



**Dominion<sup>®</sup>**

**Alternate Breakdown  
Structure (ABS)  
Supplement**

**November 9, 2016**

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## Important Notes to Investors

This supplement contains certain forward-looking statements, including our forecasted operating earnings for the fourth-quarter and full-year 2016 which are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from management's projections, forecasts, estimates and expectations may include factors that are beyond the company's ability to control or estimate precisely, including fluctuations in energy-related commodity prices, estimates of future market conditions, additional competition in our industries, changes in the demand for Dominion's services, access to and costs of capital, fluctuations in the value of our pension assets and assets held in our decommissioning trusts, impacts of acquisitions, divestitures, transfers of assets to joint ventures or Dominion Midstream and retirements of assets based on asset portfolio reviews, the receipt of approval for, and timing of, closing dates for acquisitions and divestitures, the timing and execution of Dominion Midstream's growth strategy, and the ability to complete planned construction or expansion projects at all or within the terms and timeframes initially anticipated. Other factors include, but are not limited to, weather conditions and other events, including the effects of hurricanes, earthquakes, high winds, major storms and changes in water temperatures on operations, the risk associated with the operation of nuclear facilities, unplanned outages at facilities in which Dominion has an ownership interest, the impact of operational hazards and catastrophic events, state and federal legislative and regulatory developments, including changes in federal and state tax laws and changes to environmental and other laws and regulations, including those related to climate change, greenhouse gases and other emissions to which we are subject, changes in enforcement practices of regulators relating to environmental standards and litigation exposure for remedial activities, political and economic conditions, industrial, commercial and residential growth or decline in Dominion's service area, risks of operating businesses in regulated industries that are subject to changing regulatory structures, changes to regulated gas and electric rates collected by Dominion, changes to rating agency requirements and ratings, changing financial accounting standards, fluctuations in interest rates, employee workforce factors, including collective bargaining, counterparty credit and performance risks, adverse outcomes in litigation matters or regulatory proceedings, the risk of hostile cyber intrusions and other uncertainties. Other risk factors are detailed from time to time in Dominion's quarterly reports on Form 10-Q or most recent annual report on Form 10-K filed with the Securities and Exchange Commission.

### Alternate Breakdown Structure Supplement

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

Certain information provided in this Alternate Breakdown Structure supplement includes financial measures that are not required by, or presented in accordance with, generally accepted accounting principles (GAAP), including operating earnings before interest and taxes (Adjusted EBIT) and operating earnings before interest, taxes and depreciation (Adjusted EBITDA). These non-GAAP financial measures should not be considered as alternatives to GAAP measures, such as net income, operating income, or earnings per share, and may be calculated differently from, and therefore may not be comparable to, similarly titled measures used at other companies. Dominion has included reconciliations to the most directly comparable financial measures it is able to calculate and report in accordance with GAAP.

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

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

## Guidance Reconciliations

### Reconciliation of 3Q16 Operating Earnings to Guidance

Unaudited, Alternate Breakdown Structure

(millions, except per share amounts)

Description	3Q15	Range of 3Q16		3Q16
	Actual	Low	High	Actual
<b>Virginia Electric &amp; Power Co. EBITDA</b>				
Electric Distribution	\$220	\$210	\$230	\$235
Electric Transmission	168	185	200	189
Utility Generation	619	685	725	772
VEPCO DD&A	243	260	260	270
Subtotal VEPCO Adjusted EBIT	764	820	895	926
<b>Gas Operations EBITDA <sup>1</sup></b>				
Gas Distribution	\$73	\$70	\$80	\$88
Gas Transmission <sup>2</sup>	266	205	215	225
Gas Operations DD&A	65	70	70	77
Subtotal Gas Operations Adjusted EBIT	274	205	225	236
<b>Merchant Generation EBITDA</b>				
Merchant Generation DD&A	\$179	\$155	\$180	\$149
Subtotal Merchant Generation Operations Adjusted EBIT	36	45	45	42
Subtotal Merchant Generation Operations Adjusted EBIT	143	110	135	107
Corporate and Other & Eliminations Adjusted EBIT	(31)	(15)	(10)	(26)
<b>Total Adjusted EBIT</b>	\$1,150	\$1,120	\$1,245	\$1,243
<b>Consolidated Interest</b>	227	235	225	237
<b>Consolidated Income Taxes</b>	306	230	245	252
<b>Noncontrolling Interests</b>	6	80	75	38
<b>Operating Earnings</b>	\$611	\$575	\$700	\$716
Average Diluted Shares Outstanding	595.5	627	625	626.0
<b>Operating EPS Range</b>	\$1.03	\$0.92	\$1.12	\$1.14
<b>3Q16 Operating EPS Guidance Range</b>		<b>\$0.95</b>	<b>\$1.10</b>	
		<b>3Q16 Operating EPS Actual &gt;&gt;&gt;</b>		<b>\$1.14</b>

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

<sup>2</sup> Gas Transmission includes non-regulated retail energy marketing operations.

