



**Dominion<sup>®</sup>**

**2<sup>nd</sup> Quarter 2016  
Earnings Release  
Kit**

**August 3, 2016**

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## Important Notes to Investors

This 2Q16 Earnings Release Kit contains certain forward-looking statements, including our forecasted operating earnings for the third-quarter and full-year 2016 which are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from management's projections, forecasts, estimates and expectations may include factors that are beyond the company's ability to control or estimate precisely, including fluctuations in energy-related commodity prices, estimates of future market conditions, additional competition in our industries, changes in the demand for Dominion's services, access to and costs of capital, fluctuations in the value of our pension assets and assets held in our decommissioning trusts, impacts of acquisitions, divestitures, transfers of assets to joint ventures or Dominion Midstream and retirements of assets based on asset portfolio reviews, the expected timing and likelihood of completion of the proposed acquisition of Questar, receipt and terms and conditions of required regulatory approvals, the receipt of regulatory approvals for, and timing of, other planned projects, acquisitions and divestitures, the timing and execution of Dominion Midstream's growth strategy, and the ability to complete planned construction or expansion projects at all or within the terms and timeframes initially anticipated. Other factors include, but are not limited to, weather conditions and other events, including the effects of hurricanes, earthquakes, high winds, major storms and changes in water temperatures on operations, the risk associated with the operation of nuclear facilities, unplanned outages at facilities in which Dominion has an ownership interest, the impact of operational hazards and catastrophic events, state and federal legislative and regulatory developments, including changes in federal and state tax laws and changes to environmental and other laws and regulations, including those related to climate change, greenhouse gases and other emissions to which we are subject, changes in enforcement practices of regulators relating to environmental standards and litigation exposure for remedial activities, political and economic conditions, industrial, commercial and residential growth or decline in Dominion's service area, risks of operating businesses in regulated industries that are subject to changing regulatory structures, changes to regulated gas and electric rates collected by Dominion, changes to rating agency requirements and ratings, changing financial accounting standards, fluctuations in interest rates, employee workforce factors, including collective bargaining, counter-party credit and performance risks, adverse outcomes in litigation matters or regulatory proceedings, the risk of hostile cyber intrusions and other uncertainties. Other risk factors are detailed from time to time in Dominion's quarterly reports on Form 10-Q or most recent annual report on Form 10-K filed with the Securities and Exchange Commission.

Certain information provided in this 2Q16 Earnings Release Kit includes financial measures that are not required by, or presented in accordance with generally accepted accounting principles (GAAP), including operating earnings before interest and taxes (Adjusted EBIT) and operating earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA). These non-GAAP financial measures should not be considered as alternatives to GAAP measures, such as net income, operating income, or earnings per share, and may be calculated differently from, and therefore may not be comparable to, similarly titled measures used at other companies. Dominion has included reconciliations to the most directly comparable financial measures it is able to calculate and report in accordance with GAAP.

The consolidated financial data and statistics in this 2Q16 Earnings Release Kit and its individual components reflect the financial position and operating results of Dominion and its primary operating segments through June 30, 2016. Independent auditors have not audited any of the financial and operating statements. Projections or forecasts shown in this document are based on the assumptions listed in this document and are subject to change at any time. Dominion undertakes no obligation to update any forward-looking information statement to reflect developments after the statement is made.

This 2Q16 Earnings Release Kit has been prepared primarily for securities analysts and investors in the hope that it will serve as a convenient and useful reference document. The format of this release kit may change in the future as we continue to try to meet the needs of securities analysts and investors. This 2Q16 Earnings Release Kit is not intended for use in connection with any sale, offer to sell, or solicitation of any offer to buy securities.

Please continue to check our website regularly at [www.dom.com/investors](http://www.dom.com/investors).

## Earnings Release and Accompanying Schedules

August 3, 2016

### Dominion Announces Second-Quarter Earnings

- *Second-quarter 2016 GAAP earnings of \$0.73 per share*
- *Second-quarter 2016 operating earnings of \$0.71 per share compared to guidance of \$0.65 to \$0.75 per share*

RICHMOND, Va. – Dominion Resources (NYSE: D) today announced unaudited reported earnings determined in accordance with Generally Accepted Accounting Principles (reported earnings) for the three months ended June 30, 2016, of \$452 million (\$0.73 per share) compared with earnings of \$413 million (\$0.70 per share) for the same period in 2015.

Operating earnings for the three months ended June 30, 2016, amounted to \$441 million (\$0.71 per share), compared to operating earnings of \$429 million (\$0.73 per share) for the same period in 2015. Operating earnings are defined as reported earnings adjusted for certain items.

The principal difference between reported earnings and operating earnings for the quarter is related to our investments in nuclear decommissioning trust funds.

Dominion uses operating earnings as the primary performance measurement of its earnings guidance and results for public communications with analysts and investors. Dominion also uses operating earnings internally for budgeting, for reporting to the Board of Directors, for the company's incentive compensation plans and for its targeted dividend payouts and other purposes. Dominion management believes operating earnings provide a more meaningful representation of the company's fundamental earnings power.

Thomas F. Farrell II, chairman, president and chief executive officer, said:

“Our second-quarter operating earnings were in the upper half of our guidance range of \$0.65 to \$0.75 per share.

“Strong operational and safety performance continued in the second quarter. In addition, several milestones were reached in our growth projects. The 1,385-megawatt Brunswick County Power Station commenced commercial operations in April, ahead of schedule and under budget. We also began construction on the 1,588-megawatt Greenville County combined cycle power station. We are looking forward to getting this state-of-the-art power station operating and providing energy to more than 400,000 customers.

“The Cove Point Liquefaction project is now 67 percent complete and continues on time and on budget for a late 2017 in-service date. We continue to work toward the construction of the Atlantic Coast Pipeline and the related Supply Header project with an expected completion date of late 2018.”

**DOMINION - 2Q16 EARNINGS RELEASE KIT**

**SECOND-QUARTER 2016 REPORTED AND OPERATING EARNINGS COMPARED TO 2015**

Reported earnings increased 3 cents per share as compared to second-quarter 2015. Business segment results and detailed descriptions of items included in 2016 and 2015 reported earnings but excluded from operating earnings can be found on Schedules 1, 2 and 3 of this release.

Operating earnings decreased 2 cents per share as compared to second-quarter 2015 operating earnings. The decrease in operating earnings was primarily attributable to milder weather, a planned refueling outage at Millstone, and share dilution. Positive factors included revenues from our regulated growth projects, lower capacity expenses and a farmout transaction. Details of second-quarter 2016 operating earnings as compared to the same period in 2015 may be found on Schedule 4 of this release.

**THIRD-QUARTER 2016 OPERATING EARNINGS GUIDANCE**

Dominion expects third-quarter 2016 operating earnings in the range of \$0.95-\$1.10 per share, compared to third-quarter 2015 operating earnings of \$1.03 per share. Positive drivers include increased revenues from our growth projects and lower capacity expenses offset by the absence of a farmout transaction and share dilution. Reconciliation of reported and operating earnings for the third quarter of 2015 can be found on Schedule 3 of this release.

The company is maintaining its previously issued 2016 operating earnings guidance of \$3.60-\$4.00 per share.

In providing its third-quarter and full-year operating earnings guidance, the company notes that there could be differences between expected reported earnings and estimated operating earnings for matters such as, but not limited to, acquisitions, divestitures or changes in accounting principles. At this time, Dominion management is not able to estimate the aggregate impact of these items on future period reported earnings.

**CONFERENCE CALL TODAY**

Dominion will host its second-quarter earnings conference call at 10 a.m. ET on Wednesday, Aug. 3, 2016. Management will discuss second-quarter financial results and other matters of interest to the financial community.

Domestic callers should dial (877) 410-5657. International callers should dial (334) 323-9872. The passcode for the conference call is "Dominion." Participants should dial in 10 to 15 minutes prior to the scheduled start time. Members of the media also are invited to listen.

A live webcast of the conference call, including accompanying slides, and other financial information will be available on the investor information pages at [www.dom.com/investors](http://www.dom.com/investors) and [www.dommidstream.com/investors](http://www.dommidstream.com/investors).

A replay of the conference call will be available beginning about 1 p.m. ET Aug. 3 and lasting until 11 p.m. ET Aug. 10. Domestic callers may access the recording by dialing (877) 919-4059. International callers should dial (334) 323-0140. The PIN for the replay is 79755313. Additionally, a replay of the webcast will be available on the investor information pages by the end of the day Aug. 3.

**DOMINION - 2Q16 EARNINGS RELEASE KIT**

Dominion is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 25,700 megawatts of generation, 12,200 miles of natural gas transmission, gathering and storage pipeline, and 6,500 miles of electric transmission lines. Dominion operates one of the nation's largest natural gas storage systems with 933 billion cubic feet of storage capacity and serves more than 5 million utility and retail energy customers in 14 states. For more information about Dominion, visit the company's website at [www.dom.com/](http://www.dom.com/).

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**Consolidated Financial Statements (GAAP)**

DOMINION RESOURCES, INC.  
CONSOLIDATED STATEMENTS OF INCOME\*  
Unaudited (GAAP Based)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
<b>Operating Revenue</b>	\$ 2,598	\$ 2,747	\$ 5,519	\$ 6,156
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	551	591	1,185	1,544
Purchased electric capacity	45	90	113	184
Purchased gas	56	111	175	361
Other operations and maintenance	665	709	1,368	1,311
Depreciation, depletion and amortization	361	339	712	682
Other taxes	139	134	303	299
Total operating expenses	<b>1,817</b>	1,974	<b>3,856</b>	4,381
Income from operations	<b>781</b>	773	<b>1,663</b>	1,775
Other income	72	56	126	116
Interest and related charges	<b>239</b>	221	<b>465</b>	444
Income from operations including noncontrolling interests before income tax expense	<b>614</b>	608	<b>1,324</b>	1,447
Income tax expense	<b>152</b>	190	<b>331</b>	489
<b>Net Income Including Noncontrolling Interests</b>	<b>462</b>	418	<b>993</b>	958
<b>Noncontrolling Interests</b>	<b>10</b>	5	<b>17</b>	9
<b>Net Income Attributable to Dominion</b>	<b>\$ 452</b>	\$ 413	<b>\$ 976</b>	\$ 949
<b>Earnings Per Common Share – Basic</b>				
Net Income Attributable to Dominion	\$ 0.73	\$ 0.70	\$ 1.61	\$ 1.61
<b>Earnings Per Common Share – Diluted</b>				
Net Income Attributable to Dominion	\$ 0.73	\$ 0.70	\$ 1.61	\$ 1.60
<b>Dividends declared per common share</b>	<b>\$ 0.7000</b>	\$ 0.6475	<b>\$ 1.4000</b>	\$ 1.2950

\*The notes contained in Dominion's most recent quarterly report on Form 10-Q or annual report on Form 10-K are an integral part of the Consolidated Financial Statements.

