



**Dominion
Energy[®]**

**3rd Quarter 2017
Earnings Release
Kit**

October 30, 2017

Table of Contents

IMPORTANT NOTES TO INVESTORS	3
EARNINGS RELEASE AND ACCOMPANYING SCHEDULES	4
CONSOLIDATED STATEMENTS OF INCOME (GAAP).....	7
SCHEDULE 1 - SEGMENT REPORTED AND OPERATING EARNINGS.....	8
SCHEDULE 2 - RECONCILIATION OF 2017 REPORTED EARNINGS TO OPERATING EARNINGS	9
SCHEDULE 3 - RECONCILIATION OF 2016 REPORTED EARNINGS TO OPERATING EARNINGS	10
SCHEDULE 4 - RECONCILIATION OF 3Q17 EARNINGS TO 3Q16	11
FINANCIALS	12
CONSOLIDATED FINANCIAL STATEMENTS (GAAP).....	12
SEGMENT EARNINGS RESULTS	15
2017 WEATHER VARIANCE	22
FINANCE & LIQUIDITY	23
SCHEDULE OF LONG-TERM DEBT	23
SCHEDULE OF DEBT MATURITIES	24
SCHEDULE OF LIQUIDITY POSITION	25
SCHEDULE OF CHANGE IN CAPITALIZATION.....	26
HEDGING	27
RECONCILIATION OF FORECAST AND OUTLOOK	28
RECONCILIATION OF OPERATING EARNINGS GUIDANCE	28
GAAP RECONCILIATION	30
RECONCILIATION OF 2017 CONSOLIDATED REPORTED EARNINGS TO OPERATING EARNINGS	30
RECONCILIATION OF 2016 CONSOLIDATED REPORTED EARNINGS TO OPERATING EARNINGS	31
RECONCILIATION OF 2017 CORPORATE AND OTHER REPORTED EARNINGS TO OPERATING EARNINGS	32
RECONCILIATION OF 2016 CORPORATE AND OTHER REPORTED EARNINGS TO OPERATING EARNINGS	33
RECONCILIATION OF 3Q17 REPORTED EARNINGS TO 3Q17 OPERATING EARNINGS	34
RECONCILIATION OF 3Q16 REPORTED EARNINGS TO 3Q16 OPERATING EARNINGS	35
RECONCILIATION OF 4Q16 REPORTED EARNINGS TO 4Q16 OPERATING EARNINGS	36
2017 EARNINGS EXPECTATIONS	37

Important Notes to Investors

This 3Q17 Earnings Release Kit contains certain forward-looking statements, including our forecasted operating earnings for the fourth-quarter and full-year 2017 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 Energy'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 Energy Midstream and retirements of assets based on asset portfolio reviews, the receipt of approvals for, and timing of, closing dates for acquisitions and divestitures, the timing and execution of Dominion Energy 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 Energy 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 Energy'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 Energy, 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 Energy's 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 3Q17 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 3Q17 Earnings Release Kit and its individual components reflect the financial position and operating results of Dominion Energy and its primary operating segments through September 30, 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 3Q17 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 3Q17 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

October 30, 2017

Dominion Energy Announces Third-Quarter Earnings

- *Third-quarter 2017 reported earnings of \$1.03 per share*
- *Third-quarter operating earnings of \$1.04 per share compared to guidance of \$0.95 to \$1.15 per share*
- *Company affirms full-year 2017 operating earnings guidance of \$3.40 to \$3.90 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 Sept. 30, 2017, of \$665 million (\$1.03 per share) compared with earnings of \$690 million (\$1.10 per share) for the same period in 2016.

Operating earnings for the three months ended Sept. 30, 2017, were \$672 million (\$1.04 per share), compared to operating earnings of \$716 million (\$1.14 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 related to transition and integration costs associated with the Dominion Energy Questar combination.

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 pleased with our financial results for the quarter. In addition, we continue to make material progress on our growth projects and programs and we're on-track for the best safety record in the history of our company.

"On October 13, the FERC issued the Order of Certificate and Public Convenience and Necessity for the Atlantic Coast Pipeline and the associated Supply Header project. This important milestone brings this critical project one step closer to delivering the affordable, safe, and reliable energy that our customers have asked us to provide.

"The Cove Point Liquefaction construction is effectively complete and the facility is going through its advanced-commissioning phase. The work continues on-time and on-budget and we expect to be in-service by the end of the year.

“Our 1,588 megawatt Greenville County combined cycle power station is approximately 60 percent complete and is expected to begin commercial operations in late 2018.

“Since our last earnings call we’ve made exciting announcements around our investment in solar-powered generation for a \$1 billion Facebook facility in Virginia, steps toward the development of a large pumped storage power generation facility, and progress on our off-shore wind project.

“And finally, on October 12 the Dominion Board of Directors declared a dividend that represented a ten percent year-over-year increase.”

THIRD-QUARTER 2017 REPORTED AND OPERATING EARNINGS COMPARED TO 2016

Reported earnings decreased \$25 million as compared to third-quarter 2016. Business segment results and detailed descriptions of items included in reported earnings but excluded from operating earnings can be found on schedules 1, 2, and 3 of this release.

Operating earnings decreased \$44 million as compared to third-quarter 2016 operating earnings. The decrease is primarily attributable to milder weather in our regulated service territory, a step down in solar investment tax credits, and a reduction of Cove Point import contract revenues. Factors offsetting the decrease include the addition of Dominion Energy Questar and gains from farmout agreements.

Details of third-quarter operating earnings as compared to 2016 may be found on Schedule 4 of this release.

FOURTH-QUARTER 2017 OPERATING EARNINGS GUIDANCE

Dominion Energy expects fourth-quarter 2017 operating earnings in the range of \$0.80-\$1.00 per share, compared to fourth-quarter 2016 operating earnings of \$0.99 per share. Positive factors for the fourth quarter compared to last year include increased revenues from our growth projects and an earnings contribution from the recent Dominion Products and Services agreement with HomeServe PLC. Negative factors compared to last year include a planned refueling outage at Millstone Power Station, lower Cove Point import contract revenues, a step down in solar investment tax credits and higher electric capacity expense.

The company is maintaining its previously issued 2017 operating earnings guidance of \$3.40-\$3.90 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

Dominion Energy will host its third-quarter earnings conference call at 10 a.m. ET on Monday, Oct. 30, 2017. Management will discuss third-quarter financial results and other matters of

interest to the financial community.

Domestic callers should dial (877) 410-5657. International callers should dial (334) 323-9872. The passcode for the conference call is "Dominion." Participants should dial in 10 to 15 minutes prior to the scheduled start time. Members of the media also are invited to listen.

A live webcast of the conference call, including accompanying slides, and other financial information will be available on the investor information pages at www.dominionenergy.com/investors.

A replay of the conference call will be available beginning about 1 p.m. ET Oct. 30 and lasting until 11 p.m. ET Nov. 6. Domestic callers may access the recording by dialing (877) 919-4059. International callers should dial (334) 323-0140. The PIN for the replay is 82859043. Additionally, a replay of the webcast will be available on the investor information pages by the end of the day Oct. 30.

