



**Dominion
Energy[®]**

**4th Quarter 2017
Earnings Release
Kit**

**Revised as of
February 27, 2018**

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Important Notes to Investors

This 4Q17 Earnings Release Kit contains certain forward-looking statements, including our forecasted operating earnings for the first-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 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.

Certain information provided in this 4Q17 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 4Q17 Earnings Release Kit and its individual components reflect the financial position and operating results of Dominion Energy and its primary operating segments through December 31, 2017. 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 4Q17 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 4Q17 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 www.dominionenergy.com/investors.

Earnings Release and Accompanying Schedules

Revised as of
February 27, 2018

Dominion Energy Announces Fourth-Quarter and Full-Year 2017 Earnings

- *Full-year 2017 reported earnings of \$4.72 per share*
- *Full-year 2017 operating earnings of \$3.60 per share*
- *Company introduces 2018 operating earnings guidance of \$3.80 to \$4.25 per share*

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 Dec. 31, 2017, of \$1.3 billion (\$2.04 per share) compared with earnings of \$457 million (\$0.73 per share) for the same period in 2016.

Operating earnings for the three months ended Dec. 31, 2017, were \$585 million (\$0.91 per share), compared to operating earnings of \$618 million (\$0.99 per share) for the same period in 2016. Operating earnings are defined as reported earnings adjusted for certain items.

The principal difference between reported earnings and operating earnings for the quarter was a tax benefit associated with the Tax Cuts and Jobs Act enacted in December 2017.

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.

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

“We are very pleased with our record operational and safety performance for the year. In addition, we achieved strong financial results for 2017 and reported operating earnings of \$3.60 per share in the middle of our guidance range, despite weather that was significantly below normal.

“Construction of the 1,588-megawatt Greensville County combined cycle power station continues on time and on budget. The project is approximately 73 percent complete and is expected to begin commercial operations in late 2018.

“We recently received a Limited Notice to Proceed from FERC for the Atlantic Coast Pipeline and the Supply Header Project which allows us to remain on schedule for completion of the projects in the second half of 2019.

“Cove Point Liquefaction construction is complete and we are in the final stages of commissioning.

“And finally, in December the Dominion Energy Board of Directors established a 2018 dividend of \$3.34 per share, subject to quarterly determination and declaration, that represented a 10 percent year-over-year increase.”

Full-year 2017 Reported and Operating Earnings Compared to 2016

Reported earnings in 2017 were \$0.9 billion higher than full-year reported earnings in 2016. Business segment results and detailed descriptions of items included in 2017 and 2016 reported earnings but excluded from operating earnings can be found on schedules 1, 2, and 3 of this release.

Operating earnings, in 2017, decreased \$58 million as compared to full-year 2016 operating earnings. The decrease is primarily attributable to milder weather in our regulated service territory, a step down in solar investment tax credits, a second Millstone refueling outage and a reduction of Cove Point import contract revenues. Factors offsetting the decrease include growth in our regulated gas and electric businesses, the addition of Dominion Energy Questar and lower operating expenses.

Details of fourth-quarter and full-year 2017 operating earnings as compared to 2016 may be found on Schedule 4 of this release.

Operating Earnings Guidance

Dominion Energy expects 2018 operating earnings in the range of \$3.80-\$4.25 per share, compared to full-year 2017 operating earnings of \$3.60 per share. Positive factors include a return to normal weather in our regulated service territories, one fewer Millstone refueling outage, revenues from Cove Point export contracts, and the benefit of a lower tax rate due to tax reform. The company expects negative factors for the year to include a step down in solar investment tax credits as well as higher financing costs and share dilution.

First-quarter 2018 operating earnings are expected to be in the range of \$0.95-\$1.15 per share.

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 fourth-quarter earnings conference call at 10 a.m. ET on Monday, Jan. 29, 2018. Management will discuss fourth-quarter and full-year 2017 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.

A replay of the conference call will be available beginning about 1 p.m. ET Jan. 29 and lasting until 11 p.m. ET Feb. 5. Domestic callers may access the recording by dialing (877) 919-4059. International callers should dial (334) 323-0140. The PIN for the replay is 72633771. Additionally, a replay of the webcast will be available on the investor information pages by the end of the day Jan. 29.

Dominion Energy is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 25,900 megawatts of electric generation, 14,800 miles of natural gas transmission, gathering and storage pipeline, and 6,600 miles of electric transmission lines. Dominion Energy operates one of the nation's largest natural gas storage systems with 1 trillion cubic feet of storage capacity and serves nearly 6 million utility and retail energy customers. For more information about Dominion Energy, visit the company's website at www.dominionenergy.com.

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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		Year Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Operating Revenue	\$ 3,210	\$ 3,086	\$12,586	\$11,737
Operating Expenses				
Electric fuel and other energy-related purchases	590	542	2,301	2,333
Purchased (excess)electric capacity	14	(8)	6	99
Purchased gas	260	207	701	459
Other operations and maintenance	709	931	2,875	3,064
Depreciation, depletion and amortization	484	447	1,905	1,559
Other taxes	149	148	668	596
Total operating expenses	<u>2,206</u>	<u>2,267</u>	<u>8,456</u>	<u>8,110</u>
Income from operations	<u>1,004</u>	<u>819</u>	<u>4,130</u>	<u>3,627</u>
Other income	(84)	61	165	250
Interest and related charges	<u>300</u>	<u>295</u>	<u>1,205</u>	<u>1,010</u>
Income from continuing operations including noncontrolling interests before income tax expense (benefit)	620	585	3,090	2,867
Income tax expense (benefit)	<u>(713)</u>	<u>94</u>	<u>(30)</u>	<u>655</u>
Income from continuing operations including noncontrolling interests	<u>1,333</u>	<u>491</u>	<u>3,120</u>	<u>2,212</u>
Noncontrolling interests	<u>21</u>	<u>34</u>	<u>121</u>	<u>89</u>
Net Income attributable to Dominion	\$ 1,312	\$ 457	\$ 2,999	\$ 2,123
Reported earnings per common share - diluted	\$ 2.04	\$ 0.73	\$ 4.72	\$ 3.44
Average shares outstanding, diluted	643.9	627.1	636.0	617.1

* 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 December 31,		
	2017	2016	Change
REPORTED EARNINGS ¹	\$ 1,312	\$ 457	\$ 855
Pre-tax loss (income) ²	207	256	(49)
Income tax ²	(934)	(95)	(839)
Adjustments to reported earnings	(727)	161	(888)
OPERATING EARNINGS	<u>\$ 585</u>	<u>\$ 618</u>	<u>\$ (33)</u>
<i>By segment:</i>			
Power Delivery ⁴	141	121	20
Power Generation ⁴	311	331	(20)
Gas Infrastructure ^{3,4}	285	243	42
Corporate and Other	(152)	(77)	(75)
	<u>\$ 585</u>	<u>\$ 618</u>	<u>\$ (33)</u>
Earnings Per Share (EPS):			
REPORTED EARNINGS ¹	\$ 2.04	\$ 0.73	\$ 1.31
Adjustments to reported earnings (after tax)	(1.13)	0.26	(1.39)
OPERATING EARNINGS	<u>\$ 0.91</u>	<u>\$ 0.99</u>	<u>\$ (0.08)</u>
<i>By segment:</i>			
Power Delivery	0.22	0.19	0.03
Power Generation	0.48	0.53	(0.05)
Gas Infrastructure ³	0.44	0.39	0.05
Corporate and Other	(0.23)	(0.12)	(0.11)
	<u>\$ 0.91</u>	<u>\$ 0.99</u>	<u>\$ (0.08)</u>
Common Shares Outstanding (average, diluted)	643.9	627.1	

(millions, except earnings per share)

	Twelve months ended December 31,		
	2017	2016	Change
REPORTED EARNINGS ¹	\$ 2,999	\$ 2,123	\$ 876
Pre-tax loss (income) ²	235	359	(124)
Income tax ²	(945)	(135)	(810)
Adjustments to reported earnings	(710)	224	(934)
OPERATING EARNINGS	<u>\$ 2,289</u>	<u>\$ 2,347</u>	<u>\$ (58)</u>
<i>By segment:</i>			
Power Delivery	531	484	47
Power Generation	1,181	1,397	(216)
Gas Infrastructure ³	898	726	172
Corporate and Other	(321)	(260)	(61)
	<u>\$ 2,289</u>	<u>\$ 2,347</u>	<u>\$ (58)</u>
Earnings Per Share (EPS):			
REPORTED EARNINGS ¹	\$ 4.72	\$ 3.44	\$ 1.28
Adjustments to reported earnings (after tax)	(1.12)	0.36	(1.48)
OPERATING EARNINGS	<u>\$ 3.60</u>	<u>\$ 3.80</u>	<u>\$ (0.20)</u>
<i>By segment:</i>			
Power Delivery	0.83	0.78	0.05
Power Generation	1.86	2.26	(0.40)
Gas Infrastructure ³	1.41	1.18	0.23
Corporate and Other	(0.50)	(0.42)	(0.08)
	<u>\$ 3.60</u>	<u>\$ 3.80</u>	<u>\$ (0.20)</u>
Common Shares Outstanding (average, diluted)	636.0	617.1	

¹⁾ Determined in accordance with Generally Accepted Accounting Principles (GAAP).²⁾ 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.³⁾ Includes Dominion Energy Questar effective September 2016.⁴⁾ In connection with its corporate rebranding, Dominion Energy changed the names of its principal operating segments to Power Delivery, Power Generation and Gas Infrastructure from Dominion Virginia Power, Dominion Generation and Dominion Energy, respectively.

