beyond terms
- Industry upper quartile represents the performance of the payers in the 75th percentile
- Industry lower quartile represents the performance of the payers in the 25th percentile

Payment Habits

For all payment experiences within a given amount of credit extended, shows the percent that this Business paid within terms. Provides number of experiences to calculate the percentage, and the total credit value of the credit extended.

\$ Credit Extended	# Payment Experiences	Total Amount	% of Payments Within Terms
Over 100,000	0	0	0%
50,000-100,000	0	0	0%
15,000-49,999	4	115,000	91%
5,000-14,999	5	27,500	82%
1,000-4,999	4	7,000	100%
Under 1,000	7	2,000	38%

Based on payments collected over last 12 months.

For all Payment experiences reflect how bills are met in relation to the terms granted. In some instances, payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

Payment Summary

- There are 27 payment experience(s) in D&Bs file for the most recent 12 months, with 17 experience(s) reported during the last three month-period.
- The highest Now Owes on file is 30,000. The highest Past Due on file is 30,000

Below is an overview of the company's currency-weighted payments, segmented by its suppliers primary industries:

	Total Rev'd (#)	Total Amts	Largest High Credit	Within Terms (%)	Days Slow <31 31-60 61-90 90> (%) (%) (%) (%)				
Top Industries									
Nonclassified	7	93,600	45,000	100	0	0	0	0	0
Computer maintenance	3	8,000	5,000	100	0	0	0	0	0
Telephone communictns	3	1,050	1,000	100	0	0	0	0	0
Whol office supplies	1	20,000	20,000	50	50	0	0	0	0
Mfg computers	1	15,000	15,000	100	0	0	0	0	0
Misc business service	1	5,000	5,000	50	0	0	0	0	50
Natural gas distrib	1	5,000	5,000	50	50	0	0	0	0
Public finance	1	2,500	2,500	100	0	0	0	0	0
Direct mail ad svcs	1	750	750	0	100	0	0	0	0
Ret mail-order house	1	500	500	0	100	0	0	0	0
Whol durable goods	1	100	100	100	0	0	0	0	0
Whol electrical equip	1	0	0	0	0	0	0	0	0
Other payment categories									
Cash experiences	4	200	100						
Payment record unknown	1	30,000	30,000						
Unfavorable comments	0	0	0						
Placed for collections:									
With D&B	0	0	0						
Other	0	N/A	0						
Total in D&Bs file	27	181,700	45,000						

Accounts are sometimes placed for collection even though the existence or amount of the debt is disputed.

Indications of slowness can be result of dispute over merchandise, skipper invoices etc.

Detailed payment history for this company

Date Reported (mm/yy)	Paying Record	High Credit	Now Owes	Past Due	Selling Terms	Last Sale Within (month)
03/10	Ppt	15,000	10,000	0		1 mo
	Ppt	7,500	250	0		1 mo
	Ppt	5,000	5,000	0		1 mo
	Ppt	2,500	2,500	0		1 mo
	Ppt	1,000	0	0		1 mo
	Ppt	500	500	0		1 mo
	Ppt	0	0	0	N30	1 mo
	Ppt-Slow 30	20,000	7,500	0		1 mo
	Ppt-Slow 30	5,000	2,500	0	N30	1 mo
	(010)	30,000	30,000	30,000	N30	1 mo
02/10	(011)	0	0	0	Cash account	2-3 mos
	Ppt	1,000	750	0		1 mo
	Ppt	50	0	0		6-12 mos
	Ppt	50	0	0		6-12 mos
	Ppt-Slow 120	5,000	500	0		1 mo
	(016)	100			Cash account	1 mo

01/10	Ppl	45,000	0	0	4-5 mos
	Ppl	35,000	0	0	2-3 mos
12/09	Ppl	100	0	0	6-12 mos
09/09	Ppl	2,500			1 mo
08/09	(021)	50		Cash account	1 mo
06/09	Slow 30	500	0	0 N30	6-12 mos
02/09	(023) Cash own option	50			1 mo
10/08	Ppl	5,000	1,000	0	1 mo
09/08	Slow 30	750	750	750	
04/08	(026) Satisfactory	0	0	0	6-12 mos
03/08	Ppl	50	0	0	6-12 mos

Payments Detail Key: 30 or more days beyond terms

Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc. Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

Public Filings

Currency: Shown in USD unless otherwise indicated 

Summary

A check of D&B's public records database indicates that no filings were found for WASHINGTON GAS ENERGY SERVICES INC at 13865 Sunrise Valley Dr #200, Herndon VA.

D&B's extensive database of public record information is updated daily to ensure timely reporting of changes and additions. It includes business-related suits, liens, judgments, bankruptcies, UCC financing statements and business registrations from every state and the District of Columbia, as well as select filing types from Puerto Rico and the U.S. Virgin Islands.

D&B collects public records through a combination of court reporters, third parties and direct electronic links with federal and local authorities. Its database of U.S. business-related filings is now the largest of its kind.

Government Activity

Activity summary


Borrower (Dir/Guar)	NO
Administrative Debt	NO
Contractor	YES
Grantee	NO
Party excluded from federal program(s)	NO

Possible candidate for socio-economic program consideration

Labour Surplus Area	N/A
Small Business	N/A
8(A) firm	N/A

The details provided in the Government Activity section are as reported to Dun & Bradstreet by the federal government and other sources.

History & Operations

Currency: Shown in USD unless otherwise indicated 

Company Overview

Company Name: WASHINGTON GAS ENERGY SERVICES INC
Doing Business As : (SUBSIDIARY OF WASHINGTON GAS LIGHT COMPANY, SPRINGFIELD, VA)*
Street Address: 13865 Sunrise Valley Dr #200
Herndon , VA 20171
Phone: 703 793-7500
URL: <http://www.theotherenergycompany.com>*
History Is clear
Present management control 14 years

History

The following information was reported: **12/18/2009**

Officer(s): HARRY A WARREN JR, PRESIDENT
LAURA SHAW, SECRETARY

DIRECTOR(S) : THE OFFICER(S)

The Delaware Secretary of State's business registrations file showed that Washington Gas Energy Services Inc was registered as a corporation on September 3, 1987.

Business started 1996 by officers. 100% of capital stock is owned by parent.

HARRY A WARREN JR. Antecedents are undetermined.

LAURA SHAW. Antecedents are undetermined.

Business Registration

CORPORATE AND BUSINESS REGISTRATIONS PROVIDED BY MANAGEMENT OR OTHER SOURCE

The Corporate Details provided below may have been submitted by the management of the subject business and may not have been verified with the government agency which records such data.

Registered Name: WASHINGTON GAS ENERGY SERVICES INC
Business type: CORPORATION
Corporation type: PROFIT
Date incorporated: Sep 03 1987
State of incorporation: DELAWARE
Filing date: Sep 03 1987
Where filed: SECRETARY OF STATE/CORPORATIONS DIVISION , DOVER , DE

Operations

12/18/2009

Subsidiary of Washington Gas Light Company, Springfield, VA started 1848 which operates as natural gas distributors. Parent company has many other subsidiary(ies). Intercompany relations: None reported by

* Items pending correction

management.

As noted, this company is a subsidiary of Washington Gas Light, DUNS number 006920607, and reference is made to that report for background information on the parent company and its management. The parent company has submitted the following figures dated December 5, 1996: Current Assets \$15,904,000; Current Liabilities \$222,356,000; Total Sales \$828,748,000 and Net Income \$61,576,000.

Description:

Operates as a gas energy service.

Terms are net 30 days. Sells to commercial concerns.

Nonseasonal.

Employees: 75 which includes officer(s). 30 employed here.

Facilities: Rents 7,000 sq. ft. in building.

Branches: A branch is located at 110 W Road, Towson, MD. Operates as a sales office. *

SIC & NAICS

SIC:

Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific about a company's operations than if we use the standard 4-digit code.


The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

4924 0200 Gas power marketers

NAICS:

221210 Natural Gas Distribution

Financials

Currency: Shown in USD unless otherwise indicated 

Company Financials: D&B

2009-12-18

Three-year Statement Comparative:

	Fiscal Sep 30 2005	Fiscal Sep 30 2006	Fiscal Sep 30 2007
Current Assets	149,641,020	226,818,086	218,069,225
Current Liabilities	95,900,252	161,933,346	133,098,625
Current Ratio	1.56	1.4	1.64
Working Capital	53,740,768	64,884,740	84,970,600
Other Assets	1,996,331	3,017,150	6,080,443
Net Worth	0	67,409,348	89,966,572
Sales	772,635,023	1,001,596,167	
Long Term Liab	55,737,099	492,542	1,084,471
Net Profit (Loss)		12,257,517	

Additional Financial Data

Accountant: Deloitte & Touche LLP, McLean, VA.

On December 14, 2009, attempts to contact the management of this business have been unsuccessful. Outside sources confirmed operation and location.

