



Fourth Quarter 2017 Earnings Call

January 29, 2018



Important Note to Investors



This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding Dominion Energy and Dominion Energy Midstream Partners. The statements relate to, among other things, expectations, estimates and projections concerning the business and operations of Dominion Energy and Dominion Energy Midstream Partners. We have used the words "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "outlook", "predict", "project", "should", "strategy", "target", "will", "potential" and similar terms and phrases to identify forward-looking statements in this presentation. As outlined in our SEC filings, factors that could cause actual results to differ include, but are not limited to: unusual weather conditions and their effect on energy sales to customers and energy commodity prices; extreme weather events and other natural disasters; federal, state and local legislative and regulatory developments; changes to federal, state and local environmental laws and regulations, including proposed carbon regulations; cost of environmental compliance; changes in enforcement practices of regulators relating to environmental standards and litigation exposure for remedial activities; capital market conditions, including the availability of credit and the ability to obtain financing on reasonable terms; fluctuations in interest rates; changes in rating agency requirements or credit ratings and their effect on availability and cost of capital; impacts of acquisitions, divestitures, transfers of assets by Dominion Energy to joint ventures or to Dominion Energy Midstream Partners, and retirements of assets based on asset portfolio reviews; the expected timing and likelihood of completion of the proposed acquisition of SCANA Corporation, including the ability to obtain the requisite approvals of SCANA's shareholders and timing, receipt and terms and conditions of required regulatory approvals; receipt of approvals for, and timing of, closing dates for other acquisitions and divestitures; the execution of Dominion Energy Midstream Partners' growth strategy; changes in demand for Dominion Energy's services; additional competition in Dominion Energy's industries; changes to regulated rates collected by Dominion Energy; changes in operating, maintenance and construction costs; timing and receipt of regulatory approvals necessary for planned construction or expansion projects and compliance with conditions associated with such regulatory approvals; the inability to complete planned construction projects within time frames initially anticipated; and the ability of Dominion Energy Midstream Partners to negotiate, obtain necessary approvals and consummate acquisitions from Dominion Energy and third-parties, and the impacts of such acquisitions. Other risk factors are detailed from time to time in Dominion Energy's and Dominion Energy Midstream Partners' quarterly reports on Form 10-Q or most recent annual report on Form 10-K filed with the Securities and Exchange Commission.

The information in this presentation was prepared as of January 29, 2018. Dominion Energy and Dominion Energy Midstream Partners undertake no obligation to update any forward-looking information statement to reflect developments after the statement is made. Projections or forecasts shown in this document are based on the assumptions listed in this document and are subject to change at any time. In addition, certain information presented in this document incorporates planned capital expenditures reviewed and endorsed by Dominion Energy's Board of Directors in late 2017. Actual capital expenditures may be subject to regulatory and/or Board of Directors' approval and may vary from these estimates.

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This presentation includes various estimates of EBITDA which is a non-GAAP financial measure. Please see the fourth quarter 2017 Dominion Energy earnings release kit and the Dominion Energy Midstream Press Release for a reconciliation to GAAP. Please continue to regularly check Dominion Energy's website at www.dominionenergy.com/investors and Dominion Energy Midstream Partners' website at www.dominionenergymidstream.com/investors.

Operating Earnings Summary

2017 actual versus guidance



In-line with fourth quarter and full year guidance



¹ See page 29 of the fourth quarter 2017 Earnings Release Kit for a reconciliation to GAAP. Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Operating EBITDA Summary

Fourth quarter 2017 versus guidance (\$ millions)



Operating segment	Guidance range	Actual ¹	4 th quarter drivers versus guidance
Power Delivery	\$415—\$465	\$446	<ul style="list-style-type: none"> ↑ Transmission growth ↑ Operating expenses
Power Generation	\$505—\$570	\$556	<ul style="list-style-type: none"> ↑ Operating expenses
Gas Infrastructure	\$600—\$645	\$635	<ul style="list-style-type: none"> ↑ Operating margins ↑ Operating expenses

¹ See page 35 of the fourth quarter 2017 Earnings Release Kit for a reconciliation to GAAP.
Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Operating EBITDA Summary

2017 versus guidance (\$ millions)



Operating segment	Guidance range	Actual ¹	Full year drivers versus guidance
Power Delivery	\$1,685—\$1,795	\$1,723	<ul style="list-style-type: none"> ↑ Transmission growth ↓ Weather
Power Generation	\$2,625—\$2,795	\$2,670	<ul style="list-style-type: none"> ↑ Capacity expense ↓ Weather
Gas Infrastructure	\$1,980—\$2,105	\$2,111	<ul style="list-style-type: none"> ↑ Operating margins ↑ Operating expenses