Schedule 2 - 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 ²
Reported earnings	\$632	\$390	\$665	\$1,312	\$2,999
Adjustments to reported earnings ¹ :					
Pre-tax loss (income)	(31)	47	12	207	235
Income tax	10	(16)	(5)	(934)	(945)
	(21)	31	7	(727)	(710)
Operating earnings	\$611	\$421	\$672	\$585	\$2,289
Common shares outstanding (average, diluted)	628.1	629.2	642.5	643.9	636.0
Reported earnings per share	\$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)
Operating earnings per share	\$0.97	\$0.67	\$1.04	\$0.91	\$3.60

¹⁾ 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.

²⁾ YTD EPS may not equal sum of quarters due to share count differences

Schedule 3 - Reconciliation of 2016 Reported Earnings to Operating Earnings

2016 Earnings (Twelve months ended December 31, 2016)

The \$359 million pre-tax net effect of the adjustments included in 2016 reported earnings, but excluded from operating earnings, is primarily related to the following items:

- \$197 million additional charge associated with the asset retirement obligations for ash ponds and landfills at certain utility generation facilities to comply with the EPA coal combustion residuals rule.
- \$74 million of transaction and transition costs associated with the Dominion Energy Questar combination, which was completed in September 2016.
- \$65 million charge associated with an organizational design initiative and primarily comprised of employee severance benefits.
- \$23 million of restoration costs associated with Hurricane Matthew affecting our electric utility service territories.

<i>(millions, except per share amounts)</i>	1Q16	2Q16	3Q16	4Q16	YTD 2016 ²
Reported earnings	\$524	\$452	\$690	\$457	\$2,123
Adjustments to reported earnings ¹ :					
Pre-tax loss (income)	67	(12)	48	256	359
Income tax	(19)	1	(22)	(95)	(135)
	48	(11)	26	161	224
Operating earnings	\$572	\$441	\$716	\$618	\$2,347
Common shares outstanding (average, diluted)	598.2	617.0	626.0	627.1	617.1
Reported earnings per share	\$0.88	\$0.73	\$1.10	\$0.73	\$3.44
Adjustments to reported earnings (after-tax)	0.08	(0.02)	0.04	0.26	0.36
Operating earnings per share	\$0.96	\$0.71	\$1.14	\$0.99	\$3.80

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

	1Q16	2Q16	3Q16	4Q16	YTD 2016
<u>Pre-tax loss (income):</u>					
Future ash ponds and landfill closure costs				197	197
Questar transaction and transition costs	2	5	53	14	74
Organizational design initiative	70	(5)			65
Hurricane Matthew costs				23	23
Other items	(5)	(12)	(5)	22	0
	\$67	(\$12)	\$48	\$256	\$359
<u>Income tax expense (benefit):</u>					
Tax effect of above adjustments to reported earnings *	(19)	1	(10)	(95)	(123)
Divestiture tax settlement			(12)		(12)
	(\$19)	\$1	(\$22)	(\$95)	(\$135)

* 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.

² YTD EPS may not equal sum of quarters due to rounding or share count differences

Schedule 4 - Reconciliation of 2017 Earnings to 2016

Unaudited (millions, except EPS)	Three Months Ended December 31, 2017 vs. 2016		Twelve Months Ended December 31, 2017 vs. 2016	
	Increase / (Decrease)		Increase / (Decrease)	
	Amount	EPS	Amount	EPS
Reconciling Items				
Change in reported earnings (GAAP)	\$855	\$1.31	\$876	\$1.28
Change in Pre-tax loss (income) ¹	(49)		(124)	
Change in Income tax ¹	(839)		(810)	
Adjustments to reported earnings	(\$888)	(\$1.39)	(\$934)	(\$1.48)
Change in consolidated operating earnings	(\$33)	(\$0.08)	(\$58)	(\$0.20)
Power Delivery				
Regulated electric sales:				
Weather	\$5	\$0.01	(\$14)	(\$0.02)
Other	3	0.01	15	0.02
FERC Transmission equity return	1	0.00	14	0.02
Storm damage and service restoration	(3)	(0.01)	14	0.02
Other	14	0.03	18	0.03
Share dilution	-	(0.01)	-	(0.02)
Change in contribution to operating earnings	\$20	\$0.03	\$47	\$0.05
Power Generation				
Regulated electric sales:				
Weather	\$9	\$0.01	(\$36)	(\$0.06)
Other	5	0.01	32	0.05
Merchant generation margin	(19)	(0.03)	(28)	(0.05)
Outage costs	(21)	(0.03)	(22)	(0.03)
Renewable energy investment tax credits	54	0.08	(133)	(0.21)
Depreciation	(9)	(0.01)	(46)	(0.07)
Electric capacity	(12)	(0.02)	58	0.09
Interest expense (project level solar)	(4)	(0.01)	(15)	(0.02)
Other	(23)	(0.04)	(26)	(0.04)
Share dilution	-	(0.01)	-	(0.06)
Change in contribution to operating earnings	(\$20)	(\$0.05)	(\$216)	(\$0.40)
Gas Infrastructure				
Dominion Energy Questar combination ²	\$0	\$0.00	\$184	\$0.30
Farmout transaction	6	0.01	13	0.02
Transportation and storage growth projects	8	0.01	29	0.04
Noncontrolling interests	(3)	(0.01)	(30)	(0.05)
Cove Point import contracts	(27)	(0.04)	(86)	(0.14)
Other	58	0.09	62	0.10
Share dilution	-	(0.01)	-	(0.04)
Change in contribution to operating earnings	\$42	\$0.05	\$172	\$0.23
Corporate and Other				
Renewable energy investment tax credits	(\$90)	(\$0.14)	\$0	\$0.00
Interest expense and other	15	0.03	(61)	(0.08)
Change in contribution to operating earnings	(\$75)	(\$0.11)	(\$61)	(\$0.08)
Change in consolidated operating earnings	(\$33)	(\$0.08)	(\$58)	(\$0.20)
<i>Change in adjustments included in reported earnings¹</i>	<i>\$888</i>	<i>\$1.39</i>	<i>\$934</i>	<i>\$1.48</i>
Change in consolidated reported earnings	\$855	\$1.31	\$876	\$1.28

¹) 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.

²) Excludes financing impact of Dominion Energy Questar combination.

Note: Figures may not add due to rounding

Financials

Consolidated Financial Statements (GAAP)

Dominion Energy, Inc.
Consolidated Balance Sheets *
Unaudited & Summarized
(\$ in Millions)

	At December 31,	
	<u>2017</u>	<u>2016</u>
Assets		
Current Assets	\$4,334	\$4,248
Investments	6,964	6,343
Property, Plant and Equipment, Net	53,758	49,964
Deferred Charges and Other Assets	<u>11,529</u>	<u>11,055</u>
Total Assets	<u>\$76,585</u>	<u>\$71,610</u>
Liabilities and Equity		
Securities due within one year	\$3,078	\$1,709
Short-term debt	3,298	3,155
Other current liabilities	<u>3,260</u>	<u>3,251</u>
Total Current Liabilities	9,636	8,115
Long-Term Debt	30,948	30,231
Deferred Credits and Other Liabilities	<u>16,631</u>	<u>16,424</u>
Total Liabilities	57,215	54,770
Common Shareholders' Equity	17,142	14,605
Noncontrolling Interest	<u>2,228</u>	<u>2,235</u>
Total Equity	19,370	16,840
Total Liabilities and Equity	<u>\$76,585</u>	<u>\$71,610</u>

* 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, Inc.
Consolidated Statements of Cash Flows *
Unaudited & Summarized
(\$ in Millions)