Please refer to pages 6 and 7 of this Alternate Breakdown Structure Supplement for details related to adjustments to reported earnings for 3Q15 and 3Q16.

Figures may not add due to rounding

## Guidance

### 4Q16 Operating Earnings Guidance

Unaudited, Alternate Breakdown Structure

(millions, except per share amounts)

Description	4Q15	Range of 4Q16	
	Actual	Low	High
<b>Virginia Electric &amp; Power Co. EBITDA</b>			
Electric Distribution	\$195	\$205	\$230
Electric Transmission	167	185	195
Utility Generation	354	460	505
VEPCO DD&A	239	250	260
Subtotal VEPCO Adjusted EBIT	476	600	670
<b>Gas Operations EBITDA <sup>1</sup></b>			
Gas Distribution	\$90	\$235	\$245
Gas Transmission <sup>2</sup>	262	300	320
Gas Operations DD&A	68	125	125
Subtotal Gas Operations EBIT	284	410	440
<b>Merchant Generation EBITDA</b>			
Merchant Generation DD&A	\$104	\$135	\$160
Subtotal Merchant Generation Operations EBIT	37	50	55
Subtotal Merchant Generation Operations EBIT	67	85	105
Corporate and Other & Eliminations Adjusted EBIT	(25)	(20)	(15)
<b>Total Adjusted EBIT</b>	<b>\$802</b>	<b>\$1,075</b>	<b>\$1,200</b>
<b>Consolidated Interest</b>	<b>227</b>	<b>295</b>	<b>285</b>
<b>Consolidated Income Taxes</b>	<b>150</b>	<b>205</b>	<b>220</b>
<b>Noncontrolling Interests</b>	<b>9</b>	<b>30</b>	<b>20</b>
<b>Operating Earnings</b>	<b>\$416</b>	<b>\$545</b>	<b>\$675</b>
Average Diluted Shares Outstanding	596.7	628	626
<b>Operating EPS Range</b>	<b>\$0.70</b>	<b>\$0.87</b>	<b>\$1.08</b>
<b>4Q16 Operating EPS Guidance Range</b>		<b>\$0.90</b>	<b>\$1.05</b>

<sup>1)</sup> 2016 amounts include Dominion Questar operations.

<sup>2)</sup> Gas Transmission includes non-regulated retail energy marketing operations.

Please refer to page 8 of this Alternate Breakdown Structure Supplement for details related to adjustments to reported earnings for 4Q15.

Figures may not add due to rounding

## GAAP Reconciliations

### Reconciliation of 3Q16 Reported Earnings to Operating Earnings

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

(millions, except per share amounts)

Description	3Q16 Reported	Adjustments	3Q16 Operating
<b>Virginia Electric &amp; Power Co. Adjusted EBITDA</b>			
Electric Distribution	\$235		\$235
Electric Transmission	189		189
Utility Generation	772		772
Virginia Power - Corporate & Other	1	(1) (a)	0
VEPCO DD&A	270		270
Subtotal VEPCO Adjusted EBIT	927	(1)	926
<b>Gas Operations Adjusted EBITDA</b>			
Gas Distribution	88		88
Gas Transmission	225		225
Gas Operations DD&A	77		77
Subtotal Gas Operations Adjusted EBIT	236		236
<b>Merchant Generation Operations Adjusted EBITDA</b>			
Merchant Generations Operations DD&A	149		149
Subtotal Merchant Generation Operations Adjusted EBIT	42		42
Subtotal Merchant Generation Operations Adjusted EBIT	107		107
<b>Corporate, Other &amp; Eliminations Adjusted EBIT</b>			
	(62)	36 (b), (c)	(26)
<b>Total Adjusted EBIT</b>	\$1,208	\$35	\$1,243
<b>Consolidated Interest</b>	250	(13) (b)	237
<b>Consolidated Income Taxes</b>	230	22 (d)	252
<b>Noncontrolling Interests</b>	38		38
<b>Earnings</b>	\$690	\$26	\$716
Average Diluted Shares Outstanding	626.0	626.0	626.0
<b>Reported EPS</b>	\$1.10		
<b>Adjustments</b>		\$0.04	
<b>Operating EPS</b>			\$1.14

#### Adjustments to Reported Earnings:

- (a) Net gain/loss of our investment in nuclear decommissioning trust funds.
- (b) Transaction and transition costs associated with Dominion Questar combination.
- (c) Other miscellaneous items.
- (d) Income tax provisions associated with adjustments to reported earnings.

