



First Quarter 2018 Earnings Call

April 27, 2018



**Dominion
Energy®**



Dominion Energy
Midstream Partners™



Important Note to Investors



This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding Dominion Energy and Dominion Energy Midstream Partners. The statements relate to, among other things, expectations, estimates and projections concerning the business and operations of Dominion Energy and Dominion Energy Midstream Partners. We have used the words "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "outlook", "predict", "project", "should", "strategy", "target", "will", "potential" and similar terms and phrases to identify forward-looking statements in this presentation. As outlined in our SEC filings, factors that could cause actual results to differ include, but are not limited to: unusual weather conditions and their effect on energy sales to customers and energy commodity prices; extreme weather events and other natural disasters; federal, state and local legislative and regulatory developments; changes to federal, state and local environmental laws and regulations, including proposed carbon regulations; cost of environmental compliance; changes in enforcement practices of regulators relating to environmental standards and litigation exposure for remedial activities; capital market conditions, including the availability of credit and the ability to obtain financing on reasonable terms; fluctuations in interest rates; changes in rating agency requirements or credit ratings and their effect on availability and cost of capital; impacts of acquisitions, divestitures, transfers of assets by Dominion Energy to joint ventures or to Dominion Energy Midstream Partners, and retirements of assets based on asset portfolio reviews; the expected timing and likelihood of completion of the proposed acquisition of SCANA Corporation, including the ability to obtain the requisite approvals of SCANA's shareholders and timing, receipt and terms and conditions of required regulatory approvals; receipt of approvals for, and timing of, closing dates for other acquisitions and divestitures; the execution of Dominion Energy Midstream Partners' growth strategy; changes in demand for Dominion Energy's services; additional competition in Dominion Energy's industries; changes to regulated rates collected by Dominion Energy; changes in operating, maintenance and construction costs; timing and receipt of regulatory approvals necessary for planned construction or expansion projects and compliance with conditions associated with such regulatory approvals; the inability to complete planned construction projects within time frames initially anticipated; and the ability of Dominion Energy Midstream Partners to negotiate, obtain necessary approvals and consummate acquisitions from Dominion Energy and third-parties, and the impacts of such acquisitions. Other risk factors are detailed from time to time in Dominion Energy's and Dominion Energy Midstream Partners' quarterly reports on Form 10-Q or most recent annual report on Form 10-K filed with the Securities and Exchange Commission.

The information in this presentation was prepared as of April 27, 2018. Dominion Energy and Dominion Energy Midstream Partners undertake no obligation to update any forward-looking information statement to reflect developments after the statement is made. Projections or forecasts shown in this document are based on the assumptions listed in this document and are subject to change at any time. In addition, certain information presented in this document incorporates planned capital expenditures reviewed and endorsed by Dominion Energy's Board of Directors in late 2017. Actual capital expenditures may be subject to regulatory and/or Board of Directors' approval and may vary from these estimates.