	Year Ended December 31,	
	<u>2017</u>	<u>2016</u>
Operating Activities		
Net Income including noncontrolling interests	\$3,120	\$2,212
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization (including nuclear fuel)	2,202	1,849
Deferred income taxes and investment tax credits	(3)	725
Other adjustments	(11)	(173)
Changes in:		
Accounts receivable	(103)	(286)
Inventories	15	1
Deferred fuel and purchased gas costs, net	(71)	54
Prepayments	(62)	21
Accounts payable	(89)	97
Accrued interest, payroll and taxes	64	203
Margin deposits assets and liabilities	(10)	(66)
Net realized and unrealized changes related to derivative activities	44	(335)
Asset retirement obligations	(94)	(61)
Pension and other postretirement benefits	(177)	(152)
Other operating assets and liabilities	<u>(276)</u>	<u>38</u>
Net cash provided by operating activities	4,549	4,127
Investing Activities		
Plant construction and other property additions (including nuclear fuel)	(5,504)	(6,085)
Acquisition of Dominion Energy Questar, net of cash acquired	-	(4,381)
Acquisition of solar development projects	(405)	(40)
Contributions to equity method affiliates	(370)	(198)
Distributions from equity method affiliates	228	26
Other	<u>58</u>	<u>(25)</u>
Net cash used in investing activities	(5,993)	(10,703)
Financing Activities		
Issuance (repayment) of short-term debt, net	143	(654)
Issuance of short-term notes	-	1,200
Repayment and repurchase of short-term notes	(250)	(1,800)
Issuance and remarketing of long-term debt	3,880	7,722
Repayment and repurchase of long-term debt	(1,572)	(1,610)
Net proceeds from issuance of Dominion Midstream common units	18	482
Net proceeds from issuance of Dominion Midstream convertible preferred units	-	490
Proceeds from sale of interest in merchant solar projects	-	117
Contributions from NRG & SunEdison to Four Brothers and Three Cedars	9	189
Issuance of common stock	1,302	2,152
Common dividend payments	(1,931)	(1,727)
Other	<u>(296)</u>	<u>(331)</u>
Net cash provided by financing activities	1,303	6,230
Decrease in cash and cash equivalents	(141)	(346)
Cash and cash equivalents at beginning of period	<u>261</u>	<u>607</u>
Cash and cash equivalents at end of period	<u>\$120</u>	<u>\$261</u>

* 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 ^{1,2}

Unaudited Summary (\$mm except per share amounts)	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
Operating Revenue	\$ <u>3,210</u>	\$ 3,086	\$ <u>12,586</u>	\$ 11,737
Operating Expenses				
Electric fuel and other energy-related purchases	590	542	2,301	2,333
Purchased (excess) electric capacity	14	(8)	6	99
Purchased gas	260	207	701	459
Other operations and maintenance	709	931	2,875	3,064
Depreciation, depletion and amortization	484	447	1,905	1,559
Other taxes	149	148	668	596
Total operating expenses	<u>2,206</u>	<u>2,267</u>	<u>8,456</u>	<u>8,110</u>
Income from operations	<u>1,004</u>	<u>819</u>	<u>4,130</u>	<u>3,627</u>
Other income	<u>(84)</u>	<u>61</u>	<u>165</u>	<u>250</u>
Income including noncontrolling interests before interest and income taxes	920	880	4,295	3,877
Interest and related charges	<u>300</u>	<u>295</u>	<u>1,205</u>	<u>1,010</u>
Income including noncontrolling interests before income taxes	620	585	3,090	2,867
Income taxes	<u>(713)</u>	<u>94</u>	<u>(30)</u>	<u>655</u>
Income including noncontrolling interests	1,333	491	3,120	2,212
Noncontrolling interests	<u>21</u>	<u>34</u>	<u>121</u>	<u>89</u>
Reported Earnings	\$ <u>1,312</u>	\$ 457	\$ <u>2,999</u>	\$ 2,123
Reported Earnings Per Share	\$ <u>2.04</u>	\$ 0.73	\$ <u>4.72</u>	\$ 3.44
Adjustments to reported earnings:				
Pre-tax Loss (Income) ³	207	256	235	359
Income Tax ³	<u>(934)</u>	<u>(95)</u>	<u>(945)</u>	<u>(135)</u>
	<u>(727)</u>	161	<u>(710)</u>	224
Operating Earnings	\$ <u>585</u>	\$ 618	\$ <u>2,289</u>	\$ 2,347
Operating Earnings Per Share	\$ <u>0.91</u>	\$ 0.99	\$ <u>3.60</u>	\$ 3.80
Average shares outstanding, diluted	643.9	627.1	636.0	617.1
Adjusted EBIT Reconciliation				
Reported Earnings	\$ 1,312	\$ 457	\$ 2,999	\$ 2,123
Noncontrolling interest	21	34	121	89
Income taxes	(713)	94	(30)	655
Interest and related charges	300	295	1,205	1,010
	\$ 920	\$ 880	\$ 4,295	\$ 3,877
Adjustments ³	<u>207</u>	<u>253</u>	<u>234</u>	<u>341</u>
Adjusted EBIT	\$ 1,127	\$ 1,133	\$ 4,529	\$ 4,218

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

²⁾ Includes Dominion Energy Questar effective September 2016.

³⁾ For additional details on adjustments to reporting earnings and to EBIT see the GAAP Reconciliation schedules on pages 29-36.

Power Delivery Reported and Operating Results

Unaudited Summary (\$millions except per share amounts)	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
Operating Revenue	\$ 548	\$ 534	\$ 2,228	\$ 2,233
Operating Expenses				
Electric fuel and other energy-related purchases	-	-	3	3
Purchased (excess) electric capacity	-	-	-	-
Purchased gas	-	-	-	-
Other operations and maintenance	82	104	394	534
Depreciation, depletion and amortization	150	139	593	537
Other taxes	33	37	161	156
Total operating expenses	<u>265</u>	<u>280</u>	<u>1,151</u>	<u>1,230</u>
Income from operations	<u>283</u>	<u>254</u>	<u>1,077</u>	<u>1,003</u>
Other income	<u>13</u>	<u>9</u>	<u>53</u>	<u>33</u>
Income including noncontrolling interests before interest and income taxes	296	263	1,130	1,036
Interest and related charges	<u>66</u>	<u>64</u>	<u>265</u>	<u>244</u>
Income including noncontrolling interests before income taxes	230	199	865	792
Income taxes	<u>89</u>	<u>78</u>	<u>334</u>	<u>308</u>
Income including noncontrolling interests	141	121	531	484
Noncontrolling interests	-	-	-	-
Reported and Operating Earnings Contribution	\$ 141	\$ 121	\$ 531	\$ 484
Reported and Operating Earnings Per Share Contribution	\$ 0.22	\$ 0.19	\$ 0.83	\$ 0.78
Average shares outstanding, diluted	643.9	627.1	636.0	617.1
Adjusted EBIT and EBITDA Reconciliation				
Reported Earnings	\$ 141	\$ 121	\$ 531	\$ 484
Noncontrolling interest	-	-	-	-
Income taxes	89	78	334	308
Interest and related charges	66	64	265	244
Adjusted EBIT	<u>\$ 296</u>	<u>\$ 263</u>	<u>\$ 1,130</u>	<u>\$ 1,036</u>
Depreciation, depletion and amortization	150	139	593	537
Adjusted EBITDA	<u>\$ 446</u>	<u>\$ 402</u>	<u>\$ 1,723</u>	<u>\$ 1,573</u>

Power Generation Reported and Operating Results

Unaudited Summary (\$millions except per share amounts)	Three Months Ended <u>December 31,</u>		Year Ended <u>December 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Operating Revenue	\$ 1,587	\$ 1,546	\$ 6,686	\$ 6,757
Operating Expenses				
Electric fuel and other energy-related purchases	571	535	2,257	2,306
Purchased (excess) electric capacity	14	(8)	6	99
Purchased gas	-	-	-	-
Other operations and maintenance	428	368	1,628	1,560
Depreciation, depletion and amortization	188	174	747	662
Other taxes	40	40	203	188
Total operating expenses	<u>1,241</u>	<u>1,109</u>	<u>4,841</u>	<u>4,815</u>
Income from operations	<u>346</u>	<u>437</u>	<u>1,845</u>	<u>1,942</u>
Other income	<u>22</u>	<u>22</u>	<u>78</u>	<u>69</u>
Income including noncontrolling interests before interest and income taxes	368	459	1,923	2,011
Interest and related charges	<u>87</u>	<u>76</u>	<u>342</u>	<u>290</u>
Income including noncontrolling interests before income taxes	281	383	1,581	1,721
Income taxes	<u>(27)</u>	<u>38</u>	<u>373</u>	<u>279</u>
Income including noncontrolling interests	308	345	1,208	1,442
Noncontrolling interests	<u>(3)</u>	<u>14</u>	<u>27</u>	<u>45</u>
Reported and Operating Earnings Contribution	<u>\$ 311</u>	<u>\$ 331</u>	<u>\$ 1,181</u>	<u>\$ 1,397</u>
Reported and Operating Earnings Per Share Contribution	<u>\$ 0.48</u>	<u>\$ 0.53</u>	<u>\$ 1.86</u>	<u>\$ 2.26</u>
Average shares outstanding, diluted	643.9	627.1	636.0	617.1
Adjusted EBIT and EBITDA Reconciliation				
Reported Earnings	\$ 311	\$ 331	\$ 1,181	\$ 1,397
Noncontrolling interest	(3)	14	27	45
Income taxes	(27)	38	373	279
Interest and related charges	87	76	342	290
Adjusted EBIT	<u>\$ 368</u>	<u>\$ 459</u>	<u>\$ 1,923</u>	<u>\$ 2,011</u>
Depreciation, depletion and amortization	<u>188</u>	<u>174</u>	<u>747</u>	<u>662</u>
Adjusted EBITDA	<u>\$ 556</u>	<u>\$ 633</u>	<u>\$ 2,670</u>	<u>\$ 2,673</u>