Dominion Energy is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 25,600 megawatts of generation, 15,000 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 more than 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		Nine Months Ended	
	September 30,		September 30,	
(millions, except per share amounts)	2017	2016	2017	2016
Operating Revenue	\$ 3,179	\$ 3,132	\$ 9,376	\$ 8,651
Operating Expenses				
Electric fuel and other energy-related purchases	638	606	1,711	1,791
Purchased (excess) electric capacity	21	(6)	(8)	107
Purchased gas	24	77	441	252
Other operations and maintenance	649	765	2,166	2,133
Depreciation, depletion and amortization	485	400	1,421	1,112
Other taxes	162	145	519	448
Total operating expenses	<u>1,979</u>	<u>1,987</u>	<u>6,250</u>	<u>5,843</u>
Income from operations	<u>1,200</u>	<u>1,145</u>	<u>3,126</u>	<u>2,808</u>
Other income	73	63	249	189
Interest and related charges	<u>305</u>	<u>250</u>	<u>905</u>	<u>715</u>
Income from operations including noncontrolling interests before income tax expense	968	958	2,470	2,282
Income tax expense	<u>272</u>	<u>230</u>	<u>683</u>	<u>561</u>
Net Income Including Noncontrolling Interests	696	728	1,787	1,721
Noncontrolling Interests	31	38	100	55
Net Income Attributable to Dominion Energy	\$ 665	\$ 690	\$ 1,687	\$ 1,666
Earnings Per Common Share				
Net income attributable to Dominion Energy - Basic	\$ 1.03	\$ 1.10	\$ 2.66	\$ 2.72
Net income attributable to Dominion Energy - Diluted	<u>1.03</u>	<u>1.10</u>	<u>2.66</u>	<u>2.71</u>
Dividends Declared Per Common Share	\$ 0.7700	\$ 0.7000	\$ 2.2800	\$ 2.1000

* 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

Preliminary, Unaudited

(millions, except earnings per share)

	Three months ended September 30,		
	2017	2016	Change
REPORTED EARNINGS ¹	\$ 665	\$ 690	\$ (25)
Pre-tax loss (income) ²	12	48	(36)
Income tax ²	(5)	(22)	17
Adjustments to reported earnings	7	26	(19)
OPERATING EARNINGS	<u>\$ 672</u>	<u>\$ 716</u>	<u>\$ (44)</u>
<i>By segment:</i>			
Power Delivery ⁴	138	139	(1)
Power Generation ⁴	369	650	(281)
Gas Infrastructure ^{3,4}	187	135	52
Corporate and Other	(22)	(208)	186
	<u>\$ 672</u>	<u>\$ 716</u>	<u>\$ (44)</u>
Earnings Per Share (EPS):			
REPORTED EARNINGS ¹	\$ 1.03	\$ 1.10	\$ (0.07)
Adjustments to reported earnings (after tax)	0.01	0.04	(0.03)
OPERATING EARNINGS	<u>\$ 1.04</u>	<u>\$ 1.14</u>	<u>\$ (0.10)</u>
<i>By segment:</i>			
Power Delivery	0.21	0.22	(0.01)
Power Generation	0.57	1.04	(0.47)
Gas Infrastructure ³	0.29	0.21	0.08
Corporate and Other	(0.03)	(0.33)	0.30
	<u>\$ 1.04</u>	<u>\$ 1.14</u>	<u>\$ (0.10)</u>
Common Shares Outstanding (average, diluted)	642.5	626.0	

(millions, except earnings per share)

	Nine months ended September 30,		
	2017	2016	Change
REPORTED EARNINGS ¹	\$ 1,687	\$ 1,666	\$ 21
Pre-tax loss (income) ²	28	103	(75)
Income tax ²	(11)	(40)	29
Adjustments to reported earnings	17	63	(46)
OPERATING EARNINGS	<u>\$ 1,704</u>	<u>\$ 1,729</u>	<u>\$ (25)</u>
<i>By segment:</i>			
Power Delivery	390	363	27
Power Generation	870	1,066	(196)
Gas Infrastructure ³	613	483	130
Corporate and Other	(169)	(183)	14
	<u>\$ 1,704</u>	<u>\$ 1,729</u>	<u>\$ (25)</u>
Earnings Per Share (EPS):			
REPORTED EARNINGS ¹	\$ 2.66	\$ 2.71	\$ (0.05)
Adjustments to reported earnings (after tax)	0.03	0.10	(0.07)
OPERATING EARNINGS	<u>\$ 2.69</u>	<u>\$ 2.81</u>	<u>\$ (0.12)</u>
<i>By segment:</i>			
Power Delivery	0.62	0.59	0.03
Power Generation	1.37	1.74	(0.37)
Gas Infrastructure ³	0.97	0.78	0.19
Corporate and Other	(0.27)	(0.30)	0.03
	<u>\$ 2.69</u>	<u>\$ 2.81</u>	<u>\$ (0.12)</u>
Common Shares Outstanding (average, diluted)	633.4	613.8	

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 (Nine months ended September 30, 2017)

The \$28 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:

- \$41 million net gain related to our investments in nuclear decommissioning trust funds.
- \$39 million of transition and integration costs associated with the Dominion Energy Questar combination.
- \$15 million charge to write-off the balance of a regulatory asset, originally established in a prior year, which is no longer considered probable of recovery.

<i>(millions, except per share amounts)</i>	1Q17	2Q17	3Q17	4Q17	YTD 2017 ²
Reported earnings	\$632	\$390	\$665		\$1,687
Adjustments to reported earnings ¹ :					
Pre-tax loss (income)	(31)	47	12		28
Income tax	10	(16)	(5)		(11)
	(21)	31	7		17
Operating earnings	\$611	\$421	\$672		\$1,704
Common shares outstanding (average, diluted)	628.1	629.2	642.5		633.4
Reported earnings per share	\$1.01	\$0.62	\$1.03		\$2.66
Adjustments to reported earnings (after-tax)	(0.04)	0.05	0.01		0.03
Operating earnings per share	\$0.97	\$0.67	\$1.04		\$2.69

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

	1Q17	2Q17	3Q17	4Q17	YTD 2017
<u>Pre-tax loss (income):</u>					
Net gain on NDT funds	(34)	(3)	(4)		(41)
Questar transition and integration costs	3	20	16		39
Regulatory asset write-off		15			15
Other		15			15
	(\$31)	\$47	\$12		\$28
<u>Income tax expense (benefit):</u>					
Tax effect of above adjustments to reported earnings *	\$10	(\$16)	(\$5)		(\$11)

* 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 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 3Q17 Earnings to 3Q16

Preliminary, Unaudited (millions, except EPS)	Three Months Ended September 30, 2017 vs. 2016		Nine Months Ended September 30, 2017 vs. 2016	
	Increase / (Decrease)		Increase / (Decrease)	
	Amount	EPS	Amount	EPS
Reconciling Items				
Change in reported earnings (GAAP)	(\$25)	(\$0.07)	\$21	(\$0.05)
Change in Pre-tax loss (income) ¹	(\$36)		(\$75)	
Change in Income tax ¹	17		29	
Adjustments to reported earnings	(\$19)	(\$0.03)	(\$46)	(\$0.07)
Change in consolidated operating earnings	(\$44)	(\$0.10)	(\$25)	(\$0.12)
Power Delivery				
Regulated electric sales:				
Weather	(\$13)	(\$0.02)	(\$19)	(\$0.03)
Other	1	-	12	0.02
FERC Transmission equity return	5	0.01	14	0.02
Storm damage and service restoration	3	-	17	0.03
Other	3	-	3	-
Share dilution	-	-	-	(0.01)
Change in contribution to operating earnings	(\$1)	(\$0.01)	\$27	\$0.03
Power Generation				
Regulated electric sales:				
Weather	(\$33)	(\$0.05)	(\$45)	(\$0.07)
Other	6	0.01	27	0.04
Merchant generation margin	6	0.01	(9)	(0.02)
Renewable energy investment tax credits	(242)	(0.39)	(187)	(0.31)
Noncontrolling interests related to solar partnerships	14	0.02	1	-
Depreciation	(12)	(0.02)	(38)	(0.06)
Electric capacity	(16)	(0.03)	70	0.11
Other	(4)	(0.01)	(15)	(0.02)
Share dilution	-	(0.01)	-	(0.04)
Change in contribution to operating earnings	(\$281)	(\$0.47)	(\$196)	(\$0.37)
Gas Infrastructure				
Dominion Energy Questar combination ²	\$34	\$0.05	\$184	\$0.30
Farmout transaction	33	0.05	7	0.01
Transportation and storage growth projects	7	0.01	23	0.04
Noncontrolling interests	(9)	(0.01)	(28)	(0.04)
Cove Point import contracts	(27)	(0.04)	(63)	(0.10)
Other	14	0.02	7	0.01
Share dilution	-	-	-	(0.03)
Change in contribution to operating earnings	\$52	\$0.08	\$130	\$0.19
Corporate and Other				
Renewable energy investment tax credits	\$195	\$0.31	\$90	\$0.14
Interest expense and other	(9)	(0.01)	(76)	(0.11)
Change in contribution to operating earnings	\$186	\$0.30	\$14	\$0.03
Change in consolidated operating earnings	(\$44)	(\$0.10)	(\$25)	(\$0.12)
<i>Change in adjustments included in reported earnings ¹</i>	<i>\$19</i>	<i>\$0.03</i>	<i>\$46</i>	<i>\$0.07</i>
Change in consolidated reported earnings	(\$25)	(\$0.07)	\$21	(\$0.05)

