



Dominion[®]

**Alternate Breakdown
Structure (ABS)
Supplement**

August 3, 2016

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Important Notes to Investors

This supplement contains certain forward-looking statements, including our forecasted operating earnings for the third-quarter and full-year 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 expected timing and likelihood of completion of the proposed acquisition of Questar, receipt and terms and conditions of required regulatory approvals, the receipt of regulatory approvals for, and timing of, other planned projects, 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.

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 for the most recent updates.

Guidance Reconciliations

Reconciliation of 2Q16 Operating Earnings to Guidance

Unaudited, Alternate Breakdown Structure

(millions, except per share amounts)

Description	2Q15	Range of 2Q16		2Q16
	Actual	Low	High	Actual
Virginia Electric & Power Co. Adjusted EBITDA				
Electric Distribution	\$209	\$180	\$205	\$181
Electric Transmission	165	175	185	182
Utility Generation	402	425	460	446
VEPCO Corporate & Other	0	0	0	0
VEPCO DD&A	231	250	255	247
Subtotal VEPCO Adjusted EBIT	545	530	595	562
Gas Operations Adjusted EBITDA				
Gas Distribution	\$81	\$80	\$90	\$88
Gas Transmission	205	235	255	257
Gas Operations DD&A	64	65	65	65
Subtotal Gas Operations Adjusted EBIT	222	250	280	280
Merchant Generation Adjusted EBITDA				
Merchant Generation DD&A	\$144	\$65	\$85	\$79
Subtotal Merchant Generation Operations Adjusted EBIT	34	40	40	40
Corporate and Other & Eliminations Adjusted EBIT	(21)	(35)	(35)	(40)
Total Adjusted EBIT	\$856	\$770	\$885	\$841
Consolidated Interest	221	240	230	239
Consolidated Income Taxes	201	140	165	151
Noncontrolling Interests	5	10	10	10
Operating Earnings	\$429	\$380	\$480	\$441
Average Diluted Shares Outstanding	592.5	614	612	617.0
Operating EPS Range	\$0.73	\$0.62	\$0.78	\$0.71
2Q16 Operating EPS Guidance Range		\$0.65	\$0.75	

Note: Figures may not add due to rounding

2Q16 Operating EPS Actual >>> \$0.71

Note: 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 2Q15 and 2Q16.

Guidance

3Q16 Operating Earnings Guidance

Unaudited, Alternate Breakdown Structure

(millions, except per share amounts)

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

Note: Figures may not add due to rounding

Note: 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 3Q15.

GAAP Reconciliations

Reconciliation of 2Q16 Reported Earnings to Operating Earnings

Unaudited, Alternate Breakdown Structure¹

(millions, except per share amounts)

Description	2Q16 Reported	Adjustments	2Q16 Operating
Virginia Electric & Power Co. Adjusted EBITDA			
Electric Distribution	\$181		\$181
Electric Transmission	182		182
Utility Generation	446		446
Virginia Power - Corporate & Other	9	(9)	0
VEPCO DD&A	247		247
Subtotal VEPCO Adjusted EBIT	571	(9)	562
Gas Operations Adjusted EBITDA			
Gas Distribution	88		88
Gas Transmission	257		257
Gas Operations DD&A	65		65
Subtotal Gas Operations Adjusted EBIT	280		280
Merchant Generation Operations Adjusted EBITDA			
	79		79
Merchant Generations Operations DD&A	40		40
Subtotal Merchant Generation Operations Adjusted EBIT	39		39
Corporate, Other & Eliminations Adjusted EBIT			
	(37)	(3)	(40)
Total Adjusted EBIT	\$853	(\$12)	\$841
Consolidated Interest	239		239
Consolidated Income Taxes	152	(1)	151
Noncontrolling Interests	10		10
Earnings	\$452	(\$11)	\$441
Average Diluted Shares Outstanding	617.0	617.0	617.0
Reported EPS	\$0.73		
Adjustments		(\$0.02)	
Operating EPS			\$0.71

Adjustments to Reported Earnings:

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

¹ There are certain differences between segment reporting and the alternate breakdown structure.