**DOMINION - 2Q16 EARNINGS RELEASE KIT**

**Schedule 1 - Segment Operating Earnings**

Preliminary, Unaudited

(millions, except earnings per share)

	Three months ended June 30,		
	2016	2015	Change
<b>REPORTED EARNINGS</b> <sup>1</sup>	\$ 452	\$ 413	\$ 39
Pre-tax loss (income) <sup>2</sup>	(12)	27	(39)
Income tax <sup>2</sup>	1	(11)	12
Adjustments to reported earnings	(11)	16	(27)
<b>OPERATING EARNINGS</b>	<b>\$ 441</b>	<b>\$ 429</b>	<b>\$ 12</b>
<i>By segment:</i>			
Dominion Virginia Power	104	117	(13)
Dominion Energy <sup>3</sup>	162	129	33
Dominion Generation <sup>3</sup>	171	250	(79)
Corporate and Other	4	(67)	71
	<b>\$ 441</b>	<b>\$ 429</b>	<b>\$ 12</b>
<b>Earnings Per Share (EPS):</b>			
<b>REPORTED EARNINGS</b> <sup>1</sup>	\$ 0.73	\$ 0.70	\$ 0.03
Adjustments to reported earnings (after tax)	(0.02)	0.03	(0.05)
<b>OPERATING EARNINGS</b>	<b>\$ 0.71</b>	<b>\$ 0.73</b>	<b>\$ (0.02)</b>
<i>By segment:</i>			
Dominion Virginia Power	0.17	0.20	(0.03)
Dominion Energy <sup>3</sup>	0.26	0.22	0.04
Dominion Generation <sup>3</sup>	0.28	0.42	(0.14)
Corporate and Other	-	(0.11)	0.11
	<b>\$ 0.71</b>	<b>\$ 0.73</b>	<b>\$ (0.02)</b>
<b>Common Shares Outstanding (average, diluted)</b>	617.0	592.5	

(millions, except earnings per share)

	Six months ended June 30,		
	2016	2015	Change
<b>REPORTED EARNINGS</b> <sup>1</sup>	\$ 976	\$ 949	\$ 27
Pre-tax loss (income) <sup>2</sup>	55	103	(48)
Income tax <sup>2</sup>	(18)	(39)	21
Adjustments to reported earnings	37	64	(27)
<b>OPERATING EARNINGS</b>	<b>\$ 1,013</b>	<b>\$ 1,013</b>	<b>\$ -</b>
<i>By segment:</i>			
Dominion Virginia Power	224	257	(33)
Dominion Energy <sup>3</sup>	348	356	(8)
Dominion Generation <sup>3</sup>	416	512	(96)
Corporate and Other	25	(112)	137
	<b>\$ 1,013</b>	<b>\$ 1,013</b>	<b>\$ -</b>
<b>Earnings Per Share (EPS):</b>			
<b>REPORTED EARNINGS</b> <sup>1</sup>	\$ 1.61	\$ 1.60	\$ 0.01
Adjustments to reported earnings (after tax)	0.06	0.11	(0.05)
<b>OPERATING EARNINGS</b>	<b>\$ 1.67</b>	<b>\$ 1.71</b>	<b>\$ (0.04)</b>
<i>By segment:</i>			
Dominion Virginia Power	0.37	0.43	(0.06)
Dominion Energy <sup>3</sup>	0.57	0.60	(0.03)
Dominion Generation <sup>3</sup>	0.69	0.87	(0.18)
Corporate and Other	0.04	(0.19)	0.23
	<b>\$ 1.67</b>	<b>\$ 1.71</b>	<b>\$ (0.04)</b>
<b>Common Shares Outstanding (average, diluted)</b>	607.6	591.2	

<sup>1</sup> Determined in accordance with Generally Accepted Accounting Principles (GAAP).

<sup>2</sup> Adjustments to reported earnings are included in Corporate and Other segment reported GAAP earnings.

Refer to Schedules 2 and 3 for details, or find "GAAP Reconciliation" in the Earnings Release Kit on Dominion's website at [www.dom.com/investors](http://www.dom.com/investors).

<sup>3</sup> 2015 amounts have been recast to reflect non-regulated retail energy marketing operations in the Dominion Energy segment.



**Schedule 2 - Reconciliation of 2016 Reported Earnings to Operating Earnings****2016 Earnings (Six months ended June 30, 2016)**

The \$55 million pre-tax net effect of the adjustments included in 2016 reported earnings, but excluded from operating earnings, is primarily related to the following items:

- \$65 million charge associated with an organizational design initiative, and primarily comprised of employee severance benefits.
- \$13 million net gain related to our investments in nuclear decommissioning trust funds.

<i>(millions, except per share amounts)</i>	1Q16	2Q16	3Q16	4Q16	YTD 2016 <sup>2</sup>
<b>Reported earnings</b>	\$524	\$452			\$976
Adjustments to reported earnings <sup>1</sup> :					
Pre-tax loss (income)	67	(12)			55
Income tax	(19)	1			(18)
	48	(11)			37
<b>Operating earnings</b>	\$572	\$441			\$1,013
<b>Common shares outstanding (average, diluted)</b>	598.2	617.0			607.6
<b>Reported earnings per share</b>	\$0.88	\$0.73			\$1.61
Adjustments to reported earnings (after-tax)	0.08	(0.02)			0.06
<b>Operating earnings per share</b>	\$0.96	\$0.71			\$1.67

**1) Adjustments to reported earnings are reflected in the following table:**

	1Q16	2Q16	3Q16	4Q16	YTD 2016
<u>Pre-tax loss (income):</u>					
Organizational design initiative	70	(5)			65
Net gain in nuclear decommissioning trust funds	(2)	(11)			(13)
Other items	(1)	4			3
	\$67	(\$12)			\$55
<u>Income tax:</u>					
Tax impact of above adjustments to reported earnings	(\$19)	\$1			(\$18)

**2) YTD EPS may not equal sum of quarters due to share count differences**

**Schedule 3 - Reconciliation of 2015 Reported Earnings to Operating Earnings****2015 Earnings (Twelve months ended December 31, 2015)**

The \$220 million pre-tax net effect of the adjustments included in 2015 reported earnings, but excluded from operating earnings, is primarily related to the following items:

- \$85 million charge associated with Virginia legislation enacted in February that required the write-off of Virginia Power prior-period deferred fuel costs during the first quarter of 2015.
- \$99 million charge associated with the asset retirement obligations for ash ponds and landfills at certain utility generation facilities in connection with the enactment of EPA coal combustion residuals rules in the second quarter of 2015.
- \$28 million net charge in connection with the Virginia Commission's final ruling associated with its biennial review of Virginia Power's base rates for 2013-2014 test years.

<i>(millions, except per share amounts)</i>	1Q15	2Q15	3Q15	4Q15	YTD 2015 <sup>2</sup>
<b>Reported earnings</b>	\$536	\$413	\$593	\$357	\$1,899
Adjustments to reported earnings <sup>1</sup> :					
Pre-tax loss (income)	76	27	19	98	220
Income tax	(28)	(11)	(1)	(39)	(79)
	48	16	18	59	141
<b>Operating earnings</b>	\$584	\$429	\$611	\$416	\$2,040
Common shares outstanding (average, diluted)	589.9	592.5	595.5	596.7	593.7
<b>Reported earnings per share</b>	\$0.91	\$0.70	\$1.00	\$0.60	\$3.20
Adjustments to reported earnings (after-tax)	0.08	0.03	0.03	0.10	0.24
<b>Operating earnings per share</b>	\$0.99	\$0.73	\$1.03	\$0.70	\$3.44

**1) Adjustments to reported earnings are reflected in the following table:**

	1Q15	2Q15	3Q15	4Q15	YTD 2015
<u>Pre-tax loss (income):</u>					
Write-off of deferred fuel costs	85				85
Future ash pond and landfill closure costs		45		54	99
Impact of Virginia Power biennial review				28	28
Other items	(9)	(18)	19	16	8
	\$76	\$27	\$19	\$98	\$220
<u>Income tax:</u>					
Tax impact of above adjustments to reported earnings	(28)	(11)	(7)	(39)	(85)
Deferred taxes refundable to utility customers			6		6
	(\$28)	(\$11)	(\$1)	(\$39)	(\$79)

**2) YTD EPS may not equal sum of quarters due to share count differences**

**Schedule 4 - Reconciliation of 2Q16 Earnings to 2Q15**

Preliminary, unaudited  
(millions, except EPS)

Three Months Ended  
June 30,  
2016 vs. 2015  
Increase / (Decrease)

	<u>Amount</u>	<u>EPS</u>
<b>Change in reported earnings (GAAP)</b>	<b>\$39</b>	<b>\$0.03</b>
Change in Pre-tax loss (income) <sup>1</sup>	(39)	
Change in Income tax <sup>1</sup>	12	
<b>Adjustments to reported earnings</b>	<b>(27)</b>	<b>(0.05)</b>
<b>Change in consolidated operating earnings</b>	<b>\$12</b>	<b>(\$0.02)</b>
<b><u>Reconciling Items</u></b>		
<b><i>Dominion Virginia Power</i></b>		
Regulated electric sales:		
Weather	(\$11)	(\$0.02)
Other	-	-
FERC transmission equity return	10	0.02
Storm damage and service restoration	(10)	(0.02)
Other	(2)	-
Share dilution	-	(0.01)
<b>Change in contribution to reported and operating earnings</b>	<b>(\$13)</b>	<b>(\$0.03)</b>
<b><i>Dominion Energy</i></b>		
Gas Distribution margin	\$2	-
Farmout transaction	21	0.04
Retail energy marketing operations	6	0.01
Other	4	-
Share dilution	-	(0.01)
<b>Change in contribution to reported and operating earnings</b>	<b>\$33</b>	<b>\$0.04</b>
<b><i>Dominion Generation</i></b>		
Regulated electric sales:		
Weather	(\$23)	(\$0.04)
Other	5	0.01
Renewable energy investment tax credits	(30)	(0.05)
Merchant generation margin	(20)	(0.03)
Rate adjustment clause equity return	10	0.02
Capacity related expenses	26	0.04
Outage costs	(24)	(0.04)
Other	(23)	(0.04)
Share dilution	-	(0.01)
<b>Change in contribution to reported and operating earnings</b>	<b>(\$79)</b>	<b>(\$0.14)</b>
<b><i>Corporate and Other</i></b>		
Renewable energy investment tax credits	\$47	\$0.07
Other	24	0.04
<b>Change in contribution to operating earnings</b>	<b>\$71</b>	<b>\$0.11</b>
<b>Change in consolidated operating earnings</b>	<b>\$12</b>	<b>(\$0.02)</b>
Change in adjustments included in reported earnings <sup>1</sup>	27	0.05
<b>Change in consolidated reported earnings</b>	<b>\$39</b>	<b>\$0.03</b>

<sup>1</sup> Adjustments to reported earnings are included in Corporate and Other segment reported GAAP earnings.