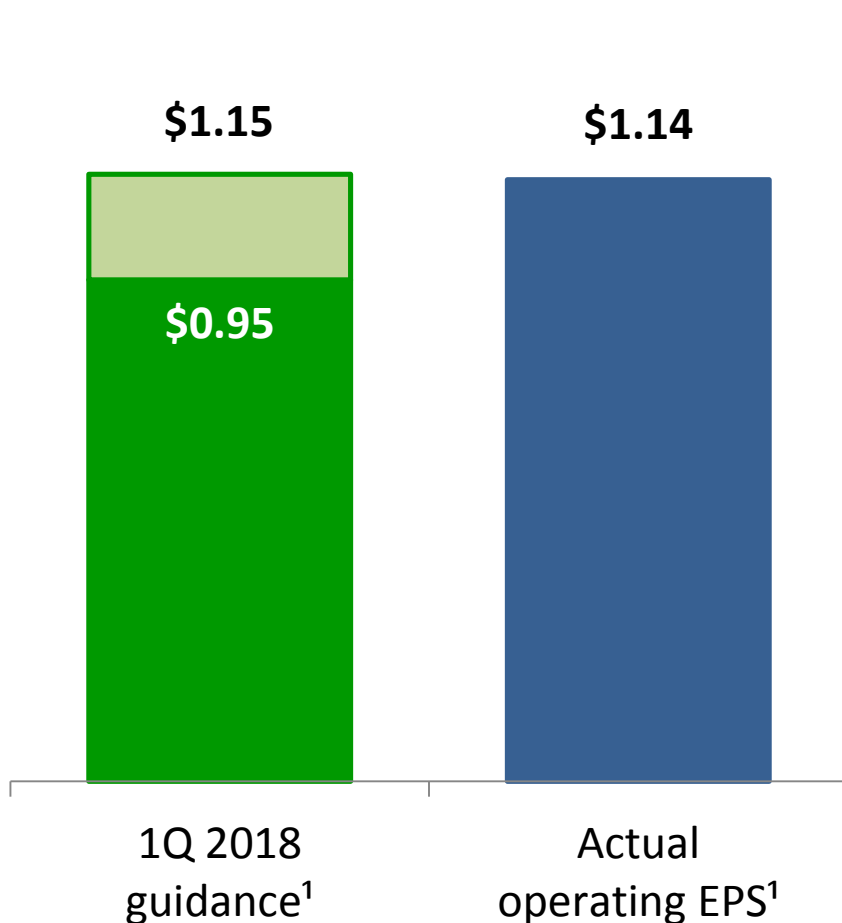
This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities. Any offers, solicitations or offers to buy, or any sales of securities will be made in accordance with the requirements of the Securities Act of 1933, as amended. This presentation has been prepared primarily for security analysts and investors in the hope that it will serve as a convenient and useful reference document. The format of this document may change in the future as we continue to try to meet the needs of security analysts and investors. This document is not intended for use in connection with any sale, offer to sell, or solicitation of any offer to buy securities.

This presentation includes various estimates of EBITDA which is a non-GAAP financial measure. Please see the first quarter 2017 Dominion Energy earnings release kit and the Dominion Energy Midstream Press Release for a reconciliation to GAAP. Please continue to regularly check Dominion Energy's website at www.dominionenergy.com/investors and Dominion Energy Midstream Partners' website at www.dominionenergymidstream.com/investors.

Operating earnings summary



First quarter 2018 versus guidance (\$ per share)



1Q 2018 earnings growth drivers

- ↑ Merchant generation margins
- ↑ Farmout transactions
- ↑ Electric transmission growth
- ↑ Gas distribution growth
- ↑ Operating expenses
- ↑ Tax expense/tax reform
- ↓ Cove Point in-service date

¹ See page 30 of the first quarter 2018 Earnings Release Kit for a reconciliation to GAAP.

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Operating EBITDA summary



First quarter 2018 versus guidance (\$ millions)

Operating segment	Guidance range	Actual ¹	1 st quarter drivers versus guidance
Power Delivery	\$395—\$435	\$423	↑ Operating expenses ↑ Electric transmission
Power Generation	\$650—\$740	\$748	↑ Merchant margins ↑ Operating expenses
Gas Infrastructure	\$600—\$650	\$612	↑ Farmout transactions ↑ Gas distribution ↓ Cove Point in-service

¹ See page 34 of the first quarter 2018 Earnings Release Kit for a reconciliation to GAAP.

