



**Dominion  
Energy®**

**Q1 2019 earnings call**  
May 3, 2019

# 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. The statements relate to, among other things, expectations, estimates and projections concerning the business and operations of Dominion Energy. 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, and retirements of assets based on asset portfolio reviews; receipt of approvals for, and timing of, closing dates for acquisitions and divestitures; 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; adverse outcomes in litigation matters or regulatory proceedings; and the inability to complete planned construction projects within time frames initially anticipated. Other risk factors are detailed from time to time in Dominion Energy's quarterly reports on Form 10-Q or most recent annual report on Form 10-K filed with the Securities and Exchange Commission.

The information in this presentation was prepared as of May 3, 2019. Dominion Energy undertakes 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. 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.

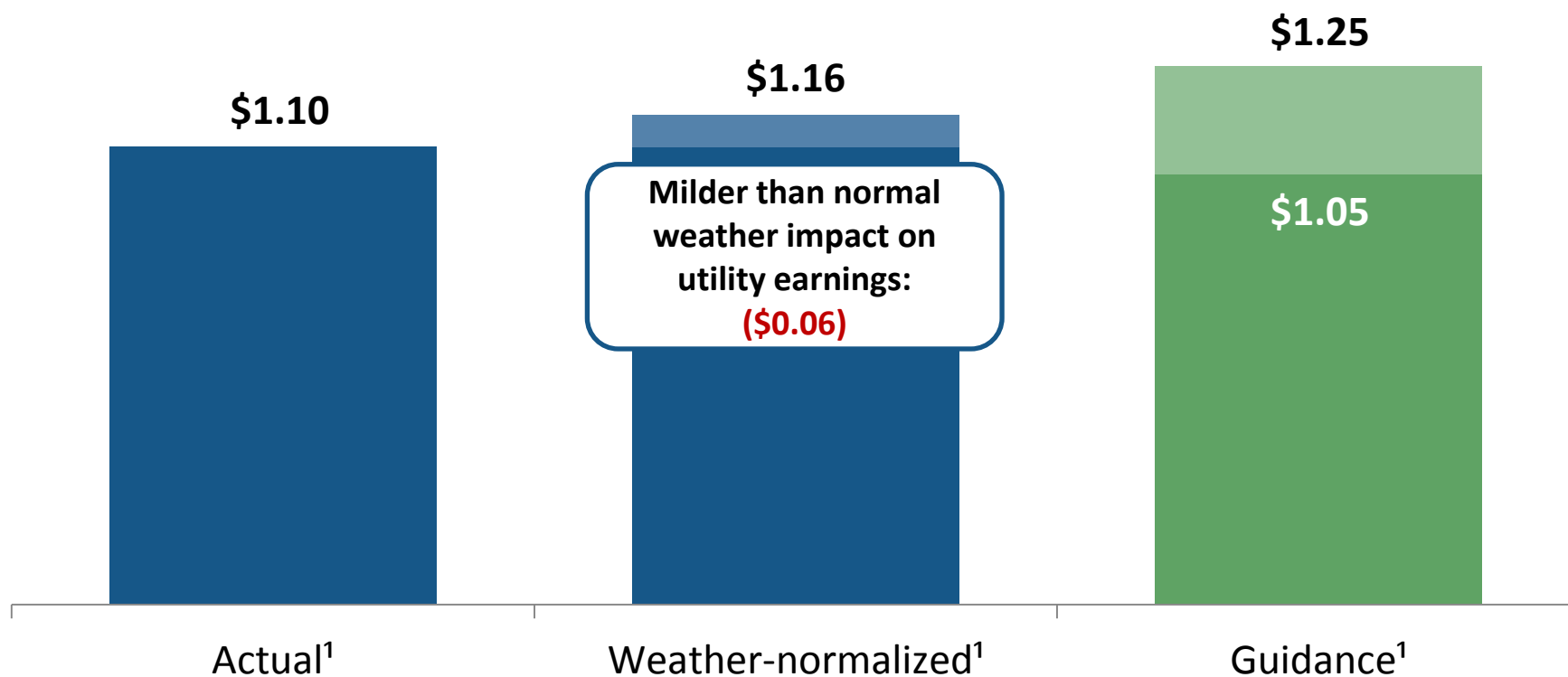
This presentation includes various estimates of EBITDA which is a non-GAAP financial measure. Please see the first quarter 2019 Dominion Energy earnings release kit for a reconciliation to GAAP. Please continue to regularly check Dominion Energy's website at [www.dominionenergy.com/investors](http://www.dominionenergy.com/investors).

# Operating earnings per share

Actual versus guidance (\$ per share)



First quarter 2019



<sup>1</sup> See pages 23, 28 and 31 of the first quarter 2019 Earnings Release Kit for supporting information and a reconciliation to GAAP.