Refer to Schedules 2 and 3 for details, or find "GAAP Reconciliation" in the Earnings Release Kit on Dominion's website at [www.dom.com/investors](http://www.dom.com/investors).  
Note: Figures may not add due to rounding.

## Financials

### Consolidated Financial Statements (GAAP)

DOMINION RESOURCES, INC.  
CONSOLIDATED BALANCE SHEETS\*  
Unaudited

	June 30, 2016	December 31, 2015 <sup>1</sup>
(millions)		
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 377	\$ 607
Restricted cash and cash equivalents	516	17
Customer receivables (less allowance for doubtful accounts of \$19 and \$32)	1,140	1,200
Other receivables (less allowance for doubtful accounts of \$3 and \$2)	139	169
Inventories	1,351	1,348
Prepayments	143	198
Other	477	650
Total current assets	4,143	4,189
<b>Investments</b>		
Nuclear decommissioning trust funds	4,331	4,183
Investment in equity method affiliates	1,372	1,320
Other	277	271
Total investments	5,980	5,774
<b>Property, Plant and Equipment</b>		
Property, plant and equipment	60,490	57,776
Accumulated depreciation, depletion and amortization	(16,808)	(16,222)
Total property, plant and equipment, net	43,682	41,554
<b>Deferred Charges and Other Assets</b>		
Goodwill	3,294	3,294
Pension and other postretirement benefit assets	1,017	943
Regulatory assets	2,150	1,865
Other	1,103	1,029
Total deferred charges and other assets	7,564	7,131
Total assets	\$ 61,369	\$ 58,648

<sup>1</sup>) Dominion's Consolidated Balance Sheet at December 31, 2015 has been derived from the audited Consolidated Financial Statements at that date.

\*The notes contained in Dominion's most recent quarterly report on Form 10-Q or annual report on Form 10-K are an integral part of the Consolidated Financial Statements.

**DOMINION RESOURCES, INC.**  
**CONSOLIDATED BALANCE SHEETS\***  
**Unaudited**

	June 30, 2016	December 31, 2015 <sup>1</sup>
(millions)		
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Securities due within one year	\$ 1,348	\$ 1,825
Short-term debt	3,437	3,509
Accounts payable	589	726
Accrued interest, payroll and taxes	561	515
Other <sup>2</sup>	1,331	1,544
Total current liabilities	7,266	8,119
<b>Long-Term Debt</b>		
Long-term debt	21,406	20,048
Junior subordinated notes	2,399	1,340
Remarketable subordinated notes	982	2,080
Total long-term debt	24,787	23,468
<b>Deferred Credits and Other Liabilities</b>		
Deferred income taxes and investment tax credits	7,666	7,414
Asset retirement obligations	1,941	1,887
Regulatory liabilities	2,318	2,285
Other	1,939	1,873
Total deferred credits and other liabilities	13,864	13,459
Total liabilities	45,917	45,046
<b>Commitments and Contingencies</b>		
<b>Equity</b>		
Common stock – no par <sup>3</sup>	8,160	6,680
Retained earnings	6,585	6,458
Accumulated other comprehensive loss	(493)	(474)
Total common shareholders' equity	14,252	12,664
Noncontrolling interests	1,200	938
Total equity	15,452	13,602
Total liabilities and equity	\$ 61,369	\$ 58,648

<sup>1)</sup> Dominion's Consolidated Balance Sheet at December 31, 2015 has been derived from the audited Consolidated Financial Statements at that date.

<sup>2)</sup> See Note 3 in the most recent quarterly report on Form 10-Q for amounts attributable to related parties.

<sup>3)</sup> 1 billion shares authorized; 617 million shares and 596 million shares outstanding at June 30, 2016 and December 31, 2015, respectively.

\*The notes contained in Dominion's most recent quarterly report on Form 10-Q or annual report on Form 10-K are an integral part of the Consolidated Financial Statements.

DOMINION RESOURCES, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS\*  
Unaudited

Six Months Ended June 30,	2016	2015
(millions)		
<b>Operating Activities</b>		
Net income including noncontrolling interests	\$ 993	\$ 958
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operating activities:		
Depreciation, depletion and amortization (including nuclear fuel)	853	822
Deferred income taxes and investment tax credits	275	399
Gains on the sales of assets and equity method investment in Iroquois	(45)	(71)
Other adjustments	(27)	(18)
Changes in:		
Accounts receivable	82	214
Inventories	(3)	47
Deferred fuel and purchased gas costs, net	114	28
Prepayments	55	47
Accounts payable	(92)	(173)
Accrued interest, payroll and taxes	46	(41)
Margin deposit assets and liabilities	(13)	186
Other operating assets and liabilities	(220)	(238)
Net cash provided by operating activities	<b>2,018</b>	<b>2,160</b>
<b>Investing Activities</b>		
Plant construction and other property additions (including nuclear fuel)	(3,160)	(2,370)
Acquisition of solar development projects	-	(230)
Acquisition of DCG	-	(497)
Proceeds from sale of securities	709	580
Purchases of securities	(752)	(553)
Restricted cash and cash equivalents	(500)	-
Proceeds from assignments of shale development rights	5	28
Other	(27)	(42)
Net cash used in investing activities	<b>(3,725)</b>	<b>(3,084)</b>
<b>Financing Activities</b>		
Repayment of short-term debt, net	(72)	(153)
Repayment and repurchase of short-term notes	(600)	-
Issuance of long-term debt	1,930	1,200
Repayment and repurchase of long-term debt	(500)	(8)
Proceeds from sale of interest in merchant solar projects	117	-
Contributions from SunEdison to Four Brothers and Three Cedars	162	-
Issuance of common stock	1,458	647
Common dividend payments	(849)	(765)
Other	(169)	(44)
Net cash provided by financing activities	<b>1,477</b>	<b>877</b>
Decrease in cash and cash equivalents	(230)	(47)
Cash and cash equivalents at beginning of period	607	318
Cash and cash equivalents at end of period	<b>\$ 377</b>	<b>\$ 271</b>
<b>Supplemental Cash Flow Information</b>		
Significant noncash investing and financing activities <sup>1</sup> :		
Accrued capital expenditures	\$ 257	\$ 319

<sup>1</sup>See Note 14 in the most recent quarterly report on Form 10-Q for noncash financing activities related to the remarketing of RSNs.

\*The notes contained in Dominion's most recent quarterly report on Form 10-Q or annual report on Form 10-K are an integral part of the Consolidated Financial Statements.

## Segment Earnings Results

Dominion Consolidated Reported and Operating Results<sup>1</sup>

Unaudited Summary (\$mm except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
<b>Operating Revenue</b>	\$ <u>2,598</u>	\$ <u>2,747</u>	\$ <u>5,519</u>	\$ <u>6,156</u>
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	551	591	1,185	1,544
Purchased electric capacity	45	90	113	184
Purchased gas	56	111	175	361
Other operations and maintenance	665	709	1,368	1,311
Depreciation, depletion and amortization	361	339	712	682
Other taxes	139	134	303	299
Total operating expenses	<u>1,817</u>	<u>1,974</u>	<u>3,856</u>	<u>4,381</u>
Income from operations	<u>781</u>	<u>773</u>	<u>1,663</u>	<u>1,775</u>
Other income	<u>72</u>	<u>56</u>	<u>126</u>	<u>116</u>
Income including noncontrolling interests before interest and income taxes	853	829	1,789	1,891
Interest and related charges	<u>239</u>	<u>221</u>	<u>465</u>	<u>444</u>
Income including noncontrolling interests before income taxes	614	608	1,324	1,447
Income taxes	<u>152</u>	<u>190</u>	<u>331</u>	<u>489</u>
Income including noncontrolling interests	462	418	993	958
Noncontrolling interests	<u>10</u>	<u>5</u>	<u>17</u>	<u>9</u>
<b>Reported Earnings</b>	\$ <u>452</u>	\$ <u>413</u>	\$ <u>976</u>	\$ <u>949</u>
<b>Reported Earnings Per Share</b>	\$ <u>0.73</u>	\$ <u>0.70</u>	\$ <u>1.61</u>	\$ <u>1.60</u>
Adjustments to reported earnings:				
Pre-tax Loss (Income) <sup>2</sup>	(12)	27	55	103
Income Tax <sup>2</sup>	<u>1</u>	<u>(11)</u>	<u>(18)</u>	<u>(39)</u>
	(11)	16	37	64
<b>Operating Earnings</b>	\$ <u>441</u>	\$ <u>429</u>	\$ <u>1,013</u>	\$ <u>1,013</u>
<b>Operating Earnings Per Share</b>	<u>0.71</u>	\$ <u>0.73</u>	\$ <u>1.67</u>	\$ <u>1.71</u>
Average shares outstanding, diluted	617.0	592.5	607.6	591.2
<b>Note: Adjusted EBIT Reconciliation</b>				
Reported Earnings	\$ 452	\$ 413	\$ 976	\$ 949
Noncontrolling interest	10	5	17	9
Income taxes	152	190	331	489
Interest and related charges	<u>239</u>	<u>221</u>	<u>465</u>	<u>444</u>
	\$ 853	\$ 829	\$ 1,789	\$ 1,891
Adjustments <sup>2</sup>	<u>(12)</u>	<u>27</u>	<u>53</u>	<u>103</u>
Adjusted EBIT	\$ 841	\$ 856	\$ 1,842	\$ 1,994

<sup>1</sup>) Dominion Consolidated Income Statement reflects the impact of segment eliminations and adjustments.

<sup>2</sup>) For additional details on adjustments to reporting earnings and to EBIT see the GAAP Reconciliation schedules on pages 30-35.