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

**Reconciliation of 3Q15 Reported Earnings to Operating Earnings****Unaudited, Alternate Breakdown Structure<sup>1</sup>***(millions, except per share amounts)*

Description	3Q15 Reported	Adjustments	3Q15 Operating
<b>Virginia Electric &amp; Power Co. Adjusted EBITDA</b>			
Electric Distribution	\$220		\$220
Electric Transmission	168		168
Utility Generation	619		619
Virginia Power - Corporate & Other	(9)	9	(a), (b)
VEPCO DD&A	244	(1)	243
Subtotal VEPCO Adjusted EBIT	754	10	764
<b>Gas Operations Adjusted EBITDA</b>			
Gas Distribution	73		73
Gas Transmission	266		266
Gas Operations DD&A	65		65
Subtotal Gas Operations Adjusted EBIT	274		274
<b>Merchant Generation Operations Adjusted EBITDA</b>			
Merchant Generations Operations DD&A	179		179
Subtotal Merchant Generation Operations Adjusted EBIT	36		36
Subtotal Merchant Generation Operations Adjusted EBIT	143		143
<b>Corporate, Other &amp; Eliminations Adjusted EBIT</b>			
	(37)	6	(a)
(37)			(31)
<b>Total Adjusted EBIT</b>	<b>\$1,134</b>	<b>\$16</b>	<b>\$1,150</b>
<b>Consolidated Interest</b>	230	(3)	(b)
<b>Consolidated Income Taxes</b>	305	1	(c), (d)
<b>Noncontrolling Interests</b>	6		6
<b>Earnings</b>	<b>\$593</b>	<b>\$18</b>	<b>\$611</b>
Average Diluted Shares Outstanding	595.5	595.5	595.5
<b>Reported EPS</b>	<b>\$1.00</b>		
<b>Adjustments</b>		<b>\$0.03</b>	
<b>Operating EPS</b>			<b>\$1.03</b>

**Adjustments to Reported Earnings:**

- (a) Net gain/loss of our investment in nuclear decommissioning trust funds.
- (b) Items associated with rate adjustment clauses.
- (c) Item associated with North Carolina Public Utility Commission order.
- (d) Income tax provisions associated with adjustments to reported earnings.

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

**Reconciliation of 4Q15 Reported Earnings to Operating Earnings****Unaudited, Alternate Breakdown Structure<sup>1</sup>***(millions, except per share amounts)*

Description	4Q15 Reported	Adjustments		4Q15 Operating
<b>Virginia Electric &amp; Power Co. Adjusted EBITDA</b>				
Electric Distribution	\$195			\$195
Electric Transmission	167			167
Utility Generation	354			354
Virginia Power - Corporate & Other	(83)	82	(a),(b),(c),(d)	(1)
VEPCO DD&A	240	(1)	(b)	239
Subtotal VEPCO Adjusted EBIT	393	83		476
<b>Gas Operations Adjusted EBITDA</b>				
Gas Distribution	90			90
Gas Transmission	262			262
Gas Operations DD&A	68			68
Subtotal Gas Operations Adjusted EBIT	284			284
<b>Merchant Generation Operations Adjusted</b>				
Merchant Generations Operations DD&A	104			104
Subtotal Merchant Generation Operations	37			37
Subtotal Merchant Generation Operations	67			67
<b>Corporate, Other &amp; Eliminations Adjusted Earnings</b>				
	(37)	12	(a),(d)	(25)
<b>Total Adjusted EBIT</b>	<b>\$707</b>	<b>\$95</b>		<b>\$802</b>
<b>Consolidated Interest</b>	<b>230</b>	<b>(3)</b>	<b>(b),(d)</b>	<b>227</b>
<b>Consolidated Income Taxes</b>	<b>111</b>	<b>39</b>	<b>(e)</b>	<b>150</b>
<b>Noncontrolling Interests</b>	<b>9</b>			<b>9</b>
<b>Earnings</b>	<b>\$357</b>	<b>\$59</b>		<b>\$416</b>
Average Diluted Shares Outstanding	596.7	596.7		596.7
<b>Reported EPS</b>	<b>\$0.60</b>			
<b>Adjustments</b>		<b>\$0.10</b>		
<b>Operating EPS</b>				<b>\$0.70</b>

**Adjustments to Reported Earnings:**

- (a) Net gain/loss of our investment in nuclear decommissioning trust funds.
- (b) Items in connection with Virginia Power's 2015 biennial review.
- (c) Items associated with future ash pond and landfill closure costs at certain
- (d) Other miscellaneous items.
- (e) Income tax provisions associated with adjustments to reported earnings.