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 Sheet*
Unaudited (GAAP Based)
(millions, except per share amounts)

	September 30, 2017	December 31, 2016 ¹
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 227	\$ 261
Customer receivables (less allowance for doubtful accounts of \$16 and \$18)	1,292	1,523
Other receivables (less allowance for doubtful accounts of \$3 and \$2)	212	183
Inventories	1,527	1,524
Regulatory assets	311	244
Other	425	513
Total current assets	3,994	4,248
Investments		
Nuclear decommissioning trust funds	4,881	4,484
Investment in equity method affiliates	1,895	1,561
Other	320	298
Total investments	7,096	6,343
Property, Plant and Equipment		
Property, plant and equipment	73,610	69,556
Accumulated depreciation, depletion and amortization	(20,799)	(19,592)
Total property, plant and equipment, net	52,811	49,964
Deferred Charges and Other Assets		
Goodwill	6,405	6,399
Regulatory assets	2,503	2,473
Other	2,582	2,183
Total deferred charges and other assets	11,490	11,055
Total assets	\$ 75,391	\$ 71,610

¹⁾ Dominion Energy's Consolidated Balance Sheet at December 31, 2016 has been derived from the audited Consolidated Financial Statements at that date.

* The notes contained in Dominion Energy's most recent quarterly report on Form 10-Q or annual report on Form 10-K are an integral part of the Consolidated Financial Statements.

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

	September 30, 2017	December 31, 2016 ¹
LIABILITIES AND EQUITY		
Current Liabilities		
Securities due within one year	\$ 2,788	\$ 1,709
Short-term debt	3,060	3,155
Accounts payable	757	1,000
Accrued interest, payroll and taxes	843	798
Regulatory liabilities	88	163
Other	1,023	1,290
Total current liabilities	<u>8,559</u>	<u>8,115</u>
Long-Term Debt		
Long-term debt	25,529	24,878
Junior subordinated notes	3,980	2,980
Remarketable subordinated notes	1,377	2,373
Total long-term debt	<u>30,886</u>	<u>30,231</u>
Deferred Credits and Other Liabilities		
Deferred income taxes and investment tax credits	9,379	8,602
Regulatory liabilities	2,906	2,622
Other	5,159	5,200
Total deferred credits and other liabilities	<u>17,444</u>	<u>16,424</u>
Total liabilities	<u>56,889</u>	<u>54,770</u>
Commitments and Contingencies		
Equity		
Common stock – no par ²	9,789	8,550
Retained earnings	7,119	6,854
Accumulated other comprehensive loss	(628)	(799)
Total common shareholders' equity	<u>16,280</u>	<u>14,605</u>
Noncontrolling interests	2,222	2,235
Total equity	<u>18,502</u>	<u>16,840</u>
Total liabilities and equity	<u>\$ 75,391</u>	<u>\$ 71,610</u>

¹⁾ Dominion Energy's Consolidated Balance Sheet at December 31, 2016 has been derived from the audited Consolidated Financial Statements at that date.

²⁾ 1 billion shares authorized; 644 million shares and 628 million shares outstanding at September 30, 2017 and December 31, 2016, respectively.

* The notes contained in Dominion Energy's most recent quarterly report on Form 10-Q or annual report on Form 10-K are an integral part of the Consolidated Financial Statements.

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

	Nine Months Ended September 30,	
	2017	2016
Operating Activities		
Net income including noncontrolling interests	\$ 1,787	\$ 1,721
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operating activities:		
Depreciation, depletion and amortization (including nuclear fuel)	1,649	1,325
Deferred income taxes and investment tax credits	652	481
Proceeds from assignment of tower rental portfolio	91	—
Gains on the sales of assets and equity method investment in Iroquois	(61)	(50)
Contribution to pension plan	(75)	—
Other adjustments	(95)	(78)
Changes in:		
Accounts receivable	247	19
Inventories	(34)	(10)
Deferred fuel and purchased gas costs, net	(81)	84
Prepayments	34	71
Accounts payable	(158)	(89)
Accrued interest, payroll and taxes	61	205
Margin deposit assets and liabilities	51	1
Pension and other postretirement benefits	(132)	(91)
Other operating assets and liabilities	(272)	(203)
Net cash provided by operating activities	3,664	3,386
Investing Activities		
Plant construction and other property additions (including nuclear fuel)	(4,122)	(4,536)
Acquisition of Dominion Energy Questar, net of cash acquired	—	(4,372)
Acquisition of solar development projects	(343)	(21)
Proceeds from sales of securities	1,496	1,009
Purchases of securities	(1,555)	(1,065)
Contributions to equity method affiliates	(343)	(124)
Other	(6)	80
Net cash used in investing activities	(4,873)	(9,029)
Financing Activities		
Repayment of short-term debt, net	(95)	(713)
Issuance of short-term notes	—	1,200
Repayment and repurchase of short-term notes	(250)	(600)
Issuance of long-term debt	3,480	5,730
Repayment and repurchase of long-term debt	(1,529)	(1,169)
Proceeds from sale of interest in merchant solar projects	—	117
Contributions from NRG and SunEdison to Four Brothers and Three Cedars	9	178
Issuance of common stock	1,233	2,079
Common dividend payments	(1,435)	(1,287)
Other	(238)	(248)
Net cash provided by financing activities	1,175	5,287
Decrease in cash and cash equivalents	(34)	(356)
Cash and cash equivalents at beginning of period	261	607
Cash and cash equivalents at end of period	\$ 227	\$ 251
Supplemental Cash Flow Information		
Significant noncash investing and financing activities ¹ :		
Accrued capital expenditures	\$ 355	\$ 341

¹ See Note 14 in the most recent quarterly report on Form 10-Q for noncash financing activities related to the remarketing of remarketable subordinated notes.

* 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

Unaudited Summary (\$mm except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Operating Revenue	\$ <u>3,179</u>	\$ <u>3,132</u>	\$ <u>9,376</u>	\$ <u>8,651</u>
Operating Expenses				
Electric fuel and other energy-related purchases	638	606	1,711	1,791
Purchased (excess) electric capacity	21	(6)	(8)	107
Purchased gas	24	77	441	252
Other operations and maintenance	649	765	2,166	2,133
Depreciation, depletion and amortization	485	400	1,421	1,112
Other taxes	162	145	519	448
Total operating expenses	<u>1,979</u>	<u>1,987</u>	<u>6,250</u>	<u>5,843</u>
Income from operations	<u>1,200</u>	<u>1,145</u>	<u>3,126</u>	<u>2,808</u>
Other income	<u>73</u>	<u>63</u>	<u>249</u>	<u>189</u>
Income including noncontrolling interests before interest and income taxes	<u>1,273</u>	<u>1,208</u>	<u>3,375</u>	<u>2,997</u>
Interest and related charges	<u>305</u>	<u>250</u>	<u>905</u>	<u>715</u>
Income including noncontrolling interests before income taxes	<u>968</u>	<u>958</u>	<u>2,470</u>	<u>2,282</u>
Income taxes	<u>272</u>	<u>230</u>	<u>683</u>	<u>561</u>
Income including noncontrolling interests	<u>696</u>	<u>728</u>	<u>1,787</u>	<u>1,721</u>
Noncontrolling interests	<u>31</u>	<u>38</u>	<u>100</u>	<u>55</u>
Reported Earnings	\$ <u>665</u>	\$ <u>690</u>	\$ <u>1,687</u>	\$ <u>1,666</u>
Reported Earnings Per Share	\$ <u>1.03</u>	\$ <u>1.10</u>	\$ <u>2.66</u>	\$ <u>2.71</u>
Adjustments to reported earnings:				
Pre-tax Loss (Income) ²	12	48	28	103
Income Tax ²	(5)	(22)	(11)	(40)
	<u>7</u>	<u>26</u>	<u>17</u>	<u>63</u>
Operating Earnings	\$ <u>672</u>	\$ <u>716</u>	\$ <u>1,704</u>	\$ <u>1,729</u>
Operating Earnings Per Share	\$ <u>1.04</u>	\$ <u>1.14</u>	\$ <u>2.69</u>	\$ <u>2.81</u>
Average shares outstanding, diluted	642.5	626.0	633.4	613.8
Adjusted EBIT Reconciliation				
Reported Earnings	\$ 665	\$ 690	\$ 1,687	\$ 1,666
Noncontrolling interest	31	38	100	55
Income taxes	272	230	683	561
Interest and related charges	305	250	905	715
	\$ <u>1,273</u>	\$ <u>1,208</u>	\$ <u>3,375</u>	\$ <u>2,997</u>
Adjustments ²	11	35	27	88
Adjusted EBIT	\$ <u>1,284</u>	\$ <u>1,243</u>	\$ <u>3,402</u>	\$ <u>3,085</u>

