



**Dominion
Energy®**

**2nd Quarter 2018
Earnings Release
Kit**

August 1, 2018

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Important Notes to Investors

This 2Q18 Earnings Release Kit contains certain forward-looking statements, including our forecasted operating earnings for the third-quarter and full-year 2018 which are subject to various risks and uncertainties. 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 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 reports on Form 10-K filed with the Securities and Exchange Commission.

Certain information provided in this 2Q18 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 2Q18 Earnings Release Kit and its individual components reflect the financial position and operating results of Dominion Energy and its primary operating segments through June 30, 2018. 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 2Q18 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 2Q18 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 <http://investors.dominionenergy.com/>.

Earnings Release and Accompanying Schedules

August 1, 2018

Dominion Energy Announces Second-Quarter 2018 Earnings

- *Second-quarter 2018 reported earnings of \$0.69 per share*
- *Second-quarter 2018 operating earnings of \$0.86 per share*
- *Reaffirm full-year 2018 operating earnings guidance of \$3.80 to \$4.25 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 June 30, 2018, of \$449 million (\$0.69 per share) compared with earnings of \$390 million (\$0.62 per share) for the same period in 2017.

Operating earnings for the three months ended June 30, 2018, were \$560 million (\$0.86 per share), compared with operating earnings of \$421 million (\$0.67 per share) for the same period in 2017. Operating earnings are defined as reported earnings adjusted for certain items.

The principal differences between reported earnings and operating earnings for the quarter were an update of expected coal ash remediation costs related to Virginia legislation and the impact on prior years' results from a FERC capitalization review.

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:

"Our second-quarter results were very strong and came in above the top end of our guidance range of \$0.70 to \$0.80. With two strong quarters of financial and operating results in 2018, we affirm our expectation to produce operating earnings that are in the top half of our annual guidance range of \$3.80 and \$4.25 per share.

"We are delighted that the Cove Point Liquefaction project achieved commercial in-service early during the second quarter and since then has delivered 19 commercial cargoes representing over 60 billion cubic feet of liquefied natural gas for our customers.

"Construction of the 1,588-megawatt Greenville County combined-cycle power station continues on time and on budget. The project is approximately 95 percent complete and is expected to begin commercial operations in late 2018.

"We have begun full construction in numerous portions of the Atlantic Coast Pipeline and the

Supply Header Project, including construction of compressor stations and other facilities. Both projects remain on schedule for completion in late 2019.”

Second-Quarter 2018 Reported and Operating Earnings Compared to 2017

Reported earnings increased seven cents per share as compared to second-quarter 2017. 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 increased 19 cents per share as compared to second-quarter 2017 per share operating earnings. The increase is primarily attributable to normal weather in our regulated service territory, the absence of a refueling outage at the Millstone Power Station, the commercial operation of the Cove Point Liquefaction project, and the impact of tax reform. Factors offsetting the increase include lower renewable energy investment tax credits, higher electric capacity expense, financing costs and share count.

Details of second-quarter operating earnings as compared to 2017 may be found on Schedule 4 of this release.

Third-Quarter 2018 Operating Earnings Guidance

Dominion Energy expects third-quarter 2018 operating earnings in the range of \$0.95-\$1.15 per share, compared to third-quarter 2017 operating earnings of \$1.04 per share. Positive drivers include commercial operation of the Cove Point Liquefaction project and the benefit of tax reform. The company expects negative drivers for the quarter to include lower renewable energy investment tax credits, higher financing costs and share count.

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

The company will host its second-quarter earnings conference call at 10 a.m. ET on Wednesday, Aug. 1, 2018. Management will discuss second-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 investors.dominionenergy.com.

A replay of the conference call will be available beginning about 1 p.m. ET Aug. 1 and lasting until 11 p.m. ET Aug. 8. Domestic callers may access the recording by dialing (877) 919-4059.

International callers should dial (334) 323-0140. The PIN for the replay is 54257608. Additionally, a replay of the webcast will be available on the investor information pages by the end of the day Aug. 1.

Nearly 6 million customers in 19 states energize their homes and businesses with electricity or natural gas from Dominion Energy (NYSE: D). The company is committed to sustainable, reliable, affordable, and safe energy and is one of the nation's largest producers and transporters of energy with over \$78 billion of assets providing electric generation, transmission and distribution, as well as natural gas storage, transmission, distribution, and import/export services. As one of the nation's leading solar operators, the company intends to reduce its carbon intensity 50 percent by 2030. Headquartered in Richmond, Va., Dominion Energy contributes more than \$20 million annually to the communities it serves and actively supports veterans and their families. Please visit www.DominionEnergy.com, Facebook or Twitter to learn more.

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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 June 30		Six Months Ended June 30	
	2018	2017	2018	2017
(millions, except per share amounts)				
Operating Revenue	\$ 3,088	\$ 2,813	\$ 6,554	\$ 6,197
Operating Expenses				
Electric fuel and other energy-related purchases	623	498	1,367	1,073
Purchased (excess) electric capacity	23	(12)	37	(29)
Purchased gas	64	112	404	417
Other operations and maintenance	1,007	827	1,803	1,611
Depreciation, depletion and amortization	463	467	961	936
Other taxes	166	168	365	357
Total operating expenses	2,346	2,060	4,937	4,365
Income from operations	742	753	1,617	1,832
Other income	185	108	285	270
Interest and related charges	361	308	675	600
Income from operations including noncontrolling interests before income tax expense	566	553	1,227	1,502
Income tax expense	88	136	223	411
Net Income Including Noncontrolling Interests	478	417	1,004	1,091
Noncontrolling Interests	29	27	52	69
Net Income Attributable to Dominion Energy	\$ 449	\$ 390	\$ 952	\$ 1,022
Earnings Per Common Share				
Net income attributable to Dominion Energy - Basic	\$ 0.69	\$ 0.62	\$ 1.46	\$ 1.63
Net income attributable to Dominion Energy - Diluted	0.69	0.62	1.46	1.63
Dividends Declared Per Common Share	\$0.8350	\$ 0.7550	\$ 1.670	\$ 1.510

* 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**Unaudited***(millions, except earnings per share)*

	Three months ended June 30,		
	2018	2017	Change
REPORTED EARNINGS ¹	\$ 449	\$ 390	\$ 59
Pre-tax loss (income) ²	145	47	98
Income tax ²	(34)	(16)	(18)
Adjustments to reported earnings	111	31	80
OPERATING EARNINGS	\$ 560	\$ 421	\$ 139
By segment:			
Power Delivery	145	127	18
Power Generation	276	240	36
Gas Infrastructure	249	163	86
Corporate and Other	(110)	(109)	(1)
	<u>\$ 560</u>	<u>\$ 421</u>	<u>\$ 139</u>
Earnings Per Share (EPS):			
REPORTED EARNINGS ¹	\$ 0.69	\$ 0.62	\$ 0.07
Adjustments to reported earnings (after tax)	0.17	0.05	0.12
OPERATING EARNINGS	\$ 0.86	\$ 0.67	\$ 0.19
By segment:			
Power Delivery	0.23	0.20	0.03
Power Generation	0.42	0.38	0.04
Gas Infrastructure	0.38	0.26	0.12
Corporate and Other	(0.17)	(0.17)	-
	<u>\$ 0.86</u>	<u>\$ 0.67</u>	<u>\$ 0.19</u>
Common Shares Outstanding (average, diluted)	653.1	629.2	

(millions, except earnings per share)

	Six months ended June 30,		
	2018	2017	Change
REPORTED EARNINGS ¹	\$ 952	\$ 1,022	\$ (70)
Pre-tax loss (income) ²	450	16	434
Income tax ²	(101)	(6)	(95)
Adjustments to reported earnings	349	10	339
OPERATING EARNINGS	\$ 1,301	\$ 1,032	\$ 269
By segment:			
Power Delivery	301	252	49
Power Generation	624	501	123
Gas Infrastructure	576	426	150
Corporate and Other	(200)	(147)	(53)
	<u>\$ 1,301</u>	<u>\$ 1,032</u>	<u>\$ 269</u>
Earnings Per Share (EPS):			
REPORTED EARNINGS ¹	\$ 1.46	\$ 1.63	\$ (0.17)
Adjustments to reported earnings (after tax)	0.54	0.01	0.53
OPERATING EARNINGS	\$ 2.00	\$ 1.64	\$ 0.36
By segment:			
Power Delivery	0.46	0.40	0.06
Power Generation	0.96	0.80	0.16
Gas Infrastructure	0.88	0.68	0.20
Corporate and Other	(0.30)	(0.24)	(0.06)
	<u>\$ 2.00</u>	<u>\$ 1.64</u>	<u>\$ 0.36</u>
Common Shares Outstanding (average, diluted)	651.8	628.7	

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.

