

WASHINGTON GAS LIGHT CO  
Form 11-K  
July 13, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K

(Mark One)

Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2015

OR

Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934

Commission file number: 0-49807

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

WASHINGTON GAS LIGHT COMPANY  
CAPITAL APPRECIATION PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

WGL Holdings, Inc.  
101 Constitution Avenue, N.W.  
Washington, D.C. 20080

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Washington Gas Light Company Capital Appreciation Plan

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Note: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted from the supplemental schedule section of this report because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Plan Administrator and Participants of  
Washington Gas Light Company Capital Appreciation Plan

We have audited the accompanying statements of net assets available for benefits of Washington Gas Light Company Capital Appreciation Plan (the "Plan") as of December 31, 2015 and 2014, and the related statement of changes in net assets available for benefits for the year ended December 31, 2015. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included 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 Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the 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, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Washington Gas Light Capital Appreciation Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the year ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America.

The supplemental information in the accompanying schedule of assets (held at end of year) has been subjected to audit procedures performed in conjunction with the audit of Washington Gas Light Company Capital Appreciation Plan's financial statements. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements but include supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplementary information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the basic financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information in the accompanying schedule, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information referred to above is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ GRANT THORNTON LLP

Baltimore, Maryland  
July 13, 2016

Washington Gas Light Company Capital Appreciation Plan  
Statements of Net Assets Available for Benefits  
As of December 31, 2015 and 2014

	2015	2014
Assets		
Interest in Master Trust	\$90,158,029	\$87,701,723
Notes receivable from participants	3,396,935	3,325,646
Total Assets	93,554,964	91,027,369
Net Assets Available for Benefits	\$93,554,964	\$91,027,369

The accompanying notes are an integral part of these financial statements.

Washington Gas Light Company Capital Appreciation Plan  
 Statement of Changes in Net Assets Available for Benefits  
 For the Year Ended December 31, 2015

Investment Income:	
Net investment gain from the Master Trust	\$3,594,705
Interest income on notes receivable from participants	144,698
Total investment income	3,739,403
Contributions:	
Employee	2,995,311
Employer	1,896,178
Rollovers	37,253
Total contributions	4,928,742
Total additions	8,668,145
Deductions:	
Benefits paid	(4,792,272 )
Administrative expenses	(227,639 )
Total deductions	(5,019,911 )
Transfer out - to the Washington Gas Light Company Savings Plan	(1,120,639 )
Net Increase in Net Assets Available for Benefits	2,527,595
Net Assets Available for Benefits:	
Beginning of Year	91,027,369
End of Year	\$93,554,964

The accompanying notes are an integral part of this financial statement.

WASHINGTON GAS LIGHT COMPANY CAPITAL APPRECIATION PLAN  
NOTES TO FINANCIAL STATEMENTS

Note 1 - Description of the Capital Appreciation Plan

The following description of the Washington Gas Light Company Capital Appreciation Plan ("Plan" or "Capital Appreciation Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions, copies of which may be obtained from the Plan Sponsor.

General

The Plan is a defined contribution plan covering all union-eligible employees of Washington Gas Light Company ("Company" or "Plan Sponsor") and certain of its affiliates. Employees are eligible to participate in the Plan on the date they become an employee. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Internal Revenue Code ("IRC").

The assets of the Plan, excluding the receivables, are held and invested on a commingled basis in the Washington Gas Light Company Savings Plan and Washington Gas Light Company Capital Appreciation Plan/Union Employees' Savings Plan Trust (the "Master Trust") under an agreement between the Company and Great-West Trust Company, LLC (the "Trustee"). JPMorgan Chase Bank, N.A. served as the Plan's trustee until August 2015, when it was replaced by the Trustee. Great-West Financial Retirement Plan Services, LLC d/b/a Empower Retirement serves as recordkeeper (the "Recordkeeper") of the Plan. The Capital Appreciation Plan is administered by the Senior Vice President - Shared Services and Chief HR Officer, and the Senior Vice President and Chief Financial Officer of the Company (together the "Plan Administrator").

