



**Dominion<sup>®</sup>**

# 2016 Earnings Guidance Kit

February 1, 2016

# DOMINION – 2016 EARNINGS GUIDANCE KIT

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## Important Notes to Investors

This 2016 Earnings Guidance Kit contains certain forward-looking statements, including our forecasted operating earnings for the first-quarter and full-year 2016 which are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from management's projections, forecasts, estimates and expectations may include factors that are beyond the company's ability to control or estimate precisely, including fluctuations in energy-related commodity prices, estimates of future market conditions, additional competition in our industries, changes in the demand for Dominion's services, access to and costs of capital, fluctuations in the value of our pension assets and assets held in our decommissioning trusts, impacts of acquisitions, divestitures, transfers of assets to joint ventures or Dominion Midstream and retirements of assets based on asset portfolio reviews, the receipt of regulatory approvals for, and timing of, 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.

The consolidated financial data and statistics in this 2016 Earnings Guidance Kit reflect a projection of the financial position and operating results of Dominion, its operating segments and certain components of its operating segments through 2016. Independent auditors have not audited any of the financial and operating statements. Information about the components of our operating segments is being provided to investors for informational purposes only. We believe such information may be useful to provide investors with a more complete understanding of the financial outlook of Dominion's operating segments. Dominion manages its operations through the operating segments. Information provided in this 2016 Earnings Guidance Kit that relates to the various components of the operating segments is supplemental in nature and should not be considered as an alternative to information provided at the operating segment level.

Certain information provided in this 2016 Earnings Guidance 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 (EBIT) and operating earnings before interest, taxes, depreciation and amortization (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 document are based on the assumptions listed in this document and 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.

This 2016 Earnings Guidance Kit has been prepared primarily for security analysts and investors in the hope that it will serve as a convenient and useful reference document. The format of this guidance kit may change in the future as we continue to try to meet the needs of securities analysts and investors. This 2016 Earnings Guidance 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.dom.com/investors](http://www.dom.com/investors) for the most recent updates.

**2016 Earnings Guidance and Accompanying Schedules****Assumptions****Corporate Finance and Income Taxes**

- Average, diluted common shares outstanding of approximately 609 million
- 2016 annual common stock dividend equal to \$2.80 per share
  - All dividend declarations and dividend policy changes are subject to Board of Directors' approval.
- Interest Rate Assumptions on new debt
  - Average Short-Term Interest Rate – 0.7%
  - Average Long-Term Interest Rate – 3.8%
- Consolidated federal and state effective income tax rate range of 24% - 26%

**Dominion Generation**

- Regulated Planned Nuclear Refueling Outages:

Unit	2015 Actual	2016 Plan
North Anna 1	1	1
North Anna 2	0	1
Surry 1	1	1
Surry 2	1	0

- Merchant Planned Nuclear Refueling Outages:

Unit	2015 Actual	2016 Plan
Millstone 2	1	0
Millstone 3	0	1

**Dominion Virginia Power**

- Weather normalized electric utility sales growth rate of approximately 1.0%

## DOMINION – 2016 EARNINGS GUIDANCE KIT

### 2016 Operating Earnings Guidance

(millions, except per share amounts)

Description	2015	Range of 2016	
	Actual	Low	High
<b>Dominion Virginia Power EBITDA</b>	\$1,525	\$1,595	\$1,650
Depreciation, Depletion and Amortization	498	540	545
Dominion Virginia Power EBIT	1,027	1,055	1,105
<b>Dominion Energy EBITDA</b>	\$1,416	\$1,390	\$1,480
Depreciation, Depletion and Amortization	262	270	270
Dominion Energy EBIT	1,154	1,120	1,210
<b>Dominion Generation EBITDA</b>	\$2,438	\$2,525	\$2,690
Depreciation, Depletion and Amortization	591	665	670
Dominion Generation EBIT	1,847	1,860	2,020
Corporate and Other & Eliminations Adjusted EBIT	(82)	(40)	(30)
<b>Total Adjusted EBIT</b>	3,946	3,995	4,305
<b>Consolidated Interest</b>	898	950	930
<b>Consolidated Income Taxes</b>	984	795	810
<b>Noncontrolling Interests</b>	24	100	90
<b>Operating Earnings</b>	\$2,040	\$2,150	\$2,475
Average Diluted Shares Outstanding	593.7	610	608
<b>Operating EPS Range</b>	\$3.44	\$3.53	\$4.07
<b>2016 Operating EPS Guidance Range</b>		<b>\$3.60</b>	<b>\$4.00</b>

