



**Dominion  
Energy<sup>®</sup>**

**3<sup>rd</sup> Quarter 2018  
Earnings Release  
Kit**

**November 1, 2018**

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## Important Notes to Investors

This 3Q18 Earnings Release Kit 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.

Certain information provided in this 3Q18 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 Energy 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 3Q18 Earnings Release Kit and its individual components reflect the financial position and operating results of Dominion Energy and its primary operating segments through September 30, 2018. 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 Energy undertakes no obligation to update any forward-looking information statement to reflect developments after the statement is made.

This 3Q18 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 3Q18 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 <http://investors.dominionenergy.com/>.

## Earnings Release and Accompanying Schedules

November 1, 2018

### **Dominion Energy Announces Third-Quarter 2018 Earnings, Additional Non-Core Asset Sale; Provides Atlantic Coast Pipeline & Supply Header Updates**

- *Third-quarter 2018 reported earnings of \$1.30 per share; operating earnings of \$1.15 per share*
- *Narrows full-year 2018 operating earnings guidance to \$3.95 to \$4.10 per share*
- *Executed agreement to divest interest in Blue Racer Midstream for consideration of up to \$1.5 billion*
- *Atlantic Coast Pipeline and Supply Header cost, schedule modifications*

RICHMOND, Va. – Dominion Energy (NYSE: D) today announced unaudited reported earnings determined in accordance with Generally Accepted Accounting Principles (reported earnings) for the three months ended Sept. 30, 2018 of \$854 million (\$1.30 per share) compared with earnings of \$665 million (\$1.03 per share) for the same period in 2017.

Operating earnings for the three months ended Sept. 30, 2018, were \$758 million (\$1.15 per share), compared with operating earnings of \$672 million (\$1.04 per share) for the same period in 2017. Operating earnings are defined as reported earnings adjusted for certain items. The principal difference between operating and reported earnings for the quarter was a gain on nuclear decommissioning trust funds.

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

“Our third-quarter results were at the top end of our guidance range of \$0.95 to \$1.15 representing another quarter of very strong results. We are narrowing our 2018 full year operating earnings per share guidance range to \$3.95 to \$4.10 per share which preserves the same midpoint as our original guidance. Assuming normal weather, we continue to expect operating earnings per share for 2018 to be above the midpoint of this narrowed guidance range.

“We continue to achieve important milestones for growth investments in solar and offshore wind generation, strategic electric distribution undergrounding, electric grid modernization, electric transmission, nuclear generation relicensing, and gas distribution pipeline replacement. These programs will provide meaningful benefits to our customers and will support earnings growth well into the next decade.”

#### **Additional non-core asset sale**

Dominion Energy also announced today that it has executed a definitive agreement to divest its 50% interest in the Blue Racer Midstream joint venture to First Reserve and affiliated investment funds for total consideration of up to \$1.5 billion including \$1.2 billion of cash consideration and up to \$300 million in earn-out payments that would be payable from 2019 through 2021 based on Blue Racer Midstream’s performance.

The transaction is expected to close by year-end 2018 and initial proceeds will be used to reduce parent-level debt. Goldman Sachs & Co acted as financial advisor to Dominion Energy and Troutman Sanders as legal counsel.

“Blue Racer Midstream is a high-quality business with an extremely capable management team. However, this investment has become non-core to Dominion Energy as we continue to focus on regulated energy infrastructure,” said Farrell. “We have consistently indicated that a sale of Blue Racer would be opportunistic based on a compelling valuation and transaction structure. We are very pleased with the attractive valuation achieved through the competitive sale process which represents a multiple range of approximately 14 times to 16 times estimated 2018 EBITDA based on bookends of potential payments to be

received under the earn-out structure,” he added.

Farrell continued, “In concluding the credit improvement initiatives announced in March, we have sourced funds to reduce our parent-level debt by around \$8 billion including equity issuance, non-core asset sales, and the Cove Point debt financing. As a result, we will achieve our target parent company credit objectives two years earlier than originally planned.”

#### **Atlantic Coast Pipeline, Supply Header project updates**

Dominion Energy also provided cost and schedule updates on the Atlantic Coast Pipeline and Supply Header projects. The FERC stop work order and delays obtaining permits necessary for construction have impacted the cost and schedule for the project. As a result, project cost estimates have increased from a range of \$6.0 to \$6.5 billion to a range of \$6.5 to \$7.0 billion, excluding financing costs.

Atlantic Coast Pipeline is pursuing a phased in-service approach with its customers, whereby we maintain a late 2019 in-service for key segments of the project to meet peak winter demand in critically constrained regions served by the project. ACP will be pursuing a mid-2020 in-service date for the remaining segments of the project. Abnormal weather and/or work delays (including delays due to judicial or regulatory action) may result in cost or schedule modifications in the future.

The Supply Header project target in-service remains late 2019.

“We have been constructing ACP in West Virginia and North Carolina and on October 19 we received the final Virginia permit required to petition FERC to be underway with full mainline construction in all three states,” Farrell said. “Following approval from FERC of our Notice to Proceed filing, we will begin mainline construction in Virginia.”

“We continue to achieve key milestones toward the successful completion of this critical energy infrastructure project and look forward to delivering safe, reliable, and affordable energy to our customers in time to meet peak demand for the 2019/20 winter season,” Farrell added.

#### **Third-quarter 2018 reported and operating earnings compared to 2017**

Reported earnings increased 27 cents per share as compared to third-quarter 2017. Business segment results and detailed descriptions of items included in reported earnings but excluded from operating earnings can be found on schedules 1, 2, and 3 of this release.

Operating earnings increased 11 cents per share as compared to third-quarter 2017 per share operating earnings. The increase is primarily attributable to favorable weather in our regulated electric service territory, the commercial operation of Cove Point Liquefaction project and the impact of tax reform. Factors offsetting the increase include lower renewable energy investment tax credits and a higher share count.

Details of third-quarter operating earnings as compared to 2017 may be found on Schedule 4 of this release.

#### **Fourth-quarter 2018 operating earnings guidance**

Dominion Energy expects fourth-quarter 2018 operating earnings in the range of \$0.80 to \$0.95 per share, compared to fourth-quarter 2017 operating earnings of \$0.91 per share. Positive drivers include the Cove Point Liquefaction project and the benefit of tax reform. The company expects negative drivers for the quarter to include lower renewable energy investment tax credits, higher financing costs and a higher share count.

#### **Important note to investors regarding operating and reported earnings**

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

## **DOMINION ENERGY – 3Q18 EARNINGS RELEASE KIT**

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.

In providing its 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 of these items on future period reported earnings.

### **Conference call today**

The company will host its third-quarter earnings conference call at 11 a.m. ET on Thursday, Nov. 1, 2018. Management will discuss third-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 [investors.dominionenergy.com](http://investors.dominionenergy.com).

A replay of the conference call will be available beginning about 2 p.m. ET Nov. 1 and lasting until 11 p.m. ET Nov. 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 89035328. Additionally, a replay of the webcast will be available on the investor information pages by the end of the day Nov. 1.

### **About Dominion Energy**

Nearly 6 million customers in 19 states energize their homes and businesses with electricity or natural gas from Dominion Energy (NYSE: D), headquartered in Richmond, Va. The company is committed to sustainable, reliable, affordable, and safe energy and is one of the nation's largest producers and transporters of energy with nearly \$80 billion of assets providing electric generation, transmission and distribution, as well as natural gas storage, transmission, distribution, and import/export services. As one of the nation's leading solar operators, the company intends to reduce its carbon intensity 50 percent by 2030. Through its [Dominion Energy Charitable Foundation](#), as well as [EnergyShare](#) and other programs, Dominion Energy plans to contribute more than \$30 million in 2018 to community causes throughout its footprint and beyond. Please visit [www.DominionEnergy.com](http://www.DominionEnergy.com), Facebook or Twitter to learn more.

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**Consolidated Statements of Income (GAAP)**

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
(millions, except per share amounts)				
<b>Operating Revenue</b>	<b>\$ 3,451</b>	<b>\$ 3,179</b>	<b>\$ 10,005</b>	<b>\$ 9,376</b>
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	761	638	2,128	1,711
Purchased (excess) electric capacity	50	21	87	(8)
Purchased gas	5	24	409	441
Other operations and maintenance	782	697	2,585	2,308
Depreciation, depletion and amortization	526	485	1,487	1,421
Other taxes	177	162	542	519
Total operating expenses	<u>2,301</u>	<u>2,027</u>	<u>7,238</u>	<u>6,392</u>
Income from operations	<u>1,150</u>	<u>1,152</u>	<u>2,767</u>	<u>2,984</u>
Other income	373	121	658	391
Interest and related charges	<u>378</u>	<u>305</u>	<u>1,053</u>	<u>905</u>
Income from operations including noncontrolling interests before income tax expense	1,145	968	2,372	2,470
Income tax expense	<u>262</u>	<u>272</u>	<u>485</u>	<u>683</u>
<b>Net Income Including Noncontrolling Interests</b>	<b>883</b>	<b>696</b>	<b>1,887</b>	<b>1,787</b>
<b>Noncontrolling Interests</b>	<b>29</b>	<b>31</b>	<b>81</b>	<b>100</b>
<b>Net Income Attributable to Dominion Energy</b>	<b><u>\$ 854</u></b>	<b><u>\$ 665</u></b>	<b><u>\$ 1,806</u></b>	<b><u>\$ 1,687</u></b>
<b>Earnings Per Common Share</b>				
Net income attributable to Dominion Energy - Basic	\$ 1.31	\$ 1.03	\$ 2.77	\$ 2.66
Net income attributable to Dominion Energy - Diluted	<u>1.30</u>	<u>1.03</u>	<u>2.77</u>	<u>2.66</u>
<b>Dividends Declared Per Common Share</b>	<b><u>\$ 0.8350</u></b>	<b><u>\$ 0.7700</u></b>	<b><u>\$ 2.505</u></b>	<b><u>\$ 2.280</u></b>

\* The notes contained in Dominion Energy'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.