Contributions

The Capital Appreciation Plan permits employees to contribute on both an after tax and pre tax basis. Under the pre-tax provision of the Capital Appreciation Plan, employees can elect to contribute a portion of their pre-tax base compensation, as defined by the Plan, up to the Internal Revenue Service ("IRS") limit of \$18,000 in 2015 and \$17,500 in 2014. The Company provides as a pre-tax matching contribution 100% of the first 4% of a participant's base compensation contributed. Participants age 50 and older (by year end) and meeting one of the IRS pre-tax contribution limits are eligible to make catch-up contributions. The catch-up contribution limit for 2015 and 2014 was \$6,000 and \$5,500, respectively. There is no employer match for catch-up contributions.

Under the after-tax provision of the Capital Appreciation Plan, employees may contribute up to 10% of base compensation on an after-tax basis. There is no employer match for these contributions. Employees may not contribute more than 50% of their total base compensation in pre-tax and after-tax contributions subject to the IRS dollar limits described above. In addition, employees may not contribute more than 75% of their total base compensation in pre-tax, after-tax and "catch-up" contributions subject to the IRS dollar limits described above.

An Employer Supplemental Contribution is contributed to International Brotherhood of Teamsters Local 96 employees and OPEIU Local 2 employees who are first hired or rehired on or after January 1, 2009 and to Hampshire Gas employees and IBEW Production and IBEW Clerical employees who are first hired or rehired on or after January 1, 2010, and are not eligible to participate in the

WASHINGTON GAS LIGHT COMPANY CAPITAL APPRECIATION PLAN  
NOTES TO FINANCIAL STATEMENTS (continued)

Washington Gas Light Company Employees' Pension Plan. The amount of the Employer Supplemental Contribution is 4% of compensation or the percentage set out in the most recent collective bargaining agreement. Beginning January 1, 2016, eligible Teamsters Local 96 employees receive an Employer Supplemental Contribution ranging from 4% to 6% of compensation, depending on years of service. These amounts are credited to the participant's account each pay period.

Employees hired after January 1, 2001 are automatically enrolled in the Capital Appreciation Plan within 40 days of employment at a pre-tax contribution of 1% of the employee's eligible compensation or, for employee's hired after January 1, 2013, 4% of the employee's eligible compensation. The employee may opt-out of plan participation by following the procedures of the Plan Sponsor to notify the Recordkeeper.

The Capital Appreciation Plan allows employees to make rollover contributions of funds from other similar qualified plans from previous employers. The rollover contributions must satisfy the requirements of the IRC.

#### Vesting

Participants are 100% vested at all times in the amounts credited to their accounts.

#### Participant Accounts

A separate account is maintained for each participant in the Capital Appreciation Plan. Each participant's account is properly adjusted for the participant's contributions, the Company's matching contribution, the Employer Supplemental Contribution if applicable, participant withdrawals, plan expenses, allocations of the Master Trust's earnings or losses on investments and other investment income. The Recordkeeper maintains participant accounts, records contributions, and performs the allocations to the participants in accordance with the Plan document.

#### Investments

Participants direct the investment of their accounts into various investment options offered by the Plan. If an employee does not make an affirmative investment election, the contributions are deposited in a default investment fund that is designated in the Plan document. The participant can transfer these contributions to another available plan investment at any time. The Plan currently offers funds managed by registered investment companies (including a large cap growth fund, an international value fund, a fixed income fund and a small/mid cap value fund), collective trust funds (including target date funds, a large cap blend fund, a large cap value fund, an international growth fund and a stable value fund), a separately managed account that invests in common stock of small/mid cap growth companies and common stock of WGL Holdings, Inc. as investment options for participants.

The Plan imposes a 25% limit on employee investments of new monies into the common stock of WGL Holdings, Inc., and limits transfers into this fund such that no more than 25% of a participant's account balance will be invested in the common stock of WGL Holdings, Inc.

WASHINGTON GAS LIGHT COMPANY CAPITAL APPRECIATION PLAN  
NOTES TO FINANCIAL STATEMENTS (continued)

### Distributions

When an employee terminates employment with the Company, the employee (or employee's beneficiary where termination is due to death) is eligible to receive 100% of his/her account balance as of the latest valuation date. The employee (or employee's beneficiary) may elect to receive the distribution in either a lump-sum (if the account balance is \$5,000 or less, the distribution payment will be made in a lump sum), or, if the termination is due to retirement, disability or death, annual payments not to exceed ten years, and they may postpone the commencement of benefit distribution to some later date as may be permitted by the required minimum distribution rules.