* Items pending correction

Key Business Ratios

Statement Date Sep 30 2007

Based on this Number of Establishments 20

Industry Norms Based On 20 Establishments

	This Business	Industry Median	Industry Quartile
Profitability			
Return on Sales	UN	6.1	UN
Return on Net Worth	UN	12.4	UN
Short-Term Solvency			
Current Ratio	1.6	1.6	2
Quick Ratio	UN	0.7	UN
Efficiency			
Assets/Sales	UN	169.8	UN
Sales / Net Working Capital	UN	4.8	UN
Utilization			
Total Liabilities / Net Worth	UN	154.6	UN

UN = Unavailable

Associations

All Credit Files Created from this D&B Live Report

Company Name	Type	Status	Date Created
WASHINGTON GAS ENERGY SERVICES INC	Snapshot D-U-N-S Number 96-203-4856	Saved	03/14/2007 09:47 AM EST

All Credit Files with Same D-U-N-S® Number as this D&B Live Report

Company Name	Type	Status	Date Created
WASHINGTON GAS ENERGY SERVICES INC	Snapshot D-U-N-S Number 96-203-4856	Saved	03/14/2007 09:47 AM EST

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RECEIVED

APR 30 2010

Attachment G

17. Financial Fitness: Proof of Insurance

PA PUBLIC UTILITY COMMISSION

SECRETARY'S BUREAU
DATE (MM/DD/YYYY)
03/02/2009

ACORD		CERTIFICATE OF LIABILITY INSURANCE				
PRODUCER Aon Risk Services, Inc. of Washington, D.C./ Hunti 1120 20th Street NW Washington DC 20036 USA PHONE: (866) 283-7122 FAX: (847) 953-5390		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.				
INSURED Washington Gas Resources Corp. Washington Gas Energy Services, Inc. 13568 Sunrise Valley Drive Herndon VA 20170 USA		INSURERS AFFORDING COVERAGE		NAIC #		
		INSURER A: Liberty Mutual Insurance Co.		23043		
		INSURER B: Assoc Electric & Gas Ins Serv Ltd -AEGIS		00152L		
		INSURER C:				
		INSURER D:				
		INSURER E:				
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
LIMITS SHOWN ARE AS REQUESTED						
INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GENTL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	TB1641436621058	10/01/08	10/01/09	EACH OCCURRENCE \$300,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$300,000 GENERAL AGGREGATE \$600,000 PRODUCTS - COMP/OP AGG \$600,000
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AOG
B		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION	X0072A1A08	10/01/08	10/01/09	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WC2641436621018	10/01/08	10/01/09	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE-EA EMPLOYEE \$500,000 E.L. DISEASE-POLICY LIMIT \$500,000
B		OTHER Excess Liability / Excess Employers Liab	X0072A1A08	10/1/08	10/1/09	\$1,000,000
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS Cancellation Provision shown herein is subject to shorter or longer time periods depending on the jurisdiction of, and reason for, the cancellation.						
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.						
AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Inc. of Washington D.C.</i>						

Holder Identifier :

Certificate No : 570033174643

ATTACHMENT H
17. Financial Fitness: Audited Financial Statements

RECEIVED

APR 30 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Washington Gas Energy
Services, Inc.**

(An Indirect, Wholly Owned Subsidiary of
WGL Holdings, Inc.)

Financial Statements as of and for the Years Ended
September 30, 2009 and 2008, and
Independent Auditors' Report

WASHINGTON GAS ENERGY SERVICES, INC.
(An Indirect, Wholly Owned Subsidiary of WGL Holdings, Inc.)

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Statements of Cash Flows	4
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McLean, VA 22102-4219
USA
Tel: +1 703 251 1000
Fax: +1 703 251 3400
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholder of
Washington Gas Energy Services, Inc.
Herndon, Virginia

We have audited the accompanying balance sheets of Washington Gas Energy Services, Inc. (the "Company") as of September 30, 2009 and 2008, and the related statements of income and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Washington Gas Energy Services, Inc. as of September 30, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte + Touche LLP

March 12, 2010

WASHINGTON GAS ENERGY SERVICES, INC.
(An Indirect, Wholly Owned Subsidiary of WGL Holdings, Inc.)

BALANCE SHEETS
AS OF SEPTEMBER 30, 2009 AND 2008

	2009	2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,322,002	\$ -
Accounts receivable—trade and other, net of allowance for doubtful accounts of \$2,349,510 and \$1,363,844, respectively	88,355,141	70,431,118
Accounts receivable — associated companies — net	11,553,637	23,345,983
Unbilled revenues	59,296,288	29,738,304
Inventory and exchange gas imbalance	76,081,778	90,400,410
Risk management assets	4,301,614	7,147,957
Collateral receivable	34,643,960	400,000
Prepaid expenses and other current assets	296,959	501,278
Deferred income taxes — net	5,872,063	2,675,999
Total current assets	281,723,442	224,641,049
PROPERTY AND EQUIPMENT — Net of accumulated depreciation of \$3,539,211 and \$3,001,953, respectively	4,004,576	2,368,196
RISK MANAGEMENT ASSETS	5,140,054	472,701
DEFERRED INCOME TAXES — Net	4,379,953	466,964
OTHER NON-CURRENT ASSETS	3,087,107	-
TOTAL ASSETS	\$298,335,132	\$227,948,910
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable — commodity	\$ 78,329,331	\$ 66,700,289
Accounts payable — associated companies	72,208,027	50,947,406
Tax collections payable	1,957,733	1,438,247
Accrued taxes	2,053,858	319,716
Risk management liabilities	13,602,587	10,984,843
Other current liabilities	6,191,485	3,542,125
Total current liabilities	174,343,021	133,932,626
RISK MANAGEMENT LIABILITIES	16,272,144	77,607
OTHER NON-CURRENT LIABILITIES	459,809	156,971
Total liabilities	191,074,974	134,167,204
NET ASSETS	107,260,158	93,781,706
TOTAL LIABILITIES AND NET ASSETS	\$298,335,132	\$227,948,910

See notes to financial statements.

WASHINGTON GAS ENERGY SERVICES, INC.
(An Indirect, Wholly Owned Subsidiary of WGL Holdings, Inc.)

STATEMENTS OF INCOME
YEARS ENDED SEPTEMBER 30, 2009 AND 2008

	2009	2008
COMMODITY SALES	\$1,192,021,443	\$1,062,691,998
COST OF COMMODITY SALES	<u>1,127,408,333</u>	<u>1,023,297,101</u>
Gross margin	<u>64,613,110</u>	<u>39,394,897</u>
EXPENSES:		
Salaries and personnel-related costs	14,025,042	12,454,456
Gross receipts taxes and fees	3,424,149	2,762,235
Marketing and customer acquisition	8,983,463	3,219,317
General and administrative	4,117,412	4,389,028
Customer services and billing costs	8,590,755	7,100,532
Depreciation and amortization	<u>752,832</u>	<u>803,314</u>
Total expenses	<u>39,893,653</u>	<u>30,728,882</u>
INCOME FROM ENERGY MARKETING OPERATIONS	24,719,457	8,666,015
INCOME (EXPENSE) FROM OTHER OPERATIONS —		
Interest expense — net and other income	<u>(551,541)</u>	<u>(1,040,068)</u>
INCOME BEFORE INCOME TAXES	24,167,916	7,625,947
INCOME TAXES	<u>9,193,038</u>	<u>2,813,019</u>
NET INCOME	<u>\$ 14,974,878</u>	<u>\$ 4,812,928</u>

See notes to financial statements.

WASHINGTON GAS ENERGY SERVICES, INC.
(An Indirect, Wholly Owned Subsidiary of WGL Holdings, Inc.)

STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 14,974,878	\$ 4,812,928
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	752,832	803,314
Gain/loss on retirement of assets	3,325	17,852
Provision for uncollectible accounts	3,766,167	3,195,441
Deferred income taxes	(7,890,766)	(4,894,951)
Stock-based compensation expense	199,351	158,829
Changes in assets and liabilities:		
Accounts receivable — trade	(21,791,442)	2,140,898
Accounts receivable — associated companies	11,792,346	(3,037,455)
Unbilled revenues	(29,557,984)	(858,666)
Inventory and exchange gas imbalance	14,318,632	(5,119,328)
Risk management assets	(1,142,616)	2,662,420
Collateral receivable	(39,300,000)	(400,000)
Prepaid expense and other current assets	204,319	(179,468)
Other non-current asset	3,087,107	-
Accounts payable — commodity	11,629,042	1,860,132
Accounts payable — associated companies	(854,466)	(1,108,039)
Tax collections payable	519,486	217,726
Accrued taxes	1,734,142	(634,727)
Risk management liabilities	18,812,281	8,358,162
Other current and non-current liabilities	2,079,402	341,638
Net cash (used in) provided by operating activities	<u>(16,663,964)</u>	<u>8,336,706</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Short-term financing — net with associated companies	21,739,463	(7,597,074)
Dividends Paid	<u>(2,250,721)</u>	<u>(745,343)</u>
Net cash provided by (used in) financing activities	<u>19,488,742</u>	<u>(8,342,417)</u>
CASH FLOWS FROM INVESTING ACTIVITIES — Purchases of property and equipment	<u>(1,502,776)</u>	<u>(343,862)</u>
Net cash used in investing activities	<u>(1,502,776)</u>	<u>(343,862)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,322,002	(349,573)
CASH AND CASH EQUIVALENTS — Beginning of year	-	349,573
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 1,322,002</u>	<u>\$ 0</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Income taxes paid	<u>\$ 19,070,211</u>	<u>\$ 9,711,094</u>
Interest paid	<u>\$ 665,768</u>	<u>\$ 1,175,255</u>

See notes to financial statements.

