



MLPA Investor Conference

Spring 2017



**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; receipt of approvals for, and timing of, closing dates for 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.

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This presentation includes various estimates of EBITDA which is a non-GAAP financial measure. Please see the first quarter 2017 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.dommidstream.com/investors.

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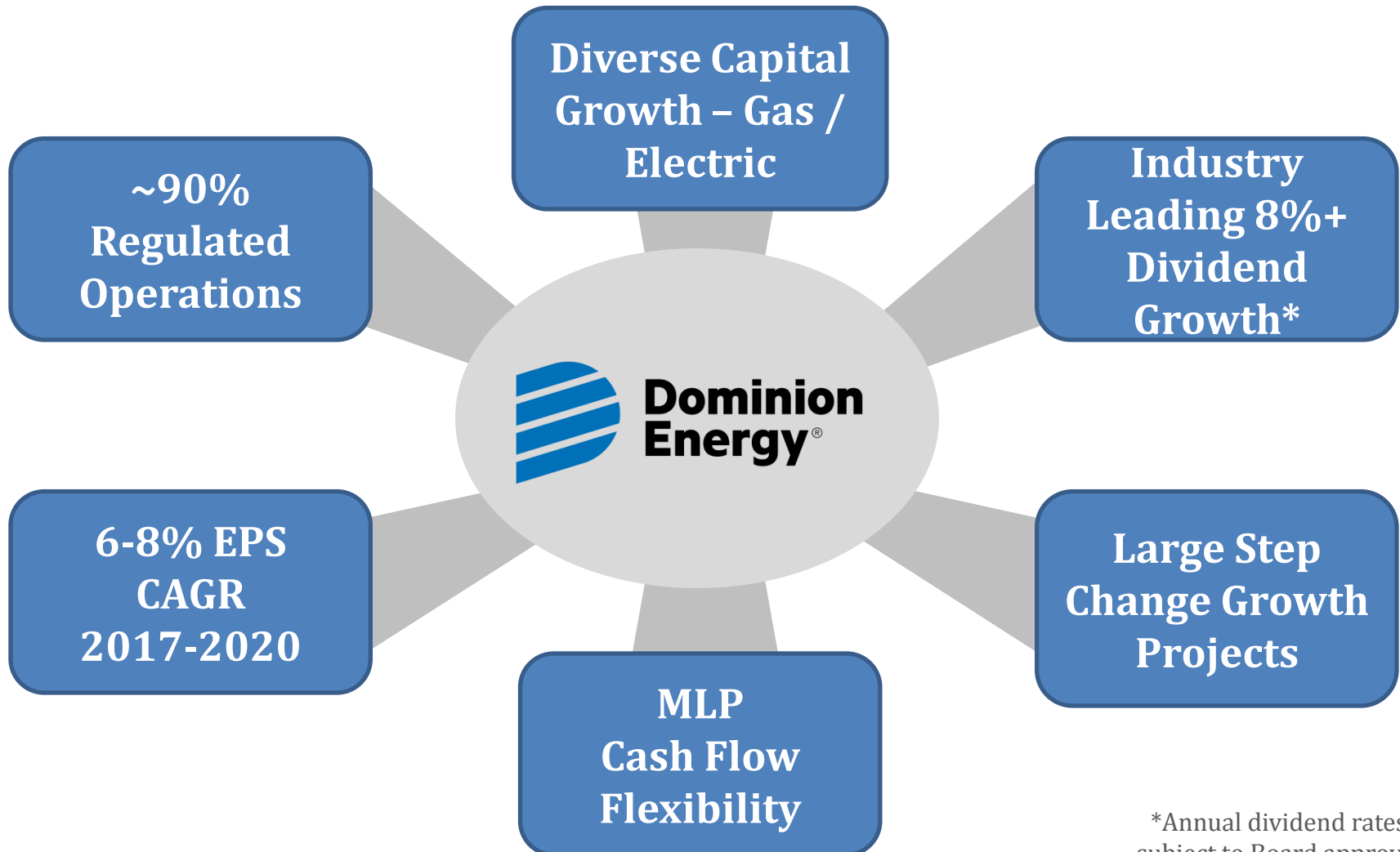
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Dominion Energy



