

Letter From the Chairman

We've been listening. You have said you expect more from energy companies.

We hear you.



From the Chairman

I wrote in our last sustainability report, “We are re-tooling everything we do, in every part of the company, to operate more sustainably and to deliver energy more reliably than ever before.” And I invited you to check back to see the results in 2018. Those results are in — and they are dramatic.

- You asked for cleaner energy, and we are delivering. We now operate the country’s 4th-largest solar generation fleet in development and operation, and we have begun building the mid-Atlantic’s first major offshore wind project. We’re planning for another 20 years of clean energy by re-licensing our carbon-free nuclear power stations in Virginia. And we commit to develop new solar and wind energy projects to power 750,000 homes within four years.
- You asked for infrastructure that supports renewable energy and protection against hacking. We’re transforming the energy grid to advance solar and protect against cyber-attacks, and we commit to new investments in advanced security technology.
- You said, service reliability is critical. We’re placing power lines underground, and we commit to new investments in energy reliability.
- You said, keep energy affordable. Recent cold winters have brought huge price spikes, when demand outstrips supply of natural gas. So we’re building new infrastructure to bring lower-cost natural gas to mid-Atlantic homes and businesses. We commit to lean operations that keep customer costs down.
- You said, be cleaner. We beat our goal of reducing carbon intensity by 50 percent from our generation fleet. We now commit to reduce it by 60 percent by 2030. Since 2008, the sum of our methane savings is equivalent to removing over

115,000 cars from the road for a year. By 2030, we commit to reduce methane intensity by 50 percent compared to 2010 levels.

- You said, burn less coal. Just 13 percent of our electricity now comes from coal. We commit to drive coal down even further as we bring on more solar backed by natural gas and nuclear power.
- You love your community. We do too. We donate \$30 million a year to more than 2,000 charitable organizations. Our people donate more than 100,000 hours of volunteer service. We commit to do more every year.
- You said, get serious about diversity. Women now make up 25 percent of our Board of Directors, and Forbes recognized us one of the best places to work for women. One in five new hires is a veteran. We commit to spending more with diverse local suppliers, and we are redoubling our efforts to make sure our workforce reflects the communities we serve.
- You expect transparency. We are opening our doors, opening our books and demonstrating new levels of disclosure. Our website now includes a number of new disclosure reports covering everything from how we are addressing climate change to reducing emissions and more — and we commit to further transparency. Our Board of Directors now includes a Sustainability and Corporate Responsibility Committee that oversees our company’s approach to environmental and social issues.

These are the hallmarks of a company that’s shaping the future of energy in America. We have adopted “embrace change” as one of the five core values that guide everything we do — along with safety, ethics, excellence and teamwork.

Letter From the Chairman

Continued

This means planning and investing for the future, and being honest about how energy works.

We have made significant strides in recent years. More than 85 percent of our current generation comes from either clean energy sources such as nuclear, renewables and hydro, or natural gas-fired generation that supports renewables. We strongly believe that natural gas pipelines, pumped storage and combined cycle electric generation plants are essential to maintain reliability when renewables cannot power the grid.

With the support of this diverse mix of electric generation, renewables can power our homes and even our cars, and our climate leadership can help drive carbon reduction across the rest of the energy sector, including transportation. Without that support, the lights go out at night or in bad weather. Of course, that doesn't happen in practice, because other power sources kick in under those conditions. That's just how energy works. If anyone says they can deliver energy in 2018 solely with wind or solar — they're not telling the whole story. They are simply outsourcing reliability to another company that relies in part on fossil-fuel generation. We deliver both renewable energy and reliable energy.

Technology is racing forward, and large-scale energy storage is on the horizon. We are pursuing advanced commercial batteries that make large-scale energy storage possible, and fully renewable energy along with it. We are making our gas infrastructure system the cleanest in the country — by adding renewable natural gas, reducing methane emissions and delivering natural gas to help users reduce their carbon footprints. As we look ahead, even more of our planned growth investment in generation will be for clean energy generation, including solar, wind, storage and nuclear re-licensing.

This is a bold vision, and our people are excited about embracing this change. We're all in this together. Let's work together to make it happen.

Sincerely,

A handwritten signature in cursive script that reads 'Tom Farrell'.

Thomas F. Farrell, II

CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

About Us

A profile of who we are and what we do.



