

TIMELINESS 3 Lowered 11/18/16	High: 42.2	49.4	48.5	39.8	45.1	53.6	55.6	68.0	80.9	79.9	79.0	77.0		Target Price Range
SAFETY 2 Raised 9/11/98	Low: 34.4	39.8	31.3	27.1	36.1	42.1	48.9	51.9	63.1	64.5	66.3	70.9		2020
TECHNICAL 3 Raised 1/13/17														2021
BETA .70 (1.00 = Market)													2022	

LEGENDS
 — 0.77 x Dividends p sh divided by Interest Rate
 Relative Price Strength
 2-for-1 split 11/07
 Options: Yes
 Shaded area indicates recession

2020-22 PROJECTIONS

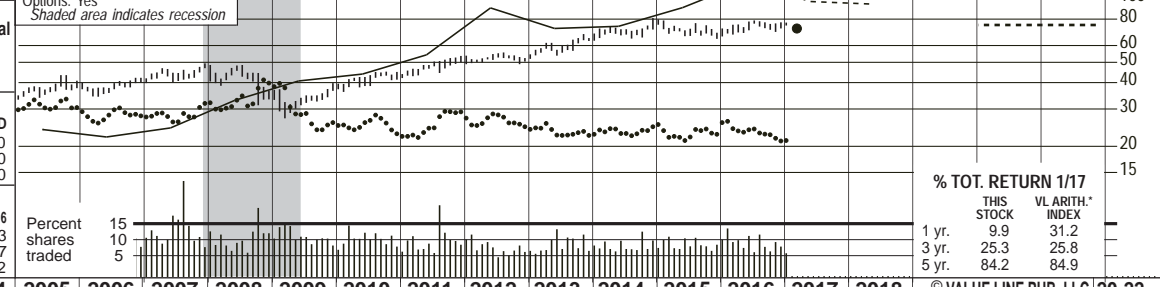
	Price	Gain	Ann'l Total Return
High	105	(+45%)	13%
Low	75	(+5%)	6%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	0	4	0	0	0	1	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	1Q2016	2Q2016	3Q2016
to Buy	453	499	423
to Sell	369	314	377
Hlds(000)	395360	398528	406322



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	% TOT. RETURN 1/17	20-22	
19.94	16.58	18.57	20.54	25.96	23.61	27.17	27.93	25.24	26.17	25.24	22.73	22.56	21.25	19.59	18.70	19.35	19.90	15.2	Revenues per sh	
3.92	4.45	3.97	4.18	3.70	4.91	5.08	5.07	4.82	5.11	5.04	5.24	5.47	5.71	5.98	6.35	6.75	7.40	9.9	"Cash Flow" per sh	
1.49	2.41	1.96	2.13	1.50	2.40	2.13	3.04	2.64	2.89	2.76	2.75	3.09	3.05	3.20	3.44	3.40	3.80	31.2	Earnings per sh A	
1.29	1.29	1.29	1.30	1.34	1.38	1.46	1.58	1.75	1.83	1.97	2.11	2.25	2.40	2.59	2.80	3.02	3.30	25.8	Div'd Decl'd per sh B	
2.31	2.17	5.20	3.88	4.83	5.81	6.89	6.09	6.40	5.89	6.41	7.20	7.06	9.13	9.35	9.70	8.95	7.80	84.9	Cap'l Spending per sh	
15.81	16.57	16.20	16.79	14.96	18.50	16.31	17.28	18.66	20.66	20.09	18.34	20.02	19.74	21.24	23.30	25.10	25.60		Book Value per sh C	
529.40	616.20	650.40	680.40	695.00	698.00	576.80	583.20	599.40	580.80	569.70	576.10	581.50	585.30	596.30	627.00	643.50	643.50		Common Shs Outst'g D	
20.9	12.0	15.2	15.1	24.9	16.0	20.6	13.8	12.7	14.3	17.3	18.9	19.2	23.0	22.1	21.3				Avg Ann'l P/E Ratio	
1.07	.66	.87	.80	1.33	.86	1.09	.83	.85	.91	1.09	1.20	1.08	1.21	1.11	1.12					Relative P/E Ratio
4.1%	4.4%	4.3%	4.0%	3.6%	3.6%	3.3%	3.8%	5.2%	4.4%	4.1%	4.1%	3.8%	3.4%	3.7%	3.8%					Avg Ann'l Div'd Yield

