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November 25, 2019

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
P.O. Box 146751
Salt Lake City, UT 84114-6751

Via E-mail

Dear Commissioners:

Pursuant to the Order Memorializing Bench Ruling Approving Settlement Stipulation in Docket No. 16-057-01 and paragraph 36 of the Settlement Stipulation attached thereto, Questar Gas Company dba Dominion Energy Utah (Dominion Energy) respectfully submits the attached Integration Progress Report for the 3rd quarter 2019.

Paragraph 36 of the above-referenced Settlement Stipulation provides that "Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case." Dominion Energy will continue to submit future reports quarterly.

If you have any questions or concerns, please contact me.

Sincerely,

Kelly B Mendenhall
Director, Pricing and Regulation

Utah 3rd Quarter 2019 Integration Progress Report

	Utah Stipulation	Status
1	After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").	Completed 9/16/16. Dominion Energy, Inc. (DEI) continues to comply with the commitment.
2	At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will continue to exist as a separate legal entity with its own complete set of books and records.	Completed 9/16/16. DEI and Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) continue to comply with the commitment.
3	Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas' corporate headquarters from Salt Lake City to another location for the foreseeable future.	Completed 9/16/16. DEI and Dominion Energy continue to comply with the commitment.
4	Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be allocated to Dominion Questar Gas customers associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
5	Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a current member of the Questar Corporation board as a director to serve on Dominion's board of directors.	Ron Jibson, former Chairman, CEO and President of Questar Corporation, has been appointed to DEI's Board of Directors. The press release related to this appointment was filed as DEU Exhibit 1 on April 17, 2017.
6	Dominion will take all necessary action to cause a current member of the Questar Corporation board to be appointed as a director to serve on the board of directors of the general partner of Dominion Midstream Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company ("Questar Pipeline") is contributed to Dominion Midstream.	The Board of Directors of Dominion Midstream Partners appointed Harris Simmons as a director on October 24, 2016. Mr. Simmons was formerly lead director on the Board of Directors of Questar Corporation. The press release related to this appointment was filed as DEU Exhibit 2 on April 17, 2017.
7	Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction; reasonable rates; reliable service; customer, public, and employee safety; environmental stewardship; and collaborative and productive relationships with customers, regulators, other governmental entities, and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah.	DEI and Dominion Energy continue to comply with the commitment.
8	Questar Gas and Dominion share the common focus on installing, upgrading and maintaining facilities necessary for safe and reliable operations. This focus will not be diminished in any way as a result of the Merger. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated $209 million investment in 2017, $208 million investment in 2018, and $233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.	Dominion Energy continues to comply with the commitment. Actual capital expenditures in 2017 were $211 million, as shown in DEU Exhibit 22 of the Fourth Quarter 2017 Integration Progress Report. Capital Expenditures for 2018 were $212 million as shown in DEU Exhibit 39 in the Fourth Quarter 2018 Integration Progress Report.
9	Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement and the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.	DEI and its subsidiaries continue to comply with this commitment.

10	Dominion will give employees of Dominion Questar and its subsidiaries due and fair consideration for other employment and promotion opportunities within the larger Dominion organization, both inside and outside of Utah, to the extent any such employment positions are re-aligned, reduced, or eliminated in the future as a result of the Merger.	On June 6, 2017, Dominion Energy and Dominion Questar Pipeline offered a Voluntary Severance Plan to all supervisors over the age of 55. The program was offered to 65 participants and 37 participants accepted the severance package. Of those that accepted, 25 were from Dominion Energy Utah. These employees retired between August 1, 2017 and July 1, 2018. They received three weeks of severance for each year of service, up to 52 weeks. During the 2nd quarter, two employees in the Salt Lake City office accepted opportunities in other areas of the Company. On August 1, 2017, Craig Wagstaff was named President, Gas Distribution. In his new role, he assumed responsibility for all of the natural gas LDC's in the Dominion Energy Family. He will continue to be located in the Salt Lake City office. In August 2017, the Company announced its organizational alignment for the corporate functions which resulted in an elimination of 56 current positions. These employees were eligible for the Company's severance package and were given the opportunity to apply for other positions. An update of the plan was provided in DEU Exhibit 35 in the Second Quarter 2018 Integration Progress Report. There have been no changese since the second quarter 2018.
11	Dominion, at shareholders' cost, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.	This pension contribution was funded on January 19, 2017.
12	Dominion and its affiliates commit to make officers and employees of Dominion reasonably available to testify before the Commission and provide information that is relevant to any matter within the jurisdiction of the Commission.	Dominion Energy and DEI continue to comply with this commitment.
13	As part of this and future regulatory proceedings, Dominion Questar Gas will provide information in response to discovery or requests for information about Dominion or its subsidiaries that are relevant to matters within the Commission's jurisdiction.	Dominion Energy continues to comply with this commitment.
14	Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate offices in Salt Lake City, UT.	Dominion Energy and DEI continue to comply with this commitment.
15	Dominion commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between Dominion Questar and Dominion Questar Gas.	Dominion has no plans to create a corporate entity between Dominion Questar and Dominion Questar Gas. Should these plans change Dominion will comply with this commitment.
16	For regulatory purposes, Dominion Questar Gas' accounting will continue to reflect assets at historical costs, approved depreciation rates, and deferred income taxes based on original cost in accordance with the Uniform System of Accounts and any relevant Commission orders.	Dominion Energy continues to comply with this commitment.
17	Dominion Questar Gas will not seek any changes to existing filed rates, rules, regulations, and classifications under Questar Gas' Utah Natural Gas Tariff No. 400 ("Tariff") because of the Merger, before its next general rate case, except to revise the Tariff to change the name of the operating entity. The Company will file for a name change within 21 days of the Effective Time.	On May 10, 2017, shareholders approved a name change for Dominion Resources Inc., to change its name to Dominion Energy. A tariff reflecting the name change was filed May 12th in Docket 17-057-T04 and the tariff was approved May 30th. On June 5, 2017, Questar Gas began doing business as Dominion Energy Utah. In July of 2017 the Company began billing customers using the new name.

