

MOODY'S

RATINGS

Announcement of Periodic Review Moody's Ratings announces completion of a periodic review of ratings of East Ohio Gas Company (The), Questar Gas Company and Public Service Co. of North Carolina, Inc.

31 Jan 2025

Toronto, January 31, 2025 -- Moody's Ratings (Moody's) has completed a periodic review of the ratings of East Ohio Gas Company (The), Questar Gas Company, Public Service Co. of North Carolina, Inc. and other ratings that are associated with these issuers.

The review was conducted through a rating committee held on 27 January 2025, in which we reassessed the appropriateness of the ratings in the context of the issuer's principal methodology(ies), and recent developments.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Please see the page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

Key Rating considerations and rationale are summarized below.

Public Service Co. of North Carolina, Inc.'s (PSNC) Baa1 senior unsecured rating and stable outlook remain unchanged. PSNC's rating is supported by its low-risk operations as a local gas distribution company (LDC) in a generally supportive regulatory environment. PSNC's rating is constrained by increasing capital investments that will require additional debt issuances, but we expect the company will continue to generate a cash flow from operations before working capital (CFO WC) to debt ratio in the 15-18% range. PSNC was acquired by Enbridge Inc (Enb) (Baa2 stable) in September 2024. We expect ENB to support PSNC, if and when necessary, and that PSNC will benefit from ENB's size, scale and access to capital. However, PSNC's rating continues to reflect its own, stand-alone credit profile.

The East Ohio Gas Company's (EOG) ratings, including its A2 senior unsecured

rating and stable outlook, remain unchanged. EOG's ratings reflect its low business risk profile as a natural gas LDC with mostly residential customers in Ohio; a legislative and regulatory framework that historically provided very strong cost recovery provisions for both operating and capital expenditures; and a CFO pre-WC debt ratio expected to average at least 19%. The company's credit quality is constrained by its high capital expenditures to replace cast iron, bare steel and at-risk pipe. EOG was acquired by ENB in March 2024. We also expect ENB to support EOG and that EOG will benefit from ENB's size, scale and access to capital. However, EOG's credit ratings continue to reflect its own, stand-alone credit profile.

Questar Gas Company's (Questar) ratings, including its Baa1 senior unsecured and stable outlook, remain unchanged. Questar Gas' ratings reflect its rate regulated monopoly operations as a natural gas LDC as well as its generally stable cash generation supported by several cost recovery mechanisms. Questar Gas' financial profile was negatively impacted by its last rate case in 2023 which resulted in a decrease in the company's allowed equity capitalization to 51% from 55%, not affecting financial metrics. However, we did not view the rate order to be a sign of regulatory contentiousness going forward. We expect that Questar Gas' ratio of pre-WC to debt will be sustained in the range of 14-17%. Questar was acquired by ENB in May 2024. Similarly, we expect ENB will support Questar and that Questar will benefit from ENB's size, scale and access to capital. However, Questar's credit ratings continue to reflect its own, stand-alone credit profile.

This document summarizes our view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate any changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Regulated Electric and Gas Utilities published in August 2024. Please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

This announcement applies only to EU rated, UK rated, EU endorsed and UK endorsed ratings. Non-EU rated, non-UK rated, non-EU endorsed and non-UK endorsed ratings may be referenced herein to the extent necessary, if they are on the same organization list.

This publication does not announce a credit rating action. For any credit rating referenced in this publication, please see the issuer/deal page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

Gavin MacFarlane
VP - Senior Credit Officer

Michael G. Haggarty
Associate Managing Director

Releasing Office:
Moody's Canada Inc.
70 York Street
Suite 1400
Toronto, ON M5J 1S9
Canada
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

© 2025 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDITWORTHINESS OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. 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 OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL PERFORMANCE. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE

SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT AN 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, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISOR.

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. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES. MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed 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 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 credit rating process or preparing its Materials.

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 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 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 indirect 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 cause 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 such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, 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 mortgages) and preferred stock rated by Moody's Investors Service, Inc. have, prior to the assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), and maintain policies and procedures to address the independence of Moody's Ratings credit ratings and credit rating processes. Information regarding certain affiliations may exist between directors of MCO and rated entities, and between entities receiving credit ratings from Moody's Investors Service, Inc. 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 Documents - Director and Shareholder Affiliation Policies".

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo, Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local M de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Calificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs")

all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable) 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 this document as a representative of, a "wholesale client" and that neither you nor any 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.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by a person located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Issuance Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.