Gas Infrastructure Reported and Operating Results¹

Unaudited Summary (\$millions except per share amounts)	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
Operating Revenue	<u>\$ 1,072</u>	<u>\$ 1,024</u>	<u>\$ 3,666</u>	<u>\$ 2,766</u>
Operating Expenses				
Electric fuel and other energy-related purchases	10	4	21	12
Purchased (excess) electric capacity	-	-	-	-
Purchased gas	259	203	691	443
Other operations and maintenance	160	255	798	673
Depreciation, depletion and amortization	136	124	522	330
Other taxes	70	66	276	221
Total operating expenses	<u>635</u>	<u>652</u>	<u>2,308</u>	<u>1,679</u>
Income from operations	<u>437</u>	<u>372</u>	<u>1,358</u>	<u>1,087</u>
Other income	<u>62</u>	<u>50</u>	<u>231</u>	<u>152</u>
Income including noncontrolling interests before interest and income taxes	<u>499</u>	<u>422</u>	<u>1,589</u>	<u>1,239</u>
Interest and related charges	<u>42</u>	<u>22</u>	<u>110</u>	<u>38</u>
Income including noncontrolling interests before income taxes	<u>457</u>	<u>400</u>	<u>1,479</u>	<u>1,201</u>
Income taxes	<u>148</u>	<u>137</u>	<u>487</u>	<u>431</u>
Income including noncontrolling interests	<u>309</u>	<u>263</u>	<u>992</u>	<u>770</u>
Noncontrolling interests	<u>24</u>	<u>20</u>	<u>94</u>	<u>44</u>
Reported and Operating Earnings Contribution	<u>\$ 285</u>	<u>\$ 243</u>	<u>\$ 898</u>	<u>\$ 726</u>
Reported and Operating Earnings Per Share Contribution	<u>\$ 0.44</u>	<u>\$ 0.39</u>	<u>\$ 1.41</u>	<u>\$ 1.18</u>
Average shares outstanding, diluted	643.9	627.1	636.0	617.1
Adjusted EBIT and EBITDA Reconciliation				
Reported Earnings	\$ 285	\$ 243	\$ 898	\$ 726
Noncontrolling interest	24	20	94	44
Income taxes	148	137	487	431
Interest and related charges	42	22	110	38
Adjusted EBIT	<u>\$ 499</u>	<u>\$ 422</u>	<u>\$ 1,589</u>	<u>\$ 1,239</u>
Depreciation, depletion and amortization	136	124	522	330
Adjusted EBITDA	<u>\$ 635</u>	<u>\$ 546</u>	<u>\$ 2,111</u>	<u>\$ 1,569</u>

¹Includes Dominion Energy Questar operations effective September 2016.

Corporate & Other Reported and Operating Results

Unaudited Summary (\$mm except per share amounts)	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
Operating Revenue	<u>\$ 163</u>	<u>\$ 125</u>	<u>\$ 626</u>	<u>\$ 602</u>
Operating Expenses				
Electric fuel and other energy-related purchases	-	-	-	-
Purchased (excess) electric capacity	-	-	-	-
Purchased gas	1	1	3	3
Other operations and maintenance	208	353	702	943
Depreciation, depletion and amortization	10	10	43	30
Other taxes	6	5	28	31
Total operating expenses	<u>225</u>	<u>369</u>	<u>776</u>	<u>1,007</u>
Income from operations	<u>(62)</u>	<u>(244)</u>	<u>(150)</u>	<u>(405)</u>
Other income	<u>(124)</u>	<u>4</u>	<u>(42)</u>	<u>74</u>
Income including noncontrolling interests before interest and income taxes	<u>(186)</u>	<u>(240)</u>	<u>(192)</u>	<u>(331)</u>
Interest and related charges	<u>162</u>	<u>157</u>	<u>643</u>	<u>516</u>
Income including noncontrolling interests before income taxes	<u>(348)</u>	<u>(397)</u>	<u>(835)</u>	<u>(847)</u>
Income taxes	<u>(923)</u>	<u>(159)</u>	<u>(1,224)</u>	<u>(363)</u>
Income including noncontrolling interests	<u>575</u>	<u>(238)</u>	<u>389</u>	<u>(484)</u>
Noncontrolling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reported Earnings (Loss) Contributed	<u>\$ 575</u>	<u>\$ (238)</u>	<u>\$ 389</u>	<u>\$ (484)</u>
Reported Earnings (Loss) Per Share Contributed	<u>\$ 0.90</u>	<u>\$ (0.38)</u>	<u>\$ 0.62</u>	<u>\$ (0.78)</u>
Adjustments to reported earnings:				
Pre-tax Loss (Income) ¹	207	256	235	359
Income Tax ¹	(934)	(95)	(945)	(135)
	<u>(727)</u>	<u>161</u>	<u>(710)</u>	<u>224</u>
Operating Earnings (Loss) Contributed	<u>\$ (152)</u>	<u>\$ (77)</u>	<u>\$ (321)</u>	<u>\$ (260)</u>
Operating Earnings (Loss) Per Share Contributed	<u>\$ (0.23)</u>	<u>\$ (0.12)</u>	<u>\$ (0.50)</u>	<u>\$ (0.42)</u>
Average shares outstanding, diluted	643.9	627.1	636.0	617.1
Adjusted EBIT Reconciliation				
Reported Earnings	\$ 575	\$ (238)	\$ 389	\$ (484)
Noncontrolling interest	-	-	-	-
Income taxes	(923)	(159)	(1,224)	(363)
Interest and related charges	162	157	643	516
	<u>\$ (186)</u>	<u>\$ (240)</u>	<u>\$ (192)</u>	<u>\$ (331)</u>
Adjustments ¹	207	253	234	341
Adjusted EBIT	<u>\$ 21</u>	<u>\$ 13</u>	<u>\$ 42</u>	<u>\$ 10</u>

¹⁾ For additional details on adjustments to reporting earnings and to EBIT see the GAAP Reconciliation schedules on pages 29-36.

Operating Statistics

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
Dominion Energy Consolidated				
Regulated Electric Sales Revenue (\$mm)				
Residential	\$ 782	\$ 713	\$ 3,342	\$ 3,368
Commercial	593	551	2,416	2,394
Industrial	121	107	480	495
Governmental and other	212	201	843	808
Regulated retail revenue	1,709	1,572	7,081	7,065
Wholesale - sales for resale	26	29	114	114
Other revenue	59	41	188	169
Total	\$ 1,793	\$ 1,641	\$ 7,383	\$ 7,348
Power Delivery				
Degree Days (Electric service area)				
Cooling				
Actual	103	75	1,801	1,830
Normal	50	46	1,641	1,616
Heating				
Actual	1,279	1,199	3,104	3,446
Normal	1,252	1,264	3,543	3,598
Electric Delivery Customers (at period end)				
Residential	2,311,474	2,287,547	2,311,474	2,287,547
Commercial	242,836	241,336	242,836	241,336
Industrial	649	648	649	648
Governmental	33,125	33,131	33,125	33,131
Total Retail	2,588,084	2,562,662	2,588,084	2,562,662
Wholesale - sales for resale	5	5	5	5
Total	2,588,089	2,562,667	2,588,089	2,562,667
Electricity Delivered (GWh)				
Residential	7,116	6,706	29,581	30,213
Commercial	7,742	7,604	31,895	31,366
Industrial	2,036	1,906	8,202	8,344
Governmental and other	2,715	2,619	11,118	10,808
Total Retail	19,608	18,834	80,796	80,732
Wholesale - sales for resale	670	712	2,638	2,965
Total	20,278	19,545	83,434	83,696
Power Generation				
Merchant Generation				
Total Electric Sales (GWh)				
NEPOOL Merchant Fleet ¹	3,948	4,863	17,704	18,011
PJM Merchant Fleet ²	1,369	2,152	7,575	8,579

¹⁾ Comprised of Millstone and Manchester generating stations.

²⁾ Comprised of Fairless generating station.