18	Dominion Questar Gas will continue to file annually and follow the Commission's Integrated Resource Plan process and guidelines.	Dominion Energy Utah filed its 2018/2019 IRP on June 14th, 2018, in Docket 18-057-01. The 2019/2020 was filed June 13, 2019.
19	Dominion Questar will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points and will be in compliance with the Commission's requirements.	Dominion Energy continues to comply with this commitment.
20	Goods and services provided to Dominion Questar Gas by Dominion or its subsidiaries shall be priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas are just and reasonable.	Dominion Energy continues to comply with this commitment.
21	Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger from Dominion Questar Gas customers. Dominion will not record any goodwill or fair value in excess of net book value associated with the Merger on Dominion Questar Gas' books and will make the required accounting entries associated with the Merger on that basis. Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger through allocation of cost to the affiliated companies of Dominion Questar.	Dominion Energy continues to comply with this commitment.
22	Dominion Questar will not sell all or a majority of Dominion Questar Gas' common stock without Commission approval.	DEI will comply with this commitment.
23	Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.	As shown in DEU Exhibit 5 to the April 17, 2017 Integration Progress Report 5, the end-of-year common equity percentage of total capitalization for 2016 was 51%. The 2017 end-of-year common equity percentage of total capitalization was 49.91%. The 2018 end-of-year common equity percentage of total capitalization was 57.66%. In Docket 18-057-23 the Company received permission to exceed the 55% equity range in exchange for holding customers harmless in its next general rate case proceeding. Dominion Energy continues to comply with this commitment, as amended.
24	Dominion commits to use commercially reasonable efforts to maintain credit metrics that are supportive of strong investment-grade credit ratings (targeting the Single-A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas' rate of return is established or it seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is not greater than would have been incurred absent the Merger, and will hold customers harmless from any increases in the cost of debt caused by the Merger. Nothing in this provision shall limit the Parties, in any general rate proceeding, from presenting any arguments or evidence as to the appropriate rate of return for Dominion Questar Gas, consistent with the provisions of Paragraph 60 of this Settlement Stipulation.	Dominion Energy continues to comply with this commitment. Current target ratings for Dominion Energy are A. Current senior unsecured ratings for Moody's and S&P are A2/stable and BBB+/stable which are equivalent to the ratings of Dominion Energy since the acquisition. The stable outlook from both Moody's and S&P indicate a steady ratings outlook into the future. On December 15, 2016, Dominion Energy obtained a long-term rating of A- from Fitch as shown in the April 17, 2017 report, Exhibit 6. On May 3, 2017, Fitch provided an update on DEI and kept the Dominion Energy rating unchanged at A-. This report was attached as DEU Exhibit 18 to the Third Quarter 2016 Integration Progress Report. On Dec 6, 2017 S&P gave a rating of BBB+/Stable/A-2. And on Dec 22, 2017 Moody's gave a rating of A2/Stable. These reports were included as DEU Exhibits 24 and 25 to the Fourth Quarter 2017 Integration Progress Report. On December 27, 2018 S&P's rating was BBB+/Stable/A-2. On January 30, 2019 Moody's issued a rating of A2 negative. Copies of the reports are included in the Fourth Quarter 2018 Integration Progress Report as DEU Exhibits 40 and 41. On August 19, 2019, Moody's issued a downgrade rating from A2 to A3. A copy of the report is attached as Exhibit 48 in the 2019 Q2 repoort. On October 9, 2019 Fitch issued an unchanged rating of A-. A copy of the report is attached as Exhibit 50.

25	Neither Dominion nor its subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than the lower of i) rates being paid at the time of such loan by Dominion or such other subsidiary on its own debt or ii) rates available, at the time of such loan, on similar loans to Dominion Questar Gas from the market.	DEI and Dominion Energy continue to comply with this commitment.
26	Dominion Questar Gas will not lend funds to Dominion or other Dominion entities, including Dominion Questar.	Dominion Energy continues to comply with this commitment.
27	Dominion Questar Gas will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without the Commission's approval.	Dominion Energy continues to comply with this commitment. Dominion Energy has not made any transfers of material assets and has not assumed liabilities from any other Dominion Energy Inc. subsidiary.
28	Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.	Dominion Energy continues to comply with this commitment.
29	Dominion will continue to provide to Dominion Questar Gas no less than the same access to short-term debt, commercial paper, and other liquidity that Questar Corporation currently has in place for Questar Gas.	DEI continues to comply with this commitment.
30	Dominion commits that Wexpro will not be a party to a money pool. To the extent that the short-term working capital is required by Wexpro, it will be provided under the terms of a one-way intercompany note at the actual cost of that short-term debt at the Dominion level.	DEI continues to comply with this commitment.
31	Dominion, at shareholders' expense, will increase Questar Corporation's historic level of corporate contributions to charities identified by local leadership that are within Dominion Questar Gas' service areas by $1,000,000 per year for at least five years following the Effective Time. Dominion Questar Gas will maintain or increase each jurisdiction's historic level of community involvement, low income funding, and economic development efforts in Questar Gas' current operating areas.	As shown in DEU Exhibit 42 attached to the Fourth Quarter 2018 Integration Progress Report, DEI has complied with this commitment. It will continue to do so.
32	Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities, and other related activities that affect Dominion's and Dominion Questar Gas' local stakeholders.	On November 28, 2016, Dominion Energy announced that it had named a citizen advisory council. DEU Exhibit 7 to the April 17, 2017 Integration Progress Report is a copy of the press release. The council held meetings on June 1, 2017, August 29th, 2017 and November 29, 2017. In 2018 the council held meetings on Feb 12, July 18, and September 17. In 2019 the council held meetings on April 1, Augusts 5, and October 10.
33	Within five (5) business days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03 to increase annual non-gas distribution revenue by approximately $22 million. The Commission's granting of the petition to withdraw is a condition of this Settlement Stipulation. Contingent upon the consummation of the Merger, the Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission. Dominion Questar Gas will not file an application for a major plant addition with a rate-effective date prior to March 1, 2020, absent emergency circumstances, except to address the peak-hour needs set forth in Questar Gas' 2016- 2017 Integrated Resource Plan (Docket No. 16-057-08). Dominion Questar Gas will bear the burden to demonstrate such emergency circumstances. Dominion Questar Gas will not seek a deferred accounting order prior to March 1, 2020, absent circumstances that are extraordinary and unforeseeable and that would have a material financial impact on Dominion Questar Gas. Dominion Questar Gas will bear the burden to demonstrate such material financial impact and extraordinary and unforeseeable circumstances.	On August 16, 2016 - QGC filed Petition for Approval of Withdrawal of the Verified Application. On August 22, 2016 Commission Order granted Withdrawal of the Application.

34	The Parties agree that the Utah Conservation Enabling Tariff ("CET") accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.	As of June 2019, the balance in the CET is a $370 thousand over collection. This is within the existing amortization caps.
35	Dominion and Dominion Questar Gas will continue to comply with all existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following the Effective Time.	DEI and Dominion Energy continue to comply with this commitment.
36	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case.	Dominion Energy filed the first Integration Report on April 17, 2017 and continues to provide quarterly updates.
37	Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval.	The transaction and transition costs for 2016 were submitted in DEU Exhibit 8 with the April 17, 2017 Integration Progress Report. The transaction costs for the six months ended June 2017 were submitted on August 15, 2017 in DEU Exhibit 12. The transaction/transition costs for YTD December 2017 are shown in DEU Exhibit 27 attached to the Fourth Quarter 2017 Integration Progress Report. Second quarter 2018 costs are shown in the attached DEU Exhibit 36. All of these costs shown in the exhibits are booked to account no. 930.205. These are below the line and will not be included in customer rates.
38	Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to customers.	Total transition costs are shown in DEU Exhibit 36 attached to the Second Quarter 2018 Integration Progress Report. All of the costs shown in the exhibit are booked to account no. 930.205.

