

The East Ohio Gas Company
Consolidated Financial Statements
(Unaudited)

Quarter Ended September 30, 2023

The East Ohio Gas Company

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GLOSSARY OF TERMS

The following abbreviations or acronyms used in this document are defined below:

Abbreviation or Acronym	Definition
2017 Tax Reform Act	An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018 (previously known as the Tax Cuts and Jobs Act) enacted on December 22, 2017
AFUDC	Allowance for funds used during construction
ARO	Asset retirement obligation
CEP	Capital Expenditure Program, as established by House Bill 95, Ohio legislation enacted in 2011, deployed by East Ohio to recover certain costs associated with capital investment
CFIUS	The Committee on Foreign Investment in the U.S.
DES	Dominion Energy Services, Inc.
Dominion Energy	The legal entity, Dominion Energy, Inc., one or more of its consolidated subsidiaries (other than East Ohio) or operating segments, or the entirety of Dominion Energy, Inc. and its consolidated subsidiaries
DSM	Demand-side management
East Ohio	The East Ohio Gas Company, doing business as Dominion Energy Ohio
FCC	Federal Communications Commission
GAAP	U.S. generally accepted accounting principles
Ohio Commission	Public Utilities Commission of Ohio
PIPP	Percentage of Income Payment Plan
PIR	Pipeline Infrastructure Replacement program
UEX Rider	Uncollectible Expense Rider
VIE	Variable interest entity

The East Ohio Gas Company
Consolidated Statements of Income
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
(millions)				
Operating Revenue	\$ 214.2	\$ 205.9	\$ 761.0	\$ 737.0
Operating Expenses				
Purchased gas	4.9	5.3	74.1	80.2
Other operations and maintenance ⁽¹⁾	57.4	64.4	199.1	198.4
Depreciation and amortization	37.9	34.0	109.3	99.1
Other taxes	35.8	35.5	122.5	122.8
Total operating expenses	136.0	139.2	505.0	500.5
Income from operations	78.2	66.7	256.0	236.5
Other income	28.8	29.9	85.9	89.8
Interest and related charges ⁽¹⁾	16.2	10.2	43.5	19.0
Income from operations before income tax expense	90.8	86.4	298.4	307.3
Income tax expense	12.3	11.0	41.1	44.2
Net income	\$ 78.5	\$ 75.4	\$ 257.3	\$ 263.1

(1) See Note 11 for amounts attributable to related parties.

The accompanying notes are an integral part of East Ohio's Consolidated Financial Statements.

The East Ohio Gas Company
Consolidated Balance Sheets
(Unaudited)

(millions)	<u>September 30, 2023</u>	<u>December 31, 2022⁽¹⁾</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 4.3	\$ 5.4
Customer receivables (less allowance for doubtful accounts of \$1.0 at both dates)	186.2	322.7
Other receivables (less allowance for doubtful accounts of \$1.2 at both dates)	9.0	4.6
Affiliated receivables	0.1	3.0
Prepayments	27.9	96.5
Inventories	49.0	30.3
Regulatory assets	83.2	89.6
Other	0.6	1.8
Total current assets	<u>360.3</u>	<u>553.9</u>
Property, Plant and Equipment		
Property, plant and equipment	6,522.1	6,189.6
Accumulated depreciation and amortization	(1,290.1)	(1,229.7)
Total property, plant and equipment, net	<u>5,232.0</u>	<u>4,959.9</u>
Deferred Charges and Other Assets		
Pension and other postretirement benefit assets ⁽²⁾	1,624.0	1,505.8
Regulatory assets	958.8	948.1
Other	62.9	62.6
Total deferred charges and other assets	<u>2,645.7</u>	<u>2,516.5</u>
Total assets	<u>\$ 8,238.0</u>	<u>\$ 8,030.3</u>

(1) East Ohio's Consolidated Balance Sheet at December 31, 2022 has been derived from the audited Consolidated Balance Sheet at that date.

(2) See Note 11 for amounts attributable to related parties.

The accompanying notes are an integral part of East Ohio's Consolidated Financial Statements.