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
Gas Infrastructure				
Gas Distribution¹				
Regulated Gas Revenue (\$mm)				
Gas sales revenue				
Residential	\$ 267	\$ 242	\$ 766	\$ 333
Commercial	92	83	260	100
Industrial	3	5	13	6
Other	5	5	24	6
Total	\$ 367	\$ 334	\$ 1,063	\$ 444
Regulated Gas Transportation and Storage Revenue (\$mm)				
Gas transportation revenue				
Residential	\$ 98	\$ 93	\$ 382	\$ 352
Commercial	33	31	116	101
Industrial	21	20	77	66
Other	12	12	47	42
Total transportation revenue	164	156	623	561
Storage revenue	4	4	16	18
Total	\$ 168	\$ 160	\$ 639	\$ 579
Degree Days				
Heating - Eastern Region				
Actual	1,990	1,800	4,930	5,235
Normal	1,942	1,969	5,591	5,586
Heating - Western Region				
Actual	1,868	1,837	4,892	1,876
Normal	2,189	2,189	5,569	2,226
LDC Natural Gas Customers (Average)				
Total LDC natural gas customers				
Residential	2,164,889	2,138,875	2,159,485	2,140,679
Commercial	163,805	162,532	164,050	162,723
Industrial	1,830	1,817	1,822	1,819
Other	29	23	27	22
Total	2,330,553	2,303,247	2,325,383	2,305,243
LDC Natural Gas Delivery (mmcf)				
Total LDC natural gas throughput				
Residential	64,856	58,696	179,283	133,800
Commercial	39,920	40,527	131,762	83,329
Industrial	48,743	42,135	182,204	145,760
Other	76,925	70,540	290,833	234,853
Total	230,443	211,897	784,081	597,742
Gas Transmission²				
Natural Gas Liquids sales (million gallons)	24.3	18.6	94.1	85.0
Average Realized NGL Price with Hedging (\$/gal)	\$0.85	\$0.61	\$0.69	\$0.54
Dominion Energy Solutions				
Unregulated Energy Customer Accounts (Average)				
Natural Gas	350,487	332,430	340,171	328,069
Products and Services	966,302	1,066,536	1,065,281	1,048,338
Total	1,316,789	1,398,966	1,405,452	1,376,407
Volumes Sold				
Natural Gas (mmcf)	18,101	16,784	59,434	60,327

Note: Figures may not add due to rounding.

¹⁾ 2016 amounts include Dominion Energy Questar operations as of Sept 16, 2016.

²⁾ Does not include NGL sales at Dominion Energy Questar Pipeline.

2017 Weather Variance

Dominion Energy - Effect of weather compared to normal ¹

Description	Pre-tax Impact (\$millions)				
	1Q17	2Q17	3Q17	4Q17	FY2017
Gas Distribution ²	(\$8)	(\$2)	(\$0)	\$1	(\$9)
Electric Distribution ³	(26)	(7)	(3)	3	(32)
Electric Transmission ³	(0)	(0)	(0)	0	(0)
Utility Generation ⁴	(54)	(14)	(7)	6	(68)
Earnings Impact (pre-tax)	(\$87)	(\$22)	(\$10)	\$10	(\$109)

Description	After-tax Impact (\$millions)				
	1Q17	2Q17	3Q17	4Q17	FY2017
Gas Distribution ²	(\$5)	(\$1)	(\$0)	\$1	(\$6)
Electric Distribution ³	(16)	(4)	(2)	2	(20)
Electric Transmission ³	(0)	(0)	(0)	0	(0)
Utility Generation ⁴	(33)	(8)	(4)	4	(42)
Earnings Impact (after-tax)	(\$53)	(\$14)	(\$6)	\$6	(\$67)

Dominion Energy - Effect of weather compared to prior period ¹

Description	Pre-tax Impact (\$millions)				
	1Q17 v. '16	2Q17 v. '16	3Q17 v. '16	4Q17 v. '16	FY17 v. '16
Gas Distribution ²	(\$4)	(\$3)	\$1	\$3	(\$4)
Electric Distribution ³	(17)	7	(21)	8	(22)
Electric Transmission ³	(0)	0	(0)	0	(0)
Utility Generation ⁴	(35)	16	(54)	16	(58)
Earnings Impact (pre-tax)	(\$56)	\$20	(\$75)	\$26	(\$85)

Description	After-tax Impact (\$millions)				
	1Q17 v. '16	2Q17 v. '16	3Q17 v. '16	4Q17 v. '16	FY17 v. '16
Gas Distribution ²	(\$3)	(\$2)	(\$0)	\$2	(\$3)
Electric Distribution ³	(10)	4	(13)	5	(14)
Electric Transmission ³	(0)	0	(0)	0	(0)
Utility Generation ⁴	(21)	9	(33)	9	(36)
Earnings Impact (after-tax)	(\$34)	\$11	(\$46)	\$16	(\$53)

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 & Liquidity

Schedule of Long-Term Debt

Unaudited

(\$ in millions)

	At 12/31 2016	At 03/31 2017	At 06/30 2017	At 09/30 2017	At 12/31 2017
Dominion Energy, Inc.					
Unsecured Senior Notes:					
Variable rates, due 2019 and 2020	\$ -	\$ -	\$ 500	\$ 500	\$ 800
1.25% to 6.4%, due 2017 to 2022	\$ 5,750	\$ 6,150	\$ 6,150	\$ 5,800	\$ 5,800
2.85% to 7.0%, due 2024 to 2044	\$ 4,649	\$ 5,049	\$ 5,049	\$ 5,049	\$ 5,049
Unsecured Debentures and Senior Notes (previously issued by CNG):					
6.8% and 6.875%, due 2026 and 2027	\$ 89	\$ 89	\$ 89	\$ 89	\$ 89
Term Loan, variable rate, due 2017 ¹	\$ 250	\$ 250	\$ 250	\$ -	\$ -
Unsecured Senior and Medium Term Notes: ¹					
5.31% to 6.85%, due 2017 and 2018	\$ 135	\$ 135	\$ 135	\$ 135	\$ 120
2.98% to 7.2%, due 2024 to 2051	\$ 500	\$ 500	\$ 500	\$ 500	\$ 600
Term Loans, variable rates, due 2023 and 2024 ²	\$ 405	\$ 405	\$ 674	\$ 662	\$ 638
Tax-Exempt Financing, 1.55%, due 2033 ²	\$ 27	\$ 27	\$ 27	\$ 27	\$ 27
Tax-Exempt Financing, variable rate, due 2041 ³	\$ 75	\$ 75	\$ 75	\$ -	\$ -
Unsecured Junior Subordinated Notes:					
2.579% to 4.104%, due 2019 to 2021 ⁴	\$ 1,100	\$ 1,100	\$ 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, 1.5% and 2.0%, due 2020 to 2024 ⁴	\$ 2,400	\$ 2,400	\$ 1,400	\$ 1,400	\$ 1,400
Virginia Electric and Power Company					
Unsecured Senior Notes:					
1.2% to 7.25%, due 2017 to 2022	\$ 2,554	\$ 2,554	\$ 2,552	\$ 1,952	\$ 1,950
2.75% to 8.875%, due 2023 to 2047	\$ 7,190	\$ 7,940	\$ 7,940	\$ 8,690	\$ 8,690
Tax-Exempt Financings:					
Variable rates, due 2017 to 2027	\$ 175	\$ 175	\$ 100	\$ 100	\$ 100
1.75% to 5.6%, due 2023 to 2041	\$ 678	\$ 678	\$ 678	\$ 678	\$ 678
Dominion Energy Gas Holdings, LLC					
Unsecured Senior Notes:					
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 ⁵	\$ 2,413	\$ 2,416	\$ 2,436	\$ 2,445	\$ 2,450
Dominion Energy Midstream Partners, LP					
Term Loan, variable rate, due 2019	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Unsecured Senior and Medium Term Notes: ⁶					
5.83% and 6.48%, due 2018	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255
4.875%, due 2041	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180
Total Principal Amount	\$ 32,192	\$ 33,745	\$ 34,457	\$ 33,929	\$ 34,293
Fair Value Hedge Valuation	(1)	(4)	2	(4)	(22)
Amounts Due Within One Year ⁷	(1,709)	(2,391)	(4,050)	(2,788)	(3,078)
Unamortized Discount, Premium and Debt Issuance Costs, net	(251)	(254)	(254)	(251)	(245)
Total Long-Term Debt	\$ 30,231	\$ 31,096	\$ 30,155	\$ 30,886	\$ 30,948

¹⁾ Represents debt obligations of Dominion Energy Questar Corporation and Questar Gas Company.

²⁾ Represents debt obligations of certain Dominion Generation, Inc. subsidiaries.

³⁾ In August 2017, Dominion Energy retired its \$75 million variable rate MDFA Solid Waste Disposal Revenue Bonds, Series 2010B, that would otherwise have matured in December 2041.

