Rating Action: Moody's Places Questar Corp. on Review for Downgrade; Questar Gas and Questar Pipeline Affirmed; Outlooks Remain Stable

Global Credit Research - 01 Feb 2016

New York, February 01, 2016 -- Moody’s Investors Service, ("Moody’s") placed the Prime-1 short-term commercial paper rating of Questar Corporation (Questar) on review for downgrade. At the same time, Moody’s affirmed the ratings of Questar’s two principal subsidiaries: Questar Gas (A2 senior unsecured) and Questar Pipeline (A3 senior unsecured). The rating outlooks for Questar Gas and Questar Pipeline are stable.

RATINGS RATIONALE

"Questar's review for downgrade is prompted by today's announcement that the company agreed to be acquired by Dominion Resources in an all cash transaction," said Ryan Wobbrock, Assistant Vice President. "The review for downgrade only applies to Questar Corp. but not its regulated utility subsidiaries."

The review for downgrade will focus on the permanent financing and capital structure for Questar, including $250 million of parent-level debt and around $330 million of commercial paper currently outstanding. Moody's withdrew the A2 senior unsecured rating on $250 million of Questar Corp. debt, since it matures today; however, it is our understanding that the unsecured debt will be replaced with a like amount of commercial paper today, and/or some other form of financing until transaction close. For now, we incorporate a view that Dominion will finance the $4.4 billion equity purchase price with a balanced mix of both debt and equity. As a result, Dominion will be adding Questar to its corporate family at an approximately 13.5% ratio of cash flow to debt (including roughly 50/50 debt/equity acquisition financing).

Any downgrade to the fundamental credit quality of Questar would result in a downgrade of its commercial paper rating to P-2.

Moody’s notes that Dominion has arranged for a committed term loan of $1.2 billion, a bridge facility for $2.7 billion and has articulated plans to tap its existing credit facility to the tune of $500 million. We believe the permanent financing will be in place by the close of the transaction, which the company expects by year-end 2016.

Questar's $250 million of unsecured holding company debt matured today (February 1st) and will be repaid with commercial paper. It is our understanding that a $250 million private term loan will be arranged to repay commercial paper and replace the holding company debt until the transaction close.

Dominion ownership will result in Questar being held by a lower credit quality entity which will direct strategic, dividend and liquidity management policies for the unregulated intermediate holding company. While Questar's subsidiaries will still function in an integrated manner, the legal and organizational separation could result in a divergence in strategic decision-making amongst the three Questar constituents: Questar Gas, Questar Pipeline and Wexpro. This weakens the integrated and consolidated credit profile of what previously supported Questar's A2 consolidated rating. For example, Dominion has indicated its intent to transfer Questar Pipeline to Dominion Midstream, which would immediately result in a higher risk profile for Questar Corp., since it would be losing its most stable and predictable cash flow and a subsidiary that produces roughly 30% funds from operation (FFO) to debt.

"The removal of Questar Pipeline's FERC regulated operations increases the business risk profile for Questar. As an unregulated intermediate holding company, Questar's fundamental credit profile would be more appropriately positioned between that of its A-rated Questar Gas and Questar Pipeline subsidiaries and its Baa2-rated parent, Dominion," added Wobbrock.

The affirmation and stable outlook for Questar Pipeline is based on its low-risk natural gas pipeline operations, stable and predictable cash flow, and the strong regulatory support provided by the Federal Energy Regulatory Commission (FERC). However, we do see added risk for Questar Pipeline, which will be owned by a growth-oriented master limited partnership (MLP). We estimate that the pipeline will continue to upstream roughly $65 million of cash after maintenance capital, but there could now be pressure to upstream larger amounts should Dominion Midstream's growth plans deviate from current expectations.
The affirmation and stable outlook for Questar Gas reflects a very strong regulatory environment in Utah, which provides for a high degree of cash flow visibility. Cost recovery mechanisms such as decoupling, weather normalization and infrastructure trackers will help Questar Gas to produce cash flow to debt metrics between 20% - 25% on an sustainable basis. While this is lower than other A2 local gas distribution utility peers that average over 26% cash flow to debt, we view this level to be appropriate for Questar Gas' A2-rating, given its highly supportive regulatory environments in Utah, Wyoming and Idaho.

