



**Dominion
Energy[®]**

Alternate Breakdown
Structure (ABS)
Supplement

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Important Notes to Investors

This supplement contains certain forward-looking statements, including our forecasted operating earnings for the fourth-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 timing, receipt and terms and conditions of required regulatory approvals; receipt of approvals for, and timing of, closing dates for other acquisitions and divestitures; 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 reports 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 <http://investors.dominionenergy.com/> for the most recent updates.

Guidance Reconciliations

Reconciliation of 3Q18 Operating Earnings to Guidance

(millions, except per share amounts)

Description	3Q17 Actual	Range of 3Q18		3Q18 Actual
		Low	High	
Virginia Electric & Power Co. EBITDA				
Electric Distribution	\$228	\$220	\$245	\$224
Electric Transmission	212	200	210	209
Utility Generation	709	585	625	643
VEPCO Corporate & Other	(1)	0	0	(1)
VEPCO DD&A	288	295	305	295
Subtotal VEPCO Adjusted EBIT	860	\$710	\$775	\$780
Gas Operations EBITDA				
Gas Distribution	\$164	\$135	\$145	\$139
Gas Transmission	306	430	460	460
Gas Operations DD&A	133	160	160	158
Subtotal Gas Operations EBIT	337	\$405	\$445	\$441
Merchant Generation EBITDA				
Merchant Generation DD&A	\$156	\$165	\$195	\$177
Subtotal Merchant Generation Operations EBIT	50	55	55	56
Subtotal Merchant Generation Operations EBIT	106	\$110	\$140	\$121
Corporate and Other & Eliminations Adjusted EBIT	(19)	(\$20)	(\$20)	(\$18)
Total Adjusted EBIT	\$1,284	\$1,205	\$1,340	\$1,324
Consolidated Interest	304	380	365	378
Consolidated Income Taxes	277	160	175	159
Noncontrolling Interests	31	30	30	29
Operating Earnings	\$672	\$635	\$770	\$758
Average Diluted Shares Outstanding	642.5	655	653	654.9
Operating EPS Range	\$1.04	\$0.95	\$1.15	\$1.15

3Q18 Operating EPS Guidance Range

\$0.95

\$1.15

3Q18 Operating EPS Actual >>> \$1.15

Please refer to page 7 of this Alternate Breakdown Structure Supplement for details related to adjustments to reported earnings for 3Q17.

Figures may not add due to rounding

Guidance

4Q18 Operating Earnings Guidance

(millions, except per share amounts)

Description	4Q17 Actual	Low	High
Virginia Electric & Power Co. EBITDA			
Electric Distribution	\$225	\$190	\$210
Electric Transmission	220	\$190	\$205
Utility Generation	491	\$380	\$415
VEPCO DD&A	287	\$290	\$300
Subtotal VEPCO Adjusted EBIT	647	\$470	\$530
Gas Operations EBITDA			
Gas Distribution	\$252	\$230	\$240
Gas Transmission	385	\$515	\$540
Gas Operations DD&A	135	\$165	\$165
Subtotal Gas Operations EBIT	502	\$580	\$615
Merchant Generation EBITDA			
Merchant Generation DD&A	\$77	\$105	\$125
Subtotal Merchant Generation Operations EBIT	52	\$45	\$45
Subtotal Merchant Generation Operations EBIT	25	\$60	\$79
Corporate and Other & Eliminations Adjusted EBIT	(47)	(\$50)	(\$50)
Total Adjusted EBIT	\$1,127	\$1,060	\$1,175
Consolidated Interest	300	\$370	\$360
Consolidated Income Taxes	221	\$125	\$145
Noncontrolling Interests	21	\$20	\$20
Operating Earnings	\$585	\$545	\$650
Average Diluted Shares Outstanding	643.9	665	663
Operating EPS Range	\$0.91	\$0.82	\$0.98
4Q18 Operating EPS Guidance Range		\$0.80	\$0.95

Please refer to page 8 of this Alternate Breakdown Structure Supplement for details related to adjustments to reported earnings for 4Q17.