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



## VEPCO GAAP Reconciliations

### Reconciliation of 3Q16 Reported Results to Operating Results

(Unaudited)

(millions)

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

#### Adjustments to Reported Earnings:

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

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

### Reconciliation of 3Q15 Reported Results to Operating Results

(Unaudited)

(millions)

Description	3Q15 Reported	Adjustments	3Q15 Operating
<b>Adjusted EBITDA</b>			
Electric Distribution	\$220		\$220
Electric Transmission	168		168
Utility Generation	619		619
Virginia Power - Corporate & Other	(9)	9 (a), (b)	0
Total DD&A	244	(1)	243
<b>Total Adjusted EBIT</b>	<b>\$754</b>	<b>10</b>	<b>\$764</b>
<b>Consolidated Interest</b>	<b>116</b>	<b>(2)</b> (b)	<b>114</b>
<b>Consolidated Income Taxes</b>	<b>253</b>	<b>(2)</b> (d), (c)	<b>251</b>
<b>Net Income</b>	<b>\$385</b>	<b>14</b>	<b>\$399</b>

#### Adjustments to Reported Earnings:

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

(b) Items associated with rate adjustment clauses.

(c) Item associated with North Carolina Public Utility Commission order.

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

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**Reconciliation of 4Q15 Reported Results to Operating Results**

(Unaudited)

*(millions)*

Description	4Q15 Reported	Adjustments	4Q15 Operating
<b>Adjusted EBITDA</b>			
Electric Distribution	\$195		\$195
Electric Transmission	167		167
Utility Generation	354		354
		(a),(b),(c),(	
Virginia Power - Corporate & Other	(83)	82	d) (1)
Total DD&A	240	(1)	239
<b>Total Adjusted EBIT</b>	\$393	83	\$476
<b>Consolidated Interest</b>	111	(2)	(b) 109
<b>Consolidated Income Taxes</b>	95	33	(e) 128
<b>Net Income</b>	\$187	52	\$239

**Adjustments to Reported Earnings:**

- (a) Net gain/loss of our investment in nuclear decommissioning trust funds.
- (b) Items in connection with Virginia Power's 2015 biennial review.
- (c) Items associated with future ash pond and landfill closure costs at certain utility power stations.
- (d) Other miscellaneous items.
- (e) Income tax provisions associated with adjustments to reported earnings.

**2016 Earnings Expectations****Earnings Per Share (diluted)****Reconciliation of measures prepared in accordance with Generally Accepted Accounting Principles (GAAP) versus non-GAAP measures**

4Q 2016 Operating Earnings (estimate):	\$0.90 - \$1.05
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FY 2016 Operating Earnings (estimate):	\$3.60 - \$4.00
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4Q 2016 Reported Earnings (estimate):	See Note 1 below
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FY 2016 Reported Earnings (estimate):	See Note 1 below
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1. In providing its fourth-quarter and full-year 2016 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 management is not able to estimate the aggregate impact, if any, of these items on future period reported earnings. Accordingly, Dominion is not able to provide a corresponding GAAP equivalent for its operating earnings guidance.

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

Dominion's estimates of fourth-quarter and full-year 2016 earnings are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from management's projections, forecasts, estimates and expectations may include factors that are beyond the company's ability to control or estimate precisely, including fluctuations in energy-related commodity prices, estimates of future market conditions, additional competition in our industries, changes in the demand for Dominion's services, access to and costs of capital, fluctuations in the value of our pension assets and assets held in our decommissioning trusts, impacts of acquisitions, divestitures, transfers of assets to joint ventures or Dominion Midstream and retirements of assets based on asset portfolio reviews, the receipt of approvals for, and timing of, closing dates for acquisitions and divestitures, the timing and execution of Dominion Midstream's growth strategy, and the ability to complete planned construction or expansion projects at all or within the terms and timeframes initially anticipated. Other factors include, but are not limited to, weather conditions and other events, including the effects of hurricanes, earthquakes, high winds, major storms and changes in water temperatures on operations, the risk associated with the operation of nuclear facilities, unplanned outages at facilities in which Dominion has an ownership interest, the impact of operational hazards and catastrophic events, state and federal legislative and regulatory developments, including changes in federal and state tax laws and changes to environmental and other laws and regulations, including those related to climate change, greenhouse gases and other emissions to which we are subject, changes in enforcement practices of regulators relating to environmental standards and litigation exposure for remedial activities, political and economic conditions, industrial, commercial and residential growth or decline in Dominion's service area, risks of operating businesses in regulated industries that are subject to changing regulatory structures, changes to regulated gas and electric rates collected by Dominion, changes to rating agency requirements and ratings, changing financial accounting standards, fluctuations in interest rates, employee workforce factors, including collective bargaining, counter-party credit and performance risks, adverse outcomes in litigation matters or regulatory proceedings, the risk of hostile cyber intrusions and other uncertainties. Other risk factors are detailed from time to time in Dominion's quarterly reports on Form 10-Q or most recent annual report on Form 10-K filed with the Securities and Exchange Commission.