⁴⁾ In May 2017, the 2014 Series A Remarketable Subordinated Notes due 2020 were remarketed as Junior Subordinated Notes pursuant to the terms of the 2014 Equity Units. In connection with the remarketing, the interest rate was reset to 2.579%, payable on a semi-annual basis and Dominion Energy ceased to have the ability to redeem the notes at its option or defer interest payments.

⁵⁾ Amount includes foreign currency remeasurement adjustments.

⁶⁾ Represents debt obligations of Dominion Energy Questar Pipeline, LLC.

⁷⁾ At December 31, 2017, excludes \$250 million of Dominion Energy Questar Pipeline, LLC's senior notes that mature 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.

Schedule of Debt Maturities

As of December 31, 2017

(\$ in millions)

	<u>Due Date</u>	<u>DEI</u>	<u>VEPCO</u>	<u>DEGH¹</u>	<u>DEM²</u>	<u>Other</u>	<u>Total</u>
2018							
1.20% 2013 Series A Senior Notes	01/15/18	-	250.0	-	-	-	250.0
5.83% Senior Notes (Dominion Energy Questar Pipeline, LLC)	02/01/18	-	-	-	250.0	-	250.0
2.125% 2016 Series A Private Placement Senior Notes	02/15/18	500.0	-	-	-	-	500.0
5.31% Series E Medium-term Notes (Questar Gas Co)	03/15/18	-	-	-	-	70.0	70.0
6.30% Senior Notes (Questar Gas Co)	04/01/18	-	-	-	-	50.0	50.0
5.40% 2008 Series A Senior Notes	04/30/18	-	600.0	-	-	-	600.0
6.40% 2008 Series A Senior Notes	06/15/18	500.0	-	-	-	-	500.0
1.90% 2015 Series A Senior Notes	06/15/18	500.0	-	-	-	-	500.0
1.50% 2016 Series E Private Placement Senior Notes	09/30/18	300.0	-	-	-	-	300.0
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)	multiple	-	-	-	-	19.7	19.7
2017 Term Loan (variable) (Dominion Solar Projects III)	multiple	-	-	-	-	15.9	15.9
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.2	-	-	-	0.2
2018 Total		2,050.0	850.2	-	255.0	155.6	3,310.8
2019							
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
2019 Total		3,150.0	350.2	450.0	300.0	36.3	4,286.5
2020							
2.579% Junior Subordinated Notes	07/01/20	1,000.0	-	-	-	-	1,000.0
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
2020 Total		1,300.0	0.3	700.0	-	34.8	2,035.1
2021							
4.45% 2011 Series A Senior Notes	03/15/21	500.0	-	-	-	-	500.0
4.104% Junior Subordinated Notes	04/01/21	550.0	-	-	-	-	550.0
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
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
2021 Total		2,150.0	0.3	-	-	35.1	2,185.4
2022							
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
2022 Total		750.0	750.3	-	-	33.7	1,534.0
Total		\$9,400.0	\$1,951.3	\$ 1,150.0	\$555.0	\$ 295.5	\$ 13,351.8

¹⁾ Dominion Energy Gas Holdings, LLC (DEGH)²⁾ Dominion Energy Midstream Partners, LLC (DEM)

Schedule of Liquidity Position

As of December 31, 2017

(\$ in millions)

Total Committed Bank Lines	\$	5,500
Less:		
Commercial Paper Outstanding		3,298
Letters of Credit Issued		76
Funded Loans		-
Total Available Capacity		<u>2,126</u>
Cash & Short-Term Investments On Hand*		70
Total Liquidity Available	\$	<u>2,197</u>

*Represents aggregate collected cash balances; not ledger balances per financial statements, which totaled \$120 million at 12/31/2017.

Totals may not add due to rounding

Committed bank lines consist of the following:

A \$4.0 billion revolving credit facility entered into by Dominion Energy, Inc. (“DEI”), Virginia Electric and Power Company (“VEPCO”), and Dominion Energy Gas Holdings, LLC (“DGH”) on May 19, 2014. On January 19, 2016, this facility was increased to \$5.0 billion. On May 19, 2016, the maturity of the facility was extended from April 2019 to April 2020. On November 10, 2016, Questar Gas was added as a direct borrower.

A \$500 million revolving credit facility entered into by DEI, VEPCO, and DGH on May 30, 2014. On May 19, 2016, the maturity of the facility was extended from April 2019 to April 2020. On November 10, 2016, Questar Gas was added as a direct borrower.

Additionally, VEPCO maintains a \$120 million revolving credit facility (not reflected in table above) that was amended and restated on May 19, 2016 in order to extend the maturity date of the facility to April 2020. This facility is dedicated to certain tax-exempt bond issuances by VEPCO. On October 4, 2016, this facility was reduced from \$120 million to \$100 million.

Schedule of Change in Capitalization

From December 31, 2016 to December 31, 2017

(\$ in millions)

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

Balance as of December 31, 2016		\$31,940
Issuances:		
DEI 2015 Series B 3.90% Senior Notes (Reopen) due 2025	100	
DEI 2017 Series A 1.875% Senior Notes due 2019	400	
DEI 2017 Series B 2.75% Senior Notes due 2022	400	
DEI 2017 Series C 3.496% Private Placement Senior Notes due 2024	300	
DEI 2017 Series D Private Placement Senior Notes (variable) due 2019	500	
DEI 2017 Series E Private Placement Senior Notes (variable) due 2020	300	
VEPCO 2013 Series C 2.75% Senior Notes (Reopen) due 2023	200	
VEPCO 2017 Series A 3.50% Senior Notes due 2027	750	
VEPCO 2017 Series B 3.80% Senior Notes due 2047	550	
QGC 2017 Series A 3.38% Private Placement Senior Notes due 2032	100	
DSP III 2017 Term Loan (variable) due 2024	280	
	<u>3,880</u>	¹
Maturities:		
DEI 2014 Series A 1.25% Senior Notes due 2017	(400)	
DEI 2012 Series A 1.40% Senior Notes due 2017	(350)	
DEI 2010 Series B MDFA Revenue Bonds (variable) due 2041 ²	(75)	
VEPCO 2007 Series B 5.95% Senior Notes due 2017	(600)	
VEPCO 2011 Series A EDA Chesterfield County (variable) due 2017	(75)	
VEPCO 2004 Series A 7.25% Senior Notes due 2017	(4)	
QGC 1997 Series C 6.85% Medium-term Notes due 2017	(15)	
DEQC 2016 Term Loan (variable) due 2017	(250)	
DSP III 2017 Term Loan (variable) due 2024	(12)	
SBL Holdco 2016 Term Loan (variable) due 2023	(35)	
	<u>(1,816)</u>	¹
Other:		
Change in Foreign Currency Remeasurement Adjustment	37	
Change in Fair Value Hedges, Net Discount/Premium and Debt Issuance Costs	(15)	
	<u>22</u>	
Balance as of December 31, 2017		\$34,026
Change in Shareholders' Equity		
Balance as of December 31, 2016		\$16,840
Issuance of Common Stock, Net	1,315	
Changes in AOCI:		
Net Other Comprehensive Gain (Loss) associated with effective portion of changes in fair value of derivatives designated as cash flow hedges, net of taxes and amounts reclassified to earnings:		
Interest Rate	28	
Electricity	(35)	
Gas	(12)	
Foreign currency	(2)	
NGL and Other	(1)	
	<u>(22)</u>	
Other changes in Net Other Comprehensive Income ³	162	
Net change in AOCI	140	
Change in Retained Earnings	<u>1,082</u>	
Net change in Common Shareholder's Equity		2,537
Noncontrolling Interests		(7)
Net change in Equity		<u>2,530</u>
Balance as of December 31, 2017		\$19,370

¹⁾ Excludes the \$1 billion 2014 Series A Remarketable Subordinated Notes that were remarketed as Junior Subordinated Notes in May 2017.

²⁾ Retired early in August 2017.

³⁾ Primarily reflects a net increase in unrealized gains on investments held in nuclear decommissioning trusts, and changes related to pension and OPEB benefit plans.

Hedging

Power, Capacity and NGL Hedge Positions

Merchant Generation Power & Fuel	Net Summer Capacity (MW)	2017	2018
Hedge Positions ¹			
Millstone	2,001	100%	— ²
Manchester	461	100%	29%
Fairless	1,196	100%	12%
Total Merchant Generation ³	3,658	100%	—⁴
Merchant Generation Capacity (EFOR Adjusted)		2017	2018
Millstone & Manchester (MW)		2,467	2,467
Average Capacity Hedge Price (\$/KW - month)		\$5.40	\$8.63
Fairless (MW)		1,193	1,193
Average Capacity Hedge Price (\$/KW - month)		\$4.39	\$5.93
NGL		2017	2018
Estimated annual NGL sales (in million gallons) ⁵		94	90 - 110
Amount hedged (in million gallons)		61.1	51.1
Average hedge price per gallon ⁶		\$0.74	\$0.85

- 1) Hedge percentages are calculated based on the weighted-average of:
 - 1) actual results which are considered to be 100% hedged, and 2) balance of year hedge percentages. Capacity shown is net summer capacity. Assume capacity remains constant in all periods shown.
- 2) Millstone 2018 hedging percentage not disclosed pending CT process.
- 3) Annual percentage calculations are capacity-weighted. Excludes renewable assets.
- 4) See note 2.
- 5) Represents Dominion Energy's production interest primarily from the Hastings plant.
- 6) Average hedge price is based on a basket of liquids products at Mt. Belvieu hub: propane (52%), normal butane (17%), iso-butane (10%) and natural gasoline (21%).

