



**Dominion<sup>®</sup>**

**4<sup>th</sup> Quarter 2016  
Earnings Release  
Kit**

**February 28, 2017**

# Table of Contents

<b>IMPORTANT NOTES TO INVESTORS .....</b>	<b>3</b>
<b>EARNINGS RELEASE AND ACCOMPANYING SCHEDULES .....</b>	<b>4</b>
CONSOLIDATED STATEMENTS OF INCOME (GAAP) .....	7
SCHEDULE 1 - SEGMENT REPORTED AND OPERATING EARNINGS .....	8
SCHEDULE 2 - RECONCILIATION OF 2016 REPORTED EARNINGS TO OPERATING EARNINGS .....	9
SCHEDULE 3 - RECONCILIATION OF 2015 REPORTED EARNINGS TO OPERATING EARNINGS .....	10
SCHEDULE 4 - RECONCILIATION OF 2016 EARNINGS TO 2015 .....	11
<b>FINANCIALS .....</b>	<b>12</b>
CONSOLIDATED FINANCIAL STATEMENTS (GAAP) .....	12
SEGMENT EARNINGS RESULTS .....	14
<b>OPERATING STATISTICS .....</b>	<b>19</b>
2016 WEATHER VARIANCE .....	21
<b>FINANCE &amp; LIQUIDITY .....</b>	<b>22</b>
SCHEDULE OF LONG-TERM DEBT .....	22
SCHEDULE OF DEBT MATURITIES .....	23
SCHEDULE OF LIQUIDITY POSITION .....	24
SCHEDULE OF CHANGE IN CAPITALIZATION .....	25
<b>HEDGING .....</b>	<b>26</b>
<b>RECONCILIATION OF FORECAST AND OUTLOOK .....</b>	<b>27</b>
RECONCILIATION OF OPERATING EARNINGS GUIDANCE .....	27
<b>GAAP RECONCILIATION .....</b>	<b>29</b>
RECONCILIATION OF 2016 CONSOLIDATED REPORTED EARNINGS TO OPERATING EARNINGS .....	29
RECONCILIATION OF 2015 CONSOLIDATED REPORTED EARNINGS TO OPERATING EARNINGS .....	30
RECONCILIATION OF 2016 CORPORATE AND OTHER REPORTED EARNINGS TO OPERATING EARNINGS .....	31
RECONCILIATION OF 2015 CORPORATE AND OTHER REPORTED EARNINGS TO OPERATING EARNINGS .....	32
RECONCILIATION OF 2016 REPORTED EARNINGS TO 2016 OPERATING EARNINGS .....	33
RECONCILIATION OF 2015 REPORTED EARNINGS TO 2015 OPERATING EARNINGS .....	34
RECONCILIATION OF 4Q16 REPORTED EARNINGS TO 4Q16 OPERATING EARNINGS .....	35
RECONCILIATION OF 4Q15 REPORTED EARNINGS TO 4Q15 OPERATING EARNINGS .....	36
2017 EARNINGS EXPECTATIONS .....	37

## Important Notes to Investors

This 4Q16 Earnings Release Kit contains certain forward-looking statements, including our forecasted operating earnings for the first-quarter and full-year 2017 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 receipt of approvals for, and timing of, closing dates for 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 4Q16 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 4Q16 Earnings Release Kit and its individual components reflect the financial position and operating results of Dominion and its primary operating segments through December 31, 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 4Q16 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 4Q16 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

February 1, 2017

### Dominion Announces Fourth-Quarter and Full-Year 2016 Earnings

- *Full-year 2016 reported earnings of \$3.44 per share*
- *Full-year 2016 operating earnings of \$3.80 per share, at the midpoint of Dominion's guidance of \$3.60 to \$4.00 per share*
- *Company introduces 2017 operating earnings guidance of \$3.40 to \$3.90 per share*
- *Company expects at least 10% growth in operating earnings in 2018 and compound average growth of 6-8% through 2020*

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 Dec. 31, 2016, of \$457 million (\$0.73 per share) compared with earnings of \$357 million (\$0.60 per share) for the same period in 2015. Reported earnings for the 12 months ended Dec. 31, 2016 were \$2.1 billion (\$3.44 per share) compared with earnings of \$1.9 billion (\$3.20 per share) for the same period in 2015.

Operating earnings for the three months ended Dec. 31, 2016, were \$618 million (\$0.99 per share), compared to operating earnings of \$416 million (\$0.70 per share) for the same period in 2015. Operating earnings for the 12 months ended Dec. 31, 2016 were \$2.3 billion (\$3.80 per share), compared to operating earnings of \$2.0 billion (\$3.44 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 charges associated with future ash pond and landfill closures. The principal difference between reported earnings and operating earnings for the full year is related to charges associated with future ash pond and landfill closures, costs associated with the Dominion-Questar combination and the company's organizational design initiative.

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:

"We are very pleased with our strong safety, operational and financial performance in 2016. Operating earnings per share were in the middle of our guidance range and 10 percent above last year's. In December, our Board established a 2017 dividend rate that would result in an increase of 8 percent from 2016. This is the third straight year of 8 percent annual dividend growth, which is among the best in the industry. We anticipate being able to increase the dividend at greater than 8 percent beginning in 2018.

“Our employees set another new company-wide safety record. Several projects began operating, including Brunswick County Power Station, which was honored with a number of industry awards – Best Overall Generation Project of the Year among them.

“We continue executing on our growth projects, and have begun constructing the 1,588-megawatt Greenville County combined-cycle power station. The project is on time and on budget.

“Our Cove Point Liquefaction project made significant progress this year. It is now 84 percent complete and is on time, with an expected in-service date in late 2017.

“We received a draft Environmental Impact Statement from FERC for the Atlantic Coast Pipeline and the related Supply Header project. Our company continues working toward a construction start date later this year. We expect to complete these projects in late 2019.”

### **FULL-YEAR 2016 REPORTED AND OPERATING EARNINGS COMPARED TO 2015**

Reported earnings in 2016 were 24 cents per share higher than full-year reported earnings in 2015. Business segment results and detailed descriptions of items included in 2016 and 2015 reported earnings but excluded from operating earnings may be found on Schedules 1, 2, and 3 of this release.

Operating earnings in 2016 rose 36 cents per share from full-year 2015 operating earnings of \$3.44 per share. The increase in operating earnings was primarily attributable to growth projects in our regulated electric and gas service areas, lower capacity expenses and investment tax credits from solar facilities. Offsetting drivers for the year included lower farmout earnings, higher depreciation, interest costs and share dilution.

Details of fourth-quarter and full-year 2016 operating earnings as compared to 2015 may be found on Schedule 4 of this release.

### **OPERATING EARNINGS GUIDANCE**

Dominion expects full-year 2017 operating earnings in the range of \$3.40-\$3.90 per share, compared to full-year 2016 operating earnings of \$3.80 per share. Positive drivers include increased revenues from our growth projects and the addition of Dominion Questar. The company expects negative drivers for the year to include a reduction of Cove Point import contract revenues, a second Millstone refueling outage, lower hedged power prices at Millstone, a step down in solar investment tax credits and share dilution.

First-quarter 2017 operating earnings are expected to be in the range of \$0.90-\$1.10 per share.

Expected revenues from Cove Point export contracts, along with other growth drivers, support at least 10 percent year over year growth in full-year 2018 operating earnings. Furthermore, Dominion expects a 6 to 8 percent compound average growth rate in earnings through 2020 from a 2017 base reflecting contributions from its diverse portfolio of businesses.

In providing its operating earnings guidance, the company notes that there could be differences

**DOMINION - 4Q16 EARNINGS RELEASE KIT**

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 fourth-quarter earnings conference call at 10 a.m. ET on Wednesday, Feb. 1, 2017. Management will discuss fourth-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 Feb. 1 and lasting until 11 p.m. ET Feb. 8. Domestic callers may access the recording by dialing (877) 919-4059. International callers should dial (334) 323-0140. The PIN for the replay is 61568881. Additionally, a replay of the webcast will be available on the investor information pages by the end of the day Feb. 1.

Dominion is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 26,400 megawatts of generation, 14,600 miles of natural gas transmission, gathering and storage pipeline, and 6,600 miles of electric transmission lines. Dominion operates one of the nation's largest natural gas storage systems with 1 trillion cubic feet of storage capacity and serves more than 6 million utility and retail energy customers. For more information about Dominion, visit the company's website at [www.dom.com](http://www.dom.com).

#####

**CONTACTS:** Media: Ryan Frazier, (804) 819-2521 or [C.Ryan.Frazier@dom.com](mailto:C.Ryan.Frazier@dom.com)  
Financial analysts: Kristy Babcock, (804) 819-2492 or [Kristy.R.Babcock@dom.com](mailto:Kristy.R.Babcock@dom.com)

**Consolidated Statements of Income (GAAP)**

Dominion Resources, Inc.  
 Consolidated Statements of Income \*  
 Unaudited (GAAP Based)  
 (millions, except per share amounts)

	Three Months Ended		Year Ended	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Operating Revenue</b>	<b><u>\$ 3,086</u></b>	<b><u>\$ 2,556</u></b>	<b><u>\$11,737</u></b>	<b><u>\$11,683</u></b>
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	542	545	2,333	2,725
Purchased electric capacity	(8)	71	99	330
Purchased gas	207	105	459	551
Other operations and maintenance	931	720	3,064	2,595
Depreciation, depletion and amortization	447	358	1,559	1,395
Other taxes	148	119	596	551
Total operating expenses	<u>2,267</u>	<u>1,918</u>	<u>8,110</u>	<u>8,147</u>
Income from operations	<u>819</u>	<u>638</u>	<u>3,627</u>	<u>3,536</u>
Other income	61	69	250	196
Interest and related charges	<u>295</u>	<u>230</u>	<u>1,010</u>	<u>904</u>
Income from continuing operations including noncontrolling interests before income taxes	585	477	2,867	2,828
Income tax expense	<u>94</u>	<u>111</u>	<u>655</u>	<u>905</u>
Income from continuing operations including noncontrolling interests	<u>491</u>	<u>366</u>	<u>2,212</u>	<u>1,923</u>
Noncontrolling interests	<u>34</u>	<u>9</u>	<u>89</u>	<u>24</u>
<b>Net Income attributable to Dominion</b>	<b><u>\$ 457</u></b>	<b><u>\$ 357</u></b>	<b><u>\$ 2,123</u></b>	<b><u>\$ 1,899</u></b>
<b>Reported earnings per common share - diluted</b>	<b><u>\$ 0.73</u></b>	<b><u>\$ 0.60</u></b>	<b><u>\$ 3.44</u></b>	<b><u>\$ 3.20</u></b>
Average shares outstanding, diluted	627.1	596.7	617.1	593.7