¹ See page 33 of the fourth quarter 2017 Earnings Release Kit for a reconciliation to GAAP.
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Dominion Energy Midstream Partners (DM)



2017 earnings and distributions

— Financial results in line with management expectations

- Net Income \$195.1 million – ~83% increase over 2016
- Adjusted EBITDA \$298.8 million¹— ~138% increase over 2016
- Distributable Cash Flow \$178.2 million¹— ~68% increase over 2016

— Distribution results

- 22% annual increase over 2016²
- 1.29x coverage ratio

— No additional assets/equity issuances needed until 2H2018

- Plan supports DM's 22% annual distribution growth through 2020

— \$500M revolving credit facility for DM in process

¹ See the fourth quarter 2017 Dominion Energy Midstream Partners press release for a reconciliation to GAAP.

² Fourth quarter annualized growth rate.

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Cash Flow and Financing Activities



— Cash flow & liquidity¹

- \$4.6 billion in cash from operating activities through year-end
- \$5.5 billion of credit facilities
- \$2.2 billion of liquidity at year-end

¹ See pages 22—25 of the fourth quarter 2017 Earnings Release Kit for additional finance and liquidity details.
Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Credit-Focused Initiatives



— Equity

- \$500 million at-the-market (ATM) issuance; completed in January
- \$300 million dividend reinvestment program (DRIP)

— Capital reductions

- \$1 billion of capital investment reduction during 2018—2019
 - No impact on growth capital guidance

— Liquidity

- Increasing Dominion Energy's credit facility to a total of \$6 billion
- Creating \$500 million revolving credit facility for Dominion Energy Midstream

— Parent company debt reduction

- De-levering parent company by \$800 million or more

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

2018 External Financing Activities

Excluding SCANA transaction¹ (\$ millions)



Issuer	Planned financings	Status
DEI	ATM: \$500M	Completed in January
	DRIP: \$300M	To come
	Long-term debt: \$1,000—\$1,500	To come
VEPCO	\$1,100—\$1,400	To come
DEGH	\$400—\$600	To come
QGC	\$150	Priced Sept 2017 <i>(Private placement)</i>
Solar (non-recourse)	\$0—\$400	To come

Legend

Dominion Energy, Inc. (DEI) Virginia Electric and Power Company (VEPCO) Dominion Energy Gas Holdings, Inc. (DEGH) Questar Gas Company (QGC)

¹ Note: Excludes Atlantic Coast Pipeline, Dominion Midstream and SCANA-related financing activities as well as commercial paper and other short debt financings.

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Tax Reform

Initial 2018 guidance



— State regulated businesses

- Assume benefits of lower tax rates are passed-through to customers in all our state regulated businesses

— Positive

- Improves profitability of non-regulated and long-term contracted businesses
- Incremental rate base growth in regulated businesses