The East Ohio Gas Company
Consolidated Balance Sheets (continued)
(Unaudited)

(millions)	September 30, 2023	December 31, 2022 ⁽¹⁾
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	\$ 68.4	\$ 237.7
Payables to affiliates	13.7	7.2
Affiliated current borrowings	276.1	19.5
Accrued interest, payroll and taxes	150.0	228.4
Customer deposits	18.8	20.9
Regulatory liabilities	54.1	47.1
Contract liabilities	47.1	61.5
Other	46.5	43.8
Total current liabilities	674.7	666.1
Long-Term Debt		
Long-term debt	2,275.3	2,273.9
Finance leases	10.4	13.0
Total Long-Term Debt	2,285.7	2,286.9
Deferred Credits and Other Liabilities		
Deferred income taxes and investment tax credits	970.9	930.6
Regulatory liabilities	730.2	754.8
Other	24.3	22.0
Total deferred credits and other liabilities	1,725.4	1,707.4
Total liabilities	4,685.8	4,660.4
Commitments and Contingencies (See Note 10)		
Equity		
Common stock ⁽²⁾	1,489.8	1,489.8
Retained earnings	2,062.4	1,880.1
Total equity	3,552.2	3,369.9
Total liabilities and equity	\$ 8,238.0	\$ 8,030.3

(1) East Ohio's Consolidated Balance Sheet at December 31, 2022 has been derived from the audited Consolidated Balance Sheet at that date.

(2) No par, 50,000 shares authorized; 7,966 shares outstanding at both September 30, 2023 and December 31, 2022.

The accompanying notes are an integral part of East Ohio's Consolidated Financial Statements.

The East Ohio Gas Company
Consolidated Statements of Equity
(Unaudited)

	<u>Common Stock</u>		<u>Retained Earnings</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>		
(millions, except for shares)				
December 31, 2021	7,966	\$ 1,322.3	\$ 1,545.1	\$ 2,867.4
Net income			263.1	263.1
Dividends			(31.2)	(31.2)
Contribution from Dominion Energy		0.1	—	0.1
September 30, 2022	<u>7,966</u>	<u>\$ 1,322.4</u>	<u>\$ 1,777.0</u>	<u>\$ 3,099.4</u>
December 31, 2022	7,966	\$ 1,489.8	\$ 1,880.1	\$ 3,369.9
Net income			257.3	257.3
Dividends			(75.0)	(75.0)
September 30, 2023	<u>7,966</u>	<u>\$ 1,489.8</u>	<u>\$ 2,062.4</u>	<u>\$ 3,552.2</u>

The accompanying notes are an integral part of East Ohio's Consolidated Financial Statements.

The East Ohio Gas Company
Consolidated Statements of Cash Flows
(Unaudited)

Nine Months Ended September 30, (millions)	2023	2022
Operating Activities		
Net income	\$ 257.3	\$ 263.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	109.3	99.1
Deferred income taxes	13.3	11.2
Other adjustments	1.4	1.3
Changes in operating assets and liabilities	(176.7)	(176.4)
Net cash provided by operating activities	<u>204.6</u>	<u>198.3</u>
Investing Activities		
Plant construction and other property additions	(355.1)	(298.8)
Other	(29.6)	(15.0)
Net cash used in investing activities	<u>(384.7)</u>	<u>(313.8)</u>
Financing Activities		
Issuance of affiliated current borrowings, net	256.6	154.4
Dividends paid to parent	(75.0)	(31.2)
Other	(2.6)	(2.4)
Net cash provided by financing activities	<u>179.0</u>	<u>120.8</u>
Increase (decrease) in cash, restricted cash and equivalents	(1.1)	5.3
Cash, restricted cash and cash equivalents at beginning of year ⁽¹⁾	5.4	2.6
Cash, restricted cash and cash equivalents at end of year ⁽¹⁾	<u>\$ 4.3</u>	<u>\$ 7.9</u>
Supplemental Cash Flow Information		
Significant noncash investing and financing activities:		
Accrued capital expenditures	\$ 52.7	\$ 41.8
Finance leases	—	4.0

(1) No amounts were held in restricted cash and equivalents in any of the periods presented.