\* 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 - 4Q16 EARNINGS RELEASE KIT**

**Schedule 1 - Segment Reported and Operating Earnings**

Preliminary, Unaudited

(millions, except earnings per share)

	Three months ended December 31,		
	2016	2015	Change
<b>REPORTED EARNINGS</b> <sup>1</sup>	\$ 457	\$ 357	\$ 100
Pre-tax loss (income) <sup>2</sup>	256	98	158
Income tax <sup>2</sup>	(95)	(39)	(56)
Adjustments to reported earnings	161	59	102
<b>OPERATING EARNINGS</b>	<u>\$ 618</u>	<u>\$ 416</u>	<u>\$ 202</u>
<i>By segment:</i>			
Dominion Virginia Power	121	108	13
Dominion Energy <sup>3</sup>	243	171	72
Dominion Generation	331	218	113
Corporate and Other	(77)	(81)	4
	<u>\$ 618</u>	<u>\$ 416</u>	<u>\$ 202</u>
<b>Earnings Per Share (EPS):</b>			
<b>REPORTED EARNINGS</b> <sup>1</sup>	\$ 0.73	\$ 0.60	\$ 0.13
Adjustments to reported earnings (after tax)	0.26	0.10	0.16
<b>OPERATING EARNINGS</b>	<u>\$ 0.99</u>	<u>\$ 0.70</u>	<u>\$ 0.29</u>
<i>By segment:</i>			
Dominion Virginia Power	0.19	0.18	0.01
Dominion Energy <sup>3</sup>	0.39	0.29	0.10
Dominion Generation	0.53	0.37	0.16
Corporate and Other	(0.12)	(0.14)	0.02
	<u>\$ 0.99</u>	<u>\$ 0.70</u>	<u>\$ 0.29</u>
<b>Common Shares Outstanding (average, diluted)</b>	627.1	596.7	

(millions, except earnings per share)

	Twelve months ended December 31,		
	2016	2015	Change
<b>REPORTED EARNINGS</b> <sup>1</sup>	\$ 2,123	\$ 1,899	\$ 224
Pre-tax loss (income) <sup>2</sup>	359	220	139
Income tax <sup>2</sup>	(135)	(79)	(56)
Adjustments to reported earnings	224	141	83
<b>OPERATING EARNINGS</b>	<u>\$ 2,347</u>	<u>\$ 2,040</u>	<u>\$ 307</u>
<i>By segment:</i>			
Dominion Virginia Power	484	490	(6)
Dominion Energy <sup>3</sup>	726	680	46
Dominion Generation	1,397	1,120	277
Corporate and Other	(260)	(250)	(10)
	<u>\$ 2,347</u>	<u>\$ 2,040</u>	<u>\$ 307</u>
<b>Earnings Per Share (EPS):</b>			
<b>REPORTED EARNINGS</b> <sup>1</sup>	\$ 3.44	\$ 3.20	\$ 0.24
Adjustments to reported earnings (after tax)	0.36	0.24	0.12
<b>OPERATING EARNINGS</b>	<u>\$ 3.80</u>	<u>\$ 3.44</u>	<u>\$ 0.36</u>
<i>By segment:</i>			
Dominion Virginia Power	0.78	0.82	(0.04)
Dominion Energy <sup>3</sup>	1.18	1.15	0.03
Dominion Generation	2.26	1.89	0.37
Corporate and Other	(0.42)	(0.42)	-
	<u>\$ 3.80</u>	<u>\$ 3.44</u>	<u>\$ 0.36</u>
<b>Common Shares Outstanding (average, diluted)</b>	617.1	593.7	

<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> 2016 amounts include Dominion Questar operations as of September 16, 2016.



**Schedule 2 - Reconciliation of 2016 Reported Earnings to Operating Earnings****2016 Earnings (Twelve months ended December 31, 2016)**

The \$359 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:

- \$197 million additional charge associated with the asset retirement obligations for ash ponds and landfills at certain utility generation facilities to comply with the EPA coal combustion residuals rule.
- \$74 million of transaction and transition costs associated with the Dominion Questar combination, which was completed in September 2016.
- \$65 million charge associated with an organizational design initiative and primarily comprised of employee severance benefits.
- \$23 million of restoration costs associated with Hurricane Matthew affecting our electric utility service territories.

<i>(millions, except per share amounts)</i>	1Q16	2Q16	3Q16	4Q16	YTD 2016 <sup>2</sup>
<b>Reported earnings</b>	\$524	\$452	\$690	\$457	\$2,123
Adjustments to reported earnings <sup>1</sup> :					
Pre-tax loss (income)	67	(12)	48	256	359
Income tax	(19)	1	(22)	(95)	(135)
	48	(11)	26	161	224
<b>Operating earnings</b>	\$572	\$441	\$716	\$618	\$2,347
<b>Common shares outstanding (average, diluted)</b>	598.2	617.0	626.0	627.1	617.1
<b>Reported earnings per share</b>	\$0.88	\$0.73	\$1.10	\$0.73	\$3.44
Adjustments to reported earnings (after-tax)	0.08	(0.02)	0.04	0.26	0.36
<b>Operating earnings per share</b>	\$0.96	\$0.71	\$1.14	\$0.99	\$3.80

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

	1Q16	2Q16	3Q16	4Q16	YTD 2016
<u>Pre-tax loss (income):</u>					
Future ash ponds and landfill closure costs				197	197
Questar transaction and transition costs	2	5	53	14	74
Organizational design initiative	70	(5)			65
Hurricane Matthew costs				23	23
Other items	(5)	(12)	(5)	22	0
	\$67	(\$12)	\$48	\$256	\$359
<u>Income tax expense (benefit):</u>					
Tax effect of above adjustments to reported earnings *	(19)	1	(10)	(95)	(123)
Divestiture tax settlement			(12)		(12)
	(\$19)	\$1	(\$22)	(\$95)	(\$135)

\* Income taxes for individual pre-tax items include current and deferred taxes using a transactional effective tax rate. For interim reporting purposes, such amounts may be adjusted in connection with the calculation of the Company's year-to-date income tax provision based on its estimated annual effective tax rate.

**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

Income tax expense (benefit):

Tax effect of above adjustments to reported earnings *	(28)	(11)	(7)	(39)	(85)
Deferred taxes refundable to utility customers			6		6
	(\$28)	(\$11)	(\$1)	(\$39)	(\$79)

\* Income taxes for individual pre-tax items include current and deferred taxes using a transactional effective tax rate. For interim reporting purposes, such amounts may be adjusted in connection with the calculation of the Company's year-to-date income tax provision based on its estimated annual effective tax rate.

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

**Schedule 4 - Reconciliation of 2016 Earnings to 2015**

Preliminary, unaudited (millions, except EPS)	Three Months Ended December 31, 2016 vs. 2015		Twelve Months Ended December 31, 2016 vs. 2015	
	Increase / (Decrease)		Increase / (Decrease)	
	Amount	EPS	Amount	EPS
<b>Reconciling Items</b>				
Change in reported earnings (GAAP)	\$100	\$0.13	\$224	\$0.24
Change in Pre-tax loss (income) <sup>1</sup>	\$158		\$139	
Change in Income tax <sup>1</sup>	(56)		(56)	
<b>Adjustments to reported earnings</b>	<b>\$102</b>	<b>\$0.16</b>	<b>\$83</b>	<b>\$0.12</b>
<b>Change in consolidated operating earnings</b>	<b>\$202</b>	<b>\$0.29</b>	<b>\$307</b>	<b>\$0.36</b>
<b>Dominion Virginia Power</b>				
Regulated electric sales:				
Weather	\$13	\$0.02	(\$1)	-
Other	1	-	1	-
FERC Transmission equity return	11	0.02	41	0.07
Depreciation	(3)	-	(10)	(0.02)
Storm damage and service restoration	1	-	(16)	(0.03)
AFUDC equity return	(2)	-	(8)	(0.01)
Other	(8)	(0.01)	(13)	(0.02)
Share dilution	-	(0.01)	-	(0.03)
<b>Change in contribution to operating earnings</b>	<b>\$13</b>	<b>\$0.01</b>	<b>(\$6)</b>	<b>(\$0.04)</b>
<b>Dominion Energy</b>				
Gas Distribution margin	\$10	\$0.02	\$13	\$0.02
Farmout transaction	(1)	-	(48)	(0.08)
Dominion Questar combination <sup>2</sup>	73	0.12	78	0.13
Other	(10)	(0.02)	3	0.01
Share dilution	-	(0.02)	-	(0.05)
<b>Change in contribution to operating earnings</b>	<b>\$72</b>	<b>\$0.10</b>	<b>\$46</b>	<b>\$0.03</b>
<b>Dominion Generation</b>				
Regulated electric sales:				
Weather	\$24	\$0.04	\$2	-
Other	1	-	13	0.02
Merchant generation margin	8	0.01	(34)	(0.06)
Rate adjustment clause equity return	6	0.01	24	0.04
Renewable energy investment tax credits	6	0.01	186	0.31
Noncontrolling interest related to solar partnerships	(8)	(0.01)	(28)	(0.05)
Depreciation	(10)	(0.02)	(25)	(0.04)
Electric capacity	48	0.08	137	0.23
Other	38	0.06	2	0.01
Share dilution	-	(0.02)	-	(0.09)
<b>Change in contribution to operating earnings</b>	<b>\$113</b>	<b>\$0.16</b>	<b>\$277</b>	<b>\$0.37</b>
<b>Corporate and Other</b>				
Renewable energy investment tax credits	\$25	\$0.04	-	-
Other	(21)	(0.02)	(10)	-
<b>Change in contribution to operating earnings</b>	<b>\$4</b>	<b>\$0.02</b>	<b>(\$10)</b>	<b>-</b>
<b>Change in consolidated operating earnings</b>	<b>\$202</b>	<b>\$0.29</b>	<b>\$307</b>	<b>\$0.36</b>
<i>Change in adjustments included in reported earnings <sup>1</sup></i>	<i>(\$102)</i>	<i>(\$0.16)</i>	<i>(\$83)</i>	<i>(\$0.12)</i>
<b>Change in consolidated reported earnings</b>	<b>\$100</b>	<b>\$0.13</b>	<b>\$224</b>	<b>\$0.24</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).