WASHINGTON GAS ENERGY SERVICES, INC.
(An Indirect, Wholly Owned Subsidiary of WGL Holdings, Inc.)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008

1. ORGANIZATION AND BUSINESS

Washington Gas Energy Services, Inc. ("WGES" or the "Company"), organized in 1996, is a wholly owned subsidiary of Washington Gas Resources Corp., which in turn is a wholly owned subsidiary of WGL Holdings, Inc. ("WGLH"), a holding company. Washington Gas Light Company ("WGL"), also a wholly owned subsidiary of WGLH, is a regulated utility which provides delivery services of natural gas to the customers of WGES located in the WGL services territory.

WGES was organized to conduct several types of retail energy-related activities, primarily energy marketing. Currently, the Company engages in the marketing of energy in the unregulated retail marketplace, competing with regulated utilities and other unregulated third-party marketers to sell natural gas and electricity directly to residential, commercial, and industrial customers with the objective of earning a profit through competitive pricing. The Company's energy-related activities are conducted in the competitive, unregulated retail marketplace and are not subject to price regulation by state or federal regulatory agencies. Thus, the Company does not apply the requirements of Financial Accounting Standards Board Accounting Standards Codification ("ASC") Topic 980, *Regulated Operations*, to its financial statements. However, WGES is subject to the regulatory licensing requirements of the jurisdictions in which it conducts business.

During the fiscal year ended September 30, 2009, WGES contracted for and completed the construction of one Solar PV facility, which includes ownership of the operational asset, and contracted for two additional facilities which have been completed as of December 31, 2009. Other than these facilities, WGES does not own or operate any natural gas or electric generation, production, transmission, or distribution assets.

Natural gas sales are made to customers who are eligible to purchase natural gas commodity from unregulated suppliers operating in the retail marketplace. The Company sells natural gas to retail customers in Delaware, Maryland, Virginia, and the District of Columbia, which includes sales outside of the WGL service territory. As of September 30, 2009, the Company had 151,500 natural gas customers, versus 133,300 as of September 30, 2008. Sales outside the WGL territory comprised approximately 24 and 28 percent of the volumes sold by the Company during fiscal years 2009 and 2008, respectively.

The Company also has sales programs for electricity, principally in Delaware, Maryland and the District of Columbia. The Company has entered into master purchase agreements with wholesale suppliers and is a participant in the PJM interconnection, the regional transmission organization ("RTO") in order to serve retail customers. Under the wholesale supply agreements, WGES purchases electric energy, capacity and certain ancillary services from the wholesaler or RTO, for resale to retail electricity customers. As of September 30, 2009, the Company had 113,000 residential and commercial electric customers, versus 61,800 as of September 30, 2008. These customers are in the Potomac Electric Power Company ("PEPCO") service territory in Maryland and the District of Columbia, the Baltimore Gas and Electric ("BGE") service territory in Maryland, Delmarva Power ("DPL") service territory in Delaware, Maryland and Virginia and Allegheny Power ("AP") service territory in Maryland. WGES, although a licensed electric service provider in Virginia, did not have any Virginia electric customers as of

September 30, 2009. The Company recently announced plans to enter the Pennsylvania Power and Light (PPL) service territory in Pennsylvania beginning January 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("US GAAP"). The Company uses a fiscal year ending September 30.

Use of Estimates — The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Company's most significant estimate relates to the valuation of certain derivative instruments (see Note 5). To value these instruments, the Company uses financial models that require significant judgment related to model assumptions. The Company continually reviews its modeling approaches and assumptions to ensure that they are reflective of the optimal valuation methods. As part of this review process, refinements are made periodically that could significantly impact the estimates of value in future periods.

Cash and Cash Equivalents — The Company considers all liquid securities with original maturities of three months or less to be cash equivalents. All short-term cash requirements or cash investments are handled through the WGLH money pool, including daily funding of the Company's disbursement account and are included on the Balance Sheet in Accounts payable-associated companies (see Note 8).

Property and Equipment — Property and equipment consists of office equipment and leasehold improvements related to office space in Herndon, Virginia, and Timonium, Maryland; an investment in a trade capture computer system (placed in service during fiscal year 2007) and PV solar electricity generating assets (in service during fiscal year 2009). All additions to property and equipment are recorded at original cost and depreciated on a straight-line basis over various useful lives, primarily five to eight years, though generating assets are depreciated over 20 years. Property and equipment balances as of September 30, 2009 and 2008 consisted of the following:

	2009	2008
Furniture and fixtures	\$ 757,489	\$ 757,489
Office equipment	795,339	836,862
Leasehold improvements	1,743,015	1,743,015
Computer systems	2,032,783	2,032,783
Generating assets	1,128,967	-
Construction work in progress	1,086,194	-
Subtotal	7,543,787	5,370,149
Less accumulated depreciation	(3,539,211)	(3,001,953)
Net property and equipment	<u>\$ 4,004,576</u>	<u>\$ 2,368,196</u>

Revenue Recognition:

Gas — The Company enters into indexed or fixed-rate contracts with residential customers for firm sales of natural gas and with commercial and industrial customers for firm or interruptible sales of natural gas. Customer contracts typically have terms of less than twenty-four months (though there are instances of contract lengths up to five years) and allow WGES to bill customers based upon metered gas usage at customer premises or quantities delivered to the local utility for the customer. The billing cycles for customers do not coincide with the accounting periods used for financial reporting purposes; therefore, the Company recognizes revenue including an accrual for unbilled revenues for natural gas delivered, but not yet billed, at the end of each accounting period.

Electricity — The Company enters into indexed or fixed-rate contracts with residential, commercial, and industrial customers. Customer contracts typically have terms of less than twenty-four months (though there are instances of contract lengths up to five years). Customers are billed based on the metered usage which is provided to the Company by the retail electric utility company. The billing cycles for customers do not coincide with the accounting periods used for financial reporting purposes; therefore, the Company recognizes revenue including an accrual for unbilled revenues for electricity delivered, but not yet billed, at the end of each accounting period.

Unbilled Revenues — At September 30, 2009 and 2008, Unbilled revenues were approximately \$59.3 million and \$29.7 million, respectively, with these balances consisting primarily of September revenues billed in October. As of September 30, 2009, the unbilled amount includes \$49.6 million related to electricity and \$9.7 million related to natural gas. The unbilled amount as of September 30, 2008, consists of \$21.2 million related to electricity and \$8.5 million related to natural gas.

Exchange Gas Imbalance — An exchange gas imbalance asset was carried at a cost of approximately \$5.5 million and \$5.8 million as of September 30, 2009 and 2008, respectively, based on the weighted-average cost method. The exchange gas imbalance asset represents the Company's gas purchases which have been delivered to a local utility in excess of volumes used by the Company's firm customers. This asset will be realized in subsequent periods through seasonal changes in customer usage and volume settlements with the local utility.

Inventory — The Company maintains natural gas inventory with WGL and BGE. As of September 30, 2009, the Company carried inventory at a cost of approximately \$62.7 million and \$6.1 million on the WGL and BGE systems, respectively. As of September 30, 2008, the Company carried inventory at cost of approximately \$75.4 million and \$8.6 million on the WGL and BGE systems, respectively. Inventory is carried at the lower of cost or market. WGES records inventory additions (actual injections of gas volumes) using the monthly weighted average purchase price of gas and records inventory reductions (actual withdrawals from storage) using a first-in, first-out ("FIFO") method applied after all injections for the month have been recorded. Beginning in fiscal year 2008, the Company has maintained an inventory of renewable energy credits (RECs) for resale to customers, which are accounted for as inventory available for sale. The RECs are accounted for under the specific identification method of inventory tracking. The balance of this inventory as of September 30, 2009 and 2008, was \$1.7 million and \$0.6 million, respectively.

Employee Benefits — WGES sponsors a defined contribution 401(k) plan for Company employees. The Company currently matches 100 percent of the first four percent of employees' contributions to this 401(k) plan. The Company recognized approximately \$353,000 and \$309,000 in contribution expense for the fiscal years ended September 30, 2009 and 2008, respectively.

Active WGES employees are eligible to participate in benefit plans sponsored by the Company, including medical and other insurance plans. The Company recognized expense of approximately \$791,000 and \$775,000 for the fiscal years ended September 30, 2009 and 2008, respectively, relating to these plans.

Income Taxes — The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes*. Deferred income tax assets and liabilities are recorded for the tax impact of temporary differences between the carrying value of assets and liabilities for tax purposes and the carrying value for financial statement purposes. The deferred taxes are classified as current and non-current based on the nature of the item that creates the deferral (see Note 7). WGES amortizes investment tax credits related to its solar projects as reductions to income tax expense over the estimated service lives of the related properties. The Company adopted the provisions of FASB Interpretation (FIN) No. 48 (now part of ASC Topic 740, *Income Taxes*) on October 1, 2007. As a result of the implementation, there was no change to our recorded assets or liabilities for unrecognized income tax benefits. As of September 30, 2009 and 2008, we did not have a liability for unrecognized tax benefits, and we do not anticipate that this will change materially during the next year. The Company recognizes any accrued interest and/or accrued penalties associated with uncertain tax positions in Interest expense — net and other income.

Gross Receipts Taxes and Fees — Gross receipts taxes are applicable to customers in Delaware. Gross receipts taxes are reported gross in both operating revenue and expense on the income statement. Also included in Gross receipts taxes and fees expense on the income statements are the costs associated with the assessments by the state of Maryland, state of Delaware and the District of Columbia for fiscal years 2009 and 2008 related to the Company's pro-rata share of operating the Public Service Commissions and the Office of the People's Counsel of each jurisdiction. These assessments are based on the proportion of the Company's sales to the total of all sales subject to the assessment. For the years ended September 30, 2009 and 2008, these amounts totaled approximately \$2.3 million and \$2.2 million, respectively.