## Dominion Virginia Power Reported and Operating Results

Unaudited Summary (\$mm except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
<b>Operating Revenue</b>	<b>\$ 518</b>	<b>\$ 505</b>	<b>\$ 1,079</b>	<b>\$ 1,074</b>
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	1	1	2	2
Purchased electric capacity	-	-	-	-
Purchased gas	-	-	-	-
Other operations and maintenance	123	108	267	247
Depreciation, depletion and amortization	133	123	263	244
Other taxes	39	37	79	75
Total operating expenses	<u>296</u>	<u>269</u>	<u>611</u>	<u>568</u>
Income from operations	<u>222</u>	<u>236</u>	<u>468</u>	<u>506</u>
Other income	<u>8</u>	<u>15</u>	<u>17</u>	<u>26</u>
Income including noncontrolling interests before interest and income taxes	230	251	485	532
Interest and related charges	<u>60</u>	<u>59</u>	<u>120</u>	<u>114</u>
Income including noncontrolling interests before income taxes	170	192	365	418
Income taxes	<u>66</u>	<u>75</u>	<u>141</u>	<u>161</u>
Income including noncontrolling interests	104	117	224	257
Noncontrolling interests	-	-	-	-
<b>Reported and Operating Earnings Contribution</b>	<b><u>\$ 104</u></b>	<b><u>\$ 117</u></b>	<b><u>\$ 224</u></b>	<b><u>\$ 257</u></b>
<b>Reported and Operating Earnings Per Share Contribution</b>	<b><u>\$ 0.17</u></b>	<b><u>\$ 0.20</u></b>	<b><u>\$ 0.37</u></b>	<b><u>\$ 0.43</u></b>
Average shares outstanding, diluted	617.0	592.5	607.6	591.2
<b>Note: Adjusted EBIT and EBITDA Reconciliation</b>				
Reported Earnings	\$ 104	\$ 117	\$ 224	\$ 257
Noncontrolling interest	-	-	-	-
Income taxes	66	75	141	161
Interest and related charges	60	59	120	114
Adjusted EBIT	<u>\$ 230</u>	<u>\$ 251</u>	<u>\$ 485</u>	<u>\$ 532</u>
Depreciation, depletion and amortization	133	123	263	244
Adjusted EBITDA	<u>\$ 363</u>	<u>\$ 374</u>	<u>\$ 748</u>	<u>\$ 776</u>



## Dominion Energy Reported and Operating Results <sup>1</sup>

Unaudited Summary (\$mm except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
<b>Operating Revenue</b>	\$ 515	\$ 578	\$ 1,178	\$ 1,424
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	2	7	4	13
Purchased electric capacity	-	-	-	-
Purchased gas	53	105	167	345
Other operations and maintenance	111	154	252	256
Depreciation, depletion and amortization	65	65	129	129
Other taxes	47	46	107	112
Total operating expenses	278	377	659	855
Income from operations	237	201	519	569
Other income	34	20	65	34
Income including noncontrolling interests before interest and income taxes	271	221	584	603
Interest and related charges	3	7	10	15
Income including noncontrolling interests before income taxes	268	214	574	588
Income taxes	98	80	210	223
Income including noncontrolling interests	170	134	364	365
Noncontrolling interests	8	5	16	9
<b>Reported and Operating Earnings Contribution</b>	\$ 162	\$ 129	\$ 348	\$ 356
<b>Reported and Operating Earnings Per Share Contribution</b>	\$ 0.26	\$ 0.22	\$ 0.57	\$ 0.60
Average shares outstanding, diluted	617.0	592.5	607.6	591.2
<b>Note: Adjusted EBIT and EBITDA Reconciliation</b>				
Reported Earnings	\$ 162	\$ 129	\$ 348	\$ 356
Noncontrolling interest	8	5	16	9
Income taxes	98	80	210	223
Interest and related charges	3	7	10	15
Adjusted EBIT	\$ 271	\$ 221	\$ 584	\$ 603
Depreciation, depletion and amortization	65	65	129	129
Adjusted EBITDA	\$ 336	\$ 286	\$ 713	\$ 732

<sup>1)</sup> Includes non-regulated retail energy marketing operations.

## Dominion Generation Reported and Operational Results<sup>1</sup>

Unaudited Summary (\$mm except per share amounts)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Operating Revenue</b>	\$ <b>1,566</b>	\$ 1,658	\$ <b>3,262</b>	\$ 3,650
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	545	578	1,173	1,424
Purchased electric capacity	45	90	113	184
Purchased gas	-	-	-	-
Other operations and maintenance	438	410	802	781
Depreciation, depletion and amortization	154	141	311	290
Other taxes	48	45	97	96
Total operating expenses	<u>1,230</u>	<u>1,264</u>	<u>2,496</u>	<u>2,775</u>
Income from operations	<u>336</u>	<u>394</u>	<u>766</u>	<u>875</u>
Other income	<u>19</u>	<u>10</u>	<u>42</u>	<u>23</u>
Income including noncontrolling interests before interest and income taxes	355	404	808	898
Interest and related charges	<u>69</u>	<u>62</u>	<u>137</u>	<u>129</u>
Income including noncontrolling interests before income taxes	286	342	671	769
Income taxes	<u>113</u>	<u>92</u>	<u>254</u>	<u>257</u>
Income including noncontrolling interests	173	250	417	512
Noncontrolling interests	<u>2</u>	<u>-</u>	<u>1</u>	<u>-</u>
<b>Reported and Operating Earnings Contribution</b>	<u>\$ 171</u>	<u>\$ 250</u>	<u>\$ 416</u>	<u>\$ 512</u>
<b>Reported and Operating Earnings Per Share Contribution</b>	<u>\$ 0.28</u>	<u>\$ 0.42</u>	<u>\$ 0.69</u>	<u>\$ 0.87</u>
Average shares outstanding, diluted	617.0	592.5	607.6	591.2
<b>Note: Adjusted EBIT Reconciliation</b>				
Reported Earnings	\$ 171	\$ 250	\$ 416	\$ 512
Noncontrolling interest	2	-	1	-
Income taxes	113	92	254	257
Interest and related charges	<u>69</u>	<u>62</u>	<u>137</u>	<u>129</u>
Adjusted EBIT	\$ 355	\$ 404	\$ 808	\$ 898
Depreciation, depletion and amortization	<u>154</u>	<u>141</u>	<u>311</u>	<u>290</u>
Adjusted EBITDA	\$ 509	\$ 545	\$ 1,119	\$ 1,188

<sup>1)</sup> Excludes non-regulated retail energy marketing operations, which are reported in Dominion Energy.

## Corporate and Other Reported and Operating Results

Unaudited Summary (\$mm except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
<b>Operating Revenue</b>	\$ 136	\$ 148	\$ 331	\$ 277
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	-	-	-	85
Purchased electric capacity	-	-	-	-
Purchased gas	-	-	1	1
Other operations and maintenance	136	190	391	331
Depreciation, depletion and amortization	9	10	9	19
Other taxes	5	6	20	16
Total operating expenses	150	206	421	452
Income from operations	(14)	(58)	(90)	(175)
Other income	29	20	37	50
Income including noncontrolling interests before interest and income taxes	15	(38)	(53)	(125)
Interest and related charges	125	102	233	203
Income including noncontrolling interests before income taxes	(110)	(140)	(286)	(328)
Income taxes	(125)	(57)	(274)	(152)
Income including noncontrolling interests	15	(83)	(12)	(176)
Noncontrolling interests	-	-	-	-
<b>Reported Earnings (Loss) Contribution</b>	\$ 15	\$ (83)	\$ (12)	\$ (176)
<b>Reported Earnings (Loss) Per Share Contribution</b>	\$ 0.02	\$ (0.14)	\$ (0.02)	\$ (0.30)
Adjustments to reported earnings:				
Pre-tax Loss (Income) <sup>1</sup>	(12)	27	55	103
Income Tax <sup>1</sup>	1	(11)	(18)	(39)
	(11)	16	37	64
<b>Operating Earnings (Loss) Contribution</b>	\$ 4	\$ (67)	\$ 25	\$ (112)
<b>Operating Earnings (Loss) Per Share Contribution</b>	-	\$ (0.11)	\$ 0.04	\$ (0.19)
Average shares outstanding, diluted	617.0	592.5	607.6	591.2
<b>Note: Adjusted EBIT Reconciliation</b>				
Reported Earnings	\$ 15	\$ (83)	\$ (12)	\$ (176)
Noncontrolling interest	-	-	-	-
Income taxes	(125)	(57)	(274)	(152)
Interest and related charges	125	102	233	203
	\$ 15	\$ (38)	\$ (53)	\$ (125)
Adjustments <sup>1</sup>	(12)	27	53	103
Adjusted EBIT	\$ 3	\$ (11)	\$ -	\$ (22)

<sup>1</sup>) For additional details on adjustments to reporting earnings and to EBIT see the GAAP Reconciliation schedules on pages 30-35.

## Operating Statistics

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
<b>Dominion Consolidated</b>				
<b>Regulated Electric Sales Revenue (\$mm)</b>				
Residential	\$ 733	\$ 753	\$ 1,593	\$ 1,794
Commercial	585	594	1,177	1,222
Industrial <sup>1</sup>	130	141	251	273
Governmental and other <sup>1</sup>	188	196	386	430
Regulated retail revenue	1,636	1,683	3,406	3,718
Wholesale - sales for resale	23	35	56	83
Other revenue	59	61	98	90
Total	\$ 1,718	\$ 1,779	\$ 3,560	\$ 3,891
<b>Dominion Virginia Power</b>				
<b>Degree Days (Electric service area)</b>				
<b>Cooling</b>				
Actual	425	645	429	645
Normal	484	473	489	478
<b>Heating</b>				
Actual	367	214	2,247	2,578
Normal	296	298	2,325	2,286
<b>Electric Delivery Customers (at period end)</b>				
Residential	2,273,505	2,250,732	2,273,505	2,250,732
Commercial	240,808	239,582	240,808	239,582
Industrial	654	667	654	667
Governmental	33,012	32,725	33,012	32,725
Total Retail	2,547,979	2,523,706	2,547,979	2,523,706
Wholesale - sales for resale	5	5	5	5
Total	2,547,984	2,523,711	2,547,984	2,523,711
<b>Electricity Delivered (GWh)</b>				
Residential	6,104	6,687	14,322	16,559
Commercial	7,374	7,511	14,924	15,094
Industrial <sup>1</sup>	2,172	2,402	4,145	4,333
Governmental and other <sup>1</sup>	2,607	2,675	5,201	5,304
Total Retail	18,256	19,274	38,591	41,290
Wholesale - sales for resale	664	823	1,495	1,676
Total	18,920	20,097	40,086	42,966
<b>Dominion Generation</b>				
<b>Merchant Generation</b>				
<b>Total Electric Sales (GWh)</b>				
NEPOOL Merchant Fleet <sup>2</sup>	3,587	4,920	8,240	9,532
PJM Merchant Fleet <sup>3</sup>	2,072	1,274	4,012	2,620

<sup>1)</sup> Reflects customer reclassification based on ruling by VA SCC in 2015 Biennial Review.

<sup>2)</sup> Comprised of Millstone and Manchester generating stations.

<sup>3)</sup> Comprised of Fairless generating station.