The accompanying notes are an integral part of East Ohio's Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

(Unaudited)

NOTE 1. DESCRIPTION OF BUSINESS

East Ohio, a public utility, was organized as an Ohio corporation in 1898 and is a wholly-owned subsidiary of Dominion Energy. East Ohio serves residential, commercial and industrial gas sales, transportation and gathering service customers in Ohio. Revenue generated by East Ohio is based primarily on rates established by the Ohio Commission.

In September 2023, Dominion Energy entered into an agreement to sell Dominion Energy Questar Corporation, which following a proposed reorganization will continue to include East Ohio, to a subsidiary of Enbridge Inc. The sale is expected to close in 2024, subject to clearance or approval under or by the Hart-Scott-Rodino Act, CFIUS and FCC as well as other customary closing and regulatory conditions. In November 2023, the waiting period under the Hart-Scott-Rodino Act expired. Also in November 2023, Dominion Energy submitted its initial filing request for approval by CFIUS. In October 2023, as required under the sale agreement, Dominion Energy filed a notice with the Ohio Commission. The proposed internal reorganization of Dominion Energy Questar Corporation is subject to approval by the Utah and Wyoming Commissions. Dominion Energy filed for such approvals in September 2023 and received approval from the Utah and Wyoming Commissions in November 2023.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

East Ohio's accompanying unaudited Consolidated Financial Statements contain certain condensed financial information and exclude certain footnote disclosures normally included in annual audited financial statements prepared in accordance with GAAP. These unaudited Consolidated Financial Statements should be read in conjunction with East Ohio's Consolidated Financial Statements and Notes for the year ended December 31, 2022.

In the opinion of management, the accompanying unaudited Consolidated Financial Statements contain all adjustments necessary to present fairly its financial position at September 30, 2023, its results of operations for the three and nine months ended September 30, 2023 and 2022 and changes in equity and cash flows for the nine months ended September 30, 2023 and 2022. Such adjustments are normal and recurring in nature unless otherwise noted.

East Ohio makes certain estimates and assumptions in preparing its Consolidated Financial Statements in accordance with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and cash flows for the periods presented. Actual results may differ from those estimates.

East Ohio's Consolidated Financial Statements include, after eliminating intercompany transactions and balances, the accounts of its wholly-owned subsidiary.

The results of operations for interim periods are not necessarily indicative of the results expected for the full year. Information for quarterly periods is affected by seasonal variations in sales, rate changes, purchased gas expenses and other factors.

Certain amounts in East Ohio's historical Consolidated Financial Statements and Notes have been reclassified to conform to the current presentation for comparative purposes; however, such reclassifications did not impact net income, total assets, liabilities, equity or cash flows.

There have been no significant changes from the significant accounting policies discussed in Note 2 to East Ohio's Consolidated Financial Statements for the year ended December 31, 2022.

NOTE 3. OPERATING REVENUE

East Ohio operating revenue consists of the following:

(millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Regulated gas transportation and storage	\$ 194.9	\$ 185.0	\$ 673.5	\$ 633.5
Regulated gas sales:				
Residential	12.9	14.1	56.7	69.5
Commercial	0.5	0.3	3.7	6.2
Other	—	0.1	0.2	0.7
Nonregulated gas sales	—	—	5.3	0.1
Other regulated revenues	5.2	4.9	19.5	19.6
Other nonregulated revenues	1.5	1.9	4.4	4.4
Total operating revenue from contracts with customers	215.0	206.3	763.3	734.0
Other revenues	(0.8)	(0.4)	(2.3)	3.0
Total operating revenue	214.2	205.9	761.0	737.0

Contract liabilities represent an entity's obligation to transfer goods or services to a customer for which the entity has received consideration, or the amount that is due, from the customer. At September 30, 2023 and December 31, 2022, East Ohio's contract liability balances were \$47.1 million and \$61.5 million, respectively. During the nine months ended September 30, 2023 and 2022, East Ohio recognized revenue of \$61.5 million and \$38.8 million, respectively, from the beginning contract liability balance as East Ohio fulfilled its obligations to provide service to its customers.