### In Service Withdrawals

Participants can make withdrawals of after-tax and rollover contributions and earnings on those contributions not more than once a Plan year. Participants can make withdrawals of pre-tax and "catch-up" contributions and earnings on those contributions after attaining age 59-1/2 not more than once a Plan year.

### Notes Receivable from Participants

Employees may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or one-half of the participant's pre-tax, "catch-up" and Company match contributions. The loan feature provides additional liquidity to participants. Repayment of loans, including applied interest, are done via payroll deduction and cannot exceed five years with the exception of loans for the purchase of the participant's principal residence, in which case the repayment period cannot exceed 25 years. The loans are secured by the balance in the participant's Plan account, and new loans bear an interest rate of one percent above the prime rate published by the Wall Street Journal on the last business day of the month immediately preceding the month in which the loan is issued. If repayment is not made by a participant within 90 days of a missed payment, the loan is considered in default and could be treated as a taxable distribution to the participant. The outstanding balances of loans made to participants are shown on the Statements of Net Assets Available for Benefits as notes receivable from participants.

### Amendment or Termination

The Capital Appreciation Plan may be amended or terminated by the Company at any time, for any lawful reason, without advance notice. Upon termination, all amounts credited to participants will be distributed in accordance with the provisions of the Plan document.

### Note 2 - Significant Accounting Policies

#### Basis of Accounting

The financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("GAAP").



WASHINGTON GAS LIGHT COMPANY CAPITAL APPRECIATION PLAN  
NOTES TO FINANCIAL STATEMENTS (continued)

Use of Estimates

In conformity with GAAP, the Plan Administrator makes estimates and assumptions in the preparation of the Plan's financial statements that affect certain reported amounts and disclosures. Actual results could differ materially from those estimates.

Investment Valuation and Income Recognition

Investments held by the Master Trust are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Refer to Note 7 for disclosures provided for fair value measurements of Plan investments.

Purchases and sales of securities in the Master Trust are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest is recorded on the accrual basis. Net realized and unrealized gains and losses from security transactions are reported using the historical cost based on a first-in, first-out methodology.

Management fees and operating expenses charged to the Master Trust for investments in registered investment companies and common/collective trusts are deducted from income earned on a daily basis and are not separately reflected in the financial statements. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Distributions

Distributions are recorded when checks are drawn and delivered to participants.

Administrative Expenses

Except for those expenses the Employer may elect to pay, expenses incurred in administering the Plan shall be allocated on a per capita basis and deducted monthly, quarterly or periodically as determined by the Plan Administrator, from participants' and beneficiaries' individual accounts. Such administrative expenses shall include, but are not limited to, recordkeeping, auditing, annual reporting, legal and investment services. If applicable, transaction fee expenses associated with loans and distributions shall be deducted from participants' accounts on a quarterly basis.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2015 or 2014. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded (See Note 1).

WASHINGTON GAS LIGHT COMPANY CAPITAL APPRECIATION PLAN  
NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Recent Accounting Pronouncements

Accounting Standards Adopted in the Current Plan Year

In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-07, Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent). This standard removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using net asset value ("NAV") per share as a practical expedient. Instead, entities must disclose these investments in a reconciliation of total investments classified within the hierarchy to the total fair value of the Master Trust's investments. This update also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. Rather, the required disclosures are limited to investments for which the entity has elected to measure the fair value using that practical expedient. The Plan early adopted this standard retrospectively on January 1, 2015. As a result of this standard, disclosures in Note 7 have changed.

In July 2015, the FASB issued ASU 2015-12 (Part I) - Fully Benefit-Responsive Investment Contracts. This update clarified that entities holding indirect investments in fully benefit-responsive investment contracts should no longer account for such investments as fully-benefit responsive investment contracts. The Plan early adopted this standard retrospectively on January 1, 2015 and ceased to account for the Master Trust's investment in the stable value fund as a fully benefit-responsive contract. As a result, the Statement of Net Assets Available for Benefits and disclosures in Note 2, Note 6 and Note 7 have changed.

