



# Dominion Generation

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# Important Note to Investors

This presentation contains certain forward-looking statements, including projected future dividend growth rates and operating earnings growth rates which are subject to various risks and uncertainties. Factors that could cause actual results to differ materially from management's projections, forecasts, estimates and expectations may include factors that are beyond the company's ability to control or estimate precisely, including fluctuations in energy-related commodity prices, estimates of future market conditions, additional competition in our industries, changes in the demand for Dominion's services, access to and costs of capital, fluctuations in the value of our pension assets and assets held in our decommissioning trusts, impacts of acquisitions, divestitures, transfers of assets to joint ventures or an MLP and retirements of assets based on asset portfolio reviews, the receipt of regulatory approvals for, and timing of, planned projects, acquisitions and divestitures, the timing and execution of our MLP strategy, and the ability to complete planned construction or expansion projects at all or within the terms and timeframes initially anticipated. Other factors include, but are not limited to, weather conditions and other events, including the effects of hurricanes, earthquakes, high winds, major storms and changes in water temperatures on operations, the risk associated with the operation of nuclear facilities, unplanned outages at facilities in which Dominion has an ownership interest, the impact of operational hazards and catastrophic events, state and federal legislative and regulatory developments, including changes in federal and state tax laws and changes to environmental and other laws and regulations, including those related to climate change, greenhouse gases and other emissions to which we are subject, political and economic conditions, industrial, commercial and residential growth or decline in Dominion's service area, risks of operating businesses in regulated industries that are subject to changing regulatory structures, changes to regulated gas and electric rates collected by Dominion, changes to rating agency requirements and ratings, changing financial accounting standards, fluctuations in interest rates, employee workforce factors, including collective bargaining, counter-party credit and performance risks, adverse outcomes in litigation matters or regulatory proceedings, the risk of hostile cyber intrusions and other uncertainties. Other risk factors are detailed from time to time in Dominion's 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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# Dominion Profile

## Primary Operating Segments Overview

### Dominion Virginia Power



#### Electric Transmission

- ❖ **6,400 miles** of transmission lines
- ❖ Favorable regulatory environment

#### Electric Distribution

- ❖ **57,000 miles** of distribution lines
- ❖ **2.5 million** franchise retail customer accounts in VA and NC

### Dominion Energy



#### Gas Transmission

- ❖ Together with Gas Distribution, operates one of the largest natural gas storage systems in the U.S.
- ❖ **10,900 miles** of pipeline in six states
- ❖ Well positioned in Marcellus and Utica Shale regions

#### Gas Distribution

- ❖ **21,900 miles** of distribution pipeline and **1.3 million** franchise retail natural gas customer accounts in OH & WV

#### Blue Racer Joint Venture

- ❖ Utica Shale midstream services

### Dominion Generation



#### Utility Generation

- ❖ **19,600 MW** of capacity
- ❖ Balanced, diverse fuel mix
- ❖ Favorable regulatory environment

#### Merchant Generation

- ❖ **4,000 MW** of capacity, including nuclear, gas and renewable power
- ❖ Active hedging program for energy revenue/margins

#### Dominion Retail

- ❖ Retail Gas & Products/Services
- ❖ **1.5 million** non-regulated customer accounts in **10** states\*



\*Excludes electric business being sold.

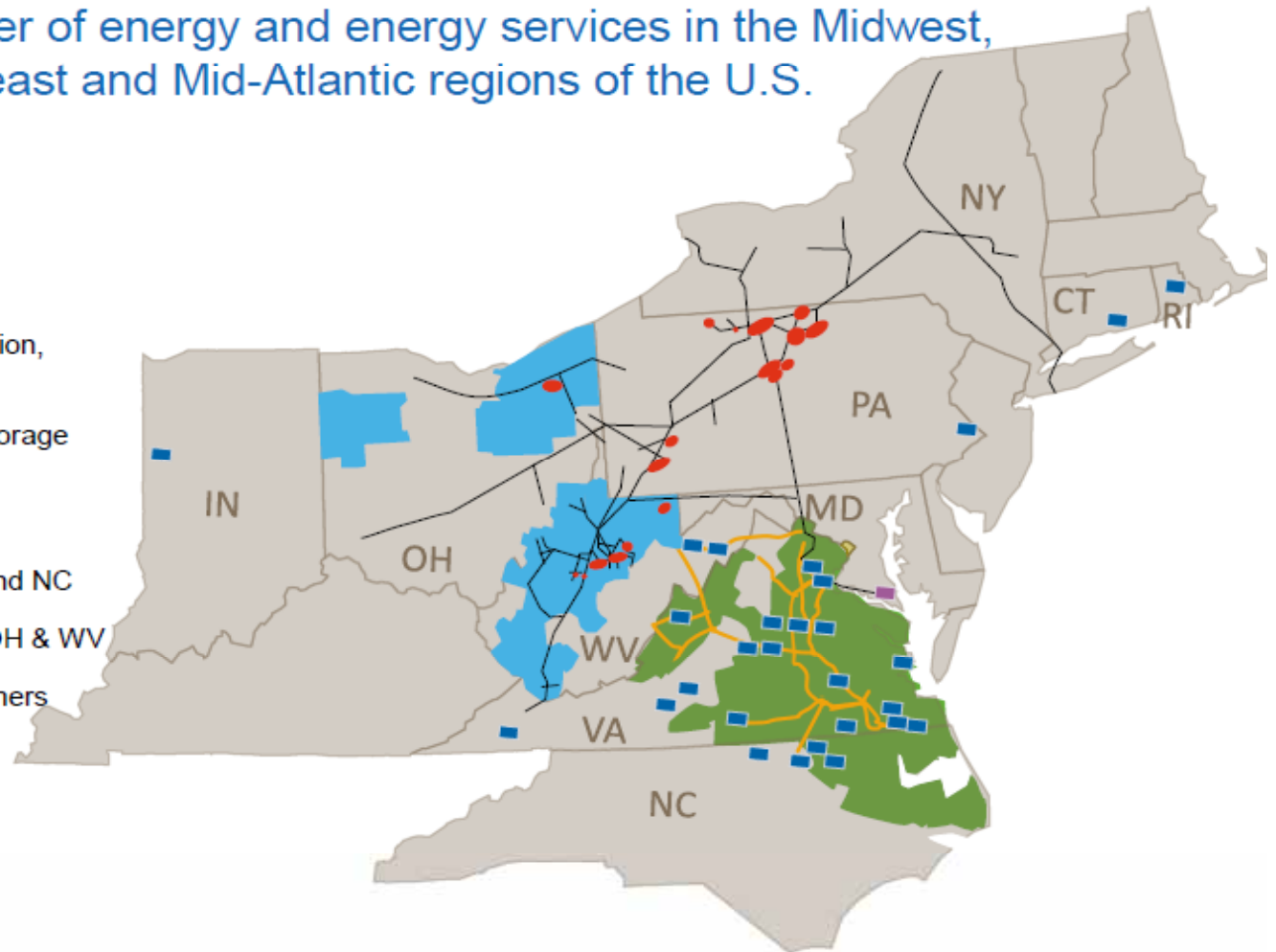
Please refer to page 2 for risks and uncertainties related to projections and forward looking statements.

# Dominion Profile

## Power and Natural Gas Infrastructure

Leading provider of energy and energy services in the Midwest, Northeast and Mid-Atlantic regions of the U.S.

- 23,600 MW of electric generation
- 6,400 miles of electric transmission
- 10,900 miles of natural gas transmission, gathering and storage pipeline
- 947 billion cubic feet of natural gas storage operated
- Cove Point LNG Facility
- 2.5 million electric customers in VA and NC
- 1.3 million natural gas customers in OH & WV
- 1.5 million non-regulated retail customers in 10 states (not shown)



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



# Utility Generation

## Balanced, Diverse Fuel Mix



Coal



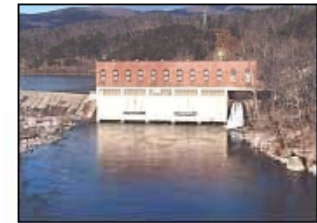
Nuclear



Natural Gas

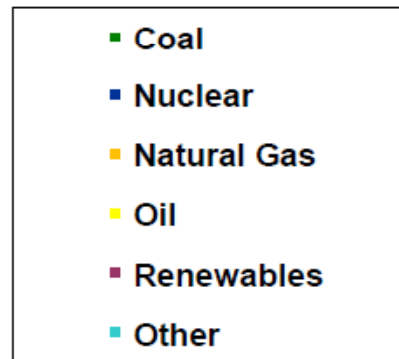
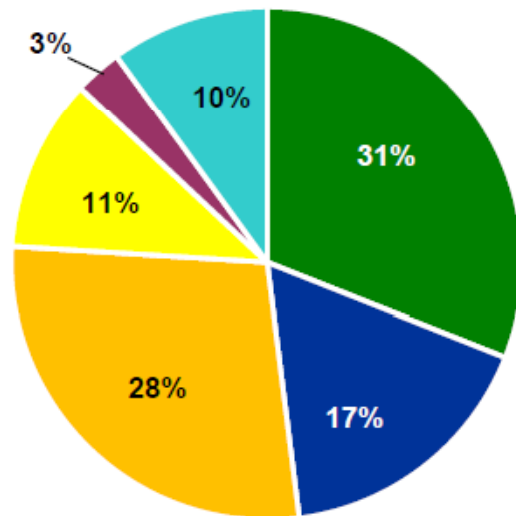