# Operating EBIT

Actual versus guidance (\$M)



## First quarter 2019

Operating segment	Guidance range (midpoint)	Actual <sup>1</sup> / Major driver(s)
Power Delivery	\$245M—\$290M (\$268M)	\$271M <div> <span>↓</span> Weather  <span>↑</span> Opex/other </div>
Power Generation	\$465M—\$525M (\$495M)	\$489M <div> <span>↓</span> Weather  <span>↑</span> Opex/other </div>
Gas Infrastructure	\$555M—\$605M (\$580M)	\$575M
Southeast Energy	\$265M—\$305M (\$285M)	\$240M <div> <span>↓</span> Weather  <span>↓</span> NND bill timing (1 month) </div>

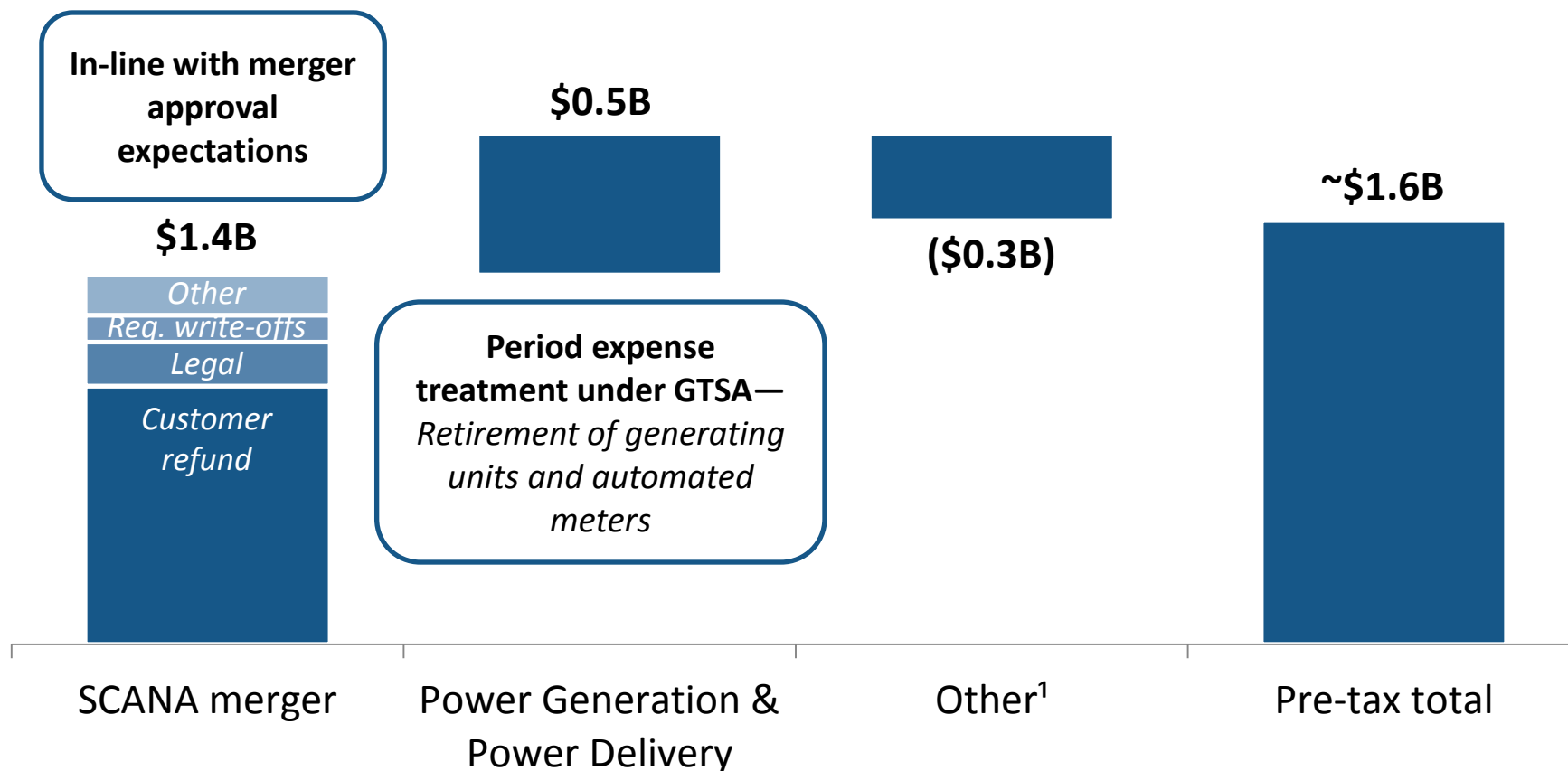
<sup>1</sup> See pages 28 and 35 of the first quarter 2019 Earnings Release Kit for supporting information and a reconciliation to GAAP.