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

Unaudited

*(millions, except earnings per share)*

	Three months ended September 30,		
	2018	2017	Change
<b>REPORTED EARNINGS</b> <sup>1</sup>	\$ 854	\$ 665	\$ 189
Pre-tax loss (income) <sup>2</sup>	(199)	12	(211)
Income tax <sup>2</sup>	103	(5)	108
Adjustments to reported earnings	(96)	7	(103)
<b>OPERATING EARNINGS</b>	<u>\$ 758</u>	<u>\$ 672</u>	<u>\$ 86</u>
<i>By segment:</i>			
Power Delivery	163	138	25
Power Generation	414	369	45
Gas Infrastructure	264	187	77
Corporate and Other	(83)	(22)	(61)
	<u>\$ 758</u>	<u>\$ 672</u>	<u>\$ 86</u>
<b>Earnings Per Share (EPS):</b>			
<b>REPORTED EARNINGS</b> <sup>1</sup>	\$ 1.30	\$ 1.03	\$ 0.27
Adjustments to reported earnings (after tax)	(0.15)	0.01	(0.16)
<b>OPERATING EARNINGS</b>	<u>\$ 1.15</u>	<u>\$ 1.04</u>	<u>\$ 0.11</u>
<i>By segment:</i>			
Power Delivery	0.25	0.21	0.04
Power Generation	0.63	0.57	0.06
Gas Infrastructure	0.40	0.29	0.11
Corporate and Other	(0.13)	(0.03)	(0.10)
	<u>\$ 1.15</u>	<u>\$ 1.04</u>	<u>\$ 0.11</u>
<b>Common Shares Outstanding (average, diluted)</b>	654.9	642.5	

*(millions, except earnings per share)*

	Nine months ended September 30,		
	2018	2017	Change
<b>REPORTED EARNINGS</b> <sup>1</sup>	\$ 1,806	\$ 1,687	\$ 119
Pre-tax loss (income) <sup>2</sup>	251	28	223
Income tax <sup>2</sup>	2	(11)	13
Adjustments to reported earnings	253	17	236
<b>OPERATING EARNINGS</b>	<u>\$ 2,059</u>	<u>\$ 1,704</u>	<u>\$ 355</u>
<i>By segment:</i>			
Power Delivery	464	390	74
Power Generation	1,038	870	168
Gas Infrastructure	840	613	227
Corporate and Other	(283)	(169)	(114)
	<u>\$ 2,059</u>	<u>\$ 1,704</u>	<u>\$ 355</u>
<b>Earnings Per Share (EPS):</b>			
<b>REPORTED EARNINGS</b> <sup>1</sup>	\$ 2.77	\$ 2.66	\$ 0.11
Adjustments to reported earnings (after tax)	0.39	0.03	0.36
<b>OPERATING EARNINGS</b>	<u>\$ 3.16</u>	<u>\$ 2.69</u>	<u>\$ 0.47</u>
<i>By segment:</i>			
Power Delivery	0.71	0.62	0.09
Power Generation	1.59	1.37	0.22
Gas Infrastructure	1.29	0.97	0.32
Corporate and Other	(0.43)	(0.27)	(0.16)
	<u>\$ 3.16</u>	<u>\$ 2.69</u>	<u>\$ 0.47</u>
<b>Common Shares Outstanding (average, diluted)</b>	652.8	633.4	

<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 Energy's website at [www.dominionenergy.com/investors](http://www.dominionenergy.com/investors).



## Schedule 2 - Reconciliation of 2018 Reported Earnings to Operating Earnings

### 2018 Earnings (Nine months ended September 30, 2018)

The \$251 million pre-tax net effect of the adjustments included in 2018 reported earnings, but excluded from operating earnings, is primarily related to the following items:

- \$215 million charge associated with Virginia legislation enacted in March that requires one-time rate credits of certain amounts to utility customers.
- \$124 million charge associated with disallowance of FERC-regulated plant.
- \$81 million charge associated with the asset retirement obligations for ash ponds and landfills at certain utility generation facilities in connection with the enactment of Virginia legislation in April.
- \$31 million of restoration costs associated with Winter Storm Riley primarily affecting our Virginia service territory.
- \$28 million of transaction and transition costs associated with the Dominion Energy Questar combination and the proposed acquisition of SCANA Corporation.
- \$156 million net gain related to our investments in nuclear decommissioning trust funds.
- \$70 million net benefit associated with the announced sales of certain merchant electric generation power stations, primarily reflecting a gain on the sale of our 25% interest in Catalyst Old River Hydroelectric.
- \$31 million benefit associated with retroactive application of depreciation rates for regulated nuclear plants to comply with the Virginia Commission requirements

<i>(millions, except per share amounts)</i>	1Q18	2Q18	3Q18	4Q18	YTD 2018 <sup>2</sup>
<b>Reported earnings</b>	\$503	\$449	\$854		\$1,806
Adjustments to reported earnings <sup>1</sup> :					
Pre-tax loss (income)	305	145	(199)		251
Income tax benefit	(67)	(34)	103		2
	238	111	(96)		253
<b>Operating earnings</b>	\$741	\$560	\$758		\$2,059
<b>Common shares outstanding (average, diluted)</b>	650.5	653.1	654.9		652.8
<b>Reported earnings per share</b>	\$0.77	\$0.69	\$1.30		\$2.77
Adjustments to reported earnings (after-tax)	0.37	0.17	(0.15)		0.39
<b>Operating earnings per share</b>	\$1.14	\$0.86	\$1.15		\$3.16

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

	1Q18	2Q18	3Q18	4Q18	YTD 2018
<b>Pre-tax loss (income):</b>					
Impact of Virginia rate legislation	215				215
FERC-regulated plant disallowance		122	2		124
Future ash pond and landfill closure costs		81			81
Storm costs	31				31
Merger-related transaction and transition costs	16	9	3		28
Net (gain) loss on NDT funds	43	(50)	(149)		(156)
Sale of non-core assets			(70)		(70)
VA depreciation revision		(31)			(31)
Other		14	15		29
	\$305	\$145	(\$199)		\$251
<b>Income tax expense (benefit):</b>					
Tax effect of above adjustments to reported earnings *	(67)	(34)	38		(63)
Re-measurement of Deferred Tax balances **			47		47
Valuation Allowance ***			18		18
	(\$67)	(\$34)	\$103		\$2

\* 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.

\*\* During 2018, the Companies recorded further adjustments to deferred taxes in accordance with recently released tax reform guidance and to revise estimates made at year-end 2017.

\*\*\* A valuation allowance has been recognized against the portion of a deferred tax asset associated with a pending asset sale that is no longer projected of being utilized to offset future taxable income.

<sup>2)</sup> YTD EPS may not equal sum of quarters due to share count difference.

## Schedule 3 - Reconciliation of 2017 Reported Earnings to Operating Earnings

### 2017 Earnings (Twelve months ended December 31, 2017)

The \$235 million pre-tax net effect of the adjustments included in 2017 reported earnings, but excluded from operating earnings, is primarily related to the following items:

- \$158 million of impairment charges associated with our equity method investments in wind-powered generation facilities.
- \$72 million of transaction and transition costs, primarily associated with the Dominion Energy Questar combination.
- \$46 million net gain related to our investments in nuclear decommissioning trust funds.

The 2017 Tax Reform Act reduced the corporate income tax rate from 35% to 21%. Dominion Energy recognized \$851 million of tax benefits resulting from the re-measurement of deferred income taxes to the new corporate income tax rate.

<i>(millions, except per share amounts)</i>	1Q17	2Q17	3Q17	4Q17	YTD 2017 <sup>2</sup>
<b>Reported earnings</b>	\$632	\$390	\$665	\$1,312	\$2,999
Adjustments to reported earnings <sup>1</sup> :					
Pre-tax loss (income)	(31)	47	12	207	235
Income tax	10	(16)	(5)	(934)	(945)
	(21)	31	7	(727)	(710)
<b>Operating earnings</b>	\$611	\$421	\$672	\$585	\$2,289
<b>Common shares outstanding (average, diluted)</b>	628.1	629.2	642.5	643.9	636.0
<b>Reported earnings per share</b>	\$1.01	\$0.62	\$1.03	\$2.04	\$4.72
Adjustments to reported earnings (after-tax)	(0.04)	0.05	0.01	(1.13)	(1.12)
<b>Operating earnings per share</b>	\$0.97	\$0.67	\$1.04	\$0.91	\$3.60

<sup>1</sup>) Adjustments to reported earnings are reflected in the following table:

	1Q17	2Q17	3Q17	4Q17	YTD 2017
<u>Pre-tax loss (income):</u>					
Impairments of equity method investments				158	158
Merger-related transaction & transition costs	3	20	16	33	72
Net gain on NDT funds	(34)	(3)	(4)	(5)	(46)
Other		30		21	51
	(\$31)	\$47	\$12	\$207	\$235
<u>Income tax expense (benefit):</u>					
Tax effect of above adjustments to reported earnings *	10	(16)	(5)	(83)	(94)
Re-measurement of Deferred Tax Balances **				(851)	(851)
	\$10	(\$16)	(\$5)	(\$934)	(\$945)

\* 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.

\*\* Federal tax reform, enacted in December 2017, reduced the corporate income tax rate from 35% to 21%, effective 1/1/2018. Deferred taxes are required to be measured at the enacted rate in effect when they are expected to reverse. As a result, deferred taxes were re-measured to the 21% rate. For regulated entities, where the reduction in deferred taxes is expected to be recovered or refunded in future rates, the adjustment was recorded to a regulatory asset or liability instead of income tax expense.

