



**Dominion  
Energy<sup>®</sup>**

Alternate Breakdown  
Structure (ABS)  
Supplement

**April 27, 2018**

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## Important Notes to Investors

This supplement contains certain forward-looking statements, including our forecasted operating earnings for the second-quarter and full-year 2018 which are subject to various risks and uncertainties. Factors that could cause actual results to differ include, but are not limited to: unusual weather conditions and their effect on energy sales to customers and energy commodity prices; extreme weather events and other natural disasters; federal, state and local legislative and regulatory developments; changes to federal, state and local environmental laws and regulations, including proposed carbon regulations; cost of environmental compliance; changes in enforcement practices of regulators relating to environmental standards and litigation exposure for remedial activities; capital market conditions, including the availability of credit and the ability to obtain financing on reasonable terms; fluctuations in interest rates; changes in rating agency requirements or credit ratings and their effect on availability and cost of capital; impacts of acquisitions, divestitures, transfers of assets by Dominion Energy to joint ventures or to Dominion Energy Midstream Partners, and retirements of assets based on asset portfolio reviews; the expected timing and likelihood of completion of the proposed acquisition of SCANA Corporation, including the ability to obtain the requisite approvals of SCANA's shareholders and timing, receipt and terms and conditions of required regulatory approvals; receipt of approvals for, and timing of, closing dates for other acquisitions and divestitures; the execution of Dominion Energy Midstream Partners' growth strategy; changes in demand for Dominion Energy's services; additional competition in Dominion Energy's industries; changes to regulated rates collected by Dominion Energy; changes in operating, maintenance and construction costs; timing and receipt of regulatory approvals necessary for planned construction or expansion projects and compliance with conditions associated with such regulatory approvals; the inability to complete planned construction projects within time frames initially anticipated; and the ability of Dominion Energy Midstream Partners to negotiate, obtain necessary approvals and consummate acquisitions from Dominion Energy and third-parties, and the impacts of such acquisitions. Other risk factors are detailed from time to time in Dominion Energy's and Dominion Energy Midstream Partners' quarterly reports on Form 10-Q or most recent annual report on Form 10-K filed with the Securities and Exchange Commission.

### Alternate Breakdown Structure Supplement

The Alternate Breakdown Structure (ABS) supplement of Dominion Energy's consolidated earnings has been prepared primarily for security analysts and investors in the hope that it will serve as a convenient and useful supplemental reference. The format of this supplemental disclosure may change in the future as we continue to try to meet the needs of security analysts and investors. Dominion Energy manages its operations through its operating segments, and this supplement is not intended to replace Dominion Energy's operating segment earnings disclosure. Please refer to Dominion Energy's most recent quarterly report on Form 10-Q or annual report on Form 10-K filed with the Securities and Exchange Commission and the quarterly Earnings Release Kits for information about Dominion Energy's results by operating segment.

Certain information provided in this Alternate Breakdown Structure supplement 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 and depreciation (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 Energy has included reconciliations to the most directly comparable financial measures it is able to calculate and report in accordance with GAAP.

Projections or forecasts shown in this supplement are subject to change at any time. Dominion Energy undertakes no obligation to update any forward-looking information statement to reflect developments after the statement is made.

Please continue to check our website regularly at [www.dominionenergy.com/investors](http://www.dominionenergy.com/investors) for the most recent updates.

## Guidance Reconciliations

### Reconciliation of 1Q18 Operating Earnings to Guidance

(millions, except per share amounts)