Reconciliation of Forecast and Outlook

Reconciliation of Operating Earnings Guidance

4Q17 Operating Earnings Summary

(millions, except per share amounts)

Description	4Q16	Range of 4Q17		4Q17
	Actual	Low	High	Actual
Power Delivery Group Adjusted EBITDA	\$402	\$415	\$465	\$446
Depreciation, Depletion and Amortization	139	150	150	150
Power Delivery Group Adjusted EBIT	263	265	315	296
Power Generation Group Adjusted EBITDA	\$633	\$505	\$570	\$556
Depreciation, Depletion and Amortization	174	180	185	188
Power Generation Group Adjusted EBIT	459	325	385	368
Gas Infrastructure Group Adjusted EBITDA	\$546	\$600	\$645	\$635
Depreciation, Depletion and Amortization	124	135	135	136
Gas Infrastructure Group Adjusted EBIT	422	465	510	499
Corporate and Other & Eliminations Adjusted EBIT	(11)	(20)	(10)	(36)
Total Adjusted EBIT	\$1,133	\$1,035	\$1,200	\$1,127
Consolidated Interest	292	295	285	300
Consolidated Income Taxes	189	220	245	221
Noncontrolling Interests	34	25	15	21
Operating Earnings	\$618	\$495	\$655	\$585
Average Diluted Shares Outstanding	627.1	645	643	643.9
Operating EPS Range	\$0.99	\$0.77	\$1.02	\$0.91

4Q17 Operating EPS Guidance Range**\$0.80****\$1.00****4Q17 Operating EPS Actual >>>****\$0.91****Notes:**

For additional detail on items excluded from operating earnings see the GAAP Reconciliation schedules on pages 33-36.

For additional detail on Adjusted EBIT and Adjusted EBITDA see Segment Results on pages 15-18.

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

2017 Operating Earnings Summary*(millions, except per share amounts)*

Description	2016	Range of 2017		2017
	Actual	Low	High	Actual
Power Delivery Group Adjusted EBITDA	\$1,573	\$1,685	\$1,795	\$1,723
Depreciation, Depletion and Amortization	537	575	580	593
Power Delivery Group Adjusted EBIT	1,036	1,110	1,215	1,130
Power Generation Group Adjusted EBITDA	\$2,673	\$2,625	\$2,795	\$2,670
Depreciation, Depletion and Amortization	662	780	780	747
Power Generation Group Adjusted EBIT	2,011	1,845	2,015	1,923
Gas Infrastructure Group Adjusted EBITDA ¹	\$1,569	\$1,980	\$2,105	\$2,111
Depreciation, Depletion and Amortization	330	520	520	522
Gas Infrastructure Group Adjusted EBIT	1,239	1,460	1,585	1,589
Corporate and Other & Eliminations Adjusted EBIT	(68)	(20)	0	(113)
Total Adjusted EBIT	\$4,218	\$4,395	\$4,815	\$4,529
Consolidated Interest	992	1,250	1,230	1,204
Consolidated Income Taxes	790	900	950	915
Noncontrolling Interests	89	120	115	121
Operating Earnings	\$2,347	\$2,125	\$2,520	\$2,289
Average Diluted Shares Outstanding	617.1	638	636	636.0
Operating EPS Range	\$3.80	\$3.33	\$3.97	\$3.60

2017 Operating EPS Guidance Range	\$3.40	\$3.90
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2017 Operating EPS Actual >>>	\$3.60
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Notes:

¹⁾ Includes Dominion Energy Questar operations effective September 2016.

For additional detail on items excluded from operating earnings see the GAAP Reconciliation schedules on pages 33-36.

For additional detail on Adjusted EBIT and Adjusted EBITDA see Segment Results on pages 15-18.

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 2017 Consolidated Reported Earnings to Operating Earnings

Unaudited Income Statements
(millions, except per share amounts)

	Three Months Ended December 31, 2017			Year Ended December 31, 2017		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
Operating Revenue	\$ 3,210	\$ (1) (a)	\$ 3,209	\$ 12,586	\$ (4) (a)	\$ 12,582
Operating Expenses						
Electric fuel and other energy-related purchases	590	-	590	2,301	-	2,301
Purchased (excess) electric capacity	14	-	14	6	-	6
Purchased gas	260	-	260	701	(1) (a)	700
Other operations and maintenance	709	(53) (a), (c)	656	2,875	(108) (a), (c)	2,767
Depreciation, depletion and amortization	484	-	484	1,905	-	1,905
Other taxes	149	(1) (c)	148	668	(1) (a), (c)	667
Total operating expenses	2,206	(54)	2,152	8,456	(110)	8,346
Income from operations	1,004	53	1,057	4,130	106	4,236
Other income (loss)	(84)	154 (a), (b), (d)	70	165	128 (a), (b), (c), (d)	293
Income including noncontrolling interests before interest and income taxes	920	207	1,127	4,295	234	4,529
Interest and related charges	300	-	300	1,205	(1) (a)	1,204
Income including noncontrolling interests before income taxes	620	207	827	3,090	235	3,325
Income taxes	(713)	934 (e), (f)	221	(30)	945 (e), (f)	915
Income including noncontrolling interests	1,333	(727)	606	3,120	(710)	2,410
Noncontrolling interests	21	-	21	121	-	121
Earnings	\$ 1,312	\$ (727)	\$ 585	\$ 2,999	\$ (710)	\$ 2,289
Earnings Per Share - Diluted	\$ 2.04	\$ (1.13)	\$ 0.91	\$ 4.72	\$ (1.12)	\$ 3.60
Average shares outstanding, diluted	643.9		643.9	636.0		636.0

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) 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.
(f) Remeasurement of deferred tax balances.

Note: Figures may not add due to rounding

Reconciliation of 2016 Consolidated Reported Earnings to Operating Earnings

Unaudited Income Statements (millions, except per share amounts)

	Three Months Ended December 31, 2016			Year Ended December 31, 2016		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
Operating Revenue	\$ 3,086	\$ 18 (b)	\$ 3,104	\$ 11,737	\$ 18 (b)	\$ 11,755
Operating Expenses						
Electric fuel and other energy-related purchases	542	-	542	2,333	-	2,333
Purchased (excess) electric capacity	(8)	-	(8)	99	-	99
Purchased gas	207	-	207	459	-	459
Other operations and maintenance	931	(231) (e), (f), (g)	700	3,064	(353) (a), (b), (e), (f), (g)	2,711
Depreciation, depletion and amortization	447	-	447	1,559	9 (b)	1,568
Other taxes	148	-	148	596	(5) (a), (b)	591
Total operating expenses	2,267	(231)	2,036	8,110	(349)	7,761
Income from operations	819	249	1,068	3,627	367	3,994
Other income (loss)	61	4 (b), (d)	65	250	(26) (b), (d)	224
Income including noncontrolling interests before interest and income taxes	880	253	1,133	3,877	341	4,218
Interest and related charges	295	(3) (e)	292	1,010	(18) (b), (e)	992
Income including noncontrolling interests before income taxes	585	256	841	2,867	359	3,226
Income taxes	94	95 (c)	189	655	135 (c)	790
Income including noncontrolling interests	491	161	652	2,212	224	2,436
Noncontrolling interests	34	-	34	89	-	89
Earnings	\$ 457	\$ 161	\$ 618	\$ 2,123	\$ 224	\$ 2,347
Earnings Per Share - Diluted	\$ 0.73	\$ 0.26	\$ 0.99	\$ 3.44	\$ 0.36	\$ 3.80
Average shares outstanding, diluted	627.1		627.1	617.1		617.1

Adjustments to Reported Earnings

- (a) Items associated with the organizational design initiative.
- (b) Other miscellaneous items.
- (c) Income tax provisions associated with adjustments to reported earnings.
- (d) Net gain/loss on our investment in nuclear decommissioning trust funds.
- (e) Transaction and transition costs associated with Dominion Energy Questar combination.
- (f) Items associated with ash pond and landfill closure costs at certain utility power stations.
- (g) Restoration costs associated with Hurricane Matthew.