<sup>2</sup>) YTD EPS may not equal sum of quarters due to share count differences

**Schedule 4 - Reconciliation of 3Q18 Earnings to 3Q17**

Preliminary, Unaudited (millions, except EPS)	Three Months Ended September 30, 2018 vs. 2017		Nine Months Ended September 30, 2018 vs. 2017	
	Increase / (Decrease)		Increase / (Decrease)	
	Amount	EPS	Amount	EPS
<b>Reconciling Items</b>				
<b>Change in reported earnings (GAAP)</b>	<b>\$189</b>	<b>\$0.27</b>	<b>\$119</b>	<b>\$0.11</b>
Change in Pre-tax loss (income) <sup>1</sup>	(211)		223	
Change in Income tax <sup>1</sup>	108		13	
<b>Adjustments to reported earnings</b>	<b>(\$103)</b>	<b>(\$0.16)</b>	<b>\$236</b>	<b>\$0.36</b>
<b>Change in consolidated operating earnings</b>	<b>\$86</b>	<b>\$0.11</b>	<b>\$355</b>	<b>\$0.47</b>
<b>Power Delivery <sup>2</sup></b>				
Regulated electric sales:				
Weather	\$6	\$0.01	\$28	\$0.04
Other	21	0.03	37	0.06
Rider investment	6	0.01	11	0.01
Tax reform impacts	0	-	0	-
Other	(8)	(0.01)	(2)	-
Share dilution	-	-	-	(0.02)
<b>Change in contribution to operating earnings</b>	<b>\$25</b>	<b>\$0.04</b>	<b>\$74</b>	<b>\$0.09</b>
<b>Power Generation <sup>2</sup></b>				
Regulated electric sales:				
Weather	\$15	\$0.02	\$56	\$0.09
Other	(6)	(0.01)	(13)	(0.02)
Merchant generation margin	15	0.02	109	0.17
Planned outage costs	1	-	41	0.07
Electric capacity	(11)	(0.02)	(49)	(0.08)
Renewable energy investment tax credits	4	0.01	(51)	(0.08)
Tax reform impacts	12	0.02	44	0.07
Other	15	0.03	31	0.05
Share dilution	-	(0.01)	-	(0.05)
<b>Change in contribution to operating earnings</b>	<b>\$45</b>	<b>\$0.06</b>	<b>\$168</b>	<b>\$0.22</b>
<b>Gas Infrastructure <sup>2</sup></b>				
Farmout transactions	\$3	\$0.00	\$33	\$0.05
Transportation and storage growth projects	9	0.02	27	0.04
Cove Point	94	0.15	156	0.25
Tax reform impacts	24	0.03	91	0.14
Interest	(31)	(0.05)	(59)	(0.09)
Other	(22)	(0.03)	(21)	(0.03)
Share dilution	-	(0.01)	-	(0.04)
<b>Change in contribution to operating earnings</b>	<b>\$77</b>	<b>\$0.11</b>	<b>\$227</b>	<b>\$0.32</b>
<b>Corporate and Other <sup>2</sup></b>				
Renewable energy investment tax credits	(\$53)	(\$0.08)	(\$68)	(\$0.11)
Tax reform impacts	(21)	(0.03)	(60)	(0.09)
Interest expense	(8)	(0.01)	(7)	(0.01)
Share dilution and other	21	0.02	21	0.05
<b>Change in contribution to operating earnings</b>	<b>(\$61)</b>	<b>(\$0.10)</b>	<b>(\$114)</b>	<b>(\$0.16)</b>
<b>Change in consolidated operating earnings</b>	<b>\$86</b>	<b>\$0.11</b>	<b>\$355</b>	<b>\$0.47</b>
<b>Change in adjustments included in reported earnings <sup>1</sup></b>	<b>\$103</b>	<b>\$0.16</b>	<b>(\$236)</b>	<b>(\$0.36)</b>
<b>Change in consolidated reported earnings</b>	<b>\$189</b>	<b>\$0.27</b>	<b>\$119</b>	<b>\$0.11</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 Energy's website at [www.dominionenergy.com/investors](http://www.dominionenergy.com/investors).

<sup>2</sup>) For period over period comparability reconciling items tax effected using a 35% federal tax rate.

Segment specific tax reform impacts outlined as individual reconciling items.

Note: Figures may not add due to rounding

## Financials

### Consolidated Financial Statements (GAAP)

Dominion Energy, inc.  
Consolidated Balance Sheet\*  
Unaudited (GAAP Based)  
(millions, except per share amounts)

(millions)	September 30, 2018	December 31, 2017 <sup>1</sup>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 310	\$ 120
Customer receivables (less allowance for doubtful accounts of \$17 at both dates)	1,539	1,660
Other receivables (less allowance for doubtful accounts of \$2 at both dates)	132	126
Inventories	1,455	1,477
Regulatory assets	540	294
Assets held for sale	1,029	—
Other	697	657
Total current assets	5,702	4,334
<b>Investments</b>		
Nuclear decommissioning trust funds	5,424	5,093
Investment in equity method affiliates	1,858	1,544
Other	345	327
Total investments	7,627	6,964
<b>Property, Plant and Equipment</b>		
Property, plant and equipment	76,190	74,823
Accumulated depreciation, depletion and amortization	(22,005)	(21,065)
Total property, plant and equipment, net	54,185	53,758
<b>Deferred Charges and Other Assets</b>		
Goodwill	6,410	6,405
Regulatory assets	2,316	2,480
Other	2,842	2,644
Total deferred charges and other assets	11,568	11,529
Total assets	\$ 79,082	\$ 76,585

<sup>1)</sup> Dominion Energy's Consolidated Balance Sheet at December 31, 2017 has been derived from the audited Consolidated Financial Statements at that date.

\* The notes contained in Dominion Energy'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 ENERGY - 3Q18 EARNINGS RELEASE KIT**

**Dominion Energy, inc.  
Consolidated Balance Sheet\*  
Unaudited (GAAP Based)  
(millions, except per share amounts)**

	<b>September 30, 2018</b>	December 31, 2017 <sup>1</sup>
(millions)		
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Securities due within one year	\$ 3,101	\$ 3,078
Short-term debt	2,935	3,298
Accounts payable	587	875
Other	2,589	2,385
Total current liabilities	9,212	9,636
<b>Long-Term Debt</b>		
Long-term debt	27,300	25,588
Junior subordinated notes	3,431	3,981
Remarketable subordinated notes	1,384	1,379
Credit facility borrowings	73	—
Total long-term debt	32,188	30,948
<b>Deferred Credits and Other Liabilities</b>		
Deferred income taxes and investment tax credits	5,079	4,523
Regulatory liabilities	7,146	6,916
Other	5,031	5,192
Total deferred credits and other liabilities	17,256	16,631
Total liabilities	58,656	57,215
<b>Commitments and Contingencies</b>		
<b>Equity</b>		
Common stock – no par <sup>2</sup>	10,862	9,865
Retained earnings	9,128	7,936
Accumulated other comprehensive loss	(1,520)	(659)
Total common shareholders' equity	18,470	17,142
Noncontrolling interests	1,956	2,228
Total equity	20,426	19,370
Total liabilities and equity	\$ 79,082	\$ 76,585

<sup>1)</sup> Dominion Energy's Consolidated Balance Sheet at December 31, 2017 has been derived from the audited Consolidated Financial Statements at that date.

<sup>2)</sup> 1 billion shares authorized; 655 million shares and 645 million shares outstanding at September 30, 2018 and December 31, 2017, respectively.

\* The notes contained in Dominion Energy'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 ENERGY – 3Q18 EARNINGS RELEASE KIT**

Dominion Energy, inc.  
**Consolidated Statement of Cash Flow\***  
**Unaudited**  
**(\$ in millions)**

<u>Nine Months Ended September 30,</u>	<u>2018</u>	<u>2017</u>
<b>Operating Activities</b>		
Net income including noncontrolling interests	\$ 1,887	\$ 1,787
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operating activities:		
Depreciation, depletion and amortization (including nuclear fuel)	1,706	1,649
Deferred income taxes and investment tax credits	486	652
Proceeds from assignment of tower rental portfolio	—	91
Contribution to pension plan	—	(75)
Gains on sales of assets and equity method investments	(196)	(61)
Provision for rate credits to electric utility customers	77	—
Charge associated with future ash pond and landfill closure costs	81	—
Charge associated with FERC-regulated plant disallowance	129	—
Net gains on nuclear decommissioning trusts funds and other investments	(208)	(101)
Other adjustments	10	14
Changes in:		
Accounts receivable	129	247
Inventories	(37)	(34)
Deferred fuel and purchased gas costs, net	(226)	(81)
Prepayments	(81)	34
Accounts payable	(167)	(158)
Accrued interest, payroll and taxes	(14)	61
Margin deposit assets and liabilities	(5)	51
Net realized and unrealized changes related to derivative activities	101	18
Pension and other postretirement benefits	(79)	(132)
Other operating assets and liabilities	118	(290)
Net cash provided by operating activities	<b>3,711</b>	<b>3,672</b>
<b>Investing Activities</b>		
Plant construction and other property additions (including nuclear fuel)	(3,111)	(4,122)
Acquisition of solar development projects	(108)	(343)
Proceeds from sales of securities	1,301	1,496
Purchases of securities	(1,364)	(1,555)
Proceeds from assignments of shale development rights	109	5
Proceeds from sale of certain merchant generation assets	91	—
Contributions to equity method affiliates	(282)	(343)
Other	(5)	(6)
Net cash used in investing activities	<b>(3,369)</b>	<b>(4,868)</b>
<b>Financing Activities</b>		
Repayment of short-term debt, net	(363)	(95)
Issuance of short-term notes	1,450	—
Repayment of short-term notes	(1,450)	(250)
Issuance of long-term debt	4,400	3,480
Repayment of long-term debt	(3,154)	(1,529)
Credit facility borrowings	73	—
Issuance of common stock	737	1,233
Common dividend payments	(1,635)	(1,435)
Other	(198)	(229)
Net cash provided by (used in) financing activities	<b>(140)</b>	<b>1,175</b>
Increase (decrease) in cash, restricted cash and equivalents	<b>202</b>	<b>(21)</b>
Cash, restricted cash and equivalents at beginning of period	<b>185</b>	<b>322</b>
Cash, restricted cash and equivalents at end of period	<b>\$ 387</b>	<b>\$ 301</b>
<b>Supplemental Cash Flow Information</b>		
Significant noncash investing and financing activities:		
Accrued capital expenditures	<b>\$ 197</b>	<b>\$ 355</b>

\* The notes contained in Dominion Energy'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 Energy Consolidated Reported and Operating Results <sup>1</sup>