Oil

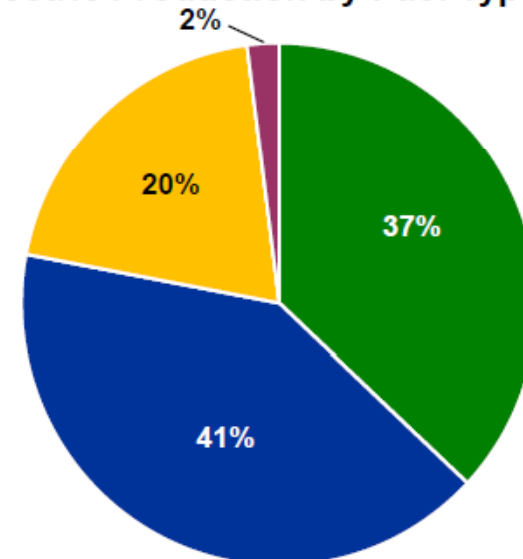


Hydro

2013  
Electric Capacity by Fuel Type<sup>1</sup>



2013  
Electric Production by Fuel Type<sup>2</sup>

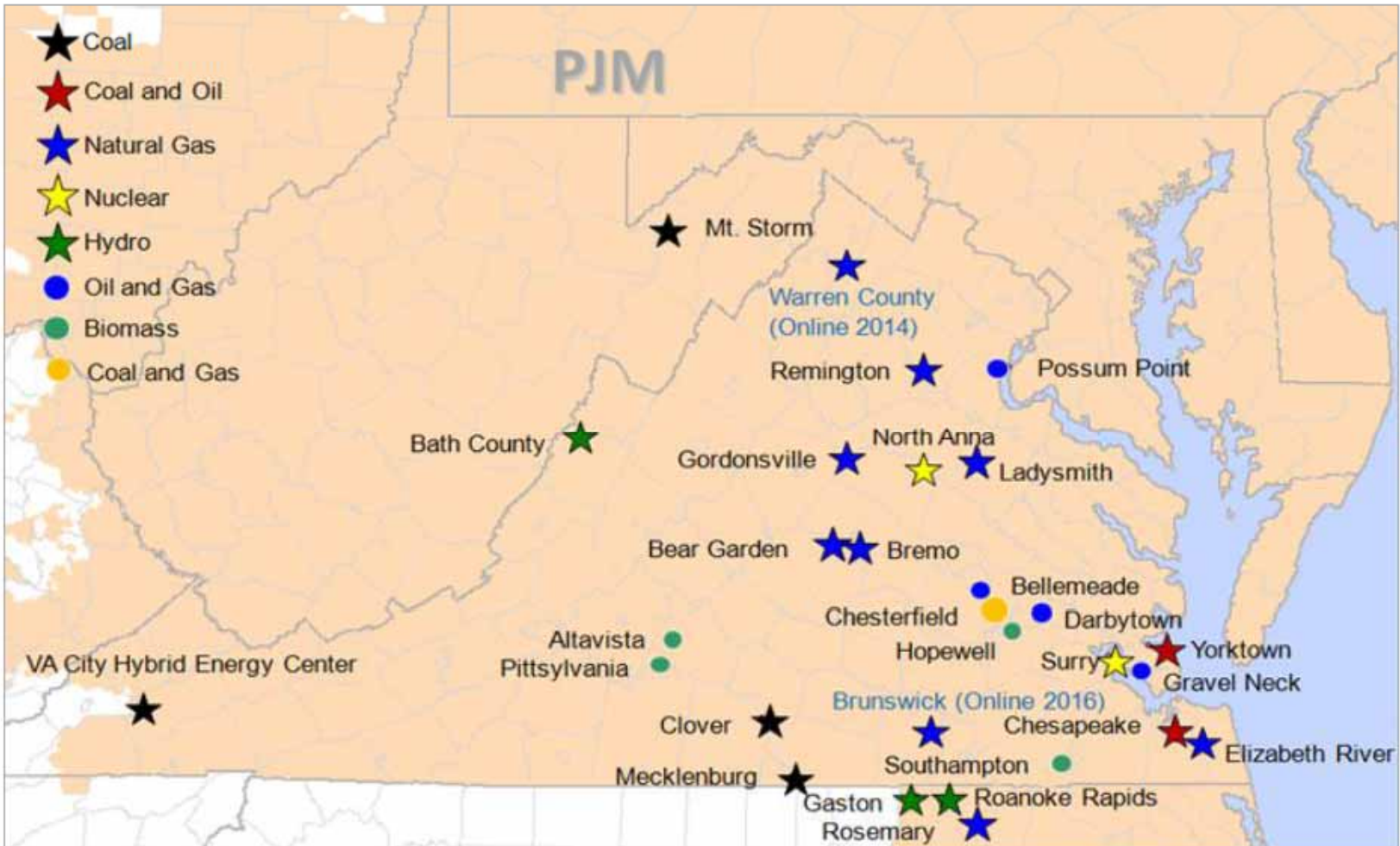


<sup>1</sup> Electric Capacity by Fuel includes Non-utility Generation (NUG) under contract.

<sup>2</sup> Electric Production by Fuel proportions exclude Non-utility Generation (NUG) under contract and Pumping. Please refer to page 2 for risks and uncertainties related to projections and forward looking statements.

# Utility Generation

## ~19,600 MW Portfolio

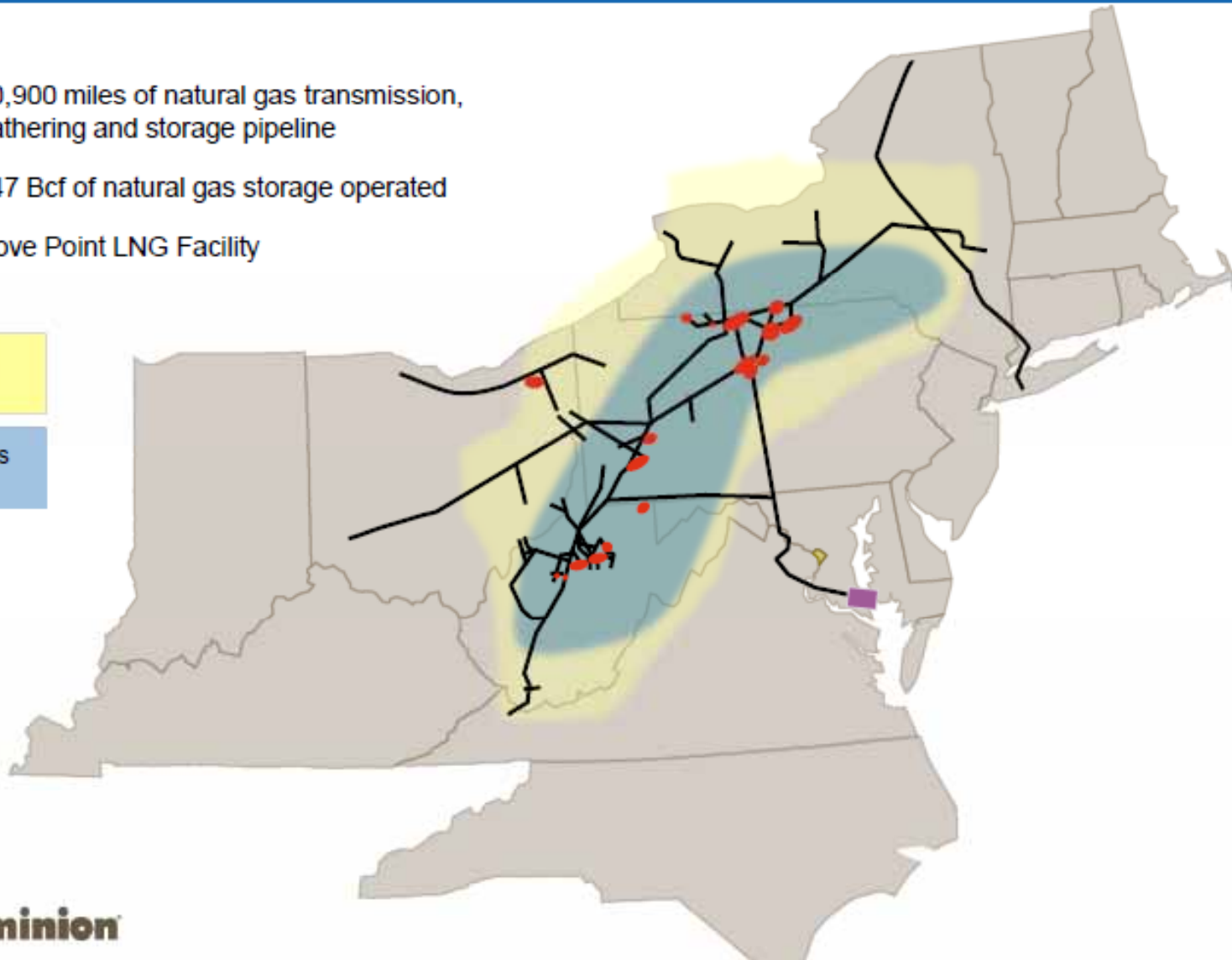


Please refer to page 2 for risks and uncertainties related to projections and forward looking statements.