<sup>2</sup> Excludes financing impact of Dominion Questar combination.

Note: Figures may not add due to rounding

## Financials

### Consolidated Financial Statements (GAAP)

Dominion Resources, Inc.  
Consolidated Balance Sheets \*  
Unaudited & Summarized  
(\$ in Millions)

	At December 31,	
	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Current Assets	\$4,248	\$4,189
Investments	6,343	5,774
Property, Plant and Equipment, Net	49,964	41,554
Deferred Charges and Other Assets	<u>11,055</u>	<u>7,131</u>
<b>Total Assets</b>	<b><u>\$71,610</u></b>	<b><u>\$58,648</u></b>
<b>Liabilities and Equity</b>		
Securities due within one year	\$1,709	\$1,825
Short-term debt	3,155	3,509
Other current liabilities	<u>3,251</u>	<u>2,785</u>
<b>Total Current Liabilities</b>	8,115	8,119
Long-Term Debt	30,231	23,468
Deferred Credits and Other Liabilities	<u>16,424</u>	<u>13,459</u>
<b>Total Liabilities</b>	54,770	45,046
Common Shareholders' Equity	14,605	12,664
Noncontrolling Interest	<u>2,235</u>	<u>938</u>
<b>Total Equity</b>	16,840	13,602
<b>Total Liabilities and Equity</b>	<b><u>\$71,610</u></b>	<b><u>\$58,648</u></b>

\* 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 - 4Q16 EARNINGS RELEASE KIT**

**Dominion Resources, Inc.  
Consolidated Statements of Cash Flows \*  
Unaudited & Summarized  
(\$ in Millions)**

	<b>Year Ended December 31,</b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>Operating Activities</b>		
Net Income including noncontrolling interests	\$2,212	\$1,923
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization (including nuclear fuel)	1,849	1,669
Deferred income taxes and investment tax credits	725	854
Other adjustments	(173)	(66)
Changes in:		
Accounts receivable	(286)	294
Inventories	1	(26)
Deferred fuel and purchased gas costs, net	54	94
Prepayments	21	(25)
Accounts payable	97	(199)
Accrued interest, payroll and taxes	203	(52)
Margin deposits assets and liabilities	(66)	237
Net realized and unrealized changes related to derivative activities	(335)	(176)
Other operating assets and liabilities	<u>(175)</u>	<u>(52)</u>
<b>Net cash provided by operating activities</b>	<b>4,127</b>	<b>4,475</b>
<b>Investing Activities</b>		
Plant construction and other property additions (including nuclear fuel)	(6,085)	(5,575)
Acquisition of Dominion Questar, net of cash acquired	(4,381)	-
Acquisition of solar development projects	(40)	(418)
Acquisition of DCG	-	(497)
Other	<u>(197)</u>	<u>(13)</u>
<b>Net cash used in investing activities</b>	<b>(10,703)</b>	<b>(6,503)</b>
<b>Financing Activities</b>		
Issuance (repayment) of short-term debt, net	(654)	734
Issuance of short-term notes	1,200	600
Repayment and repurchase of short-term notes	(1,800)	(400)
Issuance and remarketing of long-term debt	7,722	2,962
Repayment and repurchase of long-term debt	(1,610)	(892)
Net proceeds from issuance of Dominion Midstream common units	482	-
Net proceeds from issuance of Dominion Midstream convertible preferred units	490	-
Proceeds from sale of interest in merchant solar projects	117	184
Contributions from SunEdison to Four Brothers and Three Cedars	189	103
Issuance of common stock	2,152	786
Common dividend payments	(1,727)	(1,536)
Other	<u>(331)</u>	<u>(224)</u>
<b>Net cash provided by financing activities</b>	<b>6,230</b>	<b>2,317</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(346)</b>	<b>289</b>
<b>Cash and cash equivalents at beginning of period</b>	<b><u>607</u></b>	<b><u>318</u></b>
<b>Cash and cash equivalents at end of period</b>	<b><u>\$261</u></b>	<b><u>\$607</u></b>

\* 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 December 31,		Year Ended December 31,	
	2016	2015	2016	2015
<b>Operating Revenue</b>	<u>\$ 3,086</u>	<u>\$ 2,556</u>	<u>\$ 11,737</u>	<u>\$ 11,683</u>
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	542	545	2,333	2,725
Purchased (excess) electric capacity	(8)	71	99	330
Purchased gas	207	105	459	551
Other operations and maintenance	931	720	3,064	2,595
Depreciation, depletion and amortization	447	358	1,559	1,395
Other taxes	148	119	596	551
Total operating expenses	<u>2,267</u>	<u>1,918</u>	<u>8,110</u>	<u>8,147</u>
Income from operations	<u>819</u>	<u>638</u>	<u>3,627</u>	<u>3,536</u>
Other income	<u>61</u>	<u>69</u>	<u>250</u>	<u>196</u>
Income including noncontrolling interests before interest and income taxes	<u>880</u>	<u>707</u>	<u>3,877</u>	<u>3,732</u>
Interest and related charges	<u>295</u>	<u>230</u>	<u>1,010</u>	<u>904</u>
Income including noncontrolling interests before income taxes	<u>585</u>	<u>477</u>	<u>2,867</u>	<u>2,828</u>
Income taxes	<u>94</u>	<u>111</u>	<u>655</u>	<u>905</u>
Income including noncontrolling interests	<u>491</u>	<u>366</u>	<u>2,212</u>	<u>1,923</u>
Noncontrolling interests	<u>34</u>	<u>9</u>	<u>89</u>	<u>24</u>
<b>Reported Earnings</b>	<u>\$ 457</u>	<u>\$ 357</u>	<u>\$ 2,123</u>	<u>\$ 1,899</u>
<b>Reported Earnings Per Share</b>	<u>\$ 0.73</u>	<u>\$ 0.60</u>	<u>\$ 3.44</u>	<u>\$ 3.20</u>
Adjustments to reported earnings:				
Pre-tax Loss (Income) <sup>2</sup>	256	98	359	220
Income Tax <sup>2</sup>	(95)	(39)	(135)	(79)
	<u>161</u>	<u>59</u>	<u>224</u>	<u>141</u>
<b>Operating Earnings</b>	<u>\$ 618</u>	<u>\$ 416</u>	<u>\$ 2,347</u>	<u>\$ 2,040</u>
<b>Operating Earnings Per Share</b>	<u>\$ 0.99</u>	<u>\$ 0.70</u>	<u>\$ 3.80</u>	<u>\$ 3.44</u>
Average shares outstanding, diluted	<u>627.1</u>	<u>596.7</u>	<u>617.1</u>	<u>593.7</u>
<b>Adjusted EBIT Reconciliation</b>				
Reported Earnings	\$ 457	\$ 357	\$ 2,123	\$ 1,899
Noncontrolling interest	34	9	89	24
Income taxes	94	111	655	905
Interest and related charges	295	230	1,010	904
	<u>\$ 880</u>	<u>\$ 707</u>	<u>\$ 3,877</u>	<u>\$ 3,732</u>
Adjustments <sup>2</sup>	<u>253</u>	<u>95</u>	<u>341</u>	<u>214</u>
Adjusted EBIT	<u>\$ 1,133</u>	<u>\$ 802</u>	<u>\$ 4,218</u>	<u>\$ 3,946</u>

<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 29-36.

## Dominion Virginia Power Reported and Operating Results

Unaudited Summary (\$mm except per share amounts)	Three Months Ended		Year Ended	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Operating Revenue</b>	\$ 534	\$ 494	\$ 2,233	\$ 2,111
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	-	-	3	3
Purchased electric capacity	-	-	-	-
Purchased gas	-	-	-	-
Other operations and maintenance	104	108	534	482
Depreciation, depletion and amortization	139	128	537	498
Other taxes	37	33	156	145
Total operating expenses	<u>280</u>	<u>269</u>	<u>1,230</u>	<u>1,128</u>
Income from operations	<u>254</u>	<u>225</u>	<u>1,003</u>	<u>983</u>
Other income	<u>9</u>	<u>8</u>	<u>33</u>	<u>44</u>
Income including noncontrolling interests before interest and income taxes	263	233	1,036	1,027
Interest and related charges	<u>64</u>	<u>58</u>	<u>244</u>	<u>230</u>
Income including noncontrolling interests before income taxes	199	175	792	797
Income taxes	<u>78</u>	<u>67</u>	<u>308</u>	<u>307</u>
Income including noncontrolling interests	121	108	484	490
Noncontrolling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Reported and Operating Earnings Contribution</b>	<u>\$ 121</u>	<u>\$ 108</u>	<u>\$ 484</u>	<u>\$ 490</u>
<b>Reported and Operating Earnings Per Share Contribution</b>	<u>\$ 0.19</u>	<u>\$ 0.18</u>	<u>\$ 0.78</u>	<u>\$ 0.82</u>
Average shares outstanding, diluted	627.1	596.7	617.1	593.7
<b>Adjusted EBIT and EBITDA Reconciliation</b>				
Reported Earnings	\$ 121	\$ 108	\$ 484	\$ 490
Noncontrolling interest	-	-	-	-
Income taxes	78	67	308	307
Interest and related charges	64	58	244	230
Adjusted EBIT	<u>\$ 263</u>	<u>\$ 233</u>	<u>\$ 1,036</u>	<u>\$ 1,027</u>
Depreciation, depletion and amortization	139	128	537	498
Adjusted EBITDA	<u>\$ 402</u>	<u>\$ 361</u>	<u>\$ 1,573</u>	<u>\$ 1,525</u>