CAPITAL STRUCTURE as of 9/30/16
 Total Debt \$34735 mill. Due in 5 Yrs \$12383 mill.
 LT Debt \$28707 mill. LT Interest \$1210 mill.
 (LT interest earned: 3.8x)
 Leases, Uncapitalized Annual rentals \$67 mill.
 Pension Assets-12/15 \$6166 mill. Oblig \$6391 mill.
 Pfd Stock None
 Common Stock 626,750,459 shs. as of 10/15/16
 MARKET CAP: \$45 billion (Large Cap)

15674	16290	15131	15197	14379	13093	13120	12436	11683	11733	12450	12800	Revenues (\$mill)	13400
1414.0	1781.0	1585.0	1724.0	1603.0	1594.0	1806.0	1793.0	1899.0	2212.0	2270	2575	Net Profit (\$mill)	3580
33.4%	37.1%	33.2%	38.6%	34.6%	36.2%	33.0%	28.1%	32.0%	22.8%	30.0%	30.0%	Income Tax Rate	25.0%
7.3%	4.9%	4.8%	5.9%	5.3%	5.7%	3.7%	4.5%	5.3%	5.0%	3.0%	3.0%	AFUDC % to Net Profit	2.0%
57.8%	59.1%	57.5%	56.3%	59.8%	60.9%	61.9%	65.4%	65.1%	67.5%	67.0%	66.0%	Long-Term Debt Ratio	61.5%
41.1%	39.8%	41.5%	42.8%	39.3%	38.2%	37.3%	34.6%	34.9%	32.5%	33.0%	34.0%	Common Equity Ratio	38.5%
22898	25290	26923	28012	29097	27676	31229	33360	36280	44835	48825	48100	Total Capital (\$mill)	50700
21352	23274	25592	26713	29670	30773	32628	36270	41554	49964	53550	56275	Net Plant (\$mill)	64300
8.0%	8.7%	7.5%	7.7%	7.0%	7.5%	7.3%	6.6%	6.5%	6.0%	6.0%	7.0%	Return on Total Cap'l	7.5%
14.6%	17.2%	13.9%	14.1%	13.7%	14.7%	15.2%	15.5%	15.0%	14.5%	13.5%	15.0%	Return on Shr. Equity	19.0%
14.9%	17.5%	14.0%	14.2%	13.9%	14.9%	15.4%	15.4%	15.0%	14.5%	13.5%	15.0%	Return on Com Equity E	19.0%
5.0%	8.4%	4.7%	5.3%	4.0%	3.5%	4.2%	3.3%	2.9%	2.5%	1.5%	2.0%	Retained to Com Eq	1.5%
67%	52%	67%	63%	71%	77%	73%	79%	81%	78%	85%	82%	All Div'ds to Net Prof	87%

ELECTRIC OPERATING STATISTICS

	2013	2014	2015
% Change Retail Sales (KWH)	+2.7	+1.6	+7
Avg. Indust. Use (MWH)	14444	13847	13433
Avg. Indust. Revs. per KWH (c)	6.00	6.12	6.17
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+9	+1.0	+9

BUSINESS: Dominion Resources, Inc. is a holding company for Virginia Power & North Carolina Power, which serve 2.6 mill. customers in Virginia & northeastern North Carolina. Serves 2.3 mill. gas customers in Ohio, West Virginia, & Utah. Nonutility ops. incl. independent power production. Owns 70.9% of Dominion Midstream Partners. Acq'd Questar 9/16. Elec. rev. breakdown: residential, 46%; commercial, 32%; industrial, 7%; other, 15%. Generating sources: nuclear, 30%; coal, 26%; gas, 23%; other, 6%; purch., 15%. Fuel costs: 31% of revs. '15 reported depr. rates: 2.3%-3.7%. Has 14,700 employees. Chairman, Pres. & CEO: Thomas F. Farrell II, Inc.: VA. Address: 120 Tredegar St., P.O. Box 26532, Richmond, VA 23261-6532. Tel.: 804-819-2000. Internet: www.dom.com.