# Dominion Transmission Area of Operations

- 10,900 miles of natural gas transmission, gathering and storage pipeline
- 947 Bcf of natural gas storage operated
- Cove Point LNG Facility

- Utica Shale
- Marcellus Shale



That's the current picture

How about looking forward

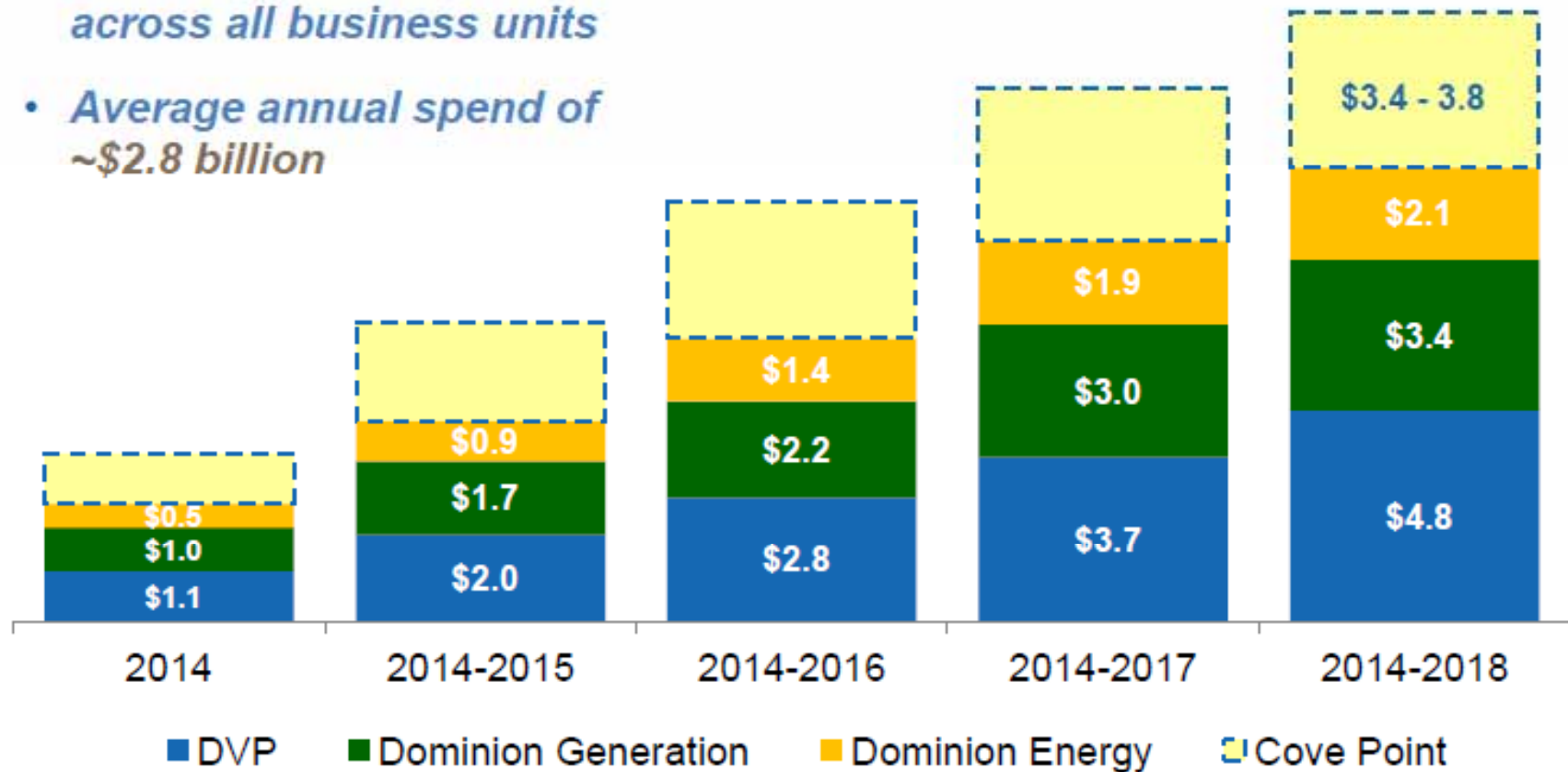


# Growth Plan Continues

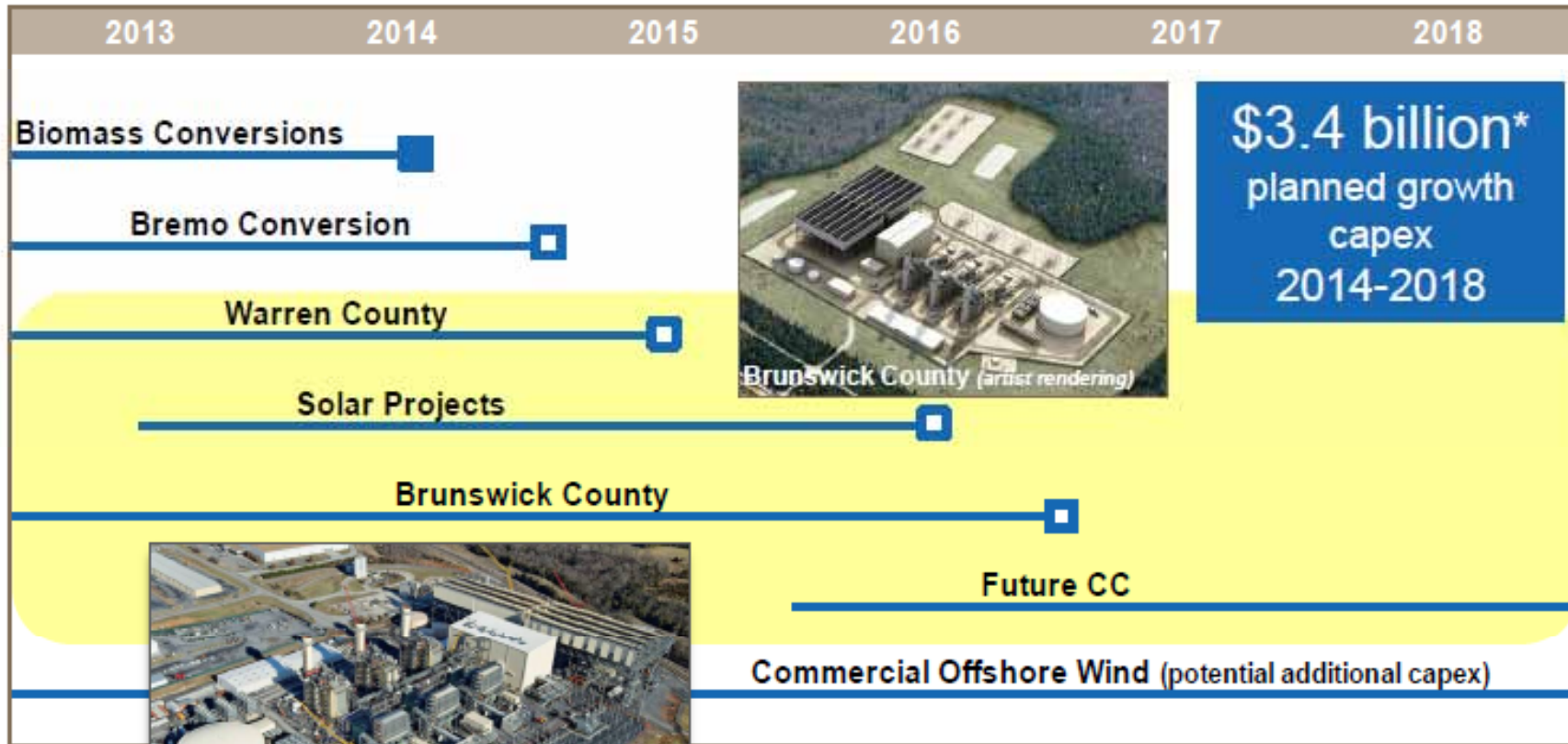
Planned growth capital (\$billions)

- *Diverse plan with growth across all business units*
- *Average annual spend of ~\$2.8 billion*