— Negative

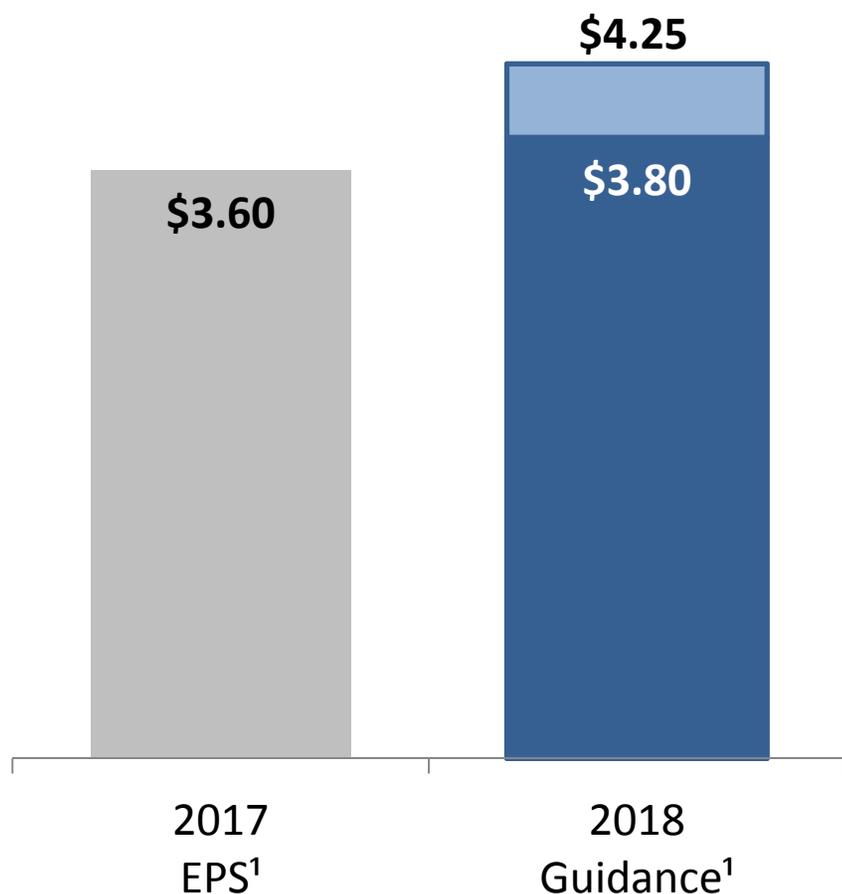
- Impact on credit

**Positive impact to 2018 operating earnings estimated to be
\$0.10—\$0.15 per share**

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Operating Earnings Guidance

2018 full-year (\$ per share)



2018 earnings growth drivers

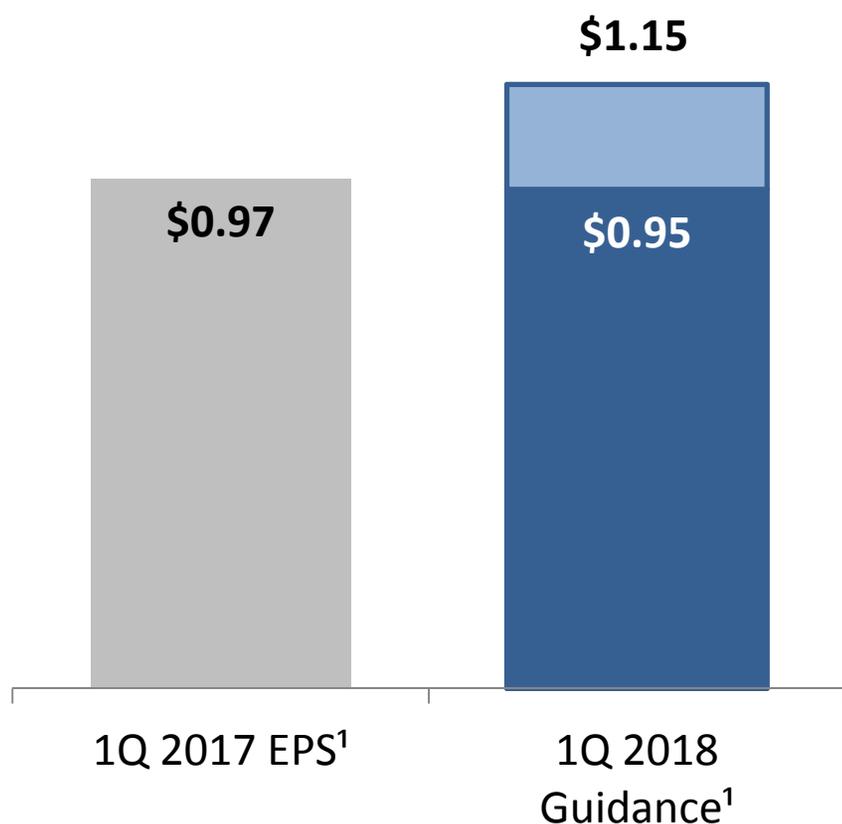
- ↑ Cove Point
- ↑ Weather
- ↑ Millstone refueling outage
- ↑ Tax reform
- ↓ Solar investment tax credits

2018 midpoint is 10% higher than midpoint of 2017 guidance

¹ See pages 29 and 37 of the fourth quarter 2017 Earnings Release Kit for a reconciliation to GAAP. Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Operating Earnings Guidance

1Q 2018 (\$ per share)



1Q 2018 earnings growth drivers

- ↑ Weather
- ↑ Cove Point
- ↑ Merchant generation margins
- ↑ Tax reform
- ↓ Solar investment tax credits
- ↓ Higher financing costs

¹ See page 30 of the first quarter 2017 Earnings Release Kit and page 37 of the fourth quarter 2017 Earnings Release Kit for a reconciliation to GAAP. Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Financial Summary

Dominion Energy and Dominion Energy Midstream Partners



- 2017 operating earnings: **\$3.60** per share¹
- Corporate tax reform a 2018 net positive for earnings
- Undertaking credit-focused initiatives
- 2018 operating earnings guidance range of **\$3.80—\$4.25** per share¹
 - **10%** higher than the midpoint of our 2017 guidance range

¹ See pages 29 and 37 of the fourth quarter 2017 Earnings Release Kit for a reconciliation to GAAP. Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

