



**Dominion  
Energy<sup>®</sup>**

Alternate Breakdown  
Structure (ABS)  
Supplement

**August 2, 2017**

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## Important Notes to Investors

This supplement contains certain forward-looking statements, including our forecasted operating earnings for the third-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 Energy'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 Energy Midstream and retirements of assets based on asset portfolio reviews, the receipt of approval for, and timing of, closing dates for acquisitions and divestitures, the timing and execution of Dominion Energy 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 Energy 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 Energy'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 Energy, 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 Energy's 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 2Q17 Operating Earnings to Guidance

(millions, except per share amounts)

Description	2Q16	Range of 2Q17		2Q17
	Actual	Low	High	Actual
<b>Virginia Electric &amp; Power Co. Adjusted EBITDA</b>				
Electric Distribution	\$181	\$200	\$230	\$207
Electric Transmission	182	200	210	214
Utility Generation	446	490	525	500
VEPCO Corporate & Other	0	0	0	0
VEPCO DD&A	247	285	290	280
Subtotal VEPCO Adjusted EBIT	562	605	675	641
<b>Gas Operations Adjusted EBITDA<sup>1</sup></b>				
Gas Distribution	\$88	\$170	\$180	\$177
Gas Transmission	257	230	250	248
Gas Operations DD&A	65	130	130	126
Subtotal Gas Operations Adjusted EBIT	280	270	300	299
<b>Merchant Generation Adjusted EBITDA</b>				
Merchant Generation DD&A	\$79	\$45	\$60	\$54
Subtotal Merchant Generation Operations Adjusted EBIT	40	50	50	50
Subtotal Merchant Generation Operations Adjusted EBIT	39	(5)	10	4
Corporate and Other & Eliminations Adjusted EBIT	(40)	(15)	(15)	(36)
<b>Total Adjusted EBIT</b>	\$841	\$855	\$970	\$908
<b>Consolidated Interest</b>	239	315	305	308
<b>Consolidated Income Taxes</b>	151	150	175	152
<b>Noncontrolling Interests</b>	10	30	30	27
<b>Operating Earnings</b>	\$441	\$360	\$460	\$421
Average Diluted Shares Outstanding	617.0	630	628	629.2
<b>Operating EPS Range</b>	\$0.71	\$0.57	\$0.73	\$0.67
<b>2Q17 Operating EPS Guidance Range</b>		<b>\$0.60</b>	<b>\$0.70</b>	
		<b>2Q17 Operating EPS Actual &gt;&gt;&gt;</b>		<b>\$0.67</b>

<sup>1</sup> 2017 amounts include Dominion Energy Questar operations.

Please refer to page 7 of this Alternate Breakdown Structure Supplement for details related to adjustments to reported earnings for 2Q16.

Figures may not add due to rounding

## Guidance

### 3Q17 Operating Earnings Guidance

(millions, except per share amounts)

Description	3Q16	Range of 3Q17	
	Actual	Low	High
<b>Virginia Electric &amp; Power Co. EBITDA</b>			
Electric Distribution	\$235	\$215	\$250
Electric Transmission	189	205	215
Utility Generation	772	705	760
VEPCO DD&A	270	290	290
Subtotal VEPCO Adjusted EBIT	926	835	935
<b>Gas Operations EBITDA<sup>1</sup></b>			
Gas Distribution	\$88	\$150	\$165
Gas Transmission	225	300	310
Gas Operations DD&A	77	130	130
Subtotal Gas Operations EBIT	236	320	345
<b>Merchant Generation EBITDA</b>			
Merchant Generation DD&A	\$149	\$150	\$175
Subtotal Merchant Generation Operations EBIT	42	50	50
Subtotal Merchant Generation Operations EBIT	107	100	125
Corporate and Other & Eliminations Adjusted EBIT	(26)	(25)	(15)
<b>Total Adjusted EBIT</b>	<b>\$1,243</b>	<b>\$1,230</b>	<b>\$1,390</b>
<b>Consolidated Interest</b>	<b>237</b>	<b>320</b>	<b>310</b>
<b>Consolidated Income Taxes</b>	<b>252</b>	<b>275</b>	<b>300</b>
<b>Noncontrolling Interests</b>	<b>38</b>	<b>40</b>	<b>30</b>
<b>Operating Earnings</b>	<b>\$716</b>	<b>\$595</b>	<b>\$750</b>
Average Diluted Shares Outstanding	626.0	644	642
<b>Operating EPS Range</b>	<b>\$1.14</b>	<b>\$0.92</b>	<b>\$1.17</b>
<b>3Q17 Operating EPS Guidance Range</b>		<b>\$0.95</b>	<b>\$1.15</b>

<sup>1</sup> 2016 amounts include Dominion Energy Questar operations for partial month September.

Please refer to page 8 of this Alternate Breakdown Structure Supplement for details related to adjustments to reported earnings for 3Q16.

Figures may not add due to rounding

## GAAP Reconciliations

### 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	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	(36)
<b>Total Adjusted EBIT</b>	861	\$47	908
<b>Consolidated Interest</b>	308	0	308
<b>Consolidated Income Taxes</b>	136	16	152
<b>Noncontrolling Interests</b>	27	0	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 of 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.