\$13.7 - \$14.1 billion



# Dominion Generation 2014 – 2018



\*Excludes solar projects capex

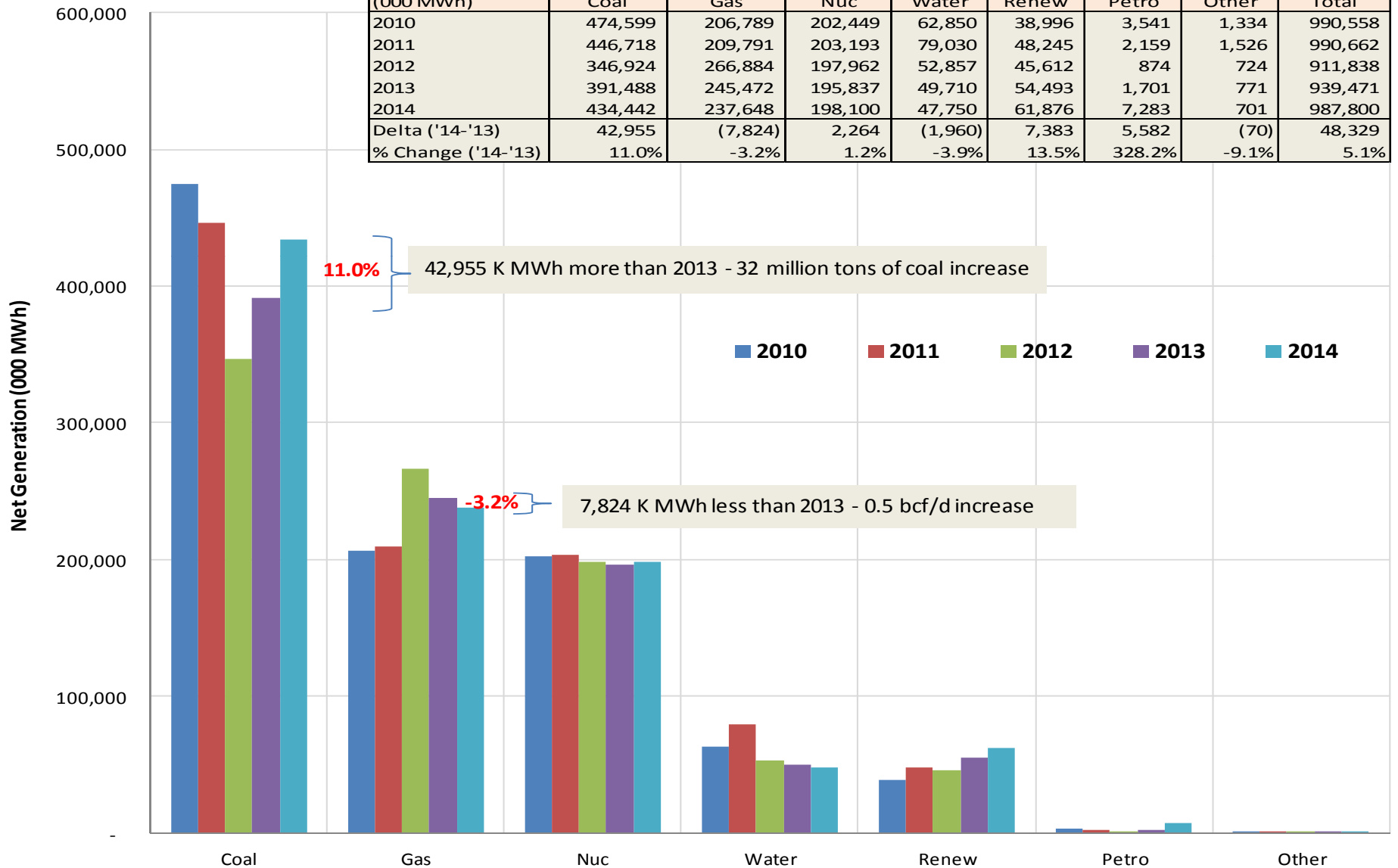
# So what are eastern Fuel buyers thinking about these days?

- Electricity Load
- How high can gas production / productivity go?
- Coal / Gas Relationships
  - Don't lose sight of renewables
- Forecasting fuel consumption
  - Internal Consumption
  - Domestic Coal production vs Domestic Coal Consumption
- Gas Basis? Gas Pipelines?
- Coal / Gas Storage and their relationship?

# US Net Electricity Generation – Year to Mar

Year-to-Mar Lower 48 - (Data Source: EIA)

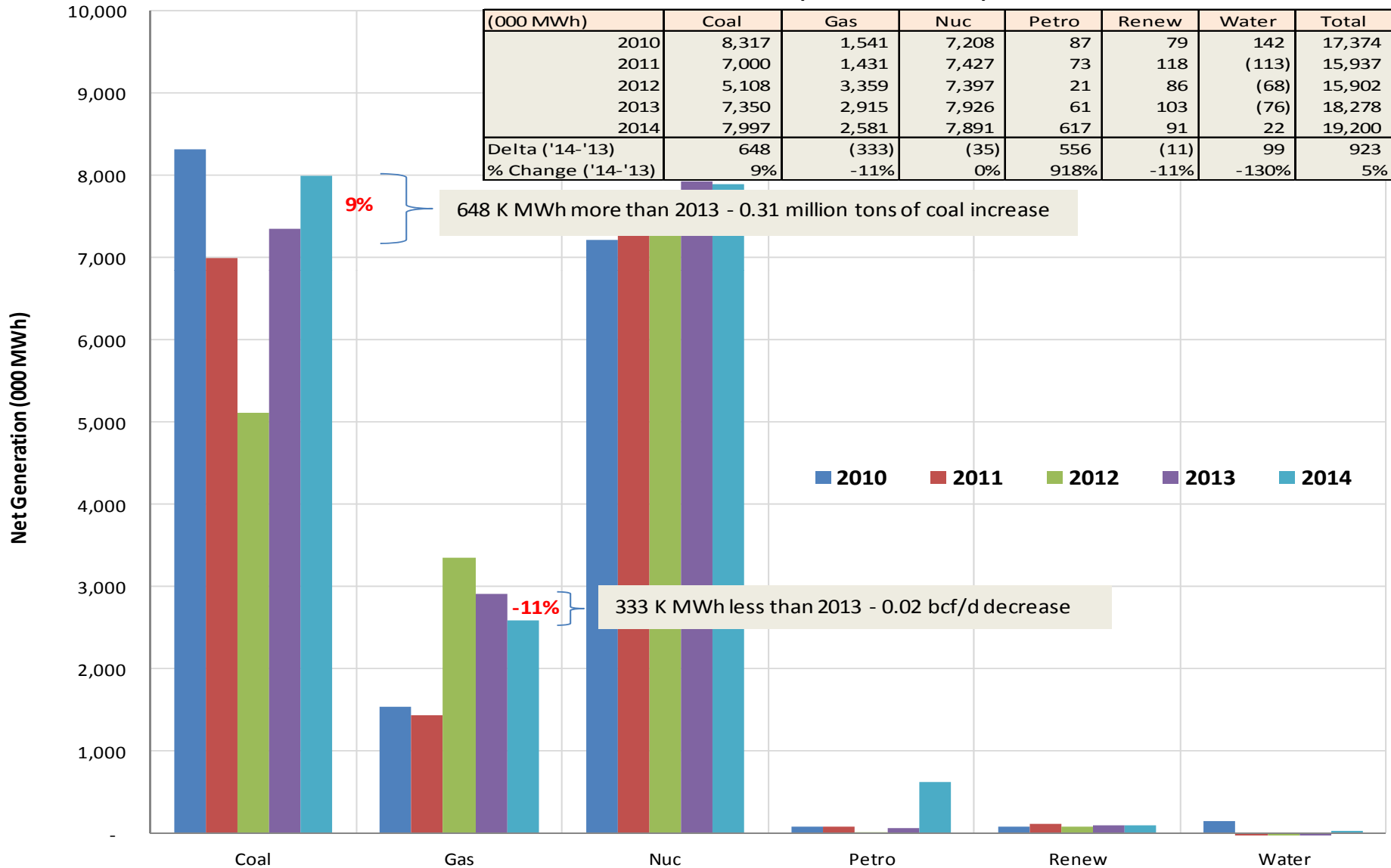
(000 MWh)	Coal	Gas	Nuc	Water	Renew	Petro	Other	Total
2010	474,599	206,789	202,449	62,850	38,996	3,541	1,334	990,558
2011	446,718	209,791	203,193	79,030	48,245	2,159	1,526	990,662
2012	346,924	266,884	197,962	52,857	45,612	874	724	911,838
2013	391,488	245,472	195,837	49,710	54,493	1,701	771	939,471
2014	434,442	237,648	198,100	47,750	61,876	7,283	701	987,800
Delta ('14-'13)	42,955	(7,824)	2,264	(1,960)	7,383	5,582	(70)	48,329
% Change ('14-'13)	11.0%	-3.2%	1.2%	-3.9%	13.5%	328.2%	-9.1%	5.1%



# DVP Net Electricity Generation – Year to Mar

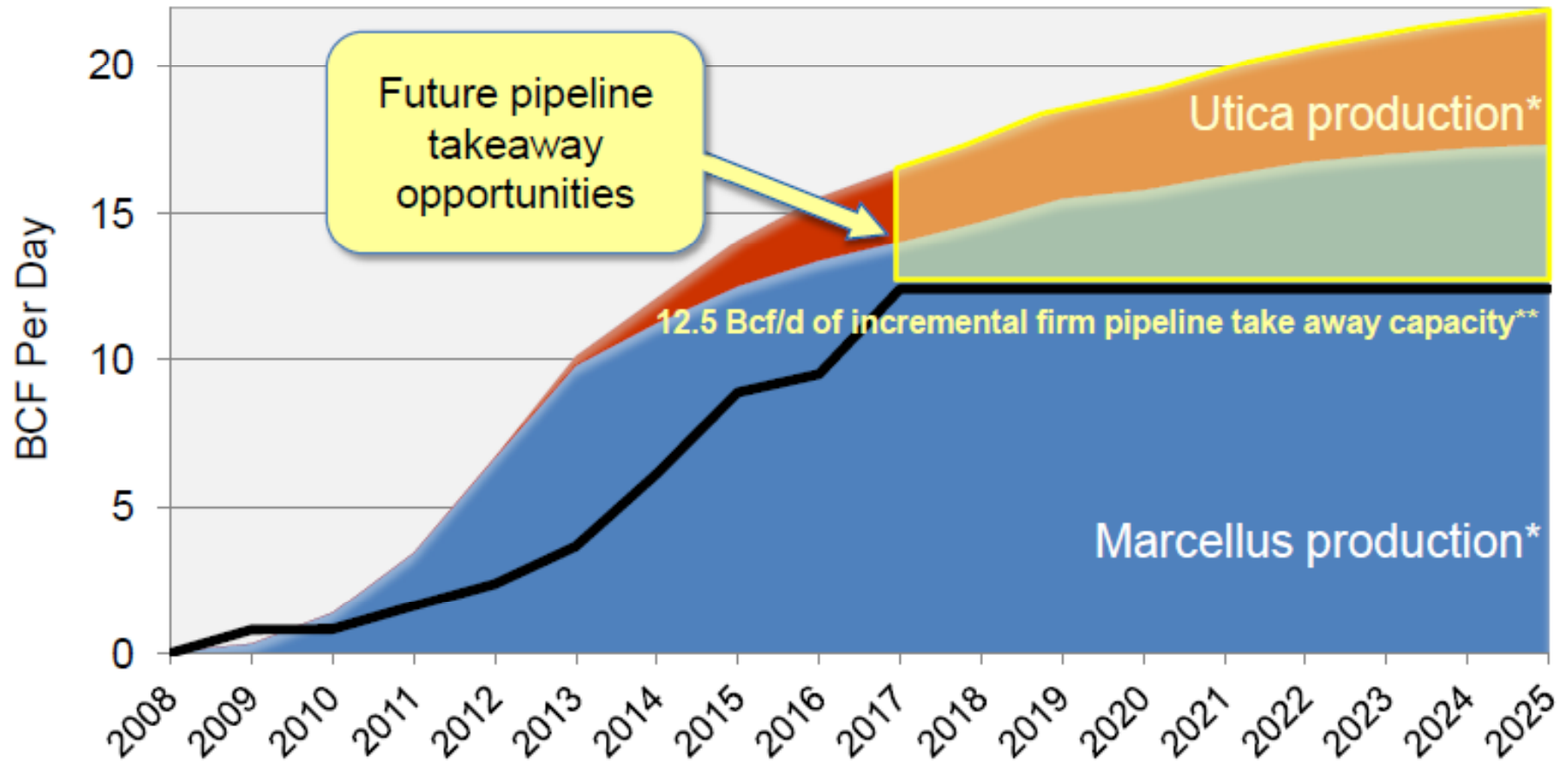
Year-to-Mar DVP - (Data Source: EIA)

