

DOMINION ENERGY INC /VA/
Form 424B2
May 31, 2018
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Filed pursuant to Rule 424(b)(2)
Registration No. 333-219088

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee (1)(2)
Senior Debt Securities	\$300,000,000	\$37,350

- (1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.
- (2) This Calculation of Registration Fee table shall be deemed to update the Calculation of Registration Fee table in the Company's Registration Statement on Form S-3 (File No. 333-219088) in accordance with Rules 456(b) and 457(r) under the Securities Act of 1933, as amended.

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PROSPECTUS SUPPLEMENT

(To Prospectus Dated June 30, 2017)

\$300,000,000**Dominion Energy, Inc.****\$300,000,000 2018 Series B 4.25% Senior Notes due 2028**

The Senior Notes will bear interest at 4.25% per year and will mature on June 1, 2028. We will pay interest on the Senior Notes on June 1 and December 1 of each year, beginning December 1, 2018.

We may redeem all or any of the Senior Notes at any time at the redemption prices described in this prospectus supplement, plus accrued and unpaid interest.

No application is being made or is intended to be made for the listing or trading of the Senior Notes on any securities exchange or trading facility or to include them in any automated quotation system.

Investing in the Senior Notes involves risks. For a description of these risks, see Risk Factors on page S-10 of this prospectus supplement and the Risk Factors section of our most recent Annual Report on Form 10-K and in our other reports filed with the Securities and Exchange Commission.

	Public Offering Price⁽¹⁾	Underwriting Discount	Proceeds to Dominion Energy Before Expenses⁽¹⁾
Per Senior Note	100%	0.65%	99.35%
Total	\$ 300,000,000	\$ 1,950,000	\$ 298,050,000

(1) Plus accrued interest from June 5, 2018, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Senior Notes will be ready for delivery in book-entry form only through The Depository Trust Company and its direct participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme*, on or about June 5, 2018.

Joint Book-Running Managers

BNP PARIBAS

Scotiabank

The date of this prospectus supplement is May 30, 2018.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of the Senior Notes and certain other matters relating to us and our financial condition. The second part, the accompanying base prospectus, gives more general information about Senior Debt Securities we may offer from time to time, some of which does not apply to the Senior Notes we are offering at this time. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. To the extent the description of the Senior Notes in the prospectus supplement differs from the description of Senior Debt Securities in the accompanying base prospectus, you should only rely on the information in the prospectus supplement.

This document contains and refers you to information that you should consider when making your investment decision, including other offering materials filed by us with the Securities and Exchange Commission (SEC). We have not authorized anyone, and we have not authorized the underwriters to authorize anyone, to provide you with different information. We take no responsibility for, and can provide no assurance as to the reliability of, any different or inconsistent information. This document may only be used where it is legal to sell these securities. The information which appears in this document and which is incorporated by reference in this document may only be accurate as of the date of this prospectus supplement or the date of the document in which incorporated information appears. Our business, financial condition, results of operations and prospects may have changed since the date of such information.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our file number with the SEC is 001-08489. Our SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement and information that we file later with the SEC will automatically update or supersede this information. We make some of our filings with the SEC on a combined basis with two of our subsidiaries, Virginia Electric and Power Company (Virginia Power) and Dominion Energy Gas Holdings, LLC (Dominion Energy Gas). Our combined filings with the SEC represent separate filings by each of Virginia Power, Dominion Energy Gas and us. We incorporate by reference the documents listed below (other than any portions of the documents not deemed to be filed) and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), except those portions of filings that relate to Virginia Power or Dominion Energy Gas as a separate registrant, until such time as all of the securities covered by this prospectus supplement have been sold:

Annual Report on Form 10-K for the year ended December 31, 2017;

Quarterly Report on Form 10-Q for the quarter ended March 31, 2018; and

Current Reports on Form 8-K, filed January 4, 2018, January 5, 2018, January 31, 2018, February 1, 2018, February 14, 2018, February 15, 2018, February 27, 2018, March 1, 2018, March 26, 2018, March 27, 2018, April 2, 2018, May 4, 2018 and May 9, 2018.

You may request a copy of these filings, at no cost, by writing or telephoning us at:

Corporate Secretary, Dominion Energy, Inc., 120 Tredegar Street, Richmond, Virginia 23219, Telephone (804) 819-2000.