## Reconciliation of 2016 Reported Earnings to Operating Earnings

**Unaudited, Alternate Breakdown Structure<sup>1</sup>***(millions, except per share amounts)*

Description	2Q16 Reported	Adjustments	2Q16 Operating
<b>Virginia Electric &amp; Power Co. Adjusted EBITDA</b>			
Electric Distribution	\$181		\$181
Electric Transmission	182		182
Utility Generation	446		446
Virginia Power - Corporate & Other	9	(9)	0
VEPCO DD&A	247		247
Subtotal VEPCO Adjusted EBIT	571	(9)	562
<b>Gas Operations Adjusted EBITDA</b>			
Gas Distribution	88		88
Gas Transmission	257		257
Gas Operations DD&A	65		65
Subtotal Gas Operations Adjusted EBIT	280		280
<b>Merchant Generation Operations Adjusted EBITDA</b>			
Merchant Generations Operations DD&A	40		40
Subtotal Merchant Generation Operations Adjusted EBIT	39		39
<b>Corporate, Other &amp; Eliminations Adjusted EBIT</b>			
	(37)	(3)	(40)
<b>Total Adjusted EBIT</b>	\$853	(\$12)	\$841
<b>Consolidated Interest</b>	239	0	239
<b>Consolidated Income Taxes</b>	152	(1)	151
<b>Noncontrolling Interests</b>	10		10
<b>Earnings</b>	\$452	(\$11)	\$441
Average Diluted Shares Outstanding	617.0	617.0	617.0
<b>Reported EPS</b>	\$0.73		
<b>Adjustments</b>		(\$0.02)	
<b>Operating EPS</b>			\$0.71

**Adjustments to Reported Earnings:**

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

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

## Reconciliation of 3Q16 Reported Earnings to Operating Earnings

**Unaudited, Alternate Breakdown Structure<sup>1</sup>***(millions, except per share amounts)*

Description	3Q16 Reported	Adjustments		3Q16 Operating
<b>Virginia Electric &amp; Power Co. Adjusted EBITDA</b>				
Electric Distribution	\$235			\$235
Electric Transmission	189			189
Utility Generation	772			772
Virginia Power - Corporate & Other	1	(1)	(a)	0
VEPCO DD&A	270			270
Subtotal VEPCO Adjusted EBIT	927	(1)		926
<b>Gas Operations Adjusted EBITDA</b>				
Gas Distribution	88			88
Gas Transmission	225			225
Gas Operations DD&A	77			77
Subtotal Gas Operations Adjusted EBIT	236			236
<b>Merchant Generation Operations Adjusted EBITDA</b>				
Merchant Generations Operations DD&A	42			42
Subtotal Merchant Generation Operations Adjusted EBIT	107			107
<b>Corporate, Other &amp; Eliminations Adjusted EBIT</b>				
	(62)	36	(b), (c)	(26)
<b>Total Adjusted EBIT</b>	\$1,208	\$35		\$1,243
<b>Consolidated Interest</b>	250	(13)	(b)	237
<b>Consolidated Income Taxes</b>	230	22	(d)	252
<b>Noncontrolling Interests</b>	38			38
<b>Earnings</b>	\$690	\$26		\$716
Average Diluted Shares Outstanding	626.0	626.0		626.0
<b>Reported EPS</b>	\$1.10			
<b>Adjustments</b>		\$0.04		
<b>Operating EPS</b>				\$1.14

**Adjustments to Reported Earnings:**

- (a) Net gain/loss of our investment in nuclear decommissioning trust funds.  
(b) Transaction and transition costs associated with Dominion Energy Questar combination.  
(c) Other miscellaneous items.  
(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.



## VEPCO GAAP Reconciliations

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

(Unaudited)

(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 of our investment in nuclear decommissioning trust

(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 2Q16 Reported Results to Operating Results

(Unaudited)

(millions)

Description	2Q16 Reported	Adjustments		2Q16 Operating
<b>Adjusted EBITDA</b>				
Electric Distribution	\$181			\$181
Electric Transmission	182			182
Utility Generation	446			446
Virginia Power - Corporate & Other	9	(9)	(a), (b)	0
Total DD&A	247			247
<b>Total Adjusted EBIT</b>	571	(9)		562
<b>Consolidated Interest</b>	113			113
<b>Consolidated Income Taxes</b>	178	(2)	(c)	176
<b>Net Income</b>	\$280	(\$7)		\$273

**Adjustments to Reported Earnings:**

(a) Net gain/loss of 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.

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## Reconciliation of 3Q16 Reported Results to Operating Results

(Unaudited)

*(millions)*

Description	3Q16 Reported	Adjustments	3Q16 Operating
<b>Adjusted EBITDA</b>			
Electric Distribution	\$235		\$235
Electric Transmission	189		189
Utility Generation	772		772
Virginia Power - Corporate & Other	1	(1) (a),	0
Total DD&A	270		270
<b>Total Adjusted EBIT</b>	927	(1)	926
<b>Consolidated Interest</b>	118		118
<b>Consolidated Income Taxes</b>	306	0 (b)	306
<b>Net Income</b>	\$503	(\$1)	\$502

**Adjustments to Reported Earnings:**

(a) Net gain/loss of 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.

## 2017 Earnings Expectations

### Earnings Per Share (diluted)

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

3Q 2017 Operating Earnings (estimate):	\$0.95 - \$1.15
FY 2017 Operating Earnings (estimate):	\$3.40 - \$3.90
3Q 2017 Reported Earnings (estimate):	See Note 1 below
FY 2017 Reported Earnings (estimate):	See Note 1 below

1. In providing its third-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 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 third-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 Energy'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 Energy 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 Energy 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 Energy 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 Energy'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 Energy, 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 Energy's quarterly reports on Form 10-Q or most recent annual report on Form 10-K filed with the Securities and Exchange Commission.