39	Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was $138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1.	Dominion Energy will comply with this commitment. DEU Exhibit 13, filed August 15, 2017, shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is $129.88 (in 2016 and 2017 DRS did not allocate a full portion of corporate overhead to Dominion Energy Utah). This is lower than the baseline amount of $138.24. DEU Exhibit 28 shows the O&M per customer for 2017 of $111.37. DEU Exhibit 29 (attached to the Fourth Quarter 2017 Integration Progress Report) shows the Dominion Energy Questar Pipeline 2017 FERC Form 2. The Wexpro 2017 final financial statements are included as DEU Exhibit 33 with the First Quarter 2018 Integration Progress Report. Operation and Maintenance costs for 2018 were $114, and are show in the DEU Exhibit 43, Wexpro's 2018 final financial statements are included as DEU Exhibit 44, DEQP's 2018 FERC Form 2 is attached as DEU Exhibit 45, in the 4th quarter 2018 report.
40	Joint Applicants shall hold customers harmless from any increases in the aggregate total costs for shared or common services provided by Dominion Questar Corporation and/or Dominion Resources Services Company, Inc. ("Dominion Resources Services") that are caused by the Merger.	DEI and Dominion Energy continue to comply with this commitment.
41	Joint Applicants shall hold customers harmless for any changes in income taxes and/or accumulated deferred income taxes, recoverable in Dominion Questar Gas rates caused by the Merger, to the extent that such action would be consistent with the tax normalization rules.	DEI and Dominion Energy continue to comply with this commitment.
42	Questar Pipeline's rates will change only pursuant to proceedings before the Federal Energy Regulatory Commission ("FERC").	DEI continues to comply with this commitment.
43	Joint Applicants shall hold customers harmless from any increases in Wexpro's shared services costs or income tax expense caused by the Merger.	DEI continues to comply with this commitment.
44	No later than January 1, 2018, Dominion Questar Gas will present and review with the Division and the OCS, for informational purposes, a proposed methodology for allocation of shared services costs. Dominion Questar will use the current allocation methodologies, including Distrigas, to allocate shared services costs to its subsidiaries until January 1, 2018. Dominion Questar Gas may propose another allocation methodology for use after December 31, 2017, provided that it has presented such methodology for review as set forth above.	Dominion Energy representatives met with members of the Division and OCS on October 23, 2017 to discuss proposed cost allocation methodologies. A copy of the presentation offered at that meeting is attached as DEU Exhibit 20 to the Third Quarter 2017 Integration Progress Report.
45	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop affiliate transactions reporting requirements and will file such information with the Commission beginning on July 1, 2018 for the 12 months ending December 31, 2017 and thereafter annually.	Dominion Energy complied with this commitment and will continue to do so. The first affiliate transaction report was filed on July 1st, 2018 in Docket number 18-057-06. The 2019 affiliate transactin report was filed July 1st, 2019 in Docket number 19-057-16
46	Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.	Dominion Energy continues to comply with this commitment.
47	Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.	Dominion Energy met with the Division and the OCS and have updated the customer satisfaction standards. Performance results have been filed with each of the quarterly Integration Progress Reports. Third Quarter 2019 results are attached as DEU Exhibit 51.

48	Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the recognized debt rating agencies. Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.	Dominion Energy continues to comply with this commitment.
49	Dominion Questar Gas shall establish and maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities. Dominion shall provide Dominion Questar Gas with access to no less that $750,000,000 in short-term debt or commercial paper programs.	Dominion Energy continues to comply with this commitment.
50	In connection with its notification to the Commission of dividends paid by Dominion Questar Gas, Dominion Questar Gas shall provide a cash flow summary and explicitly notify the Commission if payment of any dividend would result in its actual common equity component of total capitalization falling below 45 percent (45%), using the method of calculating equity levels under the ratemaking precedents of the Commission. In addition, Dominion Questar Gas will make annual financial statements for Wexpro and Questar Pipeline available to regulators.	Dominion Energy will comply with this commitment. Dominion Energy Utah has not issued a dividend to its parent since the merger. The 2016 financial statements for Wexpro and Dominion Energy Questar Pipeline were filed on August 15, 2017 as DEU Exhibit 15 and 16. The 2017 Dominion Energy Questar Pipeline financials were filed as DEU Exhibit 29 with the Fourth Quarter 2017 Integration Progress Report. Wexpro 2017 final financials were included as DEU Exhibit 33 with the First Quarter 2018 Integration Progress Report. Dominion Energy Questar Pipeline financial statements contained in the FERC Form 3Q and Form 2 have been provided each quarter to the Division. The latest FERC Form 3Q for the third quarter of 2018 was provided to the Division on December 31, 2018. The 2018 Wexpro final financial statements are provided as DEU Exhibit 44 and the 2018 DEQP Ferc Form 2 is provided as DEU Exhibit 45 in the 2018 fourth quarter report.
51	Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers.	Dominion Energy continues to comply with this commitment.
52	Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.	Dominion Energy continues to comply with this commitment.
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPAct 2005), or the related Ohio Power v. FERC case, preempt the Commission's jurisdiction over affiliated interest transactions and will explicitly waive any such defense in those proceedings. In the event that PUHCA or its successor PUHCA 2005 (EPAct 2005) is repealed or modified, Dominion and Dominion Questar agree not to seek any preemption under such subsequent modification or repeal.	DEI and Dominion Energy continue to comply with this commitment.

54	The Joint Applicants commit to provide for and effect the appointment of a "Special Bankruptcy Director" to serve as a member of the Board of Directors of Dominion Questar Gas ("DQG Board"). Said Director shall be nominated by and retained from an independent entity such as CT Corporation (at Dominion shareholder expense) and shall not be employed by Dominion or any other Dominion affiliate. Said Director shall not participate in ordinary and routine activities of the DQG Board and shall have no voting rights except in the event of a vote by the DQG Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Dominion Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director and no voluntary bankruptcy petition on behalf of Dominion Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility's customers, and the financial health and public service obligations of Dominion Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Dominion Questar Gas will provide confidential notice to the Commission, Division and the OCS.	DEI and Dominion Energy continue to comply with this commitment. The Special Bankruptcy Director for Dominion Energy, Steven P. Zimmer, was appointed effective October 17, 2016.
55	Dominion or Dominion Questar Gas shall provide notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Dominion or any of its subsidiaries to be declared bankrupt. If the petition is voluntary, the notice shall be provided within three (3) business days of the petition's filing. If the petition is involuntary, the notice shall be filed within three (3) business days after the day on which the petition is served upon the entity subject to the petition or prior to any hearing adjudicating the petition, whichever is soonest.	Dominion Energy continues to comply with this commitment.
56	The Joint Applicants agree that they will use commercially reasonable efforts in consultation with interested suppliers and marketers to coordinate an upstream nomination process with Kern River Gas Transmission Company similar to the process currently available with Questar Pipeline Company, which nomination process is generally described in the Joint Motion for Dismissal filed with the Commission on October 15, 2014 in Docket No. 14-057-19. Within 120 days following the Effective Time, representatives of Dominion and Dominion Questar Gas will meet with interested transportation customers, the Division, the OCS, and any other interested parties and will act in good faith to review concerns of transportation customers and will consider any proposal by interested transportation customers regarding direct access by marketers/transporters to such customers.	Representatives of Dominion Energy met with interested parties on December 6, 2016. The group discussed the upstream nomination process on Kern River and marketer concerns.
57	Dominion Questar Gas will notify customers of the Merger in the following ways: i. A notice will be posted on Dominion Questar Gas' website within 5 days of the Effective Time notification. ii. Notification will be published in the Gas Light News billing insert within 60 days of the Effective Time notification.	Notice of the merger was provided on Questar Gas' website beginning September 16, 2016. DEU Exhibit 11 (attached to the April 17, 2017 Integration Progress Report) included a copy of the notice that was sent to customers in their October bills.

Fitch Affirms LT IDRs of Dominion Energy and Subsidiaries

Fitch Ratings - New York - 08 October 2019:

Fitch Ratings has affirmed the 'BBB+' Long-Term Issuer Default Rating (IDR) of Dominion Energy, Inc. (DEI) and the 'A-' IDRs of DEI subsidiaries Virginia Electric and Power Co. (VEPCo), Dominion Energy Gas Holdings, LLC (DEGH), and Questar Gas Company (Questar). The Rating Outlook for DEI, VEPCo, DEGH, and Questar remains Stable. Fitch has also affirmed the 'BBB' IDRs of Dominion Energy South Carolina (DESC) and Public Service Company of North Carolina (PSNC) and the 'BBB-' IDR of SCANA Corp. The Rating Outlook for DESC, PSNC, and SCANA remains Positive. Fitch has affirmed the Short-Term IDRs of DEI, VEPCo, DEGH, and DESC at 'F2'. Fitch has upgraded the Short-Term IDR of Questar to 'F1' from 'F2'.