Note: Figures may not add due to rounding

**DOMINION - 2016 EARNINGS RELEASE KIT**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
<b>Dominion Energy</b>				
<b>Gas Distribution</b>				
<b>Regulated Gas Revenue (\$mm)</b>				
Gas sales revenue				
Residential	\$ 22	\$ 26	\$ 75	\$ 114
Commercial	4	4	15	22
Industrial	-	-	-	1
Other	-	1	1	3
Total	\$ 26	\$ 31	\$ 91	\$ 140
<b>Regulated Gas Transportation and Storage Revenue (\$mm)</b>				
Gas transportation revenue				
Residential	\$ 86	\$ 85	\$ 176	\$ 195
Commercial	19	21	55	74
Industrial	13	16	31	34
Other	9	8	20	16
Total transportation revenue	127	130	282	319
Storage revenue	5	4	8	7
Total	\$ 132	\$ 134	\$ 290	\$ 326
<b>Degree Days</b>				
Heating				
Actual	729	568	3,413	4,143
Normal	643	661	3,527	3,469
<b>LDC Natural Gas Customers (Average)</b>				
Total LDC natural gas customers				
Residential	1,208,973	1,206,329	1,211,143	1,209,174
Commercial	92,985	92,549	93,307	92,981
Industrial	1,501	1,499	1,500	1,503
Other	21	23	22	23
Total	1,303,480	1,300,400	1,305,972	1,303,681
<b>LDC Natural Gas Delivery (mmcf)</b>				
Total LDC natural gas throughput				
Residential	16,295	13,852	68,674	81,974
Commercial	9,320	8,539	35,694	41,927
Industrial	30,013	28,141	68,088	67,533
Other	47,176	42,911	101,732	80,387
Total	102,804	93,443	274,188	271,821
<b>Gas Transmission</b>				
Natural Gas Liquids sales (million gallons)	23.3	28.5	43.6	58.1
Average Realized NGL Price with Hedging (\$/gal)	\$0.43	\$0.48	\$0.55	\$0.60
<b>Dominion Retail</b>				
Unregulated Energy Customer Accounts (Average)				
Natural Gas	328,149	301,381	325,725	291,513
Products and Services	1,047,717	986,987	1,038,452	977,511
Total	1,375,866	1,288,368	1,364,177	1,269,024
Volumes Sold				
Natural Gas (mmcf)	10,342	13,998	36,337	40,284

Note: Figures may not add due to rounding

**DOMINION - 2Q16 EARNINGS RELEASE KIT**  
**2016 Weather Variance**

Dominion - Effect of weather compared to normal <sup>1</sup>

Description	Pre-tax Impact (\$millions)				
	1Q16	2Q16	3Q16	4Q16	FY2016
Gas Distribution <sup>2</sup>	(\$3)	\$1	-	-	(\$2)
Electric Distribution <sup>3</sup>	(8)	(14)	-	-	(22)
Electric Transmission <sup>3</sup>	(0)	(0)	-	-	(0)
Utility Generation <sup>4</sup>	(17)	(29)	-	-	(46)
<b>Earnings Impact (pre-tax)</b>	<b>(\$29)</b>	<b>(\$42)</b>	<b>-</b>	<b>-</b>	<b>(\$71)</b>

Description	After-tax Impact (\$millions)				
	1Q16	2Q16	3Q16	4Q16	FY2016
Gas Distribution <sup>2</sup>	(\$2)	\$1	-	-	(\$1)
Electric Distribution <sup>3</sup>	(5)	(8)	-	-	(14)
Electric Transmission <sup>3</sup>	(0)	(0)	-	-	(0)
Utility Generation <sup>4</sup>	(11)	(18)	-	-	(28)
<b>Earnings Impact (after-tax)</b>	<b>(\$18)</b>	<b>(\$26)</b>	<b>-</b>	<b>-</b>	<b>(\$43)</b>

Dominion - Effect of weather compared to prior period <sup>1</sup>

Description	Pre-tax Impact (\$millions)				
	1Q16 v. '15	2Q16 v. '15	3Q16 v. '15	4Q16 v. '15	FY16 v. '15
Gas Distribution <sup>2</sup>	(\$13)	\$2	-	-	(\$11)
Electric Distribution <sup>3</sup>	(24)	(18)	-	-	(42)
Electric Transmission <sup>3</sup>	(0)	(0)	-	-	(1)
Utility Generation <sup>4</sup>	(50)	(38)	-	-	(88)
<b>Earnings Impact (pre-tax)</b>	<b>(\$87)</b>	<b>(\$55)</b>	<b>-</b>	<b>-</b>	<b>(\$142)</b>

Description	After-tax Impact (\$millions)				
	1Q16 v. '15	2Q16 v. '15	3Q16 v. '15	4Q16 v. '15	FY16 v. '15
Gas Distribution <sup>2</sup>	(\$8)	\$1	-	-	(\$7)
Electric Distribution <sup>3</sup>	(15)	(11)	-	-	(26)
Electric Transmission <sup>3</sup>	(0)	(0)	-	-	(1)
Utility Generation <sup>4</sup>	(31)	(23)	-	-	(54)
<b>Earnings Impact (after-tax)</b>	<b>(\$53)</b>	<b>(\$33)</b>	<b>-</b>	<b>-</b>	<b>(\$87)</b>

1) The effects on earnings from differences in weather compared to normal and compared to prior periods are measured using base rate revenue. This schedule does not reflect the O&M expenditures for restoring service associated with outages caused by major storms.

2) Reported in the Dominion Energy segment. Comprised of Dominion East Ohio Gas Company and Hope Gas, Inc.

3) Reported in the Dominion Virginia Power segment.

4) Reported in the Dominion Generation segment.

Note: Figures may not add due to rounding

## Finance &amp; Liquidity

## Schedule of Long-Term Debt

## Preliminary &amp; Unaudited (\$ in millions)

	At 6/30 2015	At 9/30 2015	At 12/31 2015	At 03/31 2016	At 06/30 2016
<b>Dominion Resources, Inc.</b>					
Unsecured Senior Notes:					
Variable rates, due 2015 and 2016 <sup>1</sup>	\$ 400	\$ 400	\$ 600	\$ 500	\$ -
1.25% to 6.4%, due 2015 to 2019	\$ 3,650	\$ 3,400	\$ 3,400	\$ 3,900	\$ 3,900
2.75% to 7.0%, due 2021 to 2044	\$ 4,449	\$ 5,099	\$ 5,099	\$ 5,099	\$ 5,099
Unsecured Debentures and Senior Notes (previously issued by CNG):					
6.8% and 6.875%, due 2026 and 2027	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89
Tax-Exempt Financing, variable rate, due 2041	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75
Unsecured Junior Subordinated Notes:					
2.962% and 4.104%, due 2019 and 2021 <sup>2</sup>	\$ -	\$ -	\$ -	\$ 550	\$ 1,100
Payable to Affiliated Trust, 8.4% due 2031	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
Enhanced Junior Subordinated Notes:					
5.75% and 7.5%, due 2054 and 2066 <sup>3</sup>	\$ 985	\$ 982	\$ 971	\$ 933	\$ 685
Variable rates, due 2066 <sup>3,4</sup>	\$ 379	\$ 379	\$ 377	\$ 373	\$ 621
Remarketable Subordinated Notes, 1.07% to 1.5%, due 2019 to 2021 <sup>2</sup>	\$ 2,100	\$ 2,100	\$ 2,100	\$ 1,550	\$ 1,000
<b>Virginia Electric and Power Company</b>					
Unsecured Senior Notes:					
1.2% to 8.625%, due 2015 to 2019	\$ 2,466	\$ 2,465	\$ 2,261	\$ 1,810	\$ 1,807
2.75% to 8.875%, due 2022 to 2045	\$ 6,292	\$ 6,292	\$ 6,292	\$ 7,042	\$ 7,042
Tax-Exempt Financings: <sup>5</sup>					
Variable rates, due 2016 to 2041	\$ 606	\$ 194	\$ 194	\$ 194	\$ 194
.70% to 5.6%, due 2023 to 2041	\$ 266	\$ 678	\$ 678	\$ 678	\$ 678
<b>Dominion Gas Holdings, LLC</b>					
Unsecured Senior Notes:					
1.05% to 2.8%, due 2016 to 2020	\$ 850	\$ 850	\$ 1,550	\$ 1,550	\$ 1,550
2.875% to 4.8%, due 2023 to 2044 <sup>6</sup>	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ 2,428
<b>Dominion Energy, Inc.</b>					
Tax-Exempt Financing, 2.375%, due 2033	\$ 27	\$ 27	\$ 27	\$ 27	\$ 27
<b>Total Principal Amount</b>	<b>\$ 24,394</b>	<b>\$ 24,790</b>	<b>\$ 25,473</b>	<b>\$ 26,130</b>	<b>\$ 26,305</b>
Fair Value Hedge Valuation	8	19	7	19	21
Amounts Due Within One Year <sup>7</sup>	(1,310)	(1,527)	(1,825)	(1,774)	(1,348)
Unamortized Discount, Premium and Debt Issuance Costs, net <sup>7</sup>	(182)	(184)	(187)	(189)	(191)
<b>Total Long-Term Debt<sup>7</sup></b>	<b>\$ 22,910</b>	<b>\$ 23,098</b>	<b>\$ 23,468</b>	<b>\$ 24,186</b>	<b>\$ 24,787</b>

<sup>1)</sup> \$100 million of the variable rate short-term notes due May 2016 were purchased and cancelled in the first quarter of 2016.

<sup>2)</sup> In March 2016 and May 2016, the 2013 Series A Remarketable Subordinated Notes due 2021 and the 2013 Series B Remarketable Subordinated Notes due 2019 were remarketed, respectively, as Junior Subordinated Notes pursuant to the terms of the related equity units. In connection with the each remarketing, the interest rate was reset and Dominion ceased to have the ability to redeem the notes at its option or defer interest payments.

<sup>3)</sup> \$3 million, \$11 million and \$38 million of the 2006 Series A Enhanced Junior Subordinated Notes due 2066 were purchased and cancelled in the third and fourth quarters of 2015 and first quarter 2016, respectively. Also beginning June 30, 2016, the Notes bear interest at the three-month LIBOR plus 2.825%, reset quarterly.

<sup>4)</sup> \$2 million and \$4 million of the 2006 Series B Enhanced Junior Subordinated Notes due 2066 were purchased and cancelled in the fourth quarter of 2015 and the first quarter of 2016, respectively.

<sup>5)</sup> In August 2015, Virginia Power remarketed five series of tax-exempt bonds, with an aggregate outstanding principal of \$412 million to new investors. Two of the bonds will bear interest at a coupon rate of 1.75% for the first four years while three of the bonds will bear interest at a coupon rate of 2.15% for the first five years. After these periods each bond will bear interest at a market rate to be determined at that time. Previously, interest on all of the remarketed bonds were variable and reset monthly.