Strategic Advantages Drive Value for Shareholders



*Annual dividend rates subject to Board approval

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

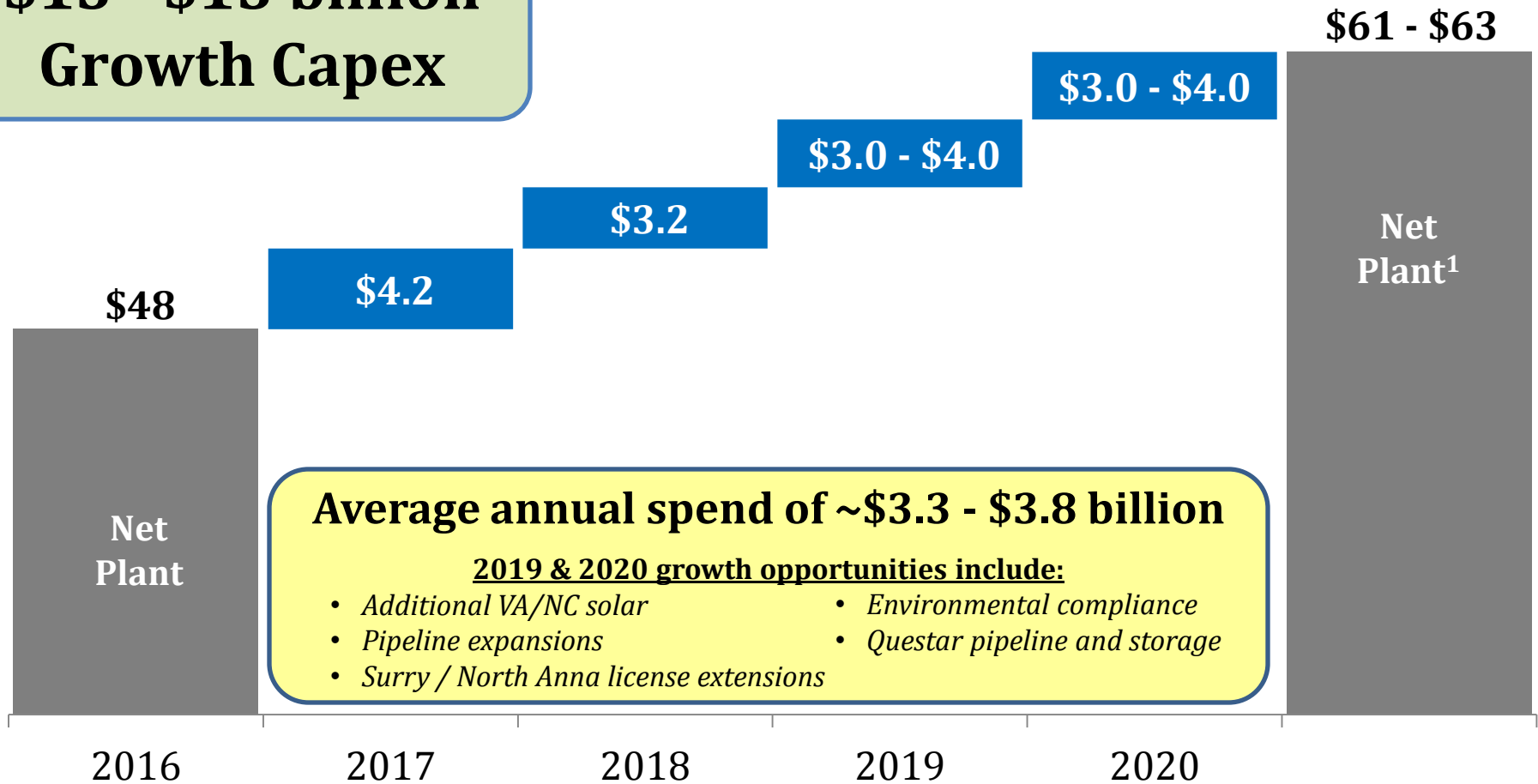
- Capital Plan and Project Update 6**
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Total Dominion Energy Capex