At the same time the FASB issued ASU 2015-12 (Part II), Plan Investment Disclosures. This standard removes the requirement to disclose both (1) individual investments that represent 5 percent or more of net assets available for benefits and (2) the net appreciation or depreciation for investments by general type. Additionally, the standard requires that disclosures of investments of employee benefit plans be grouped only on the basis of general type, thereby eliminating the need to also disclose investments grouped on the basis of nature, characteristics and risks. The Plan early adopted this standard retrospectively on January 1, 2015. As a result, disclosures in Note 7 have changed.

Recently Issued Accounting Standards, Not Yet Adopted

In August 2014, FASB issued ASU No. 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. This standard requires management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued, and to provide for related disclosures in the notes to the financial statements. The Plan will adopt this standard on January 1, 2017. We do not expect adoption of this standard to have a material effect on the financial statements.

WASHINGTON GAS LIGHT COMPANY CAPITAL APPRECIATION PLAN  
NOTES TO FINANCIAL STATEMENTS (continued)

Note 4 - Tax Status

The Capital Appreciation Plan obtained its latest determination letter on July 11, 2014 in which the IRS stated that the Plan, as amended and restated effective January 1, 2013, is in compliance with applicable requirements under the IRC. Although the Plan has been amended since receiving the determination letter, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable qualification requirements of the IRC and therefore, believe that the Plan is qualified and the related Master Trust is tax-exempt. Thus, no provision for income taxes has been included in the financial statements.

GAAP requires plan management to evaluate uncertain tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015 and 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Accordingly, no interest or penalties related to uncertain tax positions have been recognized. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Company believes it is no longer subject to income tax examinations for years prior to 2012.

Note 5 - Plan Amendments

The Plan was amended effective January 1, 2014 to include language required by the IRS in connection with the July 11, 2014 determination letter.

Note 6 - Master Trust

The Plan's investments are held in the Master Trust along with the Washington Gas Light Company Savings Plan. As of December 31, 2015 and 2014, the Plan's interest in the net assets of the Master Trust was 31.22% and 30.83%, respectively.

The Plan's ownership interest in the net assets of the Master Trust does not represent an undivided interest. The Master Trust's net assets are allocated among the two participating plans by assigning to each plan those transactions (primarily contributions and benefit payments) that can be specifically identified and attributed to a participant account and those transactions (primarily net investment income, including realized and unrealized gains and losses) that are allocated to a participant's account based upon a participant's proportionate share of each fund held by the Master Trust.

The Master Trust is composed of 20 investment funds. Funds are allocated to the participating plans in accordance with the Plan provisions and participant allocation elections. The following table presents the fair value of the investments of the Master Trust as of December 31, 2015 and 2014:

WASHINGTON GAS LIGHT COMPANY CAPITAL APPRECIATION PLAN  
NOTES TO FINANCIAL STATEMENTS (continued)

	December 31, 2015		December 31, 2014	
	Plan Interest %	Master Trust	Plan Interest %	Master Trust
Investments at fair value:				
Registered investment companies	32.9%	\$75,526,083	28.5%	\$88,166,870
Collective trust funds	27.8%	162,761,603	29.4%	150,621,960
Common stock of WGL Holdings, Inc.	44.4%	40,686,728	44.6%	35,959,036
Common stocks - other	20.5%	9,373,904	22.7%	9,727,662
Interest-bearing cash	44.4%	8	44.6%	741
Total Master Trust investments at fair value	31.2%	288,348,326	30.8%	284,476,269
Non-interest bearing cash		—		21,897
Due from broker and other receivables		541,430		57,017
Due to broker and other liabilities		(68,555 )		(50,148 )
Total net assets in Master Trust		\$288,821,201		\$284,505,035

The following table presents the changes in net assets for the Master Trust for the year ended December 31, 2015:

Net appreciation in fair value of investments	\$1,963,818
Dividend and interest income	6,799,079
Net investment income	8,762,897
Administrative expenses	(97,560 )
Net transfers	(4,349,171 )
Increase in net assets	4,316,166
Net assets:	
Beginning of year	284,505,035
End of year	\$288,821,201

WASHINGTON GAS LIGHT COMPANY CAPITAL APPRECIATION PLAN  
 NOTES TO FINANCIAL STATEMENTS (continued)

Note 7 - Fair Value Measurements

The fair value of financial assets and liabilities is measured in accordance with ASC Topic 820. 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. ASC Topic 820 establishes a framework for measuring the fair value of financial assets and liabilities. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC Topic 820 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Master Trust has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Many fund managers provide their investors with a calculated NAV per share (or its equivalent) that can be used as a practical expedient to measure fair value if the investments do not have a readily determinable fair value and the NAV of the investment is calculated using the measurement principles of ASC Topic 946, Financial Services - Investment Companies. In accordance with ASC Topic 820 Fair Value Measurement, certain investments held by the Master Trust that are measured at fair value using NAV per share as a practical expedient need not be classified in the fair value hierarchy.