Sales and Use Tax — Sales and use taxes are applicable to sales revenue collected from certain customers located in Maryland and the District of Columbia. These taxes are collected at the prescribed rates and remitted to the jurisdictional government monthly. Sales and use taxes are not reported in gross operating revenue or expenses on the Company's income statement.

Fair Value of Financial Instruments — The fair values of derivative instruments are recorded in Risk management assets and Risk management liabilities, in both the current and non-current sections of the balance sheet based on quoted market prices or pricing models using current market data when available. The carrying value of Cash and cash equivalents as well as trade receivables and payables included in Accounts receivable — trade and other and Accounts payable — commodity on the balance sheet, approximate fair values due to the short-term nature of those instruments.

Derivative Activities — The Company applies the provisions of FASB Statement No. ("SFAS No.") 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138, *Accounting for Certain Derivative Instruments and Certain Hedging Activities*, and by SFAS 149, *Amendment of Statement 133 on Derivative Instruments and Hedging Activities* (now included in ASC Topic 815, *Derivatives and Hedging*). ASC Topic 815 requires derivative instruments, including certain derivative instruments embedded in other contracts, to be recorded at fair value as either an asset or a liability. Changes in the derivative's fair value are recorded in earnings, unless the derivative meets specific hedge accounting criteria (and is designated as such) or qualifies for the normal purchase or normal sale exception. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and the hedged item are recognized in earnings. If the derivative is designated as a cash flow hedge, changes in the fair value of the derivative are recorded in other comprehensive income and

are recognized in the income statement when the hedged item affects earnings. The accounting standard requires that the Company formally document, designate, and assess the effectiveness of derivatives that are accounted for as hedging instruments at both the inception of the hedge and through the term of the hedge. The Company had not designated any derivative instruments as cash flow or fair value hedges as of September 30, 2009 and 2008.

The Company enters into forward contracts for the purchase and sale of natural gas and electricity that meet the definition of a derivative. The Company has elected to apply the normal purchases and normal sales exceptions to the majority of these contracts. As a result, the effects of these contracts are recorded to earnings as the commodity is received or delivered. Contracts for which the Company has elected the normal purchase and normal sale exception are monitored regularly for continuing eligibility to apply the exception. For derivatives where the normal purchase and sale exception is not elected, the instruments are recorded at their fair value in the Company's balance sheet under the captions Risk management assets or Risk management liabilities in both the current and non-current sections.

The Company also enters into certain forward contracts involving the purchase or sale of variable volume natural gas, as well as other financial instruments (primarily in the form of call options, put options, and swaps) for the sale and purchase of natural gas and electricity. These contracts also meet the definition of a derivative, but do not qualify for the normal purchases and normal sales exception. These instruments are recorded at fair value in the Company's balance sheet.

Newly Issued and/or Adopted Accounting Standards:

Subsequent Events — In May 2009, the FASB issued SFAS No. 165, *Subsequent Events* (now included in ASC Topic 855, *Subsequent Events*). SFAS No. 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS No. 165 does not apply to the accounting for and disclosure of subsequent events addressed in other generally accepted accounting principles. Effective June 30, 2009, we adopted SFAS No. 165 for disclosures of events or transactions not within the scope of other applicable GAAP. Refer to Note 12 — *Subsequent Events* for the required disclosure under this standard.

Fair Value — In April 2009, the FASB issued FASB Staff Position (FSP) No. FAS 107-1 and Accounting Principles Board (APB) 28-1, *Interim Disclosures about Fair Value of Financial Instruments* (now part of ASC Topic 825, *Financial Instruments*). FSP No. FAS 107-1 and APB 28-1 amend SFAS No. 107 to require disclosures about fair value of financial instruments for interim reporting periods. This rule also amends APB Opinion No. 28 to require disclosures about the fair value of financial instruments in summarized financial information at interim reporting periods. This guidance was effective for us on June 30, 2009. Refer to Note 5 — *Fair Value of Financial Instruments* for the required disclosure under this standard.

Effective October 1, 2008, the Company adopted SFAS No. 157, *Fair Value Measurements* (now part of ASC Topic 820, *Fair Value Measurements and Disclosures*), as amended, for our financial assets and liabilities. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in US GAAP and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit assets or liabilities to be measured at fair value, and does not require any new fair value measurements. Additionally, SFAS No. 157 requires retrospective application to financial instruments that were measured at fair value upon initial recognition at the transaction price. Upon adoption, the differences between the carrying amounts and the fair values of these instruments were recognized as a cumulative-effect adjustment to the opening balance of retained earnings or other appropriate components of net assets. As a result, WGES recorded a pretax \$1.7 million cumulative-effect adjustment (\$1.0 million after-tax) to increase the opening balance of retained earnings.

In October 2008, the FASB issued FSP No. FAS 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active*. This FSP clarifies the application of SFAS No. 157 in a market that is not active and provides an example to illustrate key considerations in determining the fair value of a financial asset when the market for that asset is not active. This standard was implemented in conjunction with our implementation of SFAS No. 157.

In April 2009, the FASB issued FSP No. FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That are Not Orderly* (FSP FAS 157-4). This FSP provides additional guidance for estimating fair value in accordance with SFAS No. 157 when the volume and level of activity for the asset or liability have significantly decreased, and for identifying circumstances that indicate a transaction is not orderly. This FSP requires disclosure, in interim and annual periods, of the inputs and valuation techniques used to measure fair value and a discussion of changes in valuation techniques and related inputs, if any, during the period. The guidance in this FSP was effective for us on June 30, 2009.

Derivative Instruments — In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133* (now part of ASC Topic 815, *Derivatives and Hedging*). SFAS No. 161 establishes, among other things, the disclosure requirements for derivative instruments and for hedging activities. This statement requires (i) qualitative disclosures about how and why we use derivative instruments; (ii) how derivative instruments and related hedged items are accounted for; and (iii) how derivative instruments and related hedged items affect our financial position, financial performance, and cash flows. SFAS No. 161 was effective for us on January 1, 2009. Refer to Note 6 — *Derivative and Weather-Related Instruments* for the required disclosures under this standard.

In April 2007, the FASB issued FSP No. FIN 39-1, *Amendment of FASB Interpretation No. 39*. This FSP amends FIN No. 39, *Offsetting of Amounts Related to Certain Contracts*, to replace the terms “conditional contracts” and “exchange contracts” with the term “derivative instruments” as defined in SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended. Additionally, it permits a reporting entity to offset the fair value amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral against fair value amounts recognized for derivative instruments executed with the same counterparty under the same master netting arrangement. The guidance in this FSP was effective for us on October 1, 2008. As a result of the implementation of this standard, the fair value recorded for each of our cash collateral positions is netted against the net fair value amounts recorded for the associated derivative instruments executed under the same master netting arrangement. There were no material effects on prior periods. At September 30, 2009, and September 30, 2008, WGES had collateral receivables totaling \$34.6 million and \$0.4 million, respectively, which were not offset under master netting arrangements. The collateral is held by the third parties and recorded in Collateral receivable on the balance sheet. Refer to Note 6 — *Derivative and Weather-Related Instruments* for other required disclosures under this standard.

Accounting Standards Codification (“ASC”) — In June 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-01, *Topic 105 — Generally Accepted Accounting Principles — Amendments Based on SFAS No. 168 — The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles*. The ASC is now the single source of authoritative US GAAP recognized by the FASB, replacing all previous US GAAP. The ASC does not change US GAAP, however it significantly changes the way in which the accounting literature is organized. The adoption of this standard did not have a material effect on our financial statements.

Other Newly Issued Accounting Standards:

Fair Value — In February 2008, the FASB issued FSP No. FAS 157-2, *Effective Date of FASB Statement No. 157*, now part of ASC Topic 820-10-55. This FSP was adopted on October 1, 2008 in conjunction with our implementation of ASC Topic 820, *Fair Value Measurements and Disclosures*. ASC Topic 820-10-55, delays the effective date of ASC Topic 820 for the Company by one year (October 1, 2009) for non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis. We have evaluated the possible effects of applying ASC Topic 820-10-55 to the non-financial assets and liabilities on our financial statements and do not believe the impact to be significant.

In August 2009, the FASB issued ASU 2009-05, *Fair Value Measurements and Disclosures — Measuring Liabilities at Fair Value* (ASC Topic 820-10). This ASU provides amendments to Subtopic 820-10, *Fair Value Measurements and Disclosures — Overall*, for the fair value measurement of liabilities. ASC Topic 820-10 provides clarification that in circumstances in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using (i) a valuation technique that uses the quoted price of the identical liability when traded as an asset, or quoted prices for similar liabilities or similar liabilities when traded as assets or (ii) another valuation technique that is consistent with the principles of ASC Topic 820. ASC Topic 820-10 is effective for us on October 1, 2009. We have evaluated and determined the effect of this standard on financial statements to be minimal.