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

Unaudited Summary (\$mm except per share amounts)	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
<b>Operating Revenue</b>	<u>\$ 1,024</u>	<u>\$ 612</u>	<u>\$ 2,766</u>	<u>\$ 2,572</u>
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	4	4	12	21
Purchased electric capacity	-	-	-	-
Purchased gas	203	100	443	524
Other operations and maintenance	255	141	673	493
Depreciation, depletion and amortization	124	68	330	262
Other taxes	66	48	221	204
Total operating expenses	<u>652</u>	<u>361</u>	<u>1,679</u>	<u>1,504</u>
Income from operations	<u>372</u>	<u>251</u>	<u>1,087</u>	<u>1,068</u>
Other income	<u>50</u>	<u>31</u>	<u>152</u>	<u>86</u>
Income including noncontrolling interests before interest and income taxes	<u>422</u>	<u>282</u>	<u>1,239</u>	<u>1,154</u>
Interest and related charges	<u>22</u>	<u>6</u>	<u>38</u>	<u>27</u>
Income including noncontrolling interests before income taxes	<u>400</u>	<u>276</u>	<u>1,201</u>	<u>1,127</u>
Income taxes	<u>137</u>	<u>96</u>	<u>431</u>	<u>423</u>
Income including noncontrolling interests	<u>263</u>	<u>180</u>	<u>770</u>	<u>704</u>
Noncontrolling interests	<u>20</u>	<u>9</u>	<u>44</u>	<u>24</u>
<b>Reported and Operating Earnings Contribution</b>	<u>\$ 243</u>	<u>\$ 171</u>	<u>\$ 726</u>	<u>\$ 680</u>
<b>Reported and Operating Earnings Per Share Contribution</b>	<u>\$ 0.39</u>	<u>\$ 0.29</u>	<u>\$ 1.18</u>	<u>\$ 1.15</u>
Average shares outstanding, diluted	627.1	596.7	617.1	593.7
<b>Adjusted EBIT and EBITDA Reconciliation</b>				
Reported Earnings	\$ 243	\$ 171	\$ 726	\$ 680
Noncontrolling interest	20	9	44	24
Income taxes	137	96	431	423
Interest and related charges	22	6	38	27
Adjusted EBIT	<u>\$ 422</u>	<u>\$ 282</u>	<u>\$ 1,239</u>	<u>\$ 1,154</u>
Depreciation, depletion and amortization	124	68	330	262
Adjusted EBITDA	<u>\$ 546</u>	<u>\$ 350</u>	<u>\$ 1,569</u>	<u>\$ 1,416</u>

<sup>1</sup>) 2016 amounts include Dominion Questar operations as of September 16, 2016.



## Dominion Generation Reported and Operating Results

Unaudited Summary (\$mm except per share amounts)	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
<b>Operating Revenue</b>	<b><u>\$1,546</u></b>	<b><u>\$1,471</u></b>	<b><u>\$6,757</u></b>	<b><u>\$7,015</u></b>
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	535	540	2,306	2,594
Purchased (excess) electric capacity	(8)	71	99	330
Purchased gas	-	-	-	-
Other operations and maintenance	368	390	1,560	1,525
Depreciation, depletion and amortization	174	147	662	591
Other taxes	40	33	188	175
Total operating expenses	<u>1,109</u>	<u>1,181</u>	<u>4,815</u>	<u>5,215</u>
Income from operations	<u>437</u>	<u>290</u>	<u>1,942</u>	<u>1,800</u>
Other income	<u>22</u>	<u>19</u>	<u>69</u>	<u>47</u>
Income including noncontrolling interests before interest and income taxes	459	309	2,011	1,847
Interest and related charges	<u>76</u>	<u>64</u>	<u>290</u>	<u>262</u>
Income including noncontrolling interests before income taxes	383	245	1,721	1,585
Income taxes	<u>38</u>	<u>27</u>	<u>279</u>	<u>465</u>
Income including noncontrolling interests	345	218	1,442	1,120
Noncontrolling interests	<u>14</u>	<u>-</u>	<u>45</u>	<u>-</u>
<b>Reported and Operating Earnings Contribution</b>	<b><u>\$ 331</u></b>	<b><u>\$ 218</u></b>	<b><u>\$1,397</u></b>	<b><u>\$1,120</u></b>
<b>Reported and Operating Earnings Per Share Contribution</b>	<b><u>\$ 0.53</u></b>	<b><u>\$ 0.37</u></b>	<b><u>\$ 2.26</u></b>	<b><u>\$ 1.89</u></b>
Average shares outstanding, diluted	627.1	596.7	617.1	593.7
<b>Adjusted EBIT and EBITDA Reconciliation</b>				
Reported Earnings	\$ 331	\$ 218	\$1,397	\$1,120
Noncontrolling interest	14	-	45	-
Income taxes	38	27	279	465
Interest and related charges	76	64	290	262
Adjusted EBIT	<u>\$ 459</u>	<u>\$ 309</u>	<u>\$2,011</u>	<u>\$1,847</u>
Depreciation, depletion and amortization	174	147	662	591
Adjusted EBITDA	<u>\$ 633</u>	<u>\$ 456</u>	<u>\$2,673</u>	<u>\$2,438</u>

## Corporate and Other Reported and Operating Results

Unaudited Summary (\$mm except per share amounts)	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
<b>Operating Revenue</b>	\$ 125	\$ 122	\$ 602	\$ 527
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	-	-	-	85
Purchased electric capacity	-	-	-	-
Purchased gas	1	-	3	3
Other operations and maintenance	353	229	943	683
Depreciation, depletion and amortization	10	15	30	44
Other taxes	5	5	31	27
Total operating expenses	369	249	1,007	842
Income from operations	(244)	(127)	(405)	(315)
Other income	4	25	74	63
Income including noncontrolling interests before interest and income taxes	(240)	(102)	(331)	(252)
Interest and related charges	157	117	516	429
Income including noncontrolling interests before income taxes	(397)	(219)	(847)	(681)
Income taxes	(159)	(79)	(363)	(290)
Income including noncontrolling interests	(238)	(140)	(484)	(391)
Noncontrolling interests	-	-	-	-
<b>Reported Earnings (Loss) Contribution</b>	\$ (238)	\$ (140)	\$ (484)	\$ (391)
<b>Reported Earnings (Loss) Per Share Contribution</b>	\$ (0.38)	\$ (0.24)	\$ (0.78)	\$ (0.66)
Adjustments to reported earnings:				
Pre-tax Loss (Income) <sup>1</sup>	256	98	359	220
Income Tax <sup>1</sup>	(95)	(39)	(135)	(79)
	161	59	224	141
<b>Operating Earnings (Loss) Contribution</b>	\$ (77)	\$ (81)	\$ (260)	\$ (250)
<b>Operating Earnings (Loss) Share Contribution</b>	\$ (0.12)	\$ (0.14)	\$ (0.42)	\$ (0.42)
Average shares outstanding, diluted	627.1	596.7	617.1	593.7
<b>Adjusted EBIT Reconciliation</b>				
Reported Earnings	\$ (238)	\$ (140)	\$ (484)	\$ (391)
Noncontrolling interest	-	-	-	-
Income taxes	(159)	(79)	(363)	(290)
Interest and related charges	157	117	516	429
	\$ (240)	\$ (102)	\$ (331)	\$ (252)
Adjustments <sup>1</sup>	253	95	341	214
Adjusted EBIT	\$ 13	\$ (7)	\$ 10	\$ (38)

<sup>1)</sup> For additional details on adjustments to reporting earnings and to EBIT see the GAAP Reconciliation schedules on pages 29-36.

## Operating Statistics

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
<b>Dominion Consolidated</b>				
<b>Regulated Electric Sales Revenue (\$mm)</b>				
Residential	\$ 713	\$ 659	\$ 3,368	\$ 3,412
Commercial	551	539	2,394	2,412
Industrial <sup>1</sup>	107	128	495	541
Governmental and other <sup>1</sup>	201	184	808	820
Regulated retail revenue	1,572	1,509	7,065	7,185
Wholesale - sales for resale	29	32	114	153
Other revenue	41	30	169	144
Total	\$ 1,641	\$ 1,571	\$ 7,348	\$ 7,482
<b>Dominion Virginia Power</b>				
<b>Degree Days (Electric service area)</b>				
<b>Cooling</b>				
Actual	75	30	1,830	1,849
Normal	46	49	1,616	1,607
<b>Heating</b>				
Actual	1,199	838	3,446	3,416
Normal	1,264	1,301	3,598	3,597
<b>Electric Delivery Customers (at period end)</b>				
Residential	2,287,547	2,263,969	2,287,547	2,263,969
Commercial	241,336	240,339	241,336	240,339
Industrial	648	657	648	657
Governmental	33,131	32,878	33,131	32,878
Total Retail	2,562,662	2,537,843	2,562,662	2,537,843
Wholesale - sales for resale	5	5	5	5
Total	2,562,667	2,537,848	2,562,667	2,537,848
<b>Electricity Delivered (GWh)</b>				
Residential	6,706	6,015	30,213	30,923
Commercial	7,604	6,946	31,366	30,282
Industrial <sup>1</sup>	1,906	2,116	8,344	8,765
Governmental and other <sup>1</sup>	2,619	2,427	10,808	10,567
Total Retail	18,834	17,504	80,732	80,537
Wholesale - sales for resale	712	799	2,965	3,366
Total	19,545	18,303	83,696	83,903
<b>Dominion Generation</b>				
<b>Merchant Generation</b>				
<b>Total Electric Sales (GWh)</b>				
NEPOOL Merchant Fleet <sup>2</sup>	4,863	4,168	18,011	18,772
PJM Merchant Fleet <sup>3</sup>	2,152	1,722	8,579	6,455