FORWARD-LOOKING INFORMATION

We have included certain information in this prospectus supplement or other offering materials which is forward-looking information as defined by the Private Securities Litigation Reform Act of 1995. Examples include discussions as to our expectations, beliefs, plans, goals, objectives and future financial or other performance or assumptions concerning matters discussed in this prospectus. This information, by its nature, involves estimates, projections, forecasts and uncertainties that could cause actual results or outcomes to differ substantially from those expressed in the forward-looking statement.

The businesses that we and our subsidiaries conduct are influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual results and are often beyond our ability to control. We have identified a number of these factors in our annual and quarterly reports as described under the heading RISK

FACTORS and we refer you to that discussion for further information. These factors 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, including, but not limited to, hurricanes, high winds, severe storms, earthquakes, flooding and changes in water temperatures and availability that can cause outages and property damage to facilities;

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Federal, state and local legislative and regulatory developments, including changes in federal and state tax laws and regulations, including provisions of the 2017 Tax Cut and Jobs Act that became effective in January 2018;

Changes to federal, state and local environmental laws and regulations, including those related to climate change, the tightening of emission or discharge limits for greenhouse gases and other substances, more extensive permitting requirements and the regulation of additional substances;

Cost of environmental compliance, including those costs related to climate change;

Changes in implementation and enforcement practices of regulators relating to environmental standards and litigation exposure for remedial activities;

Difficulty in anticipating mitigation requirements associated with environmental and other regulatory approvals or related appeals;

Risks associated with the operation of nuclear facilities, including costs associated with the disposal of spent nuclear fuel, decommissioning, plant maintenance and changes in existing regulations governing such facilities;

Unplanned outages at facilities in which we have an ownership interest;

Fluctuations in energy-related commodity prices and the effect these could have on our earnings and our liquidity position and the underlying value of our assets;

Counterparty credit and performance risk;

Global capital market conditions, including the availability of credit and the ability to obtain financing on reasonable terms;

Risks associated with Virginia Power's membership and participation in PJM Interconnection, L.L.C., including risks related to obligations created by the default of other participants;

Fluctuations in the value of investments held in nuclear decommissioning trusts and in benefit plan trusts by us;

Fluctuations in interest rates or foreign currency exchange rates;

Changes in rating agency requirements or credit ratings and their effect on availability and cost of capital;

Changes in financial or regulatory accounting principles or policies imposed by governing bodies;

Employee workforce factors including collective bargaining agreements and labor negotiations with union employees;

Risks of operating businesses in regulated industries that are subject to changing regulatory structures;

Impacts of acquisitions, divestitures, transfers of assets to joint ventures or Dominion Energy Midstream Partners, LP (Dominion Energy Midstream) and retirements of assets based on asset portfolio reviews;

The expected timing and likelihood of completion of the proposed acquisition of SCANA Corporation (SCANA), including the ability to obtain the requisite approvals of SCANA's shareholders and regulators and the terms and conditions of any regulatory approvals;

Receipt of approvals for, and timing of, closing dates for other acquisitions and divestitures;

The timing and execution of Dominion Energy Midstream's growth strategy;

Changes in rules for regional transmission organizations and independent system operators in which we participate, including changes in rate designs, changes in the Federal Energy Regulatory Commission's (FERC) interpretation of market rules and new and evolving capacity models;

Political and economic conditions, including inflation and deflation;

Domestic terrorism and other threats to our physical and intangible assets, as well as threats to cybersecurity;

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Changes in demand for our services, including industrial, commercial and residential growth or decline in our service areas, changes in supplies of natural gas delivered to our pipeline and processing systems, failure to maintain or replace customer contracts on favorable terms, changes in customer growth or usage patterns, including as a result of energy conservation programs, the availability of energy efficient devices and the use of distributed generation methods;

Additional competition in industries in which we operate, including in electric markets in which our merchant generation facilities operate and potential competition from the development and deployment of alternative energy sources, such as self-generation and distributed generation technologies, and availability of market alternatives to large commercial and industrial customers;

Competition in the development, construction and ownership of certain electric transmission facilities in Virginia Power's service territory in connection with FERC Order 1000;

Changes in technology, particularly with respect to new, developing or alternative sources of generation and smart grid technologies;

Changes to regulated electric rates and regulated gas distribution, transportation and storage rates, including liquefied natural gas storage, collected by us;

Changes in operating, maintenance and construction costs;

Timing and receipt of regulatory approvals necessary for planned construction or growth projects and compliance with conditions associated with such regulatory approvals;

The inability to complete planned construction, conversion or growth projects at all, or with the outcomes or within the terms and time frames initially anticipated, including as a result of increased public involvement or intervention in such projects;

Adverse outcomes in litigation matters or regulatory proceedings; and

The impact of operational hazards, including adverse developments with respect to pipeline and plant safety or integrity, equipment loss, malfunction or failure, operator error, and other catastrophic events.