NOTE 4. INCOME TAXES

For continuing operations, the statutory U.S. federal income tax rate reconciles to East Ohio's effective income tax rate as follows:

	Nine Months Ended September 30,	
	2023	2022
Federal income taxes statutory rate	21.0%	21.0%
Increases (reductions) resulting from:		
Reversal of excess deferred income taxes	(7.0)	(6.6)
Other	(0.3)	—
Effective tax rate	13.7%	14.4%

As of September 30, 2023, there are no unrecognized tax benefits for East Ohio.

NOTE 5. REGULATORY ASSETS AND LIABILITIES

Regulatory assets and liabilities include the following:

(millions)	September 30, 2023	December 31, 2022
Regulatory assets:		
Deferred project costs and DSM programs ⁽¹⁾	\$ 51.7	\$ 33.7
Unrecovered gas costs ⁽²⁾	22.0	49.0
UEX Rider ⁽³⁾	9.4	5.7
Other	0.1	1.2
Regulatory assets-current	83.2	89.6
Unrecognized pension and other postretirement benefit costs ⁽⁴⁾	332.2	332.2
Deferred project costs ⁽¹⁾	626.0	615.9
Other	0.6	—
Regulatory assets-noncurrent	958.8	948.1
Total regulatory assets	\$ 1,042.0	\$ 1,037.7
Regulatory liabilities:		
Provision for future cost of removal and AROs ⁽⁵⁾	\$ 6.9	6.9
Income taxes refundable through future rates ⁽⁶⁾	35.1	34.4
PIPP ⁽⁷⁾	10.8	0.7
Other	1.3	5.1
Regulatory liabilities-current	54.1	47.1
Unrecognized pension and other postretirement benefit costs ⁽⁴⁾	19.9	20.1
Income taxes refundable through future rates ⁽⁶⁾	436.8	465.3
Provision for future cost of removal and AROs ⁽⁵⁾	271.0	266.7
Other	2.5	2.7
Regulatory liabilities-noncurrent	730.2	754.8
Total regulatory liabilities	\$ 784.3	\$ 801.9

- (1) Primarily reflects amounts expected to be collected from gas customers in East Ohio's service territories associated with rider projects, including CEP, PIR and DSM as well as costs associated with the Pipeline Safety Management Program. The recovery periods for these expenditures vary based on stipulations set forth in the respective riders. See Note 6 for more information.
- (2) Reflects unrecovered gas costs at regulated gas operations, which are recovered through filings with the Ohio Commission.
- (3) Reflects accumulated unrecovered bad debt expense. See Note 6 for more information.
- (4) Represents unrecognized pension and other postretirement employee benefit costs expected to be recovered or refunded through future rates generally over the expected remaining service period of plan participants.
- (5) Rates charged to customers by East Ohio's regulated businesses include a provision for the cost of future activities to remove assets that are expected to be incurred at the time of retirement.
- (6) Amounts recorded to pass the effect of reduced income taxes from the 2017 Tax Reform Act to customers in future periods, which will reverse at the weighted average tax rate that was used to build the reserves over the remaining book life of the property, net of amounts to be recovered through future rates to pay income taxes that become payable when rate revenue is provided to recover AFUDC equity.
- (7) Under PIPP, eligible customers can make reduced payments based on their ability to pay. The difference between the customer's total bill and the PIPP plan amount is deferred and collected or returned annually under the PIPP rider in accordance with the rules of the East Ohio Commission. See Note 6 for more information.

At September 30, 2023, approximately \$544.6 million of regulatory assets represented past expenditures on which East Ohio does not expect to earn a return during the applicable recovery period. With the exception of PIR, unrecognized pension and other postretirement benefit costs and the Pipeline Safety Management Program expenses, these expenditures are expected to be recovered within the next two years.

NOTE 6. REGULATORY MATTERS

East Ohio is subject to the jurisdiction of the Ohio Commission with its natural gas sales and transportation and storage services being provided under rate schedules approved by the regulatory commission.

Other than the following matters, there have been no significant developments regarding the pending regulatory matters disclosed in Note 8 to East Ohio's Consolidated Financial Statements for the year ended December 31, 2022.