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

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

Power Delivery Reported and Operating Results

Unaudited Summary (\$mm except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Operating Revenue	\$ 584	\$ 620	\$ 1,680	\$ 1,699
Operating Expenses				
Electric fuel and other energy-related purchases	1	1	3	3
Purchased (excess) electric capacity	-	-	-	-
Purchased gas	-	-	-	-
Other operations and maintenance	109	163	312	430
Depreciation, depletion and amortization	149	135	443	398
Other taxes	42	40	128	119
Total operating expenses	301	339	886	950
Income from operations	283	281	794	749
Other income	9	7	40	24
Income including noncontrolling interests before interest and income taxes	292	288	834	773
Interest and related charges	66	60	199	180
Income including noncontrolling interests before income taxes	226	228	635	593
Income taxes	88	89	245	230
Income including noncontrolling interests	138	139	390	363
Noncontrolling interests	-	-	-	-
Reported and Operating Earnings Contribution	\$ 138	\$ 139	\$ 390	\$ 363
Reported and Operating Earnings Per Share Contribution	\$ 0.21	\$ 0.22	\$ 0.62	\$ 0.59
Average shares outstanding, diluted	642.5	626.0	633.4	613.8
Adjusted EBIT and EBITDA Reconciliation				
Reported Earnings	\$ 138	\$ 139	\$ 390	\$ 363
Noncontrolling interest	-	-	-	-
Income taxes	88	89	245	230
Interest and related charges	66	60	199	180
Adjusted EBIT	\$ 292	\$ 288	\$ 834	\$ 773
Depreciation, depletion and amortization	149	135	443	398
Adjusted EBITDA	\$ 441	\$ 423	\$ 1,277	\$ 1,171

Power Generation Reported and Operating Results

Unaudited Summary (\$mm except per share amounts)	Three Months Ended <u>September 30,</u>		Nine Months Ended <u>September 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Operating Revenue	\$ <u>1,934</u>	\$ <u>1,949</u>	\$ <u>5,099</u>	\$ <u>5,211</u>
Operating Expenses				
Electric fuel and other energy-related purchases	631	598	1,686	1,771
Purchased (excess) electric capacity	21	(6)	(8)	107
Purchased gas	-	-	-	-
Other operations and maintenance	376	390	1,200	1,192
Depreciation, depletion and amortization	189	177	559	488
Other taxes	52	51	163	148
Total operating expenses	<u>1,269</u>	<u>1,210</u>	<u>3,600</u>	<u>3,706</u>
Income from operations	<u>665</u>	<u>739</u>	<u>1,499</u>	<u>1,505</u>
Other income	<u>11</u>	<u>5</u>	<u>56</u>	<u>47</u>
Income including noncontrolling interests before interest and income taxes	<u>676</u>	<u>744</u>	<u>1,555</u>	<u>1,552</u>
Interest and related charges	<u>90</u>	<u>77</u>	<u>255</u>	<u>214</u>
Income including noncontrolling interests before income taxes	<u>586</u>	<u>667</u>	<u>1,300</u>	<u>1,338</u>
Income taxes	<u>209</u>	<u>(13)</u>	<u>400</u>	<u>241</u>
Income including noncontrolling interests	<u>377</u>	<u>680</u>	<u>900</u>	<u>1,097</u>
Noncontrolling interests	<u>8</u>	<u>30</u>	<u>30</u>	<u>31</u>
Reported and Operating Earnings Contribution	<u>\$ 369</u>	<u>\$ 650</u>	<u>\$ 870</u>	<u>\$ 1,066</u>
Reported and Operating Earnings Per Share Contribution	<u>\$ 0.57</u>	<u>\$ 1.04</u>	<u>\$ 1.37</u>	<u>\$ 1.74</u>
Average shares outstanding, diluted	<u>642.5</u>	<u>626.0</u>	<u>633.4</u>	<u>613.8</u>
Adjusted EBIT and EBITDA Reconciliation				
Reported Earnings	\$ 369	\$ 650	\$ 870	\$ 1,066
Noncontrolling interest	8	30	30	31
Income taxes	209	(13)	400	241
Interest and related charges	90	77	255	214
Adjusted EBIT	<u>\$ 676</u>	<u>\$ 744</u>	<u>\$ 1,555</u>	<u>\$ 1,552</u>
Depreciation, depletion and amortization	<u>189</u>	<u>177</u>	<u>559</u>	<u>488</u>
Adjusted EBITDA	<u>\$ 865</u>	<u>\$ 921</u>	<u>\$ 2,114</u>	<u>\$ 2,040</u>

Gas Infrastructure Reported and Operating Results¹

Unaudited Summary (\$mm except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Operating Revenue	\$ 663	\$ 564	\$ 2,594	\$ 1,742
Operating Expenses				
Electric fuel and other energy-related purchases	4	4	11	8
Purchased (excess) electric capacity	-	-	-	-
Purchased gas	23	73	432	240
Other operations and maintenance	163	166	638	418
Depreciation, depletion and amortization	134	77	386	206
Other taxes	62	48	206	155
Total operating expenses	<u>386</u>	<u>368</u>	<u>1,673</u>	<u>1,027</u>
Income from operations	<u>277</u>	<u>196</u>	<u>921</u>	<u>715</u>
Other income	<u>60</u>	<u>37</u>	<u>169</u>	<u>102</u>
Income including noncontrolling interests before interest and income taxes	337	233	1,090	817
Interest and related charges	<u>23</u>	<u>6</u>	<u>68</u>	<u>16</u>
Income including noncontrolling interests before income taxes	314	227	1,022	801
Income taxes	<u>104</u>	<u>84</u>	<u>339</u>	<u>294</u>
Income including noncontrolling interests	210	143	683	507
Noncontrolling interests	<u>23</u>	<u>8</u>	<u>70</u>	<u>24</u>
Reported and Operating Earnings Contribution	<u>\$ 187</u>	<u>\$ 135</u>	<u>\$ 613</u>	<u>\$ 483</u>
Reported and Operating Earnings Per Share Contribution	<u>\$ 0.29</u>	<u>\$ 0.21</u>	<u>\$ 0.97</u>	<u>\$ 0.78</u>
Average shares outstanding, diluted	642.5	626.0	633.4	613.8
Adjusted EBIT and EBITDA Reconciliation				
Reported Earnings	\$ 187	\$ 135	\$ 613	\$ 483
Noncontrolling interest	23	8	70	24
Income taxes	104	84	339	294
Interest and related charges	23	6	68	16
Adjusted EBIT	<u>\$ 337</u>	<u>\$ 233</u>	<u>\$ 1,090</u>	<u>\$ 817</u>
Depreciation, depletion and amortization	<u>134</u>	<u>77</u>	<u>386</u>	<u>206</u>
Adjusted EBITDA	<u>\$ 471</u>	<u>\$ 310</u>	<u>\$ 1,476</u>	<u>\$ 1,023</u>

¹Includes Dominion Energy Questar effective September 2016.