Any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made.

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PROSPECTUS SUPPLEMENT SUMMARY

In this prospectus supplement, unless otherwise indicated or the context otherwise requires, the words Dominion Energy, Company, we, our and us refer to Dominion Energy, Inc., a Virginia corporation, and its subsidiaries and predecessors.

The following summary contains basic information about this offering. It may not contain all the information that is important to you. The DESCRIPTION OF THE SENIOR NOTES section of this prospectus supplement and the DESCRIPTION OF DEBT SECURITIES and ADDITIONAL TERMS OF THE SENIOR DEBT SECURITIES sections of the accompanying base prospectus contain more detailed information regarding the terms and conditions of the Senior Notes. The following summary is qualified in its entirety by reference to the more detailed information appearing elsewhere in this prospectus supplement and in the accompanying base prospectus.

DOMINION ENERGY

Dominion Energy, headquartered in Richmond, Virginia and incorporated in Virginia in 1983, is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 26,000 megawatts of electric generation, 6,600 miles of electric transmission lines, 57,900 miles of electric distribution lines, 14,800 miles of natural gas transmission, gathering and storage pipeline and 51,800 miles of gas distribution pipeline, exclusive of service lines. We operate one of the nation's largest natural gas storage systems with approximately 1 trillion cubic feet of storage capacity and serve nearly six million utility and retail energy customers.

We are focused on expanding our investment in regulated and long-term contracted electric generation, transmission and distribution and regulated natural gas transmission and distribution infrastructure. Our nonregulated operations include merchant generation, energy marketing and price risk management activities and natural gas retail energy marketing operations. Our operations are conducted through various subsidiaries, including (i) Virginia Power, a regulated public utility that generates, transmits and distributes electricity for sale in Virginia and northeastern North Carolina, (ii) Dominion Energy Gas, a holding company for certain of our regulated natural gas businesses, which conducts business activities through a regulated interstate natural gas transmission pipeline and underground storage system, a local, regulated natural gas transportation and distribution network and natural gas gathering and processing facilities, and (iii) Dominion Energy Questar Corporation (Dominion Energy Questar), a holding company for our primarily regulated natural gas businesses located in the Rocky Mountain region, including retail natural gas distribution in Utah, Wyoming and Idaho and related natural gas development and production. We also own the general partner, 50.5% of the common units and 37.5% of the convertible preferred interests in Dominion Energy Midstream, which was formed by us to own and grow a portfolio of natural gas terminaling, processing, storage, transportation and related assets.

Our address and telephone number are: 120 Tredegar Street, Richmond, Virginia 23219, Telephone (804) 819-2000.

Proposed Acquisition of SCANA

In January 2018, we entered into a merger agreement with SCANA providing for SCANA to become a wholly-owned subsidiary of Dominion Energy. Under the terms of the agreement, we have agreed to issue 0.6690 shares of our common stock for each share of SCANA common stock upon closing. Subject to receipt of SCANA shareholder approval and any required regulatory approvals and meeting closing conditions, we target closing by the end of 2018.

Ratio of Earnings to Fixed Charges

3 Months **12 Months**
Ended **Ended**
March 31, **March 31,**

Years Ended December 31,

2018	2018	2017	2016	2015	2014	2013
2.56	2.83	3.07	3.29	3.72	2.33	3.42

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THE OFFERING

The Senior Notes

We are offering \$300,000,000 aggregate principal amount of the Senior Notes. The Senior Notes will mature on June 1, 2028.

The Senior Notes will be represented by one or more global certificates that will be deposited with or held on behalf of and registered in the name of The Depository Trust Company, New York, New York (DTC) or its nominee. This means that you will not receive a certificate for your Senior Notes but, instead, will hold your interest through DTC, Euroclear Bank, S.A./N.V. (Euroclear) or Clearstream Banking, *société anonyme* (Clearstream), if you are a participant in any of these clearing systems, or indirectly through organizations which are participants in these systems. See BOOK-ENTRY PROCEDURES AND SETTLEMENT beginning on page S-17.