The following tables present the fair value of the investments in the Master Trust by general type and their level within the fair value hierarchy as of December 31, 2015 and 2014:

	As of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$75,526,083	\$ —	\$ —	\$75,526,083
Common stock of WGL Holdings, Inc.	40,686,728	—	—	40,686,728
Common stocks - other	9,373,904	—	—	9,373,904
Interest-bearing cash	8	—	—	8
Total assets in the fair value hierarchy	125,586,723	—	—	125,586,723
Collective trust funds measured at NAV <sup>1</sup>	—	—	—	162,761,603
Investments at fair value	\$125,586,723	\$ —	\$ —	\$288,348,326

WASHINGTON GAS LIGHT COMPANY CAPITAL APPRECIATION PLAN  
 NOTES TO FINANCIAL STATEMENTS (continued)

	As of December 31, 2014			
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$88,166,870	\$	-\$	-\$88,166,870
Common stock of WGL Holdings, Inc.	35,959,036	—	—	35,959,036
Common stocks - other	9,727,662	—	—	9,727,662
Interest-bearing cash	741	—	—	741
Total assets in the fair value hierarchy	133,854,309	—	—	133,854,309
Collective trust funds measured at NAV <sup>1</sup>	—	—	—	150,621,960
Investments at fair value	\$133,854,309	\$	-\$	-\$284,476,269

<sup>1</sup> In accordance with Subtopic 820-10, these investments are measured at fair value using NAV per share as a practical expedient and, therefore, have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total Master Trust investments at fair value presented in Note 6.

WASHINGTON GAS LIGHT COMPANY CAPITAL APPRECIATION PLAN  
 NOTES TO FINANCIAL STATEMENTS (continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014.

Registered investment companies

The registered investment companies in which the Master Trust invests are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission and are valued at the daily NAV reported by the fund. These funds are required to publish their daily NAV and to transact at that price and, therefore, are deemed to be actively traded with readily determinable fair values.

Common stock

The fair value of common stock is based on quoted market prices as of the financial statement date.

Collective trust funds measured at NAV

Investments held by the Master Trust in collective trust funds are valued at NAV, which is used as a practical expedient to estimate fair value. The NAV is based upon the underlying net assets held by the fund which have been calculated in a manner consistent with ASC Topic 946. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. There are no unfunded commitments with respect to any of these funds in which the Master Trust invests. The following table summarizes investments for which fair value is measured using the NAV per share practical expedient as of December 31, 2015, and 2014, respectively:

	December 31,	
	2015	2014
Target date funds <sup>1</sup>	\$45,898,081	\$42,005,572
Large cap blend fund <sup>2</sup>	31,157,668	29,102,534
Large cap value fund <sup>3</sup>	20,497,089	23,332,428
International growth fund <sup>4</sup>	10,260,850	9,871,119
Stable value fund <sup>5</sup>	43,352,001	46,310,307
Fixed income fund <sup>6</sup>	11,595,914	—
Total	\$162,761,603	\$150,621,960

<sup>1</sup> The target date funds have an investment objective to use asset allocation adjustments to meet the changing needs of investors as they reach retirement. The asset allocation becomes more conservative as an investor approaches retirement. There are no participant redemption restrictions for these funds. However, withdrawal from these funds by the Plan requires a notice period of 60 days prior to the end of the calendar quarter.

<sup>2</sup> The large cap blend fund has an investment objective to approximate the risk and return characteristics of the S&P 500 Index over the long term. There are no participant redemption restrictions for this fund. Additionally, there are no restrictions or notice requirements for withdrawal from the fund.