Unaudited Summary (\$mm except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Operating Revenue</b>	<u>\$ 3,451</u>	<u>\$ 3,179</u>	<u>\$ 10,005</u>	<u>\$ 9,376</u>
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	761	638	2,128	1,711
Purchased (excess) electric capacity	50	21	87	(8)
Purchased gas	5	24	409	441
Other operations and maintenance <sup>3</sup>	782	697	2,585	2,308
Depreciation, depletion and amortization	526	485	1,487	1,421
Other taxes	177	162	542	519
Total operating expenses	<u>2,301</u>	<u>2,027</u>	<u>7,238</u>	<u>6,392</u>
Income from operations	<u>1,150</u>	<u>1,152</u>	<u>2,767</u>	<u>2,984</u>
Other income <sup>3</sup>	<u>373</u>	<u>121</u>	<u>658</u>	<u>391</u>
Income including noncontrolling interests before interest and income taxes	1,523	1,273	3,425	3,375
Interest and related charges	<u>378</u>	<u>305</u>	<u>1,053</u>	<u>905</u>
Income including noncontrolling interests before income taxes	1,145	968	2,372	2,470
Income taxes	<u>262</u>	<u>272</u>	<u>485</u>	<u>683</u>
Income including noncontrolling interests	883	696	1,887	1,787
Noncontrolling interests	<u>29</u>	<u>31</u>	<u>81</u>	<u>100</u>
<b>Reported Earnings</b>	<u>\$ 854</u>	<u>\$ 665</u>	<u>\$ 1,806</u>	<u>\$ 1,687</u>
<b>Reported Earnings Per Share</b>	<u>\$ 1.30</u>	<u>\$ 1.03</u>	<u>\$ 2.77</u>	<u>\$ 2.66</u>
Adjustments to reported earnings:				
Pre-tax Loss (Income) <sup>2</sup>	(199)	12	251	28
Income Tax <sup>2</sup>	103	(5)	2	(11)
	<u>(96)</u>	<u>7</u>	<u>253</u>	<u>17</u>
<b>Operating Earnings</b>	<u>\$ 758</u>	<u>\$ 672</u>	<u>\$ 2,059</u>	<u>\$ 1,704</u>
<b>Operating Earnings Per Share</b>	<u>\$ 1.15</u>	<u>\$ 1.04</u>	<u>\$ 3.16</u>	<u>\$ 2.69</u>
Average shares outstanding, diluted	654.9	642.5	652.8	633.4
<b>Adjusted EBIT Reconciliation</b>				
Reported Earnings	\$ 854	\$ 665	\$ 1,806	\$ 1,687
Noncontrolling interest	29	31	81	100
Income taxes	262	272	485	683
Interest and related charges	378	305	1,053	905
	<u>\$ 1,523</u>	<u>\$ 1,273</u>	<u>\$ 3,425</u>	<u>\$ 3,375</u>
Adjustments <sup>2</sup>	(199)	11	250	27
Adjusted EBIT	<u>\$ 1,324</u>	<u>\$ 1,284</u>	<u>\$ 3,675</u>	<u>\$ 3,402</u>

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

<sup>2</sup>) For additional details on adjustments to reporting earnings and to EBIT see the GAAP Reconciliation schedules on pages 30-36.

<sup>3</sup>) 2017 amounts have been recast based on revised accounting guidance for the presentation of net periodic pension and other postretirement benefit costs.

## Power Delivery Reported and Operating Results

Unaudited Summary (\$mm except per share amounts)	Three Months Ended <u>September 30,</u>		Nine Months Ended <u>September 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Operating Revenue</b>	<u>\$ 601</u>	<u>\$ 584</u>	<u>\$ 1,704</u>	<u>\$ 1,680</u>
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	1	1	3	3
Purchased (excess) electric capacity	-	-	-	-
Purchased gas	-	-	-	-
Other operations and maintenance	130	109	326	312
Depreciation, depletion and amortization	158	149	466	443
Other taxes	43	42	134	128
Total operating expenses	<u>332</u>	<u>301</u>	<u>929</u>	<u>886</u>
Income from operations	<u>269</u>	<u>283</u>	<u>775</u>	<u>794</u>
Other income	<u>7</u>	<u>9</u>	<u>26</u>	<u>40</u>
Income including noncontrolling interests before interest and income taxes	276	292	801	834
Interest and related charges	<u>67</u>	<u>66</u>	<u>201</u>	<u>199</u>
Income including noncontrolling interests before income taxes	209	226	600	635
Income taxes	<u>46</u>	<u>88</u>	<u>136</u>	<u>245</u>
Income including noncontrolling interests	163	138	464	390
Noncontrolling interests	-	-	-	-
<b>Reported and Operating Earnings Contribution</b>	<u>\$ 163</u>	<u>\$ 138</u>	<u>\$ 464</u>	<u>\$ 390</u>
<b>Reported and Operating Earnings Per Share Contribution</b>	<u>\$ 0.25</u>	<u>\$ 0.21</u>	<u>\$ 0.71</u>	<u>\$ 0.62</u>
Average shares outstanding, diluted	654.9	642.5	652.8	633.4
<b>Adjusted EBIT and EBITDA Reconciliation</b>				
Reported Earnings	\$ 163	\$ 138	\$ 464	\$ 390
Noncontrolling interest	-	-	-	-
Income taxes	46	88	136	245
Interest and related charges	67	66	201	199
Adjusted EBIT	<u>\$ 276</u>	<u>\$ 292</u>	<u>\$ 801</u>	<u>\$ 834</u>
Depreciation, depletion and amortization	158	149	466	443
Adjusted EBITDA	<u>\$ 434</u>	<u>\$ 441</u>	<u>\$ 1,267</u>	<u>\$ 1,277</u>



## Power Generation Reported and Operating Results

Unaudited Summary (\$mm except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Operating Revenue</b>	<u>\$ 2,024</u>	<u>\$ 1,934</u>	<u>\$ 5,524</u>	<u>\$ 5,099</u>
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	738	631	2,012	1,686
Purchased (excess) electric capacity	42	21	79	(8)
Purchased gas	-	-	-	-
Other operations and maintenance <sup>1</sup>	391	376	1,143	1,202
Depreciation, depletion and amortization	193	189	568	559
Other taxes	52	52	153	163
Total operating expenses	<u>1,416</u>	<u>1,269</u>	<u>3,955</u>	<u>3,602</u>
Income from operations	<u>608</u>	<u>665</u>	<u>1,569</u>	<u>1,497</u>
Other income <sup>1</sup>	<u>19</u>	<u>11</u>	<u>70</u>	<u>58</u>
Income including noncontrolling interests before interest and income taxes	627	676	1,639	1,555
Interest and related charges	<u>96</u>	<u>90</u>	<u>285</u>	<u>255</u>
Income including noncontrolling interests before income taxes	531	586	1,354	1,300
Income taxes	<u>109</u>	<u>209</u>	<u>302</u>	<u>400</u>
Income including noncontrolling interests	422	377	1,052	900
Noncontrolling interests	<u>8</u>	<u>8</u>	<u>14</u>	<u>30</u>
<b>Reported and Operating Earnings Contribution</b>	<u>\$ 414</u>	<u>\$ 369</u>	<u>\$ 1,038</u>	<u>\$ 870</u>
<b>Reported and Operating Earnings Per Share Contribution</b>	<u>\$ 0.63</u>	<u>\$ 0.57</u>	<u>\$ 1.59</u>	<u>\$ 1.37</u>
Average shares outstanding, diluted	654.9	642.5	652.8	633.4
<b>Adjusted EBIT and EBITDA Reconciliation</b>				
Reported Earnings	\$ 414	\$ 369	\$ 1,038	\$ 870
Noncontrolling interest	8	8	14	30
Income taxes	109	209	302	400
Interest and related charges	96	90	285	255
Adjusted EBIT	<u>\$ 627</u>	<u>\$ 676</u>	<u>\$ 1,639</u>	<u>\$ 1,555</u>
Depreciation, depletion and amortization	193	189	568	559
Adjusted EBITDA	<u>\$ 820</u>	<u>\$ 865</u>	<u>\$ 2,207</u>	<u>\$ 2,114</u>

<sup>1</sup>) 2017 amounts have been recast based on revised accounting guidance for the presentation of net periodic pension and other postretirement benefit costs.

## Gas Infrastructure Reported and Operating Results

Unaudited Summary (\$mm except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Operating Revenue</b>	<u>\$ 843</u>	<u>\$ 663</u>	<u>\$ 2,993</u>	<u>\$ 2,594</u>
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	29	4	91	11
Purchased (excess) electric capacity	-	-	-	-
Purchased gas	5	23	408	432
Other operations and maintenance <sup>1</sup>	229	194	793	729
Depreciation, depletion and amortization	160	134	452	386
Other taxes	77	62	234	206
Total operating expenses	<u>500</u>	<u>417</u>	<u>1,978</u>	<u>1,764</u>
Income from operations	<u>343</u>	<u>246</u>	<u>1,015</u>	<u>830</u>
Other income <sup>1</sup>	<u>95</u>	<u>91</u>	<u>277</u>	<u>260</u>
Income including noncontrolling interests before interest and income taxes	438	337	1,292	1,090
Interest and related charges	<u>77</u>	<u>23</u>	<u>170</u>	<u>68</u>
Income including noncontrolling interests before income taxes	361	314	1,122	1,022
Income taxes	<u>76</u>	<u>104</u>	<u>215</u>	<u>339</u>
Income including noncontrolling interests	285	210	907	683
Noncontrolling interests	<u>21</u>	<u>23</u>	<u>67</u>	<u>70</u>
<b>Reported and Operating Earnings Contribution</b>	<u>\$ 264</u>	<u>\$ 187</u>	<u>\$ 840</u>	<u>\$ 613</u>
<b>Reported and Operating Earnings Per Share Contribution</b>	<u>\$ 0.40</u>	<u>\$ 0.29</u>	<u>\$ 1.29</u>	<u>\$ 0.97</u>
Average shares outstanding, diluted	654.9	642.5	652.8	633.4
<b>Adjusted EBIT and EBITDA Reconciliation</b>				
Reported Earnings	\$ 264	\$ 187	\$ 840	\$ 613
Noncontrolling interest	21	23	67	70
Income taxes	76	104	215	339
Interest and related charges	77	23	170	68
Adjusted EBIT	<u>\$ 438</u>	<u>\$ 337</u>	<u>\$ 1,292</u>	<u>\$ 1,090</u>
Depreciation, depletion and amortization	160	134	452	386
Adjusted EBITDA	<u>\$ 598</u>	<u>\$ 471</u>	<u>\$ 1,744</u>	<u>\$ 1,476</u>

<sup>1</sup>) 2017 amounts have been recast based on revised accounting guidance for the presentation of net periodic pension and other postretirement benefit costs.

