



Dominion[®]

**Alternate Breakdown
Structure (ABS)
Supplement**

May 4, 2016

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Important Notes to Investors

This supplement contains certain forward-looking statements, including our forecasted operating earnings for the second-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, including the ability to obtain the requisite approvals of Questar's shareholders and timing, 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 (EBIT) and operating earnings before interest, taxes and depreciation (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 1Q16 Operating Earnings to Guidance

Unaudited, Alternate Breakdown Structure

(millions, except per share amounts)

Description	1Q15 Actual	Range of 1Q16		1Q16 Actual
		Low	High	
Virginia Electric & Power Co. EBITDA				
Electric Distribution	\$246	\$210	\$225	\$204
Electric Transmission	156	170	185	178
Utility Generation	475	435	475	437
VEPCO Corporate & Other	0	0	0	(1)
VEPCO DD&A	238	245	250	248
Subtotal VEPCO Adjusted EBIT	639	570	635	570
Gas Operations EBITDA				
Gas Distribution	\$115	\$100	\$115	\$107
Gas Transmission	333	250	275	262
Gas Operations DD&A	65	65	65	64
Subtotal Gas Operations EBIT	383	285	325	305
Merchant Generation EBITDA				
Merchant Generation DD&A	\$167	\$140	\$175	\$151
Subtotal Merchant Generation Operations EBIT	31	40	40	39
Subtotal Merchant Generation Operations EBIT	136	100	135	112
Corporate and Other & Eliminations Adjusted EBIT	(20)	(10)	(10)	14
Total Adjusted EBIT	\$1,138	\$945	\$1,085	\$1,001
Consolidated Interest	223	230	220	224
Consolidated Income Taxes	327	185	210	198
Noncontrolling Interests	4	10	10	7
Operating Earnings	\$584	\$520	\$645	\$572
Average Diluted Shares Outstanding	589.9	600	598	598.2
Operating EPS Range	\$0.99	\$0.87	\$1.08	\$0.96
1Q16 Operating EPS Guidance Range		\$0.90	\$1.05	

Note: Figures may not add due to rounding

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 Items excluded from operating earnings for 1Q15 and 1Q16.

Guidance

2Q16 Operating Earnings Guidance

Unaudited, Alternate Breakdown Structure

(millions, except per share amounts)

Description	2Q15	Range of 2Q16	
	Actual	Low	High
Virginia Electric & Power Co. EBITDA			
Electric Distribution	\$209	\$180	\$205
Electric Transmission	165	175	185
Utility Generation	402	425	460
VEPCO DD&A	231	250	255
Subtotal VEPCO Adjusted EBIT	545	530	595
Gas Operations EBITDA			
Gas Distribution	\$81	\$80	\$90
Gas Transmission	205	235	255
Gas Operations DD&A	64	65	65
Subtotal Gas Operations EBIT	222	250	280
Merchant Generation EBITDA			
Merchant Generation DD&A	\$144	\$65	\$85
Subtotal Merchant Generation Operations EBIT	34	40	40
Subtotal Merchant Generation Operations EBIT	110	25	45
Corporate and Other & Eliminations Adjusted EBIT	(21)	(35)	(35)
Total Adjusted EBIT	\$856	\$770	\$885
Consolidated Interest	221	240	230
Consolidated Income Taxes	201	140	165
Noncontrolling Interests	5	10	10
Operating Earnings	\$429	\$380	\$480
Average Diluted Shares Outstanding	592.5	614	612
Operating EPS Range	\$0.73	\$0.62	\$0.78
2Q16 Operating EPS Guidance Range		\$0.65	\$0.75

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 *Items excluded from operating earnings* for 2Q15.

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Please refer to the "Important Note to Investors" on page 3 of the Alternate Breakdown Structure Supplement for risks and uncertainties related to projections and forward-looking statements.

GAAP Reconciliations

Reconciliation of 1Q16 Operating Earnings to GAAP

Unaudited, Alternate Breakdown Structure¹

(millions, except per share amounts)

Description	1Q16 Operating	Adjustments	1Q16 GAAP
Virginia Electric & Power Co. EBITDA			
Electric Distribution	\$204		\$204
Electric Transmission	178		178
Utility Generation	437		437
Virginia Power - Corporate & Other	(1)	(40)	(41)
VEPCO DD&A	248		248
Subtotal VEPCO EBIT	570	(40)	530
Gas Operations EBITDA			
Gas Distribution	107		107
Gas Transmission	262		262
Gas Operations DD&A	64		64
Subtotal Gas Operations EBIT	305		305
Merchant Generation Operations EBITDA	151		151
Merchant Generations Operations DD&A	39		39
Subtotal Merchant Generation Operations EBIT	112		112
Corporate, Other & Eliminations EBIT	14	(25)	(11)
Total EBIT	\$1,001	(\$65)	\$936
Consolidated Interest	224	2	226
Consolidated Income Taxes	198	(19)	179
Noncontrolling Interests	7		7
Earnings	\$572	(\$48)	\$524
Average Diluted Shares Outstanding	598.2	598.2	598.2
Operating EPS	\$0.96		
Adjustments		(\$0.08)	
Reported EPS			\$0.88

Adjustments to Operating:

- (a) Items associated with the organizational design initiative.
- (b) Other miscellaneous items.
- (c) Income tax effects for items excluded from operating results.