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Dominion Energy Midstream Partners (DM)



First quarter 2018 earnings and distributions

— Financial results in line with management expectations

- Adjusted EBITDA: \$79.5 million¹ – Compared to \$75.4 million in 1Q 2017
- Distributable cash flow: \$52.1 million¹ – 18% increase over 1Q 2017

— Completed \$500M credit facility

— Distribution results

- Board approved 1Q 2018 cash distribution of \$0.3340 per unit
 - 5% increase over fourth-quarter 2017
- 1.23x coverage ratio

¹ See the first quarter 2018 Dominion Energy Midstream Partners press release for a reconciliation to GAAP.
Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Recent events

- **Filed for expedited rehearing with FERC regarding MLP tax allowance**
 - Will take years before any potential impact on DM distributable cash flow
 - Potential impact not material to Dominion Energy earnings
- **Cove Point and Atlantic Coast Pipeline remain MLP eligible**
 - Dominion Energy retains the ability to drop assets in the future if MLP capital markets and DM unit price provide cost-of-capital benefit
- **No planned drop-downs in 2018 absent material improvement in MLP capital market and DM unit price**
 - Will continue to recommend 5% quarterly increases in LP unit distributions subject to maintaining approximately 1.0x coverage ratio
- **Plan to restructure incentive distribution rights (IDRs) in advance of any future DM equity**

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Recap: Credit improvement initiatives



Previous earnings call

✓ \$500 million equity issuance (at-the-market)

- Completed in January

✓ \$1 billion reduction in 2018 and 2019 capital investment

✓ \$1 billion increase in total credit facility capacity

- \$6 billion at Dominion Energy
- \$500 million at Dominion Energy Midstream Partners

**Support balance sheet and credit profile
particularly with regard to tax reform credit impact**

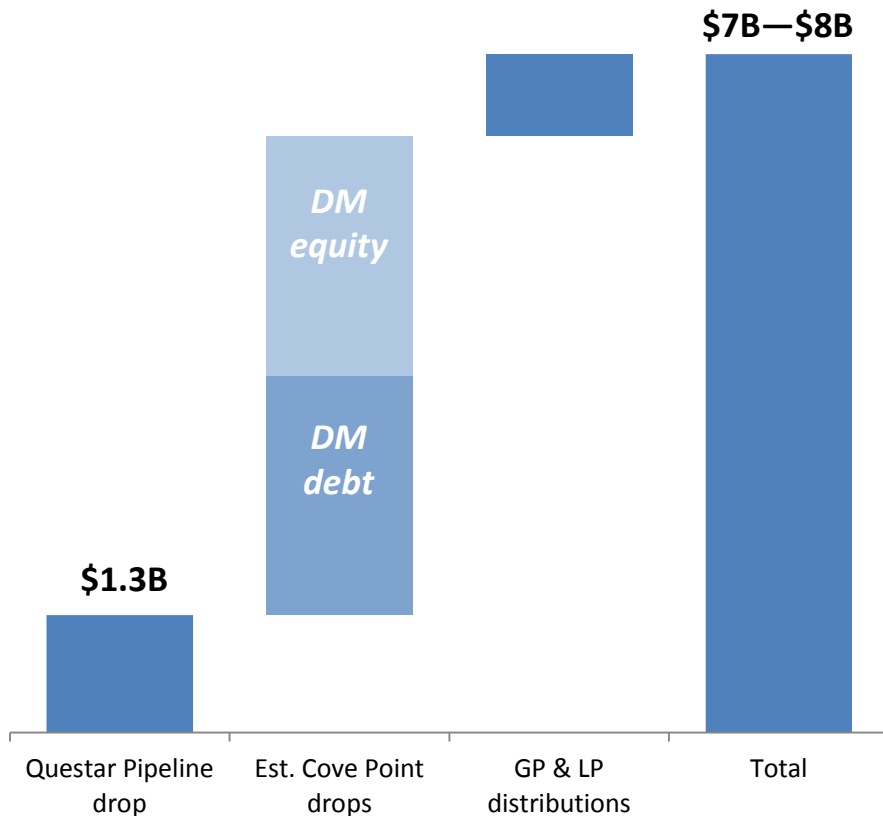
Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Financing plan update