<sup>6)</sup> Beginning June 30, 2016, amount includes foreign currency remeasurement adjustments.

<sup>7)</sup> Effective January 2016, deferred debt issuance costs were recorded as a reduction in long-term debt in the Consolidated Balance Sheets. As a result, the 2015 balances have been recast to reflect this change.

**Schedule of Debt Maturities**

As of June 30, 2016 (in \$ millions)

	<u>Due Date</u>	<u>DRI</u>	<u>VEPCO</u>	<u>DGH</u>	<u>Total</u>
<b>2016</b>					
1986 Series IDA Prince William (variable)	08/01/16	-	11.2	-	11.2
1986 Series Grant County (variable)	08/01/16	-	7.4	-	7.4
1.95% 2011 Series D Senior Notes	08/15/16	450.0	-	-	450.0
7.25% Mecklenburg Senior Bonds	10/17/16	-	3.0	-	3.0
1.05% 2013 Series A Senior Notes	11/01/16	-	-	400.0	400.0
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.1	-	0.1
<b>2016 Total</b>		<b>450.0</b>	<b>21.7</b>	<b>400.0</b>	<b>871.7</b>
<b>2017</b>					
1.25% 2014 Series A Senior Notes	03/15/17	400.0	-	-	400.0
2011 Series A EDA Chesterfield County (variable)	06/01/17	-	75.0	-	75.0
1.4% 2012 Series A Senior Notes	09/15/17	350.0	-	-	350.0
5.95% 2007 Series B Senior Notes	09/15/17	-	600.0	-	600.0
7.25% Mecklenburg Senior Bonds	multiple	-	3.4	-	3.4
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.2	-	0.2
<b>2017 Total</b>		<b>750.0</b>	<b>678.6</b>	<b>-</b>	<b>1,428.6</b>
<b>2018</b>					
1.2% 2013 Series A Senior Notes	01/15/18	-	250.0	-	250.0
2.125% 2016 Series A Private Placement Senior Notes	02/15/18	500.0	-	-	500.0
5.4% 2008 Series A Senior Notes	04/30/18	-	600.0	-	600.0
6.4% 2008 Series A Senior Notes	06/15/18	500.0	-	-	500.0
1.9% 2015 Series A Senior Notes	06/15/18	500.0	-	-	500.0
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.2	-	0.2
<b>2018 Total</b>		<b>1,500.0</b>	<b>850.2</b>	<b>-</b>	<b>2,350.2</b>
<b>2019</b>					
5.0% 2009 Series A Senior Notes	06/30/19	-	350.0	-	350.0
2.962% Junior Subordinated Notes	07/01/19	550.0	-	-	550.0
5.2% 2009 Series A Senior Notes	08/15/19	500.0	-	-	500.0
2.5% 2014 Series B Senior Notes	12/01/19	700.0	-	-	700.0
2.5% 2014 Series A Senior Notes	12/15/19	-	-	450.0	450.0
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.2	-	0.2
<b>2019 Total</b>		<b>1,750.0</b>	<b>350.2</b>	<b>450.0</b>	<b>2,550.2</b>
<b>2020</b>					
1.5% 2014 Series A Remarketable Subordinated Notes	07/01/20	1,000.0	-	-	1,000.0
2.8% 2015 Series A Senior Notes	11/15/20	-	-	700.0	700.0
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.3	-	0.3
<b>2020 Total</b>		<b>1,000.0</b>	<b>0.3</b>	<b>700.0</b>	<b>1,700.3</b>
	<b>Total</b>	<b>\$5,450.0</b>	<b>\$1,901.0</b>	<b>\$1,550.0</b>	<b>\$ 8,901.0</b>



**Schedule of Liquidity Position**

As of June 30, 2016 (in \$ millions)

Total Committed Bank Lines	\$	5,500
Less:		
Commercial Paper Outstanding	\$	3,437
Letters of Credit Issued	\$	52
Funded Loans	\$	-
Total Available Capacity	\$	2,011
Cash & Short-Term Investments On Hand*	\$	829
<b>Total Liquidity Available</b>	<b>\$</b>	<b>2,840</b>

\*Represents aggregate collected cash balances; not ledger balances per financial statements, which totaled \$377 million at 6/30/2016. Includes \$500 million cash investment balance designated for Questar acquisition close.

*Totals may not add due to rounding*

**Committed bank lines consist of the following:**

A \$4.0 billion revolving credit facility entered into by Dominion Resources, Inc. (“DRI”), Virginia Electric and Power Company (“VEPCO”), and Dominion Gas Holdings, LLC (“DGH”) on May 19, 2014. On January 19, 2016, this facility was increased to \$5.0 billion. On May 19, 2016, the maturity of the facility was extended from April 2019 to April 2020.

A \$500 million revolving credit facility entered into by DRI, VEPCO, and DGH on May 30, 2014. On May 19, 2016, the maturity of the facility was extended from April 2019 to April 2020.

Additionally, VEPCO maintains a \$120 million revolving credit facility (not reflected in table above) that was amended and restated on May 19, 2016 in order to extend the maturity date of the facility to April 2020. This facility is dedicated to certain tax-exempt bond issuances by VEPCO.

**Schedule of Change in Capitalization**

From December 31, 2015 to June 30, 2016 (in \$ millions)

**Change in Debt (Long-Term Debt plus Securities Due Within One Year)**

Balance as of December 31, 2015		\$	25,293 <sup>1</sup>
Issuances:			
DRI 2016 Series A 2.125% Private Placement Senior Notes due 2018	500		
VEPCO 2016 Series A 3.15% Senior Notes due 2026	750		
DGH 2016 Series A 3.8% Private Placement Senior Notes due 2031	150		
DGH 2016 Series B 1.45% €250 Private Placement Senior Notes due 2026	278 <sup>2</sup>		
DGH 2016 Series C 2.875% Private Placement Senior Notes due 2023	250		
	<u>1,928</u> <sup>3</sup>		
Maturities:			
VEPCO 2006 Series A 5.4% Senior Notes due 2016	(450)		
DRI 2015 Private Placement (variable) Short-term Notes due 2016	(600)		
DRI 2006 Series A 7.50% Enhanced Jr Subordinated Notes due 2066 <sup>4</sup>	(38)		
DRI 2006 Series B (variable) Enhanced Jr Subordinated Notes due 2066 <sup>5</sup>	(4)		
Other	(4)		
	<u>(1,096)</u> <sup>3</sup>		
Other:			
Change in Fair Value Hedges, Net Discount/Premium and Debt Issuance Costs	10		
	<u>10</u>		
Balance as of June 30, 2016		\$	26,135

**Change in Shareholders' Equity**

Balance as of December 31, 2015		\$	13,602
Issuance of Common Stock, Net	1,480		
Changes in AOCI:			
Net Other Comprehensive Gain (Loss) associated with effective portion of changes in fair value of derivatives designated as cash flow hedges, net of taxes and amounts reclassified to earnings:			
Interest Rate	(61)		
Electricity	(11)		
Gas	17		
NGL and Other	(7)		
Foreign currency	(3)		
	<u>(65)</u>		
Other changes in Net Other Comprehensive Income <sup>6</sup>	46		
Net change in AOCI		(19)	
Change in Retained Earnings		<u>127</u>	
Net change in Common Shareholder's Equity			1,588
Noncontrolling Interests <sup>7</sup>			262
Net change in Equity			1,850
Balance as of June 30, 2016		\$	15,452

<sup>1)</sup> Effective January 2016, deferred debt issuance costs were recorded as a reduction in long-term debt in the Consolidated Balance Sheets. As a result, the December 31, 2015 balance has been recast to reflect this change.

<sup>2)</sup> U.S. dollar amount at June 30, 2016 after foreign currency remeasurement adjustment.

<sup>3)</sup> Excludes the \$550 million 2013 Series A and the \$550 million 2013 Series B Remarketable Subordinated Notes that were remarketed as Junior Subordinated Notes in March and May 2016, respectively. At June 30, 2016, these securities are included in junior subordinated notes in Dominion's Consolidated Balance Sheets.

<sup>4)</sup> \$38 million of the 2006 Series A Enhanced Junior Subordinated Notes due 2066 were purchased and cancelled in 2016.

<sup>5)</sup> \$4 million of the 2006 Series B Enhanced Junior Subordinated Notes due 2066 were purchased and cancelled in 2016.

<sup>6)</sup> Primarily reflects a net increase in unrealized gains on investments held in nuclear decommissioning trusts, and changes related to pension and OPEB benefit plans.

<sup>7)</sup> Primarily reflects the sale of interest in merchant solar projects and contributions from SunEdison to Four Brothers Holding, LLC and Three Cedars.

## Hedging

### Power, Capacity and NGL Hedge Positions

As of July 19th, 2016

Merchant Generation Power & Fuel	Net Summer Capacity (MW)	2016	2017
<b>Hedge Positions <sup>1</sup></b>			
Millstone	2,001	95%	8%
Manchester	461	70%	32%
Fairless	1,196	66%	13%
<b>Total Merchant Generation <sup>2</sup></b>	<b>3,658</b>	<b>82%</b>	<b>13%</b>
<b>Power Pricing</b>			
NEPOOL Baseload - Average Hedge Price (\$/MWh) <sup>3</sup>		\$51.51	\$25.65
<b>Merchant Generation Capacity (EFOR Adjusted)</b>			
Millstone & Manchester (MW)		2,469	2,467
Average Capacity Hedge Price (\$/KW - month)		\$3.08	\$5.29
Fairless (MW)		1,191	1,193
Average Capacity Hedge Price (\$/KW - month)		\$4.46	\$4.39
<b>NGL</b>			
Estimated annual NGL sales (in million gallons) <sup>4</sup>		90 - 110	90 - 110
Amount hedged (in million gallons)		79.1	15.8
Average hedge price per gallon <sup>5</sup>		\$0.67	\$0.67

- 1) Hedge percentages are calculated based on the weighted-average of:
  - 1) actual results which are considered to be 100% hedged, and 2) balance of year hedge percentages. Capacity shown is net summer capacity. Assume capacity remains constant in all periods shown.
- 2) Annual percentage calculations are capacity-weighted. Excludes renewable assets.
- 3) NEPOOL Baseload Average Hedge Price in 2016 includes all on-peak, off-peak, around-the-clock, and seasonal hedges for Millstone Power Station. For 2017, we have hedged only off-peak Millstone capacity at a NEPOOL Baseload Average Hedge Price of \$25.65.
- 4) Represents Dominion's production interest primarily from the Hastings plant.
- 5) Average hedge price is based on a basket of liquids products at Mt. Belvieu hub: propane (52%), normal butane (17%), iso-butane (10%) and natural gasoline (21%).