**Note:** Figures may not add due to rounding

Refer to the GAAP Reconciliation Section of this kit for details related to items excluded from operating earnings

## DOMINION – 2016 EARNINGS GUIDANCE KIT

### 1Q16 Operating Earnings Guidance

(millions, except per share amounts)

Description	1Q15	Range of 1Q16	
	Actual	Low	High
<b>Dominion Virginia Power EBITDA</b>	\$402	\$380	\$410
Depreciation, Depletion and Amortization	121	130	130
Dominion Virginia Power EBIT	281	250	280
<b>Dominion Energy EBITDA</b>	\$446	\$350	\$390
Depreciation, Depletion and Amortization	64	65	65
Dominion Energy EBIT	382	285	325
<b>Dominion Generation EBITDA</b>	\$643	\$575	\$650
Depreciation, Depletion and Amortization	149	155	160
Dominion Generation EBIT	494	420	490
Corporate and Other & Eliminations Adjusted EBIT	(19)	(10)	(10)
<b>Total Adjusted EBIT</b>	\$1,138	\$945	\$1,085
<b>Consolidated Interest</b>	223	230	220
<b>Consolidated Income Taxes</b>	327	185	210
<b>Noncontrolling Interests</b>	4	10	10
<b>Operating Earnings</b>	\$584	\$520	\$645
Average Diluted Shares Outstanding	589.9	600	598
<b>Operating EPS Range</b>	\$0.99	\$0.87	\$1.08
<b>1Q16 Operating EPS Guidance Range</b>		<b>\$0.90</b>	<b>\$1.05</b>

**Note: Figures may not add due to rounding**

Refer to the GAAP Reconciliation Section of this kit for details related to items excluded from operating earnings

# DOMINION – 2016 EARNINGS GUIDANCE KIT

## Financial

### Cash Flow, Financing and Interest Expenses

(millions, except per share amounts)

Cash Flow Summary	2016 Low	2016 High
<b>Cash Flow Sources</b>		
2016 Operating EPS Guidance Range	\$3.60	\$4.00
Average, diluted common shares outstanding	610	608
Projected Operating Earnings	\$2,200	\$2,430
DD&A <sup>1</sup>	1,775	1,825
Other <sup>2</sup>	(110)	(160)
Deferred Taxes and ITC	650	750
<b>Total Primary Cash Flow Sources</b>	<b>\$4,515</b>	<b>\$4,845</b>
<b>Cash Flow Uses</b>		
Growth Capital Expenditures	(\$5,125)	(\$4,825)
Non-Growth Capital Expenditures	(1,785)	(1,585)
Dividends <sup>3</sup>	(1,730)	(1,680)
2016 Scheduled Debt Maturities	(1,930)	(1,930)
<b>Total Primary Cash Flow Uses</b>	<b>(\$10,570)</b>	<b>(\$10,020)</b>
<b>Total Net Financing Need</b>	<b>(\$6,055)</b>	<b>(\$5,175)</b>

2016 Financing Plan	2016 Low	2016 High
<b>DRI</b>		
DRIP	\$300	\$300
2013 Mandatory Convertible Remarketing Debt	1,100	1,100
	1,250	1,550
<b>Total 2016 DRI Issuances</b>	<b>\$2,650</b>	<b>\$2,950</b>
<b>VEPCO</b>		
Debt	\$1,600	\$1,800
<b>Total 2016 VEPCO Issuances</b>	<b>\$1,600</b>	<b>\$1,800</b>
<b>DGH</b>		
Debt	\$800	\$1,000
<b>Total 2016 DGH Issuances</b>	<b>\$800</b>	<b>\$1,000</b>
<b>Commercial Paper Issuances</b>	<b>\$150</b>	<b>\$300</b>
<b>Total 2016 Planned Issuances</b>	<b>\$5,200</b>	<b>\$6,050</b>