The affirmation of DEI and its subsidiaries Long-Term IDRs reflect the relatively stable earnings profile of the company's regulated and contracted assets. The Stable Rating Outlook of the legacy DEI entities recognizes management's significant steps to stabilize consolidated credit quality and reverse ballooning parent level debt balances. As such, DEI's credit metrics by the end of the forecast period are expected to be in-line with the current rating sensitives of FFO-adjusted leverage of less than 5.0x and DEI-level debt of less than 40%, albeit with limited headroom. Fitch does not consider DEI's Cove Point non-recourse three-year term loan as permanent financing and includes the debt in DEI's consolidated metrics. Fitch notes that currently DEGH's credit metrics are significantly outside of its current downgrade rating sensitives. Without a clear path to deleveraging, negative rating action on DEGH may be warranted in the future.

The affirmation and continued Positive Outlook on SCANA, DESC, and PSNC reflect the expectation of, and progress made to date, of successful integration into the DEI family effective Jan. 1, 2019. Fitch expects to resolve the Positive Outlook for all three entities upon demonstration of improved regulatory relationships, including the next South Carolina base rate filing.

Lastly, based on its assessment of Questar's financial flexibility, Fitch has assigned the higher of the two short-term rating options (F1) for the current rating profile and removed the short-term rating from 'Under Criteria Observation'. Any material weakening in financial flexibility, financial structure, or operating environment conditions could lead to the assignment of the lower of the two short-term rating options for the current long-term profile.

Key Rating Drivers

Dominion Energy

Completion of SCANA Merger: DEI completed its merger with SCANA Corporation on Jan. 1, 2019 with SCANA becoming a first-tier, wholly owned subsidiary of DEI. DEI's merger with SCANA adds

two utility subsidiaries with attractive growth profiles to the company's regulated footprint. The equity-funded transaction expands DEI's southeastern U.S. footprint, and increases DEI's rate base by 33% and regulated electric and gas customers by 27% and 40%, respectively.

SCANA Merger and Rate Plan: On Dec. 14, 2018, the PSC issued a directive supporting SCANA's merger with DEI and the joint companies' proposed rate plan. As a result of the approved rate plan, DESC electric customers have seen an approximate 15% reduction in the typical residential customer bill from pre-temporary rate cut levels as a result of $2.04 billion rate refunds and customer bill credits. Additionally, DESC will be allowed to earn a 9.9% ROE on $2.3 billion of net new nuclear development (NND) rate base with 52.81% equity capitalization. DEI has committed to provide DESC the balance sheet support to implement the plan going forward. DEI has successfully tendered for principal amounts of $1.7 billion of DESC long-term debt and $292 million of SCANA level debt.

Credit-Enhancing Actions: In addition to pursuing the SCANA merger, in 2018, DEI completed a series of corporate actions announced in March 2018 that total $8 billion in proceeds, stabilizing consolidated credit quality and reversing ballooning parent level debt balances. Among these initiatives are $2.4 billion in asset sales, $2.5 billion in new equity and $3.0 billion Cove Point financing. DEI's 2018 actions have allowed the company to reduce parent-level debt to achieve the company's stated goal of significantly reducing DEI-level debt to 30%-40% of total indebtedness prior to its 2020 target. Fitch expects DEI's FFO leverage to return to just below or at its current downgrade threshold of 5.0x from prior periods of over 6.0x. DEI's FFO-adjusted leverage for the LTM ended Dec. 31, 2018 was 5.3x. Fitch estimates DEI parent level debt accounts for 35% of the company's debt structure as of the same date.

Acquisition of Dominion Midstream Partners: DEI completed the merger with DM on Jan. 28, 2019, announced on Sept. 19, 2018. The roll-up of DM simplifies DEI's capital structure, eliminates cash leakage from distributions to public unit holders, and removes uncertainty regarding the ultimate disposition of DM in the wake of the Federal Energy Regulatory Commission's (FERC) policy revision of the ratemaking treatment of tax allowances for Master Limited Partnerships (MLPs). Fitch views the equity-financed roll-up of DM as a modest credit positive.

LNG Start Up: The Dominion Energy Cove Point liquefaction facility entered commercial service in April 2018. The $4 billion facility is expected to generate approximately $700 million of EBITDA annually. In late 2018, DEI executed a $3 billion three-year, non-recourse term loan, with the proceeds used to reduce DEI level debt. Given the short-term nature of the financing, Fitch does not consider the Cove Point term loan as permanent financing and includes the debt in DEI's consolidated metrics; however, Fitch does not include the Cove Point term loan in parent-only debt calculation.

Diversified Asset Base: DEI owns a large portfolio of utility, power, gas transmission and storage assets that provide a diversified and stable source of earnings and cash flow. Based upon 2019 guidance, approximately 71% of the company's EBITDA is expected to come from state-regulated utilities. Virginia Electric and Power Co (VEPCo), remains the largest contributor at 48% and the recently acquired SCANA Corp. is expected to account for 17% of 2019 EBITDA.

Atlantic Coast Pipeline Delay: DEI continues to experience permitting issues delaying the construction of the Atlantic Coast Pipeline (ACP), of which DEI owns 48%. Based upon a potential late 2021 in-service date, ACP's project cost estimate is $7.25 billion-$7.75 billion (excluding

financing costs). On Oct. 4, 2019, the U.S. Supreme Court agreed to hear a consolidated case brought by DEI and other parties seeking to overturn a lower court's permit denial. As of June 30, 2019, DEI has an equity investment balance of $948 million in the venture. Additionally, DEI is a co-obligor of ACP's October 2021 $3.4 billion revolving credit facility, of which $1.7 billion is borrowed under the facility as of June 30, 2019. Currently, Fitch does not consolidate DEI's portion of ACP's construction loan on DEI's balance sheet but notes that the equity contributions are financed at the DEI level. There is limited headroom in DEI's current credit metrics for additional cost escalation of ACP or inclusion of DEI's portion of the ACP's construction loan on DEI's balance sheet.

Large Capex Plan: While Fitch expects DEI's capex program to moderate, it will remain elevated for the next few years as a result of utility spending and large-scale development projects, such as Atlantic Coast Pipeline. Including the recently acquired SCANA properties, the company's 2019-2021 capital forecast is approximately $20.0 billion.

Parent Subsidiary Rating Linkages: DEI's subsidiaries have operational, financial and functional ties to the parent, resulting in a moderate level of ratings linkage. Due to these linkages, Fitch typically limits the notching difference between DEI and its subsidiaries to one to two notches.

The treasury function is centrally managed and DEI, VEPCo, DEGH, Questar, and DESC are individually borrowers under DEI's joint revolving credit facility. PSNC is not a borrower under DEI's credit facility, and solely relies on DEI for its short-term liquidity needs. Legal ties are weak, as DEI does not guarantee the debt obligations of VEPCo, DEGH, Questar, SCANA, DESC, or PSNC; however, there is cross acceleration language from VEPCo to DEI. As per the credit agreement, DEI's calculated total debt to total capital ratio is not to exceed 67.5%. As of Dec. 31, 2018, the actual ratio was 53.4% and pro forma for the SCANA merger was 52.8%.

