

RATING REPORT**Questar Gas Company**

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Questar Gas Company's (QGC) ratings reflect its low-business risk model, as a gas local distribution company (LDC) serving around 1.2 million customers in Utah, Wyoming and Idaho. QGC benefits from various regulatory rider mechanisms, such as weather normalization, revenue decoupling, infrastructure replacement and purchased gas adjustments. These mechanisms help mitigate regulatory lag and stabilize credit metrics. In addition, QGC benefits from the continued strong underlying economic growth in the region it serves. Acquisition by Enbridge Inc.: Enbridge Inc. (ENB; BBB+/Stable) announced in September 2023 a definitive agreement to buy QGC from Dominion Energy, Inc. (DEI; BBB+/Stable). The acquisition was completed in June 2024 after obtaining all required regulatory approvals. The deal also included the purchase of Wexpro, an exploration and production company that supplies gas to QGC at cost. The regulators did not impose any detrimental conditions during approval and several ring-fencing measures were reaffirmed, including restrictions on debt issuance for transaction cost recovery, commitment to operating the utility as a standalone entity and the requirement for an independent director. The acquisition does not have a direct rating impact on QGC as both the current parent and previous parent have the same IDR.