2017 – 2020 Growth Plan (\$ billions)



**\$13 - \$15 billion
Growth Capex**



¹ Excludes 2017-2021 DD&A and Maintenance Capex

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Power Delivery

- ✓ **Strategic undergrounding**
 - SCC approved \$139mm investment
- ✓ **Electric transmission**
 - ~\$800M growth capital planned in 2017

Power Generation

- ✓ **Greensville County 1,588 MW CCGT**
 - \$1.3 billion investment, construction began in June 2016
- ✓ **1,600 MW solar under development or operating**
 - Expect 700+ MW in Virginia and North Carolina

Gas Infrastructure

- ✓ **Cove Point Liquefaction Project on-line in late 2017**
- ✓ **Atlantic Coast Pipeline on-line in 2H 2019**
- ✓ **6 additional pipeline projects underway**
 - ~\$700 million investment to move ~900 Mcf/day by the end of 2018

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

Construction is On-time & On-budget

- Engineering and procurement are essentially complete
- Completed setting all major equipment in December
- Commissioning underway for auxiliary boilers and supporting systems
- Filed request with DOE for authorization to export commissioning cargoes
- Expect in-service late 2017



Project is ~89% complete

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

Gas Infrastructure Group

Atlantic Coast Pipeline and DETI Supply Header



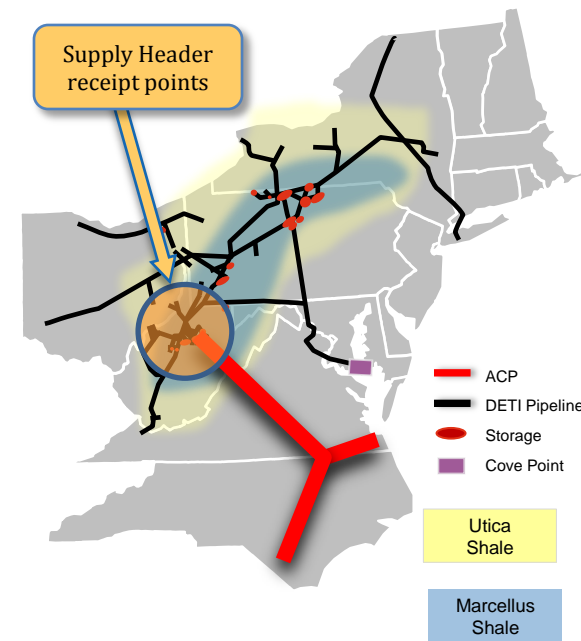
- Received FERC Draft EIS December 30
- FERC comment period ended early April
 - Filed responses to FERC data request May 1
- Final EIS & FERC Order on track to support construction start in second-half 2017
- Expect completion in second-half 2019

ACP OWNERSHIP STRUCTURE:

Dominion Energy*	48%
Duke Energy	47%
Southern Company	5%

SUPPLY HEADER OWNERSHIP:

Dominion Energy*	100%
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Significant progress continues

- ✓ Essentially completed design and engineering
- ✓ Executed construction contract
- ✓ Materials procurement over 80% complete

* Dominion Energy will construct, operate and manage the pipeline

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

Earnings Growth Drivers

2019 and Beyond



Power Generation Group

- Completion of Greenville County power station
- Solar development in VA/NC
- License extensions at Surry and North Anna
- Environmental riders for coal ash remediation at active generating facilities
- Potential pump storage facility in Southwest VA
- Rising NEPOOL power prices
- Legislation in Northeast

Power Delivery Group

- Annual electric transmission spend – \$750 million
- VA sales growth – military spending
- Strategic Undergrounding rider program