# Adjustments to reported earnings



Pre-tax drivers

First quarter 2019



Note: See page 9 of the first quarter 2019 Earnings Release Kit for supporting information.

<sup>1</sup> Includes net gain on nuclear decommissioning trust funds and reduction of coal ash pond retirement obligations as a result of recent Virginia legislation.

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





Webcast replay available:  
[investors.dominionenergy.com/events-and-presentations](https://investors.dominionenergy.com/events-and-presentations)

## Key messages

- Record safety performance
- Premium assets in premium locations
- ~95% regulated + “like” operating earnings
- Increased accessibility via updated reporting segments
- ~7% five-year rate base growth driven by diverse set of regulated capital programs
- Expense control initiatives
- Moderating dividend growth rate; lower payout ratio over time
- Affirmed EPS growth rates
- First of its kind ESG-focused session with supplemental emissions targets

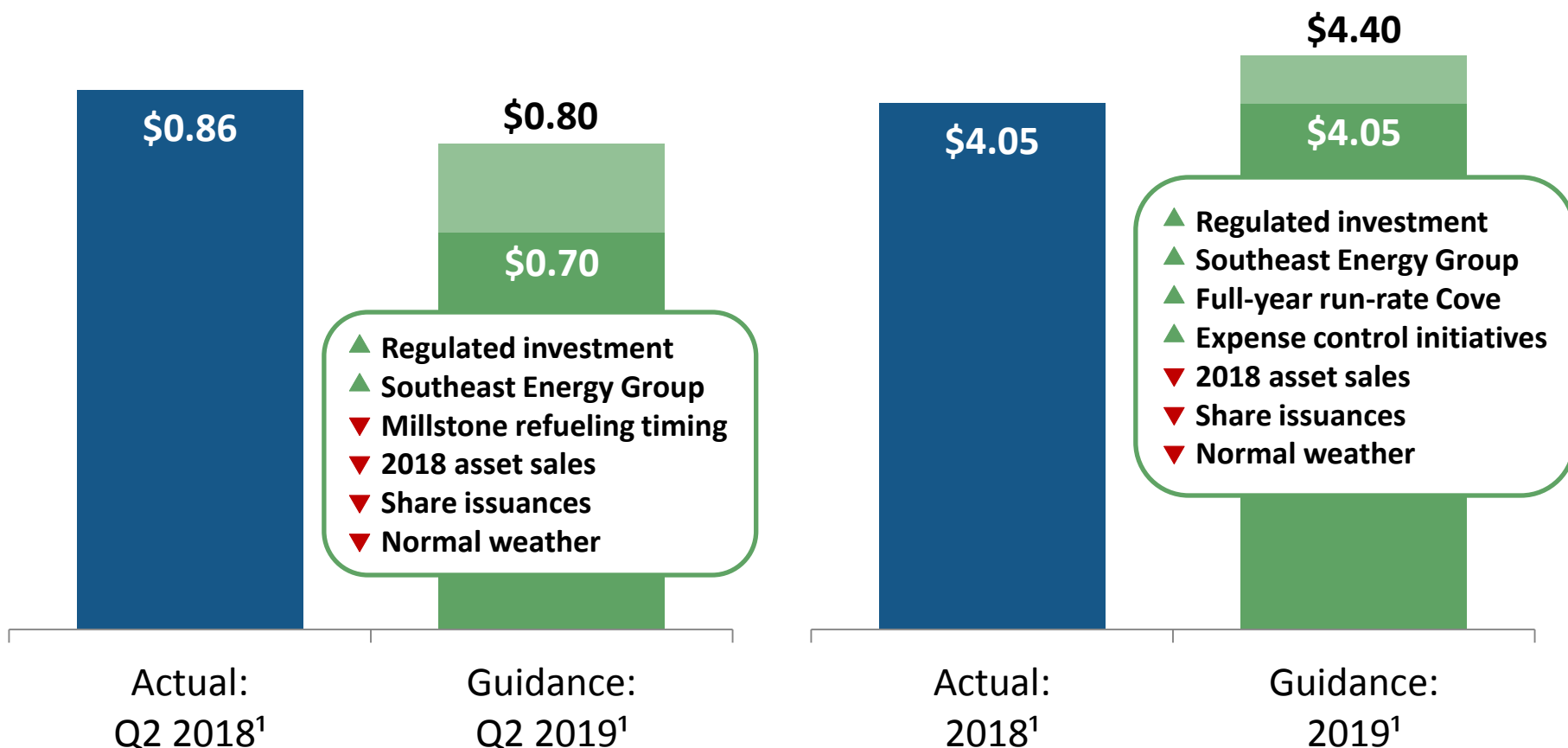
# Operating earnings per share

Actual versus guidance (\$ per share)



## Second quarter

## Full-year



<sup>1</sup> See pages 29, 30, 37 and 38 of the first quarter 2019 Earnings Release Kit for supporting information and a reconciliation to GAAP.