Description	1Q17 Actual	Range of 1Q18		1Q18 Actual
		Low	High	
<b>Virginia Electric &amp; Power Co. EBITDA</b>				
Electric Distribution	\$212	\$205	\$230	\$218
Electric Transmission	202	190	205	203
Utility Generation	552	470	515	497
VEPCO Corporate & Other	0	0	0	0
VEPCO DD&A	286	295	305	297
Subtotal VEPCO Adjusted EBIT	680	570	645	621
<b>Gas Operations EBITDA</b>				
Gas Distribution	\$283	\$255	\$275	\$275
Gas Transmission	298	345	375	333
Gas Operations DD&A	123	145	145	134
Subtotal Gas Operations EBIT	458	455	505	474
<b>Merchant Generation EBITDA</b>				
Merchant Generation DD&A	\$141	\$180	\$225	\$243
Subtotal Merchant Generation Operations EBIT	48	55	55	55
Subtotal Merchant Generation Operations EBIT	93	125	170	188
Corporate and Other & Eliminations Adjusted EBIT	(21)	(25)	(15)	(3)
<b>Total Adjusted EBIT</b>	<b>\$1,210</b>	<b>\$1,125</b>	<b>\$1,305</b>	<b>\$1,280</b>
<b>Consolidated Interest</b>	<b>292</b>	<b>330</b>	<b>320</b>	<b>314</b>
<b>Consolidated Income Taxes</b>	<b>265</b>	<b>175</b>	<b>195</b>	<b>202</b>
<b>Noncontrolling Interests</b>	<b>42</b>	<b>25</b>	<b>15</b>	<b>23</b>
<b>Operating Earnings</b>	<b>\$611</b>	<b>\$595</b>	<b>\$775</b>	<b>\$741</b>
Average Diluted Shares Outstanding	628.1	651	649	650.5
<b>Operating EPS Range</b>	<b>\$0.97</b>	<b>\$0.91</b>	<b>\$1.19</b>	<b>\$1.14</b>

<b>1Q18 Operating EPS Guidance Range</b>	<b>\$0.95</b>	<b>\$1.15</b>
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<b>1Q18 Operating EPS Actual &gt;&gt;&gt;</b>	<b>\$1.14</b>
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Please refer to page 7 of this Alternate Breakdown Structure Supplement for details to adjustments to reported earnings for 1Q17.

Figures may not add due to rounding

## Guidance

### 2Q18 Operating Earnings Guidance

(millions, except per share amounts)

Description	2Q17	Range of 2Q18	
	Actual	Low	High
<b>Virginia Electric &amp; Power Co. EBITDA</b>			
Electric Distribution	\$207	\$190	\$215
Electric Transmission	214	\$200	\$210
Utility Generation	500	\$435	\$460
VEPCO Corporate & Other	0	\$0	\$0
VEPCO DD&A	280	\$300	\$300
Subtotal VEPCO Adjusted EBIT	641	\$525	\$585
<b>Gas Operations EBITDA</b>			
Gas Distribution	\$177	\$160	\$170
Gas Transmission	248	\$365	\$385
Gas Operations DD&A	126	\$160	\$160
Subtotal Gas Operations EBIT	299	\$365	\$395
<b>Merchant Generation EBITDA</b>			
Merchant Generation DD&A	54	\$135	\$160
Subtotal Merchant Generation Operations EBIT	4	\$80	\$105
Corporate and Other & Eliminations Adjusted EBIT	(36)	(\$15)	(\$15)
<b>Total Adjusted EBIT</b>	\$908	\$955	\$1,070
<b>Consolidated Interest</b>	308	\$365	\$355
<b>Consolidated Income Taxes</b>	152	\$130	\$145
<b>Noncontrolling Interests</b>	27	\$25	\$25
<b>Operating Earnings</b>	\$421	\$435	\$545
Average Diluted Shares Outstanding	629.2	656	654
<b>Operating EPS Range</b>	\$0.67	\$0.66	\$0.83
<b>2Q18 Operating EPS Guidance Range</b>		<b>\$0.70</b>	<b>\$0.80</b>

Please refer to page 8 of this Alternate Breakdown Structure Supplement for details related to adjustments to reported earnings for 2Q17.