Gas Infrastructure Group

- Completion of Atlantic Coast Pipeline
- Completion of Supply Header Project
- ~\$1 billion of incremental gas expansion projects
- Pipeline replacement riders

Dominion Energy Midstream-Related

- ~\$7 billion of cash flow to Dominion Energy
- Share repurchases and D debt reduction
- Enables Dominion Energy dividend growth >8% per year beginning in 2018

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Dominion Energy Midstream Partners



Dominion Energy
Midstream PartnersSM

Dominion Energy Midstream Partners



Executing the Strategy

Asset profile

- ✓ Stable and predictable cash flows
- ✓ Long-term contracted assets
- ✓ No commodity risk

Sources of Growth & Financial Flexibility

- ✓ Questar Pipeline dropdown will cover DM until 2H 2018
- ✓ Dropdown executed using variety of financing paths

22% distribution growth

- ✓ Dropdown strategy supports **22% annual growth rate**
 - First quarter distribution 5% increase over 4Q

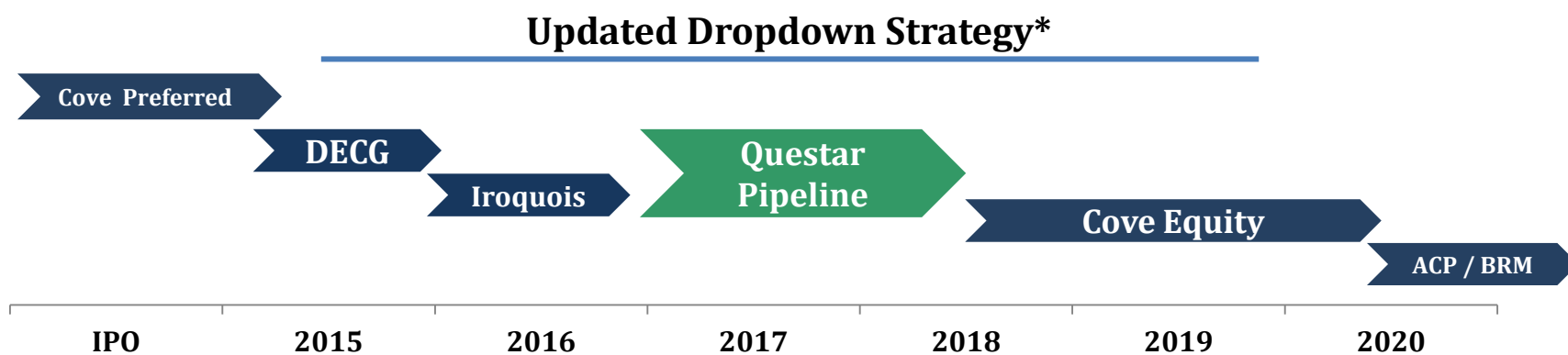
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Dominion Energy Midstream Partners



Acquisition of Dominion Energy Questar Pipeline

- DM acquired Questar Pipeline from Dominion Energy for \$1.725 billion
 - Contribution represents a 10.3x 2016 EBITDA valuation multiple
- Transaction financing includes:
 - Preferred equity
 - Common equity
 - DM debt / assumed debt
 - Units to D
- Dominion Energy Questar Pipeline dropdown will support DM's 22% distribution growth until 2H 2018



* Dropdowns subject to DRI and DM Board approval.