Base Rate Case

In October 2023, East Ohio filed its base rate case and schedules with the Ohio Commission. East Ohio proposed a non-fuel, base rate increase of \$212.0 million, projected to be effective January 2025. The base rate increase was proposed to recover the significant investment in distribution infrastructure for the benefit of Ohio customers. The proposed rates would provide for an

ROE of 10.40% compared to the currently authorized ROE of 10.38%. In addition, East Ohio requested approval for an alternative rate plan for the continuation and modification of certain programs, including PIR and CEP. This matter is pending.

Capital Expenditure Program

In 2011, East Ohio began CEP which enables East Ohio to defer depreciation expense, property tax expense and carrying costs at the debt rate of 6.5% on capital investments not covered by its PIR program to expand, upgrade or replace its pipeline system and information technology systems as well as investments necessary to comply with the Ohio Commission or other government regulation. In April 2022, certain parties filed an appeal with the Supreme Court of Ohio appealing the Ohio Commission's December 2020 order establishing the CEP rider, including the rate of return utilized in determining the revenue requirement. In September 2023, the Supreme Court of Ohio affirmed the Ohio Commission's December 2020 order.

In September 2023, the Ohio Commission approved adjustments to CEP cost recovery rates for 2022 costs. The approved rates reflect gross plant investment for 2022 of \$194.5 million, cumulative gross plant investment of \$1.3 billion and a revenue requirement of \$150.7 million.

DSM Rider

East Ohio has approval for a DSM Rider through which it recovers expenditures related to its DSM programs. In November 2021, East Ohio filed an application with the Ohio Commission to expand its portfolio of DSM and energy-efficiency programs and to recover such costs through the DSM rider. In the application, East Ohio requested to increase its annual funding for DSM and energy-efficiency programs from the existing level of \$9.5 million to approximately \$20.4 million over a five-year period beginning in 2023. In October 2023, the Ohio Commission issued its order to approve funding for only one existing DSM and energy-efficiency program in the amount of \$8.2 million annually.

PIPP Plus Program

Under the Ohio PIPP Plus Program, eligible customers can make reduced payments based on their ability to pay their bill. The difference between the customer's total bill and the PIPP amount is deferred and collected under the PIPP rider in accordance with the rules of the Ohio Commission. In July 2023, East Ohio's annual update of the PIPP rider filed in May 2023 with the Ohio Commission was approved. The revised rider rate reflects recovery over the twelve-month period from July 2023 through June 2024 of projected deferred program costs of approximately \$11.8 million from April 2023 through June 2024, net of over-recovery of accumulated arrearages of approximately \$11.0 million as of March 31, 2023.

Pipeline Infrastructure Replacement Program

In 2008, East Ohio began PIR, aimed at replacing approximately 25% of its pipeline system. In April 2022, the Ohio Commission approved an extension of East Ohio's PIR program for capital investments through 2026 with continuation of 3% increases of annual capital expenditures per year.

In April 2023, the Ohio Commission approved East Ohio's application to adjust the PIR cost recovery rates for 2022 costs. The filing reflects gross plant investment for 2022 of \$224.9 million, cumulative gross plant investments of \$2.4 billion, and an annual revenue requirement of \$304.7 million.

UEX Rider

East Ohio has approval for a UEX Rider through which it recovers the bad debt expense of most customers not participating in the PIPP Plus Program. The UEX Rider is adjusted annually to achieve dollar for dollar recovery of East Ohio's actual write-offs of uncollectible amounts. In July 2023, the Ohio Commission approved East Ohio's application to adjust its UEX Rider to reflect an annual revenue requirement of \$23.0 million to provide recovery of under-recovered accumulated bad debt expense of \$9.1 million as of March 31, 2023, and recovery of prospective net bad debt expense projected to total \$13.9 million for the twelve-months ended March 2023.

NOTE 7. VARIABLE INTEREST ENTITIES

There have been no significant changes regarding the entities East Ohio considers VIEs as described in Note 11 to East Ohio's Consolidated Financial Statements for the year ended December 31, 2022.