Figures may not add due to rounding

## GAAP Reconciliations

### Reconciliation of 1Q18 Reported Earnings to Operating Earnings

Unaudited, Alternate Breakdown Structure<sup>1</sup>

(millions, except per share amounts)

Description	1Q18 Reported	Adjustments	1Q18 Operating
<b>Virginia Electric &amp; Power Co. Adjusted EBITDA</b>			
Electric Distribution	\$218		\$218
Electric Transmission	203		203
Utility Generation	497		497
Virginia Power - Corporate & Other	(254)	254	0
VEPCO DD&A	297		297
Subtotal VEPCO Adjusted EBIT	367	254	621
<b>Gas Operations Adjusted EBITDA</b>			
Gas Distribution	275		275
Gas Transmission	333		333
Gas Operations DD&A	134		134
Subtotal Gas Operations Adjusted EBIT	474		474
<b>Merchant Generation Operations Adjusted EBITDA</b>	243		243
Merchant Generations Operations DD&A	55		55
Subtotal Merchant Generation Operations Adjusted EBIT	188		188
<b>Corporate, Other &amp; Eliminations Adjusted EBIT</b>	(54)	51	(3)
<b>Total Adjusted EBIT</b>	975	\$305	1,280
<b>Consolidated Interest</b>	314	0	314
<b>Consolidated Income Taxes</b>	135	67	202
<b>Noncontrolling Interests</b>	23	0	23
<b>Earnings</b>	\$503	\$238	\$741
Average Diluted Shares Outstanding	650.5	650.5	650.5
<b>Reported EPS</b>	\$0.77		
<b>Adjustments</b>		\$0.37	
<b>Operating EPS</b>			\$1.14

#### Adjustments to Reported Earnings:

- (a) Reserve for utility customers' one-time rate credits associated with Virginia legislation.
- (b) Restoration costs associated with Winter Storm Riley.
- (c) Net gain/loss on our investment in nuclear decommissioning trust funds.
- (d) Merger-related transaction and transition costs.
- (e) Income tax provisions associated with adjustments to reported earnings.

<sup>1</sup> There are certain differences between segment reporting and the alternate breakdown structure.

**Reconciliation of 1Q17 Reported Earnings to Operating Earnings**Unaudited, Alternate Breakdown Structure<sup>1</sup>*(millions, except per share amounts)*

Description	1Q17 Reported	Adjustments		1Q17 Operating
<b>Virginia Electric &amp; Power Co. Adjusted EBITDA</b>				
Electric Distribution	\$212			\$212
Electric Transmission	202			202
Utility Generation	552			552
Virginia Power - Corporate & Other	4	(4)	(a)	0
VEPCO DD&A	286			286
Subtotal VEPCO Adjusted EBIT	684	(4)		680
<b>Gas Operations Adjusted EBITDA</b>				
Gas Distribution	283			283
Gas Transmission	298			298
Gas Operations DD&A	123			123
Subtotal Gas Operations Adjusted EBIT	458			458
<b>Merchant Generation Operations Adjusted EBITDA</b>				
Merchant Generations Operations DD&A	48			48
Subtotal Merchant Generation Operations Adjusted EBIT	93			93
<b>Corporate, Other &amp; Eliminations Adjusted EBIT</b>				
	6	(27)	(a), (b)	(21)
<b>Total Adjusted EBIT</b>	<b>\$1,241</b>	<b>(\$31)</b>		<b>\$1,210</b>
<b>Consolidated Interest</b>	<b>292</b>	<b>0</b>		<b>292</b>
<b>Consolidated Income Taxes</b>	<b>275</b>	<b>(10)</b>	<b>(c)</b>	<b>265</b>
<b>Noncontrolling Interests</b>	<b>42</b>			<b>42</b>
<b>Earnings</b>	<b>\$632</b>	<b>(\$21)</b>		<b>\$611</b>
Average Diluted Shares Outstanding	628.1	628.1		628.1
<b>Reported EPS</b>	<b>\$1.01</b>			
<b>Adjustments</b>		<b>-\$0.04</b>		
<b>Operating EPS</b>				<b>\$0.97</b>

**Adjustments to Reported Earnings:**

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

(b) Other miscellaneous items.

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

<sup>1</sup> There are certain differences between segment reporting and the alternate breakdown structure.