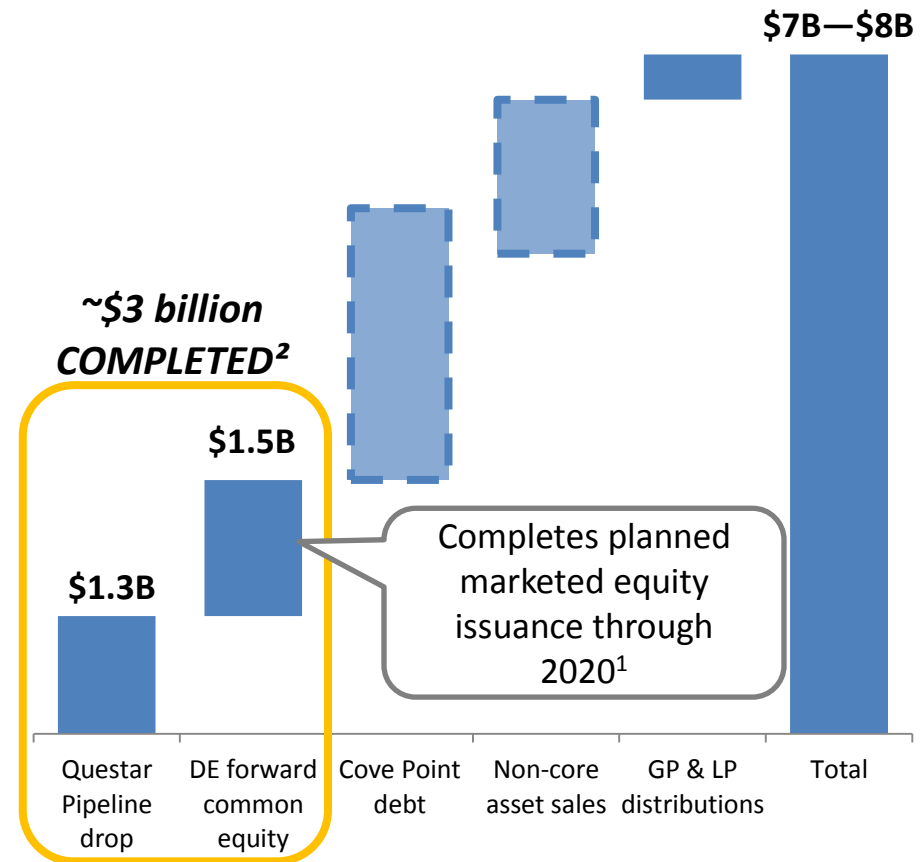


\$7—\$8 billion of cash returned to Parent between 2016 and 2020

Original plan



Alternative plan



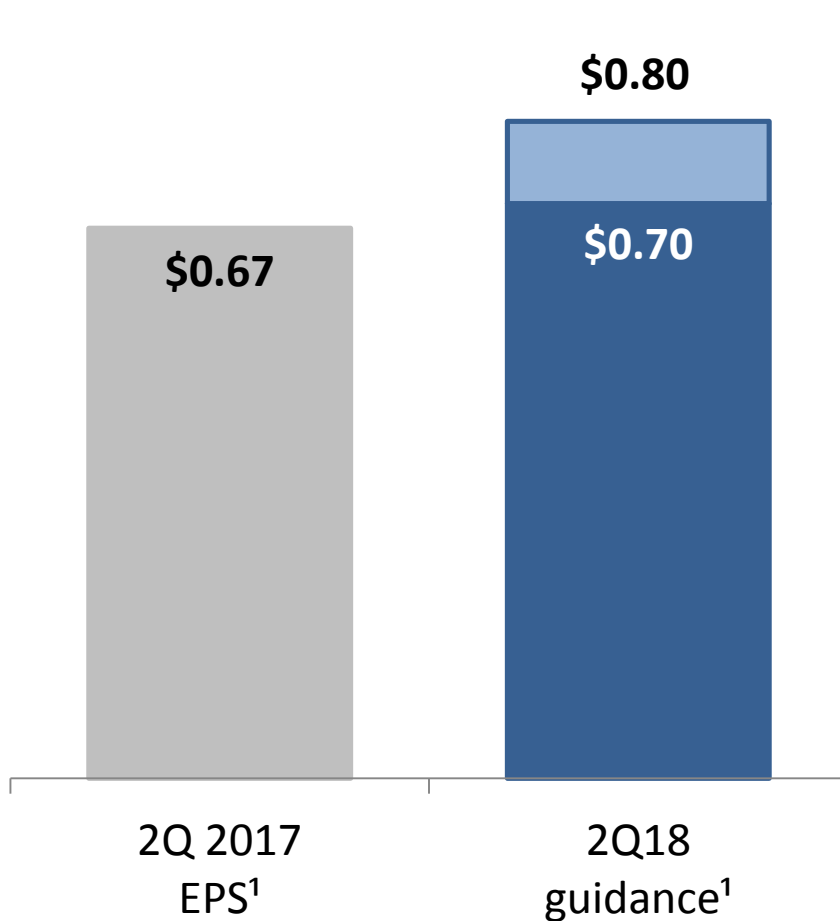
¹ Excludes up to \$300M of annual issuance under DRIP program and potential issuance to SCANA shareholders under proposed merger terms.