Fitch applied a bottom-up approach in rating DEI subsidiaries. Regulated subsidiaries are rated lower and/or higher than DEI, reflecting the strength of their respective balance sheet, the quality of their service area and the constructiveness of their regulatory environment. Fitch rates DEI on a consolidated basis. VEPCo is considered to have the strongest credit profile of the DEI family and is a significant contributor to DEI's credit quality. A downgrade of VEPCo is likely to result in a downgrade of DEI. Currently, Fitch considers the recently acquired SCANA entities to be weaker than DEI, but notes improvement in credit measures due to equity injections and debt reduction. Given the current notching, a downgrade of two or more notches at DEI is likely to trigger a downgrade of the company's regulated utility subsidiaries with ratings higher than DEI.

Virginia Electric and Power Company

Strong Credit Profile: VEPCo's current and projected credit metrics support the company's current ratings. Fitch forecasts FFO lease-adjusted to approximate 3.5x over the next few years and FFO fixed-charge coverage to remain at or above 6.0x. VEPCo's FFO lease-adjusted leverage for the LTM ended Dec. 31, 2018 was 3.3x and FFO fixed-charge coverage ratio was 6.2x.

Constructive Regulatory Environment: Fitch considers the regulatory environment in Virginia and North Carolina to be constructive, due largely to rider mechanisms that provide timely cost recovery of invested capital, including incentive returns on certain generation projects. In Virginia, VEPCo's primary regulatory jurisdiction, adjustment clauses are in place to recover costs for new generation projects, FERC-approved transmission costs, energy efficiency and renewable energy programs, and other items.

2018 Virginia Legislation: Virginia enacted The Grid Transformation and Security Act (GTSA) on March 9, 2018, revising utility regulation in the state. The biennial rate review suspension in place since 2015 has been lifted, and VEPCo's first base rate review under the new law will be in 2021. Fitch expects the GTSA will result in the continuation of VEPCo's stable cash flow. While VEPCo's base rates cannot increase in its first rate review, various components of the legislation limit the potential for significant rate reductions.

Impact of Tax Reform: The Virginia legislation served to mitigate the 2018 cash flow impact from the reduction in the federal corporate tax rate included in the Tax Cuts and Jobs Act of 2017 (TCJA). The legislatively specified $125 million interim rate reduction was less than Fitch's estimate and did not begin until July 1, 2018, further mitigating the 2018 cash impact. In October 2018, VEPCo filed its plan to implement final base rate adjustments due to tax reform with the Virginia State Corporation Commission (SCC).

The company initially proposed a $151.4 million rate reduction effective April 2019 and a one-time bill credit of approximately $95 million to customers to true-up the difference between the July 2018 interim reduction and the final revenue reduction for the period Jan. 1, 2018 through March 31, 2019. In March 2019, the SCC issued an order approving an annual revenue reduction of approximately $183 million effective April 2019, and ordered VEPCo to true-up the interim rate reduction through a one-time credit to customers estimated to be approximately $135 million by July 1, 2019.

Large Capex Plan: Growth capex is expected to average $3.4 billion annually over the next five years. The timely cost recovery mechanisms available to VEPCo soften the financial strain of funding the capex plan. However, Fitch expects some increase in capex will be contingent on regulatory approvals and may not materialize in the time frame as expected. Fitch's forecast assumes timely execution of the capital plan and a balanced capital structure.

Favorable Service Territory Demographics: A large government and military presence in VEPCo's service territory tends to limit economic and sales volatility. In addition, VEPCo's service territory has experienced strong growth of data centers due in large measure to its proximity to Washington, D.C. and high-capacity fiber networks.

Dominion Energy Gas Holdings

Diverse Operations: The majority of DEGH's earnings and cash flow comes from pipeline subsidiary Dominion Energy Transmission, Inc. (DETI) and local gas distribution company Dominion Energy Ohio (DEO). DEGH's transmission and distribution entities benefit from long-term transportation contracts, strategic location and supportive federal and state regulation. Fitch estimates that DETI contributes approximately 50%-60% of DEGH's operating cash flow and DEO contributes approximately 30%-40%, with the balance derived from distributions from DEGH's 24.07% ownership in Iroquois Pipeline and limited investments in gathering and processing.

Well-Situated Assets: DEGH's assets are well positioned to benefit from the significant supply growth in the Marcellus and Utica shale basins. The supply growth is driving increased investment in new pipeline projects that earn relatively attractive FERC authorized returns. Approximately 92% of DETI's transmission capacity (72% of 2018 revenues) and 100% of storage (24% of 2018 revenues) is subscribed under long-term contracts with revenue-weighted average years of approximately 7 years and 4 years, respectively.

Large Capex Plan: Fitch expects capex to remain elevated over the next three years, given the large number of growth projects underway or anticipated, plus the pipeline infrastructure and replacement program at DEO and maintenance capex. The investments are largely related to market access and producer outlet projects to support the expanding gas production in Marcellus and Utica. Ratings assume capex will be funded in a manner to support a balanced capital structure.

Elevated Leverage: Higher debt balances from capex spending and DEI's prior capital decisions have resulted in DEGH's credit measures that remain high for the rating level and above Fitch's prior expectations. When Fitch revised DEGH's Outlook to Stable from Negative in October 2018, Fitch expected DEGH's FFO lease-adjusted leverage to improve to around 5.0x in 2018 and continue to improve by the end of the forecast period to 4.3x, in line with its current downgrade rating sensitives. DEGH's FFO lease-adjusted leverage was 5.9x as of TTM Dec. 31, 2018. Without a clear path to deleveraging, negative rating action on DEGH may be warranted in the future.

Questar Gas

Low Risk Business Profile: Questar is a local gas distribution utility serving customers in Utah, Wyoming and Idaho. The majority of the company's customers are located in the state of Utah, which continues to experience significant growth. Questar's customer count increased by 2.5% in 2018, and is expected to continue to increase over the forecast period in line with Utah's economic growth.

Supportive Regulatory Environment: Utah has implemented numerous rider mechanisms, including weather normalization, revenue decoupling, infrastructure replacement and purchased gas adjustment, that serve to reduce regulatory lag and stabilize credit metrics. ROEs granted in Utah are generally in line with the industry averages. As a condition of the DEI acquisition, Questar had been precluded from filing a base rate case in Utah before July 2019 and from filing a general rate case (GRC) in Wyoming with an effective date earlier than January 2020. On July 1, 2019, Questar filed its first base rate case since DEI ownership with the Utah Commission, requesting a $19 million rate increase based upon a 10.5% ROE and 55% equity capitalization. A decision is expected by March 2020. Questar's last Utah rate decision was in 2014 when it was granted a $7.6 million rate increase based upon a 9.85% ROE and 52.07% equity capitalization.

Strong Financial Metrics: Questar's credit measures are adequately in line with the current rating level. The company's numerous riders help offset potential impact from the agreed to stay-out provisions. Additionally, DEI's agreement to maintain Questar's total equity/total capitalization at a minimum of 50% through December 2019 underpins Questar's credit quality.

Manageable Capex: Questar has experienced increased capex for growth, reliability and infrastructure upgrades. As part of the merger approval, Questar and DEI committed to spending $233 million in 2019 to maintain and improve Questar's facilities. Any variances to this plan are to be supported by Questar in its next GRC. Ratios are expected to remain in line with its current rating level, while the elevated capex exerts some pressure on Questar's credit metrics. The company has announced that it plans to spend $1.1 billion in growth capital in 2019-2023.