**DOMINION ENERGY - 3Q18 EARNINGS RELEASE KIT**
**Corporate & Other Reported and Operating Results**

Unaudited Summary (\$mm except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Operating Revenue</b>	<u>\$ 160</u>	<u>\$ 153</u>	<u>\$ 295</u>	<u>\$ 463</u>
<b>Operating Expenses</b>				
Electric fuel and other energy-related purchases	-	-	-	-
Purchased (excess) electric capacity	8	-	8	-
Purchased gas	-	(1)	-	2
Other operations and maintenance <sup>2</sup>	201	177	854	543
Depreciation, depletion and amortization	15	13	1	33
Other taxes	6	6	24	22
Total operating expenses	<u>230</u>	<u>195</u>	<u>887</u>	<u>600</u>
Income from operations	<u>(70)</u>	<u>(42)</u>	<u>(592)</u>	<u>(137)</u>
Other income <sup>2</sup>	<u>299</u>	<u>45</u>	<u>418</u>	<u>131</u>
Income including noncontrolling interests before interest and income taxes	229	3	(174)	(6)
Interest and related charges	<u>185</u>	<u>161</u>	<u>530</u>	<u>481</u>
Income including noncontrolling interests before income taxes	44	(158)	(704)	(487)
Income taxes	<u>31</u>	<u>(129)</u>	<u>(168)</u>	<u>(301)</u>
Income including noncontrolling interests	13	(29)	(536)	(186)
Noncontrolling interests	-	-	-	-
<b>Reported Earnings (Loss) Contributed</b>	<u>\$ 13</u>	<u>\$ (29)</u>	<u>\$ (536)</u>	<u>\$ (186)</u>
<b>Reported Earnings (Loss) Per Share Contributed</b>	<u>\$ 0.02</u>	<u>\$ (0.04)</u>	<u>\$ (0.82)</u>	<u>\$ (0.30)</u>
Adjustments to reported earnings:				
Pre-tax Loss (Income) <sup>1</sup>	(199)	12	251	28
Income Tax <sup>1</sup>	103	(5)	2	(11)
	<u>(96)</u>	<u>7</u>	<u>253</u>	<u>17</u>
<b>Operating Earnings (Loss) Contributed</b>	<u>\$ (83)</u>	<u>\$ (22)</u>	<u>\$ (283)</u>	<u>\$ (169)</u>
<b>Operating Earnings (Loss) Per Share Contributed</b>	<u>\$ (0.13)</u>	<u>\$ (0.03)</u>	<u>\$ (0.43)</u>	<u>\$ (0.27)</u>
Average shares outstanding, diluted	654.9	642.5	652.8	633.4
<b>Adjusted EBIT Reconciliation</b>				
Reported Earnings	\$ 13	\$ (29)	\$ (536)	\$ (186)
Noncontrolling interest	-	-	-	-
Income taxes	31	(129)	(168)	(301)
Interest and related charges	185	161	530	481
	<u>\$ 229</u>	<u>\$ 3</u>	<u>\$ (174)</u>	<u>\$ (6)</u>
Adjustments <sup>1</sup>	(199)	11	250	27
Adjusted EBIT	<u>\$ 30</u>	<u>\$ 14</u>	<u>\$ 76</u>	<u>\$ 21</u>

<sup>1)</sup> For additional details on adjustments to reporting earnings and to EBIT see the GAAP Reconciliation schedules on pages 30-36.

<sup>2)</sup> 2017 amounts have been recast based on revised accounting guidance for the presentation of net periodic pension and other postretirement benefit costs.

## Operating Statistics

Dominion Energy Consolidated	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Regulated Electric Sales Revenue (\$mm)</b>				
Residential	\$ 1,036	\$ 999	\$ 2,641	\$ 2,559
Commercial	737	694	1,897	1,823
Industrial	143	129	371	359
Governmental and other	224	220	647	631
Regulated retail revenue	2,140	2,041	5,555	5,372
Wholesale - sales for resale	30	30	95	88
Other revenue	-	36	-	129
Total	<u>\$ 2,170</u>	<u>\$ 2,108</u>	<u>\$ 5,650</u>	<u>\$ 5,590</u>
<b>Power Delivery</b>				
<b>Degree Days (Electric service area)</b>				
<b>Cooling</b>				
Actual	1,271	1,124	1,890	1,698
Normal	1,112	1,104	1,612	1,591
<b>Heating</b>				
Actual	-	2	2,306	1,825
Normal	9	9	2,264	2,291
<b>Electric Delivery Customers (at period end)</b>				
Residential	2,327,812	2,303,320	2,327,812	2,303,320
Commercial	243,960	242,356	243,960	242,356
Industrial	644	646	644	646
Governmental	33,227	33,014	33,227	33,014
Total Retail	2,605,643	2,579,336	2,605,643	2,579,336
Wholesale - sales for resale	5	5	5	5
Total	<u>2,605,648</u>	<u>2,579,341</u>	<u>2,605,648</u>	<u>2,579,341</u>
<b>Electricity Delivered (GWh)</b>				
Residential	8,759	8,283	24,682	22,465
Commercial	9,289	8,831	25,494	24,153
Industrial	2,265	2,131	6,332	6,166
Governmental and other	3,017	3,013	8,359	8,403
Total Retail	23,331	22,259	64,867	61,188
Wholesale - sales for resale	669	730	2,083	1,968
Total	<u>24,000</u>	<u>22,989</u>	<u>66,950</u>	<u>63,156</u>
<b>Power Generation</b>				
<b>Merchant Generation</b>				
<b>Total Electric Sales (GWh)</b>				
NEPOOL Merchant Fleet <sup>1</sup>	4,899	4,962	14,387	13,756
PJM Merchant Fleet <sup>2</sup>	2,115	2,044	5,366	6,206

<sup>1)</sup> Comprised of Millstone and Manchester generating stations.

<sup>2)</sup> Comprised of Fairless generating station.

Note: Figures may not add due to rounding

**DOMINION ENERGY – 3Q18 EARNINGS RELEASE KIT**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Gas Infrastructure</b>				
<b>Gas Distribution</b>				
<b>Regulated Gas Revenue (\$mm)</b>				
Gas sales revenue				
Residential	\$ 73	\$ 75	\$ 553	\$ 528
Commercial	15	17	152	142
Industrial	1	2	6	8
Other	-	2	2	17
Total	<u>\$ 89</u>	<u>\$ 96</u>	<u>\$ 713</u>	<u>\$ 694</u>
<b>Regulated Gas Transportation and Storage Revenue (\$mm)</b>				
State-regulated <sup>1</sup>	<u>\$ 138</u>	<u>\$ 142</u>	<u>\$ 472</u>	<u>\$ 471</u>
<b>Degree Days</b>				
Heating - Eastern Region				
Actual	48	66	3,633	2,940
Normal	83	90	3,624	3,649
Heating - Western Region				
Actual	18	131	2,518	3,024
Normal	84	84	3,381	3,381
<b>LDC Natural Gas Customers (at period end)</b>				
Total LDC natural gas customers				
Residential	2,178,188	2,152,201	2,178,188	2,152,201
Commercial	163,651	161,950	163,651	161,950
Industrial	1,811	1,824	1,811	1,824
Other	29	28	29	28
Total	<u>2,343,679</u>	<u>2,316,003</u>	<u>2,343,679</u>	<u>2,316,003</u>
<b>LDC Natural Gas Delivery (mmcf)</b>				
Total LDC natural gas throughput				
Residential	10,997	11,459	126,624	114,427
Commercial	23,240	19,650	103,893	91,842
Industrial	48,576	41,907	149,028	133,461
Other	79,694	79,528	230,421	213,908
Total	<u>162,507</u>	<u>152,544</u>	<u>609,966</u>	<u>553,638</u>
<b>Dominion Energy Solutions</b>				
Natural Gas Energy Customer Accounts (at period end)	356,599	342,659	356,599	342,659

Note: Figures may not add due to rounding.

<sup>1)</sup> Adjusted to conform to quarterly reporting on Form 10-Q

**2018 Weather Variance**Dominion Energy - Effect of weather compared to normal <sup>1</sup>

Description	Pre-tax Impact (\$millions)				
	1Q18	2Q18	3Q18	4Q18	FY2018
Gas Distribution <sup>2</sup>	(\$0)	\$1	(\$1)	\$0	\$0
Electric Distribution <sup>3</sup>	(4)	5	8	-	8
Electric Transmission <sup>3</sup>	(0)	0	0	-	0
Utility Generation <sup>4</sup>	(9)	8	19	-	19
<b>Earnings Impact (pre-tax)</b>	<b>(\$13)</b>	<b>\$14</b>	<b>\$27</b>	<b>\$0</b>	<b>\$28</b>

Description	After-tax Impact (\$millions)				
	1Q18	2Q18	3Q18	4Q18	FY2018
Gas Distribution <sup>2</sup>	(\$0)	\$1	(\$0)	\$0	\$0
Electric Distribution <sup>3</sup>	(3)	3	6	-	6
Electric Transmission <sup>3</sup>	(0)	0	0	-	0
Utility Generation <sup>4</sup>	(6)	6	14	-	14
<b>Earnings Impact (after-tax)</b>	<b>(\$10)</b>	<b>\$11</b>	<b>\$20</b>	<b>\$0</b>	<b>\$21</b>

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

Description	Pre-tax Impact (\$millions)				
	1Q18 v. '17	2Q18 v. '17	3Q18 v. '17	4Q18 v. '17	FY18 v. '17
Gas Distribution <sup>2</sup>	\$7	\$3	(\$0)	\$0	\$10
Electric Distribution <sup>3</sup>	23	11	10	-	44
Electric Transmission <sup>3</sup>	1	1	1	-	2
Utility Generation <sup>4</sup>	45	22	24	-	92
<b>Earnings Impact (pre-tax)</b>	<b>\$76</b>	<b>\$37</b>	<b>\$35</b>	<b>\$0</b>	<b>\$148</b>

Description	After-tax Impact (\$millions)				
	1Q18 v. '17	2Q18 v. '17	3Q18 v. '17	4Q18 v. '17	FY18 v. '17
Gas Distribution <sup>2</sup>	\$4	\$2	(\$0)	\$0	\$6
Electric Distribution <sup>3</sup>	14	7	6	-	27
Electric Transmission <sup>3</sup>	1	0	0	-	1
Utility Generation <sup>4</sup>	28	13	15	-	56
<b>Earnings Impact (after-tax)</b>	<b>\$47</b>	<b>\$23</b>	<b>\$21</b>	<b>\$0</b>	<b>\$90</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 Gas Infrastructure segment. Comprised of Dominion Energy Ohio, Dominion Energy WV and Questar Gas.

3) Reported in the Power Delivery segment.

4) Reported in the Power Generation segment.