## Reconciliation of 2Q17 Reported Earnings to Operating Earnings

Unaudited, Alternate Breakdown Structure<sup>1</sup>

(millions, except per share amounts)

Description	2Q17 Reported	Adjustments		2Q17 Operating
<b>Virginia Electric &amp; Power Co. Adjusted EBITDA</b>				
Electric Distribution	\$207			\$207
Electric Transmission	214			214
Utility Generation	500			500
Virginia Power - Corporate & Other	(15)	15	(a), (b)	0
VEPCO DD&A	280			280
Subtotal VEPCO Adjusted EBIT	626	15		641
<b>Gas Operations Adjusted EBITDA</b>				
Gas Distribution	177			177
Gas Transmission	248			248
Gas Operations DD&A	126			126
Subtotal Gas Operations Adjusted EBIT	299			299
<b>Merchant Generation Operations Adjusted EBITDA</b>				
Merchant Generations Operations DD&A	54			54
Subtotal Merchant Generation Operations Adjusted EBIT	50			50
Subtotal Merchant Generation Operations Adjusted EBIT	4			4
<b>Corporate, Other &amp; Eliminations Adjusted EBIT</b>				
	(68)	32	(b), (c), (d)	(36)
<b>Total Adjusted EBIT</b>	\$861	\$47		\$908
<b>Consolidated Interest</b>	308	0		308
<b>Consolidated Income Taxes</b>	136	16	(e)	152
<b>Noncontrolling Interests</b>	27			27
<b>Earnings</b>	\$390	\$31		\$421
Average Diluted Shares Outstanding	629.2	629.2		629.2
<b>Reported EPS</b>	\$0.62			
<b>Adjustments</b>		\$0.05		
<b>Operating EPS</b>				\$0.67

### Adjustments to Reported Earnings:

- (a) Other miscellaneous items.
- (b) Net gain/loss on our investment in nuclear decommissioning trust funds.
- (c) Transition and integration costs associated with the Dominion Energy Questar combination.
- (d) Write-off of regulatory asset.
- (e) Income tax provisions associated with adjustments to reported earnings.

<sup>1</sup> There are certain differences between segment reporting and the alternate breakdown structure.



## VEPCO GAAP Reconciliations

### Reconciliation of 1Q18 Reported Results to Operating Results

(Unaudited)<sup>1</sup>

(millions)

Description	1Q18		1Q18 Operating
	Reported	Adjustments	
<b>Adjusted EBITDA</b>			
Electric Distribution	\$218		\$218
Electric Transmission	203		203
Utility Generation	497		497
Virginia Power - Corporate & Other	(254)	254	(a), (b), (c) 0
Total DD&A	297		297
<b>Total Adjusted EBIT</b>	367	254	621
<b>Consolidated Interest</b>	132		132
<b>Consolidated Income Taxes</b>	51	57	(d) 108
<b>Net Income</b>	\$184	\$197	\$381

#### Adjustments to Reported Earnings:

- (a) Reserve for utility customers' one-time rate credits associated with Virginia legislation.  
 (b) Restoration costs associated with Winter Storm Riley.  
 (c) Net gain/loss on our investment in nuclear decommissioning trust funds.  
 (d) Income tax provisions associated with adjustments to reported earnings.

<sup>1</sup> There are certain differences between segment reporting and the alternate breakdown structure.

### Reconciliation of 1Q17 Reported Results to Operating Results

(Unaudited)<sup>1</sup>

(millions)

Description	1Q17		1Q17 Operating
	Reported	Adjustments	
<b>Adjusted EBITDA</b>			
Electric Distribution	\$212		\$212
Electric Transmission	202		202
Utility Generation	552		552
Virginia Power - Corporate & Other	4	(4)	(a) 0
Total DD&A	286		286
<b>Total Adjusted EBIT</b>	684	(4)	680
<b>Consolidated Interest</b>	120		120
<b>Consolidated Income Taxes</b>	208	(2)	(b) 206
<b>Net Income</b>	\$356	(\$2)	\$354

#### Adjustments to Reported Earnings:

- (a) Net gain/loss on our investment in nuclear decommissioning trust funds.  
 (b) Income tax provisions associated with adjustments to reported earnings.