Dominion Energy South Carolina

Resolution of Legal and Regulatory Issues: Ratings reflect the resolution of the highly contentious legal and regulatory issues that ensued in the wake of SCANA's abandonment of the V.C. Summer Station expansion project in July 2017. A multi-docketed proceeding addressed the ratemaking

treatment for $2.8 billion of the $4.7 billion in abandoned nuclear costs. Additionally, the PSC approved $2.0 billion in rate relief that enabled the finalization of the settlement of a class action lawsuit brought by South Carolina's Attorney General and other plaintiffs. The lawsuit challenged costs related to SCANA's terminated nuclear expansion project, including the constitutionality of the 2007 Base Load Review Act (BLRA).

Approved Regulatory Plan: As part of the proceedings, the PSC approved the Plan-B Levelized Customer Benefits Plan, which was one of several plans put forth by DEI. As per the plan, DESC electric customers receive a reduction of approximately 15% in the typical customer bill from the 2018 pre-temporary rate cut levels as a result of $2.04 billion in rate refunds and customer bill credits. Additionally, DESC will be allowed to earn a 9.9% ROE on $2.8 billion of new nuclear development (NND) rate base with 52.81% equity capitalization.

Next Base Rate Case: DESC is required to file a base rate case in 2020 for rates effective beginning 2021. The filing will be based on a 2019 test year, updated for known and measurable changes as of Sept. 30, 2020. Merger synergies will be considered at that time. DESC's last base rate case was in 2012, when rates were set on a 10.25% ROE based on a 52.18% equity ratio. The company's earned ROE is currently below 7%. Fitch expects to resolve the Positive Outlook upon demonstration of an improved relationship with the PSC, including the next base rate filing.

Merger with DEI: Following SCANA's merger with DEI, DESC became an indirect subsidiary of DEI, bringing the company into the fold of a larger and better capitalized entity. As part of the merger approval process, DEI committed to provide DESC the balance sheet support necessary to implement the plan going forward. Fitch expects that DEI will bolster and maintain DESC's capital structure at an authorized equity level of 52.81%. As of June 30, 2019, DEI has contributed $775 million equity capital to DESC.

Stabilizing Credit Metrics: Fitch expects DESC's credit metrics to return to levels commensurate with 'BBB' rated utilities, or better. DEI has reduced via tender $1.7 billion of DESC long-term debt. The two-part tender was funded with DESC cash on hand, DEI equity contributions and SCANA money pool borrowings (which were sourced from an intercompany loan from DEI). As of the TTM June 30, 2019, DESC's FFO lease-adjusted leverage was 4.6x, and approximate 50bp improvement from TTM Dec. 31, 2018. Fitch expects only modest additional improvement in DESC's credit metrics until the next rate case.

Favorable Service Territory: DESC is expected to continue to benefit from strong service territory growth. The company has experienced combined 2% electric and gas annual customer growth over the last five years.

Public Service Company of North Carolina

DEI Ownership and Merger Approval: PSNC became an indirect subsidiary of DEI effective Jan. 1, 2019. The North Carolina Utilities Commission (NCUC) approved the merger of DEI and SCANA on Nov. 19, 2018. The order, which adopted conditions recommended by staff, included regulatory conditions and a code of conduct. Among the regulatory conditions are $1.25 million annual rate credits in 2019-2021 and a general rate case moratorium until April 2021, with new rates not in effect before November 2021. Additionally, the agreed-to code of conduct specifies maintenance of PSNC's investment-grade ratings, limitation on dividends if PSNC's equity capitalization falls below 45%, and various reporting requirements pertaining to DEI's corporate structure and business mix.

Supportive Regulatory Environment: The NCUC is considered by Fitch Ratings to be a supportive commission. PSNC's last base rate case was determined through partial settlement in October 2016, in which the company was awarded a $19.1 million rate increase based upon a 9.7% ROE and 52% equity capitalization. Additionally, the company is able to use a tracker mechanism to recover the cost of ongoing pipeline integrity management (PIM) programs between base rate cases. PSNC filed biannual applications in 2018 to adjust its rates related to PIM and received a combined incremental $15.8 million increase. The company received a subsequent increase of $1.7 million effective March 1, 2019. Additionally, PSNC benefits from revenue decoupling for residential and commercial customers.

Improving Credit Metrics: PSNC's leverage and interest coverage measures have improved under DEI's ownership with FFO lease-adjusted leverage of 4.6x as of TTM June 30, 2019, versus 5.5x as of TTM Dec. 31, 2018. Fitch expects PSNC's credit metrics to continue to improve as DEI provides equity, as needed and reduces costs.

Demand and Capex Growth: PSNC plans to invest approximately $800 million in growth capital from 2019-2023 for pipeline replacement, customer growth and system enhancements. Net population immigration into the service area combined with a buoyant local economy and record low natural gas prices are driving low-single-digit customer and weather-adjusted volume growth. PSNC customer growth was approximately 2.5% in 2018.

Limited Commodity and Volumetric Risk: PSNC operates with a purchased gas adjustment (PGA) clause and a customer utilization tracker (CUT) that together limit commodity price and volumetric risk exposure. The PGA provides full recovery of all prudently incurred gas costs from customers, while the CUT allows periodic rate adjustments if average consumption deviates from expected levels. The CUT applies to residential and commercial customers and is not limited to weather-related volumetric changes.

SCANA Corporation

Benefits of DEI Merger: The 2019 acquisition of SCANA and subsidiaries DESC and PSNC by DEI provides a stronger, better capitalized parent company to support the current ratings. Additionally, the successful tender of $1.7 billion of long-term DESC debt and $292 million of SCANA parent-level debt significant improves credit metrics.

Limited SCANA Level Debt: DEI has indicated that it will not refinance maturing debt at SCANA parent level. As a result, the majority of the SCANA level debt will mature by 2022.

Derivation Summary

DEI is currently weakly positioned in the 'BBB+' rating category; however, recently completed initiatives have resulted in improved credit metrics. Fitch expects approximately 71% of DEI's EBITDA to come from state-regulated utility businesses. This compares less favorably with Southern Company's (SO) utility EBITDA of 80%, Sempra Energy's (SRE) 80% (pro forma for start-up of Cameron LNG), but in line with NextEra Energy Inc.'s (NEE) 70%. Fitch's forecast for DEI average FFO-adjusted leverage of approximately 4.8x is higher than SRE (4.3x) and NEE (3.9x), but better

than the forecast for SO's consolidated FFO-adjusted leverage to 5.2x by the end of the forecast period. DEI-level debt has been reduced as the result of the completed credit initiatives, but remains at the high end of the 20%-30% range of most of its peers.

Key Assumptions

Fitch's Key Assumptions Within Our Rating Case for the Issuer

DEI

--Successful operational integration of the SCANA;

--Capex of approximately $20.0 billion for 2019-2021;

--No additional material cost escalation or additional meaningful delays in ACP construction;

--VEPCo's base rates remain frozen through the forecast period;

--DEI-level debt sustained at 30%-40% of total indebtedness;

--Maintenance of utility subsidiaries capital structures in line with regulatory capital structures.

VEPCO

--Base rates remain frozen through the forecast period;

--Annual sales growth of 1%;

--Continuation of existing rider mechanism;

--Timely execution of capex plan.

DEGH

--Timely execution of capex plan;

--Continued supportive regulation;

--Maintenance of current cash flow mix with DEO not to fall consistently below current range of 30% -40%.

QGC

--Annual customer growth of 2.3%;

--Capex of $233 million in 2019;

--GRC filings in Utah and Wyoming in second-half 2019.

