

Gas Sale and Purchase Agreement Summary

On November 30, 2014, WGL Midstream, Inc. (“WGLM”), a subsidiary of WGL Holdings, Inc., and GAIL Global (USA) LNG LLC (“GGULL”) entered into a Gas Sale and Purchase Agreement (the “Agreement”). Through this long-term agreement, WGLM is GGULL’s sole supplier of a minimum of 340,000 Dth/day up to 430,000 Dth/day (inclusive of fuel) of natural gas over a 20-year period, commencing on the in-service date of the Cove Point LNG export facility (the “Export Facility”), which provides liquefaction services at the regasification and liquefaction facilities at the Cove Point LNG terminal located in Cove Point, Maryland (the “Terminal”). There are potential extension rights at the end of the term of the Agreement. GGULL previously signed a Terminal Service Agreement with Dominion Cove Point LNG, LP (the “Operator”) for 2.3 mmtpa of the liquefaction capacity at the Export Facility (as filed with the DOE on May 2, 2013), and the Agreement is a full requirement contract for the natural gas required by GGULL for purposes of the TSA. The supply of gas is based upon the operational needs at the Export Facility.

Under the Agreement, WGLM will sell and deliver to GGULL the base volume of gas each day during the delivery term. In addition, GGULL also may elect flexible volumes of gas in excess of base volumes. The flexible volume election is made for operational purposes in order to accommodate changes in the volumes of liquefaction services made available by the Operator. In addition to base volumes and flexible volumes, WGLM may also provide GGULL with commissioning gas during the commissioning of the Export Facility.

WGLM will make deliveries under the Agreement using transportation capacity released by GGULL through an asset management arrangement, where WGLM will act as an asset manager for GGULL with respect to 430,000 Dth per day of firm transportation on the Cove Point pipeline system (the “Capacity”). The Capacity on the Cove Point Pipeline extends from the inlet at the Terminal to delivery points into Cove Point Pipeline located at: (i) TCO, Loudoun and (ii) Transco, Pleasant Valley (the “Cove Point Pipeline”).

The Agreement provides for certain periods of planned maintenance, during which the parties have no obligation to sell, deliver, buy or receive gas. During periods of unplanned maintenance, WGLM will remarket the gas on behalf of GGULL. WGLM will also remarket the volumetric difference in gas when the actual volume of gas for liquefaction services utilized by GGULL in a month is less than the sum of the base volumes and certain flexible volumes due to operational requirements. Alternatively, GGULL may elect to remarket its own gas.