Corporate & Other Reported and Operating Results

Unaudited Summary (\$mm except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Operating Revenue	<u>\$ 153</u>	<u>\$ 146</u>	<u>\$ 463</u>	<u>\$ 477</u>
Operating Expenses				
Electric fuel and other energy-related purchases	-	-	-	-
Purchased (excess) electric capacity	-	-	-	-
Purchased gas	(1)	1	2	2
Other operations and maintenance	160	199	494	590
Depreciation, depletion and amortization	13	11	33	20
Other taxes	6	6	22	26
Total operating expenses	<u>178</u>	<u>217</u>	<u>551</u>	<u>638</u>
Income from operations	<u>(25)</u>	<u>(71)</u>	<u>(88)</u>	<u>(161)</u>
Other income	<u>28</u>	<u>33</u>	<u>82</u>	<u>70</u>
Income including noncontrolling interests before interest and income taxes	3	(38)	(6)	(91)
Interest and related charges	<u>161</u>	<u>126</u>	<u>481</u>	<u>359</u>
Income including noncontrolling interests before income taxes	<u>(158)</u>	<u>(164)</u>	<u>(487)</u>	<u>(450)</u>
Income taxes	<u>(129)</u>	<u>70</u>	<u>(301)</u>	<u>(204)</u>
Income including noncontrolling interests	<u>(29)</u>	<u>(234)</u>	<u>(186)</u>	<u>(246)</u>
Noncontrolling interests	-	-	-	-
Reported Earnings (Loss) Contributed	<u>\$ (29)</u>	<u>\$ (234)</u>	<u>\$ (186)</u>	<u>\$ (246)</u>
Reported Earnings (Loss) Per Share Contributed	<u>\$ (0.04)</u>	<u>\$ (0.37)</u>	<u>\$ (0.30)</u>	<u>\$ (0.40)</u>
Adjustments to reported earnings:				
Pre-tax Loss (Income) ¹	12	48	28	103
Income Tax ¹	(5)	(22)	(11)	(40)
	<u>7</u>	<u>26</u>	<u>17</u>	<u>63</u>
Operating Earnings (Loss) Contributed	<u>\$ (22)</u>	<u>\$ (208)</u>	<u>\$ (169)</u>	<u>\$ (183)</u>
Operating Earnings (Loss) Per Share Contributed	<u>\$ (0.03)</u>	<u>\$ (0.33)</u>	<u>\$ (0.27)</u>	<u>\$ (0.30)</u>
Average shares outstanding, diluted	642.5	626.0	633.4	613.8
Adjusted EBIT Reconciliation				
Reported Earnings	\$ (29)	\$ (234)	\$ (186)	\$ (246)
Noncontrolling interest	-	-	-	-
Income taxes	(129)	70	(301)	(204)
Interest and related charges	161	126	481	359
	<u>\$ 3</u>	<u>\$ (38)</u>	<u>\$ (6)</u>	<u>\$ (91)</u>
Adjustments ¹	11	35	27	88
Adjusted EBIT	<u>\$ 14</u>	<u>\$ (3)</u>	<u>\$ 21</u>	<u>\$ (3)</u>

¹) For additional details on adjustments to reporting earnings and to EBIT see the GAAP Reconciliation schedules on pages 30-33.

Operating Statistics

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Dominion Energy Consolidated				
Regulated Electric Sales Revenue (\$mm)				
Residential	\$ 999	\$ 1,063	\$ 2,559	\$ 2,656
Commercial	694	667	1,823	1,843
Industrial	129	137	359	387
Governmental and other	220	221	631	607
Regulated retail revenue	2,041	2,087	5,372	5,493
Wholesale - sales for resale	30	29	88	85
Other revenue	36	30	129	129
Total	\$ 2,108	\$ 2,147	\$ 5,590	\$ 5,707
Power Delivery				
Degree Days (Electric service area)				
Cooling				
Actual	1,124	1,326	1,698	1,755
Normal	1,104	1,081	1,591	1,570
Heating				
Actual	2	-	1,825	2,247
Normal	9	9	2,291	2,334
Electric Delivery Customers (at period end)				
Residential	2,303,320	2,280,083	2,303,320	2,280,083
Commercial	242,356	241,084	242,356	241,084
Industrial	646	652	646	652
Governmental	33,014	33,054	33,014	33,054
Total Retail	2,579,336	2,554,873	2,579,336	2,554,873
Wholesale - sales for resale	5	5	5	5
Total	2,579,341	2,554,878	2,579,341	2,554,878
Electricity Delivered (GWh)				
Residential	8,283	9,186	22,465	23,508
Commercial	8,831	8,838	24,153	23,762
Industrial	2,131	2,294	6,166	6,439
Governmental and other	3,013	2,988	8,403	8,189
Total Retail	22,259	23,307	61,188	61,898
Wholesale - sales for resale	730	758	1,968	2,253
Total	22,989	24,065	63,156	64,151
Power Generation				
Merchant Generation				
Total Electric Sales (GWh)				
NEPOOL Merchant Fleet ¹	4,962	4,908	13,756	13,148
PJM Merchant Fleet ²	2,044	2,415	6,206	6,427

¹⁾ Comprised of Millstone and Manchester generating stations.

²⁾ Comprised of Fairless generating station.

Note: Figures may not add due to rounding

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Gas Infrastructure				
Gas Distribution¹				
Regulated Gas Revenue (\$mm)				
Gas sales revenue				
Residential	\$ 71	\$ 16	\$ 499	\$ 91
Commercial	19	2	168	17
Industrial	3	0	10	1
Other	4	-	19	1
Total	\$ 97	\$ 18	\$ 696	\$ 110
Regulated Gas Transportation and Storage Revenue (\$mm)				
Gas transportation revenue				
Residential	\$ 89	\$ 83	\$ 284	\$ 259
Commercial	19	15	83	70
Industrial	17	14	57	45
Other	12	10	35	30
Total transportation revenue	137	123	459	405
Storage revenue	5	6	12	14
Total	\$ 142	\$ 129	\$ 471	\$ 419
Degree Days				
Heating - Eastern Region				
Actual	66	22	2,940	3,435
Normal	90	90	3,649	3,617
Heating - Western Region				
Actual	131	-	3,024	-
Normal	84	-	3,381	-
LDC Natural Gas Customers (Average)				
Total LDC natural gas customers				
Residential	2,151,926	1,197,366	2,156,586	1,206,554
Commercial	162,436	91,540	163,984	92,726
Industrial	1,816	1,491	1,818	1,497
Other	27	22	26	22
Total	2,316,205	1,290,419	2,322,415	1,300,799
LDC Natural Gas Delivery (mmcf)				
Total LDC natural gas throughput				
Residential	11,459	5,589	114,427	74,263
Commercial	19,650	4,848	91,842	40,542
Industrial	41,907	34,153	133,461	102,241
Other	79,528	62,581	213,908	164,313
Total	152,544	107,171	553,638	381,359
Gas Transmission²				
Natural Gas Liquids sales (million gallons)	27.5	22.8	69.9	66.5
Average Realized NGL Price with Hedging (\$/gal)	\$0.68	\$0.45	\$0.64	\$0.52
Dominion Energy Solutions				
Unregulated Energy Customer Accounts (Average)				
Natural Gas	335,872	327,600	336,294	326,179
Products and Services	1,127,593	1,049,275	1,111,057	1,041,347
Total	1,463,465	1,376,876	1,447,351	1,367,526
Volumes Sold				
Natural Gas (mmcf)	6,509	7,206	41,332	43,543

Note: Figures may not add due to rounding.

¹⁾ 2017 amounts include Dominion Energy Questar operations.

²⁾ Does not include NGL sales at Dominion Energy Questar Pipeline in 2017.