² Includes LP & GP distributions received to date

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Operating earnings guidance

Second quarter 2018 (\$ per share)



2Q 2018 earnings growth drivers

- ↑ Cove Point export
- ↑ Millstone refueling outage
- ↑ Tax expense/tax reform
- ↑ Weather
- ↓ Solar investment tax credits
- ↓ Higher financing/share count

¹ See page 36 and 37 of the first quarter 2018 Earnings Release Kit for a reconciliation to GAAP.
Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Financial summary



Dominion Energy and Dominion Energy Midstream Partners

- First quarter 2018 operating earnings: **\$1.14** per share¹
 - Top of guidance range
- Taking aggressive steps to respond to MLP capital markets disruption
- 2018 operating earnings guidance range of **\$3.80 – \$4.25** per share¹
 - Midpoint of range is **10%** higher than the midpoint of our 2017 guidance
 - Expect to produce 2018 results that are above the midpoint of our guidance range
- 2017 to 2020 operating earnings per share CAGR of 6%—8%
- Affirm **10%** annual dividend growth through 2019²
 - 2020 dividend growth between **6% and 10%** determined by MLP market²

¹ See pages 30 and 37 of the first quarter 2018 Earnings Release Kit for a reconciliation to GAAP.

² Dividend declarations are subject to board approval.

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

- Meaningful improvement to last year's record-setting safety performance through first quarter
- Record nuclear operations
 - 538 days and counting without an unplanned automatic reactor shutdown
- Strong electric sales growth
 - 1.7% weather-normalized year-over-year growth
 - Six new data centers connected in first quarter
 - Over 400MW of new demand from data center connects over last year

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Gas Infrastructure

Growth project update – Cove Point Liquefaction

Construction is complete
Achieved commercial in-service early April

- ~\$4 billion, multi-year project
- First commercial cargo loaded in early April
- 20-year take-or-pay export contracts
- Annual Cove Point EBITDA: ~\$700M



Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Gas Infrastructure

Growth project update – Atlantic Coast Pipeline and Supply Header

— Successful tree felling season

- Completed more than 200 miles

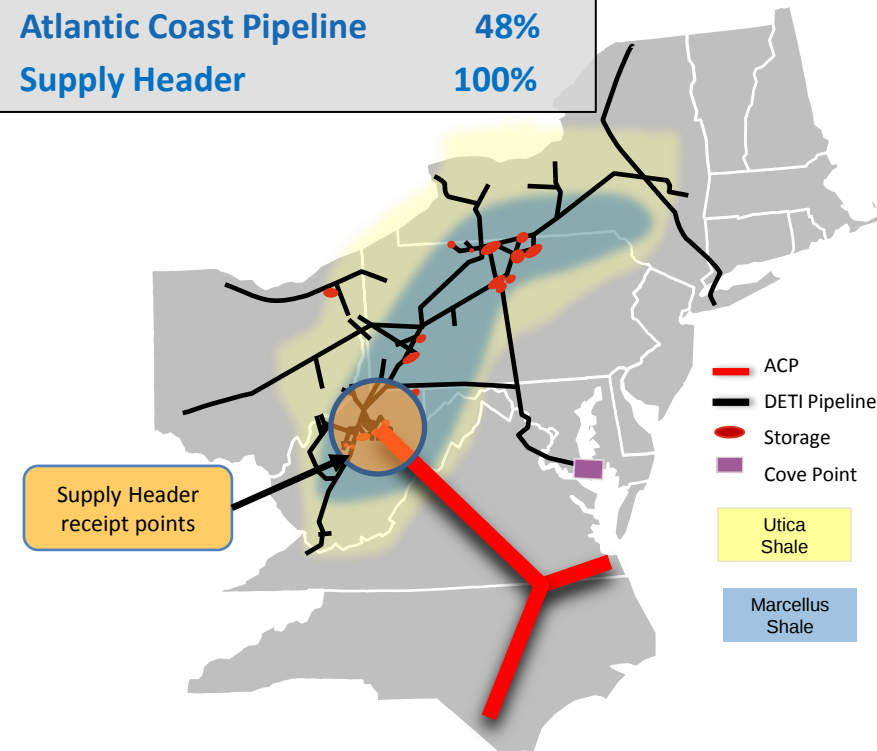
— Construction progress

- Compressor stations in PA, WV, and NC underway
- Submitted FERC filing to begin WV mainline construction
- Will seek FERC approval to begin NC mainline construction in the near future

— Awaiting final VA E&S permit

DOMINION ENERGY OWNERSHIP¹:

Atlantic Coast Pipeline	48%
Supply Header	100%



Expected in-service: Q4 2019

¹ Dominion Energy will construct, operate and manage the pipeline.

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

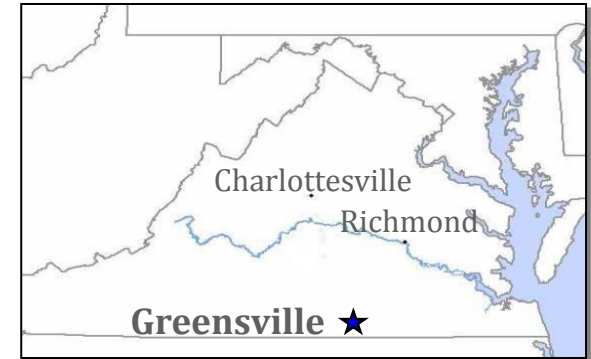
Power Generation

Growth project update – Greenville

Construction is on-time & on-budget

– 1,588 MW Gas Fired Combined Cycle plant in Greenville County, VA

- Will be the largest, most efficient single combined-cycle plant in the U.S.
- 3-on-1 configuration; Duct burners, inlet air chillers, gas only



– Estimated cost of \$1.3 billion

– Major milestones

- All major equipment is set
- Expected first-fire in Q2 2018
- Expected in-service in late this year



Project is 84% complete

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.

Key Takeaways



First quarter 2018 earnings and operational highlights

- ✓ Record setting operating and safety performance
- ✓ Successful completion of Cove Point export
- ✓ Greenville County project is on-time and on-budget
- ✓ Construction underway on Atlantic Coast Pipeline and Supply Header
- ✓ Optimistic that SCANA merger will be completed later this year
- ✓ Expect to meet our earnings growth targets and credit objectives
- ✓ 10% annual dividend growth through 2019, 6%—10% growth in 2020 determined by MLP markets¹

¹ Dividend declarations are subject to board approval.

Please refer to slide 2 for risks and uncertainties related to projections and forward looking statements.