Rating Outlook

Questar's review for downgrade reflects the pending acquisition by an owner of lower credit quality and the loss of Questar's low-risk natural gas pipeline business that produces around 30% cash flow to debt. We expect to conclude the review at or near the time that the acquisition is completed.

Factors that Could Lead to a Downgrade

The P-1 commercial paper rating for Questar Corp. will likely be downgraded upon the completion of the merger. For Questar Pipeline, a material change in corporate finance policies, such as dividends exceeding 100% of net income, could lead to a downgrade. This could occur if Dominion's large, MLP eligible, capital projects encounter delays, if other Dominion Midstream growth prospects slow, or if the MLP encounters difficulties in obtaining external financing.

Questar Gas could be downgraded if regulatory support declines, business risk exposure increases significantly, or if cash flow to debt metrics decline below 20% for a sustained period of time.

Factors that Could Lead to an Upgrade

It is unlikely that any of the Questar companies will be upgraded at this time; however, Questar Pipeline could be upgraded with FFO to debt over 30% and FFO less dividends to debt above 20%, on a sustainable basis.

Questar Gas could be upgraded to A1 if its cash flow to debt is consistently above 25% and its payout ratio remained around 65%.

The principal methodology used in rating Questar Corporation and Questar Gas Company was Regulated Electric and Gas Utilities published in December 2013. The principal methodology used in rating Questar Pipeline Company was Natural Gas Pipelines published in November 2012. Please see the Ratings Methodologies page on www.moodys.com for a copy of these methodologies.

On Review for Downgrade:

Issuer: Questar Corporation

.... Commercial Paper, Placed on Review for Downgrade, currently P-1

Outlook Actions:

Issuer: Questar Corporation

....Outlook, Changed To Rating Under Review From Stable

Issuer: Questar Gas Company

....Outlook, Remains Stable

Issuer: Questar Pipeline Company

....Outlook, Remains Stable

Affirmations:

Issuer: Questar Gas Company

....Senior Unsecured Medium-Term Note Program, Affirmed (P)A2

....Senior Unsecured Regular Bond/Debenture, Affirmed A2
Issuer: Questar Pipeline Company

Senior Unsecured Regular Bond/Debenture, Affirmed A3

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody’s rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider’s credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody’s legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

Ryan Wobbrock
Asst Vice President - Analyst
Infrastructure Finance Group
Moody’s Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A.
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

William L. Hess
MD - Utilities
Infrastructure Finance Group
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

Releasing Office:
Moody’s Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A.
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653
CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE. MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third- party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.
Moody’s Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody’s Corporation (“MCO”), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody’s Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody’s Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from $1,500 to approximately $2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS’s ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading “Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy.”

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY’S affiliate, Moody’s Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody’s Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to “wholesale clients” within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY’S that you are, or are accessing the document as a representative of, a “wholesale client” and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to “retail clients” within the meaning of section 761G of the Corporations Act 2001. MOODY’S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be reckless and inappropriate for retail investors to use MOODY’S credit ratings or publications when making an investment decision. If in doubt you should contact your financial or other professional adviser.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody’s Group Japan G.K., which is wholly-owned by Moody’s Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody’s SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000,000. MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.
Research Update:

Questar Corp. And Subs Ratings Placed On CreditWatch Negative On Proposed Acquisition By Dominion Resources

Primary Credit Analyst:
Gerrit W Jepsen, CFA, New York (1) 212-438-2529; gerrit.jepsen@standardandpoors.com

Secondary Contact:
Dimitri Nikas, New York (1) 212-438-7807; dimitri.nikas@standardandpoors.com

Table Of Contents

Overview
Rating Action
Rationale
Liquidity
Other Credit Considerations
Group Influence
CreditWatch
Ratings Score Snapshot
Related Criteria And Research
Ratings List
Research Update:

Questar Corp. And Subs Ratings Placed On CreditWatch Negative On Proposed Acquisition By Dominion Resources

Overview

Questar Corp. has agreed to be acquired by Dominion Resources Inc. We are placing all ratings on Questar, including the 'A' issuer credit rating and our 'A-1' short-term debt rating, on CreditWatch with negative implications. We are placing all ratings on subsidiaries Questar Gas Co. and Questar Pipeline Co., including the 'A' issuer credit ratings and our senior unsecured debt ratings, on CreditWatch with negative implications. The negative CreditWatch listing reflects the potential for lower ratings on Questar when Dominion's acquisition of the company closes.