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

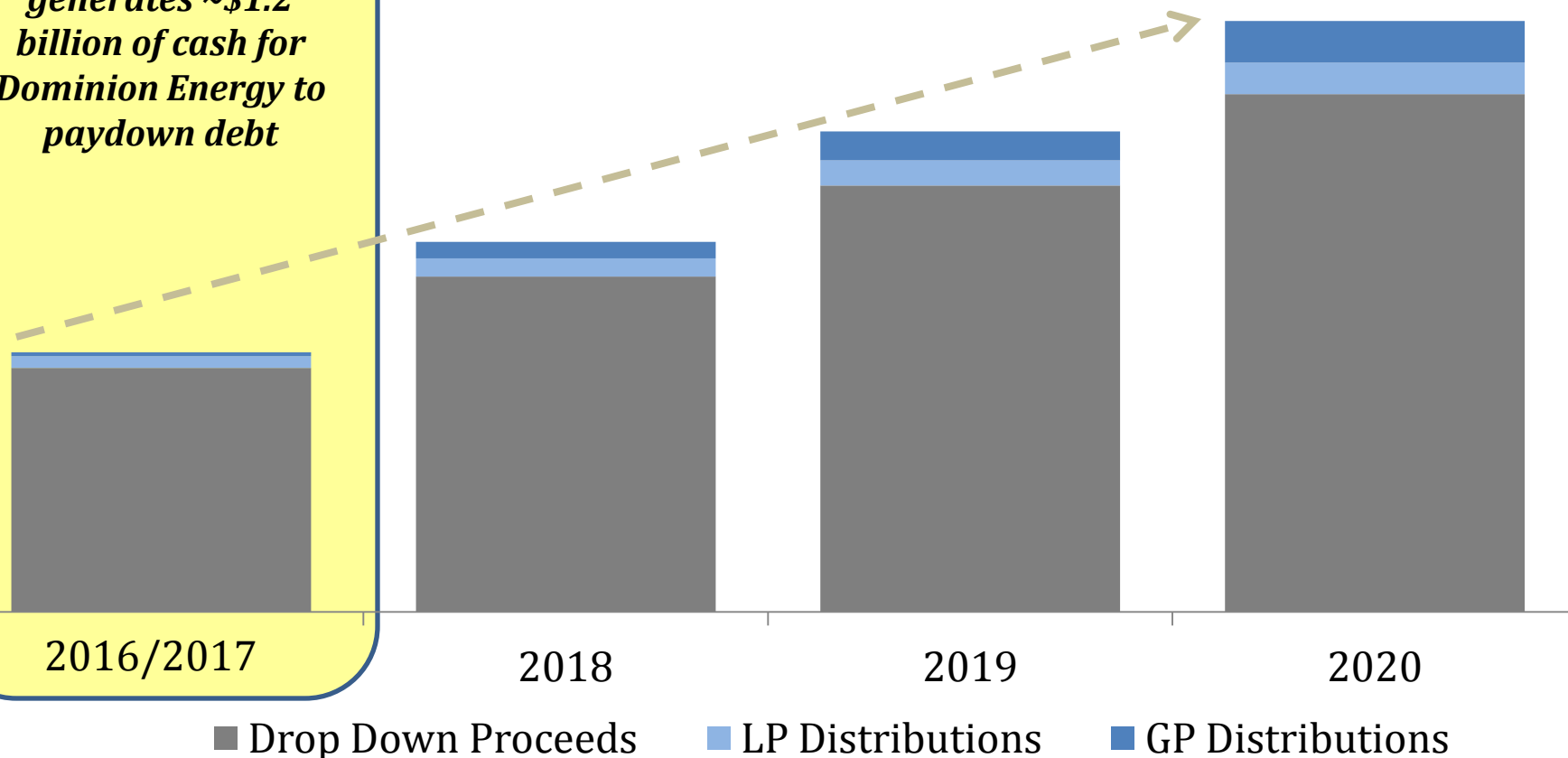
Dominion Energy Midstream Partners



Total Projected Cash Flow to Dominion Energy (\$ billions)

*Validates model to generate ~\$7 - \$8 billion in cash for Dominion Energy from 2016-2020**

Questar Pipeline dropdown financing generates ~\$1.2 billion of cash for Dominion Energy to paydown debt



*Pre-tax

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

DM Benefits Dominion Energy



Uses of Cash from Asset Contributions and Distributions

Uses of ~\$7 - \$8 billion in DM Cash Contributions – 2016-2020*

Strengthen Balance Sheet

- ✓ Delever Dominion Energy as a percent of overall leverage to ~30% - 40% by 2020
- ✓ Support high triple-B target rating at DEI