3. CONTRACTS FOR THE PURCHASE OF NATURAL GAS AND ELECTRICITY

The Company enters into both physical and financial contracts for the purchase of natural gas from several suppliers. These contracts obligate the Company to purchase fixed quantities of natural gas at contractual prices that may be either fixed or variable. The variable price contracts are generally structured as a fixed base price plus a market-based commodity component that is index-priced at the date of the delivery. Purchase contracts are designed to match the duration of the Company's sales commitments in terms of both quantity and pricing structure and effectively locks in a margin on the estimated sales for the term of existing sales contracts. WGES assumes the responsibility for matching its customer requirements with its supply purchases. To the extent WGES is not able to match its customer requirements relatively close with its supply purchases, it is exposed to natural gas commodity price risk for the unmatched portion of its portfolio. All purchases generally are made under fixed-volume contracts which are based on certain weather assumptions. If there are significant deviations in weather from these assumptions, WGES could be exposed to price and volume risk that negatively impact gross margins. The Company's gas purchase contracts provide for physical delivery of gas, which the Company uses to satisfy its sales commitments.

As of September 30, 2009, WGES' gas purchase contracts provide for firm, fixed deliveries over the next five fiscal years of approximately 71.5 million decatherms. The financial commitments relating to these forward purchases, assuming normal weather, are listed in the table below. The minimum contractual commitment is based on fixed-price commitments for gas delivered to city gate stations, including the cost of transportation to those points.

The Company also enters into physical and financial contracts for the purchase of electricity to match the duration of our sales commitments in quantity and pricing structure. The contracts effectively lock in a margin on estimated sales for the term of existing sales contracts.

As of September 30, 2009, WGES' electric purchase contracts provide for firm, fixed deliveries over the next five fiscal years of approximately 12.7 million mega watt hours. The financial commitments relating to these forward purchases, assuming normal weather, are listed in the table below. Under this electricity supply strategy, WGES assumes the responsibility for matching its customer requirements with its supply purchases. To the extent WGES is not able to match its customer requirements relatively close with its supply purchases, it is exposed to electricity commodity price risk on the unmatched portion of its portfolio. These purchases generally are made under fixed-volume contracts which are based on certain weather assumptions. If there are significant deviations in weather from these assumptions, WGES could be exposed to hourly price and volume risk that negatively impact gross margins.

The Company has entered into various contracts with interstate natural gas pipeline companies for the purchase of capacity on natural gas pipelines. These contracts obligate the Company to fixed obligations for the pipeline capacity for several years and enable the company to deliver gas supply to our market territory. Pipeline contracts are designed to provide the Company with flexibility for its gas purchase contracts which do not include physical delivery of the gas, which the Company uses to satisfy its sales commitments.

The following table summarizes the minimum contractual obligations of WGES for both natural gas and electricity for the next five years and thereafter:

Fiscal Year	WGES Gas and Electric Minimum Purchase Commitments			
	Gas Purchases	Electric Purchases (1)	Pipeline Contracts	Total
2010	\$306,413,990	\$474,681,319	\$2,859,911	\$783,955,220
2011	152,482,099	273,033,784	1,309,578	426,825,461
2012	69,786,950	116,330,353	1,138,888	187,256,191
2013	8,054,110	21,087,689	756,630	29,898,429
2014 and thereafter	-	686,447	2,276,772	2,963,219
Total	<u>\$536,737,149</u>	<u>\$885,819,592</u>	<u>\$8,341,779</u>	<u>\$1,430,898,520</u>

(1) Includes purchase commitments for renewable energy credits.

4. CONCENTRATION OF CREDIT RISK

The Company has a relatively low concentration of retail credit risk due to the large number of retail customers, none of which are significantly large as a percentage of the total customer base. The Company manages this risk by evaluating the credit quality of new customers as well as by monitoring collections from existing customers.

The Company also purchases natural gas or electricity from certain suppliers that have either relatively low credit ratings or are not rated by major credit rating agencies. Depending on the ability of these suppliers to deliver natural gas or electricity under existing contracts, the Company could be financially exposed for the difference between the price contracted to buy these commodities and the replacement cost of these commodities that may need to be purchased. WGES has a wholesale supplier credit policy in place that is designed to mitigate wholesale credit risks through a requirement for credit enhancements. In accordance with this policy, the Company has obtained credit enhancements, including but not limited to, letters of credit, parent guarantees, and cash collateral, from certain of its suppliers and continuously monitors the unsecured credit limits it will accept from certain suppliers or

their guarantors. This allows WGES to have greater flexibility in obtaining alternative sources of natural gas or electricity supplies in the event of non-performance by one or more of its suppliers.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

Effective October 1, 2008, the Company adopted SFAS No. 157, now part of ASC Topic 820, for our financial assets and liabilities that are required to be measured at fair value on a recurring basis. These financial assets and liabilities primarily consist of derivatives recorded on our balance sheet under ASC Topic 815. Under ASC Topic 820, fair value is defined as the exit price, representing the amount that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To value our financial instruments, we use market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about credit risk (both our own credit risk and the counterparty's credit risk) and the risks inherent in the inputs to our valuation technique, the income approach.

Derivative contracts are entered into via the over-the-counter (OTC) wholesale and retail markets. These markets are the principal markets for the respective wholesale and retail contracts. We have determined that all of our existing counterparties and others who have participated in energy transactions at our delivery points are the relevant market participants. These participants have access to the same market data as WGES. We value our derivative contracts based on an "in-exchange" premise and valuations are generally based on pricing service data or indicative broker quotes depending on the market location. Net credit exposure is measured at the counterparty level, where the right to set-off exists. The net exposure is determined using the mark-to-market exposure adjusted for collateral, letters of credit, and parent guarantees. Published default rates from Standard & Poor's Ratings Services and Moody's Investors Service are used as inputs for the determination of credit adjustments.

ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy under ASC Topic 820 are described below:

Level 1 — Level 1 of the fair value hierarchy consists of assets or liabilities that are valued using observable inputs based upon unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date. Level 1 assets and liabilities include exchange traded derivatives and securities. At September 30, 2009, we do not have any financial assets or liabilities in this category.

Level 2 — Level 2 of the fair value hierarchy consists of assets or liabilities that are valued using directly or indirectly observable inputs that are corroborated with market data or based on exchange traded market data. Level 2 includes fair values based on industry-standard valuation techniques that consider various assumptions, including (i) quoted forward prices, including the use of mid-market pricing within a bid/ask spread; (ii) discount rates; (iii) implied volatility; and (iv) other economic factors. Substantially all of these assumptions are observable throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the relevant market. At September 30, 2009, Level 2 financial assets and liabilities included non-exchange traded energy-related derivatives, such as financial swaps and options and physical forward contracts for deliveries at active market locations.

Level 3 — Level 3 of the fair value hierarchy consists of assets or liabilities that are valued using significant unobservable inputs at the reporting date. These unobservable assumptions reflect our assumptions about estimates that market participants would use in pricing the asset or liability, including historical volatility and pricing data when delivery is to inactive market locations. These inputs may be

used with industry standard valuation methodologies that result in our best estimate of fair value for the assets or liabilities at the reporting date. At September 30, 2009, OTC derivative assets and liabilities in this category included (i) physical contracts valued with significant basis adjustments to observable market data when delivery is to inactive market locations; (ii) long-dated positions where observable pricing is not available over the life of the contract; (iii) contracts valued using historical volatility assumptions and (iv) valuations using indicative broker quotes for inactive market locations.

The following table sets forth financial instruments recorded at fair value on a recurring basis as of September 30, 2009. A financial instrument's classification within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy (in millions):

	Assets	Liabilities
Level 1	\$ -	\$ -
Level 2	3	(7)
Level 3	9	(31)
Counterparty and cash collateral netting	<u>(3)</u>	<u>8</u>
Total	<u>\$ 9</u>	<u>\$ (30)</u>

The following table is a summary of the changes in the fair value of our derivative assets (liabilities) that are measured at net fair value on a recurring basis in accordance with ASC Topic 820 using significant Level 3 inputs during the fiscal year ended September 30, 2009 (in millions):

Balance — October 1, 2008	\$ 8
Realized and unrealized gains (losses) recorded to income	(53)
Transfers in and/or out of Level 3	-
Purchases and settlements — net	<u>24</u>
Balance — September 30, 2009	<u>\$ (21)</u>

The table below sets forth the line items on the Statements of Income of the amounts recorded to income for the fiscal year ended September 30, 2009, related to fair value measurements using significant level 3 inputs.

Commodity sales	\$ (4)
Cost of commodity sales	<u>(49)</u>
Total	<u>\$ (53)</u>

Unrealized gains (losses) for the fiscal year ended September 30, 2009 attributable to derivative assets and liabilities measured using significant Level 3 inputs were recorded as follows:

Recorded to income:	
Commodity sales	\$ 8
Cost of commodity sales	<u>(27)</u>
Total	<u>\$ (19)</u>

6. DERIVATIVE AND WEATHER RELATED INSTRUMENTS

WGES enters into forward contracts for the purchase of natural gas, electricity, and renewable energy credits that meet the definition of derivatives under ASC Topic 815 to meet the contractual obligations to its retail sales customers. The Company generally elects to apply the normal purchases and normal sales exception to these contracts, as defined by ASC Topic 815. As a result, the effects of these contracts are recorded to earnings as the commodity is received or delivered. The Company also enters into certain forward contracts for which the normal purchases and normal sales exception is not eligible to be taken, along with other contracts involving the purchase of variable volume natural gas, and other financial instruments (primarily in the form of call options, put options, and swaps) for the sale and purchase of natural gas and electricity. These contracts meet the definition of derivative instruments under ASC Topic 815 and are recorded at their fair value in the Company's balance sheet under the captions Risk management assets and Risk management liabilities, in both the current and non-current sections. As of September 30, 2009 and 2008, these derivatives had net unrealized fair value losses of \$20.4 million and \$4.3 million, respectively. All realized and unrealized gains and losses are recorded in Commodity Sales or Cost of Commodity Sales in the statements of income based on the nature of the individual contracts.