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)	\$0	(\$10)
Electric Distribution ³	(26)	(7)	(3)	-	(35)
Electric Transmission ³	(0)	(0)	(0)	-	(0)
Utility Generation ⁴	(54)	(14)	(7)	-	(74)
Earnings Impact (pre-tax)	(\$87)	(\$22)	(\$10)	\$0	(\$119)

Description	After-tax Impact (\$millions)				
	1Q17	2Q17	3Q17	4Q17	FY2017
Gas Distribution ²	(\$5)	(\$1)	(\$0)	\$0	(\$6)
Electric Distribution ³	(16)	(4)	(2)	-	(21)
Electric Transmission ³	(0)	(0)	(0)	-	(0)
Utility Generation ⁴	(33)	(8)	(4)	-	(45)
Earnings Impact (after-tax)	(\$53)	(\$14)	(\$6)	\$0	(\$73)

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	\$0	(\$6)
Electric Distribution ³	(17)	7	(21)	-	(30)
Electric Transmission ³	(0)	0	(0)	-	(1)
Utility Generation ⁴	(35)	16	(54)	-	(74)
Earnings Impact (pre-tax)	(\$56)	\$20	(\$75)	\$0	(\$111)

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)	\$0	(\$5)
Electric Distribution ³	(10)	4	(13)	-	(19)
Electric Transmission ³	(0)	0	(0)	-	(0)
Utility Generation ⁴	(21)	9	(33)	-	(45)
Earnings Impact (after-tax)	(\$34)	\$11	(\$46)	\$0	(\$69)

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 09/30 2016	At 12/31 2016	At 03/31 2017	At 06/30 2017	At 09/30 2017
Dominion Energy, Inc.					
Term Loan, variable rate, due 2017 ¹	\$ 1,200	\$ -	\$ -	\$ -	\$ -
Unsecured Senior Notes:					
Variable rate, due 2019	\$ -	\$ -	\$ -	\$ 500	\$ 500
1.25% to 6.4%, due 2017 to 2021	\$ 5,150	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,050
2.75% to 7.0%, due 2022 to 2044	\$ 4,999	\$ 4,999	\$ 5,799	\$ 5,799	\$ 5,799
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 ²	\$ 250	\$ 250	\$ 250	\$ 250	\$ -
Unsecured Senior and Medium Term Notes: ²					
5.31% to 6.85%, due 2017 and 2018	\$ 390	\$ 135	\$ 135	\$ 135	\$ 135
2.98% to 7.2%, due 2024 to 2051	\$ 580	\$ 500	\$ 500	\$ 500	\$ 500
Term Loans, variable rate, due 2023 and 2024 ³	\$ -	\$ 405	\$ 405	\$ 674	\$ 662
Tax-Exempt Financing, 1.55%, due 2033 ³	\$ 27	\$ 27	\$ 27	\$ 27	\$ 27
Tax-Exempt Financing, variable rate, due 2041 ⁴	\$ 75	\$ 75	\$ 75	\$ 75	\$ -
Unsecured Junior Subordinated Notes:					
2.579% to 4.104%, due 2019 to 2021 ⁵	\$ 1,100	\$ 1,100	\$ 1,100	\$ 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 ⁵	\$ 2,400	\$ 2,400	\$ 2,400	\$ 1,400	\$ 1,400
Virginia Electric and Power Company					
Unsecured Senior Notes:					
1.2% to 7.25%, due 2017 to 2019	\$ 1,807	\$ 1,804	\$ 1,804	\$ 1,802	\$ 1,202
2.75% to 8.875%, due 2022 to 2047	\$ 7,040	\$ 7,940	\$ 8,690	\$ 8,690	\$ 9,440
Tax-Exempt Financings:					
Variable rates, due 2017 to 2027	\$ 175	\$ 175	\$ 175	\$ 100	\$ 100
1.75% to 5.6%, due 2023 to 2041	\$ 678	\$ 678	\$ 678	\$ 678	\$ 678
Dominion Energy Gas Holdings, LLC					
Unsecured Senior Notes:					
1.05% to 2.8%, due 2016 to 2020	\$ 1,550	\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150
2.875% to 4.8%, due 2023 to 2044 ⁶	\$ 2,431	\$ 2,413	\$ 2,416	\$ 2,436	\$ 2,445
Dominion Energy Midstream Partners, LP					
Term Loan, variable rate, due 2019	\$ -	\$ 300	\$ 300	\$ 300	\$ 300
Unsecured Senior and Medium Term Notes: ⁷					
5.83% and 6.48%, due 2018	\$ -	\$ 255	\$ 255	\$ 255	\$ 255
4.875%, due 2041	\$ -	\$ 180	\$ 180	\$ 180	\$ 180
Total Principal Amount	\$ 31,858	\$ 32,192	\$ 33,745	\$ 34,457	\$ 33,929
Fair Value Hedge Valuation	14	(1)	(4)	2	(4)
Amounts Due Within One Year	(2,931)	(1,709)	(2,391)	(4,050)	(2,788)
Unamortized Discount, Premium and Debt Issuance Costs, net	(234)	(251)	(254)	(254)	(251)
Total Long-Term Debt	\$ 28,707	\$ 30,231	\$ 31,096	\$ 30,155	\$ 30,886

¹⁾ The loan was paid in December 2016 with proceeds received from Dominion Energy Midstream Partners, LP for the acquisition of Dominion Energy Questar Pipeline, LLC.

²⁾ Represents debt obligations of Dominion Energy Questar Corporation and Questar Gas Company.

³⁾ Represents debt obligations of certain Dominion Generation, Inc. subsidiaries.

⁴⁾ 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.

⁵⁾ 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.

⁶⁾ Amount includes foreign currency remeasurement adjustments.

⁷⁾ Represents debt obligations of Dominion Energy Questar Pipeline, LLC.

Schedule of Debt Maturities

As of September 30, 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>
2017							
6.85% Series C Medium-term Notes (Questar Gas Co)	10/10/17	-	-	-	-	14.5	14.5
7.25% Mecklenburg Senior Bonds	10/15/17	-	1.7	-	-	-	1.7
2016 Term Loan (variable) (SBL Holdco)	12/31/17	-	-	-	-	9.8	9.8
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.1	-	-	-	0.1
2017 Total		-	1.8	-	-	24.3	26.1
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
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		1,000.0	0.3	700.0	-	34.8	1,735.1
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
Total		\$8,350.0	\$1,202.8	\$ 1,150.0	\$555.0	\$ 286.1	\$ 11,543.9

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

Schedule of Liquidity Position

As of September 30, 2017

(\$ in millions)

Total Committed Bank Lines	\$ 5,500
Less:	
Commercial Paper Outstanding	3,060
Letters of Credit Issued	73
Funded Loans	-
Total Available Capacity	<u>2,367</u>
Cash & Short-Term Investments On Hand*	117
Total Liquidity Available	<u>\$ 2,484</u>

*Represents aggregate collected cash balances; not ledger balances per financial statements, which totaled \$227 million at 9/30/2017.

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 (“DEGH”) 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 DEGH 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 September 30, 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	
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	
DSP III 2017 Term Loan (variable) due 2024	280	
	<u>3,480</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	(2)	
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	(11)	
	<u>(1,775)</u>	¹
Other:		
Change in Foreign Currency Remeasurement Adjustment	32	
Change in Fair Value Hedges, Net Discount/Premium and Debt Issuance Costs	(3)	
	<u>29</u>	
Balance as of September 30, 2017		\$ 33,674

Change in Shareholders' Equity

Balance as of December 31, 2016		\$ 16,840
Issuance of Common Stock, Net	1,239	
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	14	
Electricity	27	
Gas	(11)	
Foreign currency	(3)	
NGL and Other	(1)	
	<u>26</u>	
Other changes in Net Other Comprehensive Income ³	145	
Net change in AOCI	171	
Change in Retained Earnings	<u>265</u>	
Net change in Common Shareholder's Equity		1,675
Noncontrolling Interests		(13)
Net change in Equity		<u>1,662</u>
Balance as of September 30, 2017		\$ 18,502

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

As of October 26th, 2017

Merchant Generation Power & Fuel	Net Summer Capacity (MW)	2017
Hedge Positions ¹		
Millstone	2,001	98%
Manchester	461	82%
Fairless	1,196	79%
Total Merchant Generation ²	3,658	89%
Power Pricing		
NEPOOL Baseload - Average Hedge Price (\$/MWh) ³		\$39.72
Merchant Generation Capacity (EFOR Adjusted)		
		2017
Millstone & Manchester (MW)		2,467
Average Capacity Hedge Price (\$/KW - month)		\$5.40
Fairless (MW)		1,193
Average Capacity Hedge Price (\$/KW - month)		\$4.39
NGL		
		2017
Estimated annual NGL sales (in million gallons) ⁴		80 - 90
Amount hedged (in million gallons)		61.1
Average hedge price per gallon ⁵		\$0.74

- 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) Annual percentage calculations are capacity-weighted. Excludes renewable assets.
- 3) NEPOOL Baseload Average Hedge Price in 2017 includes all on-peak, off-peak, around-the-clock, and seasonal hedges for Millstone Power Station.
- 4) Represents Dominion Energy's production interest primarily from the Hastings plant.
- 5) 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