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

Reconciliation of 1Q15 Operating Earnings to GAAP**Unaudited, Alternate Breakdown Structure¹***(millions, except per share amounts)*

Description	1Q15 Operating	Adjustments	1Q15 GAAP
Virginia Electric & Power Co. EBITDA			
Electric Distribution	\$246		\$246
Electric Transmission	156		156
Utility Generation	475		475
Virginia Power - Corporate & Other	0	(99)	(99)
VEPCO DD&A	238		238
Subtotal VEPCO EBIT	639	(99)	540
Gas Operations EBITDA			
Gas Distribution	115		115
Gas Transmission	333		333
Gas Operations DD&A	65		65
Subtotal Gas Operations EBIT	383		383
Merchant Generation Operations EBITDA			
Merchant Generations Operations DD&A	31		31
Subtotal Merchant Generation Operations EBIT	136		136
Corporate, Other & Eliminations EBIT	(20)	23	(a), (c)
Total EBIT	\$1,138	(\$76)	\$1,062
Consolidated Interest	223		223
Consolidated Income Taxes	327	(28)	(d)
Noncontrolling Interests	4		4
Earnings	\$584	(\$48)	\$536
Average Diluted Shares Outstanding	589.9	589.9	589.9
Operating EPS	\$0.99		
Adjustments		(\$0.08)	
Reported EPS			\$0.91

Adjustments to Operating:

- (a) Items associated with PJM prior-year billing adjustment.
- (b) Write-off of prior-period deferred fuel costs associated with Virginia legislation.
- (c) Net gain/loss of our investment in nuclear decommissioning trust funds.
- (d) Income tax effects for items excluded from operating results.

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

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

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

Adjustments to Operating:

- (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 effects for items excluded from operating results.

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

VEPCO GAAP Reconciliations

Reconciliation of 1Q16 Operating Earnings to GAAP

Virginia Electric & Power Company

Reconciliation of 1Q16 Operating Results to 1Q16 GAAP Results (Unaudited)

(millions)

Description	1Q16 Operating	Adjustments	1Q16 GAAP
EBITDA			
Electric Distribution	\$204		\$204
Electric Transmission	178		178
Utility Generation	437		437
Virginia Power - Corporate & Other	(1)	(40)	(a),(b) (41)
Total DD&A	248		248
Total EBIT	\$570	(40)	\$530
Consolidated Interest	114		114
Consolidated Income Taxes	167	(14)	(c) 153
Net Income	\$289	(26)	\$263

Adjustments to Operating:

- (a) Items associated with the organizational design initiative.
 (b) Other miscellaneous items.
 (c) Income tax effects for items excluded from operating results.

Reconciliation of 1Q15 Operating Earnings to GAAP

Virginia Electric & Power Company

Reconciliation of 1Q15 Operating Results to 1Q15 GAAP Results (Unaudited)

(millions)

Description	1Q15 Operating	Adjustments	1Q15 GAAP
EBITDA			
Electric Distribution	\$246		\$246
Electric Transmission	156		156
Utility Generation	475		475
Virginia Power - Corporate & Other	0	(99)	(a), (b), (c) (99)
Total DD&A	238		238
Total EBIT	\$639	(99)	\$540
Consolidated Interest	108		108
Consolidated Income Taxes	201	(38)	(d) 163
Net Income	\$330	(61)	\$269

Adjustments to Operating:

- (a) Items associated with PJM prior-year billing adjustment.
 (b) Write-off of prior-period deferred fuel costs associated with Virginia legislation.
 (c) Net gain/loss of our investment in nuclear decommissioning trust funds.
 (d) Income tax effects for items excluded from operating results.

Reconciliation of 2Q15 Operating Earnings to GAAP**Virginia Electric & Power Company****Reconciliation of 2Q15 Operating Results to 2Q15 GAAP Results (Unaudited)***(millions)*

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

Adjustments to Operating:

(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 effects for items excluded from operating results.

2016 Earnings Expectations

Earnings Per Share (diluted)

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

2Q 2016 Operating Earnings (estimate):	\$0.65 - \$0.75
FY 2016 Operating Earnings (estimate):	\$3.60 - \$4.00
2Q 2016 Reported Earnings (estimate):	See Note 1 below
FY 2016 Reported Earnings (estimate):	See Note 1 below

1. In providing its second-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 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 second-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, including the ability to obtain the requisite approvals of Questar's shareholders and timing, 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.