

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF
WASHINGTON GAS LIGHT COMPANY**

I. PURPOSE

The Board of Directors (the “Board”) of Washington Gas Light Company (the “Company”) has established an Audit Committee (the “Committee”) to serve as the Audit Committee of the Board. The Committee is responsible for performing such duties as specified by law or regulation or as delegated by the Board to assist the Board in fulfilling its oversight role in relation to financial reporting. This oversight role includes reviewing the quality and integrity of the Company’s financial statements, financial disclosure and internal controls over financial reporting; responsibility for the Company’s compliance with legal and regulatory requirements; reviewing the qualifications, independence and performance of the external auditors; reviewing the performance of the Company’s internal audit function and internal auditors; and assessing the Company’s risks associated with financial reporting and other enterprise risk.

II. MEMBERSHIP

The Board shall elect from its members not less than three (3) Directors to serve on the Committee (the “Members”) and shall appoint one such Member as Chair of the Committee.

Every Member shall meet all applicable requirements for financial, accounting or related expertise.

For so long as the Company has a class of securities registered under section 12 of the United States *Securities Exchange Act of 1934* (the “1934 Act”) or is required to file reports under section 15(d) of the 1934 Act, at least one Member shall be an “audit committee financial expert” as such term is defined under applicable Securities and Exchange Commission (“SEC”) rules.

Each Member shall hold office until the Member resigns, retires or is removed by the Board or until his or her successor is appointed, whichever first occurs. Any Member may be removed or replaced at any time by the Board and shall cease to be a Member upon ceasing to be a Director of the Company. Where a vacancy occurs at any time in the membership of the Audit Committee, it may be filled by the Board, provided that the proposed Member meets the above criteria (and, if applicable in the circumstances where the vacancy was in relation to the sole “audit committee financial expert”, the proposed Member is also an “audit committee financial expert”). When appointing a Member to the Committee, the Board shall take into consideration the number of other audit committees upon which the proposed Member sits.

The Corporate Secretary of the Company shall be secretary to the Committee unless the Committee directs otherwise.

III. MEETINGS

The Committee shall convene no less than four times per year at such times and places designated by its Chair or whenever a meeting is requested by a Member, the Board, or an officer of the Company. A minimum of twenty-four (24) hours' notice of each meeting, as well as a copy of the proposed agenda, shall be given to each Member in advance. Members may waive notice of the meeting in any manner, including through their attendance at the meeting. Members of management of the Company or any affiliate of the Company shall attend whenever requested to do so by the Chair. The Chair shall have the right to determine who shall be present at any time during a meeting of the Committee.

A majority of the Members of the Committee shall constitute a quorum. Members may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permits all persons participating in the meeting to communicate adequately with each other, and a Member participating in such a meeting by any such means is deemed to be present at that meeting.

In the absence of the Chair of the Committee, the Members may choose one of the Members to act as chair for the meeting.

The external auditor will be given notice of all Committee meetings and be provided the opportunity to attend every meeting relating to financial reporting.

The Committee may hold executive sessions, including with internal and external auditors, as may be deemed appropriate by the Members.

Minutes shall be kept of all meetings of the Committee by the Corporate Secretary of the Company or a designate of the Corporate Secretary, as approved by the Chair.

IV. DUTIES AND RESPONSIBILITIES OF THE CHAIR

The Chair of the Committee is responsible for:

1. providing leadership to the Committee and assisting the Committee in reviewing and monitoring its responsibilities;
2. working with management on the development of agendas;
3. ensuring, to the extent possible, the Committee has sufficient information to properly discharge its duties and responsibilities;
4. presiding over meetings and ensuring such meetings are conducted in an efficient, effective and focused manner;
5. advising the Committee of any finance, accounting or misappropriation matters brought to the Chair's attention; and
6. reporting to the Board on the activities, decisions and recommendations of the Committee after each meeting.

V. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee is hereby delegated by the Board, as permitted and in accordance with the Charter and Bylaws of the Company and any legal or regulatory authority having jurisdiction, the authority to perform the following functions:

Financial Reporting and Public Disclosure

1. Approve and recommend to the Board for approval, the inclusion of the financial statements, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, in the Company’s SEC reports.
2. Review the analysis by management and the external auditor regarding financial reporting made in connection with the preparation of the financial statements.
3. Approve the financial information contained in public disclosure documents including, as applicable, information on audited or unaudited financial statements and external auditor appointment, services or fees, including such information contained in any registration statements and amendments thereto, pricing supplements, prospectuses, annual reports, and information statements and discuss generally the financial information and earnings guidance provided to rating agencies.
4. Satisfy itself that adequate procedures are in place for review of public disclosure of financial information and periodically assess the adequacy of such procedures.
5. Be informed regarding any significant changes to the Company’s accounting principles and procedures.

External Auditors

6. On an annual basis, approve the appointment of the external auditor. The external auditor shall report directly to the Committee.
7. Approve the compensation, oversight and, with support of the AltaGas Ltd. (“AltaGas”) Board of Directors, any termination of the external auditor of the Company.
8. Approve the terms of the external auditor’s annual engagement letter, including the proposed audit fee for the Company.
9. Review and pre-approve all non-audit services to be provided to the Company by the external auditor.
10. Approve the Company’s policies with respect to the hiring of current and former partners and employees of the external auditors. Review the experience and qualifications of the audit team and assess the performance and effectiveness of the external auditor in its provision of services giving due consideration to the reports described in paragraphs 11 and 14 below and reporting its conclusions to the Board.
11. Review the report pertaining to auditor independence prepared by the external auditor on an annual basis, which report shall delineate all relationships between the external auditor and the Company, and determine the auditor’s independence.