<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 - 4Q16 EARNINGS RELEASE KIT**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
<b>Dominion Energy</b>				
<b>Gas Distribution<sup>1</sup></b>				
<b>Regulated Gas Revenue (\$mm)</b>				
Gas sales revenue				
Residential	\$ 246	\$ 35	\$ 347	\$ 167
Commercial	83	6	103	30
Industrial	5	-	6	2
Other	8	1	10	3
Total	<u>\$ 342</u>	<u>\$ 42</u>	<u>\$ 465</u>	<u>\$ 202</u>
<b>Regulated Gas Transportation and Storage Revenue (\$mm)</b>				
Gas transportation revenue				
Residential	\$ 93	\$ 82	\$ 352	\$ 355
Commercial	31	22	101	110
Industrial	20	14	66	60
Other	12	10	42	35
Total transportation revenue	<u>156</u>	<u>128</u>	<u>561</u>	<u>560</u>
Storage revenue	4	4	18	16
Total	<u>\$ 160</u>	<u>\$ 132</u>	<u>\$ 579</u>	<u>\$ 576</u>
<b>Degree Days</b>				
Heating - Eastern Region				
Actual	1,800	1,475	5,235	5,666
Normal	1,969	1,964	5,586	5,522
Heating - Western Region				
Actual	1,837	-	1,876	-
Normal	2,189	-	2,226	-
<b>LDC Natural Gas Customers (Average)</b>				
Total LDC natural gas customers				
Residential	2,138,875	1,199,447	2,140,679	1,203,286
Commercial	162,532	92,039	162,723	92,363
Industrial	1,817	1,492	1,819	1,497
Other	23	23	22	23
Total	<u>2,303,247</u>	<u>1,293,001</u>	<u>2,305,243</u>	<u>1,297,169</u>
<b>LDC Natural Gas Delivery (mmcf)</b>				
Total LDC natural gas throughput				
Residential	58,696	27,308	133,800	115,435
Commercial	40,527	13,951	83,329	61,004
Industrial	42,135	31,717	145,760	128,224
Other	70,540	62,485	234,853	192,639
Total	<u>211,897</u>	<u>135,461</u>	<u>597,742</u>	<u>497,302</u>
<b>Gas Transmission<sup>2</sup></b>				
Natural Gas Liquids sales (million gallons)	18.6	25.3	85.0	114.2
Average Realized NGL Price with Hedging (\$/gal)	\$0.61	\$0.65	\$0.54	\$0.58
<b>Dominion Retail</b>				
Unregulated Energy Customer Accounts (Average)				
Natural Gas	332,430	318,068	328,069	303,254
Products and Services	1,066,536	1,015,563	1,048,338	992,918
Total	<u>1,398,966</u>	<u>1,333,630</u>	<u>1,376,407</u>	<u>1,296,171</u>
Volumes Sold				
Natural Gas (mmcf)	16,784	16,359	60,327	64,509

Note: Figures may not add due to rounding.

<sup>1)</sup> 2016 amounts include Dominion Questar operations as of September 16, 2016.

<sup>2)</sup> Does not include NGL sales at Questar Pipeline of 0.7mm gallons and 3.9mm gallons in 4Q 2016 and FY 2016 at \$0.59 per gallon and \$0.45 per gallon, respectively.

**DOMINION - 4Q16 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	(\$1)	(\$2)	(\$5)
Electric Distribution <sup>3</sup>	(8)	(14)	18	(5)	(9)
Electric Transmission <sup>3</sup>	(0)	(0)	0	(0)	(0)
Utility Generation <sup>4</sup>	(17)	(29)	48	(10)	(9)
<b>Earnings Impact (pre-tax)</b>	<b>(\$29)</b>	<b>(\$42)</b>	<b>\$65</b>	<b>(\$18)</b>	<b>(\$23)</b>

Description	After-tax Impact (\$millions)				
	1Q16	2Q16	3Q16	4Q16	FY2016
Gas Distribution <sup>2</sup>	(\$2)	\$1	(\$1)	(\$1)	(\$3)
Electric Distribution <sup>3</sup>	(5)	(8)	11	(3)	(6)
Electric Transmission <sup>3</sup>	(0)	(0)	0	(0)	(0)
Utility Generation <sup>4</sup>	(11)	(18)	29	(6)	(6)
<b>Earnings Impact (after-tax)</b>	<b>(\$18)</b>	<b>(\$26)</b>	<b>\$40</b>	<b>(\$11)</b>	<b>(\$14)</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	(\$0)	\$5	(\$6)
Electric Distribution <sup>3</sup>	(24)	(18)	20	20	(2)
Electric Transmission <sup>3</sup>	(0)	(0)	0	0	(0)
Utility Generation <sup>4</sup>	(50)	(38)	53	39	3
<b>Earnings Impact (pre-tax)</b>	<b>(\$87)</b>	<b>(\$55)</b>	<b>\$73</b>	<b>\$64</b>	<b>(\$6)</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	(\$0)	\$3	(\$4)
Electric Distribution <sup>3</sup>	(15)	(11)	12	12	(1)
Electric Transmission <sup>3</sup>	(0)	(0)	0	0	(0)
Utility Generation <sup>4</sup>	(31)	(23)	32	24	2
<b>Earnings Impact (after-tax)</b>	<b>(\$53)</b>	<b>(\$33)</b>	<b>\$44</b>	<b>\$39</b>	<b>(\$4)</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, Hope Gas, Inc. and Questar Gas.

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 12/31 <u>2015</u>	At 03/31 <u>2016</u>	At 06/30 <u>2016</u>	At 09/30 <u>2016</u>	At 12/31 <u>2016</u>
<b>Dominion Resources, Inc.</b>					
Term Loan, variable rate, due 2017 <sup>1</sup>	\$ -	\$ -	\$ -	\$ 1,200	\$ -
Unsecured Senior Notes:					
Variable rate, due 2016 <sup>2</sup>	600	500	-	-	-
1.25% to 6.4%, due 2016 to 2021	3,900	4,400	4,400	5,150	5,400
2.75% to 7.0%, due 2022 to 2044	4,599	4,599	4,599	4,999	4,999
Unsecured Debentures and Senior Notes (previously issued by CNG):					
6.8% and 6.875%, due 2026 and 2027	89	89	89	89	89
Term Loan, variable rate, due 2017 <sup>3</sup>	-	-	-	250	250
Unsecured Senior and Medium Term Notes: <sup>3</sup>					
5.31% to 6.85%, due 2017 and 2018	-	-	-	390	135
2.98% to 7.2%, due 2024 to 2051	-	-	-	580	500
Term Loan, variable rate, due 2023 <sup>4</sup>	-	-	-	-	405
Tax-Exempt Financing, 1.55%, due 2033 <sup>4</sup>	27	27	27	27	27
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>5</sup>	-	550	1,100	1,100	1,100
Payable to Affiliated Trust, 8.4% due 2031	10	10	10	10	10
Enhanced Junior Subordinated Notes:					
5.25% to 7.5%, due 2054 to 2076 <sup>6</sup>	971	933	685	1,485	1,485
Variable rates, due 2066 <sup>6,7</sup>	377	373	621	422	422
Remarketable Subordinated Notes, 1.07% to 2.0%, due 2019 to 2024 <sup>5</sup>	2,100	1,550	1,000	2,400	2,400
<b>Virginia Electric and Power Company</b>					
Unsecured Senior Notes:					
1.2% to 8.625%, due 2016 to 2019	2,261	1,810	1,807	1,807	1,804
2.75% to 8.875%, due 2022 to 2046	6,292	7,042	7,042	7,040	7,940
Tax-Exempt Financings:					
Variable rates, due 2016 to 2027	194	194	194	175	175
1.75% to 5.6%, due 2023 to 2041	678	678	678	678	678
<b>Dominion Gas Holdings, LLC</b>					
Unsecured Senior Notes:					
1.05% to 2.8%, due 2016 to 2020	1,550	1,550	1,550	1,550	1,150
2.875% to 4.8%, due 2023 to 2044 <sup>8</sup>	1,750	1,750	2,428	2,431	2,413
<b>Dominion Midstream Partners, LP</b>					
Term Loan, variable rate, due 2019	-	-	-	-	300
Unsecured Senior and Medium Term Notes: <sup>9</sup>					
5.83% and 6.48%, due 2018	-	-	-	-	255
4.875%, due 2041	-	-	-	-	180
<b>Total Principal Amount</b>	<b>\$ 25,473</b>	<b>\$ 26,130</b>	<b>\$ 26,305</b>	<b>\$ 31,858</b>	<b>\$ 32,192</b>
Fair Value Hedge Valuation	7	19	21	14	(1)
Amounts Due Within One Year <sup>10</sup>	(1,825)	(1,774)	(1,348)	(2,931)	(1,709)
Unamortized Discount, Premium and Debt Issuance Costs, net <sup>10</sup>	(187)	(189)	(191)	(234)	(251)
<b>Total Long-Term Debt<sup>10</sup></b>	<b>\$ 23,468</b>	<b>\$ 24,186</b>	<b>\$ 24,787</b>	<b>\$ 28,707</b>	<b>\$ 30,231</b>

<sup>1)</sup> The loan was paid in December 2016 with proceeds received from Dominion Midstream Partners, LP for the acquisition of Questar Pipeline.

<sup>2)</sup> \$100 million of the variable rate short-term notes due May 2016 were purchased and cancelled in the first quarter of 2016.

<sup>3)</sup> Represents debt obligations of Dominion Questar Corporation and Questar Gas Company.

<sup>4)</sup> Represents debt obligations of certain Dominion Energy, Inc. subsidiaries.

<sup>5)</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 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>6)</sup> \$38 million and \$125 million of the 2006 Series A Enhanced Junior Subordinated Notes due 2066 were purchased and cancelled in the first and third quarters of 2016, respectively. Also beginning June 30, 2016, the Notes bear interest at the three-month LIBOR plus 2.825%, reset quarterly.

<sup>7)</sup> \$4 million and \$74 million of the 2006 Series B Enhanced Junior Subordinated Notes due 2066 were purchased and cancelled in the first and third quarters of 2016, respectively.

<sup>8)</sup> Beginning June 30, 2016, amount includes foreign currency remeasurement adjustments.

<sup>9)</sup> Represents debt obligations of Questar Pipeline, LLC.