Schedule 2 - Reconciliation of 2018 Reported Earnings to Operating Earnings**2018 Earnings (Six months ended June 30, 2018)**

The \$450 million pre-tax net effect of the adjustments included in 2018 reported earnings, but excluded from operating earnings, is primarily related to the following items:

- \$215 million charge associated with Virginia legislation enacted in March that requires one-time rate credits of certain amounts to utility customers.
- \$122 million charge associated with disallowance of FERC-regulated plant.
- \$81 million charge associated with the asset retirement obligations for ash ponds and landfills at certain utility generation facilities in connection with the enactment of Virginia legislation in April.
- \$31 million of restoration costs associated with Winter Storm Riley primarily affecting our Virginia service territory.
- \$25 million of transaction and transition costs associated with the Dominion Energy Questar combination and the proposed acquisition of SCANA Corporation.
- \$31 million benefit associated with retroactive application of depreciation rates for regulated nuclear plants to comply with the Virginia Commission requirements.
- \$7 million net gain related to our investments in nuclear decommissioning trust funds.

<i>(millions, except per share amounts)</i>	1Q18	2Q18	3Q18	4Q18	YTD 2018 ²
Reported earnings	\$503	\$449			\$952
Adjustments to reported earnings ¹ :					
Pre-tax loss (income)	305	145			450
Income tax benefit	(67)	(34)			(101)
	238	111			349
Operating earnings	\$741	\$560			\$1,301
Common shares outstanding (average, diluted)	650.5	653.1			651.8
Reported earnings per share	\$0.77	\$0.69			\$1.46
Adjustments to reported earnings (after-tax)	0.37	0.17			0.54
Operating earnings per share	\$1.14	\$0.86			\$2.00

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

	1Q18	2Q18	3Q18	4Q18	YTD 2018
<u>Pre-tax loss (income):</u>					
Impact of Virginia rate legislation	215				215
FERC-regulated plant disallowance		122			122
Future ash pond and landfill closure costs		81			81
Storm costs	31				31
Merger-related transaction and transition costs	16	9			25
VA depreciation revision		(31)			(31)
Net (gain) loss on NDT funds	43	(50)			(7)
Other		14			14
	\$305	\$145			\$450
<u>Income tax expense (benefit):</u>					
Tax effect of above adjustments to reported earnings *	(67)	(34)			(101)
	(\$67)	(\$34)			(\$101)

* 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 share count difference.

Schedule 3 - Reconciliation of 2017 Reported Earnings to Operating Earnings**2017 Earnings (Twelve months ended December 31, 2017)**

The \$235 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:

- \$158 million of impairment charges associated with our equity method investments in wind-powered generation facilities.
- \$72 million of transaction and transition costs, primarily associated with the Dominion Energy Questar combination.
- \$46 million net gain related to our investments in nuclear decommissioning trust funds.

The 2017 Tax Reform Act reduced the corporate income tax rate from 35% to 21%. Dominion Energy recognized \$851 million of tax benefits resulting from the re-measurement of deferred income taxes to the new corporate income tax rate.

<i>(millions, except per share amounts)</i>	1Q17	2Q17	3Q17	4Q17	YTD 2017 ²
Reported earnings	\$632	\$390	\$665	\$1,312	\$2,999
Adjustments to reported earnings ¹ :					
Pre-tax loss (income)	(31)	47	12	207	235
Income tax	10	(16)	(5)	(934)	(945)
	(21)	31	7	(727)	(710)
Operating earnings	\$611	\$421	\$672	\$585	\$2,289
Common shares outstanding (average, diluted)	628.1	629.2	642.5	643.9	636.0
Reported earnings per share	\$1.01	\$0.62	\$1.03	\$2.04	\$4.72
Adjustments to reported earnings (after-tax)	(0.04)	0.05	0.01	(1.13)	(1.12)
Operating earnings per share	\$0.97	\$0.67	\$1.04	\$0.91	\$3.60

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

	1Q17	2Q17	3Q17	4Q17	YTD 2017
<u>Pre-tax loss (income):</u>					
Impairments of equity method investments				158	158
Merger-related transaction & transition costs	3	20	16	33	72
Net gain on NDT funds	(34)	(3)	(4)	(5)	(46)
Other		30		21	51
	(\$31)	\$47	\$12	\$207	\$235
<u>Income tax expense (benefit):</u>					
Tax effect of above adjustments to reported earnings *	10	(16)	(5)	(83)	(94)
Re-measurement of Deferred Tax Balances **				(851)	(851)
	\$10	(\$16)	(\$5)	(\$934)	(\$945)

* 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.

** Federal tax reform, enacted in December 2017, reduced the corporate income tax rate from 35% to 21%, effective 1/1/2018. Deferred taxes are required to be measured at the enacted rate in effect when they are expected to reverse. As a result, deferred taxes were re-measured to the 21% rate. For regulated entities, where the reduction in deferred taxes is expected to be recovered or refunded in future rates, the adjustment was recorded to a regulatory asset or liability instead of income tax expense.

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

Schedule 4 - Reconciliation of 2Q18 Earnings to 2Q17

Preliminary, Unaudited (millions, except EPS)	Three Months Ended June 30, 2018 vs. 2017		Six Months Ended June 30, 2018 vs. 2017	
	Increase / (Decrease)		Increase / (Decrease)	
	Amount	EPS	Amount	EPS
Reconciling Items				
Change in reported earnings (GAAP)	\$59	\$0.07	(\$70)	(\$0.17)
Change in Pre-tax loss (income) ¹	98		434	
Change in Income tax ¹	(18)		(95)	
Adjustments to reported earnings	\$80	\$0.12	\$339	\$0.53
Change in consolidated operating earnings	\$139	\$0.19	\$269	\$0.36
Power Delivery ²				
Regulated electric sales:				
Weather	\$8	\$0.01	\$22	\$0.03
Other	12	0.02	16	0.03
FERC Transmission equity return	1	-	5	0.01
Tax reform impacts	0	-	0	-
Other	(3)	-	6	0.01
Share dilution	-	-	-	(0.02)
Change in contribution to operating earnings	\$18	\$0.03	\$49	\$0.06
Power Generation ²				
Regulated electric sales:				
Weather	\$13	\$0.02	\$41	\$0.06
Other	2	-	(7)	(0.01)
Merchant generation margin	33	0.06	94	0.15
Planned outage costs	36	0.06	40	0.06
Electric capacity	(20)	(0.03)	(38)	(0.06)
Renewable energy investment tax credits	(55)	(0.09)	(55)	(0.09)
Tax reform impacts	9	0.01	32	0.05
Other	18	0.03	16	0.03
Share dilution	-	(0.02)	-	(0.03)
Change in contribution to operating earnings	\$36	\$0.04	\$123	\$0.16
Gas Infrastructure ²				
Farmout transactions	\$4	\$0.01	\$36	\$0.06
Transportation and storage growth projects	10	0.02	18	0.03
Cove Point	68	0.11	58	0.09
Tax reform impacts	28	0.04	60	0.09
Interest	(27)	(0.04)	(28)	(0.05)
Other	3	-	6	0.01
Share dilution	-	(0.02)	-	(0.03)
Change in contribution to operating earnings	\$86	\$0.12	\$150	\$0.20
Corporate and Other ²				
Renewable energy investment tax credits	\$20	\$0.03	(\$15)	(\$0.02)
Tax reform impacts	(20)	(0.03)	(39)	(0.06)
Interest expense, other, and share dilution	(1)	-	1	0.02
Change in contribution to operating earnings	(\$1)	\$0.00	(\$53)	(\$0.06)
Change in consolidated operating earnings	\$139	\$0.19	\$269	\$0.36
Change in adjustments included in reported earnings ¹	(\$80)	(\$0.12)	(\$339)	(\$0.53)
Change in consolidated reported earnings	\$59	\$0.07	(\$70)	(\$0.17)

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⁾ For period over period comparability reconciling items tax effected using a 35% federal tax rate.

Segment specific tax reform impacts outlined as individual reconciling items.