Rating Action

On Feb. 1, 2016, Standard & Poor's Ratings Services placed its ratings on Questar Corp. and subsidiaries Questar Gas Co. (QGC) and Questar Pipeline Co. (QPC), including the 'A' issuer credit ratings, on CreditWatch with negative implications.

Rationale

The CreditWatch negative placement on Questar Corp. (Questar) and subsidiaries QGC and QPC is based on Questar's agreement to be acquired by Dominion Resources Inc. (DRI).

When the acquisition successfully closes, we expect to view Questar as a "core" subsidiary of DRI, leading to our issuer credit rating on Questar being aligned with DRI's then-group credit profile. This assessment reflects the following:

- We expect that Questar will form a meaningful part of the combined entity, contributing about 15% of total EBITDA.
- QGC's service territory demonstrates above-average customer growth and benefits from constructive regulation.
- Questar operates in lines of business that are integral to the overall group's strategy and regulated utility and midstream energy operations. We expect DRI's senior management will demonstrate strong commitment to Questar given DRI's emphasis on maintaining the size and scope of its regulated utility and midstream energy operations.
Importantly, we do not anticipate that DRI will implement any structural or regulatory protections, ensuring that the company will have full access to Questar's resources and cash flows. Therefore, when the transaction closes, we expect that our issuer credit rating on Questar will be aligned with DRI's 'bbb+' group credit profile.

Based on its existing business composition, we assess Questar's business risk profile as excellent. This incorporates our very low industry risk assessment of the regulated utility industry and the low industry risk of the midstream energy industry, and a very low country risk based on the U.S.-only operations. In addition, the excellent business risk profile reflects a competitive position of strong. Supportive regulation, a growing service area with a mostly residential customer base, low operating risks, and lack of competition characterize the utility's excellent business risk profile. The business risk profile also benefits from strong access to gas supply and storage and from utility QGC's relationship with Wexpro Co. that provides natural gas to the utility at cost plus a fixed return. Questar derives 25% of consolidated EBITDA from QGC, 35% from QPC, and 40% from Wexpro.

We base our existing financial risk profile assessment of intermediate on the medial volatility financial ratio benchmarks. Under our base-case forecast, we expect Questar will generate funds from operations to total debt of 28% to 30% over the next few years. We expect debt to EBITDA to average 2.5x over the next few years. In addition, we expect a supplemental ratio of operating cash flow to debt of 32% to 34% over the next few years, bolstering and further supporting the intermediate determination. Management will need to maintain vigilant cost recovery to maintain these cash flow measures. With this strong cost recovery and an expectation that annual operating expenses will not grow more than 2%, we expect Questar to generate positive discretionary cash flow after capital spending and dividends, providing residual cash flow that the company could use to repay debt.

Based on our excellent business risk and intermediate financial risk profile assessments, there are two potential anchor outcomes ('a+' or 'a'). Our choice of an 'a' anchor reflects our view that the business risk is on the weaker end of the excellent category, partly because of the ownership of Wexpro and QPC. We expect to reassess the business and financial risk profiles of Questar as part of the CreditWatch review.

**Liquidity**

Questar has strong liquidity. We believe the company's liquidity sources are likely to cover its uses by more than 1.5x over the next 12 months and remain above 1x over the subsequent 12 months. We expect Questar to meet cash outflows even with a 30% decline in EBITDA.

The assessment also reflects the company's generally prudent risk management, sound relationships with banks, and a generally satisfactory standing in credit markets. Questar's liquidity benefits from stable cash flow generation,
ample availability under the revolving credit facilities, and modest debt maturities over the next few years.

