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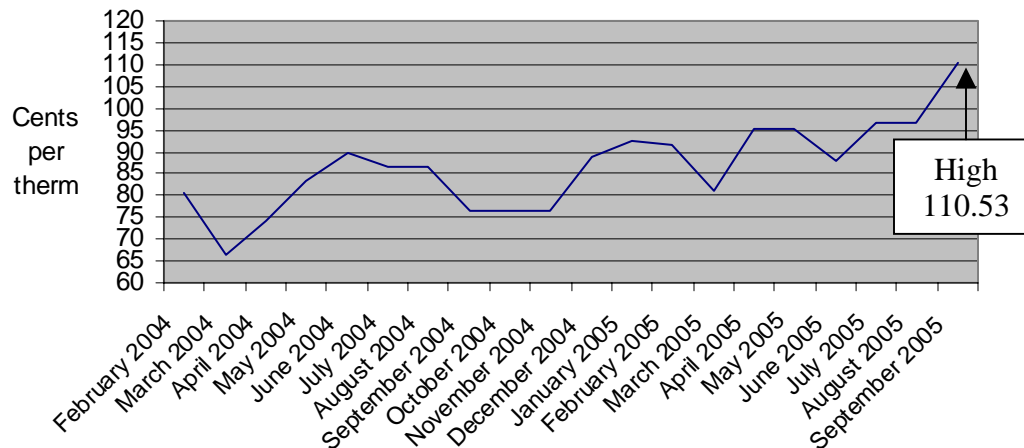
CONSUMER ADVISORY:

PSC Expects Record High Natural Gas Prices for Winter 2005 – 2006 Season

The District of Columbia Public Service Commission has issued its latest forecast for winter gas heating bills, warning D.C. residents that wholesale gas prices are at record-high levels. The primary drivers of the high prices are uncertainty over Hurricane Katrina's effect on oil and gas production in the Gulf of Mexico and increased electricity usage due to warm summer weather. Steadily rising world oil prices continue to exert upward pressure on natural gas prices.

“Our price forecast for next winter is once again (the fifth time this year) the highest we have ever seen (\$12 per million Btus) at this time of year,” warns Dr. Jeffrey Conopask, Senior Economist at the Commission.

Washington Gas Purchased Gas Charge (PGC) Last 18 Months



Dr. Conopask goes on to report, “If the winter is colder than normal, and at least one long range forecast suggests that will be the case, this will be a ‘bear’ of a heating season with bills at never before seen levels.”

While the full extent of Hurricane Katrina’s damage to the energy industry is unfolding, the severity of destruction to the Gulf region in general will undoubtedly complicate oil and gas production and transmission, judging from the long-lasting effects of Hurricane Ivan last year, which was a less powerful storm. The U.S. Mineral Management Service reported immediately after Hurricane Katrina that 83 percent of natural gas production in the Gulf had been shut down. As of September 9, 2005, that percentage had fallen to 33 percent.

The report from the Commission’s Office of Technical and Regulatory Analysis also cites the improving health of the national economy and the pressure on future prices exerted by storing gas during the current “injection season” as drivers of a difficult heating season. As the economy continues to improve, demand for natural gas will increase, causing prices to rise. Local gas distribution companies (LDCs) have been injecting commodity gas, which is substantially more expensive than in previous years, into storage for withdrawal next winter.

While Washington Gas Light customers will almost certainly receive higher bills as the heating season begins, there are a number of options consumers can pursue to help defray rising commodity gas prices. Some such measures are described below.

Choosing an Alternate Gas Supplier (AES):

The Commission is working to transition the District energy market from a monopoly to a competitive market. District energy consumers now have the ability to select their commodity gas supplier from a pool of Commission-approved companies. Information on Gas Customer Choice is available on the Commission’s website at www.dcpsc.org. There, consumers can use an online calculator to estimate their gas costs using the usage level shown their bill. Consumers can also call the Commission at (202) 626-5120 to calculate the impact of higher gas prices on their monthly bills and to receive information on choosing an alternate gas supplier.

The Commission urges consumers to investigate each company to determine the right fit for their energy needs.

Joining WGL’s Budget Payment Plan:

All gas customers are eligible to join WGL’s Budget Payment Plan, which evenly distributes the costs of a consumer’s energy usage over a 12-month period and allows for fixed payments each month. Under this plan, consumers pay less than the actual monthly cost of their usage during the winter months and pay more than the actual monthly cost of their usage during the summer months.

WGL will assess the consumer’s usage and payment history periodically to determine if an adjustment to the fixed payment is necessary or if the consumer needs to pay a true-up.

Applying for Low-Income Assistance:

The Commission requires Washington Gas to offer discounted rates to low-income residential customers. District residents who qualify are eligible for a discount on their winter gas bills through the Residential Essential Service (RES) program managed by DCEO. The amount of the discount is based on household size and income level.

Low-income residents can also qualify for energy assistance through the Low Income Home Energy Assistance Program (LIHEAP), funded by the federal Department of Health and Human Services. LIHEAP disbursements are also based on household size and income level, and District residents can call the DCEO Hotline at (202) 673-6750 to see if they qualify for either program.

District of Columbia Energy Office Federal Income Guidelines for Low Income Discount Programs for Fiscal Year 2006

Household Size	Maximum Annual Income
1	\$14,355
2	\$19,245
3	\$24,135
4	\$29,025
5	\$33,915
6	\$38,805
7	\$43,695
8	\$48,585

*For family units with more than 8 members, add \$4,770 for each additional member

Increasing Energy Efficiency:

The Commission strongly urges District consumers to explore long-term conservation strategies, such as making energy efficiency improvements to their homes, including replacing old appliances with more efficient models. Such measures are likely to be financially prudent given that high natural gas prices are not forecasted to significantly decrease in the next several years.

The District of Columbia Energy Office (DCEO) has programs available to assist District residents in lowering their natural gas costs. Interested consumers can call DCEO’s Hotline at (202) 673-6750 to receive more information on these programs. Meanwhile, there are also relatively low cost ways to save energy. A brief list is provided below:

No Cost Tips

- Lower thermostat to 68 degree during the day when the home is occupied. Turn the thermostat down at night and when the home is unoccupied.
- Dress warmly when at home.
- Fix leaky faucets and bleed radiators.
- Change and clean furnace filters on a monthly basis or as per the maintenance manual.
- Keep shades and draperies open during the day.
- Turn gas water heater down to 120 degrees.
- Remove window air conditioners; if this is not feasible, put a cover over the unit.

Low Cost Tips

- Install a setback thermostat to regulate the temperature in your home automatically (price: \$25).
- Install plastic over windows, doors, and other openings such as pipes and ducts with caulk or weather-stripping.
- Wrap hot water heater in a fire resistant cover.
- Replace broken or cracked glass.

Medium to High Cost Tips

- Install high efficiency gas boiler or furnace.
- Install high efficiency windows and/or doors.
- Install storm windows.
- Install attic insulation.
- When replacing a water heater, choose an energy efficient model.