Figures may not add due to rounding

GAAP Reconciliations

Reconciliation of 3Q18 Reported Earnings to Operating Earnings

Unaudited, Alternate Breakdown Structure¹

(millions, except per share amounts)

Description	3Q18 Reported	Adjustments	3Q18 Operating
Virginia Electric & Power Co. Adjusted EBITDA			
Electric Distribution	\$224		\$224
Electric Transmission	209		209
Utility Generation	643		643
Virginia Power - Corporate & Other	0	(1)	(1)
VEPCO DD&A	295		295
Subtotal VEPCO Adjusted EBIT	781	(1)	780
Gas Operations Adjusted EBITDA			
Gas Distribution	139		139
Gas Transmission	460		460
Gas Operations DD&A	158		158
Subtotal Gas Operations Adjusted EBIT	441		441
Merchant Generation Operations Adjusted EBITDA			
Merchant Generations Operations DD&A	56		56
Subtotal Merchant Generation Operations Adjusted EBIT	121		121
Corporate, Other & Eliminations Adjusted EBIT			
	180	(198)	(18)
Total Adjusted EBIT	1,523	(\$199)	1,324
Consolidated Interest	378	0	378
Consolidated Income Taxes	262	(103)	159
Noncontrolling Interests	29	0	29
Earnings	\$854	(\$96)	\$758
Average Diluted Shares Outstanding	654.9	654.9	654.9
Reported EPS	\$1.30		
Adjustments		(\$0.15)	
Operating EPS			\$1.15

Adjustments to Reported Earnings:

- (a) Net gain/loss on our investment in nuclear decommissioning trust funds.
- (b) Other miscellaneous items.
- (c) Merger-related transaction and transition costs.
- (d) Transactions related to sale of non-core assets.
- (e) Income tax provisions associated with adjustments to reported earnings.
- (f) Remeasurement of deferred tax balances.
- (g) Tax valuation allowance.

¹ There are certain differences between segment reporting and the alternate breakdown structure.

Reconciliation of 3Q17 Reported Earnings to Operating Earnings

Unaudited, Alternate Breakdown Structure¹

(millions, except per share amounts)

Description	3Q17 Reported	Adjustments		3Q17 Operating
Virginia Electric & Power Co. Adjusted EBITDA				
Electric Distribution	\$228			\$228
Electric Transmission	212			212
Utility Generation	709			709
Virginia Power - Corporate & Other	(1)	0		(1)
VEPCO DD&A	288			288
Subtotal VEPCO Adjusted EBIT	860	0		860
Gas Operations Adjusted EBITDA				
Gas Distribution	164			164
Gas Transmission	306			306
Gas Operations DD&A	133			133
Subtotal Gas Operations Adjusted EBIT	337			337
Merchant Generation Operations Adjusted EBITDA				
	156			156
Merchant Generations Operations DD&A	50			50
Subtotal Merchant Generation Operations Adjusted EBIT	106			106
Corporate, Other & Eliminations Adjusted EBIT				
	(30)	11	(a),(b)	(19)
Total Adjusted EBIT	\$1,273	\$11		\$1,284
Consolidated Interest	305	(1)	(a)	304
Consolidated Income Taxes	272	5	(c)	277
Noncontrolling Interests	31			31
Earnings	\$665	\$7		\$672
Average Diluted Shares Outstanding	642.5	642.5		642.5
Reported EPS	\$1.03			
Adjustments		\$0.01		
Operating EPS				\$1.04

Adjustments to Reported Earnings:

- (a) Transition and integration costs associated with the Dominion Energy Questar combination.
(b) Net gain/loss on our investment in nuclear decommissioning trust funds.
(c) Income tax provisions associated with adjustments to reported earnings.

¹ There are certain differences between segment reporting and the alternate breakdown structure.