East Ohio purchased shared services from DES of \$17.4 million and \$16.5 million for the three months ended September 30, 2023 and 2022, respectively, and \$53.8 million and \$50.3 million for the nine months ended September 30, 2023 and 2022, respectively. The Consolidated Balance Sheets at September 30, 2023 and December 31, 2022 included amounts due to DES for such services of \$5.6 million and \$5.7 million, respectively, recorded in payables to affiliates in the Consolidated Balance Sheets.

NOTE 8. AFFILIATED CURRENT BORROWINGS AND LONG-TERM DEBT

East Ohio's affiliated current borrowings under an intercompany revolving credit facility totaled \$276.1 million and \$19.5 million at September 30, 2023 and December 31, 2022, respectively, presented in affiliated current borrowings in the Consolidated Balance Sheets. Interest expense on the facility was \$3.3 million and \$5.8 million for the three and nine months

ended September 30, 2023, respectively, and \$4.1 million and \$6.5 million for the three and nine months ended September 30, 2022, respectively. At both September 30, 2023 and December 31, 2022 there was no accrued interest associated with these borrowings.

Fair Value of Financial Instruments

East Ohio's debt instruments are reported at historical cost. At both September 30, 2023 and December 31, 2022, the carrying amount of East Ohio's outstanding debt was \$2.3 billion and at September 30, 2023 and December 31, 2022, the fair value was \$1.8 billion and \$1.9 billion, respectively. The estimated fair values have been determined using available market information and valuation methodologies considered appropriate by management. Fair value is estimated using market prices, where available, and interest rates currently available for issuance of debt with similar terms and remaining maturities. The fair value measurements are classified as Level 2.

NOTE 9. EMPLOYEE BENEFIT PLANS

The service cost component and non-service cost components of net periodic benefit (credit) cost are reflected in other operations and maintenance expense and other income, respectively, in the Consolidated Statements of Income. The components of the provision for net periodic benefit (credit) cost and amounts recognized in regulatory assets and liabilities for East Ohio employees represented by collective bargaining units plans are as follows:

	Pension Benefits				Other Postretirement Benefits			
	Three Months Ended		Nine Months Ended		Three Months Ended		Nine Months Ended	
	September 30, 2023	2022	September 30, 2023	2022	September 30, 2023	2022	September 30, 2023	2022
(millions)								
Service cost	\$ 1.7	\$ 3.1	\$ 5.1	\$ 9.2	\$ 0.2	\$ 0.5	\$ 0.8	\$ 1.4
Interest cost	5.8	4.5	17.2	13.3	1.2	0.9	3.4	2.5
Expected return on plan assets	(32.8)	(31.5)	(98.1)	(94.3)	(2.8)	(3.5)	(8.4)	(10.5)
Amortization of prior service cost	—	—	—	—	—	—	0.2	0.2
Amortization of net actuarial (gain) loss	—	0.2	—	0.6	(0.1)	(0.5)	(0.4)	(1.3)
Net periodic benefit (credit) cost	\$ (25.3)	\$ (23.7)	\$ (75.8)	\$ (71.2)	\$ (1.5)	\$ (2.6)	\$ (4.4)	\$ (7.7)

During the three and nine months ended September 30, 2023, East Ohio made no contributions to its qualified defined benefit pension plan or other postretirement benefit plans. East Ohio does not expect to make contributions to its defined benefit pension plan or to its other postretirement benefit plans during the remainder of 2023.

East Ohio participates in certain Dominion Energy benefit plans as described in Note 14 to the Consolidated Financial Statements for the year ended December 31, 2022. Amounts due from Dominion Energy associated with the Dominion Energy Pension Plan for employees not covered by collective bargaining units at September 30, 2023 and December 31, 2022 were \$593.7 million and \$559.6 million, respectively. These amounts are included in pension and other postretirement benefit assets in the Consolidated Balance Sheets. Amounts due from Dominion Energy associated with the Dominion Energy Retiree Health and Welfare Plan for employees not covered by collective bargaining units at September 30, 2023 and December 31, 2022 were \$20.8 million and \$17.8 million, respectively. These amounts are included in pension and other postretirement benefit assets in the Consolidated Balance Sheets.