3Q17 Operating Earnings Summary

(millions, except per share amounts)

Description	3Q16	Range of 3Q17		3Q17
	Actual	Low	High	Actual
Power Delivery Group Adjusted EBITDA	\$423	\$420	\$465	\$441
Depreciation, Depletion and Amortization	135	150	150	149
Power Delivery Group Adjusted EBIT	288	270	315	292
Power Generation Group Adjusted EBITDA	\$921	\$855	\$935	\$865
Depreciation, Depletion and Amortization	177	190	190	189
Power Generation Group Adjusted EBIT	744	665	745	676
Gas Infrastructure Group Adjusted EBITDA ¹	\$310	\$450	\$475	\$471
Depreciation, Depletion and Amortization	77	130	130	134
Gas Infrastructure Group Adjusted EBIT	233	320	345	337
Corporate and Other & Eliminations Adjusted EBIT	(22)	(25)	(15)	(21)
Total Adjusted EBIT	\$1,243	\$1,230	\$1,390	\$1,284
Consolidated Interest	237	320	310	304
Consolidated Income Taxes	252	275	300	277
Noncontrolling Interests	38	40	30	31
Operating Earnings	\$716	\$595	\$750	\$672
Average Diluted Shares Outstanding	626.0	644	642	642.5
Operating EPS Range	\$1.14	\$0.92	\$1.17	\$1.04
3Q17 Operating EPS Guidance Range		\$0.95	\$1.15	

3Q17 Operating EPS Actual >>>	\$1.04
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Notes:

¹Includes Dominion Energy Questar effective September 2016.

For additional detail on items excluded from operating earnings see the GAAP Reconciliation schedules on pages 34-36.

For additional detail on Adjusted EBIT and Adjusted EBITDA see Segment Results on pages 15-19.

Adjusted EBITDA is defined as Reported Earnings excluding any adjustments to reported earnings (Operating Earnings) before interest and related charges, income taxes, noncontrolling interests and depreciation, depletion and amortization.

Adjusted EBIT is defined as Reported Earnings excluding any adjustments to reported earnings (Operating Earnings) before interest and related charges, income taxes, and noncontrolling interests.

Figures may not add due to rounding

4Q17 Operating Earnings Guidance*(millions, except per share amounts)*

Description	4Q16	Range of 4Q17	
	Actual	Low	High
Power Delivery Group Adjusted EBITDA	\$402	\$415	\$465
Depreciation, Depletion and Amortization	139	150	150
Power Delivery Group Adjusted EBIT	263	265	315
Power Generation Group Adjusted EBITDA	\$633	\$505	\$570
Depreciation, Depletion and Amortization	174	180	185
Power Generation Group Adjusted EBIT	459	325	385
Gas Infrastructure Group Adjusted EBITDA	\$546	\$600	\$645
Depreciation, Depletion and Amortization	124	135	135
Gas Infrastructure Group Adjusted EBIT	422	465	510
Corporate and Other & Eliminations Adjusted EBIT	(11)	(20)	(10)
Total Adjusted EBIT	\$1,133	\$1,035	\$1,200
Consolidated Interest	292	295	285
Consolidated Income Taxes	189	220	245
Noncontrolling Interests	34	25	15
Operating Earnings	\$618	\$495	\$655
Average Diluted Shares Outstanding	627.1	645	643
Operating EPS Range	\$0.99	\$0.77	\$1.02
4Q17 Operating EPS Guidance Range		\$0.80	\$1.00

Notes:

For additional detail on items excluded from operating earnings see the GAAP Reconciliation schedules on pages 34-36.

For additional detail on Adjusted EBIT and Adjusted EBITDA see Segment Results on pages 15-19.

Adjusted EBITDA is defined as Reported Earnings excluding any adjustments to reported earnings (Operating Earnings) before interest and related charges, income taxes, noncontrolling interests and depreciation, depletion and amortization.

Adjusted EBIT is defined as Reported Earnings excluding any adjustments to reported earnings (Operating Earnings) before interest and related charges, income taxes, and noncontrolling interests.

Figures may not add due to rounding

GAAP Reconciliation

Reconciliation of 2017 Consolidated Reported Earnings to Operating Earnings

	Unaudited Income Statements (millions, except per share amounts)					
	Three Months Ended September 30, 2017			Nine Months Ended September 30, 2017		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
Operating Revenue	\$ 3,179	\$ (1) (a)	\$ 3,178	\$ 9,376	\$ (3) (a)	\$ 9,373
Operating Expenses						
Electric fuel and other energy-related purchases	638	-	638	1,711	-	1,711
Purchased (excess) electric capacity	21	-	21	(8)	-	(8)
Purchased gas	24	-	24	441	(1) (a)	440
Other operations and maintenance	649	(17) (a)	632	2,166	(55) (a), (b)	2,111
Depreciation, depletion and amortization	485	-	485	1,421	-	1,421
Other taxes	162	-	162	519	-	519
Total operating expenses	1,979	(17)	1,962	6,250	(56)	6,194
Income from operations	1,200	16	1,216	3,126	53	3,179
Other income (loss)	73	(5) (d)	68	249	(26) (c), (d)	223
Income including noncontrolling interests before interest and income taxes	1,273	11	1,284	3,375	27	3,402
Interest and related charges	305	(1) (a)	304	905	(1) (a)	904
Income including noncontrolling interests before income tax	968	12	980	2,470	28	2,498
Income taxes	272	5 (e)	277	683	11 (e)	694
Income including noncontrolling interests	696	7	703	1,787	17	1,804
Noncontrolling interests	31	-	31	100	-	100
Earnings	\$ 665	\$ 7	\$ 672	\$ 1,687	\$ 17	\$ 1,704
Earnings Per Share - Diluted	\$ 1.03	\$ 0.01	\$ 1.04	\$ 2.66	\$ 0.03	\$ 2.69
Average shares outstanding, diluted	642.5		642.5	633.4		633.4

Adjustments to Reported Earnings

(a) Transition and integration costs associated with the Dominion Energy Questar combination.

(b) Write-off of regulatory asset.

(c) Other miscellaneous items.

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

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

Note: Figures may not add due to rounding

Reconciliation of 2016 Consolidated Reported Earnings to Operating Earnings

Unaudited Income Statements (millions, except per share amounts)

	Three Months Ended September 30, 2016			Nine Months Ended September 30, 2016		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
Operating Revenue	\$ 3,132	\$ -	\$ 3,132	\$ 8,651	\$ -	\$ 8,651
Operating Expenses						
Electric fuel and other energy-related purchases	606	-	606	1,791	-	1,791
Purchased (excess) electric capacity	(6)	-	(6)	107	-	107
Purchased gas	77	-	77	252	-	252
Other operations and maintenance	765	(52) (b), (e)	713	2,133	(122) (a), (b), (e)	2,011
Depreciation, depletion and amortization	400	-	400	1,112	9 (b)	1,121
Other taxes	145	-	145	448	(5) (a), (b)	443
Total operating expenses	1,987	(52)	1,935	5,843	(118)	5,725
Income from operations	1,145	52	1,197	2,808	118	2,926
Other income (loss)	63	(17) (d)	46	189	(30) (d)	159
Income including noncontrolling interests before interest and income taxes	1,208	35	1,243	2,997	88	3,085
Interest and related charges	250	(13) (e)	237	715	(15) (b), (e)	700
Income including noncontrolling interests before income taxes	958	48	1,006	2,282	103	2,385
Income taxes	230	22 (c)	252	561	40 (c)	601
Income including noncontrolling interests	728	26	754	1,721	63	1,784
Noncontrolling interests	38	-	38	55	-	55
Earnings	\$ 690	\$ 26	\$ 716	\$ 1,666	\$ 63	\$ 1,729
Earnings Per Share - Diluted	\$ 1.10	\$ 0.04	\$ 1.14	\$ 2.71	\$ 0.10	\$ 2.81
Average shares outstanding, diluted	626.0		626.0	613.8		613.8

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 of our investment in nuclear decommissioning trust funds.

(e) Transaction and transition costs associated with Dominion Energy Questar combination.