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 December 31, 2017			Year Ended December 31, 2017		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
Operating Revenue	\$ 163	\$ (1) (a)	\$ 162	\$ 626	\$ (4) (a)	\$ 622
Operating Expenses						
Electric fuel and other energy-related purchases	-	-	-	-	-	-
Purchased (excess) electric capacity	-	-	-	-	-	-
Purchased gas	1	-	1	3	(1) (a)	2
Other operations and maintenance	208	(53) (a), (c)	155	702	(108) (a), (c)	594
Depreciation, depletion and amortization	10	-	10	43	-	43
Other taxes	6	(1) (c)	5	28	(1) (a), (c)	27
Total operating expenses	225	(54)	171	776	(110)	666
Income from operations	(62)	53	(9)	(150)	106	(44)
Other income (loss)	(124)	154 (a), (b), (d)	30	(42)	128 (a), (b), (c), (d)	86
Income including noncontrolling interests before interest and income taxes	(186)	207	21	(192)	234	42
Interest and related charges	162	-	162	643	(1) (a)	642
Income including noncontrolling interests before income taxes	(348)	207	(141)	(835)	235	(600)
Income taxes	(923)	934 (e), (f)	11	(1,224)	945 (e), (f)	(279)
Income including noncontrolling interests	575	(727)	(152)	389	(710)	(321)
Noncontrolling interests	-	-	-	-	-	-
Earnings	\$ 575	\$ (727)	\$ (152)	\$ 389	\$ (710)	\$ (321)
Earnings Per Share - Diluted	\$ 0.90	\$ (1.13)	\$ (0.23)	\$ 0.62	\$ (1.12)	\$ (0.50)
Average shares outstanding, diluted	643.9		643.9	636.0		636.0

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) 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.
- (f) Remeasurement of deferred tax balances.

Note: Figures may not add due to rounding

Reconciliation of 2016 Corporate and Other Reported Earnings to Operating Earnings

Unaudited Income Statements (millions, except per share amounts)

	Three Months Ended December 31, 2016			Year Ended December 31, 2016		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
Operating Revenue	\$ 125	\$ 18 (b)	\$ 143	\$ 602	\$ 18 (b)	\$ 620
Operating Expenses						
Electric fuel and other energy-related purchases	-	-	-	-	-	-
Purchased (excess) electric capacity	-	-	-	-	-	-
Purchased gas	1	-	1	3	-	3
Other operations and maintenance	353	(231) (e), (f), (g)	122	943	(353) (a), (b), (e), (f), (g)	590
Depreciation, depletion and amortization	10	-	10	30	9 (b)	39
Other taxes	5	-	5	31	(5) (a), (b)	26
Total operating expenses	369	(231)	138	1,007	(349)	658
Income from operations	(244)	249	5	(405)	367	(38)
Other income (loss)	4	4 (b), (d)	8	74	(26) (b), (d)	48
Income including noncontrolling interests before interest and income taxes	(240)	253	13	(331)	341	10
Interest and related charges	157	(3) (e)	154	516	(18) (b), (e)	498
Income including noncontrolling interests before income taxes	(397)	256	(141)	(847)	359	(488)
Income taxes	(159)	95 (c)	(64)	(363)	135 (c)	(228)
Income including noncontrolling interests	(238)	161	(77)	(484)	224	(260)
Noncontrolling interests	-	-	-	-	-	-
Earnings	\$ (238)	\$ 161	\$ (77)	\$ (484)	\$ 224	\$ (260)
Earnings Per Share - Diluted	\$ (0.38)	\$ 0.26	\$ (0.12)	\$ (0.78)	\$ 0.36	\$ (0.42)
Average shares outstanding, diluted	627.1		627.1	617.1		617.1

Adjustments to Reported Earnings

- (a) Items associated with the organizational design initiative.
- (b) Other miscellaneous items.
- (c) Income tax provisions associated with adjustments to reported earnings.
- (d) Net gain/loss on our investment in nuclear decommissioning trust funds.
- (e) Transaction and transition costs associated with Dominion Energy Questar combination.
- (f) Items associated with ash pond and landfill closure costs at certain utility power stations.
- (g) Restoration costs associated with Hurricane Matthew.

Note: Figures may not add due to rounding

Reconciliation of 2017 Reported Earnings to 2017 Operating Earnings

Unaudited, Operating Segments

(millions, except per share amounts)

Description	2017 Reported	Adjustments	2017 Operating
Power Delivery Adjusted EBITDA	\$1,723		\$1,723
DD&A	593		593
Power Delivery Adjusted EBIT	1,130		1,130
Power Generation Adjusted EBITDA	2,670		2,670
DD&A	747		747
Gas Infrastructure Adjusted EBIT	1,923		1,923
Gas Infrastructure Adjusted EBITDA	2,111		2,111
DD&A	522		522
Power Generation Adjusted EBIT	1,589		1,589
Corporate and Other & Eliminations Adjusted EBIT	(347)	234	(a), (b), (c), (d) (113)
Total Adjusted EBIT	\$4,295	\$234	\$4,529
Consolidated Interest	1,205	(1) (a)	1,204
Consolidated Income Taxes	(30)	945 (e), (f)	915
Noncontrolling Interests	121	0	121
Earnings	\$2,999	(\$710)	\$2,289
Average Diluted Shares Outstanding	636.0	636.0	636.0
Reported EPS	\$4.72	---	---
Adjustments to reported earnings	---	(\$1.12)	---
Operating EPS	---	---	\$3.60

Note: Totals may not add due to rounding**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) 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.
- (f) Remeasurement of deferred tax balances.

Reconciliation of 2016 Reported Earnings to 2016 Operating Earnings

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

Description	2016 Reported	Adjustments	2016 Operating
Power Delivery Adjusted EBITDA	\$1,573		\$1,573
DD&A	537		537
Power Delivery Adjusted EBIT	1,036		1,036
Power Generation Adjusted EBITDA	2,673		2,673
DD&A	662		662
Gas Infrastructure Adjusted EBIT	2,011		2,011
Gas Infrastructure Adjusted EBITDA	1,569		1,569
DD&A	330		330
Power Generation Adjusted EBIT	1,239		1,239
Corporate and Other & Eliminations Adjusted EBIT	(409)	341	(68)
Total Adjusted EBIT	\$3,877	\$341	\$4,218
Consolidated Interest	1,010	(18)	992
Consolidated Income Taxes	655	135	790
Noncontrolling Interests	89	0	89
Earnings	\$2,123	\$224	\$2,347
Average Diluted Shares Outstanding	617.1	617.1	617.1
Reported EPS	\$3.44	---	---
Adjustments to reported earnings	---	\$0.36	---
Operating EPS	---	---	\$3.80

Note: Totals may not add due to rounding**Adjustments to Reported Earnings**

- (a) Net gain/loss of our investment in nuclear decommissioning trust funds.
- (b) Items associated with the organizational design initiative.
- (c) Transaction and transition costs associated with Dominion Questar combination.
- (d) Items associated with ash pond and landfill closure costs at certain utility power stations.
- (e) Restoration costs associated with Hurricane Matthew.
- (f) Other miscellaneous items.
- (g) Income tax provisions associated with adjustments to reported earnings.

Reconciliation of 4Q17 Reported Earnings to 4Q17 Operating Earnings

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

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

Note: Totals may not add due to rounding**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.

Reconciliation of 4Q16 Reported Earnings to 4Q16 Operating Earnings

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

Description	4Q16 Reported	Adjustments	4Q16 Operating
Power Delivery Adjusted EBITDA	\$402		\$402
DD&A	139		139
Power Delivery Adjusted EBIT	263		263
Power Generation Adjusted EBITDA	633		633
DD&A	174		174
Gas Infrastructure Adjusted EBIT	459		459
Gas Infrastructure Adjusted EBITDA	546		546
DD&A	124		124
Power Generation Adjusted EBIT	422		422
Corporate and Other & Eliminations Adjusted EBIT	(264)	253	(11)
Total Adjusted EBIT	\$880	\$253	\$1,133
Consolidated Interest	295	(3)	292
Consolidated Income Taxes	94	95	189
Noncontrolling Interests	34	0	34
Earnings	\$457	\$161	\$618
Average Diluted Shares Outstanding	627.1	627.1	627.1
Reported EPS	\$0.73	---	---
Adjustments to reported earnings	---	\$0.26	---
Operating EPS	---	---	\$0.99

Note: Totals may not add due to rounding**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) Items associated with ash pond and landfill closure costs at certain utility power stations.
- (d) Restoration costs associated with Hurricane Matthew.
- (e) Other miscellaneous items.
- (f) Income tax provisions associated with adjustments to reported earnings.

2018 Earnings Expectations

Earnings Per Share (diluted)

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

1Q 2018 Operating Earnings (estimate):	\$0.95 - \$1.15
FY 2018 Operating Earnings (estimate):	\$3.80 - \$4.25

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

1. In providing its first-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 first-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 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.