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)

	June 30, 2018	December 31, 2017 ¹
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 190	\$ 120
Customer receivables (less allowance for doubtful accounts of \$19 and \$17)	1,510	1,660
Other receivables (less allowance for doubtful accounts of \$3 and \$2)	133	126
Inventories	1,429	1,477
Regulatory assets	616	294
Other	732	657
Total current assets	<u>4,610</u>	<u>4,334</u>
Investments		
Nuclear decommissioning trust funds	5,159	5,093
Investment in equity method affiliates	1,710	1,544
Other	339	327
Total investments	<u>7,208</u>	<u>6,964</u>
Property, Plant and Equipment		
Property, plant and equipment	76,458	74,823
Accumulated depreciation, depletion and amortization	<u>(21,854)</u>	<u>(21,065)</u>
Total property, plant and equipment, net	<u>54,604</u>	<u>53,758</u>
Deferred Charges and Other Assets		
Goodwill	6,405	6,405
Regulatory assets	2,395	2,480
Other	2,853	2,644
Total deferred charges and other assets	<u>11,653</u>	<u>11,529</u>
Total assets	<u><u>\$ 78,075</u></u>	<u><u>\$ 76,585</u></u>

¹⁾ Dominion Energy's Consolidated Balance Sheet at December 31, 2017 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 - 2Q18 EARNINGS RELEASE KIT

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

	<u>June 30, 2018</u>	<u>December 31, 2017¹</u>
LIABILITIES AND EQUITY		
Current Liabilities		
Securities due within one year	\$ 2,950	\$ 3,078
Short-term debt	2,745	3,298
Accounts payable	660	875
Other	2,563	2,385
Total current liabilities	<u>8,918</u>	<u>9,636</u>
Long-Term Debt		
Long-term debt	26,679	25,588
Junior subordinated notes	3,981	3,981
Remarketable subordinated notes	1,382	1,379
Credit facility borrowings	73	—
Total long-term debt	<u>32,115</u>	<u>30,948</u>
Deferred Credits and Other Liabilities		
Deferred income taxes and investment tax credits	4,844	4,523
Regulatory liabilities	7,065	6,916
Other	5,097	5,192
Total deferred credits and other liabilities	<u>17,006</u>	<u>16,631</u>
Total liabilities	<u>58,039</u>	<u>57,215</u>
Commitments and Contingencies		
Equity		
Common stock – no par ²	10,782	9,865
Retained earnings	8,820	7,936
Accumulated other comprehensive loss	(1,538)	(659)
Total common shareholders' equity	<u>18,064</u>	<u>17,142</u>
Noncontrolling interests	1,972	2,228
Total equity	<u>20,036</u>	<u>19,370</u>
Total liabilities and equity	<u>\$ 78,075</u>	<u>\$ 76,585</u>

¹⁾ Dominion Energy's Consolidated Balance Sheet at December 31, 2017 has been derived from the audited Consolidated Financial Statements at that date.

²⁾ 1 billion shares authorized; 654 million shares and 645 million shares outstanding at June 30, 2018 and December 31, 2017, 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 – 2 Q 1 8 E A R N I N G S R E L E A S E K I T

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

	Six Months Ended June 30,	
	<u>2018</u>	<u>2017</u>
Operating Activities		
Net income including noncontrolling interests	\$ 1,004	\$ 1,091
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operating activities:		
Depreciation, depletion and amortization (including nuclear fuel)	1,106	1,088
Deferred income taxes and investment tax credits	229	406
Proceeds from assignment of tower rental portfolio	—	91
Contribution to pension plan	—	(75)
Gains on sales of assets	(44)	—
Provision for rate credits to electric utility customers	215	—
Charge associated with future ash pond and landfill closure costs	81	—
Charge associated with FERC-regulated plant disallowance	129	—
Other adjustments	(42)	(64)
Changes in:		
Accounts receivable	158	307
Inventories	31	21
Deferred fuel and purchased gas costs, net	(295)	(79)
Prepayments	(15)	32
Accounts payable	(151)	(211)
Accrued interest, payroll and taxes	(90)	(73)
Customer deposits	108	12
Margin deposit assets and liabilities	(34)	54
Net realized and unrealized changes related to derivative activities	82	34
Other operating assets and liabilities	(47)	(274)
Net cash provided by operating activities	<u>2,425</u>	<u>2,360</u>
Investing Activities		
Plant construction and other property additions (including nuclear fuel)	(2,046)	(2,748)
Acquisition of solar development projects	(51)	(280)
Proceeds from sales of securities	844	1,119
Purchases of securities	(890)	(1,156)
Proceeds from assignment of shale development rights	44	—
Contributions to equity method affiliates	(134)	(252)
Other	(3)	(4)
Net cash used in investing activities	<u>(2,236)</u>	<u>(3,321)</u>
Financing Activities		
Issuance of short-term notes	1,450	—
Repayment of short-term debt, net	(553)	(322)
Issuance of long-term debt	2,400	2,730
Repayment of long-term debt	(2,840)	(490)
Credit facility borrowings	73	—
Issuance of common stock	662	156
Common dividend payments	(1,089)	(949)
Other	(123)	(162)
Net cash provided by (used in) financing activities	<u>(20)</u>	<u>963</u>
Increase in cash, restricted cash and equivalents	169	2
Cash, restricted cash and equivalents at beginning of period	185	322
Cash, restricted cash and equivalents at end of period	<u>\$ 354</u>	<u>\$ 324</u>
Supplemental Cash Flow Information		
Significant noncash investing and financing activities:		
Accrued capital expenditures	<u>\$ 253</u>	<u>\$ 270</u>

* 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 June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Operating Revenue	\$ 3,088	\$ 2,813	\$ 6,554	\$ 6,197
Operating Expenses				
Electric fuel and other energy-related purchases	623	498	1,367	1,073
Purchased (excess) electric capacity	23	(12)	37	(29)
Purchased gas	64	112	404	417
Other operations and maintenance ³	1,007	827	1,803	1,611
Depreciation, depletion and amortization	463	467	961	936
Other taxes	166	168	365	357
Total operating expenses	2,346	2,060	4,937	4,365
Income from operations	742	753	1,617	1,832
Other income ³	185	108	285	270
Income including noncontrolling interests before interest and income taxes	927	861	1,902	2,102
Interest and related charges	361	308	675	600
Income including noncontrolling interests before income taxes	566	553	1,227	1,502
Income taxes	88	136	223	411
Income including noncontrolling interests	478	417	1,004	1,091
Noncontrolling interests	29	27	52	69
Reported Earnings	\$ 449	\$ 390	\$ 952	\$ 1,022
Reported Earnings Per Share	\$ 0.69	\$ 0.62	\$ 1.46	\$ 1.63
Adjustments to reported earnings:				
Pre-tax Loss (Income) ²	145	47	450	16
Income Tax ²	(34)	(16)	(101)	(6)
	111	31	349	10
Operating Earnings	\$ 560	\$ 421	\$ 1,301	\$ 1,032
Operating Earnings Per Share	\$ 0.86	\$ 0.67	\$ 2.00	\$ 1.64
Average shares outstanding, diluted	653.1	629.2	651.8	628.7
Adjusted EBIT Reconciliation				
Reported Earnings	\$ 449	\$ 390	\$ 952	\$ 1,022
Noncontrolling interest	29	27	52	69
Income taxes	88	136	223	411
Interest and related charges	361	308	675	600
	\$ 927	\$ 861	\$ 1,902	\$ 2,102
Adjustments ²	144	47	449	16
Adjusted EBIT	\$ 1,071	\$ 908	\$ 2,351	\$ 2,118

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.

³⁾ 2017 amounts have been recast based on revised accounting guidance for the presentation of net periodic pension and other postretirement benefit costs.

Power Delivery Reported and Operating Results

Unaudited Summary (\$mm except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Operating Revenue	\$ 534	\$ 537	\$ 1,103	\$ 1,096
Operating Expenses				
Electric fuel and other energy-related purchases	1	1	2	2
Purchased (excess) electric capacity	-	-	-	-
Purchased gas	-	-	-	-
Other operations and maintenance	88	87	196	203
Depreciation, depletion and amortization	155	149	308	294
Other taxes	44	41	91	86
Total operating expenses	<u>288</u>	<u>278</u>	<u>597</u>	<u>585</u>
Income from operations	<u>246</u>	<u>259</u>	<u>506</u>	<u>511</u>
Other income	<u>9</u>	<u>14</u>	<u>19</u>	<u>31</u>
Income including noncontrolling interests before interest and income taxes	255	273	525	542
Interest and related charges	<u>66</u>	<u>69</u>	<u>134</u>	<u>133</u>
Income including noncontrolling interests before income taxes	189	204	391	409
Income taxes	<u>44</u>	<u>77</u>	<u>90</u>	<u>157</u>
Income including noncontrolling interests	145	127	301	252
Noncontrolling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reported and Operating Earnings Contribution	\$ 145	\$ 127	\$ 301	\$ 252
Reported and Operating Earnings Per Share Contribution	\$ 0.23	\$ 0.20	\$ 0.46	\$ 0.40
Average shares outstanding, diluted	653.1	629.2	651.8	628.7
Adjusted EBIT and EBITDA Reconciliation				
Reported Earnings	\$ 145	\$ 127	\$ 301	\$ 252
Noncontrolling interest	-	-	-	-
Income taxes	44	77	90	157
Interest and related charges	66	69	134	133
Adjusted EBIT	<u>\$ 255</u>	<u>\$ 273</u>	<u>\$ 525</u>	<u>\$ 542</u>
Depreciation, depletion and amortization	155	149	308	294
Adjusted EBITDA	<u>\$ 410</u>	<u>\$ 422</u>	<u>\$ 833</u>	<u>\$ 836</u>