DESC

--$2.04 billion in rate refunds and customer bill credits over 20 years;

--9.9% ROE on $2.8 billion of NND rate base with 52.81% equity capitalization;

--Rate filing Jan. 1, 2020 with increase effective Jan. 1, 2021;

--Improvement to, and maintenance of, DESC's capital structure to authorized equity level.

PSNC

--Volume growth around 2.0% in the intermediate term;

--Approximately $700 million of capex through 2020;

--Equity advances to maintain capital structure.

SCANA

--Same as DESC and PSNC.

RATING SENSITIVITIES

Dominion Energy, Inc.

Developments That May, Individually or Collectively, Lead to Positive Rating Action

--Positive rating action is not expected at this time given the large capital investment plan and high consolidated leverage. However, ratings could be upgraded if FFO lease-adjusted leverage below 4.3x on a sustainable basis.

Developments That May, Individually or Collectively, Lead to Negative Rating Action

--FFO-adjusted leverage above 5.0x on a sustained basis;

--Unfavorable regulatory developments;

--Additional delays or cost escalation in ACP;

--DEI-level debt above 40% on a sustained basis;

--A downgrade of VEPCo's IDR to 'BBB+'.

VEPCO

Developments That May, Individually or Collectively, Lead to Positive Rating Action

--A positive action is not expected in the near future given the capex plan and rate freeze. However, ratings could be upgraded if FFO lease-adjusted leverage went below 3.5x on a sustainable basis.

Developments That May, Individually or Collectively, Lead to Negative Rating Action

--An increase in FFO-adjusted leverage above 4.3x on a sustainable basis;

--Unfavorable regulatory developments;

--Downgrade of two notches or more at DEI under Fitch's parent and subsidiary linkage criteria.

DEGH

Developments That May, Individually or Collectively, Lead to Positive Rating Action

--FFO lease adjusted leverage below 3.5x on a sustainable basis.

Developments That May, Individually or Collectively, Lead to Negative Rating Action

--Failure to reduce FFO-adjusted leverage to 4.3x on a sustainable basis;

--Unfavorable regulatory developments;

--Reduction in expected cash flow contribution from DEO to below current range of 30%-40%;

--Downgrade of two notches or more at DEI under Fitch's parent and subsidiary linkage criteria.

Questar Gas Company

Developments That May, Individually or Collectively, Lead to Positive Rating Action

--FFO lease adjusted leverage below 3.5x on a sustainable basis.

Developments That May, Individually or Collectively, Lead to Negative Rating Action

--An increase in FFO-adjusted leverage above 4.3x on a sustainable basis;

--Unfavorable regulatory developments;

--Downgrade of two notches or more at DEI under Fitch's parent and subsidiary linkage criteria.

Dominion Energy South Carolina

Developments That May, Individually or Collectively, Lead to Positive Rating Action

--Sustained FFO-adjusted leverage at or below 4.5x;

--Successfully outcome in 2020 rate case.

Developments That May, Individually or Collectively, Lead to Negative Rating Action

--Unfavorable state regulatory or legislative developments;

--FFO lease-adjusted leverage consistently and materially exceeding 5.5x.

Public Service Company of North Carolina

Developments That May, Individually or Collectively, Lead to Positive Rating Action

--Sustained FFO-adjusted leverage at or below 4.5x.

Developments That May, Individually or Collectively, Lead to Negative Rating Action

--FFO lease-adjusted leverage consistently and materially exceeding 5.5x;

--Unfavorable regulatory developments.

SCANA Corporation

Developments That May, Individually or Collectively, Lead to Positive Rating Action

--Sustained FFO-adjusted leverage at or below 5.0x;

--Upgrade of DESC's IDR.

Developments That May, Individually or Collectively, Lead to Negative Rating Action

--FFO lease-adjusted leverage consistently and materially exceeding 6.0x;

--Downgrade of DESC's IDR.

Liquidity and Debt Structure

DEI

Adequate Liquidity: Fitch considers DEI to have adequate liquidity. On March 20, 2018, DEI, along with VEPCo, DEGH and Questar, entered into a $6 billion amended and restated revolving credit agreement maturing March 2023. DESC was added as a borrower under the facility in 2019. The current subsidiary sublimits are as follows - DEI-$3.0 billion; Vepco -$1.5 billion; DEGH-$750 million; DESC-$500 million; QGC-$250 million. PSNC is not a borrower under the facility and relies solely on DEI for its short-term liquidity needs. If any of the above DEI subsidiaries have liquidity needs in excess of their respective current sublimit, the sublimit can be changed or such needs could be satisfied through short-term intercompany borrowings from DEI or intercompany money pool.

DEI does not guarantee the debt obligations of VEPCo, DEGH, Questar, SCANA Corp, DESC, or PSNC; however, the revolving credit agreement contains cross acceleration language from VEPCo to DEI. As per the credit agreement, DEI's calculated total debt to total capital ratio is not to exceed 67.5%. As of Dec. 31, 2018, the actual ratio was 53.4% and pro forma for the SCANA merger was 52.8%. As of June 30, 2019, DEI and its subsidiaries had combined $2.526 billion CP outstanding against its credit facilities and $382 million of cash.

Summary of Financial Adjustments

DEI debt is adjusted by assigning 50% equity credit to DEI's enhanced junior subordinated debentures.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of 3 - ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity.

DEI has an ESG Relevance Score of 4 for Exposure to Social Impacts due to environmental groups' opposition to the Atlantic Coast Pipeline project, which contributed to court-ordered work stoppages and other construction delays and cost increases. This has a negative impact on the credit profile, and is relevant to the rating in conjunction with other factors.

For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

RATING ACTIONS

ENTITY/DEBT	RATING		PRIOR
Dominion Energy, Inc.	LT IDR BBB+ Affirmed		BBB+
	ST IDR F2 Affirmed		F2
senior unsecured	LT BBB+ Affirmed		BBB+
preferred	LT BBB- Affirmed		BBB-
junior subordinated	LT BBB Affirmed		BBB
USD 550 mln 4.104% notes 01-Apr-2021 25746UBT5	LT BBB Affirmed		BBB
USD 1 bln 2.579% bond/note 01-Jul-2020 25746UCT4	LT BBB Affirmed		BBB
USD 700 mln 2.715% bond/note 15-Aug-2021 25746UDA4	LT BBB Affirmed		BBB
USD 700 mln 3.071% bond/note 15-Aug-2024 25746UDB2	LT BBB Affirmed		BBB

junior subordinated	LT BBB- Affirmed		BBB-
USD 300 mln FRN Enhanced bond/note 30-Jun-2066 25746UAY5	LT BBB- Affirmed		BBB-
USD 500 mln FRN Enhanced bond/note 30-Sep-2066 25746UAZ2	LT BBB- Affirmed		BBB-
USD 685 mln 5.75% Enhanced bond/note 01-Oct-2054 25746UBY4	LT BBB- Affirmed		BBB-
USD 800 mln 5.25% Enhanced bond/note 30-Jul-2076 25746U844	LT BBB- Affirmed		BBB-
senior unsecured	ST F2 Affirmed		F2
Public Service Company of North Carolina	LT IDR BBB Affirmed		BBB
senior unsecured	LT BBB+ Affirmed		BBB+
Dominion Energy Gas Holdings, LLC	LT IDR A- Affirmed		A-
	ST IDR F2 Affirmed		F2
senior unsecured	LT A- Affirmed		A-
senior unsecured	ST F2 Affirmed		F2
Questar Gas Company	LT IDR A- Affirmed		A-
	ST IDR F1 Upgrade		F2
senior unsecured	LT A Affirmed		A
senior unsecured	ST		F2