Grow the Dividend

- ✓ Grow dividends at more than 8% annually beginning in 2018**

Reduce Equity Needs

- ✓ Optimize cash flows to fund growth projects and / or buyback Dominion Energy common shares

*Pre-tax **Annual dividend rates subject to Board approval

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

- Operating EPS to grow by at least **10%** in 2018 over 2017
- Operating EPS CAGR 2017 – 2020 will be in the **6-8% range**
- Anticipated dividend growth rate from 2018 to 2020 will be **greater than 8% annually***

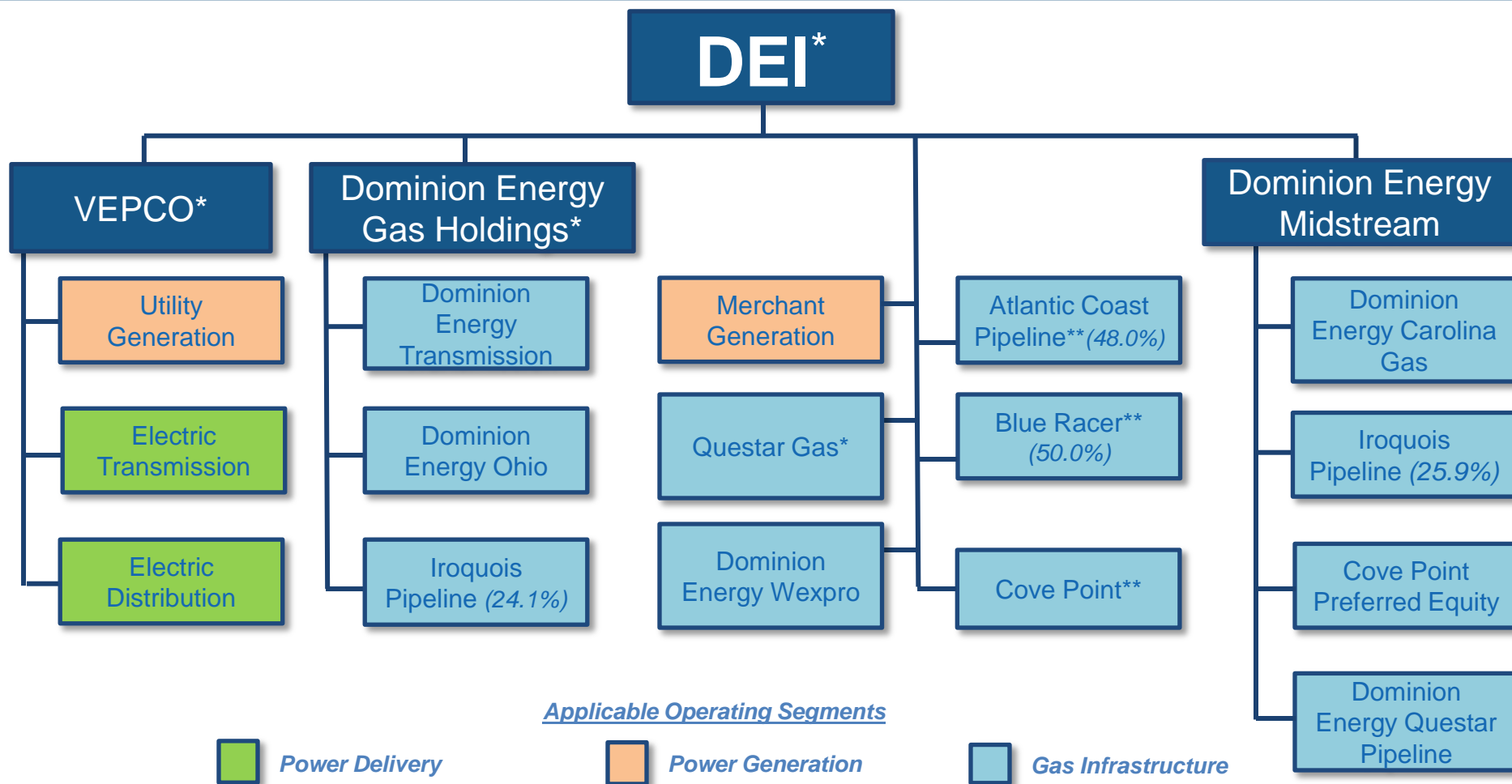
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Dominion Energy Fixed Income



Financing Structure with Operating Segments



* Indicates current issuer of registered debt securities

**Dominion Energy's interests in ACP, Blue Racer and Dominion Energy Cove Point are subject to ROFOs which have been granted to the MLP.