At a Glance

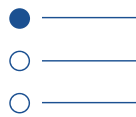
Nearly 6 million customers in 19 states heat and cool their homes and power their businesses with electricity or natural gas from Dominion Energy. The company's record of safe, reliable and clean energy regularly places it among America's most [admired utilities](#). Ranked fourth in the nation among utility holding companies for ownership of solar facilities, either operational or under development, Dominion Energy has cut its carbon intensity rate in half and has committed to reducing it 60 percent by 2030. The company also has committed to cutting its methane intensity from its natural gas business in half by 2030. Headquartered in Richmond, Va., Dominion Energy contributes more than \$30 million annually to the communities it serves, supports military veterans and their families and practices environmental responsible stewardship everywhere it operates. To learn more, visit www.dominionenergy.com.

Key Stats

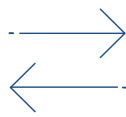
(As of and for the year ended December 31, 2017 unless otherwise noted)



50%
Emission Rate Reduction
Since 2000



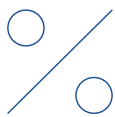
233
Fortune 500 Rank as of 2018



\$76.6 Billion
Assets



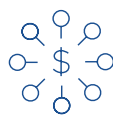
More than 100,000 hours
Volunteer Service



\$3.035
Dividends Per Share for the
Year Ended December 31,
2017



\$3.60
Operating Earnings Per
Share for the Year Ended
December 31, 2017



\$1.5 Billion
Wages Paid



\$12.6 Billion
Operating Revenue for the
Year Ended December 31,
2017

About Us

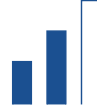
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More than 16,000
Total # of Employees



\$584 Million
Environmental Expenditures



\$70.87 - \$85.30
Common Stock Price
Range for the Year Ended
December 31, 2017



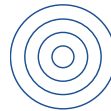
\$6.1 Billion
Goods & Services



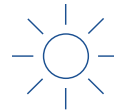
Richmond, VA.
Headquarters



645 Million
Common Shares
Outstanding



60%
Carbon Intensity Reduction
Target (2000-2030) as of 2018



4th
Largest Solar Fleet in
Operation or Development in
the U.S. as of 2018



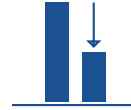
2017
Best Year in Safety



\$52.2 Billion
Market Capitalization as of
December 31, 2017



\$30+ Million
In Contributions to Charity
and Worthy Causes in 2018



50%
Reduction in Methane
Intensity by 2030

About Us

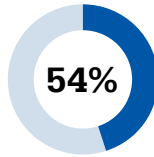
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Operating Groups

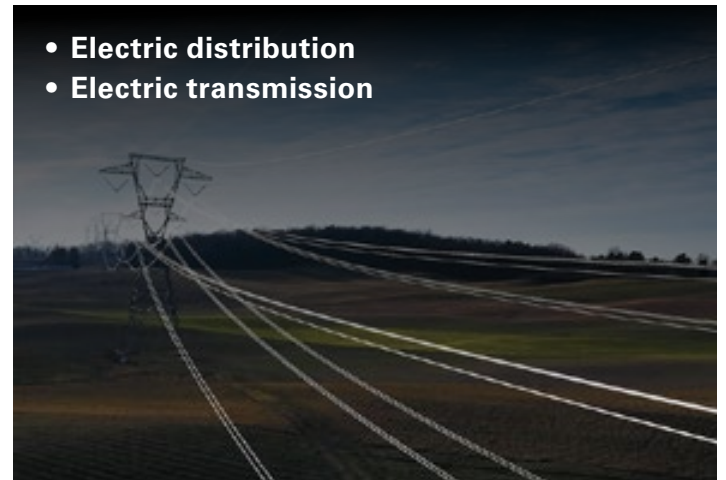
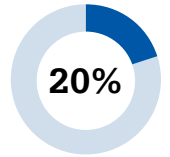
2017 % of Primary Operating Segment Earnings

*Excludes Corporate and Other

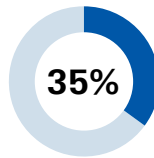
Power Generation Group



Power Delivery Group



Gas Infrastructure Group



About Us

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Portfolio of Assets

Electric Generating Capacity	26,000 Megawatts Approximately
Electric Transmission & Distribution Lines	64,500 Miles
Natural Gas Transmission, Gathering; Storage & Distribution Pipeline	66,600 Miles
Underground Natural Gas Storage Capacity	1 Trillion Cubic Feet
Liquefied Natural Gas Import/Export & Storage	1.8 Billion Cubic Feet Daily Send-Out Capacity 14.6 Billion Cubic Feet Storage Capacity

Where We Work