Reconciliation of 4Q17 Reported Earnings to Operating Earnings

Unaudited, Alternate Breakdown Structure¹

(millions, except per share amounts)

Description	4Q17 Reported	Adjustments	4Q17 Operating
Virginia Electric & Power Co. Adjusted EBITDA			
Electric Distribution	\$225		\$225
Electric Transmission	220		220
Utility Generation	491		491
Virginia Power - Corporate & Other	(11)	9	(2)
VEPCO DD&A	287		287
Subtotal VEPCO Adjusted EBIT	638	9	647
Gas Operations Adjusted EBITDA			
Gas Distribution	252		252
Gas Transmission	385		385
Gas Operations DD&A	135		135
Subtotal Gas Operations Adjusted EBIT	502		502
Merchant Generation Operations Adjusted EBITDA			
Merchant Generations Operations DD&A	77		77
Subtotal Merchant Generation Operations Adjusted EBIT	52		52
Corporate, Other & Eliminations Adjusted EBIT			
Subtotal	(245)	198	(47)
Total Adjusted EBIT	\$920	\$207	\$1,127
Consolidated Interest	300	0	300
Consolidated Income Taxes	(713)	934	221
Noncontrolling Interests	21		21
Earnings	\$1,312	(\$727)	\$585
Average Diluted Shares Outstanding	643.9	643.9	643.9
Reported EPS	\$2.04		
Adjustments		(\$1.13)	
Operating EPS			\$0.91

Adjustments to Reported Earnings:

- (a) Net gain/loss on our investment in nuclear decommissioning trust funds.
- (b) Merger-related transaction and transition costs, primarily associated with the Dominion Energy Questar combination.
- (c) Impairment of equity method investments.
- (d) Other miscellaneous items.
- (e) Income tax provisions associated with adjustments to reported earnings.
- (f) Remeasurement of deferred tax balances.

¹ There are certain differences between segment reporting and the alternate breakdown structure.

VEPCO GAAP Reconciliations

Reconciliation of 3Q18 Reported Results to Operating Results

(Unaudited)¹

(millions)

Description	3Q18 Reported	Adjustments	3Q18 Operating
Adjusted EBITDA			
Electric Distribution	\$224		\$224
Electric Transmission	209		209
Utility Generation	643		643
Virginia Power - Corporate & Other	0	(1)	(1)
Total DD&A	295		295
Total Adjusted EBIT	781	(1)	780
Consolidated Interest	130		130
Consolidated Income Taxes	131	7	138
Net Income	\$520	(\$8)	\$512

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.

(d) Remeasurement of deferred tax balances.

¹ There are certain differences between segment reporting and the alternate breakdown structure.

Reconciliation of 3Q17 Reported Results to Operating Results

(Unaudited)¹

(millions)

Description	3Q17 Reported	Adjustments	3Q17 Operating
Adjusted EBITDA			
Electric Distribution	\$228		\$228
Electric Transmission	212		212
Utility Generation	709		709
Virginia Power - Corporate & Other	(1)	0	(1)
Total DD&A	288		288
Total Adjusted EBIT	860	0	860
Consolidated Interest	128		128
Consolidated Income Taxes	273	0	273
Net Income	\$459	\$0	\$459

Adjustments to Reported Earnings:

¹ There are certain differences between segment reporting and the alternate breakdown structure.

Reconciliation of 4Q17 Reported Results to Operating Results

(Unaudited)¹
(millions)

Description	4Q17 Reported	Adjustments		4Q17 Operating
Adjusted EBITDA				
Electric Distribution	\$225			\$225
Electric Transmission	220			220
Utility Generation	491			491
Virginia Power - Corporate & Other	(11)	9	(a), (b)	(2)
Total DD&A	287			287
Total Adjusted EBIT	638	9		647
Consolidated Interest	121			121
Consolidated Income Taxes	110	90	(c), (d)	200
Net Income	\$407	(\$81)		\$326

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.
- (d) Remeasurement of deferred tax balances.

¹ 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

4Q 2018 Operating Earnings (estimate): \$0.80 - \$0.95

FY 2018 Operating Earnings (estimate): \$3.95 - \$4.10

4Q 2018 Reported Earnings (estimate): See Note 1 below

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

1. In providing its fourth-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 fourth-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 timing, receipt and terms and conditions of required regulatory approvals; receipt of approvals for, and timing of, closing dates for other acquisitions and divestitures; 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 reports on Form 10-K filed with the Securities and Exchange Commission.