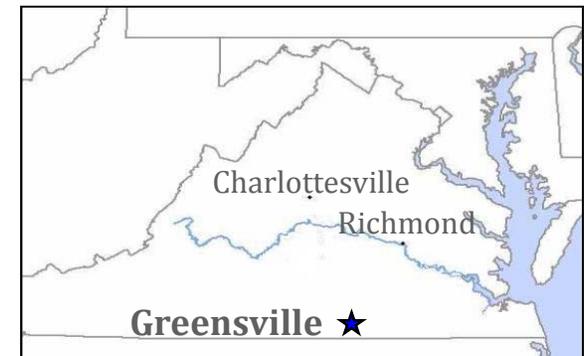
Power Generation

Growth project update – Greenville



Construction is on-time & on-budget

- **1,588 MW Gas Fired Combined Cycle plant in Greenville County, VA**
 - Will be the largest, most efficient single combined-cycle plant in the U.S.
 - 3-on-1 configuration; Duct burners, inlet air chillers, gas only
- **Estimated cost of \$1.3 billion**
- **Major milestones**
 - CPCN/Rider approved
 - Construction underway
 - Expected first-fire in 2Q 2018
 - Expected in-service in December 2018



Project is ~73% complete

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Gas Infrastructure

Growth project update – Cove Point Liquefaction



Construction is complete

- DOE approved exporting of commissioning cargoes
- Feed gas introduced
- Cooling down in process to make LNG
- Final tuning and testing phase
- Expect in-service early March



Final stages of commissioning

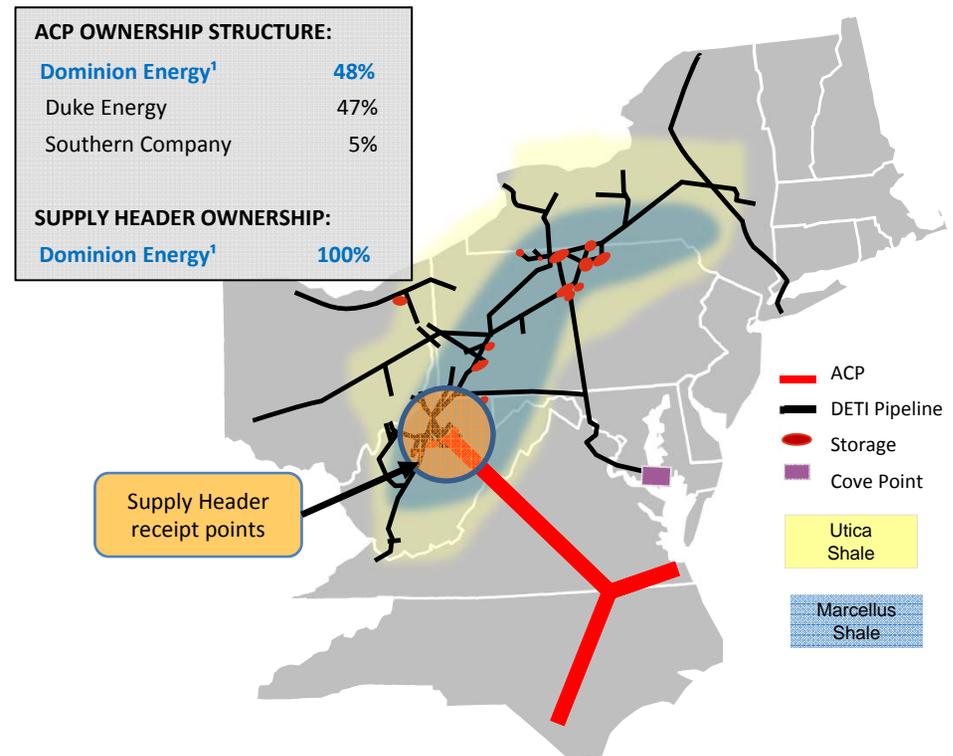
Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Gas Infrastructure



Growth project update – Atlantic Coast Pipeline and Supply Header

- **Limited Notice to Proceed approved by FERC; tree-felling currently underway**
- **Additional permits received:**
 - North Carolina 401 water quality
 - West Virginia E&S
- **Project-level construction financing in place**
- **On schedule for project in-service in second-half 2019**



Significant progress continues

- ✓ Design and engineering essentially completed
- ✓ Executed construction contracts
- ✓ Materials procurement 94% complete

¹ Dominion Energy will construct, operate and manage the pipeline.

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Key Takeaways

2017 earnings and operational highlights



- Record operating and safety performance in 2017
- Greenville County project is on-time and on-budget
- Cove Point construction complete; final stages of commissioning
- ACP tree-felling has commenced
- Earnings growth of at least **10%** in 2018, **8+%** growth 2017—2020 (including SCANA merger) and at least **5%** growth beyond 2020
- Dividend growth rate of **10%** annually through 2020¹

Executing the growth plan and delivering on guidance

¹ Annual dividend rates subject to Board approval.

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.