12. Review and pre-approve the audit plans (and any changes) of the external auditor and the internal auditor, and determine the degree of coordination between such plans.
13. Oversee the work of the external auditor in the preparation of the auditor's report, including the resolution of any disagreements between management and the external auditors regarding financial reporting.
14. Review reports from the external auditor, as necessary, including annually a report on the external auditors' internal quality control process.
15. Regularly meet independently with the external auditor in the absence of management on matters of interest, including matters that the external auditor recommends bringing to the attention of the Committee or the Board.

Internal Auditor

16. The head of internal audit shall report functionally to the Committee and administratively to the President of the Company.
17. Review the responsibilities, budget and staffing, the adequacy of the system of the Company's internal controls, and other matters of relevance to the Company's internal audit function.
18. Assess the performance and effectiveness of the internal audit function and participate in succession planning for the head of internal audit.
19. Review and approve the internal audit plan and review the reports prepared periodically by the head of internal audit regarding the activities of the internal audit function and management's response to those reports, including any significant disagreements between the internal auditors and management.
20. Receive summaries of significant reports to management prepared by the internal auditors and management's responses (or the full report if requested).
21. Regularly meet independently with the head of internal audit in the absence of management on matters of interest, including matters that the head of internal audit recommends bringing to the attention of the Board.
22. Take appropriate action to assure the independence of the head of internal audit. No change shall be made with respect to the employment of the head of internal audit without consultation with the Committee.

Internal Control over Financial Reporting and Disclosure Controls

23. Review the adequacy and effectiveness of the accounting and internal control policies and procedures, including internal controls over financial reporting, through inquiry and discussions with the external auditor, management and the internal auditor, including about the extent to which the scope of the internal and external audit plans can be relied upon to detect weakness in internal control policies, fraud or other illegal acts.
24. Establish and review the effectiveness of procedures for (i) the receipt, retention and resolution of complaints regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters and the review of any complaints raised by employees or others regarding accounting, internal accounting controls, financial reporting, auditing matters or otherwise relating to matters within the Committee's charter.
25. Review management's periodic reports on the adequacy and effectiveness of the disclosure control policies and procedures of the Company.
26. Review with management and the external auditor the certification and reports of management and the external auditor required in the Company's periodic SEC reports concerning the Company's internal controls over financial reporting and disclosure controls and procedures, the adequacy of such controls and any remedial steps being undertaken to address any material weaknesses or significant deficiencies in internal control over financial reporting.

Risk Management

27. On a quarterly basis, review the Company's enterprise risk management (ERM) processes, including processes relating to management's identification of material risks, methods of risk analysis and risk responses.
28. On a quarterly basis, review management's reporting on financial risk exposures, including commodity risk, counterparty and credit risk and management's processes and practices for risk mitigation.
29. Review management's periodic reports on the status of material litigation, claims and contingencies.
30. Review the financial aspects of any material transactions of the Company that involve related parties.
31. Review the Company's processes for identifying and managing cyber risk and processes for the development of data security programs and practices.
32. Review the Company's insurance programs.

Compliance and Ethics

33. On a biannual basis, review and discuss with management the implementation and effectiveness of the Company's compliance and ethics program and legal compliance

matters in connection therewith, including the processes for resolution of compliance and ethics issues.

34. In connection with such review, discuss with the management lead on compliance and ethics the responsibilities and staffing of the compliance and ethics function.
35. Review and communicate directly as necessary at meetings and between meetings with the management lead on compliance and ethics on compliance and ethics matters as necessary.

Policies and Charter

36. Review key policies relating to the Committee's charter and recommend any changes.
37. On an annual basis, review the Committee charter and recommend any changes.

Pension and Benefits

38. Receive for information only in its settlor capacity financial information related to the pension and benefit plans that are delegated to management to manage and administer.
39. Receive for information only in its settlor capacity the financial management activities of the pension and benefits management committees, including funding levels, investment decisions and changes to valuation assumptions performed by such committees.
40. Receive for information only in its settlor capacity any planned changes to pension or benefit plans that may materially impact financial matters relating to such plans.

Other

41. Review environmental liability estimates in relation to decommissioning, reclamation and remediation.
42. Receive updates on material tax policies, tax planning initiatives and tax audits or assessments.
43. Shall make appropriate inquiry concerning the Company's electronic data processing facilities, including the protections against fraud or misuse, both internal and external.
44. Review, approve or make recommendations in respect of any other matters considered necessary or appropriate in the context of the charter of this Committee, or otherwise delegated to it by the Board from time to time.

VI. OUTSIDE EXPERTS AND ADVISORS

The Committee is authorized, when deemed necessary or desirable to carry out its duties, to engage independent counsel, outside experts and other advisors, at the Company's expense, to advise the Committee on any matter.

VII. RELIANCE

Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Company from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations, and (iii) representations made by management and the external auditor, as to any information technology, internal audit and other non-audit services provided by the external auditor to the Company.

VIII. COMMITTEE TIMETABLE

The major activities of the Committee will be outlined in an annual schedule.

Approved by the Committee on [_____] and the Board on [_____].