To the extent that the information below is being disclosed under the requirements of SFAS No. 161 (now part of ASC Topic 815, *Derivatives and Hedging*), no prior-period information is presented. Under the standard, only information after the date of implementation, January 1, 2009, is required to be disclosed. Therefore, only September 30, 2009, balances are being disclosed for the balance sheet information and, only activity for the nine-month period ended September 30, 2009, is being disclosed for the statement of income information.

At September 30, 2009, the absolute notional amounts of our open positions on derivatives instruments are as follows (in millions):

Derivative transactions	Notional Amounts
Natural gas:	
Retail sales	\$ 4
Other risk-management activities	176
Electricity:	
Retail sales	2,057
Other risk-management activities	6,006

The balance sheet classification for all derivative instruments as of September 30, 2009, is as follows (in millions):

Balance Sheet location	Derivative Assets	Derivative Liabilities	Netting of Collateral	Total
Risk management current asset	\$ 4	\$ -	\$ -	\$ 4
Risk management non-current asset	5	-	-	5
Risk management current liabilities	3	(18)	1	(14)
Risk management non-current liabilities	1	(21)	4	(16)
Total	<u>\$ 13</u>	<u>\$ (39)</u>	<u>\$ 5</u>	<u>\$ (21)</u>

The gains and losses associated with derivative instruments for the nine months ended September 30, 2009, are as follows (in millions):

Recorded to income:	
Commodity sales	\$ (9)
Cost of commodity sales	<u>(20)</u>
Total	<u>\$ (29)</u>

Certain of WGES derivative instruments contain contract provisions that require collateral to be posted if the credit rating of WGL Holdings falls below certain levels or if counterparty exposure to WGES exceeds a certain level. Due to counterparty exposure levels, at September 30, 2009, WGES' posted \$5.1 million of collateral related to its derivative liabilities that contained credit-related contingent features. The following table shows the aggregate fair value of all derivative instruments with credit-related contingent features that are in a liability position, as well as the maximum amount of collateral that would be required to be posted related to the net fair value of our derivative instruments if the most intrusive credit-risk-related contingent features underlying these agreements were triggered on September 30, 2009 (in millions):

Derivative liabilities with credit-risk-contingent features	\$ 29
Maximum potential collateral requirements	26

WGES does not enter into derivative contracts for speculative purposes.

The Company entered into weather related contracts in 2009 and 2008, including both heating degree day (or HDD) and cooling degree day (or CDD) type derivatives, which are used to manage its weather related risks. These derivatives cover a portion of WGES' estimated revenue or energy-related cost exposure to variations in heating or cooling degree days. These contracts provide for payment to WGES of a fixed-dollar amount for every degree day over or under specific levels during the calculation period depending upon the type of contract executed. All weather risk contracts are accounted for under Emerging Issues Task Force Issue No. 99-2, *Accounting for Weather Derivatives* (now included in ASC Topic 815, *Derivatives and Hedging*). Expenses for these products are amortized into income based on the pattern of normal temperature days over the period of the respective weather-related instrument. Gains or losses from the contracts are recorded following the intrinsic value method and are netted against premiums that are amortized over the life of the contracts. WGES recorded a pretax benefit of \$1.6 million and amortization expense of \$2.4 million related to these derivatives in fiscal year 2009. For fiscal year 2008, WGES recorded a pretax benefit of \$1.3 million and amortization expense of \$1.6 million related to these derivatives.

7. INCOME TAXES

The Company is part of WGLH's consolidated federal income tax return. The Company has been allocated its share of the consolidated WGLH and subsidiaries' taxes based upon the Company's pro-rata contribution to the consolidated tax liability. The amount of the 2009 and 2008 tax obligations were less than the amounts that the Company would have paid, had a stand-alone tax return been filed. The reduction in taxes (or tax savings) from the stand-alone level is divided into two subcategories, permanent tax savings and temporary tax savings, and each subcategory is recorded differently as follows. The permanent tax savings are reflected in the Company's income statement and included in income taxes. The temporary tax savings are recorded as a deferred tax asset with an offsetting liability included in Accounts payable — associated companies. As part of WGLH's consolidated federal returns, we are no longer subject to income tax examinations by the Internal Revenue Service for years before September 30, 2006. In addition, substantially all state income tax years in major jurisdictions are closed for years before September 30, 2005.

As of September 30, 2009, income taxes of approximately \$1.9 million were owed to WGES and such amounts are included in accounts payable — associated companies in the accompanying balance sheet. As of September 30, 2008, approximately \$1.5 million of amounts due WGLH and its subsidiaries was included in accounts payable — associated companies in the accompanying balance sheet.

The significant components of deferred tax assets and liabilities are as follows:

	2009	2008
Current deferred tax asset (liability):		
Allowance for doubtful accounts	\$ 942,629	\$ 550,702
Derivative mark to market	4,876,055	2,125,022
Other	53,379	275
Total current deferred tax asset	<u>5,872,063</u>	<u>2,675,999</u>
Noncurrent deferred tax asset (liability):		
Deferred rent	36,734	88,157
Derivative mark to market	4,226,414	(158,512)
Accelerated depreciation	(176,509)	241,716
Other	293,314	295,603
Total noncurrent deferred tax asset	<u>4,379,953</u>	<u>466,964</u>
Net deferred income tax asset	<u>\$10,252,016</u>	<u>\$3,142,963</u>

Significant components of the Company's income tax expense are as follows:

	2009	2008
Current income tax expense	\$17,095,346	\$7,707,971
Deferred income tax benefit	(7,890,766)	(4,894,952)
Amortization of investment tax credits	(11,542)	-
Total income tax expense	<u>\$ 9,193,038</u>	<u>\$2,813,019</u>

The reconciliation of the differences between income tax expense calculated using the U.S. statutory rate and the effective tax rate based on income before income taxes is as follows:

	2009		2008	
	Amount	Percentage	Amount	Percentage
Income tax at federal statutory income tax rate	\$8,458,771	35.00 %	\$2,669,081	35.00 %
State income taxes — net of federal benefit	1,237,454	5.12	390,471	5.12
Benefit of consolidated filing	(511,429)	(2.12)	(220,328)	(2.89)
Other items	8,242	0.03	(26,205)	(0.34)
Income tax expense and effective tax rate	<u>\$9,193,038</u>	<u>38.03 %</u>	<u>\$2,813,019</u>	<u>36.89 %</u>

8. SHORT-TERM FINANCING

The Company borrows or invests money with the WGLH Money Pool. The Money Pool is designed to fulfill the working capital needs of the participants, which are the regulated and unregulated subsidiaries of WGLH. The Money Pool accumulates cash from certain unregulated subsidiaries and provides short-term loans to other unregulated subsidiaries to meet various working capital needs. The Company earns or is charged a rate of interest, based on commercial paper rates, on its investments or borrowings as specified by WGLH. As of September 30, 2009 and 2008, the Company had outstanding borrowings of \$66.2 million and \$43.3 million, respectively. These amounts are included in Accounts payable — associated companies in the accompanying balance sheet. During fiscal years 2009 and 2008, the Company incurred a net interest expense of approximately \$0.6 million and \$1.0 million, respectively. The average interest rates associated with WGES' borrowings were 0.89% for fiscal year 2009 and 4.55% for fiscal year 2008. The Company, along with other unregulated affiliates, is allocated a share of the fees associated with the WGLH line of credit facility. These fees are recorded in Interest expense — net and other income.

9. NET ASSETS

Net assets represent WGLH's 100 percent indirect ownership interest in the assets and liabilities of the Company. During the fiscal years ended September 30, 2009 and 2008, net assets for each period were as follows:

	2009	2008
Net assets — beginning of year	\$ 93,781,706	\$ 89,966,572
SFAS No. 157 Adoption cumulative adjustment	<u>1,012,508</u>	<u>-</u>
Adjusted Net assets — beginning of year	94,794,214	89,966,572
Net income	14,974,878	4,812,928
Stock compensation	117,410	121,927
Dividends declared	<u>(2,626,344)</u>	<u>(1,119,721)</u>
Net assets — end of year	<u>\$ 107,260,158</u>	<u>\$ 93,781,706</u>

10. RELATED PARTY TRANSACTIONS

The Company engages in several types of transactions with its affiliate, WGL, a regulated utility operating principally in Maryland, Virginia, and the District of Columbia. WGL employees perform certain accounting and treasury functions, and also serve as internal legal counsel for the Company. Approximately \$0.3 million and \$0.5 million of liabilities as of September 30, 2009 and 2008, related to services provided by WGL are netted with larger amounts of accounts receivable and are included in Accounts receivable — associated companies, in the accompanying balance sheets. Approximately \$2.2 million and \$2.1 million related to these services is included in Salaries and personnel-related costs in the accompanying statements of income for the fiscal years ended September 30, 2009 and 2008, respectively.

As described in Note 2, as of September 30, 2009 and 2008, the Company carried inventory with WGLH of \$62.7 million and \$75.4 million, respectively.

As described in Note 7, the Company is part of a consolidated tax filing with WGLH and its subsidiaries. As of September 30, 2009 and 2008, approximately \$(1.9 million) and \$1.5 million respectively, were due from/due to WGLH and its subsidiaries for taxes and is included in Accounts payable — associated companies in the accompanying balance sheet.