(000 MWh)	Coal	Gas	Nuc	Petro	Renew	Water	Total
2010	8,317	1,541	7,208	87	79	142	17,374
2011	7,000	1,431	7,427	73	118	(113)	15,937
2012	5,108	3,359	7,397	21	86	(68)	15,902
2013	7,350	2,915	7,926	61	103	(76)	18,278
2014	7,997	2,581	7,891	617	91	22	19,200
Delta ('14-'13)	648	(333)	(35)	556	(11)	99	923
% Change ('14-'13)	9%	-11%	0%	918%	-11%	-130%	5%





# Marcellus and Utica Shale Production Forecast

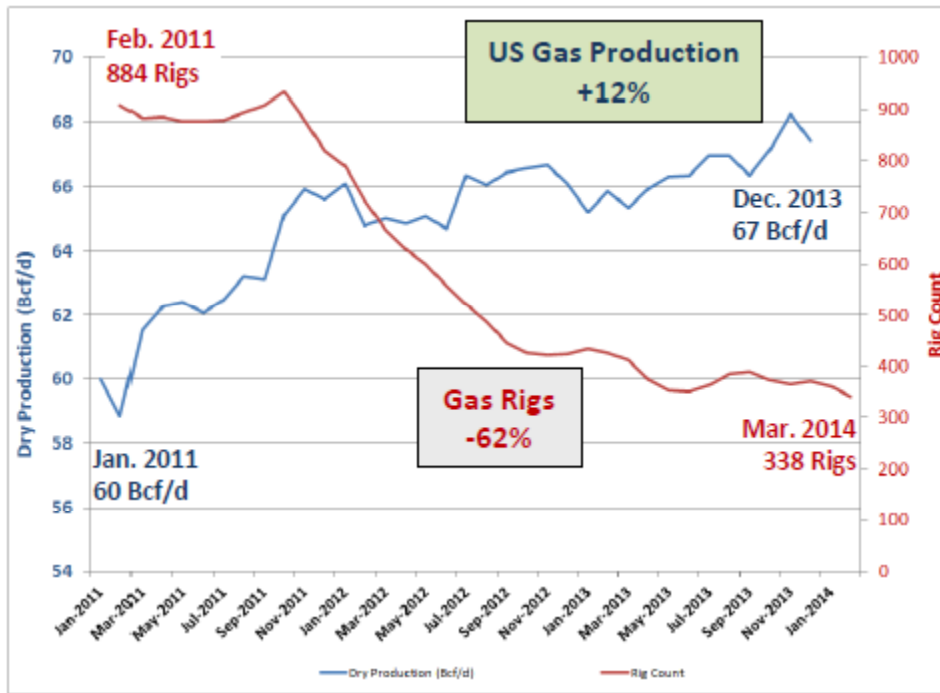


\*Wood Mackenzie – Fall 2013 natural gas long term view

\*\* Projects under construction or fully subscribed

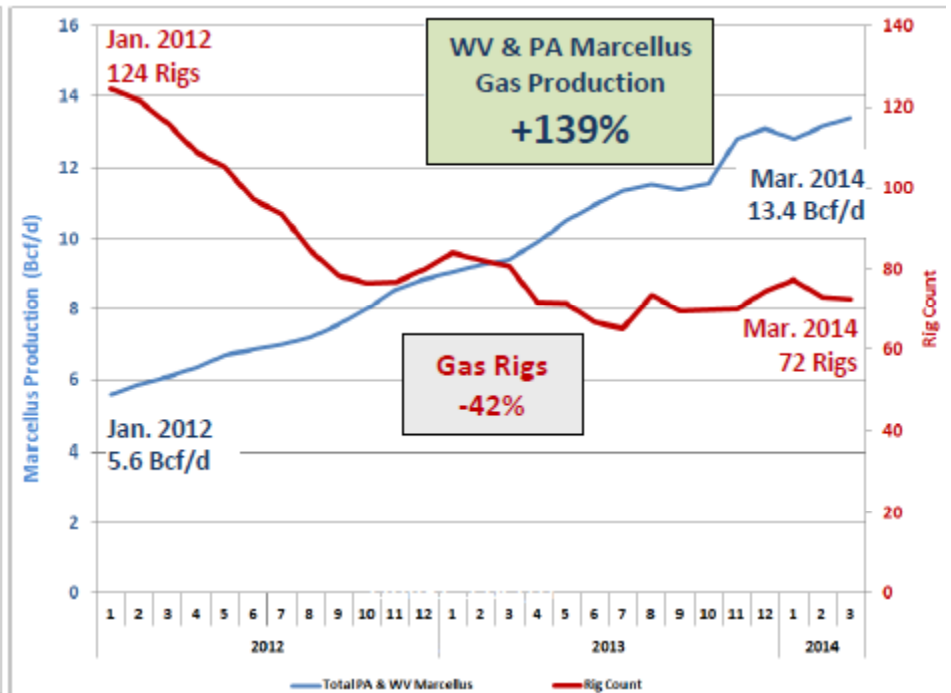
# US vs. Marcellus Dry Gas Production

## US Natural Gas Dry Production



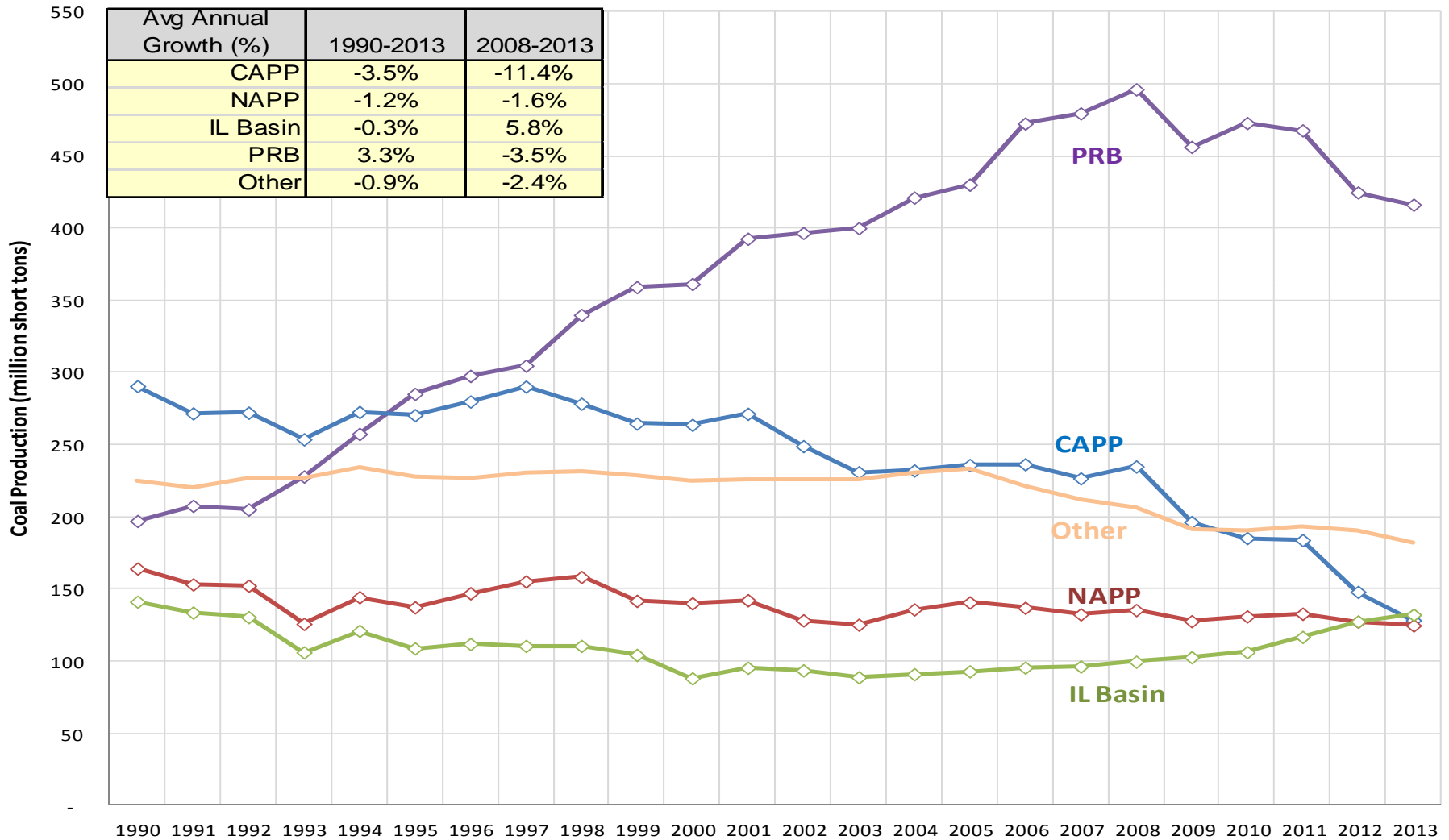
Source: Gas Production – EIA; Rig Count – Baker Hughes