Note: Figures may not add due to rounding

## Finance &amp; Liquidity

## Schedule of Long-Term Debt

Unaudited

(\$ in millions)

	At 09/30 2017	At 12/31 2017	At 03/31 2018	At 06/30 2018	At 09/30 2018
<b>Dominion Energy, Inc.</b>					
Term Loans, variable rates, due 2019	\$ -	\$ -	\$ 950	\$ 1,450	\$ -
Unsecured Senior Notes:					
Variable rates, due 2019 and 2020	\$ 500	\$ 800	\$ 800	\$ 1,300	\$ 1,300
1.5% to 6.4%, due 2018 to 2022	\$ 5,800	\$ 5,800	\$ 5,300	\$ 4,300	\$ 4,000
2.85% to 7.0%, due 2024 to 2044	\$ 5,049	\$ 5,049	\$ 5,049	\$ 5,349	\$ 5,349
Unsecured Debentures and Senior Notes (previously issued by CNG):					
6.8% and 6.875%, due 2026 and 2027	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89
Unsecured Senior and Medium Term Notes: <sup>1</sup>					
5.31% to 6.85%, due 2017 and 2018	\$ 135	\$ 120	\$ 50	\$ -	\$ -
2.98% to 7.2%, due 2024 to 2051	\$ 500	\$ 600	\$ 600	\$ 750	\$ 750
Term Loans, variable rates, due 2023 and 2024 <sup>2</sup>	\$ 662	\$ 638	\$ 629	\$ 620	\$ 607
Tax-Exempt Financing, 1.55%, due 2033 <sup>2</sup>	\$ 27	\$ 27	\$ 27	\$ 27	\$ 27
Unsecured Junior Subordinated Notes:					
2.579% to 4.104%, due 2019 to 2021	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
Payable to Affiliated Trust, 8.4%, due 2031	\$ 10	\$ 10	\$ 10	\$ 10	\$ 10
Enhanced Junior Subordinated Notes:					
5.25% and 5.75%, due 2054 and 2076	\$ 1,485	\$ 1,485	\$ 1,485	\$ 1,485	\$ 1,485
Variable rates, due 2066	\$ 422	\$ 422	\$ 422	\$ 422	\$ 422
Remarketable Subordinated Notes, 2.0%, due 2021 and 2024	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
<b>Virginia Electric and Power Company</b>					
Unsecured Senior Notes:					
1.2% to 7.25%, due 2017 to 2022	\$ 1,952	\$ 1,950	\$ 1,700	\$ 1,100	\$ 1,100
2.75% to 8.875%, due 2023 to 2047	\$ 8,690	\$ 8,690	\$ 9,390	\$ 9,390	\$ 9,390
Tax-Exempt Financings:					
Variable rates, due 2024 to 2027 <sup>3</sup>	\$ 100	\$ 100	\$ -	\$ -	\$ -
1.75% to 5.6%, due 2023 to 2041	\$ 678	\$ 678	\$ 678	\$ 678	\$ 678
<b>Dominion Energy Gas Holdings, LLC</b>					
Unsecured Senior Notes:					
Variable rate, due 2021	\$ -	\$ -	\$ -	\$ 500	\$ 500
2.5% and 2.8%, due 2019 and 2020	\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150
2.875% to 4.8%, due 2023 to 2044 <sup>4</sup>	\$ 2,445	\$ 2,450	\$ 2,458	\$ 2,442	\$ 2,440
<b>Dominion Energy Midstream Partners, LP</b>					
Revolving Credit Agreement, variable rate, due 2021	\$ -	\$ -	\$ -	\$ 73	\$ 73
Term Loans, variable rates, due 2019 and 2021 <sup>5</sup>	\$ 300	\$ 300	\$ 300	\$ 300	\$ 2,300
Unsecured Senior and Medium Term Notes: <sup>6</sup>					
5.83% and 6.48%, due 2018	\$ 255	\$ 255	\$ 5	\$ 5	\$ 5
3.53% to 4.875%, due 2028 to 2041	\$ 180	\$ 180	\$ 430	\$ 430	\$ 430
<b>Total Principal Amount</b>	<b>\$ 33,929</b>	<b>\$ 34,293</b>	<b>\$ 35,022</b>	<b>\$ 35,370</b>	<b>\$ 35,605</b>
Fair Value Hedge Valuation	(4)	(22)	(54)	(61)	(65)
Amounts Due Within One Year <sup>7</sup>	(2,788)	(3,078)	(3,603)	(2,950)	(3,101)
Unamortized Discount, Premium and Debt Issuance Costs, net	(251)	(245)	(245)	(244)	(251)
<b>Total Long-Term Debt</b>	<b>\$ 30,886</b>	<b>\$ 30,948</b>	<b>\$ 31,120</b>	<b>\$ 32,115</b>	<b>\$ 32,188</b>

<sup>1)</sup> Represents debt obligations of Questar Gas Company.

<sup>2)</sup> Represents debt obligations of certain Dominion Generation, Inc. subsidiaries.

<sup>3)</sup> In March 2018, Virginia Power redeemed all \$100 million of its variable rate tax-exempt financings supported by its \$100 million credit facility and subsequently terminated the facility.

<sup>4)</sup> Amount includes foreign currency remeasurement adjustments.

<sup>5)</sup> Beginning September 30, 2018, amount includes debt obligations of Dominion Energy Cove Point LNG, LP.

<sup>6)</sup> Represents debt obligations of Dominion Energy Questar Pipeline, LLC.

<sup>7)</sup> At December 31, 2017, excludes \$250 million of Dominion Energy Questar Pipeline, LLC's senior notes that matured in February 2018 using proceeds from the January 2018 issuance, through private placements, of \$100 million and \$150 million of senior notes that mature in 2028 and 2038, respectively.

**DOMINION ENERGY – 3Q18 EARNINGS RELEASE KIT**

**Schedule of Debt Maturities**

As of September 30, 2018

(\$ in millions)

	<u>Due Date</u>	<u>DEI</u>	<u>VEPCO</u>	<u>DEGH<sup>1</sup></u>	<u>DEM<sup>2</sup></u>	<u>Other</u>	<u>Total</u>
<b>2018</b>							
6.48% Series A Medium-term Notes (Dominion Energy 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)	12/31/18	-	-	-	-	10.6	10.6
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.1	-	-	-	0.1
<b>2018 Total</b>		<b>250.0</b>	<b>0.1</b>	<b>-</b>	<b>5.0</b>	<b>10.6</b>	<b>265.7</b>
<b>2019</b>							
1.875% 2017 Series A Senior Notes	01/15/19	400.0	-	-	-	-	400.0
2017 Series D Private Placement Senior Notes (variable)	06/01/19	500.0	-	-	-	-	500.0
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
5.20% 2009 Series A Senior Notes	08/15/19	500.0	-	-	-	-	500.0
1.60% 2016 Series B Senior Notes	08/15/19	500.0	-	-	-	-	500.0
2.50% 2014 Series B Senior Notes	12/01/19	700.0	-	-	-	-	700.0
2016 Term Loan (variable)	12/01/19	-	-	-	300.0	-	300.0
2.50% 2014 Series A Senior Notes	12/15/19	-	-	450.0	-	-	450.0
2016 Term Loan (variable) (SBL Holdco)	multiple	-	-	-	-	20.5	20.5
2017 Term Loan (variable) (Dominion Solar Projects III)	multiple	-	-	-	-	15.8	15.8
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.2	-	-	-	0.2
<b>2019 Total</b>		<b>3,150.0</b>	<b>350.2</b>	<b>450.0</b>	<b>300.0</b>	<b>36.3</b>	<b>4,286.5</b>
<b>2020</b>							
2.579% Junior Subordinated Notes	07/01/20	1,000.0	-	-	-	-	1,000.0
2018 Series A Private Placement Senior Notes (variable)	05/15/20	500.0	-	-	-	-	500.0
2.80% 2015 Series A Senior Notes	11/15/20	-	-	700.0	-	-	700.0
2017 Series E Private Placement Senior Notes (variable)	12/01/20	300.0	-	-	-	-	300.0
2016 Term Loan (variable) (SBL Holdco)	multiple	-	-	-	-	19.0	19.0
2017 Term Loan (variable) (Dominion Solar Projects III)	multiple	-	-	-	-	15.8	15.8
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.3	-	-	-	0.3
<b>2020 Total</b>		<b>1,800.0</b>	<b>0.3</b>	<b>700.0</b>	<b>-</b>	<b>34.8</b>	<b>2,535.1</b>
<b>2021</b>							
4.45% 2011 Series A Senior Notes	03/15/21	500.0	-	-	-	-	500.0
Revolving Credit Agreement (variable)	03/20/21	-	-	-	73.0	-	73.0
4.104% Junior Subordinated Notes	04/01/21	550.0	-	-	-	-	550.0
2018 Series A Senior Notes (variable)	06/15/21	-	-	500.0	-	-	500.0
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
2018 Term Loan (variable) (Dominion Energy Cove Point LNG, LP)	09/25/21	-	-	-	2,000.0	-	2,000.0
2016 Term Loan (variable) (SBL Holdco)	multiple	-	-	-	-	19.4	19.4
2017 Term Loan (variable) (Dominion Solar Projects III)	multiple	-	-	-	-	15.7	15.7
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>500.0</b>	<b>2,073.0</b>	<b>35.1</b>	<b>4,758.4</b>
<b>2022</b>							
2.75% 2017 Series B Senior Notes	01/15/22	400.0	-	-	-	-	400.0
2.95% 2012 Series A Senior Notes	01/15/22	-	450.0	-	-	-	450.0
3.45% 2010 Series A Senior Notes	09/01/22	-	300.0	-	-	-	300.0
2.75% 2012 Series B Senior Notes	09/15/22	350.0	-	-	-	-	350.0
2016 Term Loan (variable) (SBL Holdco)	multiple	-	-	-	-	19.3	19.3
2017 Term Loan (variable) (Dominion Solar Projects III)	multiple	-	-	-	-	14.4	14.4
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.3	-	-	-	0.3
<b>2022 Total</b>		<b>750.0</b>	<b>750.3</b>	<b>-</b>	<b>-</b>	<b>33.7</b>	<b>1,534.0</b>
<b>Total</b>		<b>\$8,100.0</b>	<b>\$1,101.2</b>	<b>\$ 1,650.0</b>	<b>\$ 2,378.0</b>	<b>\$ 150.5</b>	<b>\$ 13,379.7</b>

<sup>1)</sup> Dominion Energy Gas Holdings, LLC (DEGH)

<sup>2)</sup> Dominion Energy Midstream Partners, LLC (DEM)



**Schedule of Liquidity Position**

As of September 30, 2018

In \$ millions)

Total Committed Bank Lines	\$ 6,000
Less:	
Commercial Paper Outstanding	2,928
Letters of Credit Issued	132
Funded Loans	-
Total Available Capacity	<u>2,940</u>
Cash & Short-Term Investments On Hand <sup>1</sup>	72
<b>Total Liquidity Available</b>	<b><u>\$ 3,011</u></b>

(1) Represents aggregate collected cash balances; not ledger balances per financial statements, which totaled \$310 million at 9/30/2018.

*Totals may not add due to rounding*

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

A \$6.0 billion revolving credit facility entered into by Dominion Energy, Inc. ("DEI"), Virginia Electric and Power Company ("VEPCO"), Dominion Energy Gas Holdings, LLC ("DEGH"), and Questar Gas Company ("QGC") on March 20, 2018.