Power Generation Reported and Operating Results

Unaudited Summary (\$mm except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Operating Revenue	\$ 1,638	\$ 1,509	\$ 3,500	\$ 3,165
Operating Expenses				
Electric fuel and other energy-related purchases	586	491	1,274	1,055
Purchased (excess) electric capacity	23	(12)	37	(29)
Purchased gas	-	-	-	-
Other operations and maintenance ¹	371	446	752	826
Depreciation, depletion and amortization	177	181	375	370
Other taxes	45	55	101	111
Total operating expenses	<u>1,202</u>	<u>1,161</u>	<u>2,539</u>	<u>2,333</u>
Income from operations	<u>436</u>	<u>348</u>	<u>961</u>	<u>832</u>
Other income ¹	<u>26</u>	<u>25</u>	<u>51</u>	<u>47</u>
Income including noncontrolling interests before interest and income taxes	462	373	1,012	879
Interest and related charges	<u>93</u>	<u>85</u>	<u>189</u>	<u>165</u>
Income including noncontrolling interests before income taxes	369	288	823	714
Income taxes	<u>85</u>	<u>42</u>	<u>193</u>	<u>191</u>
Income including noncontrolling interests	284	246	630	523
Noncontrolling interests	<u>8</u>	<u>6</u>	<u>6</u>	<u>22</u>
Reported and Operating Earnings Contribution	\$ 276	\$ 240	\$ 624	\$ 501
Reported and Operating Earnings Per Share Contribution	\$ 0.42	\$ 0.38	\$ 0.96	\$ 0.80
Average shares outstanding, diluted	653.1	629.2	651.8	628.7
Adjusted EBIT and EBITDA Reconciliation				
Reported Earnings	\$ 276	\$ 240	\$ 624	\$ 501
Noncontrolling interest	8	6	6	22
Income taxes	85	42	193	191
Interest and related charges	93	85	189	165
Adjusted EBIT	<u>\$ 462</u>	<u>\$ 373</u>	<u>\$ 1,012</u>	<u>\$ 879</u>
Depreciation, depletion and amortization	<u>177</u>	<u>181</u>	<u>375</u>	<u>370</u>
Adjusted EBITDA	<u>\$ 639</u>	<u>\$ 554</u>	<u>\$ 1,387</u>	<u>\$ 1,249</u>

¹⁾ 2017 amounts have been recast based on revised accounting guidance for the presentation of net periodic pension and other postretirement benefit costs.

Gas Infrastructure Reported and Operating Results

	Three Months Ended June 30,		Six Months Ended June 30,	
Unaudited Summary (\$mm except per share amounts)	2018	2017	2018	2017
Operating Revenue	\$ 922	\$ 764	\$ 2,150	\$ 1,931
Operating Expenses				
Electric fuel and other energy-related purchases	30	2	62	7
Purchased (excess) electric capacity	-	-	-	-
Purchased gas	63	108	403	409
Other operations and maintenance ¹	312	250	564	535
Depreciation, depletion and amortization	157	128	292	252
Other taxes	71	66	157	144
Total operating expenses	633	554	1,478	1,347
Income from operations	289	210	672	584
Other income ¹	88	85	182	169
Income including noncontrolling interests before interest and income taxes	377	295	854	753
Interest and related charges	68	22	93	45
Income including noncontrolling interests before income taxes	309	273	761	708
Income taxes	39	89	139	235
Income including noncontrolling interests	270	184	622	473
Noncontrolling interests	21	21	46	47
Reported and Operating Earnings Contribution	\$ 249	\$ 163	\$ 576	\$ 426
Reported and Operating Earnings Per Share Contribution	\$ 0.38	\$ 0.26	\$ 0.88	\$ 0.68
Average shares outstanding, diluted	653.1	629.2	651.8	628.7
Adjusted EBIT and EBITDA Reconciliation				
Reported Earnings	\$ 249	\$ 163	\$ 576	\$ 426
Noncontrolling interest	21	21	46	47
Income taxes	39	89	139	235
Interest and related charges	68	22	93	45
Adjusted EBIT	\$ 377	\$ 295	\$ 854	\$ 753
Depreciation, depletion and amortization	157	128	292	252
Adjusted EBITDA	\$ 534	\$ 423	\$ 1,146	\$ 1,005

¹⁾ 2017 amounts have been recast based on revised accounting guidance for the presentation of net periodic pension and other postretirement benefit costs.

Corporate & Other Reported and Operating Results

	Three Months Ended June 30,		Six Months Ended June 30,	
Unaudited Summary (\$mm except per share amounts)	2018	2017	2018	2017
Operating Revenue	<u>\$ 167</u>	<u>\$ 155</u>	<u>\$ 135</u>	<u>\$ 310</u>
Operating Expenses				
Electric fuel and other energy-related purchases	-	-	-	-
Purchased (excess) electric capacity	-	-	-	-
Purchased gas	-	2	-	3
Other operations and maintenance ²	415	202	653	366
Depreciation, depletion and amortization	(26)	9	(14)	20
Other taxes	7	6	18	16
Total operating expenses	<u>396</u>	<u>219</u>	<u>657</u>	<u>405</u>
Income from operations	<u>(229)</u>	<u>(64)</u>	<u>(522)</u>	<u>(95)</u>
Other income ²	<u>107</u>	<u>17</u>	<u>119</u>	<u>86</u>
Income including noncontrolling interests before interest and income taxes	(122)	(47)	(403)	(9)
Interest and related charges	<u>179</u>	<u>165</u>	<u>345</u>	<u>320</u>
Income including noncontrolling interests before income taxes	(301)	(212)	(748)	(329)
Income taxes	<u>(80)</u>	<u>(72)</u>	<u>(199)</u>	<u>(172)</u>
Income including noncontrolling interests	(221)	(140)	(549)	(157)
Noncontrolling interests	-	-	-	-
Reported Earnings (Loss) Contributed	<u>\$ (221)</u>	<u>\$ (140)</u>	<u>\$ (549)</u>	<u>\$ (157)</u>
Reported Earnings (Loss) Per Share Contributed	<u>\$ (0.34)</u>	<u>\$ (0.22)</u>	<u>\$ (0.84)</u>	<u>\$ (0.25)</u>
Adjustments to reported earnings:				
Pre-tax Loss (Income) ¹	145	47	450	16
Income Tax ¹	(34)	(16)	(101)	(6)
	<u>111</u>	<u>31</u>	<u>349</u>	<u>10</u>
Operating Earnings (Loss) Contributed	<u>\$ (110)</u>	<u>\$ (109)</u>	<u>\$ (200)</u>	<u>\$ (147)</u>
Operating Earnings (Loss) Per Share Contributed	<u>\$ (0.17)</u>	<u>\$ (0.17)</u>	<u>\$ (0.30)</u>	<u>\$ (0.24)</u>
Average shares outstanding, diluted	653.1	629.2	651.8	628.7
Adjusted EBIT Reconciliation				
Reported Earnings	\$ (221)	\$ (140)	\$ (549)	\$ (157)
Noncontrolling interest	-	-	-	-
Income taxes	(80)	(72)	(199)	(172)
Interest and related charges	179	165	345	320
	<u>\$ (122)</u>	<u>\$ (47)</u>	<u>\$ (403)</u>	<u>\$ (9)</u>
Adjustments ¹	144	47	449	16
Adjusted EBIT	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 46</u>	<u>\$ 7</u>

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

²) 2017 amounts have been recast based on revised accounting guidance for the presentation of net periodic pension and other postretirement benefit costs.