## WV & PA Marcellus Gas Dry Production



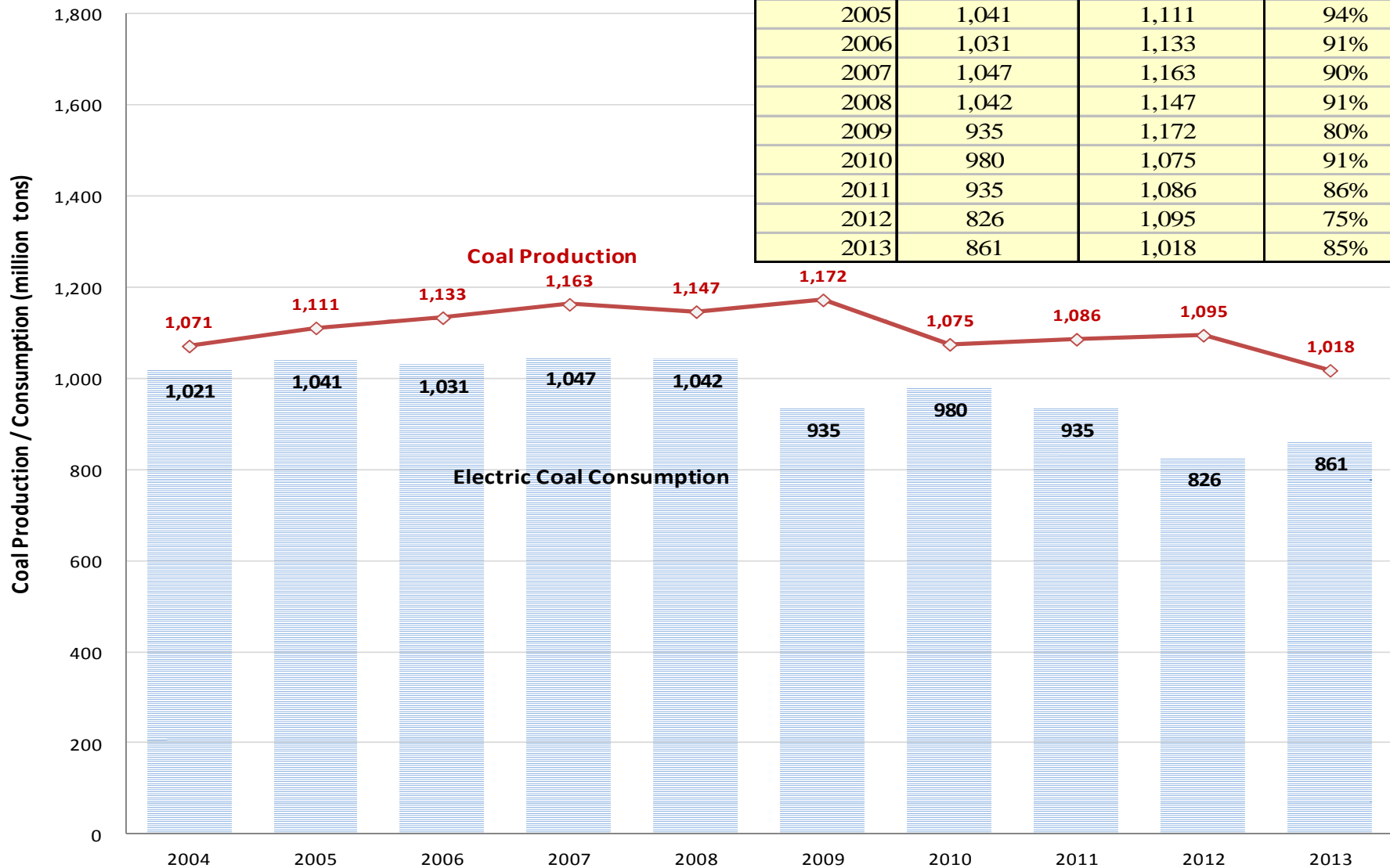
Source: Gas Production – Energy Velocity; Rig Count – Baker Hughes

# U.S. Fundamentals – Production

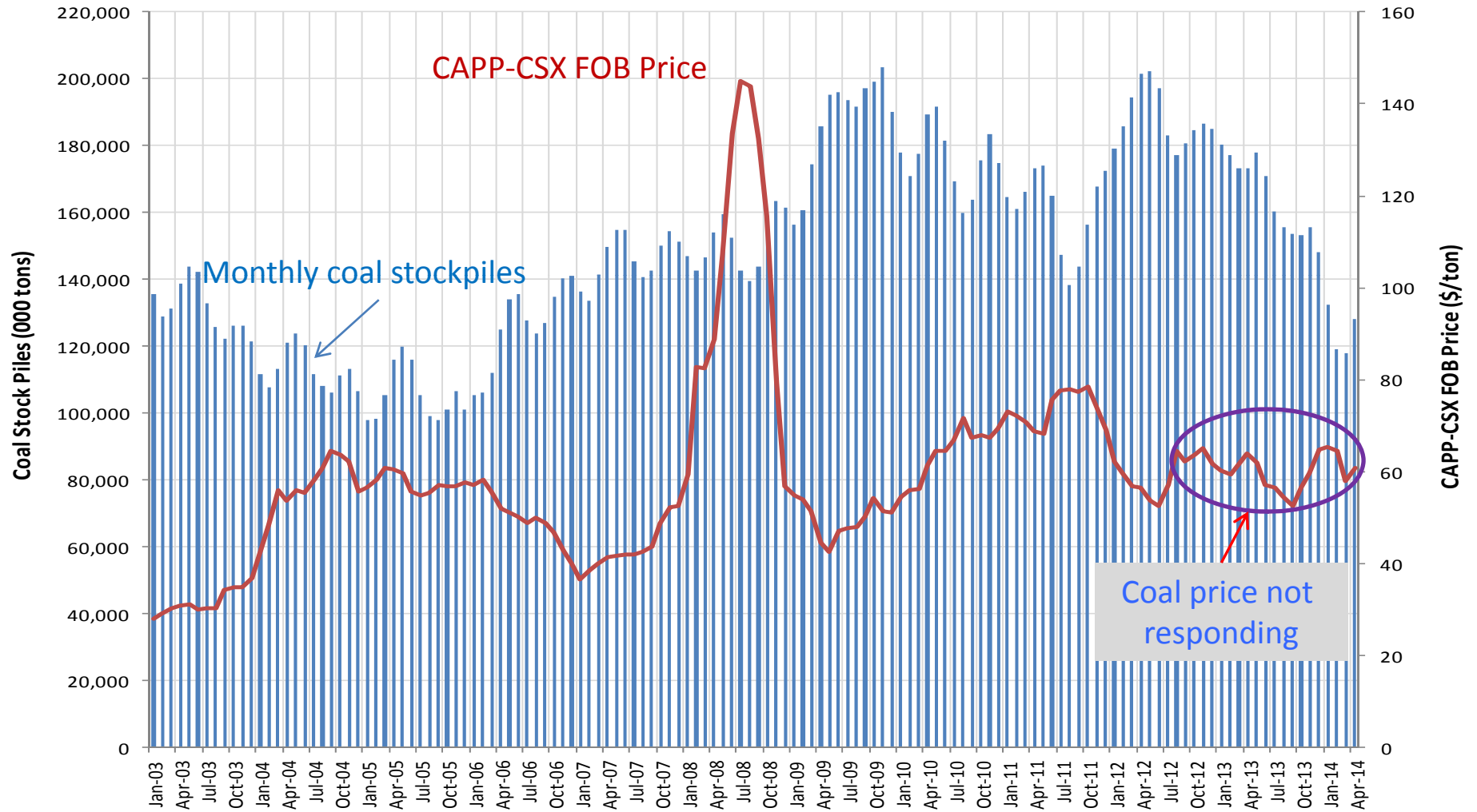


# U.S. Coal Production vs. Electric Consumption

Year	Electric Coal Consumption (million tons)	Coal Production (million tons)	% of Electric consumption
2004	1,021	1,071	95%
2005	1,041	1,111	94%
2006	1,031	1,133	91%
2007	1,047	1,163	90%
2008	1,042	1,147	91%
2009	935	1,172	80%
2010	980	1,075	91%
2011	935	1,086	86%
2012	826	1,095	75%
2013	861	1,018	85%