Reconciliation of 2Q15 Reported Earnings to Operating EarningsUnaudited, Alternate Breakdown Structure¹*(millions, except per share amounts)*

Description	2Q15 Reported	Adjustments	2Q15 Operating
Virginia Electric & Power Co. Adjusted EBITDA			
Electric Distribution	\$209		\$209
Electric Transmission	165		165
Utility Generation	402		402
Virginia Power - Corporate & Other	(43)	43	(a), (b) 0
VEPCO DD&A	231		231
Subtotal VEPCO Adjusted EBIT	502	43	545
Gas Operations Adjusted EBITDA			
Gas Distribution	81		81
Gas Transmission	205		205
Gas Operations DD&A	64		64
Subtotal Gas Operations Adjusted EBIT	222		222
Merchant Generation Operations Adjusted EBITDA			
Merchant Generations Operations DD&A	144		144
Subtotal Merchant Generation Operations Adjusted EBIT	34		34
Subtotal Merchant Generation Operations Adjusted EBIT	110		110
Corporate, Other & Eliminations Adjusted EBIT			
	(5)	(16)	(b) (21)
Total Adjusted EBIT	\$829	\$27	\$856
Consolidated Interest	221		221
Consolidated Income Taxes	190	11	(c) 201
Noncontrolling Interests	5		5
Earnings	\$413	\$16	\$429
Average Diluted Shares Outstanding	592.5	592.5	592.5
Reported EPS	\$0.70		
Adjustments		\$0.03	
Operating EPS			\$0.73

Adjustments to Reported Earnings:

- (a) Items associated with future ash pond and landfill closure costs at certain utility power stations.
(b) Net gain/loss of our investment in nuclear decommissioning trust funds.
(c) Income tax provisions associated with adjustments to reported earnings.

¹ There are certain differences between segment reporting and the alternate breakdown structure.

Reconciliation of 3Q15 Reported Earnings to Operating EarningsUnaudited, Alternate Breakdown Structure¹*(millions, except per share amounts)*

Description	3Q15 Reported	Adjustments	3Q15 Operating
Virginia Electric & Power Co. Adjusted EBITDA			
Electric Distribution	\$220		\$220
Electric Transmission	168		168
Utility Generation	619		619
Virginia Power - Corporate & Other	(9)	9	(a), (b) 0
VEPCO DD&A	244	(1)	243
Subtotal VEPCO Adjusted EBIT	754	10	764
Gas Operations Adjusted EBITDA			
Gas Distribution	73		73
Gas Transmission	266		266
Gas Operations DD&A	65		65
Subtotal Gas Operations Adjusted EBIT	274		274
Merchant Generation Operations Adjusted EBITDA			
Merchant Generations Operations DD&A	36		36
Subtotal Merchant Generation Operations Adjusted EBIT	143		143
Corporate, Other & Eliminations Adjusted EBIT			
	(37)	6	(a) (31)
Total Adjusted EBIT	\$1,134	\$16	\$1,150
Consolidated Interest	230	(3)	(b) 227
Consolidated Income Taxes	305	1	(c), (d) 306
Noncontrolling Interests	6		6
Earnings	\$593	\$18	\$611
Average Diluted Shares Outstanding	595.5	595.5	595.5
Reported EPS	\$1.00		
Adjustments		\$0.03	
Operating EPS			\$1.03

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.

¹ There are certain differences between segment reporting and the alternate breakdown structure.

VEPCO GAAP Reconciliations

Reconciliation of 2Q16 Reported Results to Operating Results

(Unaudited)

(millions)

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

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) Income tax provisions associated with adjustments to reported earnings.

Reconciliation of 2Q15 Reported Results to Operating Results

(Unaudited)

(millions)

Description	2Q15 Reported	Adjustments	2Q15 Operating
Adjusted EBITDA			
Electric Distribution	\$209		\$209
Electric Transmission	165		165
Utility Generation	402		402
Virginia Power - Corporate & Other	(43)	43	0
Total DD&A	231		231
Total Adjusted EBIT	\$502	43	\$545
Consolidated Interest	108		108
Consolidated Income Taxes	148	17	165
Net Income	\$246	26	\$272

Adjustments to Reported Earnings:

- (a) Items associated with future ash pond and landfill closure costs at certain utility power stations.
 (b) Net gain/loss of our investment in nuclear decommissioning trust funds.
 (c) Income tax provisions associated with adjustments to reported earnings.

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Reconciliation of 3Q15 Reported Results to Operating Results

(Unaudited)

(millions)

Description	3Q15 Reported	Adjustments		3Q15 Operating
Adjusted EBITDA				
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
Total Adjusted EBIT	\$754	10		\$764
Consolidated Interest	116	(2)	(b)	114
Consolidated Income Taxes	253	(2)	(d), (c)	251
Net Income	\$385	14		\$399

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.

2016 Earnings Expectations

Earnings Per Share (diluted)

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

3Q 2016 Operating Earnings (estimate): \$0.95 - \$1.10

FY 2016 Operating Earnings (estimate): \$3.60 - \$4.00

3Q 2016 Reported Earnings (estimate): See Note 1 below

FY 2016 Reported Earnings (estimate): See Note 1 below

1. In providing its third-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 third-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 expected timing and likelihood of completion of the proposed acquisition of Questar, receipt and terms and conditions of required regulatory approvals, the receipt of regulatory approvals for, and timing of, other planned projects, 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.