Note: Figures may not add due to rounding

Reconciliation of 2017 Corporate and Other Reported Earnings to Operating Earnings

Unaudited Income Statements (millions, except per share amounts)

	Three Months Ended September 30, 2017			Nine Months Ended September 30, 2017		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
Operating Revenue	\$ 153	\$ (1) (a)	\$ 152	\$ 463	\$ (3) (a)	\$ 460
Operating Expenses						
Electric fuel and other energy-related purchases	-	-	-	-	-	-
Purchased (excess) electric capacity	-	-	-	-	-	-
Purchased gas	(1)	-	(1)	2	(1) (a)	1
Other operations and maintenance	160	(17) (a)	143	494	(55) (a), (b)	439
Depreciation, depletion and amortization	13	-	13	33	-	33
Other taxes	6	-	6	22	-	22
Total operating expenses	178	(17)	161	551	(56)	495
Income from operations	(25)	16	(9)	(88)	53	(35)
Other income (loss)	28	(5) (d)	23	82	(26) (c), (d)	56
Income including noncontrolling interests before interest and income taxes	3	11	14	(6)	27	21
Interest and related charges	161	(1) (a)	160	481	(1) (a)	480
Income including noncontrolling interests before income taxes	(158)	12	(146)	(487)	28	(459)
Income taxes	(129)	5 (e)	(124)	(301)	11 (e)	(290)
Income including noncontrolling interests	(29)	7	(22)	(186)	17	(169)
Noncontrolling interests	-	-	-	-	-	-
Earnings	\$ (29)	\$ 7	\$ (22)	\$ (186)	\$ 17	\$ (169)
Earnings Per Share - Diluted	\$ (0.04)	\$ 0.01	\$ (0.03)	\$ (0.30)	\$ 0.03	\$ (0.27)
Average shares outstanding, diluted	642.5		642.5	633.4		633.4

Adjustments to Reported Earnings

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

Note: Figures may not add due to rounding

Reconciliation of 2016 Corporate and Other Reported Earnings to Operating Earnings

Unaudited Income Statements (millions, except per share amounts)

	Three Months Ended September 30, 2016			Nine Months Ended September 30, 2016		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
Operating Revenue	\$ 146	\$ -	\$ 146	\$ 477	\$ -	\$ 477
Operating Expenses						
Electric fuel and other energy-related purchases	-	-	-	-	-	-
Purchased (excess) electric capacity	-	-	-	-	-	-
Purchased gas	1	-	1	2	-	2
Other operations and maintenance	199	(52) (b), (e)	147	590	(122) (a), (b), (e)	468
Depreciation, depletion and amortization	11	-	11	20	9 (b)	29
Other taxes	6	-	6	26	(5) (a), (b)	21
Total operating expenses	217	(52)	165	638	(118)	520
Income from operations	(71)	52	(19)	(161)	118	(43)
Other income (loss)	33	(17) (d)	16	70	(30) (d)	40
Income including noncontrolling interests before interest and income taxes	(38)	35	(3)	(91)	88	(3)
Interest and related charges	126	(13) (e)	113	359	(15) (b), (e)	344
Income including noncontrolling interests before income taxes	(164)	48	(116)	(450)	103	(347)
Income taxes	70	22 (c)	92	(204)	40 (c)	(164)
Income including noncontrolling interests	(234)	26	(208)	(246)	63	(183)
Noncontrolling interests	-	-	-	-	-	-
Earnings	\$ (234)	\$ 26	\$ (208)	\$ (246)	\$ 63	\$ (183)
Earnings Per Share - Diluted	\$ (0.37)	\$ 0.04	\$ (0.33)	\$ (0.40)	\$ 0.10	\$ (0.30)
Average shares outstanding, diluted	626.0		626.0	613.8		613.8

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 of our investment in nuclear decommissioning trust funds.
- (e) Transaction and transition costs associated with Dominion Energy Questar combination.

Note: Figures may not add due to rounding

Reconciliation of 3Q17 Reported Earnings to 3Q17 Operating Earnings

Unaudited, Operating Segments

(millions, except per share amounts)

Description	3Q17 Reported	Adjustments	3Q17 Operating
Power Delivery Adjusted EBITDA	\$441		\$441
DD&A	149		149
Power Delivery Adjusted EBIT	292		292
Power Generation Adjusted EBITDA	865		865
DD&A	189		189
Gas Infrastructure Adjusted EBIT	676		676
Gas Infrastructure Adjusted EBITDA	471		471
DD&A	134		134
Power Generation Adjusted EBIT	337		337
Corporate and Other & Eliminations Adjusted EBIT	(32)	11 (a),(b)	(21)
Total Adjusted EBIT	\$1,273	\$11	\$1,284
Consolidated Interest	305	(1) (a)	304
Consolidated Income Taxes	272	5 (c)	277
Noncontrolling Interests	31	0	31
Earnings	\$665	\$7	\$672
Average Diluted Shares Outstanding	642.5	642.5	642.5
Reported EPS	\$1.03	---	---
Adjustments to reported earnings	---	\$0.01	---
Operating EPS	---	---	\$1.04

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

- (a) Transition and integration costs associated with the Dominion Energy Questar combination.
(b) Net gain/loss of our investment in nuclear decommissioning trust funds.
(c) Income tax provisions associated with adjustments to reported earnings.

Reconciliation of 3Q16 Reported Earnings to 3Q16 Operating Earnings

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

Description	3Q16 Reported	Adjustments	3Q16 Operating
Power Delivery Adjusted EBITDA	\$423		\$423
DD&A	135		135
Power Delivery Adjusted EBIT	288		288
Power Generation Adjusted EBITDA	921		921
DD&A	177		177
Gas Infrastructure Adjusted EBIT	744		744
Gas Infrastructure Adjusted EBITDA	310		310
DD&A	77		77
Power Generation Adjusted EBIT	233		233
Corporate and Other & Eliminations Adjusted EBIT	(57)	35 (a),(b),(c)	(22)
Total Adjusted EBIT	\$1,208	\$35	\$1,243
Consolidated Interest	250	(13) (b)	237
Consolidated Income Taxes	230	22 (d)	252
Noncontrolling Interests	38	0	38
Earnings	\$690	\$26	\$716
Average Diluted Shares Outstanding	626.0	626.0	626.0
Reported EPS	\$1.10	---	---
Adjustments to reported earnings	---	\$0.04	---
Operating EPS	---	---	\$1.14

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) Other miscellaneous items.
- (d) Income tax provisions associated with adjustments to reported earnings.

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	(a),(b),(c),(d),(e)	(11)
Total Adjusted EBIT	\$880	\$253		\$1,133
Consolidated Interest	295	(3)	(b)	292
Consolidated Income Taxes	94	95	(f)	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.

2017 Earnings Expectations

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

4Q 2017 Operating Earnings (estimate):	\$0.80 - \$1.00
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FY 2017 Operating Earnings (estimate):	\$3.40 - \$3.90
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4Q 2017 Reported Earnings (estimate):	See Note 1 below
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FY 2017 Reported Earnings (estimate):	See Note 1 below
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1. In providing its fourth-quarter and full-year 2017 operating earnings guidance, the company notes that there could be differences between expected reported earnings and estimated operating earnings for matters such as, but not limited to, acquisitions, divestitures or changes in accounting principles. At this time, Dominion Energy management is not able to estimate the aggregate impact, if any, of these items on future period reported earnings. Accordingly, Dominion Energy is not able to provide a corresponding GAAP equivalent for its operating earnings guidance.

Dominion Energy uses operating earnings as the primary performance measurement of its earnings guidance and results for public communications with analysts and investors. Dominion Energy also uses operating earnings internally for budgeting, for reporting to the board of directors, for the company's incentive compensation plans and for its targeted dividend payouts and other purposes. Dominion Energy management believes operating earnings provide a more meaningful representation of the company's fundamental earnings power.

Dominion Energy's estimates of fourth-quarter and full-year 2017 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 Energy'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 Energy Midstream and retirements of assets based on asset portfolio reviews, the receipt of approvals for, and timing of, closing dates for acquisitions and divestitures, the timing and execution of Dominion Energy 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 Energy 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 Energy'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 Energy, 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 Energy's quarterly reports on Form 10-Q or most recent annual report on Form 10-K filed with the Securities and Exchange Commission.