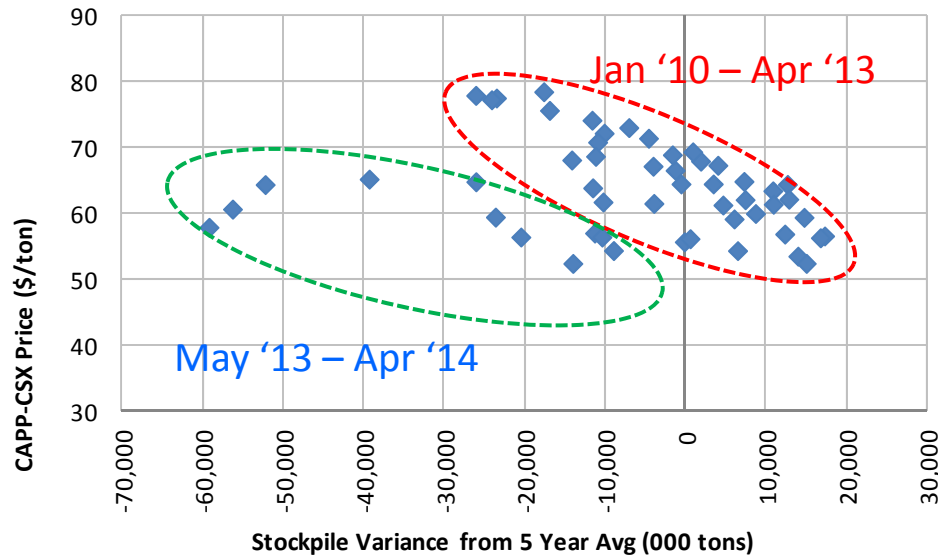


# U.S. Fundamentals – Stockpiles at Power Plants

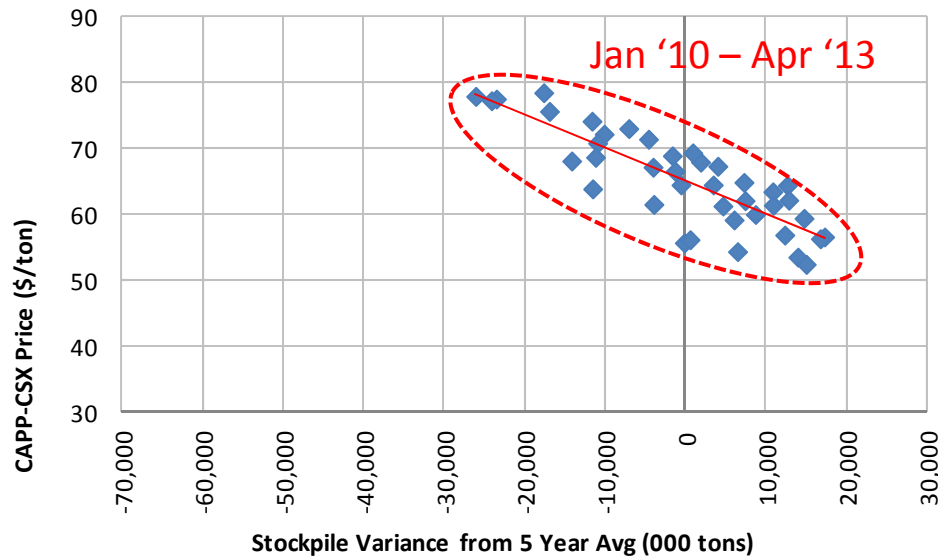




# Stockpile Variance vs. CAPP-CSX Price (are they really correlated?)



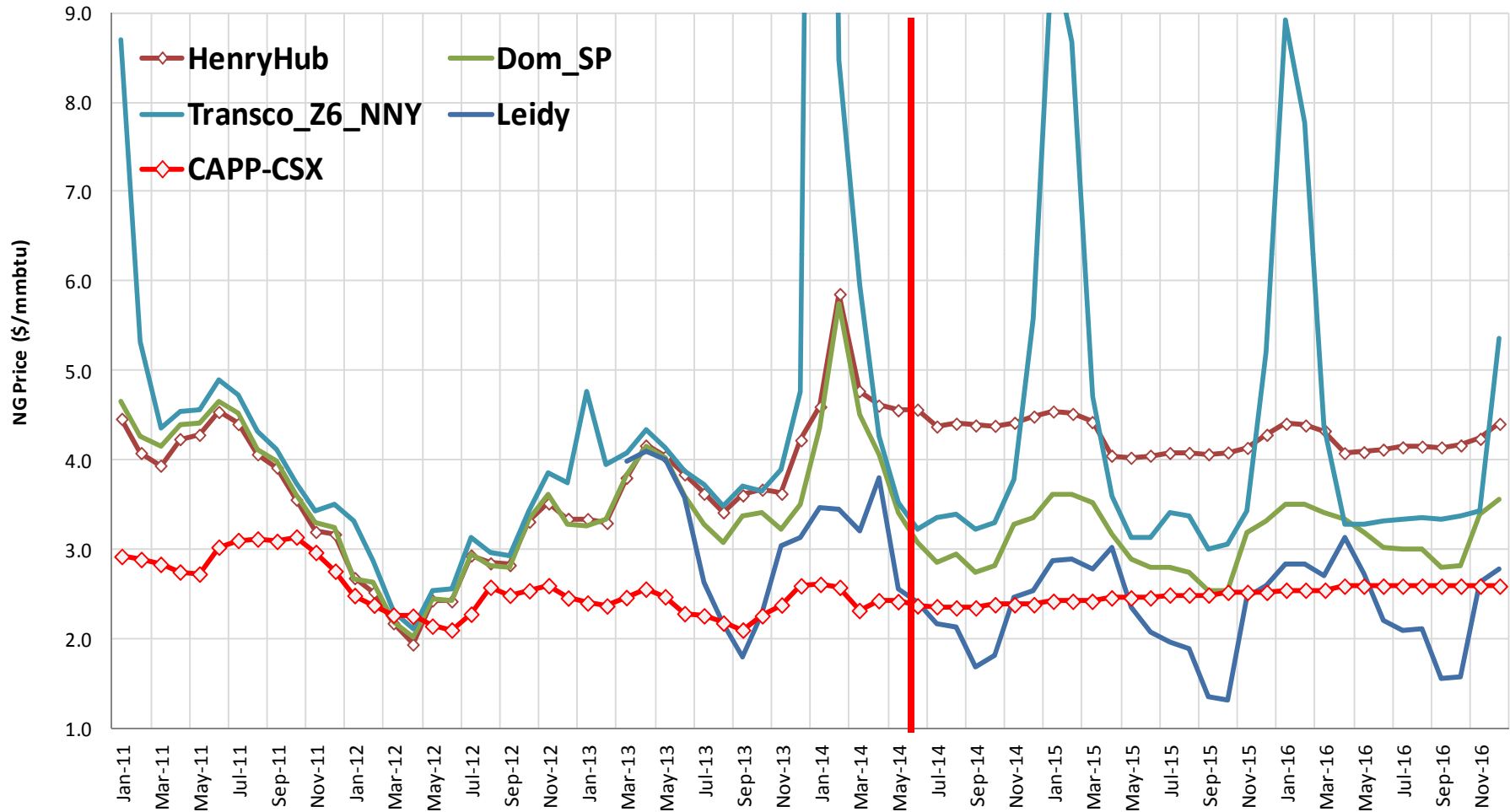
Jan 2010 - April 2014  
 $R^2 = 0.07$



Jan 2010 - April 2013  
 $(R^2 = 0.7)$

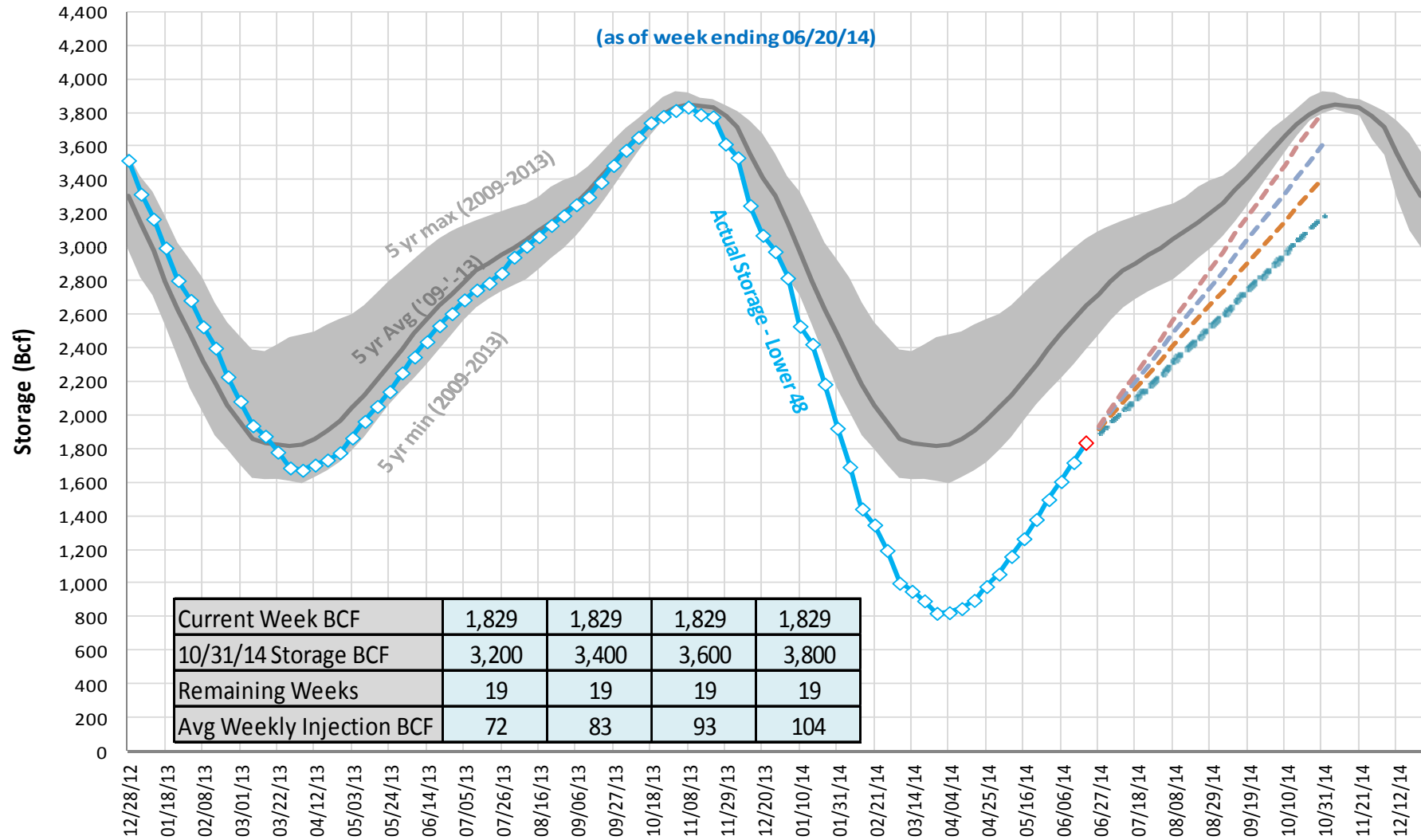