	Past 10 Yrs	Past 5 Yrs	Est'd '13-'15
of change (per sh)	10 Yrs	5 Yrs	to '20-'22
Revenues	-5%	-4.5%	1.0%
"Cash Flow"	4.0%	2.5%	6.5%
Earnings	5.5%	1.5%	5.5%
Dividends	6.5%	7.0%	8.0%
Book Value	2.5%	1.5%	2.5%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	3630	2813	3050	2943	12436
2015	3409	2747	2971	2556	11683
2016	2921	2598	3132	3082	11733
2017	3400	2850	3150	3050	12450
2018	3500	2900	3250	3150	12800

Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	1.03	.60	.95	.46	3.05
2015	.91	.70	1.00	.60	3.20
2016	.88	.73	1.10	.73	3.44
2017	.90	.75	1.00	.75	3.40
2018	1.00	.85	1.10	.85	3.80

Cal-endar	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	.5625	.5625	.5625	.5625	2.25
2014	.60	.60	.60	.60	2.40
2015	.6475	.6475	.6475	.6475	2.59
2016	.70	.70	.70	.70	2.80
2017	.755				

Dominion Resources' earnings guidance for 2017 disappointed Wall Street. By the company's definition, its "operating" earnings were \$3.80 a share in 2016. (This excludes some expenses that we include in our presentation, which shows share net of \$3.44.) Management's targeted "operating" range of profits for 2017 is \$3.40-\$3.90 a share. Among the negative factors expected this year are lower prices for power generated by the Millstone nonregulated nuclear plant in Connecticut, which will hurt earnings by an estimated \$0.15-\$0.20 a share; an additional refueling outage at Millstone; lower tax credits for solar investment (a negative factor of \$0.20 a share); and an increase in average shares outstanding. As a result, we have slashed our earnings estimate by \$0.60 a share, to \$3.40. The stock reacted negatively to Dominion's announcement, falling 6% in price that day.
The company's bottom-line prospects for this year have not affected its dividend policy. In the first quarter, the board of directors raised the annual dividend \$0.22 a share (7.9%). Beginning next year, Dominion is targeting growth of over

8% annually in the disbursement. The company's cash flow will benefit from the completion of the Cove Point liquefied natural gas export facility in late 2017, which Dominion will drop into its Dominion Midstream Partners master limited partnership. This enables the company to have a higher payout ratio than most utilities.
Dominion believes earnings will advance at least 10% in 2018. The biggest factor is Cove Point, which should contribute \$0.40-\$0.45 a share to the bottom line. We think the company can achieve this target (albeit off a lower base), and are estimating earnings of \$3.80 a share. Weakness in the power markets, which affects Millstone, is a source of uncertainty, however. Beyond 2018, management's goal is annual profit growth of 6%-8% through 2020. The addition of a 1,588-megawatt, \$1.3 billion gas-fired plant at Virginia Power in late 2018 should help in 2019. Dominion is also adding solar capacity and expanding its transmission system.
This stock offers a dividend yield and 3- to 5-year total return potential that exceed those of most utility issues.
 Paul E. Debbas, CFA February 17, 2017

(A) Dil. egs. Excl. nonrec. gains (losses): '01, (42c); '03, (\$1.46); '04, (22c); '06, (18c); '07, \$1.67; '08, 12c; '09, (47c); '10, \$2.18; '11, (7c); '12, (\$1.70); '14, (76c); losses from disc. ops.: '06, 26c; '07, 1c; '10, 26c; '12, 4c; '13, 16c; '14 & '15 EPS don't add due to rounding. Next egs. due early May. (B) Div'ds histor. paid in mid-Mar., June, Sept., & Dec. = Div'd reinvest. plan avail. (C) Incl. intang. In '15: \$9.61/sh. (D) In mill., adj. for split. (E) Rate base: Net orig. cost, adj. Rate all'd on com. eq. in '11: 10.9%; earn. on avg. com. eq., '15: 15.6%. Reg. Clim.: Avg. Company's Financial Strength B++ Stock's Price Stability 100 Price Growth Persistence 85 Earnings Predictability 85