Interest

The Senior Notes will bear interest at 4.25% per year.

Interest Payment Dates

Interest on the Senior Notes will be payable semi-annually in arrears on June 1 and December 1, commencing on December 1, 2018.

Record Dates

So long as the Senior Notes remain in book-entry only form, the record date for each Interest Payment Date will be the close of business on the business day before the applicable Interest Payment Date.

If the Senior Notes are not in book-entry only form, the record date for each Interest Payment Date will be the close of business on the fifteenth calendar day prior to the applicable Interest Payment Date (whether or not a business day).

Ranking

The Senior Notes will rank equally with all of our other senior unsecured indebtedness, will be senior in right of payment to all our subordinated indebtedness and will be effectively subordinated to our secured debt, if any. The Senior Indenture contains no restrictions on the amount of additional indebtedness that we may incur. Additionally, because we are a holding company that conducts all of our operations through our subsidiaries, holders of Senior Notes will generally have a junior position to claims of creditors of our subsidiaries. See DESCRIPTION OF THE SENIOR NOTES Ranking beginning on page S-14.

Optional Redemption

We may redeem, at our option, some or all of the Senior Notes at any time prior to March 1, 2028 (three months prior to the maturity date), at the make-whole redemption price described in DESCRIPTION OF THE SENIOR NOTES Optional Redemption, plus accrued and unpaid interest to the Redemption Date.

The Senior Notes are not redeemable at the option of the holder.

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No Listing of the Senior Notes

No application is being made or is intended to be made for the listing or trading of the Senior Notes on any securities exchange or trading facility or to include them in any automated quotation system.

Use of Proceeds

We intend to use the net proceeds from this offering for general corporate purposes and to repay short-term debt, including commercial paper. See USE OF PROCEEDS on page S-10.

Conflicts of Interest

As described in USE OF PROCEEDS on page S-10, some of the net proceeds of this offering may be used for the repayment of short-term debt, including commercial paper. If more than 5% of the net proceeds of this offering, not including underwriting compensation, will be received by affiliates of certain underwriters in this offering, this offering will be conducted in compliance with FINRA Rule 5121, as administered by the Financial Industry Regulatory Authority. Pursuant to that rule, the appointment of a qualified independent underwriter is not necessary in connection with this offering. See UNDERWRITING Conflicts of Interest on page S-23.

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RISK FACTORS

Your investment in the Senior Notes involves certain risks. Our business is influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual results and are often beyond our control. We have identified a number of these factors under the heading *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2017, which are incorporated by reference in this prospectus supplement. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the discussions of risks that we have incorporated by reference before deciding whether an investment in the Senior Notes is suitable for you.

See *WHERE YOU CAN FIND MORE INFORMATION* on page S-4.

USE OF PROCEEDS

We intend to use the net proceeds from this offering for general corporate purposes and to repay short-term debt, which as of April 30, 2018 included \$1.36 billion in outstanding commercial paper with a weighted average yield of 2.55% per year and a weighted average days to maturity of approximately 30 days. See *CAPITALIZATION* on page S-11.

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The table below shows our unaudited capitalization on a consolidated basis as of March 31, 2018. The As Adjusted column reflects our capitalization after giving effect to this offering of Senior Notes and the intended use of the net proceeds from this offering.

You should read this table along with our audited financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2017, as well as the unaudited information presented in our most recent Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2018. See WHERE YOU CAN FIND MORE INFORMATION on page S-4 and USE OF PROCEEDS on page S-10.

	(unaudited) March 31, 2018 (in millions)	
	Actual	As Adjusted
Short-term debt ⁽¹⁾	\$ 6,316	\$ 6,018
Long-term debt:		
Senior Notes and other long-term debt	25,759	26,057
Junior Subordinated Notes	3,980	3,980
Remarketable Subordinated Notes	1,381	1,381
Total long-term debt ⁽²⁾⁽³⁾	31,120	31,418
Total equity	20,042	20,042
Total capitalization	\$ 57,478	\$ 57,478

(1) Includes securities due within one year, which includes the effect of unamortized debt issuance costs (\$2.5 million) and unamortized discount (\$0.3 million) and loss on fair value hedges (\$0.7 million).

(2) Includes a \$(52.8) million loss on fair value hedges.

(3) Includes the effect of unamortized debt issuance costs (\$208.3 million), unamortized discount (\$56.0 million) net of unamortized premium (\$21.3 million) and foreign currency remeasurement adjustments (\$28.0 million).