Operating Statistics

Dominion Energy Consolidated

Regulated Electric Sales Revenue (\$mm)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Residential	\$ 788	\$ 735	\$ 1,605	\$ 1,560
Commercial	636	581	1,160	1,130
Industrial	121	122	228	230
Governmental and other	210	201	423	411
Regulated retail revenue	1,755	1,639	3,415	3,331
Wholesale - sales for resale	23	29	65	58
Other revenue	-	47	-	94
Total	\$ 1,778	\$ 1,716	\$ 3,480	\$ 3,482

Power Delivery

Degree Days (Electric service area)

Cooling

Actual	611	565	619	574
Normal	495	482	500	487

Heating

Actual	284	186	2,306	1,823
Normal	280	295	2,255	2,282

Electric Delivery Customers (at period end)

Residential	2,321,887	2,297,390	2,321,887	2,297,390
Commercial	243,713	242,050	243,713	242,050
Industrial	644	648	644	648
Governmental	33,126	33,031	33,126	33,031
Total Retail	2,599,370	2,573,119	2,599,370	2,573,119
Wholesale - sales for resale	5	5	5	5
Total	2,599,375	2,573,124	2,599,375	2,573,124

Electricity Delivered (GWh)

Residential	6,991	6,419	15,923	14,182
Commercial	8,299	7,796	16,204	15,322
Industrial	2,075	2,128	4,067	4,036
Governmental and other	2,756	2,659	5,342	5,390
Total Retail	20,121	19,003	41,536	38,929
Wholesale - sales for resale	668	638	1,414	1,238
Total	20,789	19,641	42,951	40,167

Power Generation

Merchant Generation

Total Electric Sales (GWh)

NEPOOL Merchant Fleet ¹	4,859	4,170	9,488	8,794
PJM Merchant Fleet ²	1,594	1,973	3,251	4,162

¹⁾ Comprised of Millstone and Manchester generating stations.

²⁾ Comprised of Fairless generating station.

Note: Figures may not add due to rounding

DOMINION ENERGY - 2Q18 EARNINGS RELEASE KIT

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Gas Infrastructure				
Gas Distribution				
Regulated Gas Revenue (\$mm)				
Gas sales revenue				
Residential	\$ 116	\$ 114	\$ 480	\$ 452
Commercial	34	29	137	125
Industrial	1	3	5	6
Other	0	4	2	15
Total	<u>\$ 151</u>	<u>\$ 150</u>	<u>\$ 624</u>	<u>\$ 598</u>
Regulated Gas Transportation and Storage Revenue (\$mm)				
Gas transportation revenue				
Residential	\$ 93	\$ 93	\$ 195	\$ 195
Commercial	25	23	70	64
Industrial	17	17	40	39
Other	12	11	25	23
Total transportation revenue	<u>147</u>	<u>144</u>	<u>330</u>	<u>322</u>
Storage revenue	<u>1</u>	<u>4</u>	<u>4</u>	<u>7</u>
Total	<u>\$ 148</u>	<u>\$ 148</u>	<u>\$ 334</u>	<u>\$ 329</u>
Degree Days				
Heating - Eastern Region				
Actual	670	481	3,585	2,874
Normal	642	641	3,541	3,559
Heating - Western Region				
Actual	405	576	2,500	2,893
Normal	683	683	3,297	3,297
LDC Natural Gas Customers (at period end)				
Total LDC natural gas customers				
Residential	2,182,523	2,155,773	2,182,523	2,155,773
Commercial	164,794	163,283	164,794	163,283
Industrial	1,813	1,806	1,813	1,806
Other	30	26	30	26
Total	<u>2,349,160</u>	<u>2,320,888</u>	<u>2,349,160</u>	<u>2,320,888</u>
LDC Natural Gas Delivery (mmcf)				
Total LDC natural gas throughput				
Residential	26,943	24,819	115,627	102,968
Commercial	25,222	21,164	80,653	72,192
Industrial	46,668	41,619	100,452	91,553
Other	77,484	69,803	150,727	134,380
Total	<u>176,317</u>	<u>157,405</u>	<u>447,459</u>	<u>401,094</u>
Gas Transmission¹				
Natural Gas Liquids sales (million gallons)	20.5	22.7	39.5	42.4
Average NGL hedge price (\$/gal)	\$0.89	\$0.62	\$0.89	\$0.68
Dominion Energy Solutions				
Unregulated Energy Customer Accounts (at period end)				
Natural Gas	351,138	332,628	351,138	332,628
Products and Services	511,968	1,129,320	511,968	1,129,320
Total	<u>863,106</u>	<u>1,450,974</u>	<u>863,106</u>	<u>1,450,974</u>
Volumes Sold				
Natural Gas (mmcf)	9,804	10,736	35,984	34,823

Note: Figures may not add due to rounding.

¹ Does not include NGL sales at Dominion Energy Questar Pipeline

2018 Weather VarianceDominion Energy - Effect of weather compared to normal ¹

Description	Pre-tax Impact (\$millions)				
	1Q18	2Q18	3Q18	4Q18	FY2018
Gas Distribution ²	(\$0)	\$1	\$0	\$0	\$1
Electric Distribution ³	(4)	5	-	-	0
Electric Transmission ³	(0)	0	-	-	(0)
Utility Generation ⁴	(9)	8	-	-	(0)
Earnings Impact (pre-tax)	(\$13)	\$14	\$0	\$0	\$1

Description	After-tax Impact (\$millions)				
	1Q18	2Q18	3Q18	4Q18	FY2018
Gas Distribution ²	(\$0)	\$1	\$0	\$0	\$1
Electric Distribution ³	(3)	3	-	-	0
Electric Transmission ³	(0)	0	-	-	(0)
Utility Generation ⁴	(6)	6	-	-	(0)
Earnings Impact (after-tax)	(\$10)	\$11	\$0	\$0	\$1

Dominion Energy - Effect of weather compared to prior period ¹

Description	Pre-tax Impact (\$millions)				
	1Q18 v. '17	2Q18 v. '17	3Q18 v. '17	4Q18 v. '17	FY18 v. '17
Gas Distribution ²	\$7	\$3	\$0	\$0	\$10
Electric Distribution ³	23	11	-	-	34
Electric Transmission ³	1	1	-	-	2
Utility Generation ⁴	45	22	-	-	67
Earnings Impact (pre-tax)	\$76	\$37	\$0	\$0	\$113

Description	After-tax Impact (\$millions)				
	1Q18 v. '17	2Q18 v. '17	3Q18 v. '17	4Q18 v. '17	FY18 v. '17
Gas Distribution ²	\$5	\$2	\$0	\$0	\$7
Electric Distribution ³	14	7	-	-	20
Electric Transmission ³	1	0	-	-	1
Utility Generation ⁴	28	13	-	-	41
Earnings Impact (after-tax)	\$47	\$23	\$0	\$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 06/30 2017	At 09/30 2017	At 12/31 2017	At 03/31 2018	At 06/30 2018
Dominion Energy, Inc.					
Term Loans, variable rates, due 2019	\$ -	\$ -	\$ -	\$ 950	\$ 1,450
Unsecured Senior Notes:					
Variable rates, due 2019 and 2020	\$ 500	\$ 500	\$ 800	\$ 800	\$ 1,300
1.4% to 6.4%, due 2017 to 2022	\$ 6,150	\$ 5,800	\$ 5,800	\$ 5,300	\$ 4,300
2.85% to 7.0%, due 2024 to 2044	\$ 5,049	\$ 5,049	\$ 5,049	\$ 5,049	\$ 5,349
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 ¹	\$ 250	\$ -	\$ -	\$ -	\$ -
Unsecured Senior and Medium Term Notes: ¹					
5.31% to 6.85%, due 2017 and 2018	\$ 135	\$ 135	\$ 120	\$ 50	\$ -
2.98% to 7.2%, due 2024 to 2051	\$ 500	\$ 500	\$ 600	\$ 600	\$ 750
Term Loans, variable rates, due 2023 and 2024 ²	\$ 674	\$ 662	\$ 638	\$ 629	\$ 620
Tax-Exempt Financing, 1.55%, due 2033 ²	\$ 27	\$ 27	\$ 27	\$ 27	\$ 27
Tax-Exempt Financing, variable rate, due 2041 ³	\$ 75	\$ -	\$ -	\$ -	\$ -
Unsecured Junior Subordinated Notes:					
2.579% to 4.104%, due 2019 to 2021	\$ 2,100	\$ 2,100	\$ 2,100	\$ 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, 2.0%, due 2021 and 2024	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400	\$ 1,400
Virginia Electric and Power Company					
Unsecured Senior Notes:					
1.2% to 7.25%, due 2017 to 2022	\$ 2,552	\$ 1,952	\$ 1,950	\$ 1,700	\$ 1,100
2.75% to 8.875%, due 2023 to 2047	\$ 7,940	\$ 8,690	\$ 8,690	\$ 9,390	\$ 9,390
Tax-Exempt Financings:					
Variable rates, due 2024 to 2027 ⁴	\$ 100	\$ 100	\$ 100	\$ -	\$ -
1.75% to 5.6%, due 2023 to 2041	\$ 678	\$ 678	\$ 678	\$ 678	\$ 678
Dominion Energy Gas Holdings, LLC					
Unsecured Senior Notes:					
Variable rate, due 2021	\$ -	\$ -	\$ -	\$ -	\$ 500
2.5% and 2.8%, due 2019 and 2020	\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150
2.875% to 4.8%, due 2023 to 2044 ⁵	\$ 2,436	\$ 2,445	\$ 2,450	\$ 2,458	\$ 2,442
Dominion Energy Midstream Partners, LP					
Revolving Credit Agreement, variable rate, due 2021	\$ -	\$ -	\$ -	\$ -	\$ 73
Term Loan, variable rate, due 2019	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300
Unsecured Senior and Medium Term Notes: ⁶					
5.83% and 6.48%, due 2018	\$ 255	\$ 255	\$ 255	\$ 5	\$ 5
3.53% to 4.875%, due 2028 to 2041	\$ 180	\$ 180	\$ 180	\$ 430	\$ 430
Total Principal Amount	\$ 34,457	\$ 33,929	\$ 34,293	\$ 35,022	\$ 35,370
Fair Value Hedge Valuation	2	(4)	(22)	(54)	(61)
Amounts Due Within One Year ⁷	(4,050)	(2,788)	(3,078)	(3,603)	(2,950)
Unamortized Discount, Premium and Debt Issuance Costs, net	(254)	(251)	(245)	(245)	(244)
Total Long-Term Debt	\$ 30,155	\$ 30,886	\$ 30,948	\$ 31,120	\$ 32,115