NOTE 10. COMMITMENTS AND CONTINGENCIES

As a result of issues generated in the ordinary course of business, East Ohio is involved in legal proceedings before various courts and is periodically subject to governmental examinations (including by regulatory authorities), inquiries and investigations. Certain legal proceedings and governmental examinations involve demands for unspecified amounts of damages, are in an initial procedural phase, involve uncertainty as to the outcome of pending appeals or motions, or involve significant factual issues that need to be resolved, such that it is not possible for East Ohio to estimate a range of possible loss. For such matters that East Ohio cannot estimate, a statement to this effect is made in the description of the matter. Other matters may have progressed sufficiently through the litigation or investigative processes such that East Ohio is able to estimate a range of possible loss. For legal proceedings and governmental examinations that East Ohio is able to reasonably estimate a range of possible losses, an estimated range of possible loss is provided, in excess of the accrued liability (if any) for such matters. Any accrued liability is recorded on a gross basis with a receivable also recorded for any probable insurance recoveries. Estimated ranges of loss are inclusive of legal fees and net of any anticipated insurance recoveries. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent East Ohio's maximum possible loss exposure. The circumstances of such legal proceedings and governmental examinations will change from time to time and actual results may vary significantly from the current estimate. For current proceedings not specifically reported below, management does not anticipate that the

liabilities, if any, arising from such proceedings would have a material effect on East Ohio's financial position, liquidity or results of operations.

The operations of East Ohio are subject to a variety of state and federal laws and regulations governing the management and disposal of solid and hazardous waste, and release of hazardous substances associated with current and/or historical operations. The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and similar state laws, may impose joint, several and strict liability for cleanup on potentially responsible parties who owned, operated or arranged for disposal at facilities affected by a release of hazardous substances. In addition, many states have created programs to incentivize voluntary remediation of sites where historical releases of hazardous substances are identified and property owners or responsible parties decide to initiate cleanups.

From time to time, East Ohio may be identified as a potentially responsible party in connection with the alleged release of hazardous substances or wastes at a site. Under applicable federal and state laws, East Ohio could be responsible for costs associated with the investigation or remediation of impacted sites, or subject to contribution claims by other responsible parties for their costs incurred at such sites. East Ohio also may identify, evaluate and remediate other potentially impacted sites under voluntary state programs. Remediation costs may be subject to reimbursement under East Ohio's insurance policies, rate recovery mechanisms, or both. Except as described below, East Ohio does not believe these matters will have a material effect on results of operations, financial condition and/or cash flows.

East Ohio has determined that it is associated with former manufactured gas plant sites. Remediation work has been substantially completed at three sites under federal or state oversight. East Ohio had less than \$1 million and \$1 million of reserves recorded at September 30, 2023 and December 31, 2022, respectively. East Ohio is associated with nine additional sites which are not under investigation by any state or federal environmental agency nor the subject of any current or proposed plans to perform remediation activities. Due to the uncertainty surrounding such sites, East Ohio is unable to make an estimate of the potential financial statement impacts.

Surety Bonds

At September 30, 2023, East Ohio had purchased \$4.8 million of surety bonds. Under the terms of surety bonds, East Ohio is obligated to indemnify the respective surety bond company for any amounts paid.

NOTE 11. RELATED-PARTY TRANSACTIONS

East Ohio engages in related-party transactions primarily with other Dominion Energy subsidiaries (affiliates). East Ohio's receivable and payable balances with affiliates are settled based on contractual terms or on a monthly basis, depending on the nature of the underlying transactions. East Ohio is included in Dominion Energy's consolidated federal income tax return as discussed in Note 2 to East Ohio's Consolidated Financial Statements for the year ended December 31, 2022.

East Ohio participates in certain Dominion Energy benefit plans as described in Note 9. In addition, East Ohio has entered into various borrowing agreements with Dominion Energy and its subsidiaries (affiliates) as described in Note 8.

DES provides accounting, legal, finance and certain administrative and technical services to East Ohio. See Note 7 for more information.

NOTE 12. SUBSEQUENT EVENTS

East Ohio has evaluated subsequent events through the date that these consolidated financial statements were available to be issued on November 28, 2023.