<sup>10)</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 December 31, 2016 (in \$ millions)

	Due Date	DRI	VEPCO	DGH <sup>1</sup>	DM <sup>2</sup>	Other	Total
<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
2016 Term Loan (variable) (Dominion Questar Corp)	08/24/17	-	-	-	-	250.0	250.0
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
6.85% Series C Medium-term Notes (Questar Gas Co)	10/10/17	-	-	-	-	14.5	14.5
2016 Term Loan (variable) (SBL Holdco)	-	-	-	-	-	17.7	17.7
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>-</b>	<b>282.2</b>	<b>1,710.8</b>
<b>2018</b>							
1.2% 2013 Series A Senior Notes	01/15/18	-	250.0	-	-	-	250.0
5.83% Senior Notes (Questar Pipeline, LLC)	02/01/18	-	-	-	250.0	-	250.0
2.125% 2016 Series A Private Placement Senior Notes	02/15/18	500.0	-	-	-	-	500.0
5.31% Series E Medium-term Notes (Questar Gas Co)	03/15/18	-	-	-	-	70.0	70.0
6.30% Senior Notes (Questar Gas Co)	04/01/18	-	-	-	-	50.0	50.0
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
1.5% 2016 Series E Private Placement Senior Notes	09/30/18	300.0	-	-	-	-	300.0
6.48% Series A Medium-term Notes (Questar Pipeline, LLC)	12/11/18	-	-	-	5.0	-	5.0
1.875% 2016 Series F Private Placement Senior Notes	12/15/18	250.0	-	-	-	-	250.0
2016 Term Loan (variable) (SBL Holdco)	multiple	-	-	-	-	19.7	19.7
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.2	-	-	-	0.2
<b>2018 Total</b>		<b>2,050.0</b>	<b>850.2</b>	<b>-</b>	<b>255.0</b>	<b>139.7</b>	<b>3,294.9</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
1.6% 2016 Series B Senior Notes	08/15/19	500.0	-	-	-	-	500.0
2.5% 2014 Series B Senior Notes	12/01/19	700.0	-	-	-	-	700.0
2016 Term Loan (variable)	12/01/19	-	-	-	300.0	-	300.0
2.5% 2014 Series A Senior Notes	12/15/19	-	-	450.0	-	-	450.0
2016 Term Loan (variable) (SBL Holdco)	multiple	-	-	-	-	20.5	20.5
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.2	-	-	-	0.2
<b>2019 Total</b>		<b>2,250.0</b>	<b>350.2</b>	<b>450.0</b>	<b>300.0</b>	<b>20.5</b>	<b>3,370.7</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
2016 Term Loan (variable) (SBL Holdco)	multiple	-	-	-	-	19.0	19.0
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>-</b>	<b>19.0</b>	<b>1,719.3</b>
<b>2021</b>							
4.45% 2011 Series A Senior Notes	03/15/21	500.0	-	-	-	-	500.0
4.1% Junior Subordinated Notes	04/01/21	550.0	-	-	-	-	550.0
2.0% 2016 Series A-1 Remarketable Subordinated Notes	08/15/21	700.0	-	-	-	-	700.0
2.0% 2016 Series C Senior Notes	08/15/21	400.0	-	-	-	-	400.0
2016 Term Loan (variable) (SBL Holdco)	multiple	-	-	-	-	19.4	19.4
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.3	-	-	-	0.3
<b>2021 Total</b>		<b>2,150.0</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>19.4</b>	<b>2,169.7</b>
<b>Total</b>		<b>\$8,200.0</b>	<b>\$ 1,879.6</b>	<b>\$1,150.0</b>	<b>\$ 555.0</b>	<b>\$ 480.8</b>	<b>\$ 12,265.4</b>

1) Dominion Gas Holdings, LLC (DGH)

2) Dominion Midstream Partners (DM)

**Schedule of Liquidity Position**

As of December 31, 2016 (in \$ millions)

Total Committed Bank Lines	\$	5,500
Less:		
Commercial Paper Outstanding	\$	3,155
Letters of Credit Issued	\$	85
Funded Loans	\$	-
Total Available Capacity	\$	2,260
Cash & Short-Term Investments On Hand*	\$	149
<b>Total Liquidity Available</b>	<b>\$</b>	<b>2,410</b>

\*Represents aggregate collected cash balances; not ledger balances per financial statements, which totaled \$261 million at 12/31/2016.

*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. On November 10, 2016, Questar Gas was added as a direct borrower.

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. On November 10, 2016, Questar Gas was added as a direct borrower.

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. On October 4, 2016, this facility was reduced from \$120 million to \$100 million.



**DOMINION - 4Q16 EARNINGS RELEASE KIT**

**Schedule of Change in Capitalization**

From December 31, 2015 to December 31, 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 Term Loan (variable) due 2017	1,200	
DRI 2016 Series A 2.125% Private Placement Senior Notes due 2018	500	
DRI 2016 Series A 5.25% Enhanced Jr Subordinated Notes due 2076	800	
DRI 2016 Series A-1 2.0% Remarketable Subordinated Notes due 2021	700	
DRI 2016 Series A-2 2.0% Remarketable Subordinated Notes due 2024	700	
DRI 2016 Series B 1.6% Senior Notes due 2019	500	
DRI 2016 Series C 2.0% Senior Notes due 2021	400	
DRI 2016 Series D 2.85% Senior Notes due 2026	400	
DRI 2016 Series E 1.5% Private Placement Senior Notes due 2018	300	
DRI 2016 Series F 1.875% Private Placement Senior Notes due 2018	250	
VEPCO 2016 Series A 3.15% Senior Notes due 2026	750	
VEPCO 2016 Series B 2.95% Senior Notes due 2026	400	
VEPCO 2016 Series C 4.0% Senior Notes due 2046	500	
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 <sup>2</sup>	263	
DGH 2016 Series C 2.875% Private Placement Senior Notes due 2023	250	
SBL Holdco 2016 Term Loan (variable) due 2023	405	
DM 2016 Term Loan (variable) due 2019	300	
Questar Gas 2016 Series A 3.62% Private Placement Senior Notes due 2046	50	
Questar Gas 2016 Series B 3.67% Private Placement Senior Notes due 2051	50	
	<u>8,868</u> <sup>3</sup>	
Maturities:		
DRI 2016 Term Loan (variable) due 2017 <sup>4</sup>	(1,200)	
DRI 2015 Private Placement (variable) Short-term Notes due 2016	(600)	
DRI 2011 Series D 1.95% Senior Notes due 2016	(450)	
VEPCO 2006 Series A 5.4% Senior Notes due 2016	(450)	
DGH 2013 Series A 1.05% Senior Notes due 2016	(400)	
DRI 2006 Series A (variable) Enhanced Jr Subordinated Notes due 2066 <sup>5</sup>	(163)	
DRI 2006 Series B (variable) Enhanced Jr Subordinated Notes due 2066 <sup>6</sup>	(78)	
VEPCO 1986 Series IDA of Prince William (variable) Money Market Municipals	(11)	
VEPCO 1986 Series Grant County (variable) Money Market Municipals	(8)	
Other	(9)	
	<u>(3,369)</u> <sup>3</sup>	
Other:		
2016 Term Loan (variable) due 2017 <sup>7</sup>	250	
Senior and Medium-term Notes, 2.98% to 7.2%, due 2017 to 2048 <sup>7</sup>	535	
Senior and Medium-term Notes, 4.875% to 6.48%, due 2018 to 2041 <sup>8</sup>	435	
Change in Fair Value Hedges, Net Discount/Premium and Debt Issuance Costs	(72)	
	<u>1,148</u>	
Balance as of December 31, 2016		\$ 31,940
<b>Change in Shareholders' Equity</b>		
Balance as of December 31, 2015		\$ 13,602
Issuance of Common Stock, Net		1,870
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	(23)	
Electricity	(96)	
Gas	17	
NGL and Other	(9)	
Foreign currency	7	
	<u>(104)</u>	
Other changes in Net Other Comprehensive Income <sup>9</sup>	(221)	
Net change in AOCI		(325)
Change in Retained Earnings		396
Net change in Common Shareholder's Equity		1,941
Noncontrolling Interests <sup>10</sup>		1,297
Net change in Equity		<u>3,238</u>
Balance as of December 31, 2016		\$ 16,840

<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 December 31, 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. Also excludes Virginia Power's \$37 million Industrial Development Authority of the Town of Louisa, Virginia Pollution Control Refunding Revenue Bonds, Series 2008 C, that were remarketed in December 2016 at a coupon rate of 1.85% to new investors.

<sup>4</sup> The loan was paid in December 2016 with proceeds received from Dominion Midstream Partners, LP for the acquisition of Questar Pipeline.

<sup>5</sup> \$163 million of the 2006 Series A Enhanced Junior Subordinated Notes due 2066 were purchased and cancelled in 2016.

<sup>6</sup> \$78 million of the 2006 Series B Enhanced Junior Subordinated Notes due 2066 were purchased and cancelled in 2016.

<sup>7</sup> Represents debt obligations of Dominion Questar Corporation and Questar Gas Company.

<sup>8</sup> Represents debt obligations of Questar Pipeline, LLC.

<sup>9</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>10</sup> Primarily reflects Dominion Midstream's issuance of equity units in connection with the Questar Pipeline acquisition from Dominion, 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 January 26th, 2017

Merchant Generation Power & Fuel	Net Summer Capacity (MW)	2016	2017	2018
<b>Hedge Positions</b> <sup>1</sup>				
Millstone	2,001	100%	85%	0%
Manchester	461	100%	36%	0%
Fairless	1,196	100%	17%	0%
<b>Total Merchant Generation</b> <sup>2</sup>	<b>3,658</b>	<b>100%</b>	<b>55%</b>	<b>0%</b>
<b>Power Pricing</b>				
NEPOOL Baseload - Average Hedge Price (\$/MWh) <sup>3</sup>		\$51.51	\$40.09	-
<b>Merchant Generation Capacity (EFOR Adjusted)</b>				
		<b>2016</b>	<b>2017</b>	<b>2018</b>
Millstone & Manchester (MW)		2,469	2,467	2,467
Average Capacity Hedge Price (\$/KW - month)		\$3.08	\$5.29	\$8.72
Fairless (MW)		1,191	1,193	1,193
Average Capacity Hedge Price (\$/KW - month)		\$4.46	\$4.39	\$5.92
<b>NGL</b>				
		<b>2016</b>	<b>2017</b>	<b>2018</b>
Estimated annual NGL sales (in million gallons) <sup>4</sup>		85	90 - 110	90 - 110
Amount hedged (in million gallons)		79.1	39.5	8.0
Average hedge price per gallon <sup>5</sup>		\$0.67	\$0.72	\$0.76

- Hedge percentages are calculated based on the weighted-average of:
  - 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.
- Annual percentage calculations are capacity-weighted. Excludes renewable assets.
- NEPOOL Baseload Average Hedge Price in 2017 includes all on-peak, off-peak, around-the-clock, and seasonal hedges for Millstone Power Station.
- Represents Dominion's production interest primarily from the Hastings plant.
- 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