Principal liquidity sources:
- We forecast cash and liquid investments of about $30 million for the 12 months ending Sept. 30, 2016.
- We forecast funds from operations of about $505 million for the 12 months ending Sept. 30, 2016, and $515 million for the 12 months ending Sept. 30, 2017.
- Working capital inflows of about $50 million for the 12 months ending Sept. 30, 2016, and $50 million for the following 12 months.
- Average availability of about $750 million under the revolving credit facility.

Principal liquidity uses:
- Debt maturities of about $125 million, including outstanding commercial paper, for the 12 months ending Sept. 30, 2016 and $250 million for the subsequent 12 months.
- Capital spending of about $400 million for the 12 months ending Sept. 30, 2016 and about $410 million for the 12 months ending Sept. 30, 2017.
- Dividends of roughly $145 million for the 12 months ending Sept. 30, 2016 and about $145 million for the 12 months ending Sept. 30, 2017.

Other Credit Considerations

Other modifiers do not affect the rating outcome.

Group Influence

Under our group rating methodology, when the DRI acquisition closes we would expect to view Questar as core to Dominion and therefore Questar's issuer credit rating would be aligned with Dominion's 'bbb+' group credit profile.

CreditWatch

The ratings on Questar, QGC, and QPC are on CreditWatch with negative implications, reflecting the prospect for a two-notch downgrade of Questar's issuer credit rating to 'BBB+' due to the company's agreement to be acquired by DRI. We expect to resolve the CreditWatch listing by the date of the transaction's closing, which could be by year-end 2016.

We could lower our ratings on Questar, QGC, and QPC to align them with our ratings on DRI.

Without regulatory or structural insulation measures that would insulate Questar from DRI after the transaction closes, we could affirm the existing ratings on Questar only if the acquisition by DRI does not materialize.
Ratings Score Snapshot

Corporate Credit Rating: A/Watch Neg/A-1

Business risk: Excellent
  Country risk: Very low
  Industry risk: Very low
  Competitive position: Strong

Financial risk: Intermediate
  Cash flow/leverage: Intermediate

Anchor: a

Modifiers
  Diversification/portfolio effect: Neutral (no impact)
  Capital structure: Neutral (no impact)
  Liquidity: Strong (no impact)
  Financial policy: Neutral (no impact)
  Management and governance: Satisfactory (no impact)
  Comparable rating analysis: Neutral (no impact)

Stand-alone credit profile: a
  Group credit profile: a
  Entity status within group: Parent

Related Criteria And Research

Related Criteria
  Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
  Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
  Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
  General Criteria: Group Rating Methodology, Nov. 19, 2013
  Corporate Methodology, Nov. 19, 2013
  Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
  Methodology For Linking Short-Term And Long-Term Ratings For Corporate, Insurance, And Sovereign Issuers, May 7, 2013
  General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010
## Ratings List

### Ratings Placed On CreditWatch Negative

<table>
<thead>
<tr>
<th>To</th>
<th>From</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questar Corp.</td>
<td></td>
</tr>
<tr>
<td>Corp credit rating</td>
<td>A/Watch Neg/A-1</td>
</tr>
<tr>
<td>Comm paper</td>
<td>A-1/Watch Neg</td>
</tr>
<tr>
<td>Questar Gas Co.</td>
<td></td>
</tr>
<tr>
<td>Corp credit rating</td>
<td>A/Watch Neg/--</td>
</tr>
<tr>
<td>Senior unsecured</td>
<td>A/Watch Neg</td>
</tr>
<tr>
<td>Questar Pipeline Co.</td>
<td></td>
</tr>
<tr>
<td>Corp credit rating</td>
<td>A/Watch Neg/--</td>
</tr>
<tr>
<td>Senior unsecured</td>
<td>A/Watch Neg</td>
</tr>
</tbody>
</table>

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.globalcreditportal.com](http://www.globalcreditportal.com) and at [www.spcapitaliq.com](http://www.spcapitaliq.com). All ratings affected by this rating action can be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.