## Reconciliation of Forecast and Outlook

### Reconciliation of Operating Earnings Guidance

#### 2Q16 Operating Earnings Summary

(millions, except per share amounts)

Description	2Q15	Range of 2Q16		2Q16
	Actual	Low	High	Actual
<b>Dominion Virginia Power Adjusted EBITDA</b>	\$374	\$355	\$390	\$363
Depreciation, Depletion and Amortization	123	130	130	133
Dominion Virginia Power Adjusted EBIT	251	225	260	230
<b>Dominion Energy Adjusted EBITDA</b>	\$286	\$310	\$340	\$336
Depreciation, Depletion and Amortization	65	65	65	65
Dominion Energy Adjusted EBIT	221	245	275	271
<b>Dominion Generation Adjusted EBITDA</b>	\$545	\$475	\$530	\$509
Depreciation, Depletion and Amortization	141	160	165	154
Dominion Generation Adjusted EBIT	404	315	365	355
Corporate and Other & Eliminations Adjusted EBIT	(20)	(15)	(15)	(15)
<b>Total Adjusted EBIT</b>	\$856	\$770	\$885	\$841
<b>Consolidated Interest</b>	221	240	230	239
<b>Consolidated Income Taxes</b>	201	140	165	151
<b>Noncontrolling Interests</b>	5	10	10	10
<b>Operating Earnings</b>	\$429	\$380	\$480	\$441
Average Diluted Shares Outstanding	592.5	614	612	617.0
<b>Operating EPS Range</b>	\$0.73	\$0.62	\$0.78	\$0.71

<b>2Q16 Operating EPS Guidance Range</b>	<b>\$0.65</b>	<b>\$0.75</b>
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<b>2Q16 Operating EPS Actual &gt;&gt;&gt;</b>	<b>\$0.71</b>
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#### Notes:

For additional detail on items excluded from operating earnings see the GAAP Reconciliation schedules on pages 34-36.

For additional detail on Adjusted EBIT and Adjusted EBITDA see Segment Results on pages 15-19

Adjusted EBITDA is defined as Reported Earnings excluding any adjustments to reported earnings (Operating Earnings) before interest and related charges, income taxes, noncontrolling interests and depreciation, depletion and amortization.

Adjusted EBIT is defined as Reported Earnings excluding any adjustments to reported earnings (Operating Earnings) before interest and related charges, income taxes, and noncontrolling interests.

Figures may not add due to rounding

## 3Q16 Operating Earnings Guidance

*(millions, except per share amounts)*

Description	3Q15	Range of 3Q16	
	Actual	Low	High
<b>Dominion Virginia Power EBITDA</b>	\$388	\$395	\$430
Depreciation, Depletion and Amortization	126	130	130
Dominion Virginia Power EBIT	262	265	300
<b>Dominion Energy EBITDA</b>	\$334	\$275	\$295
Depreciation, Depletion and Amortization	65	70	70
Dominion Energy EBIT	269	205	225
<b>Dominion Generation EBITDA</b>	\$794	\$840	\$905
Depreciation, Depletion and Amortization	154	175	175
Dominion Generation EBIT	640	665	730
Corporate and Other & Eliminations Adjusted EBIT	(21)	(15)	(10)
<b>Total Adjusted EBIT</b>	\$1,150	\$1,120	\$1,245
<b>Consolidated Interest</b>	227	235	225
<b>Consolidated Income Taxes</b>	306	230	245
<b>Noncontrolling Interests</b>	6	80	75
<b>Operating Earnings</b>	\$611	\$575	\$700
Average Diluted Shares Outstanding	595.5	627	625
<b>Operating EPS Range</b>	\$1.03	\$0.92	\$1.12

**3Q16 Operating EPS Guidance Range****\$0.95****\$1.10****Notes:**

For additional detail on items excluded from operating earnings see the GAAP Reconciliation schedules on pages 34-36.

For additional detail on Adjusted EBIT and Adjusted EBITDA see Segment Results on pages 15-19

Adjusted EBITDA is defined as Reported Earnings excluding any adjustments to reported earnings (Operating Earnings) before interest and related charges, income taxes, noncontrolling interests and depreciation, depletion and amortization.

Adjusted EBIT is defined as Reported Earnings excluding any adjustments to reported earnings (Operating Earnings) before interest and related charges, income taxes, and noncontrolling interests.

Figures may not add due to rounding

## GAAP Reconciliation

## Reconciliation of 2016 Consolidated Reported Earnings to Operating Earnings

Unaudited Income Statements  
(millions, except per share amounts)

	Three Months Ended June 30, 2016			Six Months Ended June 30, 2016		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
<b>Operating Revenue</b>	\$ 2,598	\$ -	\$ 2,598	\$ 5,519	\$ -	\$ 5,519
<b>Operating Expenses</b>						
Electric fuel and other energy-related purchases	551	-	551	1,185	-	1,185
Purchased electric capacity	45	-	45	113	-	113
Purchased gas	56	-	56	175	-	175
Other operations and maintenance	665	1 (a), (b)	666	1,368	(70) (a), (b)	1,298
Depreciation, depletion and amortization	361	-	361	712	9 (b)	721
Other taxes	139	-	139	303	(5) (a), (b)	298
Total operating expenses	1,817	1	1,818	3,856	(66)	3,790
Income from operations	781	(1)	780	1,663	66	1,729
Other income (loss)	72	(11) (d)	61	126	(13) (d)	113
Income including noncontrolling interests before interest and income taxes	853	(12)	841	1,789	53	1,842
Interest and related charges	239	-	239	465	(2) (b)	463
Income including noncontrolling interests before income taxes	614	(12)	602	1,324	55	1,379
Income taxes	152	(1) (c)	151	331	18 (c)	349
Income from continuing operations including noncontrolling interests	462	(11)	451	993	37	1,030
Noncontrolling interests	10	-	10	17	-	17
<b>Earnings</b>	\$ 452	\$ (11)	\$ 441	\$ 976	\$ 37	\$ 1,013
<b>Earnings Per Share</b>	\$ 0.73	\$ (0.02)	\$ 0.71	\$ 1.61	\$ 0.06	\$ 1.67
Average shares outstanding, diluted	617.0		617.0	607.6		607.6

**Adjustments to Reported Earnings**

- (a) Items associated with the organizational design initiative.  
(b) Other miscellaneous items.  
(c) Income tax provisions associated with adjustments to reported earnings.  
(d) Net gain/loss of our investment in nuclear decommissioning trust funds.

Note: Figures may not add due to rounding

## Reconciliation of 2015 Consolidated Reported Earnings to Operating Earnings

Unaudited Income Statements  
(millions, except per share amounts)

	Three Months Ended June 30, 2015			Six Months Ended June 30, 2015		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
<b>Operating Revenue</b>	\$ 2,747	\$ -	\$ 2,747	\$ 6,156	\$ 18 (a)	\$ 6,174
<b>Operating Expenses</b>						
Electric fuel and other energy-related purchases	591	-	591	1,544	(85) (b)	1,459
Purchased electric capacity	90	-	90	184	-	184
Purchased gas	111	-	111	361	-	361
Other operations and maintenance	709	(45) (e)	664	1,311	(45) (e)	1,266
Depreciation, depletion and amortization	339	-	339	682	-	682
Other taxes	134	-	134	299	-	299
Total operating expenses	1,974	(45)	1,929	4,381	(130)	4,251
Income from operations	773	45	818	1,775	148	1,923
Other income (loss)	56	(18) (c)	38	116	(45) (c)	71
Income including noncontrolling interests before interest and income taxes	829	27	856	1,891	103	1,994
Interest and related charges	221	-	221	444	-	444
Income including noncontrolling interests before income taxes	608	27	635	1,447	103	1,550
Income taxes	190	11 (d)	201	489	39 (d)	528
Income from continuing operations including noncontrolling interests	418	16	434	958	64	1,022
Noncontrolling interests	5	-	5	9	-	9
<b>Earnings</b>	\$ 413	\$ 16	\$ 429	\$ 949	\$ 64	\$ 1,013
<b>Earnings Per Share</b>	\$ 0.70	\$ 0.03	\$ 0.73	\$ 1.60	\$ 0.11	\$ 1.71
Average shares outstanding, diluted	592.5		592.5	591.2		591.2

### Adjustments to Reported Earnings

- (a) Items associated with PJM prior-year billing adjustment.  
(b) Write-off of prior-period deferred fuel costs associated with Virginia legislation.  
(c) Net gain/loss of our investment in nuclear decommissioning trust funds.  
(d) Income tax provisions associated with adjustments to reported earnings.  
(e) Items associated with future ash pond and landfill closure costs at certain utility power stations.

Note: Figures may not add due to rounding

## Reconciliation of 2016 Corporate and Other Reported Earnings to Operating Earnings

Unaudited Income Statements  
(millions, except per share amounts)

	Three Months Ended June 30, 2016			Six Months Ended June 30, 2016		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
<b>Operating Revenue</b>	\$ 136	\$ -	\$ 136	\$ 331	\$ -	\$ 331
<b>Operating Expenses</b>						
Electric fuel and other energy-related purchases	-	-	-	-	-	-
Purchased electric capacity	-	-	-	-	-	-
Purchased gas	-	-	-	1	-	1
Other operations and maintenance	136	1 (a), (b)	137	391	(70) (a), (b)	321
Depreciation, depletion and amortization	9	-	9	9	9 (b)	18
Other taxes	5	-	5	20	(5) (a), (b)	15
Total operating expenses	150	1	151	421	(66)	355
Income from operations	(14)	(1)	(15)	(90)	66	(24)
Other income (loss)	29	(11) (d)	18	37	(13) (b)	24
Income including noncontrolling interests before interest and income taxes	15	(12)	3	(53)	53	-
Interest and related charges	125	-	125	233	(2) (b)	231
Income including noncontrolling interests before income taxes	(110)	(12)	(122)	(286)	55	(231)
Income taxes	(125)	(1) (c)	(126)	(274)	18 (c)	(256)
Income from continuing operations including noncontrolling interests	15	(11)	4	(12)	37	25
Noncontrolling interests	-	-	-	-	-	-
<b>Earnings (Loss) Contribution</b>	\$ 15	\$ (11)	\$ 4	\$ (12)	\$ 37	\$ 25
<b>Earnings (Loss) Per Share</b>	\$ 0.02	\$ (0.02)	\$ -	\$ (0.02)	\$ 0.06	\$ 0.04
Average shares outstanding, diluted	617.0		617.0	607.6		607.6

### Adjustments to Reported Earnings

- (a) Items associated with the organizational design initiative.  
(b) Other miscellaneous items.  
(c) Income tax provisions associated with adjustments to reported earnings.  
(d) Net gain/loss of our investment in nuclear decommissioning trust funds.