¹⁾ Represents debt obligations of Dominion Energy Questar Corporation and Questar Gas Company.

²⁾ Represents debt obligations of certain Dominion Generation, Inc. subsidiaries.

³⁾ 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.

⁴⁾ In March 2018, Virginia Power redeemed all \$100 million of its variable rate tax-exempt financings supported by its \$100 million credit facility and subsequently terminated the facility.

⁵⁾ Amount includes foreign currency remeasurement adjustments.

⁶⁾ Represents debt obligations of Dominion Energy Questar Pipeline, LLC.

⁷⁾ At December 31, 2017, excludes \$250 million of Dominion Energy Questar Pipeline, LLC's senior notes that matured in February 2018 using proceeds from the January 2018 issuance, through private placements, of \$100 million and \$150 million of senior notes that mature in 2028 and 2038, respectively.

Schedule of Debt Maturities

As of June 30, 2018

(\$ in millions)

	<u>Due Date</u>	<u>DEI</u>	<u>VEPCO</u>	<u>DEGH¹</u>	<u>DEM²</u>	<u>Other</u>	<u>Total</u>
2018							
2017 Term Loan (variable) (Dominion Solar Projects III)	09/28/18	-	-	-	-	13.1	13.1
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)	12/31/18	-	-	-	-	10.6	10.6
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.1	-	-	-	0.1
2018 Total		550.0	0.1	-	5.0	23.7	578.8
2019							
1.875% 2017 Series A Senior Notes	01/15/19	400.0	-	-	-	-	400.0
364 Day Term Loan Credit Agreement (variable)	02/08/19	950.0	-	-	-	-	950.0
2017 Series D Private Placement Senior Notes (variable)	06/01/19	500.0	-	-	-	-	500.0
364 Day Term Loan Credit Agreement (variable)	06/13/19	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		4,600.0	350.2	450.0	300.0	36.3	5,736.5
2020							
2.579% Junior Subordinated Notes	07/01/20	1,000.0	-	-	-	-	1,000.0
2018 Series A Private Placement Senior Notes (variable)	05/15/20	500.0	-	-	-	-	500.0
2.80% 2015 Series A Senior Notes	11/15/20	-	-	700.0	-	-	700.0
2017 Series E Private Placement Senior Notes (variable)	12/01/20	300.0	-	-	-	-	300.0
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		1,800.0	0.3	700.0	-	34.8	2,535.1
2021							
4.45% 2011 Series A Senior Notes	03/15/21	500.0	-	-	-	-	500.0
Revolving Credit Agreement (variable)	03/20/21	-	-	-	73.0	-	73.0
4.104% Junior Subordinated Notes	04/01/21	550.0	-	-	-	-	550.0
2018 Series A Senior Notes (variable)	06/15/21	-	-	500.0	-	-	500.0
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	500.0	73.0	35.1	2,758.4
2022							
2.75% 2017 Series B Senior Notes	01/15/22	400.0	-	-	-	-	400.0
2.95% 2012 Series A Senior Notes	01/15/22	-	450.0	-	-	-	450.0
3.45% 2010 Series A Senior Notes	09/01/22	-	300.0	-	-	-	300.0
2.75% 2012 Series B Senior Notes	09/15/22	350.0	-	-	-	-	350.0
2016 Term Loan (variable) (SBL Holdco)	multiple	-	-	-	-	19.3	19.3
2017 Term Loan (variable) (Dominion Solar Projects III)	multiple	-	-	-	-	14.4	14.4
7.25% Ft Story, Ft Eustis and Ft Lee Promissory Notes	multiple	-	0.3	-	-	-	0.3
2022 Total		750.0	750.3	-	-	33.7	1,534.0
Total		\$9,850.0	\$1,101.2	\$ 1,650.0	\$378.0	\$ 163.6	\$ 13,142.8

¹⁾ Dominion Energy Gas Holdings, LLC (DEGH)

²⁾ Dominion Energy Midstream Partners, LLC (DEM)

Schedule of Liquidity Position

As of June 30, 2018

In \$ millions)

Total Committed Bank Lines	\$ 6,000
Less:	
Commercial Paper Outstanding	2,743
Letters of Credit Issued	72
Funded Loans	-
Total Available Capacity	3,186
Cash & Short-Term Investments On Hand ¹	62
Total Liquidity Available²	\$ 3,248

(1) Represents aggregate collected cash balances; not ledger balances per financial statements, which totaled \$190 million at 6/30/2018.

(2) Does not include \$2.3 million of liquidity impacts from Dominion Energy Reliability Investments program.

Totals may not add due to rounding

Committed bank lines consist of the following:

A \$6.0 billion revolving credit facility entered into by Dominion Energy, Inc. ("DEI"), Virginia Electric and Power Company ("VEPCO"), Dominion Energy Gas Holdings, LLC ("DEGH"), and Questar Gas Company ("QGC") on March 20, 2018.

Schedule of Change in Capitalization

From December 31, 2017 to June 30, 2018

(\$ in millions)

Change in Debt (Long-Term Debt plus Securities Due Within One Year)

Balance as of December 31, 2017	\$ 34,026
Issuances:	
DEI 2018 364-Day Term Loan (variable) due 2019	950
DEI 2018 364-Day Term Loan (variable) due 2019	500
DEI 2018 Series A (variable) Private Placement Senior Notes due 2020	500
DEI 2018 Series B 4.25% Senior Notes due 2028	300
VEPCO 2018 Series A 3.80% Senior Notes due 2028	700
DEGH 2018 Series A (variable) Senior Notes due 2021	500
DEM 2018 Revolving Credit Agreement (variable) due 2021	73
DEQP 2018 Series A 3.53% Private Placement Senior Notes due 2028	100
DEQP 2018 Series B 3.91% Private Placement Senior Notes due 2038	150
QGC 2018 Series A 3.30% Private Placement Senior Notes due 2030	50
QGC 2018 Series B 3.97% Private Placement Senior Notes due 2047	100
	<u>3,923</u>
Maturities:	
DEI 2016 Series A 2.125% Private Placement Senior Notes due 2018	(500)
DEI 2015 Series A 1.90% Senior Notes due 2018	(500)
DEI 2008 Series A 6.40% Senior Notes due 2018	(500)
VEPCO 2008 Series A 5.40% Senior Notes due 2018	(600)
VEPCO 2013 Series A 1.20% Senior Notes due 2018	(250)
VEPCO 1994 Series Grant County (variable) Revenue Bonds due 2024 ¹	(20)
VEPCO 1996 Series Grant County (variable) Revenue Bonds due 2026 ¹	(24)
VEPCO 1992 Series IDA of Halifax County (variable) Revenue Bonds due 2027 ¹	(56)
DEQP 2008 5.83% Senior Notes due 2018	(250)
QGC 2003 Series E 5.31% Medium-term Notes due 2018	(70)
QGC 2008 6.30% Senior Notes due 2018	(50)
DSP III 2017 Term Loan (variable) due 2024	(9)
SBL Holdco 2016 Term Loan (variable) due 2023	(9)
	<u>(2,838)</u>
Other:	
Change in Foreign Currency Remeasurement Adjustment	(8)
Change in Fair Value Hedges, Net Discount/Premium and Debt Issuance Costs	(38)
	<u>(46)</u>
Balance as of June 30, 2018	\$ 35,065

Change in Shareholders' Equity ²

Balance as of December 31, 2017	\$ 19,370
Net change in Common Stock ³	917
Net change in AOCI	(879)
Retained Earnings	884
	<u>922</u>
Net change in Common Shareholder's Equity	922
Noncontrolling Interests ³	(256)
Net change in Equity	666
Balance as of June 30, 2018	<u>\$ 20,036</u>

¹⁾ Retired early in March 2018.²⁾ Includes cumulative effects of changes in accounting principles.³⁾ Includes \$375M remeasurement of noncontrolling interest.