#### 4Q16 Operating Earnings Summary

(millions, except per share amounts)

Description	4Q15	Range of 4Q16		4Q16
	Actual	Low	High	Actual
<b>Dominion Virginia Power Adjusted EBITDA</b>	\$361	\$390	\$425	\$402
Depreciation, Depletion and Amortization	128	130	140	139
Dominion Virginia Power Adjusted EBIT	233	260	285	263
<b>Dominion Energy Adjusted EBITDA <sup>1</sup></b>	\$350	\$535	\$565	\$546
Depreciation, Depletion and Amortization	68	125	125	124
Dominion Energy Adjusted EBIT	282	410	440	422
<b>Dominion Generation Adjusted EBITDA</b>	\$456	\$595	\$665	\$633
Depreciation, Depletion and Amortization	147	170	175	174
Dominion Generation Adjusted EBIT	309	425	490	459
Corporate and Other & Eliminations Adjusted EBIT	(22)	(20)	(15)	(11)
<b>Total Adjusted EBIT</b>	\$802	\$1,075	\$1,200	\$1,133
<b>Consolidated Interest</b>	227	295	285	292
<b>Consolidated Income Taxes</b>	150	205	220	189
<b>Noncontrolling Interests</b>	9	30	20	34
<b>Operating Earnings</b>	\$416	\$545	\$675	\$618
Average Diluted Shares Outstanding	596.7	628	626	627.1
<b>Operating EPS Range</b>	\$0.70	\$0.87	\$1.08	\$0.99

**4Q16 Operating EPS Guidance Range**

**\$0.90**

**\$1.05**

**4Q16 Operating EPS Actual >>>**

**\$0.99**

<sup>1)</sup> 2016 amounts include Dominion Questar operations.

**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

## 2016 Operating Earnings Summary

*(millions, except per share amounts)*

Description	2015	Range of 2016		2016
	Actual	Low	High	Actual
<b>Dominion Virginia Power Adjusted EBITDA</b>	\$1,525	\$1,595	\$1,650	\$1,573
Depreciation, Depletion and Amortization	498	540	545	537
Dominion Virginia Power Adjusted EBIT	1,027	1,055	1,105	1,036
<b>Dominion Energy Adjusted EBITDA<sup>1</sup></b>	\$1,416	\$1,390	\$1,480	\$1,569
Depreciation, Depletion and Amortization	262	270	270	330
Dominion Energy Adjusted EBIT	1,154	1,120	1,210	1,239
<b>Dominion Generation Adjusted EBITDA</b>	\$2,438	\$2,515	\$2,700	\$2,673
Depreciation, Depletion and Amortization	591	655	680	662
Dominion Generation Adjusted EBIT	1,847	1,860	2,020	2,011
Corporate and Other & Eliminations Adjusted EBIT	(82)	(40)	(30)	(68)
<b>Total Adjusted EBIT</b>	3,946	3,995	4,305	4,218
<b>Consolidated Interest</b>	898	950	930	992
<b>Consolidated Income Taxes</b>	984	795	810	790
<b>Noncontrolling Interests</b>	24	100	90	89
<b>Operating Earnings</b>	\$2,040	\$2,150	\$2,475	\$2,347
Average Diluted Shares Outstanding	593.7	610	608	617.1
<b>Operating EPS Range</b>	\$3.44	\$3.53	\$4.07	\$3.80

<b>2016 Operating EPS Guidance Range</b>
--

<b>\$3.60</b>
---------------

<b>\$4.00</b>
---------------

<b>2016 Operating EPS Actual &gt;&gt;&gt;</b>
---

<b>\$3.80</b>
---------------

**Notes:**

<sup>1)</sup> Amounts reflect Dominion Questar operations in Dominion Energy as of September 16, 2016.

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 December 31, 2016			Year Ended December 31, 2016		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
<b>Operating Revenue</b>	<u>\$ 3,086</u>	<u>\$ 18</u> (b)	<u>\$ 3,104</u>	<u>\$ 11,737</u>	<u>\$ 18</u> (b)	<u>\$ 11,755</u>
<b>Operating Expenses</b>						
Electric fuel and other energy-related purchases	542	-	542	2,333	-	2,333
Purchased (excess) electric capacity	(8)	-	(8)	99	-	99
Purchased gas	207	-	207	459	-	459
Other operations and maintenance	931	(231) (e), (f), (g)	700	3,064	(353) (a), (b), (e), (f), (g)	2,711
Depreciation, depletion and amortization	447	-	447	1,559	9 (b)	1,568
Other taxes	148	-	148	596	(5) (a), (b)	591
Total operating expenses	<u>2,267</u>	<u>(231)</u>	<u>2,036</u>	<u>8,110</u>	<u>(349)</u>	<u>7,761</u>
Income from operations	<u>819</u>	<u>249</u>	<u>1,068</u>	<u>3,627</u>	<u>367</u>	<u>3,994</u>
Other income (loss)	<u>61</u>	<u>4</u> (b), (d)	<u>65</u>	<u>250</u>	<u>(26)</u> (b), (d)	<u>224</u>
Income including noncontrolling interests before interest and income taxes	<u>880</u>	<u>253</u>	<u>1,133</u>	<u>3,877</u>	<u>341</u>	<u>4,218</u>
Interest and related charges	<u>295</u>	<u>(3)</u> (e)	<u>292</u>	<u>1,010</u>	<u>(18)</u> (b), (e)	<u>992</u>
Income including noncontrolling interests before income taxes	<u>585</u>	<u>256</u>	<u>841</u>	<u>2,867</u>	<u>359</u>	<u>3,226</u>
Income taxes	<u>94</u>	<u>95</u> (c)	<u>189</u>	<u>655</u>	<u>135</u> (c)	<u>790</u>
Income including noncontrolling interests	<u>491</u>	<u>161</u>	<u>652</u>	<u>2,212</u>	<u>224</u>	<u>2,436</u>
Noncontrolling interests	<u>34</u>	<u>-</u>	<u>34</u>	<u>89</u>	<u>-</u>	<u>89</u>
<b>Earnings</b>	<u>\$ 457</u>	<u>\$ 161</u>	<u>\$ 618</u>	<u>\$ 2,123</u>	<u>\$ 224</u>	<u>\$ 2,347</u>
<b>Earnings Per Share - Diluted</b>	<u>\$ 0.73</u>	<u>\$ 0.26</u>	<u>\$ 0.99</u>	<u>\$ 3.44</u>	<u>\$ 0.36</u>	<u>\$ 3.80</u>
Average shares outstanding, diluted	<u>627.1</u>		<u>627.1</u>	<u>617.1</u>		<u>617.1</u>

**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.  
(e) Transaction and transition costs associated with Dominion Questar combination.  
(f) Items associated with ash pond and landfill closure costs at certain utility power stations.  
(g) Restoration costs associated with Hurricane Matthew.

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 December 31, 2015			Year Ended December 31, 2015		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
<b>Operating Revenue</b>	\$ 2,556	\$ 22 (h)	\$ 2,578	\$ 11,683	\$ 45 (a), (f), (h)	\$ 11,728
<b>Operating Expenses</b>						
Electric fuel and other energy-related purchases	545	-	545	2,725	(85) (b)	2,640
Purchased electric capacity	71	-	71	330	-	330
Purchased gas	105	-	105	551	-	551
Other operations and maintenance	720	(88) (e), (h), (i)	632	2,595	(135) (e), (f), (h), (i)	2,460
Depreciation, depletion and amortization	358	(5) (h), (i)	353	1,395	(6) (f), (h), (i)	1,389
Other taxes	119	-	119	551	-	551
Total operating expenses	1,918	(93)	1,825	8,147	(226)	7,921
Income from operations	638	115	753	3,536	271	3,807
Other income (loss)	69	(20) (c), (h)	49	196	(57) (c), (f), (h)	139
Income including noncontrolling interests before interest and income taxes	707	95	802	3,732	214	3,946
Interest and related charges	230	(3) (h), (i)	227	904	(6) (f), (h), (i)	898
Income including noncontrolling interests before income taxes	477	98	575	2,828	220	3,048
Income taxes	111	39 (d)	150	905	79 (d), (g)	984
Income including noncontrolling interests	366	59	425	1,923	141	2,064
Noncontrolling interests	9	-	9	24	-	24
<b>Earnings</b>	\$ 357	\$ 59	\$ 416	\$ 1,899	\$ 141	\$ 2,040
<b>Earnings Per Share - Diluted</b>	\$ 0.60	\$ 0.10	\$ 0.70	\$ 3.20	\$ 0.24	\$ 3.44
Average shares outstanding, diluted	596.7		596.7	593.7		593.7

### 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 ash pond and landfill closure costs at certain utility power stations.
- (f) Items associated with rate adjustment clauses.
- (g) Item associated with North Carolina Public Utility Commission order.
- (h) Items in connection with Virginia Power's 2015 biennial review.
- (i) Other miscellaneous items.

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 December 31, 2016			Year Ended December 31, 2016		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
<b>Operating Revenue</b>	\$ 125	\$ 18 (b)	\$ 143	\$ 602	\$ 18 (b)	\$ 620
<b>Operating Expenses</b>						
Electric fuel and other energy-related purchases	-	-	-	-	-	-
Purchased electric capacity	-	-	-	-	-	-
Purchased gas	1	-	1	3	-	3
Other operations and maintenance	353	(231) (e), (f), (g)	122	943	(353) (a), (b), (e), (f), (g)	590
Depreciation, depletion and amortization	10	-	10	30	9 (b)	39
Other taxes	5	-	5	31	(5) (a), (b)	26
Total operating expenses	369	(231)	138	1,007	(349)	658
Income from operations	(244)	249	5	(405)	367	(38)
Other income (loss)	4	4 (b), (d)	8	74	(26) (b), (d)	48
Income including noncontrolling interests before interest and income taxes	(240)	253	13	(331)	341	10
Interest and related charges	157	(3) (e)	154	516	(18) (b), (e)	498
Income including noncontrolling interests before income taxes	(397)	256	(141)	(847)	359	(488)
Income taxes	(159)	95 (c)	(64)	(363)	135 (c)	(228)
Income including noncontrolling interests	(238)	161	(77)	(484)	224	(260)
Noncontrolling interests	-	-	-	-	-	-
<b>Earnings (Loss) Contribution</b>	\$ (238)	\$ 161	\$ (77)	\$ (484)	\$ 224	\$ (260)
<b>Earnings Per Share</b>	\$ (0.38)	\$ 0.26	\$ (0.12)	\$ (0.78)	\$ 0.36	\$ (0.42)
Average shares outstanding, diluted	627.1		627.1	617.1		617.1

### Adjustments to Operations

- (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.
- (e) Transaction and transition costs associated with Dominion Questar combination.
- (f) Items associated with ash pond and landfill closure costs at certain utility power stations.
- (g) Restoration costs associated with Hurricane Matthew.