# Business updates

## Strong state regulated utility fundamentals

### State

### Highlights



#### ***Virginia***

- **10** data center connects (company record)
- **8,200+** total customer connects (highest Q1 since 2012)
- **1.2%** weather-normalized sales growth



#### ***South Carolina***

- **1.7%** electric customer growth (highest since 2008)
- **3.1%** gas customer growth (pre-recession levels)
- Record low unemployment rate



#### ***Utah***

- **2.6%** gas customer growth
- **2<sup>nd</sup>** highest rate of employment growth among 50 states



#### ***North Carolina***

- **2.6%** gas customer growth
- **5** straight quarters of at least 2.5% quarter over quarter growth



#### ***Ohio***

- **1.3%** gas throughput growth
- Lowest unemployment rate in 18 years



# Business updates

## Significant achievements



### Solar (investor day)

**\$2.4B**

**2019—2023  
growth capital**

**Recovery method:  
Rider & base**

- US-3 rider approved by SCC on Apr 15
- 240MW/\$410M through 2020

**\$1.3B**

**2019—2023  
growth capital**

**Recovery method:  
PPA**

- Agreement with Facebook announced on Apr 22
- 350MW/~\$600M through 2020
- PPA recovery + ITC eligible



### Offshore wind (investor day)

**\$1.1B**

**2019—2023  
growth capital**

**Recovery method:  
Rider & base**

- Construction on 12MW/\$300M pilot to commence in coming weeks



### Cove Point

- 1-year anniversary
- 100% of Q1 customer nominations achieved



### Millstone

- Hosted CT Governor Lamont at plant to celebrate 10-year agreement signed Mar 15
- Regulatory approval later this year



### SCANA merger

- 5<sup>th</sup> month of integration
- Employing lessons-learned from Questar merger

# Business updates

## Emissions reduction targets



### Intensity targets announced in Dec. 2018

**60%**

reduction in carbon intensity by  
2030 (vs. 2000)

**50%**

reduction in methane intensity by  
2030 (vs. 2010)

### Supplemental Mar. 2019 emissions targets

**55%**

reduction in  
carbon  
emissions by  
2030 (vs. 2005)

**80%**

reduction in  
carbon  
emissions by  
2050 (vs. 2005)

**50%**

reduction in methane emissions by  
2030 (vs. 2010)

Note: Carbon and methane emissions reductions targets do not include the Southeast Energy Group.  
The company expects to update its targets to include the Southeast Energy Group later this year.

# Business updates

## Atlantic Coast Pipeline and Supply Header



### Biological opinion

USFWS & ACP  
briefs submitted  
to 4<sup>th</sup> Circuit



Oral arguments

May 9

Expected order

~90 days  
after oral  
arguments

Resume  
at least partial  
construction

By end of Q3



### Appalachian Trail crossing

File appeal to the  
U.S. Supreme  
Court  
("SCOTUS")

Q2

SCOTUS agrees to  
hear appeal

Late 2019

Arguments  
before SCOTUS

Early 2020

Expected  
order

By end of  
Q2 2020

Resume  
full  
construction

Soon  
thereafter

**No changes to timeline or cost expectations since  
most recent earnings call / Investor day meeting**

- ✓ Weather-normalized first quarter operating EPS above guidance midpoint
- ✓ Affirming full-year 2019 operating EPS guidance of \$4.05—\$4.40
- ✓ Strong state regulated utility fundamentals
- ✓ Progress across capital investment programs to benefit of customers
- ✓ Strong ESG message and continued engagement with customers, shareholders and stakeholders

# Appendix



### 2018 reporting year, unless noted<sup>1</sup>

- Safety: 0.55 OSHA recordable incident rate
- Carbon emissions intensity: 0.275 metric tons/MWh
- Fresh water withdrawals (consumptive): 0.0000001 billion liters/MWh
- Methane emissions: 63,620 metric tons<sup>2</sup>
- Supplier diversity: 60% increase in diverse spend since 2013
- Employee volunteering: Over 125,000 hours
- Charitable giving: Nearly \$35 million<sup>3</sup>
- Board of Directors diversity (since Feb. 2019): 31%

<sup>1</sup> Does not include legacy SCANA entities, as the measurement period precedes the January 2019 merger.

<sup>2</sup> For sources reported under the EPA's Greenhouse Gas Reporting Program.

<sup>3</sup> Given via the Dominion Energy Charitable Foundation, corporate dollars, and the EnergyShare program.