<sup>3</sup> The large cap value fund has an investment objective to provide long-term capital appreciation, primarily through investing in a diversified portfolio of equity securities of U.S. companies. There

WASHINGTON GAS LIGHT COMPANY CAPITAL APPRECIATION PLAN  
NOTES TO FINANCIAL STATEMENTS (continued)

are no participant redemption restrictions for this fund. However, withdrawal from this fund in excess of 20% of the Plan's investment requires a notice period of five business days.

<sup>4</sup> The international growth fund seeks capital appreciation through investments in foreign equity securities, including emerging market equity securities. There are no participant redemption restrictions for this fund. However, withdrawal from this fund by the Plan requires a notice period of ten business days.

<sup>5</sup> The stable value fund seeks to provide investors with a moderate level of stable income without principal volatility. There are no participant redemption restrictions for this fund. However, withdrawal from this fund by the Plan requires a notice period of 12 months.

<sup>6</sup> The fixed income fund seeks to outperform a benchmark, the Barclays U.S. Aggregate Bond Index, in a risk adjusted manner. There are no participant redemption restrictions for this fund. However, withdrawal from this fund in excess of 20% of the Plan's investment requires a notice period of five business days.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions, model-based valuation techniques or investment redemption restrictions may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Plan and Master Trust evaluates the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2015, there were no transfers in or out of levels 1, 2 or 3.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan's management believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

#### Note 8 - Risks and Uncertainties

The Master Trust invests in various investment securities. Investment securities are exposed to interest-rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

#### Note 9 - Related-Party Transactions

JPMorgan Chase Bank, N.A. is the trustee of certain investments held by the Master Trust, therefore, these transactions qualify as party-in-interest transactions for which an exemption exists. Additionally, the Master Trust invests in common stock of the WGL Holdings, Inc., the parent company of the Plan Sponsor. Lastly, the Plan issues loans to participants, which are secured by the balances in the participant's accounts. All of these transactions qualify as party-in-interest transactions and are exempt from the prohibited transactions rules.



WASHINGTON GAS LIGHT COMPANY CAPITAL APPRECIATION PLAN  
 NOTES TO FINANCIAL STATEMENTS (continued)

Note 10 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2015 and 2014:

	December 31	
	2015	2014
Net assets available for benefits per financial statements	\$93,554,964	\$91,027,369
Deemed distributions of notes receivable from participants	(175,110 )	(114,280 )
Total net assets available for benefits per Form 5500	\$93,379,854	\$90,913,089

The following is a reconciliation of changes in net assets per the financial statements to Form 5500 for the year ended December 31, 2015:

Net increase in net assets per financial statements	\$2,527,595
Change in deemed distribution of certain notes receivable from participants and related interest	(60,830 )
Net income and net transfers per Form 5500	\$2,466,765

Note 11 - Subsequent Events

The Plan Administrator has evaluated subsequent events that have occurred after December 31, 2015 through the issuance of the financial statements. At a meeting held on May 9, 2016, the Authorized Officers of the Plan authorized the amendment of the Plan to add a designated Roth account to the Plan. Other than this authorization, there were no events identified requiring recognition or disclosure in the financial statements.

WASHINGTON GAS LIGHT COMPANY CAPITAL APPRECIATION PLAN  
 SUPPLEMENTAL SCHEDULE

Washington Gas Light Company Capital Appreciation Plan

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

EIN 53-0162882  
 Plan Number 004

As of December 31, 2015

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
*	Participant loans	Varying maturities with interest rates ranging from 4.25% to 8.23%	**	3,396,935

\* Denotes party-in-interest.

\*\* Historical cost data is not required to be presented, as investment is participant directed.

Washington Gas Light Company Capital Appreciation Plan  
Signatures

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrators have duly caused this annual report to be signed on their behalf by the undersigned hereunto duly authorized.

WASHINGTON GAS LIGHT COMPANY  
CAPITAL APPRECIATION PLAN

Date: July 13, 2016 /s/ Vincent L. Ammann  
Vincent L. Ammann, Jr. (Plan Administrator)  
Senior Vice President and Chief Financial Officer  
Washington Gas Light Company

Date: July 13, 2016 /s/ Luanne S. Gutermuth  
Luanne S. Gutermuth (Plan Administrator)  
Senior Vice President, Shared Services and Chief HR Officer  
Washington Gas Light Company