Average Debt Outstanding	2014	2015	2016
<b>Average ST Debt Outstanding</b>	<b>\$3,801</b>	<b>\$4,618</b>	
<b>Average LT Debt Outstanding</b>	<b>\$20,851</b>	<b>\$22,792</b>	
<b>Average Total Debt Outstanding</b>	<b>\$24,651</b>	<b>\$27,410</b>	
Interest and related expenses	\$1,193	\$904	\$930 - \$950
Estimated pre-tax interest rate (%)	4.8%	3.3%	

Schedule of 2016 Debt Maturities	Issuer	Due Date	Amount
2015 Private Placement Short Term Notes (variable)	Dominion	05/12/16	\$600.0
1.95% 2011 Series D Senior Notes	Dominion	08/15/16	450.0
5.4% 2006 Series A Senior Notes	Virginia Power	01/15/16	450.0
8.625% Panda-Rosemary Senior Notes	Virginia Power	02/15/16	1.5
1986 Series IDA Prince William (variable)	Virginia Power	08/01/16	11.2
1986 Series Grant County (variable)	Virginia Power	08/01/16	7.4
7.25% Mecklenburg Senior Bonds	Virginia Power	Multiple	6.0
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	Virginia Power	Multiple	0.2
1.05% 2013 Series A Senior Notes	Dominion Gas	11/01/16	400.0
<b>2016 Total</b>			<b>\$1,926.3</b>

Note: Figures may not add due to rounding. 2016 financing plan does not include Questar-related financing.

1) Includes Nuclear Fuel Amortization.

2) Other includes changes in other assets & liabilities

3) Common stock dividend based on an annual rate \$2.80 / share. All dividend declarations are subject to Board of Directors' approval.

**Planned Capital Expenditures 2016 - 2018**

**Summary\***

	Growth	Maintenance	Environmental	Nuclear Fuel	Total
<b>2016</b>					
<b>Dominion Virginia Power</b>					
Electric Distribution	\$436	\$281	\$0	\$0	\$717
Electric Transmission	841	28	0	0	869
Total	\$1,277	\$310	\$0	\$0	\$1,586
<b>Dominion Energy</b>					
Gas Distribution	\$246	\$125	\$0	\$0	\$371
Gas Transmission	1,923	235	10	0	2,168
Total	\$2,170	\$360	\$10	\$0	\$2,540
<b>Dominion Generation</b>					
Utility Generation	\$1,019	\$353	\$222	\$182	\$1,777
Merchant Generation	814	87	1	60	962
Total	\$1,833	\$440	\$223	\$243	\$2,739
<b>Corporate</b>					
	\$0	\$45	\$0	\$0	\$45
<b>Dominion Consolidated</b>	<b>\$5,279</b>	<b>\$1,155</b>	<b>\$232</b>	<b>\$243</b>	<b>\$6,910</b>
<b>2017</b>					
<b>Dominion Virginia Power</b>					
Electric Distribution	\$485	\$283	\$0	\$0	\$767
Electric Transmission	704	28	0	0	733
Total	\$1,189	\$311	\$0	\$0	\$1,500
<b>Dominion Energy</b>					
Gas Distribution	\$277	\$102	\$0	\$0	\$378
Gas Transmission	1,133	247	7	0	1,387
Total	\$1,410	\$349	\$7	\$0	\$1,766
<b>Dominion Generation</b>					
Utility Generation	\$660	\$303	\$150	\$201	\$1,313
Merchant Generation	0	101	4	126	232
Total	\$660	\$404	\$154	\$327	\$1,545
<b>Corporate</b>					
	\$0	\$41	\$0	\$0	\$41
<b>Dominion Consolidated</b>	<b>\$3,259</b>	<b>\$1,105</b>	<b>\$161</b>	<b>\$327</b>	<b>\$4,852</b>
<b>2018</b>					
<b>Dominion Virginia Power</b>					
Electric Distribution	\$521	\$309	\$0	\$0	\$830
Electric Transmission	667	26	0	0	694
Total	\$1,189	\$335	\$0	\$0	\$1,524
<b>Dominion Energy</b>					
Gas Distribution	\$271	\$88	\$0	\$0	\$359
Gas Transmission	774	250	7	0	1,031
Total	\$1,045	\$338	\$7	\$0	\$1,391
<b>Dominion Generation</b>					
Utility Generation	\$477	\$296	\$53	\$194	\$1,020
Merchant Generation	0	134	10	136	280
Total	\$477	\$430	\$63	\$330	\$1,299
<b>Corporate</b>					
	\$0	\$39	\$0	\$0	\$39
<b>Dominion Consolidated</b>	<b>\$2,711</b>	<b>\$1,142</b>	<b>\$70</b>	<b>\$330</b>	<b>\$4,253</b>