**Schedule of Change in Capitalization**

From December 31, 2017 to September 30, 2018

(\$ in millions)

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

Balance as of December 31, 2017		\$ 34,026
Issuances:		
DEI 2018 364-Day Term Loan (variable) due 2019	950	
DEI 2018 364-Day Term Loan (variable) due 2019	500	
DEI 2018 Series A (variable) Private Placement Senior Notes due 2020	500	
DEI 2018 Series B 4.25% Senior Notes due 2028	300	
DEI subtotal	2,250	
VEPCO 2018 Series A 3.80% Senior Notes due 2028	700	
DEGH 2018 Series A (variable) Senior Notes due 2021	500	
DEM 2018 Revolving Credit Agreement (variable) due 2021	73	
DECP 2018 Term Loan (variable) due 2021	2,000	
DEQP 2018 Series A 3.53% Private Placement Senior Notes due 2028	100	
DEQP 2018 Series B 3.91% Private Placement Senior Notes due 2038	150	
QGC 2018 Series A 3.30% Private Placement Senior Notes due 2030	50	
QGC 2018 Series B 3.97% Private Placement Senior Notes due 2047	100	
	5,923	
Maturities:		
DEI 2018 364-Day Term Loan (variable) due 2019 <sup>1</sup>	(950)	
DEI 2018 364-Day Term Loan (variable) due 2019 <sup>1</sup>	(500)	
DEI 2016 Series A 2.125% Private Placement Senior Notes due 2018	(500)	
DEI 2016 Series E 1.5% Private Placement Senior Notes due 2018	(300)	
DEI 2015 Series A 1.90% Senior Notes due 2018	(500)	
DEI 2008 Series A 6.40% Senior Notes due 2018	(500)	
DEI subtotal	(3,250)	
VEPCO 2008 Series A 5.40% Senior Notes due 2018	(600)	
VEPCO 2013 Series A 1.20% Senior Notes due 2018	(250)	
VEPCO 1994 Series Grant County (variable) Revenue Bonds due 2024 <sup>2</sup>	(20)	
VEPCO 1996 Series Grant County (variable) Revenue Bonds due 2026 <sup>2</sup>	(24)	
VEPCO 1992 Series IDA of Halifax County (variable) Revenue Bonds due 2027 <sup>2</sup>	(56)	
DEQP 2008 5.83% Senior Notes due 2018	(250)	
QGC 2003 Series E 5.31% Medium-term Notes due 2018	(70)	
QGC 2008 6.30% Senior Notes due 2018	(50)	
DSP III 2017 Term Loan (variable) due 2024	(22)	
SBL Holdco 2016 Term Loan (variable) due 2023	(9)	
	(4,601)	
Other:		
Change in Foreign Currency Remeasurement Adjustment	(10)	
Change in Fair Value Hedges, Net Discount/Premium and Debt Issuance Costs	(49)	
	(59)	
Balance as of September 30, 2018		\$ 35,289
<b>Change in Shareholders' Equity <sup>3</sup></b>		
Balance as of December 31, 2017		\$ 19,370
Net change in Common Stock <sup>4</sup>	997	
Net change in AOCI	(861)	
Retained Earnings	1,192	
Net change in Common Shareholder's Equity		1,328
Noncontrolling Interests <sup>4</sup>		(272)
Net change in Equity		1,056
Balance as of September 30, 2018		\$ 20,426

<sup>1)</sup> Repaid early in September 2018<sup>2)</sup> Redeemed early in March 2018<sup>3)</sup> Includes cumulative effects of changes in accounting principles.<sup>4)</sup> Includes \$375M remeasurement of noncontrolling interest

## Generation capacity positions

Merchant Generation Capacity (EFOR Adjusted)	2018
Millstone & Manchester (MW)	2,467
Average Capacity Hedge Price (\$/KW - month)	\$8.63
Fairless (MW)	1,193
Average Capacity Hedge Price (\$/KW - month)	\$5.93

## Reconciliation of Forecast and Outlook

### Reconciliation of Operating Earnings Guidance

#### 3Q18 Operating Earnings Summary

(millions, except per share amounts)

Description	3Q17	Range of 3Q18		3Q18
	Actual	Low	High	Actual
<b>Power Delivery Group Adjusted EBITDA</b>	\$441	\$420	\$455	\$434
Depreciation, Depletion and Amortization	149	150	160	158
Power Delivery Group Adjusted EBIT	292	270	295	276
<b>Power Generation Group Adjusted EBITDA</b>	\$865	\$750	\$820	\$820
Depreciation, Depletion and Amortization	189	200	200	193
Power Generation Group Adjusted EBIT	676	550	620	627
<b>Gas Infrastructure Group Adjusted EBITDA</b>	\$471	\$565	\$605	\$598
Depreciation, Depletion and Amortization	134	160	160	160
Gas Infrastructure Group Adjusted EBIT	337	405	445	438
Corporate and Other & Eliminations Adjusted EBIT	(21)	(20)	(20)	(17)
<b>Total Adjusted EBIT</b>	\$1,284	\$1,205	\$1,340	\$1,324
<b>Consolidated Interest</b>	304	380	365	378
<b>Consolidated Income Taxes</b>	277	160	175	159
<b>Noncontrolling Interests</b>	31	30	30	29
<b>Operating Earnings</b>	\$672	\$635	\$770	\$758
Average Diluted Shares Outstanding	642.5	655	653	654.9
<b>Operating EPS Range</b>	\$1.04	\$0.95	\$1.15	\$1.15

**3Q18 Operating EPS Guidance Range**

**\$0.95**

**\$1.15**

**3Q18 Operating EPS Actual >>> \$1.15**

#### Notes:

For additional detail on items excluded from operating earnings see the GAAP Reconciliation schedules on pages 34 and 35.

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

## 4Q18 Operating Earnings Forecast

*(millions, except per share amounts)*

Description	4Q17 Actual	Low	High
<b>Power Delivery Group Adjusted EBITDA</b>	\$446	\$380	\$415
Depreciation, Depletion and Amortization	150	155	165
Power Delivery Group Adjusted EBIT	296	225	250
<b>Power Generation Group Adjusted EBITDA</b>	\$556	\$485	\$540
Depreciation, Depletion and Amortization	188	180	180
Power Generation Group Adjusted EBIT	368	305	360
<b>Gas Infrastructure Group Adjusted EBITDA</b>	\$635	\$745	\$780
Depreciation, Depletion and Amortization	136	165	165
Gas Infrastructure Group Adjusted EBIT	499	580	615
Corporate and Other & Eliminations Adjusted EBIT	(36)	(50)	(50)
<b>Total Adjusted EBIT</b>	\$1,127	\$1,060	\$1,175
<b>Consolidated Interest</b>	300	370	360
<b>Consolidated Income Taxes</b>	221	125	145
<b>Noncontrolling Interests</b>	21	20	20
<b>Operating Earnings</b>	\$585	\$545	\$650
Average Diluted Shares Outstanding	643.9	665	663
<b>Operating EPS Range</b>	\$0.91	\$0.82	\$0.98
<b>4Q18 Operating EPS Guidance Range</b>		<b>\$0.80</b>	<b>\$0.95</b>

**Notes:**

For additional detail on items excluded from operating earnings see the GAAP Reconciliation schedules on page 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 2018 Consolidated Reported Earnings to Operating Earnings

	Unaudited Income Statements (millions, except per share amounts)					
	Three Months Ended September 30, 2018			Nine Months Ended September 30, 2018		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
<b>Operating Revenue</b>	\$ 3,451	\$ 3 (j)	\$ 3,454	\$ 10,005	\$ 218 (a), (j)	\$ 10,223
<b>Operating Expenses</b>						
Electric fuel and other energy-related purchases	761	-	761	2,128	-	2,128
Purchased electric capacity	50	(8) (h)	42	87	(8) (h)	79
Purchased gas	5	-	5	409	-	409
Other operations and maintenance	782	(25) (c), (j)	757	2,585	(310) (b), (c), (e), (f), (h), (j)	2,275
Depreciation, depletion and amortization	526	-	526	1,487	37 (f), (g)	1,524
Other taxes	177	-	177	542	-	542
Total operating expenses	2,301	(33)	2,268	7,238	(281)	6,957
Income from operations	1,150	36	1,186	2,767	499	3,266
Other income (loss)	373	(235) (d), (j)	138	658	(249) (d), (f), (h), (j)	409
Income including noncontrolling interests before interest and income taxes	1,523	(199)	1,324	3,425	250	3,675
Interest and related charges	378	-	378	1,053	(1) (f)	1,052
Income including noncontrolling interests before income taxes	1,145	(199)	946	2,372	251	2,623
Income taxes	262	(103) (i), (k), (l)	159	485	(2) (i), (k), (l)	483
Income including noncontrolling interests	883	(96)	787	1,887	253	2,140
Noncontrolling interests	29	-	29	81	-	81
<b>Earnings</b>	\$ 854	\$ (96)	\$ 758	\$ 1,806	\$ 253	\$ 2,059
<b>Earnings Per Share - Diluted</b>	\$ 1.30	\$ (0.15)	\$ 1.15	\$ 2.77	\$ 0.39	\$ 3.16
Average shares outstanding, diluted	654.9		654.9	652.8		652.8

**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) Merger-related transaction and transition costs.  
(d) Net gain/loss on our investment in nuclear decommissioning trust funds.  
(e) Ash pond and landfill closure costs at certain utility power stations.  
(f) Charge associated with FERC-regulated plant disallowance.  
(g) Virginia depreciation revision.  
(h) Other miscellaneous items.  
(i) Income tax provisions associated with adjustments to reported earnings.  
(j) Transactions related to sale of non-core assets.  
(k) Remeasurement of deferred tax balances.  
(l) Tax valuation allowance.