Certain customer billings and collections of customer accounts receivable are processed by WGL systems and employees; such services are offered to all third-party marketers. For certain revenues earned by the Company that relate to customers in WGL's service territories, the Company engages WGL to bill the customers, collect cash payments, and transfer cash for collections related to its accounts receivable. The Company reimburses WGL for the actual cost of these services and reflects these expenses as general and administrative expense in the statements of income. Approximately \$0.3 million related to these services are included in the accompanying statements of income for each of the fiscal years ended September 30, 2009 and 2008. The Company retains the financial responsibility for uncollectible accounts and, accordingly, records a provision for uncollectible accounts in its statements of income.

WGL also charges the Company directly for services relating to balancing the gas deliveries from the Company with the actual WGES customer usage on WGL's delivery system. The rates for balancing services are cost based, established in the regulatory jurisdictions of WGL's operations, and apply uniformly to all third-party marketers that use this service. Expenses of approximately \$24.8 million and \$15.9 million related to balancing services are included in cost of commodity sales in the accompanying statements of income for fiscal years 2009 and 2008, respectively.

Certain key employees of WGES participate in a share-based awards plan sponsored by WGLH. Share based awards have been granted to certain WGES employees in the form of stock options, performance shares and performance units. Effective March 1, 2007, WGLH adopted a shareholder-approved Omnibus Incentive Compensation Plan ("Omnibus Plan"). The Omnibus Plan was adopted to replace, on a prospective basis, the previous plan. The Omnibus Plan provides similar benefits as provided under the previous plan. Stock options, stock appreciation rights, restricted stock, deferred stock, stock granted as a bonus in lieu of other awards, dividend equivalents, other stock-based awards, and cash awards may be granted under the Omnibus Plan. For both performance shares and performance units, WGLH imposes performance goals based on certain market conditions, which if unattained, may result in no performance shares or units being earned for the applicable performance period. These performance awards generally vest over three years from the date of grant. Stock options generally have a vesting period of three years, and expire ten years from the date of the grant. During the fiscal year ended September 30, 2009, performance shares and performance units were granted to certain WGES employees; however, no stock options were issued. As of September 30, 2009, there are prior years' stock option grants outstanding with an exercise price at the market value of WGLH common stock on the date of the grant. For the years ended September 30, 2009 and 2008, the Company recognized stock-based compensation expense related to performance units of \$82,000 and \$37,000, respectively. For the years ended September 30, 2009 and 2008, the Company recognized stock-based compensation expense related to performance shares and stock options of \$117,000 and \$122,000, respectively.

The Company recognizes a gas delivery imbalance with WGL that is calculated based upon the difference between the volumes of gas the Company delivers to the WGL system and the volumes used to supply the Company's customers on the WGL system. These amounts are subject to an annual volumetric true-up that occurs each spring, at which time the imbalance may be settled through a transfer of physical volumes or a cash payment. At September 30, 2009 and 2008, the Company had an imbalance asset of \$4.6 million and \$5.4 million, respectively, with WGL in Accounts receivable — associated companies, net in the accompanying balance sheets.

Certain revenues earned by the Company are related to a group of customers both inside and outside the WGL service territory. These customers are billed through a contract with an independent billing provider. The cash payments on these billings are collected by WGL and remitted to the Company. Accounts receivable due to the Company from WGL related to these customers are approximately \$6.3 million and \$11.5 million as of September 30, 2009 and 2008, respectively. This amount is included as Accounts receivable — associated companies in the accompanying balance sheets.

The Company acquires supplies of natural gas and electricity from certain suppliers that have received corporate guarantees from WGLH. Total guarantees outstanding at September 30, 2009, are \$539.5 million. Of the total guarantees, \$20 million will expire on December 31, 2009, and \$17 million will expire on December 31, 2010. The remaining \$502.5 million of guarantees do not have specific maturity dates. WGES does not compensate WGLH for the guarantees provided to suppliers on our behalf.

Refer to Note 8 for discussion of related-party financing.

11. OPERATING LEASES

The Company has operating leases for office space in Herndon, Virginia, and Timonium, Maryland. The Company entered into a lease for space in Herndon effective March 2001. This lease had an initial term of eight years and has been extended for an additional seven-year period. Rent payable under the renewed lease will decrease from original lease amount, though it will increase annually over the lease term, commencing with the second year. The Company also has a lease for office space in Timonium with an initial term of five years and is currently in the process of securing an extension. Rent expense is amortized based on the total of all scheduled lease payments (including lease payment escalations) and tenant allowances on a straight-line basis over the term of the lease. The Company recognized approximately \$0.8 million and \$0.7 million in rent expense for the fiscal years ended September 30, 2009 and 2008, respectively.

As of September 30, 2009, future minimum lease payments (including lease extension) under these leases are as follows:

Fiscal Year	Total
2010	\$ 683,036
2011	652,761
2012	662,346
2013	678,909
Thereafter	<u>1,730,848</u>
Total	<u>\$4,407,900</u>

12. SUBSEQUENT EVENTS

The Company has evaluated all events or transactions that occurred after September 30, 2009 through March 12, 2010, the date the accompanying financial statements were available to be issued. During this period, there were no material subsequent events which required disclosure.

* * * * *

Attachment I

17B. Identify Applicant's Chief Officers including names and their professional resumes.

WASHINGTON GAS ENERGY SERVICES, INC.

December 16, 2009

OFFICERS

<u>Name</u>	<u>Office</u>	<u>Business Address</u>
Harry A. Warren	President	13865 Sunrise Valley Road Suite 200 Herndon, VA 20171
Laura L. Shaw	Secretary	13865 Sunrise Valley Road Suite 200 Herndon, VA 20171
Steven C. Clausman	Vice President	13865 Sunrise Valley Suite 200 Herndon, VA 20171
Phillip G. Woodyard	Vice President	13865 Sunrise Valley Road Suite 200 Herndon, VA 20171
Timothy Woods	Vice President, CFO and Treasurer	13865 Sunrise Valley Road Suite 200 Herndon, VA 20171
Joe Bartoletta	Controller	13865 Sunrise Valley Road Suite 200 Herndon, VA 20171

Officer Resumes

HARRY WARREN - President

Harry A. Warren, Jr. is President of Washington Gas Energy Services, Inc., a leading energy marketer in the mid-Atlantic region. WGES is a subsidiary of WGL Holdings, Inc., and an affiliate of Washington Gas, the natural gas distribution utility serving the Washington, D.C. metropolitan area. Mr. Warren was named President of WGES in 1997, and had worked for Washington Gas since 1985. At the utility he served in many roles including Executive Assistant in the Office of the Chairman, Director of Investor Relations, and Director of Sales.

Prior to joining Washington Gas, Mr. Warren worked in research, development and design of renewable energy systems.

Mr. Warren holds a Bachelors Degree in Mechanical Engineering from Princeton University, where he graduated cum laude in 1979, and a Masters Degree in Mechanical Engineering from Stanford University conferred in 1981.

Mr. Warren is a past president of the Washington D.C. chapter of the Association of Professional Energy Managers, and has served as Chairman of the Space Conditioning Subcommittee of the American Gas Association. Mr. Warren is Chairman Emeritus of the Executive Committee of the National Energy Marketers Association.

PHILLIP G. WOODYARD - Vice President, Operations

Phillip G. Woodyard is Vice President, Operations of Washington Gas Energy Services, Inc. WGES is a subsidiary of WGL Holdings, Inc., and an affiliate of Washington Gas, the natural gas distribution utility serving the Washington, D.C. metropolitan area. Mr. Woodyard has led the supply, operations, and risk management areas for WGES since its inception in 1996. Prior to joining WGES, Mr. Woodyard held various positions at Washington Gas from 1987 - 1995 in the Treasury, Finance, and Energy Acquisition departments.

Mr. Woodyard holds a Bachelors Degree in Economics from Duke University, where he graduated cum laude in 1984, and a Masters Business Administration from the Fuqua School of Business (Duke University) in 1987.

LAURA SHAW – Corporate Secretary

Laura Shaw is the Corporate Secretary and the Director, Human Resources and Administration at Washington Gas Energy Services, Inc. (WGES), a leading energy marketer in the mid-Atlantic region. WGES is a subsidiary of WGL Holdings, Inc., and an affiliate of Washington Gas, the natural gas distribution utility serving the Washington, D.C. metropolitan area. Ms. Shaw has worked at WGES since its inception in 1996. She has served in many roles including Business Manager, Manager of Customer Service and Administration, and Director of Customer Care and Administration.

Prior to joining WGES, Ms. Shaw worked in programming, graphics design, event planning, facilities design/construction and human resources.

Ms. Shaw holds a Bachelor of Science Degree in Business Administration from Mary Washington University.

Ms. Shaw serves on the nominating committee of the Waterford Foundation and has been a long standing member of the Society for Human Resource Management.

STEVEN C. CLAUSMAN – Vice President of Sales & Marketing

Steve Clausman is Vice President of Sales & Marketing at Washington Gas Energy Services, Inc. (WGES), a leading energy marketer in the mid-Atlantic region. WGES is a subsidiary of WGL Holdings, Inc., and an affiliate of Washington Gas, the natural gas distribution utility serving the Washington, D.C. metropolitan area.