Hedging

Power, Capacity and NGL Hedge Positions

Merchant Generation Power & Fuel	Net Summer Capacity (MW)	2018
Hedge Positions ¹		
Millstone	2,001	— ²
Manchester	468	72%
Fairless	1,240	62%
Total Merchant Generation ³	3,709	—⁴
Merchant Generation Capacity (EFOR Adjusted)		
Millstone & Manchester (MW)		2,467
Average Capacity Hedge Price (\$/KW - month)		\$8.63
Fairless (MW)		1,193
Average Capacity Hedge Price (\$/KW - month)		\$5.93
NGL		
Estimated annual NGL sales (in million gallons) ⁵		90 - 110
Amount hedged (in million gallons)		61.7
Average hedge price per gallon ⁶		\$0.89

- 1) Hedge percentages are calculated based on the weighted-average of:
 - a) actual results which are considered to be 100% hedged, and b) balance of year hedge percentages. Capacity shown is net summer capacity. Assume capacity remains constant in all periods shown.
- 2) Millstone 2018 hedging percentage not disclosed pending CT process.
- 3) Annual percentage calculations are capacity-weighted. Excludes renewable assets.
- 4) See note 2.
- 5) Represents Dominion Energy's production interest primarily from the Hastings plant.
- 6) 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

2Q18 Operating Earnings Summary

(millions, except per share amounts)

Description	2Q17 Actual	Range of 2Q18		2Q18 Actual
		Low	High	
Power Delivery Group Adjusted EBITDA	\$422	\$390	\$425	\$410
Depreciation, Depletion and Amortization	149	155	155	155
Power Delivery Group Adjusted EBIT	273	235	270	255
Power Generation Group Adjusted EBITDA	\$554	\$570	\$620	\$639
Depreciation, Depletion and Amortization	181	200	200	177
Power Generation Group Adjusted EBIT	373	370	420	462
Gas Infrastructure Group Adjusted EBITDA	\$423	\$525	\$555	\$534
Depreciation, Depletion and Amortization	128	160	160	157
Gas Infrastructure Group Adjusted EBIT	295	365	395	377
Corporate and Other & Eliminations Adjusted EBIT	(33)	(15)	(15)	(23)
Total Adjusted EBIT	\$908	\$955	\$1,070	\$1,071
Consolidated Interest	308	365	355	360
Consolidated Income Taxes	152	130	145	122
Noncontrolling Interests	27	25	25	29
Operating Earnings	\$421	\$435	\$545	\$560
Average Diluted Shares Outstanding	629.2	656	654	653.1
Operating EPS Range	\$0.67	\$0.66	\$0.83	\$0.86

2Q18 Operating EPS Guidance Range

\$0.70

\$0.80

2Q18 Operating EPS Actual >>> \$0.86

Notes:

For additional detail on items excluded from operating earnings see the GAAP Reconciliation schedules on pages 34 and 35.

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

3Q18 Operating Earnings Forecast

(millions, except per share amounts)

Description	3Q17 Actual	Range of 3Q18	
		Low	High
Power Delivery Group Adjusted EBITDA	\$441	\$420	\$455
Depreciation, Depletion and Amortization	149	150	160
Power Delivery Group Adjusted EBIT	292	270	295
Power Generation Group Adjusted EBITDA	\$865	\$750	\$820
Depreciation, Depletion and Amortization	189	200	200
Power Generation Group Adjusted EBIT	676	550	620
Gas Infrastructure Group Adjusted EBITDA	\$471	\$565	\$605
Depreciation, Depletion and Amortization	134	160	160
Gas Infrastructure Group Adjusted EBIT	337	405	445
Corporate and Other & Eliminations Adjusted EBIT	(21)	(20)	(20)
Total Adjusted EBIT	\$1,284	\$1,205	\$1,340
Consolidated Interest	304	380	365
Consolidated Income Taxes	277	160	175
Noncontrolling Interests	31	30	30
Operating Earnings	\$672	\$635	\$770
Average Diluted Shares Outstanding	642.5	655	653
Operating EPS Range	\$1.04	\$0.95	\$1.15
3Q18 Operating EPS Guidance Range		\$0.95	\$1.15

Notes:

For additional detail on items excluded from operating earnings see the GAAP Reconciliation schedules on page 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 2018 Consolidated Reported Earnings to Operating Earnings

Unaudited Income Statements (millions, except per share amounts)						
	Three Months Ended June 30, 2018			Six Months Ended June 30, 2018		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
Operating Revenue	\$ 3,088	\$ -	\$ 3,088	\$ 6,554	\$ 215 (a)	\$ 6,769
Operating Expenses						
Electric fuel and other energy-related purchases	623	-	623	1,367	-	1,367
Purchased electric capacity	23	-	23	37	-	37
Purchased gas	64	-	64	404	-	404
Other operations and maintenance	1,007	(238) (c), (e), (f), (h)	769	1,803	(285) (b), (c), (e), (f), (h)	1,518
Depreciation, depletion and amortization	463	37 (f), (g)	500	961	37 (f), (g)	998
Other taxes	166	-	166	365	-	365
Total operating expenses	2,346	(201)	2,145	4,937	(248)	4,689
Income from operations	742	201	943	1,617	463	2,080
Other income (loss)	185	(57) (d), (f), (h)	128	285	(14) (d), (f), (h)	271
Income including noncontrolling interests before interest and income taxes	927	144	1,071	1,902	449	2,351
Interest and related charges	361	(1) (f)	360	675	(1) (f)	674
Income including noncontrolling interests before income taxes	566	145	711	1,227	450	1,677
Income taxes	88	34 (i)	122	223	101 (i)	324
Income including noncontrolling interests	478	111	589	1,004	349	1,353
Noncontrolling interests	29	-	29	52	-	52
Earnings	\$ 449	\$ 111	\$ 560	\$ 952	\$ 349	\$ 1,301
Earnings Per Share - Diluted	\$ 0.69	\$ 0.17	\$ 0.86	\$ 1.46	\$ 0.54	\$ 2.00
Average shares outstanding, diluted	653.1		653.1	651.8		651.8

Adjustments to Reported Earnings

- (a) Reserve for utility customers' one-time rate credits associated with Virginia legislation.
(b) Restoration costs associated with Winter Storm Riley.
(c) Merger-related transaction and transition costs.
(d) Net gain/loss on our investment in nuclear decommissioning trust funds.
(e) Ash pond and landfill closure costs at certain utility power stations.
(f) Charge associated with FERC-regulated plant disallowance.
(g) Virginia depreciation revision.
(h) Other miscellaneous items.
(i) Income tax provisions associated with adjustments to reported earnings.