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 December 31, 2015			Year Ended December 31, 2015		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
<b>Operating Revenue</b>	\$ 122	\$ 22 (h)	\$ 144	\$ 527	\$ 45 (a), (f), (h)	\$ 572
<b>Operating Expenses</b>						
Electric fuel and other energy-related purchases	-	-	-	85	(85) (b)	-
Purchased electric capacity	-	-	-	-	-	-
Purchased gas	-	-	-	3	-	3
Other operations and maintenance	229	(88) (e), (h), (i)	141	683	(135) (e), (f), (h), (i)	548
Depreciation, depletion and amortization	15	(5) (h), (i)	10	44	(6) (f), (h), (i)	38
Other taxes	5	-	5	27	-	27
Total operating expenses	249	(93)	156	842	(226)	616
Income from operations	(127)	115	(12)	(315)	271	(44)
Other income (loss)	25	(20) (c), (h)	5	63	(57) (c), (f), (h)	6
Income including noncontrolling interests before interest and income taxes	(102)	95	(7)	(252)	214	(38)
Interest and related charges	117	(3) (h), (i)	114	429	(6) (f), (h), (i)	423
Income including noncontrolling interests before income taxes	(219)	98	(121)	(681)	220	(461)
Income taxes	(79)	39 (d)	(40)	(290)	79 (d), (g)	(211)
Income including noncontrolling interests	(140)	59	(81)	(391)	141	(250)
Noncontrolling interests	-	-	-	-	-	-
<b>Earnings (Loss) Contribution</b>	\$ (140)	\$ 59	\$ (81)	\$ (391)	\$ 141	\$ (250)
<b>Earnings Per Share</b>	\$ (0.24)	\$ 0.10	\$ (0.14)	\$ (0.66)	\$ 0.24	\$ (0.42)
Average shares outstanding, diluted	596.7		596.7	593.7		593.7

### 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 ash pond and landfill closure costs at certain utility power stations.  
(f) Items associated with rate adjustment clauses.  
(g) Item associated with North Carolina Public Utility Commission order.  
(h) Items in connection with Virginia Power's 2015 biennial review.  
(i) Other miscellaneous items.

Note: Figures may not add due to rounding



**Reconciliation of 2016 Reported Earnings to 2016 Operating Earnings**

Unaudited, Operating Segments

*(millions, except per share amounts)*

Description	2016 Reported	Adjustments	2016 Operating
<b>Dominion Virginia Power Adjusted EBITDA</b>	\$1,573		\$1,573
DD&A	537		537
Dominion Virginia Power Adjusted EBIT	1,036		1,036
<b>Dominion Energy Adjusted EBITDA</b>	1,569		1,569
DD&A	330		330
Dominion Energy Adjusted EBIT	1,239		1,239
<b>Dominion Generation Adjusted EBITDA</b>	2,673		2,673
DD&A	662		662
Dominion Generation Adjusted EBIT	2,011		2,011
<b>Corporate and Other &amp; Eliminations Adjusted EBIT</b>	(409)	341	(a),(b),(c),(d),(e), (f) (68)
Total Adjusted EBIT	\$3,877	\$341	\$4,218
<b>Consolidated Interest</b>	1,010	(18)	(c), (f) 992
<b>Consolidated Income Taxes</b>	655	135	(g) 790
<b>Noncontrolling Interests</b>	89		89
<b>Earnings</b>	\$2,123	\$224	\$2,347
Average Diluted Shares Outstanding	617.1	617.1	617.1
<b>Reported EPS</b>	3.44	---	---
<b>Adjustments to reported earnings</b>	---	0.36	---
<b>Operating EPS</b>	---	---	3.80

**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) Transaction and transition costs associated with Dominion Questar combination.
- (d) Items associated with ash pond and landfill closure costs at certain utility power stations.
- (e) Restoration costs associated with Hurricane Matthew.
- (f) Other miscellaneous items.
- (g) Income tax provisions associated with adjustments to reported earnings.

**Reconciliation of 2015 Reported Earnings to 2015 Operating Earnings**

Unaudited, Operating Segments

*(millions, except per share amounts)*

Description	2015 Reported	Adjustments	2015 Operating
<b>Dominion Virginia Power Adjusted EBITDA</b>	\$1,525		\$1,525
DD&A	498		498
Dominion Virginia Power Adjusted EBIT	1,027		1,027
<b>Dominion Energy Adjusted EBITDA</b>	1,416		1,416
DD&A	262		262
Dominion Energy Adjusted EBIT	1,154		1,154
<b>Dominion Generation Adjusted EBITDA</b>	2,438		2,438
DD&A	591		591
Dominion Generation Adjusted EBIT	1,847		1,847
<b>Corporate and Other &amp; Eliminations Adjusted EBIT</b>	(296)	214	(a),(b),(c),(d),(e), (g),(h) (82)
Total Adjusted EBIT	\$3,732	\$214	\$3,946
<b>Consolidated Interest</b>	904	(6)	(e),(g),(h) 898
<b>Consolidated Income Taxes</b>	905	79	(f),(i) 984
<b>Noncontrolling Interests</b>	24		24
<b>Earnings</b>	\$1,899	\$141	\$2,040
Average Diluted Shares Outstanding	593.7	593.7	593.7
<b>Reported EPS</b>	3.20	---	---
<b>Adjustments to reported earnings</b>	---	0.24	---
<b>Operating EPS</b>	---	---	3.44

**Note: Totals may not add due to rounding****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) Items associated with future ash pond and landfill closure costs at certain utility power stations.
- (e) Items associated with rate adjustment clauses.
- (f) Item associated with North Carolina Public Utility Commission order.
- (g) Items in connection with Virginia Power's 2015 biennial review.
- (h) Other miscellaneous items.
- (i) Income tax provisions associated with adjustments to reported

**Reconciliation of 4Q16 Reported Earnings to 4Q16 Operating Earnings**

Unaudited, Operating Segments

*(millions, except per share amounts)*

Description	4Q16 Reported	Adjustments	4Q16 Operating
<b>Dominion Virginia Power Adjusted EBITDA</b>	\$402		\$402
DD&A	139		139
Dominion Virginia Power Adjusted EBIT	263		263
<b>Dominion Energy Adjusted EBITDA</b>	546		546
DD&A	124		124
Dominion Energy Adjusted EBIT	422		422
<b>Dominion Generation Adjusted EBITDA</b>	633		633
DD&A	174		174
Dominion Generation Adjusted EBIT	459		459
<b>Corporate and Other &amp; Eliminations Adjusted EBIT</b>	(264)	253	(a),(b),(c),(d), (e) (11)
Total Adjusted EBIT	\$880	\$253	\$1,133
<b>Consolidated Interest</b>	295	(3) (b)	292
<b>Consolidated Income Taxes</b>	94	95 (f)	189
<b>Noncontrolling Interests</b>	34		34
<b>Earnings</b>	\$457	\$161	\$618
Average Diluted Shares Outstanding	627.1	627.1	627.1
<b>Reported EPS</b>	0.73	---	---
<b>Adjustments to reported earnings</b>	---	0.26	---
<b>Operating EPS</b>	---	---	0.99

**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) Transaction and transition costs associated with Dominion Questar combination.
- (c) Items associated with ash pond and landfill closure costs at certain utility power stations.
- (d) Restoration costs associated with Hurricane Matthew.
- (e) Other miscellaneous items.
- (f) Income tax provisions associated with adjustments to reported earnings.

**Reconciliation of 4Q15 Reported Earnings to 4Q15 Operating Earnings****Unaudited, Operating Segments***(millions, except per share amounts)*

Description	4Q15 Reported	Adjustments	4Q15 Operating
<b>Dominion Virginia Power Adjusted EBITDA</b>	\$361		\$361
DD&A	128		128
Dominion Virginia Power Adjusted EBIT	233		233
<b>Dominion Energy Adjusted EBITDA</b>	350		350
DD&A	68		68
Dominion Energy Adjusted EBIT	282		282
<b>Dominion Generation Adjusted EBITDA</b>	456		456
DD&A	147		147
Dominion Generation Adjusted EBIT	309		309
<b>Corporate and Other &amp; Eliminations Adjusted EBIT</b>	(117)	95	(22)
Total Adjusted EBIT	\$707	\$95	\$802
<b>Consolidated Interest</b>	230	(3)	227
<b>Consolidated Income Taxes</b>	111	39	150
<b>Noncontrolling Interests</b>	9		9
<b>Earnings</b>	\$357	\$59	\$416
Average Diluted Shares Outstanding	596.7	596.7	596.7
<b>Reported EPS</b>	0.60	---	---
<b>Adjustments to reported earnings</b>	---	0.10	---
<b>Operating EPS</b>	---	---	0.70

**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 in connection with Virginia Power's 2015 biennial review.
- (c) Items associated with future ash pond and landfill closure costs at certain utility power stations.
- (d) Other miscellaneous items.
- (e) Income tax provisions associated with adjustments to reported earnings

## 2017 Earnings Expectations

### Earnings Per Share (diluted)

#### Reconciliation of measures prepared in accordance with Generally Accepted Accounting Principles (GAAP) versus non-GAAP measures

1Q 2017 Operating Earnings (estimate): \$0.90 - \$1.10

FY 2017 Operating Earnings (estimate): \$3.40 - \$3.90

1Q 2017 Reported Earnings (estimate): See Note 1 below

FY 2017 Reported Earnings (estimate): See Note 1 below

1. In providing its first-quarter and full-year 2017 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 first-quarter and full-year 2017 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 receipt of approvals for, and timing of, closing dates for 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.