<sup>1</sup> There are certain differences between segment reporting and the alternate breakdown structure.

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**Reconciliation of 2Q17 Reported Results to Operating Results**

(Unaudited)<sup>1</sup>  
(millions)

Description	2Q17 Reported	Adjustments		2Q17 Operating
<b>Adjusted EBITDA</b>				
Electric Distribution	\$207			\$207
Electric Transmission	214			214
Utility Generation	500			500
Virginia Power - Corporate & Other	(15)	15	(a), (b)	0
Total DD&A	280			280
<b>Total Adjusted EBIT</b>	626	15		641
<b>Consolidated Interest</b>	125			125
<b>Consolidated Income Taxes</b>	183	6	(c)	189
<b>Net Income</b>	\$318	\$9		\$327

**Adjustments to Reported Earnings:**

- (a) Other miscellaneous items.
- (b) Net gain/loss on our investment in nuclear decommissioning trust funds.
- (c) Income tax provisions associated with adjustments to reported earnings.

<sup>1</sup> There are certain differences between segment reporting and the alternate breakdown structure.

## 2018 Earnings Expectations

### Earnings Per Share (diluted)

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

2Q 2018 Operating Earnings (estimate): \$0.70 - \$0.80

FY 2018 Operating Earnings (estimate): \$3.80 - \$4.25

2Q 2018 Reported Earnings (estimate): See Note 1 below

FY 2018 Reported Earnings (estimate): See Note 1 below

1. In providing its second-quarter and full-year 2018 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 Energy management is not able to estimate the aggregate impact, if any, of these items on future period reported earnings. Accordingly, Dominion Energy is not able to provide a corresponding GAAP equivalent for its operating earnings guidance.

Dominion Energy uses operating earnings as the primary performance measurement of its earnings guidance and results for public communications with analysts and investors. Dominion Energy 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 Energy management believes operating earnings provide a more meaningful representation of the company's fundamental earnings power.

Dominion Energy's estimates of second-quarter and full-year 2018 earnings are subject to various risks and uncertainties. Factors that could cause actual results to differ include, but are not limited to: unusual weather conditions and their effect on energy sales to customers and energy commodity prices; extreme weather events and other natural disasters; federal, state and local legislative and regulatory developments; changes to federal, state and local environmental laws and regulations, including proposed carbon regulations; cost of environmental compliance; changes in enforcement practices of regulators relating to environmental standards and litigation exposure for remedial activities; capital market conditions, including the availability of credit and the ability to obtain financing on reasonable terms; fluctuations in interest rates; changes in rating agency requirements or credit ratings and their effect on availability and cost of capital; impacts of acquisitions, divestitures, transfers of assets by Dominion Energy to joint ventures or to Dominion Energy Midstream Partners, and retirements of assets based on asset portfolio reviews; the expected timing and likelihood of completion of the proposed acquisition of SCANA Corporation, including the ability to obtain the requisite approvals of SCANA's shareholders and timing, receipt and terms and conditions of required regulatory approvals; receipt of approvals for, and timing of, closing dates for other acquisitions and divestitures; the execution of Dominion Energy Midstream Partners' growth strategy; changes in demand for Dominion Energy's services; additional competition in Dominion Energy's industries; changes to regulated rates collected by Dominion Energy; changes in operating, maintenance and construction costs; timing and receipt of regulatory approvals necessary for planned construction or expansion projects and compliance with conditions associated with such regulatory approvals; the inability to complete planned construction projects within time frames initially anticipated; and the ability of Dominion Energy Midstream Partners to negotiate, obtain necessary approvals and consummate acquisitions from Dominion Energy and third-parties, and the impacts of such acquisitions. Other risk factors are detailed from time to time in Dominion Energy's and Dominion Energy Midstream Partners' quarterly reports on Form 10-Q or most recent annual report on Form 10-K filed with the Securities and Exchange Commission.