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Dominion Energy TopCo



DEI – Not Only a Traditional Utility HoldCo

DEI Level Assets/Operations

Cove Point

Dominion Energy
Midstream GP/LP
Distributions

Merchant
Generation

Atlantic Coast
Pipeline (48%)

Regulated Gas
Supply

Contracted Solar

Blue Racer JV
(50%)

Dominion Energy
Solutions

Dominion Energy
WV

100% ownership

VEPCO

100% ownership

Dominion Energy
Gas Holdings

100% ownership

Questar Gas

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

Financial Management

Credit Ratings Profile



— Target Credit Ratings:

- DEI: High Triple-B range
- Utility OpCos: Single-A range

— Committed to A-2/P-2/F2 ratings for the Commercial Paper Program at DEI

Dominion Energy, Inc. (DEI)

	Moody's	S&P	Fitch
Corporate/Issuer	Baa2	BBB+	BBB+
Senior Unsecured Debt Securities	Baa2	BBB	BBB+
Junior Subordinated Notes	Baa3	BBB	BBB
Enhanced Junior Subordinated Notes	Baa3	BBB-	BBB-
Short-Term/Commercial Paper	P-2	A-2	F2
Outlook	Stable	Stable	Stable

Virginia Electric and Power Company (VEPCO)

	Moody's	S&P	Fitch
Corporate/Issuer	A2	BBB+	A-
Senior Unsecured Debt Securities	A2	BBB+	A
Short-Term/Commercial Paper	P-1	A-2	F2
Outlook	Stable	Stable	Stable

Dominion Energy Gas Holdings, LLC

	Moody's	S&P	Fitch
Corporate/Issuer	A2	BBB+	A-
Senior Unsecured Debt Securities	A2	BBB+	A-
Short-Term/Commercial Paper	P-1	A-2	F2
Outlook	Stable	Stable	Negative

Questar Gas Company

	Moody's	S&P	Fitch
Corporate/Issuer	A2	BBB+	A-
Senior Unsecured Debt Securities	A2	BBB+	A
Short-Term/Commercial Paper	P-1	A-2	F2
Outlook	Stable	Stable	Stable

Dominion Energy Questar Pipeline, LLC

	Moody's	S&P	Fitch
Corporate/Issuer	A3	BBB	N/A
Senior Unsecured Debt Securities	A3	BBB	N/A
Outlook	Stable	Stable	N/A

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

Long-term Financing Activities

2017 Financing Plan (\$ millions)



<u>Entity</u>		<u>Financing Plan</u>	<u>Completed</u>
DEI	DRIP Equity	\$300	In progress
DEI	Debt ¹	\$2,000 - \$2,300	\$1,200
DEI	2014 MC Jr Debt Remarketing ²	\$1,000	\$1,000
VEPCO	Debt	\$1,400 - \$1,700	\$750
DEGH	Debt	\$0	-
QGC	Debt	\$75-\$125	-
DM	Debt/Equity	\$0	-
Total		\$4,775 - \$5,425	\$2,950

(1) In addition to Sr Note/Bond issuances, financing could include private placements, asset level loan financing, hybrid securities, etc.

(2) Remarketing transactions do not represent increases in total debt.

Dominion Energy, Inc. (DEI)
 Virginia Electric and Power Company (VEPCO)
 Dominion Energy Gas Holdings, LLC (DEGH)
 Questar Gas Company (QGC)
 Dominion Energy Midstream Partners, LP (DM)

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