Note: Figures may not add due to rounding



## Reconciliation of 2015 Corporate and Other Reported Earnings to Operating Earnings

Unaudited Income Statements  
(millions, except per share amounts)

	Three Months Ended June 30, 2015			Six Months Ended June 30, 2015		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
<b>Operating Revenue</b>	\$ 148	\$ -	\$ 148	\$ 277	\$ 18 (a)	\$ 295
<b>Operating Expenses</b>						
Electric fuel and other energy-related purchases	-	-	-	85	(85) (b)	-
Purchased electric capacity	-	-	-	-	-	-
Purchased gas	-	-	-	1	-	1
Other operations and maintenance	190	(45) (e)	145	331	(45) (e)	286
Depreciation, depletion and amortization	10	-	10	19	-	19
Other taxes	6	-	6	16	-	16
Total operating expenses	206	(45)	161	452	(130)	322
Income from operations	(58)	45	(13)	(175)	148	(27)
Other income (loss)	20	(18) (c)	2	50	(45) (c)	5
Income including noncontrolling interests before interest and income taxes	(38)	27	(11)	(125)	103	(22)
Interest and related charges	102	-	102	203	-	203
Income including noncontrolling interests before income taxes	(140)	27	(113)	(328)	103	(225)
Income taxes	(57)	11 (d)	(46)	(152)	39 (d)	(113)
Income from continuing operations including noncontrolling interests	(83)	16	(67)	(176)	64	(112)
Noncontrolling interests	-	-	-	-	-	-
<b>Earnings (Loss) Contribution</b>	\$ (83)	\$ 16	\$ (67)	\$ (176)	\$ 64	\$ (112)
<b>Earnings (Loss) Per Share</b>	\$ (0.14)	\$ 0.03	\$ (0.11)	\$ (0.30)	\$ 0.11	\$ (0.19)
Average shares outstanding, diluted	592.5		592.5	591.2		591.2

### Adjustments to Reported Earnings

- (a) Items associated with PJM prior-year billing adjustment.  
(b) Write-off of prior-period deferred fuel costs associated with Virginia legislation.  
(c) Net gain/loss of our investment in nuclear decommissioning trust funds.  
(d) Income tax provisions associated with adjustments to reported earnings.  
(e) Items associated with future ash pond and landfill closure costs at certain utility power stations.

Note: Figures may not add due to rounding

**Reconciliation of 2Q16 Reported Earnings to 2Q16 Operating Earnings****Unaudited, Operating Segments***(millions, except per share amounts)*

Description	2Q16 Reported	Adjustments	2Q16 Operating
<b>Dominion Virginia Power Adjusted EBITDA</b>	\$363		\$363
DD&A	133		133
Dominion Virginia Power Adjusted EBIT	230		230
<b>Dominion Energy Adjusted EBITDA</b>	336		336
DD&A	65		65
Dominion Energy Adjusted EBIT	271		271
<b>Dominion Generation Adjusted EBITDA</b>	509		509
DD&A	154		154
Dominion Generation Adjusted EBIT	355		355
<b>Corporate and Other &amp; Eliminations Adjusted EBIT</b>	(3)	(12) (a),(b), (c)	(15)
Total Adjusted EBIT	\$853	(\$12)	\$841
<b>Consolidated Interest</b>	239	0	239
<b>Consolidated Income Taxes</b>	152	(1) (d)	151
<b>Noncontrolling Interests</b>	10		10
<b>Earnings</b>	\$452	(\$11)	\$441
Average Diluted Shares Outstanding	617.0	617.0	617.0
<b>Reported EPS</b>	0.73	---	---
<b>Adjustments to reported earnings</b>	---	(0.02)	---
<b>Operating EPS</b>	---	---	0.71

**Note: Totals may not add due to rounding****Adjustments to Reported Earnings**

(a) Net gain/loss of our investment in nuclear decommissioning trust funds.

(b) Items associated with the organizational design initiative.

(c) Other miscellaneous items.

(d) Income tax provisions associated with adjustments to reported earnings.

**Reconciliation of 2Q15 Reported Earnings to 2Q15 Operating Earnings**

Unaudited, Operating Segments  
(millions, except per share amounts)

Description	2Q15 Reported	Adjustments	2Q15 Operating
<b>Dominion Virginia Power Adjusted EBITDA</b>	\$374		\$374
DD&A	123		123
Dominion Virginia Power Adjusted EBIT	251		251
<b>Dominion Energy Adjusted EBITDA</b>	286		286
DD&A	65		65
Dominion Energy Adjusted EBIT	221		221
<b>Dominion Generation Adjusted EBITDA</b>	545		545
DD&A	141		141
Dominion Generation Adjusted EBIT	404		404
<b>Corporate and Other &amp; Eliminations Adjusted EBIT</b>	(47)	27 (a),(b)	(20)
Total Adjusted EBIT	\$829	\$27	\$856
<b>Consolidated Interest</b>	221	0	221
<b>Consolidated Income Taxes</b>	190	11 (c)	201
<b>Noncontrolling Interests</b>	5		5
<b>Earnings</b>	\$413	\$16	\$429
Average Diluted Shares Outstanding	592.5	592.5	592.5
<b>Reported EPS</b>	0.70	---	---
<b>Adjustments to reported earnings</b>	---	0.03	---
<b>Operating EPS</b>	---	---	0.73

Note: Totals may not add due to rounding

**Adjustments to Reported Earnings**

- (a) Items associated with future ash pond and landfill closure costs at certain utility power stations.  
(b) Net gain/loss of our investment in nuclear decommissioning trust funds.  
(c) Income tax provisions associated with adjustments to reported earnings

**Reconciliation of 3Q15 Reported Earnings to 3Q15 Operating Earnings****Unaudited, Operating Segments***(millions, except per share amounts)*

Description	3Q15 Reported	Adjustments	3Q15 Operating
<b>Dominion Virginia Power Adjusted EBITDA</b>	\$388		\$388
DD&A	126		126
Dominion Virginia Power Adjusted EBIT	262		262
<b>Dominion Energy Adjusted EBITDA</b>	334		334
DD&A	65		65
Dominion Energy Adjusted EBIT	269		269
<b>Dominion Generation Adjusted EBITDA</b>	794		794
DD&A	154		154
Dominion Generation Adjusted EBIT	640		640
<b>Corporate and Other &amp; Eliminations Adjusted EBIT</b>	(37)	16 (a),(b)	(21)
Total Adjusted EBIT	\$1,134	\$16	\$1,150
<b>Consolidated Interest</b>	230	(3) (b)	227
<b>Consolidated Income Taxes</b>	305	1 (c), (d)	306
<b>Noncontrolling Interests</b>	6		6
<b>Earnings</b>	\$593	\$18	\$611
Average Diluted Shares Outstanding	595.5	595.5	595.5
<b>Reported EPS</b>	1.00	---	---
<b>Adjustments to reported earnings</b>	---	0.03	---
<b>Operating EPS</b>	---	---	1.03

**Note: Totals may not add due to rounding****Adjustments to Reported Earnings**

- (a) Net gain/loss of our investment in nuclear decommissioning trust funds.
- (b) Items associated with rate adjustment clauses.
- (c) Item associated with North Carolina Public Utility Commission order.
- (d) Income tax provisions associated with adjustments to reported earnings

**2016 Earnings Expectations****Earnings Per Share (diluted)****Reconciliation of measures prepared in accordance with Generally Accepted Accounting Principles (GAAP) versus non-GAAP measures**

3Q 2016 Operating Earnings (estimate):	\$0.95 - \$1.10
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FY 2016 Operating Earnings (estimate):	\$3.60 - \$4.00
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3Q 2016 Reported Earnings (estimate):	See Note 1 below
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FY 2016 Reported Earnings (estimate):	See Note 1 below
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1. In providing its third-quarter and full-year 2016 operating earnings guidance, the company notes that there could be differences between expected reported earnings and estimated operating earnings for matters such as, but not limited to, acquisitions, divestitures or changes in accounting principles. At this time, Dominion management is not able to estimate the aggregate impact, if any, of these items on future period reported earnings. Accordingly, Dominion is not able to provide a corresponding GAAP equivalent for its operating earnings guidance.

Dominion uses operating earnings as the primary performance measurement of its earnings guidance and results for public communications with analysts and investors. Dominion also uses operating earnings internally for budgeting, for reporting to the board of directors, for the company's incentive compensation plans and for its targeted dividend payouts and other purposes. Dominion management believes operating earnings provide a more meaningful representation of the company's fundamental earnings power.

Dominion's estimates of third-quarter and full-year 2016 earnings are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from management's projections, forecasts, estimates and expectations may include factors that are beyond the company's ability to control or estimate precisely, including fluctuations in energy-related commodity prices, estimates of future market conditions, additional competition in our industries, changes in the demand for Dominion's services, access to and costs of capital, fluctuations in the value of our pension assets and assets held in our decommissioning trusts, impacts of acquisitions, divestitures, transfers of assets to joint ventures or Dominion Midstream and retirements of assets based on asset portfolio reviews, the expected timing and likelihood of completion of the proposed acquisition of Questar, receipt and terms and conditions of required regulatory approvals, the receipt of regulatory approvals for, and timing of, other planned projects, acquisitions and divestitures, the timing and execution of Dominion Midstream's growth strategy, and the ability to complete planned construction or expansion projects at all or within the terms and timeframes initially anticipated. Other factors include, but are not limited to, weather conditions and other events, including the effects of hurricanes, earthquakes, high winds, major storms and changes in water temperatures on operations, the risk associated with the operation of nuclear facilities, unplanned outages at facilities in which Dominion has an ownership interest, the impact of operational hazards and catastrophic events, state and federal legislative and regulatory developments, including changes in federal and state tax laws and changes to environmental and other laws and regulations, including those related to climate change, greenhouse gases and other emissions to which we are subject, changes in enforcement practices of regulators relating to environmental standards and litigation exposure for remedial activities, political and economic conditions, industrial, commercial and residential growth or decline in Dominion's service area, risks of operating businesses in regulated industries that are subject to changing regulatory structures, changes to regulated gas and electric rates collected by Dominion, changes to rating agency requirements and ratings, changing financial accounting standards, fluctuations in interest rates, employee workforce factors, including collective bargaining, counter-party credit and performance risks, adverse outcomes in litigation matters or regulatory proceedings, the risk of hostile cyber intrusions and other uncertainties. Other risk factors are detailed from time to time in Dominion's quarterly reports on Form 10-Q or most recent annual report on Form 10-K filed with the Securities and Exchange Commission.