



WHEREAS: As You Sow files this resolution on behalf of WGL Holdings investors requesting reporting on the financial risk the Company's leaks of 'methane', a key greenhouse gas, pose to investors. WGL's primary business is the delivery of natural gas to customers. The main chemical component of natural gas is methane. When methane leaks from WGL's aging pipeline infrastructure, it creates significant climate risk, and the risk of devastating explosions beneath the streets of Washington D.C., the nation's capital.

Scientists estimate that the earth could race pass the maximum level of global warming for a livable world -- 2 degrees Celsius -- as soon as the 2030. Methane leaks, which have 87 times the climate change impact of carbon dioxide in the first 20 years of its release, are an important contributor to global warming, and increase the speed of catastrophic climate change. WGL's methane leaks worsen climate change, and expose the company to climate-change related regulatory risk. Indeed, in May 2016, the Environmental Protection Agency issued its first methane regulations.

Further, as long as WGL's aging pipeline infrastructure leaks a significant amount of methane, its over one million customers are at risk of becoming victims of a catastrophic explosion. Between 2005 and 2015, excluding natural gas extraction and large pipelines, there were 2,085 explosion "incidents," in the nation's natural gas distribution system, which killed 121 people, injured 506, and cost companies over \$815M (Pipeline and Hazardous Materials Safety Administration). Natural gas infrastructure explosions also commonly cause natural gas spills that contaminate land and waterways, adding additional dimensions of risk for the Company.

In August 2016, gas leaks in WGL's service territory ignited, causing an explosion that destroyed two apartment buildings in Silver Springs, Maryland; killed 7 people; and injured 40 more. In comments to the press, residents claim to have smelled natural gas in the region for weeks before the explosion.

WGL's 40 year plan to replace its risky pipeline infrastructure falls far short of the urgent action needed to protect its shareholders from immediate, potentially material climate risk, and the risk of catastrophic explosions in cities where it operates.

BE IT RESOLVED: As You Sow, on behalf of WGL shareholders, requests that the company develop a report quantifying the financial risk that methane leaks in its natural gas infrastructure pose to the Company and its investors. Shareholders request that the report estimate a) the likely cost of climate change related regulation of its methane leaks, and b) estimate the likelihood, brand damage, and cost of potential catastrophic explosions. The report should exclude proprietary information and be published by September 2018.