\*Amounts in (\$mm). See the second note on page 9 for information relating to planned annual capital expenditures provided above and on pages 9-11.



# DOMINION – 2016 EARNINGS GUIDANCE KIT

## Dominion Virginia Power

### Electric Distribution

(Millions)

	2016	2017	2018
<b>Growth</b>			
Customer Growth	\$136	\$138	\$140
Strategic Undergrounding	113	146	175
Other	188	200	206
<b>Maintenance</b>			
Reliability	\$91	\$88	\$110
Other	190	195	199
<b>Planned Electric Distribution Total</b>	<b>\$717</b>	<b>\$767</b>	<b>\$830</b>

### Electric Transmission

(Millions)

	2016	2017	2018
<b>Growth</b>			
Surry-Skiffes Creek 500kV	\$136	\$47	\$0
Elmont-Cunningham Rebuild	48	55	0
Warrenton 230kV	41	46	15
Richmond SOC Office	51	2	0
Substation Physical Security	99	84	77
Reliability Upgrades	155	133	125
Other	310	338	451
<b>Maintenance</b>			
Other	28	28	26
<b>Planned Electric Transmission Total</b>	<b>\$869</b>	<b>\$733</b>	<b>\$694</b>

#### Notes:

Figures may not add due to rounding.

Annual capital expenditure information provided in the tables above is being provided to investors for informational purposes only. We believe such information may be useful in providing investors with a more detailed understanding of the major projects or programs that are eligible for or subject to rider treatment, enhanced returns on equity or forward-looking construction work in progress (CWIP). All planned capital expenditures are based on the capital expenditure plan reviewed and endorsed by Dominion's Board of Directors in late 2015. Dominion undertakes no obligation to update this table to reflect plan or project-specific developments, including regulatory developments, or other updates until the following annual update for the plan. Actual capital expenditures may be subject to the Board of Directors approval and/or regulatory approval and may vary from these estimates.

## DOMINION – 2016 EARNINGS GUIDANCE KIT

### Dominion Energy

#### Gas Distribution

	<i>(\$millions)</i>		
	2016	2017	2018
<b>Growth</b>			
Pipeline Infrastructure Replacement (PIR)	\$160	\$180	\$200
Other Gas Distribution	86	97	71
<b>Maintenance</b>	\$125	\$102	\$88
<b>Planned Gas Distribution Total</b>	<b>\$371</b>	<b>\$378</b>	<b>\$359</b>

#### Gas Transmission

	<i>(\$millions)</i>		
	2016	2017	2018
<b>Growth</b>			
Cove Point Export	\$1,225	\$192	\$31
Atlantic Coast Pipeline	124	313	511
DTI Supply Header	81	306	92
Leidy South	74	135	0
New Market	97	0	0
Dominion Carolina Gas	51	95	0
Other Gas Transmission	271	91	140
<b>Maintenance</b>	\$235	\$247	\$250
<b>Environmental</b>	10	7	7
<b>Planned Gas Transmission Total</b>	<b>\$2,168</b>	<b>\$1,387</b>	<b>\$1,031</b>

#### Notes:

Figures may not add due to rounding.