Note: Figures may not add due to rounding

Reconciliation of 2017 Consolidated Reported Earnings to Operating Earnings

Unaudited Income Statements
(millions, except per share amounts)

	Three Months Ended June 30, 2017			Six Months Ended Jun 30, 2017		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
Operating Revenue	\$ 2,813	\$ (2) (a)	\$ 2,811	\$ 6,197	\$ (2) (a)	\$ 6,195
Operating Expenses						
Electric fuel and other energy-related purchases	498	-	498	1,073	-	1,073
Purchased (excess) electric capacity	(12)	-	(12)	(29)	-	(29)
Purchased gas	112	(1) (a)	111	417	(1) (a)	416
Other operations and maintenance	827	(35) (a), (b)	792	1,611	(38) (a), (b)	1,573
Depreciation, depletion and amortization	467	-	467	936	-	936
Other taxes	168	-	168	357	-	357
Total operating expenses	2,060	(36)	2,024	4,365	(39)	4,326
Income from operations	753	34	787	1,832	37	1,869
Other income (loss)	108	13 (c), (d)	121	270	(21) (c), (d)	249
Income including noncontrolling interests before interest and income taxes	861	47	908	2,102	16	2,118
Interest and related charges	308	-	308	600	-	600
Income including noncontrolling interests before income taxes	553	47	600	1,502	16	1,518
Income taxes	136	16 (e)	152	411	6 (e)	417
Income including noncontrolling interests	417	31	448	1,091	10	1,101
Noncontrolling interests	27	-	27	69	-	69
Earnings	\$ 390	\$ 31	\$ 421	\$ 1,022	\$ 10	\$ 1,032
Earnings Per Share - Diluted	\$ 0.62	\$ 0.05	\$ 0.67	\$ 1.63	\$ 0.01	\$ 1.64
Average shares outstanding, diluted	629.2		629.2	628.7		628.7

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 on 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 2018 Corporate and Other Reported Earnings to Operating Earnings

Unaudited Income Statements
(millions, except per share amounts)

	Three Months Ended June 30, 2018			Six Months Ended June 30, 2018		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
Operating Revenue	\$ 167	\$ -	\$ 167	\$ 135	\$ 215 (a)	\$ 350
Operating Expenses						
Electric fuel and other energy-related purchases	-	-	-	-	-	-
Purchased electric capacity	-	-	-	-	-	-
Purchased gas	-	-	-	-	-	-
Other operations and maintenance	415	(238) (c), (e), (f), (h)	177	653	(285) (b), (c), (e), (f), (h)	368
Depreciation, depletion and amortization	(26)	37 (f), (g)	11	(14)	37 (f), (g)	23
Other taxes	7	-	7	18	-	18
Total operating expenses	396	(201)	195	657	(248)	409
Income from operations	(229)	201	(28)	(522)	463	(59)
Other income (loss)	107	(57) (d), (f), (h)	50	119	(14) (d), (f), (h)	105
Income including noncontrolling interests before interest and income taxes	(122)	144	22	(403)	449	46
Interest and related charges	179	(1) (f)	178	345	(1) (f)	344
Income including noncontrolling interests before income taxes	(301)	145	(156)	(748)	450	(298)
Income taxes	(80)	34 (i)	(46)	(199)	101 (i)	(98)
Income including noncontrolling interests	(221)	111	(110)	(549)	349	(200)
Noncontrolling interests	-	-	-	-	-	-
Earnings	\$ (221)	\$ 111	\$ (110)	\$ (549)	\$ 349	\$ (200)
Earnings Per Share - Diluted	\$ (0.34)	\$ 0.17	\$ (0.17)	\$ (0.84)	\$ 0.54	\$ (0.30)
Average shares outstanding, diluted	653.1		653.1	651.8		651.8

Adjustments to Reported Earnings

- (a) Reserve for utility customers' one-time rate credits associated with Virginia legislation.
- (b) Restoration costs associated with Winter Storm Riley.
- (c) Merger-related transaction and transition costs.
- (d) Net gain/loss on our investment in nuclear decommissioning trust funds.
- (e) Ash pond and landfill closure costs at certain utility power stations.
- (f) Charge associated with FERC-regulated plant disallowance.
- (g) Virginia depreciation revision.
- (h) Other miscellaneous items.
- (i) Income tax provisions associated with adjustments to reported earnings.

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 June 30, 2017			Six Months Ended Jun 30, 2017		
	GAAP	Adjustments	Operating	GAAP	Adjustments	Operating
Operating Revenue	\$ 155	\$ (2) (a)	\$ 153	\$ 310	\$ (2) (a)	\$ 308
Operating Expenses						
Electric fuel and other energy-related purchases	-	-	-	-	-	-
Purchased (excess) electric capacity	-	-	-	-	-	-
Purchased gas	2	(1) (a)	1	3	(1) (a)	2
Other operations and maintenance	202	(35) (a), (b)	167	366	(38) (a), (b)	328
Depreciation, depletion and amortization	9	-	9	20	-	20
Other taxes	6	-	6	16	-	16
Total operating expenses	219	(36)	183	405	(39)	366
Income from operations	(64)	34	(30)	(95)	37	(58)
Other income (loss)	17	13 (c), (d)	30	86	(21) (c), (d)	65
Income including noncontrolling interests before interest and income taxes	(47)	47	-	(9)	16	7
Interest and related charges	165	-	165	320	-	320
Income including noncontrolling interests before income taxes	(212)	47	(165)	(329)	16	(313)
Income taxes	(72)	16 (e)	(56)	(172)	6 (e)	(166)
Income including noncontrolling interests	(140)	31	(109)	(157)	10	(147)
Noncontrolling interests	-	-	-	-	-	-
Earnings	\$ (140)	\$ 31	\$ (109)	\$ (157)	\$ 10	\$ (147)
Earnings Per Share - Diluted	\$ (0.22)	\$ 0.05	\$ (0.17)	\$ (0.25)	\$ 0.01	\$ (0.24)
Average shares outstanding, diluted	629.2		629.2	628.7		628.7

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 on 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 2Q18 Reported Earnings to 2Q18 Operating Earnings**Unaudited, Operating Segments***(millions, except per share amounts)*

Description	2Q18 Reported	Adjustments	2Q18 Operating
Power Delivery Adjusted EBITDA	\$410		\$410
DD&A	155		155
Power Delivery Adjusted EBIT	255		255
Power Generation Adjusted EBITDA	639		639
DD&A	177		177
Power Generation Adjusted EBIT	462		462
Gas Infrastructure Adjusted EBITDA	534		534
DD&A	157		157
Gas Infrastructure Adjusted EBIT	377		377
Corporate and Other & Eliminations Adjusted EBIT	(167)	144 (a), (b), (c), (d), (e), (f)	(23)
Total Adjusted EBIT	\$927	\$144	\$1,071
Consolidated Interest	361	(1) (d)	360
Consolidated Income Taxes	88	34 (g)	122
Noncontrolling Interests	29	0	29
Earnings	\$449	\$111	\$560
Average Diluted Shares Outstanding	653.1	653.1	653.1
Reported EPS	\$0.69	---	---
Adjustments to reported earnings	---	\$0.17	---
Operating EPS	---	---	\$0.86

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

- (a) Merger-related transaction and transition costs.
- (b) Net gain/loss on our investment in nuclear
- (c) Ash pond and landfill closure costs at certain utility power stations.
- (d) Charge associated with FERC-regulated plant disallowance.
- (e) Virginia depreciation revision.
- (f) Other miscellaneous items.
- (g) Income tax provisions associated with adjustments

Reconciliation of 2Q17 Reported Earnings to 2Q17 Operating Earnings

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

Description	2Q17 Reported	Adjustments	2Q17 Operating
Power Delivery Adjusted EBITDA	\$422		\$422
DD&A	149		149
Power Delivery Adjusted EBIT	273		273
Power Generation Adjusted EBITDA	554		554
DD&A	181		181
Power Generation Adjusted EBIT	373		373
Gas Infrastructure Adjusted EBITDA	423		423
DD&A	128		128
Gas Infrastructure Adjusted EBIT	295		295
Corporate and Other & Eliminations Adjusted EBIT	(80)	47 (a), (b), (c), (d)	(33)
Total Adjusted EBIT	\$861	\$47	\$908
Consolidated Interest	308	0	308
Consolidated Income Taxes	136	16 (e)	152
Noncontrolling Interests	27	0	27
Earnings	\$390	\$31	\$421
Average Diluted Shares Outstanding	629.2	629.2	629.2
Reported EPS	\$0.62	---	---
Adjustments to reported earnings	---	\$0.05	---
Operating EPS	---	---	\$0.67

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 on our investment in nuclear decommissioning trust funds.
(c) Write-off of regulatory asset.
(d) Other miscellaneous items.
(e) Income tax provisions associated with adjustments to reported earnings.

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
Power Generation Adjusted EBIT	676		676
Gas Infrastructure Adjusted EBITDA	471		471
DD&A	134		134
Gas Infrastructure 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 on our investment in nuclear decommissioning trust funds.

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

Note: Figures may not add due to rounding

2018 Earnings Expectations**Earnings Per Share (diluted)****Reconciliation of measures prepared in accordance with Generally Accepted Accounting Principles (GAAP) versus non-GAAP measures**

3Q 2018 Operating Earnings (estimate):	\$0.95 - \$1.15
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FY 2018 Operating Earnings (estimate):	\$3.80 - \$4.25
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3Q 2018 Reported Earnings (estimate):	See Note 1 below
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FY 2018 Reported Earnings (estimate):	See Note 1 below
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1. In providing its third-quarter and full-year 2018 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 third-quarter and full-year 2018 earnings are subject to various risks and uncertainties. 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 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 reports on Form 10-K filed with the Securities and Exchange Commission.