	F1 Upgrade		
Virginia Electric and Power Company	LT IDR A- Affirmed		A-
	ST IDR F2 Affirmed		F2
senior unsecured	LT A Affirmed		A
senior secured	LT A+ Affirmed		A+
senior unsecured	ST F2 Affirmed		F2
SCANA Corporation	LT IDR BBB- Affirmed		BBB-
senior unsecured	LT BBB- Affirmed		BBB-
Dominion Energy South Carolina, Inc.	LT IDR BBB Affirmed		BBB
	ST IDR F2 Affirmed		F2
senior secured	LT A- Affirmed		A-
senior unsecured	LT BBB+ Affirmed		BBB+
senior unsecured	ST F2 Affirmed		F2

Additional information is available on www.fitchratings.com

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Applicable Criteria

Corporates Notching and Recovery Ratings Criteria (pub. 23 Mar 2018)
Corporate Hybrids Treatment and Notching Criteria (pub. 09 Nov 2018)
Corporate Rating Criteria (pub. 19 Feb 2019)
Short-Term Ratings Criteria (pub. 02 May 2019)
Parent and Subsidiary Rating Linkage (pub. 27 Sep 2019)

Additional Disclosures

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November 25, 2019

Attached please find Dominion Energy Utah/Wyomings' Customer Satisfaction Standards Report (CSSR) for the third quarter ended September 2019.

In Docket No. 16-057-01, the Matter of Joint Notice and Application of Questar Gas Company and Dominion Resources, Inc., the parties agreed in paragraph 47 of the settlement stipulation that "Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards."

The parties met with the Division and Office of Consumer Services in the 4th quarter of 2016 and updated 14 of the standards. This report includes these updated standards. The attached report is for the four quarters ending September 30, 2019 and provides the customer satisfaction results using the goals that were in effect at the beginning of the year.

The third quarter 2019 results are attached as Exhibit 51. There are only two areas where the Company is deficient. Billing metric #1, read each meter monthly, was 97.9% instead of 99% on average. And billing metric #5, "Response time to investigate meter problems and notify customer within 15 business days". This metric was 83% instead of 95%. Both of these are related to the transponder issues which have been studied in more detail in Docket 19-057-25.

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2019 Annual Goal	Measurement Source	Q4 2018	Q1 2019	Q2 2019	Q3 2019	12 Mo. Ended 9/30/19
Overall Impression of QGC								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.3	6.1	6.2	6.3	6.2
2	Delivers natural gas to my home/good value for price paid	5.5	CSS	5.9	5.8	5.8	5.9	5.9
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.3	5.3	5.4	5.4	5.3
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.7	6.6	6.7	6.6	6.7
5	Is honest and open in its dealings	5.5	CSS	5.9	5.8	5.9	5.9	5.9
6	Safely delivers natural gas to my home	6.5	CSS	6.6	6.7	6.6	6.6	6.6
7	Demonstrates care and concern for people like me	5.0	CSS	5.6	5.7	5.7	5.7	5.7

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2019 Annual Goal	Measurement Source	Q4 2018	Q1 2019	Q2 2019	Q3 2019	12 Mo. Ended 9/30/19
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	83.1%	92.4%	93.3%	92.6%	90.4%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.3%	99.7%	99.5%	99.6%	99.5%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	88	30	28	28	44
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	2.2%	0.8%	0.8%	0.8%	1.2%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	5.1	4.9	5.0	4.9	5.0
6	The phone staff was courteous	6.0	CSS	6.7	6.5	6.6	6.7	6.6
7	The phone staff was knowledgeable	6.0	CSS	6.6	6.3	6.2	6.4	6.4
8	My call was answered quickly	5.5	CSS	6.2	6.0	6.1	6.2	6.1
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.4	6.0	6.3	6.3	6.2
10	The automated menu was easy to use	5.7	CSS	5.9	5.9	5.8	5.8	5.9
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	6.3	5.9	6.1	6.0	6.1

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2019 Annual Goal	Measurement Source	Q4 2018	Q1 2019	Q2 2019	Q3 2019	12 Mo. Ended 9/30/19
Customer Affairs								
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100%	100%	100%	100%	100%

	Service	2019 Annual Goal	Measurement Source	Q4 2018	Q1 2019	Q2 2019	Q3 2019	12 Mo. Ended 9/30/19
Service Calls - Ask-A-Tech								
1	The technician was courteous	6.2	CSS	6.7	6.8	6.7	6.7	6.7
2	The technician was knowledgeable	6.2	CSS	6.6	6.5	6.2	6.4	6.4
3	The technician was able to help me quickly	5.9	CSS	6.6	6.6	6.5	6.4	6.5
4	The technician was able to help me resolve my issue	5.9	CSS	6.7	6.4	6.3	6.3	6.4
5	The automated menu was easy to use	5.7	CSS	6.1	6.3	6.3	6.1	6.2
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.5	6.5	6.1	6.1	6.3

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2019 Annual Goal	Measurement Source	Q4 2018	Q1 2019	Q2 2019	Q3 2019	12 Mo. Ended 9/30/19
Service Calls								
1	The service technician was courteous	6.4	CSS	6.9	6.7	6.6	6.7	6.7
2	The service technician was knowledgeable	6.4	CSS	6.8	6.8	6.7	6.7	6.7
3	The service technician was able to help me quickly	6.2	CSS	6.6	6.6	6.7	6.5	6.6
4	The service technician was able to help me resolve my issue	6.2	CSS	6.6	6.6	6.6	6.6	6.6
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.8	6.6	6.7	6.6	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	98.1%	98.2%	98.3%	98.4%	98.2%
7	Remove meter seal within 1 business day requested by customer for activation	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customers' gas service within 3 business days	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	95%	Internal Statistics	100.0%	100.0%	100.0%	98.6%	99.6%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	100%	100%	100%	100%	100.0%

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2019 Annual Goal	Measurement Source	Q4 2018	Q1 2019	Q2 2019	Q3 2019	12 Mo. Ended 9/30/19
Billing								
1	Read each meter monthly	99%	Billing Statistics	94.1%	94.6%	96.3%	97.9%	95.7%
2	Percent of adjustments	3% Annual	Billing Statistics	0.52%	0.48%	0.50%	0.65%	0.5%
3	Send corrected statement to customer	5 Business Days	Internal Report	3.27 days	3.5 days	3.8 days	3.5 days	3.11 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	93.0%	96.2%	96.2%	96.0%	95.4%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	95%	82%	82%	83.0%	85%

9/30/2019

	Service	Northern Region	Eastern Region	Central Region	Southern Region	Wyoming Region
Customer Service						
1	Number of PSC complaints by region	7		9		
Service Calls						
1	The service technician was courteous	6.9	7.0	6.6	6.9	7.0
2	The service technician was knowledgeable	6.8	7.0	6.6	6.9	7.0
3	The service technician was able to help me quickly	6.7	7.0	6.4	6.9	6.8
4	The service technician was able to resolve my issue	6.7	6.8	6.4	6.2	6.8
5	How satisfied are you with the service technician's overall performance	6.9	6.8	6.4	6.9	7.0
6	Emergency calls - company representative is onsite within 1 hour of call	99.1%	94.6%	97.7%	98.4%	94.4%
7	Remove meter seal within 24 hours if requested by customer for activation	100.0%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customer's gas service within 3 business days	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	100.0%	100.0%	96.2%	100.0%	100.0%
10	Restore interrupted service caused by system failure (exceptions include outages caused by natural disasters and third party actions)	100.0%	100.0%	100.0%	100.0%	100.0%