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## DOMINION – 2016 EARNINGS GUIDANCE KIT

### Dominion Generation

#### Utility Generation

	<i>(\$millions)</i>		
	2016	2017	2018
<b>Growth</b>			
Brunswick County CC	\$131	\$5	\$0
Greenville	605	414	198
Utility Scale Solar	145	111	125
Other	137	130	153
<b>Maintenance</b>	\$353	\$303	\$296
<b>Environmental</b>	222	150	53
<b>Nuclear Fuel</b>	182	201	194
<b>Planned Utility Generation Total</b>	<b>\$1,777</b>	<b>\$1,313</b>	<b>\$1,020</b>

#### Merchant Generation

	<i>(\$millions)</i>		
	2016	2017	2018
<b>Growth</b>			
Contracted Solar	\$814	\$0	\$0
<b>Maintenance</b>	87	101	134
<b>Environmental</b>	1	4	10
<b>Nuclear Fuel</b>	60	126	136
<b>Planned Merchant Generation Total</b>	<b>\$962</b>	<b>\$232</b>	<b>\$280</b>

#### Notes:

Figures may not add due to rounding.

Annual capital expenditure information provided in the tables above is being provided to investors for informational purposes only. We believe such information may be useful in providing investors with a more detailed understanding of the major projects or programs that are eligible for or subject to rider treatment, enhanced returns on equity or forward-looking construction work in progress (CWIP). All planned capital expenditures are based on the capital expenditure plan reviewed and endorsed by Dominion's Board of Directors in late 2015. Dominion undertakes no obligation to update this table to reflect plan or project-specific developments, including regulatory developments, or other updates until the following annual update for the plan. Actual capital expenditures may be subject to the Board of Directors approval and/or regulatory approval and may vary from these estimates.

## GAAP Reconciliation

### Reconciliation of 2015 Operating Earnings to Reported Earnings

#### 2015 Earnings (Twelve months ended December 31, 2015)

The net effects of the following items, all shown on an after-tax basis, are included in 2015 reported earnings, but are excluded from operating earnings:

- \$52 million charge associated with Virginia legislation enacted in February that required the write-off of Virginia Power prior-period deferred fuel costs during the first quarter of 2015.
- \$60 million charge associated with the asset retirement obligations for ash ponds and landfills at certain utility generation facilities in connection with the enactment of EPA coal combustion residuals rules in the second quarter of 2015.
- \$17 million net charge in connection with the Virginia Commission’s final ruling associated with its biennial review of Virginia Power’s base rates for 2013-2014 test years.
- \$12 million net expense related to other items.

<i>(millions, except per share amounts)</i>	1Q15	2Q15	3Q15	4Q15	YTD 2015 <sup>2</sup>
<b>Operating earnings</b>	\$584	\$429	\$611	\$416	\$2,040
<b>Items excluded from operating earnings (after-tax):</b>					
Write-off of deferred fuel costs	(52)				(52)
Future ash pond and landfill closure costs		(28)		(32)	(60)
Impact of Virginia Power biennial review				(17)	(17)
Other items	4	12	(18)	(10)	(12)
Total items excluded from operating earnings (after-tax) <sup>1</sup>	(48)	(16)	(18)	(59)	(141)
<b>Reported net income</b>	\$536	\$413	\$593	\$357	\$1,899
<b>Common shares outstanding (average, diluted)</b>	589.9	592.5	595.5	596.7	593.7
<b>Operating earnings per share</b>	\$0.99	\$0.73	\$1.03	\$0.70	\$3.44
Items excluded from operating earnings (after-tax)	(0.08)	(0.03)	(0.03)	(0.10)	(0.24)
<b>Reported earnings per share</b>	\$0.91	\$0.70	\$1.00	\$0.60	\$3.20

**1) Pre-tax amounts for items excluded from operating earnings are reflected in the following table:**

Items excluded from operating earnings:	1Q15	2Q15	3Q15	4Q15	YTD 2015
Write-off of deferred fuel costs	(85)				(85)
Future ash pond and landfill closure costs		(45)		(54)	(99)
Impact of Virginia Power biennial review				(28)	(28)
Other items	9	18	(19)	(16)	(8)
Total items excluded from operating earnings	(\$76)	(\$27)	(\$19)	(\$98)	(\$220)