# Gas Basis & Volatility

## Historical Monthly Avg and Forward Prices - Selected NG and Coal

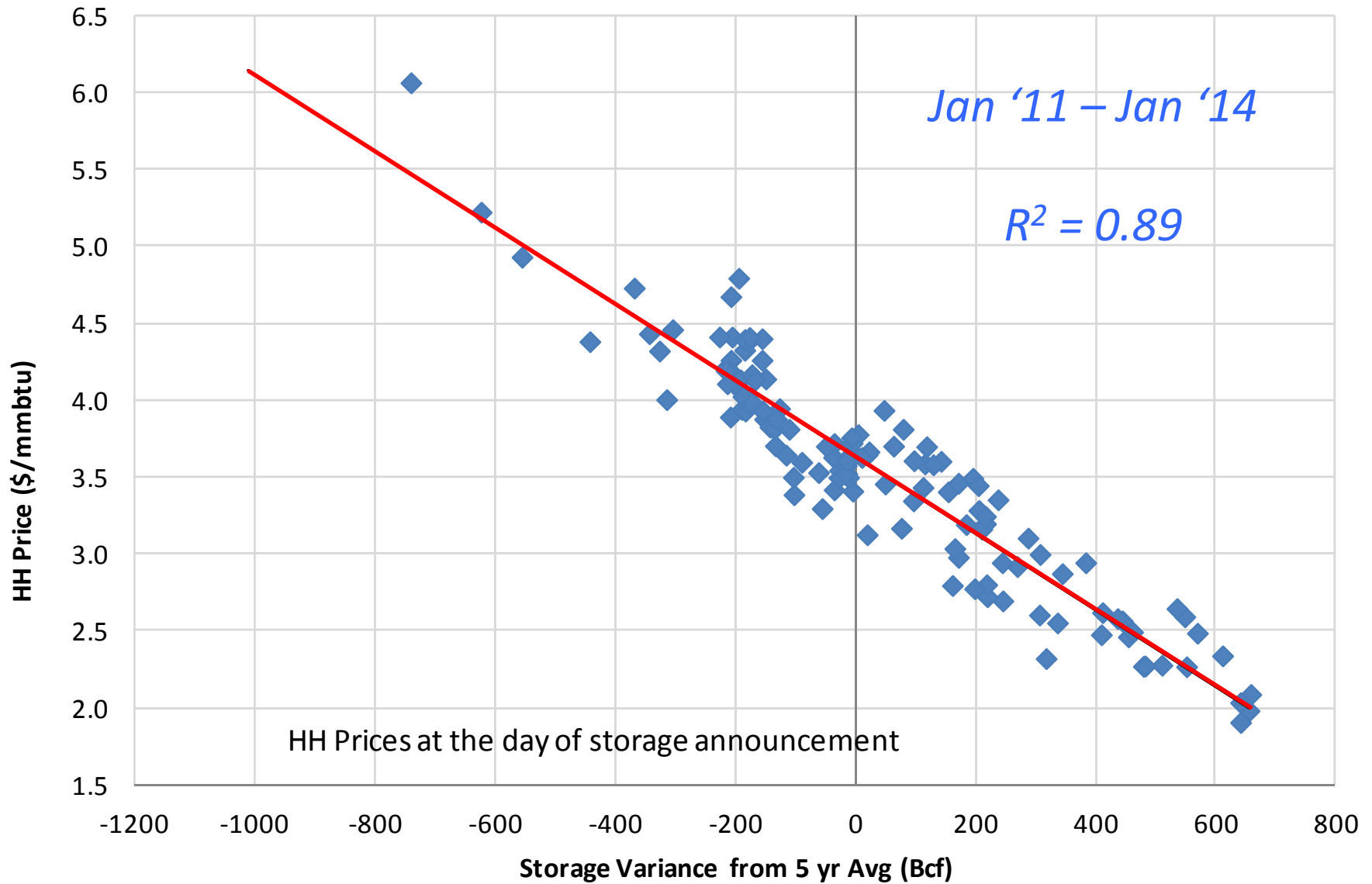


# Gas Storage Variances

## US Natural Gas Storage (lower 48)

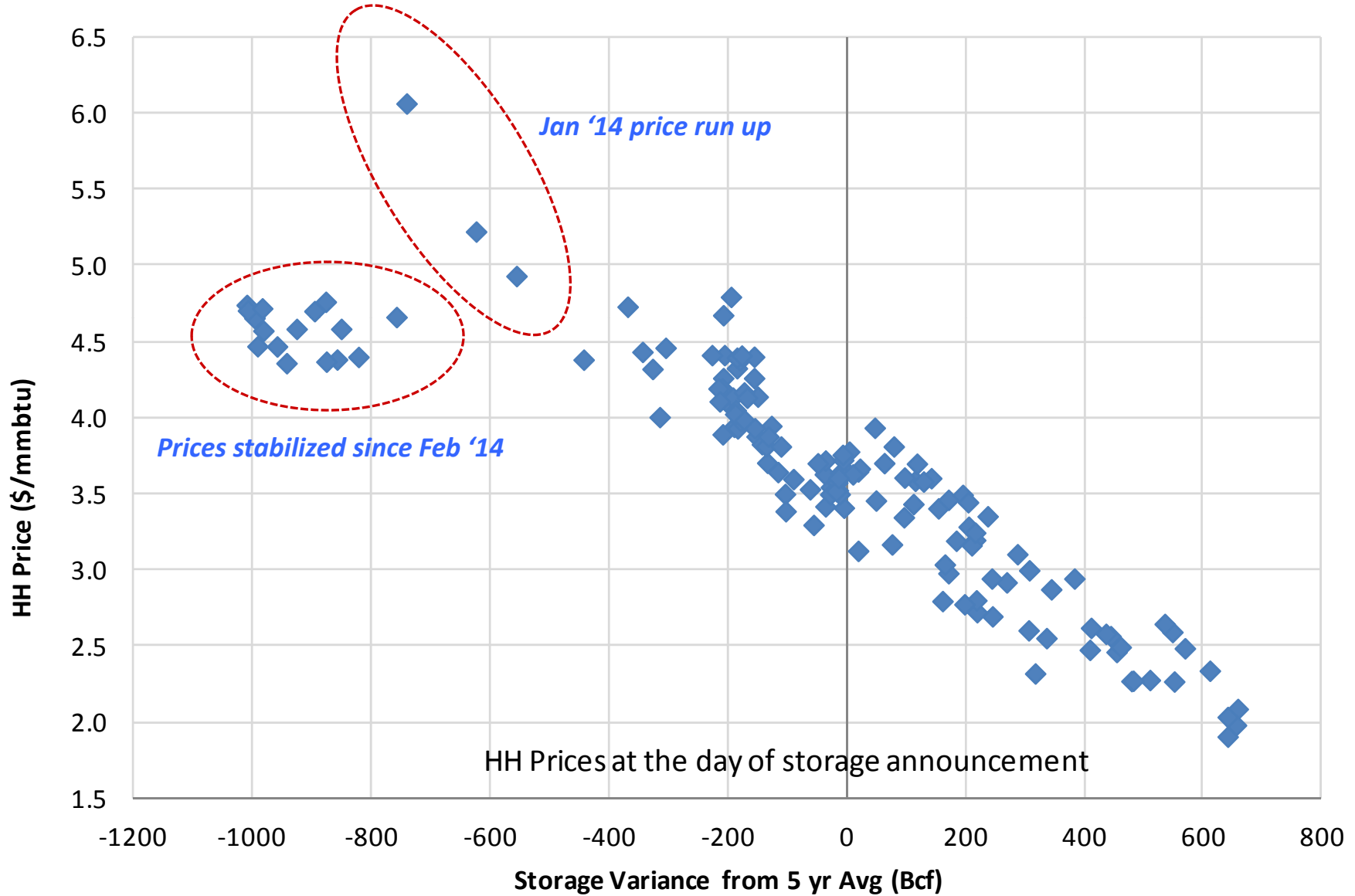


# NG Storage Variance vs. HH Gas Price



# NG Storage Variance vs. HH Gas Price

(since Jan 2011)





**THANK YOU!**