Note: Figures may not add due to rounding

## Reconciliation of 2017 Consolidated Reported Earnings to Operating Earnings

Unaudited Income Statements  
(millions, except per share amounts)

	Three Months Ended <u>September 30, 2017</u>			Nine Months Ended <u>September 30, 2017</u>		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
<b>Operating Revenue</b>	\$ 3,179	\$ (1) (a)	\$ 3,178	\$ 9,376	\$ (3) (a)	\$ 9,373
<b>Operating Expenses</b>						
Electric fuel and other energy-related purchases	638	-	638	1,711	-	1,711
Purchased (excess) electric capacity	21	-	21	(8)	-	(8)
Purchased gas	24	-	24	441	(1) (a)	440
Other operations and maintenance	697	(17) (a)	680	2,308	(55) (a), (b)	2,253
Depreciation, depletion and amortization	485	-	485	1,421	-	1,421
Other taxes	162	-	162	519	-	519
Total operating expenses	<u>2,027</u>	<u>(17)</u>	<u>2,010</u>	<u>6,392</u>	<u>(56)</u>	<u>6,336</u>
Income from operations	<u>1,152</u>	<u>16</u>	<u>1,168</u>	<u>2,984</u>	<u>53</u>	<u>3,037</u>
Other income (loss)	<u>121</u>	<u>(5) (d)</u>	<u>116</u>	<u>391</u>	<u>(26) (c), (d)</u>	<u>365</u>
Income including noncontrolling interests before interest and income taxes	1,273	11	1,284	3,375	27	3,402
Interest and related charges	<u>305</u>	<u>(1) (a)</u>	<u>304</u>	<u>905</u>	<u>(1) (a)</u>	<u>904</u>
Income including noncontrolling interests before income taxes	968	12	980	2,470	28	2,498
Income taxes	272	5 (e)	277	683	11 (e)	694
Income including noncontrolling interests	696	7	703	1,787	17	1,804
Noncontrolling interests	<u>31</u>	<u>-</u>	<u>31</u>	<u>100</u>	<u>-</u>	<u>100</u>
<b>Earnings</b>	<u>\$ 665</u>	<u>\$ 7</u>	<u>\$ 672</u>	<u>\$ 1,687</u>	<u>\$ 17</u>	<u>\$ 1,704</u>
<b>Earnings Per Share - Diluted</b>	<u>\$ 1.03</u>	<u>\$ 0.01</u>	<u>\$ 1.04</u>	<u>\$ 2.66</u>	<u>\$ 0.03</u>	<u>\$ 2.69</u>
Average shares outstanding, diluted	642.5		642.5	633.4		633.4

**Adjustments to Reported Earnings**

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

Note: Figures may not add due to rounding

## Reconciliation of 2018 Corporate and Other Reported Earnings to Operating Earnings

Unaudited Income Statements  
(millions, except per share amounts)

	Three Months Ended September 30, 2018			Nine Months Ended September 30, 2018		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
<b>Operating Revenue</b>	\$ 160	\$ 3 (j)	\$ 163	\$ 295	\$ 218 (a), (j)	\$ 513
<b>Operating Expenses</b>						
Electric fuel and other energy-related purchases	-	-	-	-	-	-
Purchased electric capacity	8	(8) (h)	-	8	(8) (h)	-
Purchased gas	-	-	-	-	-	-
Other operations and maintenance	201	(25) (c), (j)	176	854	(310) (b), (c), (e), (f), (h), (j)	544
Depreciation, depletion and amortization	15	-	15	1	37 (f), (g)	38
Other taxes	6	-	6	24	-	24
Total operating expenses	230	(33)	197	887	(281)	606
Income from operations	(70)	36	(34)	(592)	499	(93)
Other income (loss)	299	(235) (d), (j)	64	418	(249) (d), (f), (h), (j)	169
Income including noncontrolling interests before interest and income taxes	229	(199)	30	(174)	250	76
Interest and related charges	185	-	185	530	(1) (f)	529
Income including noncontrolling interests before income taxes	44	(199)	(155)	(704)	251	(453)
Income taxes	31	(103) (i), (k), (l)	(72)	(168)	(2) (i), (k), (l)	(170)
Income including noncontrolling interests	13	(96)	(83)	(536)	253	(283)
Noncontrolling interests	-	-	-	-	-	-
<b>Earnings</b>	\$ 13	\$ (96)	\$ (83)	\$ (536)	\$ 253	\$ (283)
<b>Earnings Per Share - Diluted</b>	\$ 0.02	\$ (0.15)	\$ (0.13)	\$ (0.82)	\$ 0.39	\$ (0.43)
Average shares outstanding, diluted	654.9		654.9	652.8		652.8

### 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) Merger-related transaction and transition costs.
- (d) Net gain/loss on our investment in nuclear decommissioning trust funds.
- (e) Ash pond and landfill closure costs at certain utility power stations.
- (f) Charge associated with FERC-regulated plant disallowance.
- (g) Virginia depreciation revision.
- (h) Other miscellaneous items.
- (i) Income tax provisions associated with adjustments to reported earnings.
- (j) Transactions related to sale of non-core assets.
- (k) Remeasurement of deferred tax balances.
- (l) Tax valuation allowance.

Note: Figures may not add due to rounding



## Reconciliation of 2017 Corporate and Other Reported Earnings to Operating Earnings

Unaudited Income Statements  
(millions, except per share amounts)

	Three Months Ended September 30, 2017			Nine Months Ended September 30, 2017		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
<b>Operating Revenue</b>	\$ 153	\$ (1) (a)	\$ 152	\$ 463	\$ (3) (a)	\$ 460
<b>Operating Expenses</b>						
Electric fuel and other energy-related purchases	-	-	-	-	-	-
Purchased (excess) electric capacity	-	-	-	-	-	-
Purchased gas	(1)	-	(1)	2	(1) (a)	1
Other operations and maintenance	177	(17) (a)	160	543	(55) (a), (b)	488
Depreciation, depletion and amortization	13	-	13	33	-	33
Other taxes	6	-	6	22	-	22
Total operating expenses	195	(17)	178	600	(56)	544
Income from operations	(42)	16	(26)	(137)	53	(84)
Other income (loss)	45	(5) (d)	40	131	(26) (c), (d)	105
Income including noncontrolling interests before interest and income taxes	3	11	14	(6)	27	21
Interest and related charges	161	(1) (a)	160	481	(1) (a)	480
Income including noncontrolling interests before income taxes	(158)	12	(146)	(487)	28	(459)
Income taxes	(129)	5 (e)	(124)	(301)	11 (e)	(290)
Income including noncontrolling interests	(29)	7	(22)	(186)	17	(169)
Noncontrolling interests	-	-	-	-	-	-
<b>Earnings</b>	\$ (29)	\$ 7	\$ (22)	\$ (186)	\$ 17	\$ (169)
<b>Earnings Per Share - Diluted</b>	\$ (0.04)	\$ 0.01	\$ (0.03)	\$ (0.30)	\$ 0.03	\$ (0.27)
Average shares outstanding, diluted	642.5		642.5	633.4		633.4

### Adjustments to Reported Earnings

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

Note: Figures may not add due to rounding

**Reconciliation of 3Q18 Reported Earnings to 3Q18 Operating Earnings**

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

Description	3Q18 Reported	Adjustments	3Q18 Operating
<b>Power Delivery Adjusted EBITDA</b>	\$434		\$434
DD&A	158		158
Power Delivery Adjusted EBIT	276		276
<b>Power Generation Adjusted EBITDA</b>	820		820
DD&A	193		193
Power Generation Adjusted EBIT	627		627
<b>Gas Infrastructure Adjusted EBITDA</b>	598		598
DD&A	160		160
Gas Infrastructure Adjusted EBIT	438		438
<b>Corporate and Other &amp; Eliminations Adjusted EBIT</b>	182	(199) (a),(b),(c),(d)	(17)
Total Adjusted EBIT	\$1,523	(\$199)	\$1,324
<b>Consolidated Interest</b>	378	0	378
<b>Consolidated Income Taxes</b>	262	(103) (e),(f),(g)	159
<b>Noncontrolling Interests</b>	29	0	29
<b>Earnings</b>	\$854	(\$96)	\$758
Average Diluted Shares Outstanding	654.9	654.9	654.9
<b>Reported EPS</b>	\$1.30	---	---
<b>Adjustments to reported earnings</b>	---	(\$0.15)	---
<b>Operating EPS</b>	---	---	\$1.15

**Adjustments to Reported Earnings**

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

Note: Figures may not add due to rounding

**Reconciliation of 3Q17 Reported Earnings to 3Q17 Operating Earnings**

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

Description	3Q17 Reported	Adjustments		3Q17 Operating
<b>Power Delivery Adjusted EBITDA</b>	\$441			\$441
DD&A	149			149
Power Delivery Adjusted EBIT	292			292
<b>Power Generation Adjusted EBITDA</b>	865			865
DD&A	189			189
Power Generation Adjusted EBIT	676			676
<b>Gas Infrastructure Adjusted EBITDA</b>	471			471
DD&A	134			134
Gas Infrastructure Adjusted EBIT	337			337
<b>Corporate and Other &amp; Eliminations Adjusted EBIT</b>	(32)	11	(a),(b)	(21)
Total Adjusted EBIT	\$1,273	\$11		\$1,284
<b>Consolidated Interest</b>	305	(1)	(a)	304
<b>Consolidated Income Taxes</b>	272	5	(c)	277
<b>Noncontrolling Interests</b>	31	0		31
<b>Earnings</b>	\$665	\$7		\$672
Average Diluted Shares Outstanding	642.5	642.5		642.5
<b>Reported EPS</b>	\$1.03	---		---
<b>Adjustments to reported earnings</b>	---	\$0.01		---
<b>Operating EPS</b>	---	---		\$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.

Note: Figures may not add due to rounding

**Reconciliation of 4Q17 Reported Earnings to 4Q17 Operating Earnings****Unaudited, Operating Segments***(millions, except per share amounts)*

Description	4Q17 Reported	Adjustments	4Q17 Operating
<b>Power Delivery Adjusted EBITDA</b>	\$446		\$446
DD&A	150		150
Power Delivery Adjusted EBIT	296		296
<b>Power Generation Adjusted EBITDA</b>	556		556
DD&A	188		188
Power Generation Adjusted EBIT	368		368
<b>Gas Infrastructure Adjusted EBITDA</b>	635		635
DD&A	136		136
Gas Infrastructure Adjusted EBIT	499		499
<b>Corporate and Other &amp; Eliminations Adjusted EBIT</b>	(243)	207	(a), (b), (c), (d) (36)
Total Adjusted EBIT	\$920	\$207	\$1,127
<b>Consolidated Interest</b>	300	0	300
<b>Consolidated Income Taxes</b>	(713)	934	(e), (f) 221
<b>Noncontrolling Interests</b>	21	0	21
<b>Earnings</b>	\$1,312	(\$727)	\$585
Average Diluted Shares Outstanding	643.9	643.9	643.9
<b>Reported EPS</b>	\$2.04	---	---
<b>Adjustments to reported earnings</b>	---	(\$1.13)	---
<b>Operating EPS</b>	---	---	\$0.91

**Adjustments to Reported Earnings**

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

Note: Figures may not add due to rounding

**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.