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

## DOMINION – 2016 EARNINGS GUIDANCE KIT

### Reconciliation of 2015 Operating to 2015 GAAP

#### Unaudited, Operating Segments

(millions, except per share amounts)

Description	2015 Operating	Adjustments	2015 GAAP
<b>Dominion Virginia Power EBITDA</b>	\$1,525		\$1,525
DD&A	498		498
Dominion Virginia Power EBIT	1,027		1,027
<b>Dominion Energy EBITDA</b>	1,416		1,416
DD&A	262		262
Dominion Energy EBIT	1,154		1,154
<b>Dominion Generation EBITDA</b>	2,438		2,438
DD&A	591		591
Dominion Generation EBIT	1,847		1,847
<b>Corporate and Other &amp; Eliminations EBIT</b>	(82)	(214)	(a),(b),(c),(d),(e), (g),(h) (296)
Total EBIT	\$3,946	(\$214)	\$3,732
<b>Consolidated Interest</b>	898	6	(e),(g),(h) 904
<b>Consolidated Income Taxes</b>	984	(79)	(f),(i) 905
<b>Noncontrolling Interests</b>	24		24
<b>Earnings</b>	\$2,040	(\$141)	\$1,899
Average Diluted Shares Outstanding	593.7	593.7	593.7
<b>Operating EPS</b>	3.44	---	---
	---	(0.24)	---
<b>Reported EPS</b>	---	---	3.20

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

#### 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) Items associated with future ash pond and landfill closure costs at certain utility power stations.
- (e) Items associated with rate adjustment clauses.
- (f) Item associated with North Carolina Public Utility Commission order.
- (g) Items in connection with Virginia Power's 2015 biennial review.
- (h) Other miscellaneous items.
- (i) Income tax effects for items excluded from operating results.

# DOMINION – 2016 EARNINGS GUIDANCE KIT

## Reconciliation of 1Q15 Operating Earnings to Reported Earnings

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

Description	1Q15 Operating	Adjustments	1Q15 GAAP
<b>Dominion Virginia Power EBITDA</b>	\$402		\$402
DD&A	121		121
Dominion Virginia Power EBIT	281		281
<b>Dominion Energy EBITDA</b>	446		446
DD&A	64		64
Dominion Energy EBIT	382		382
<b>Dominion Generation EBITDA</b>	643		643
DD&A	149		149
Dominion Generation EBIT	494		494
<b>Corporate and Other &amp; Eliminations EBIT</b>	(19)	(76) (a),(b),(c)	(95)
Total EBIT	\$1,138	(\$76)	\$1,062
<b>Consolidated Interest</b>	223		223
<b>Consolidated Income Taxes</b>	327	(28) (d)	299
<b>Noncontrolling Interests</b>	4		4
<b>Income(loss) from Discontinued Operations</b>	0	0	0
<b>Earnings</b>	\$584	(\$48)	\$536
Average Diluted Shares Outstanding	589.9	589.9	589.9
<b>Operating EPS</b>	0.99	---	---
	---	(0.08)	---
<b>Reported EPS</b>	---	---	0.91

Note: Totals may not add due to rounding

### 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.

# DOMINION – 2016 EARNINGS GUIDANCE KIT

## 2016 Earnings Expectations

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

1Q 2016 Operating Earnings (estimate): \$0.90 - \$1.05

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

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

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

1. In providing its first-quarter and full-year 2016 operating earnings guidance the company notes that there could be differences between expected reported (GAAP) earnings and estimated operating earnings for matters such as, but not limited to, divestitures or changes in accounting principles. At this time, Dominion management is currently 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 first-quarter and full-year 2016 earnings are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from management's projections, forecasts, estimates and expectations may include factors that are beyond the company's ability to control or estimate precisely, including fluctuations in energy-related commodity prices, estimates of future market conditions, additional competition in our industries, changes in the demand for Dominion's services, access to and costs of capital, fluctuations in the value of our pension assets and assets held in our decommissioning trusts, impacts of acquisitions, divestitures, transfers of assets to joint ventures or Dominion Midstream and retirements of assets based on asset portfolio reviews, the receipt of regulatory approvals for, and timing of, 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.