Mr. Clausman has 18 years of experience in the energy industry with 7 years at Washington Gas and the past 11 years at Washington Gas Energy Services. His management responsibilities have been in the areas of Marketing, Customer Service, Trade Relations, Corporate Planning, Natural Gas Vehicles, and he presently oversees the Sales Operations for the C&I Markets, Mass Markets, and Affinity Distribution channels.

In the years between working at Washington Gas and WGES, he developed and launched a consumer-direct sales and service business in the fireplace and hearth industry for 14 divisions on the east coast. He began his career in the commercial construction industry holding positions as a Project Engineer and Project Manager. Steve has an MBA from the Smith School of Business at the University of Maryland, and a Bachelor of Science from Purdue University in Construction Management.

JOE BARTOLETTA – Controller

Joe Bartoletta is Controller of Washington Gas Energy Services, Inc., a leading energy marketer in the mid-Atlantic region. WGES is a subsidiary of WGL Holdings, Inc., and an affiliate of Washington Gas, the natural gas distribution utility serving the Washington, D.C. metropolitan area. Mr. Bartoletta was hired as Controller of WGES in 2006, having previously worked for Columbia Gas, National Energy and Gas Transmission and Sallie Mae. At his previous employers he served in many roles including Controller; Director of Finance & Accounting, Director, Financial Planning and Analysis and Manager of Taxes.

Mr. Bartoletta holds a Bachelors of Science Degree in Business Administration, major in Accounting from Robert Morris University and a Masters of Business Administration Degree from Marshall University.

Mr. Bartoletta is licensed as a Certified Public Accountant in Pennsylvania and is a member of the American Institute of Certified Public Accountants.

TIMOTHY WOODS – Vice President, CFO, Treasurer

Timothy Woods serves the Vice President of Finance, Chief Financial Officer and Treasurer for Washington Gas Energy Services, Inc. He is also the Division Head of Finance for Washington Gas. Both are subsidiaries of WGL Holding. In these roles he is responsible for the financial reporting and analysis for the Energy Services business and Sarbanes-Oxley Compliance for WGL and subsidiaries.

Prior to joining WGES, Tim served as Vice President, of Finance Transformation for Freddie Mac, a stockholder-owned company established by Congress in 1970 to support homeownership and rental housing. In this role he was responsible for the Finance Division's redesign initiatives to improve the company's financial systems and processes that will enable timely financial reporting.

Prior to joining Freddie Mac, Tim served as division Chief Financial Officer of Stanley Works, the worldwide manufacturer and marketer of hardware tools. He also served as the Stanley Works North America controller prior to being elevated to division Chief Financial Officer. Before joining Stanley Works, Tim served as Assistant Global Controller for the Lighting division of General Electric. He began his career with BP America, in Cleveland, Ohio.

Originally from Cleveland, Ohio, Tim received his bachelor's degree in accounting from Cleveland State University and is a Certified Public Accountant. He is also a graduate of General Electric's Financial Management program and is Greenbelt Certified in Six Sigma.

ATTACHMENT J

18. Technical Fitness: Applicant's Officers directly responsible for operations

Washington Gas Energy Services (WGES) was created in 1996 to serve the deregulated gas markets in Washington Gas and Baltimore Gas & Electric service areas. WGES now serves over 200,000 retail gas and electric customers in MD, DC, VA, DE, and PA (currently only electric in PA). WGES has developed and maintained strong supplier relationships that have resulted in reliable delivery to the local utilities throughout our history. Currently, WGES works with over 20 different gas suppliers and over 10 different electric suppliers to ensure competitive pricing and delivery capability to all of the WGES customers. WGES maintains a close working relationship with the staff of the utilities serving our customers.

The leadership of the energy supply group at WGES has been in place since 1996.

Phil Woodyard – Vice President, has over 22 years of energy industry experience. Has led the WGES supply group through the years of retail market development in various states. Has managed the portfolio of supply matched with the retail sales to achieve profitable results in every year of WGES' existence. Manages staff of 16 people.

Jon Colpitts – Director Gas Supply and Trading has also been with WGES since 1996 and held various positions within the Gas Supply and Billing Operations departments. Currently, Jon is responsible for the entire natural gas portfolio to include physical delivery of gas each day to meet utility obligations, price risk management to properly hedge forward sales to retail customers, and proper pricing of all WGES' gas offers. Manages staff of 5 people.

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ATTACHMENT K

18. FERC Order Approving WGES Power License

COPY

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OCT 21 1996

O.G.C.

October 18, 1996

Docket No. ER96-2830-000

Washington Gas Energy Services, Inc.
ATTN: Telemac N. Chryssikos, Esq.
950 Herndon Parkway
Suite 280
Herndon, Virginia 22070

Dear Mr. Chryssikos:

On August 27, 1996, you filed, on behalf of Washington Gas Energy Services, Inc. (Washington GES), a rate schedule under which it will engage in wholesale electric power and energy transactions as a marketer. Your submittal is accepted for filing to become effective on the date of this order and is designated as:

Washington Gas Energy Services, Inc.
Rate Schedule FERC No. 1

Your requests for waiver of the Commission's filing requirements are hereby granted, along with the authorizations and subject to the same conditions provided in Citizens Power & Light Corporation (Citizens), 48 FERC ^T 61,210 (1989).

Since one of the authorizations involves a blanket approval of issuances of securities and assumptions of liabilities conditioned upon receiving no protests within 30 days of the date of this order, any person desiring to be heard or to protest blanket approval of issuances of securities and assumptions of liability by Washington GES should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214).

Washington GES must submit quarterly informational filings containing the same information required in Citizens and for each transaction under each purchase or sale contract. Your request to provide such information on an aggregate basis is denied. Power marketers are required to report information on specific transactions, pending the Commission's completion of the generic review of reporting requirements for all public utilities with market-based rates announced in Morgan Stanley Capital Group Inc. (Morgan Stanley I), 72 FERC ^T 61,082 (1995). See Citizens Lehman Power Sales, 71 FERC ^T 61,149 (1995).

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Consistent with Citizens, Morgan Stanley I, and Enron Power Marketing, Inc. (Enron), 65 FERC ^T 61,305 (1993), order on rehearing, 66 FERC ^T 61,244 (1994), Washington GES must file promptly with the Commission any change in status. Changes in status include departures from the characteristics the Commission has relied upon in approving market based pricing, including but not limited to: (1) lack of ownership of generation or transmission facilities or other inputs to electric power production; (2) lack of affiliation with any entity which owns generation or transmission facilities or other inputs to electric power production other than those identified in your market analysis; and (3) lack of affiliation with any entity that has a franchised service area. Alternatively, as the Commission explained in Morgan Stanley I, Engelhard Power Marketing, Inc., 70 FERC ^T 61,250 (1995), and Edison Source, 76 FERC ^T 61,200 (1996), Washington GES may elect to report such changes every three years in conjunction with an updated market analysis. The Commission, however, reserves the right to require such an analysis at any time.

Notice of the filing was published in the Federal Register with comments, protests, or interventions due on or before September 18, 1996. On that date, Eastern Power Distribution, Inc. (Eastern) filed a motion to intervene and comments. Eastern alleges that Washington Gas Light Company (Washington Gas) may pass information about its gas customers' electric power needs to Washington GES and that this information could give Washington GES a competitive advantage over other power marketers such as Eastern. Eastern also alleges that Washington Gas could have its natural gas ratepayers subsidize Washington GES by discounting the sale of natural gas to enhance Washington GES' marketing of electric power. Eastern asks that the Commission require Washington GES to file standards of conduct like those that are filed by power marketers which are affiliated with franchised public utilities.

Eastern's request is denied. Washington GES is wholly-owned by Washington Gas, which operates intrastate natural gas facilities. Consistent with Louisville Gas and Electric Company, 62 FERC ^T 61,016 at 61,148 (1993), we inform Washington GES that, should any natural gas affiliate deny, delay or require unreasonable terms, conditions or rates for natural gas service to a potential electric competitor or extend an undue preference to support Washington GES' sales of electricity, the electric competitor may file a complaint with the Commission that could result in the suspension of Washington GES' authority to sell power at market-based rates. In addition, Washington Gas' sales of natural gas are subject to the jurisdiction of appropriate regulatory agencies which are themselves empowered to safeguard the interests of Washington Gas' natural gas ratepayers.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against Washington Gas Energy Services, Inc.

This letter terminates Docket No. ER96-2830-000.

By direction of the Commission.

Lois D. Cashell,
Secretary.

From: Origin ID: BCBA (703) 793-7500
 Leah Gibbons
 Washington Gas Energy Services
 13865 SUNRISE VALLEY DR STE 200

HERNDON, VA 20171



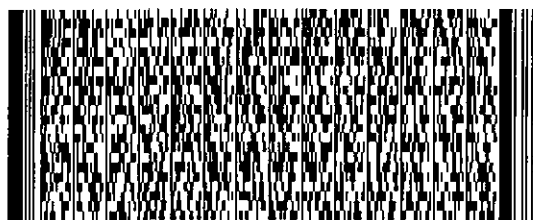
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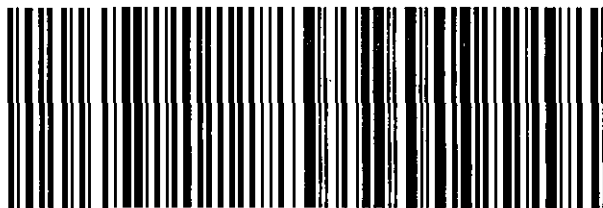
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