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For purposes of this ratio, earnings are determined by adding distributed income of equity investees and fixed charges (excluding interest capitalized) to income before income taxes and minority interest after eliminating the equity in earnings or losses of equity investees. These earnings are then divided by total fixed charges. Fixed charges consist of interest charges (without reduction for Allowance for Funds Used During Construction) on long-term and short-term debt, interest capitalized, the portion of rental expense that is representative of the interest factor and preferred stock dividends of consolidated subsidiaries (grossed-up by a factor of pre-tax net income divided by net income).

The ratio of earnings to fixed charges for each of the periods indicated is as follows:

Three Months		Twelve Months		Years Ended December 31,		
Ended March 31, 2018(a)	Ended March 31, 2018(b)	2017(c)	2016(d)	2015(e)	2014(f)	2013(g)
2.56	2.83	3.07	3.29	3.72	2.33	3.42

- (a) Earnings for the three months ended March 31, 2018 include a \$215 million charge associated with Virginia legislation that requires one-time rate credits of certain amounts to utility customers; \$43 million of net loss related to our investments in nuclear decommissioning trust funds; \$31 million of storm damage and restoration costs associated with Winter Storm Riley; and \$16 million in transition and integration costs primarily associated with our acquisition of Dominion Energy Questar. Excluding the net effect of these items from the calculation would result in a higher ratio of earnings to fixed charges for the three months ended March 31, 2018.
- (b) Earnings for the twelve months ended March 31, 2018 include a \$215 million charge associated with Virginia legislation that requires one-time rate credits of certain amounts to utility customers; \$84 million in transition and integration costs primarily associated with our acquisition of Dominion Energy Questar; \$126 million of charges associated with our equity method investments in wind-powered generation facilities; \$31 million of storm damage and restoration costs associated with Winter Storm Riley; \$31 million of net loss related to our investments in nuclear decommissioning trust funds; and a \$51 million charge related to other items. Excluding the net effect of these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended March 31, 2018.
- (c) Earnings for the twelve months ended December 31, 2017 include \$126 million of charges associated with our equity method investments in wind-powered generation facilities; \$72 million in transition and integration costs primarily associated with our acquisition of Dominion Energy Questar; and a \$51 million charge related to other items, partially offset by \$46 million of net gain related to our investments in nuclear decommissioning trust funds. Excluding the net effect of these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2017.

(d)

Earnings for the twelve months ended December 31, 2016 include a \$197 million charge associated with ash pond and landfill closure costs; a \$65 million charge associated with an organizational design initiative; \$74 million in transaction and transition costs associated with our acquisition of Dominion Energy Questar; a \$23 million charge related to storm and restoration costs; and a \$45 million charge related to other items, partially offset by \$34 million of net gain related to our investments in nuclear decommissioning trust funds. Excluding the net effect of these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2016.

- (e) Earnings for the twelve months ended December 31, 2015 include an \$85 million write-off of prior-period deferred fuel costs associated with Virginia legislation; a \$99 million charge associated with ash pond and landfill closure costs; and a \$78 million charge related to other items, partially offset by \$60 million of net gain related to our investments in nuclear decommissioning trust funds. Excluding the net effect of these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2015.

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- (f) Earnings for the twelve months ended December 31, 2014 include a \$374 million charge related to our North Anna nuclear power station and offshore wind facilities; a \$284 million charge associated with our liability management effort, which is included in fixed charges; a \$121 million accrued charge associated with ash pond and landfill closure costs; and a \$93 million charge related to other items, partially offset by a \$100 million net gain on the sale of our electric retail energy marketing business and \$72 million of net gain related to our investments in nuclear decommissioning trust funds. Excluding the net effect of these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2014.
- (g) Earnings for the twelve months ended December 31, 2013 include a \$55 million impairment charge related to certain natural gas infrastructure assets; a \$40 million charge in connection with the Virginia State Corporation Commission's final ruling associated with its biennial review of Virginia Power's base rates for 2011-2012 test years; a \$28 million charge associated with our operating expense reduction initiative, primarily reflecting severance pay and other employee related costs; a \$26 million charge related to the expected early shutdown of certain coal-fired generating units; and a \$29 million charge related to other items, partially offset by \$81 million of net gain related to our investments in nuclear decommissioning trust funds; a \$47 million benefit due to a downward revision in the nuclear decommissioning asset retirement obligations for certain merchant nuclear units that are no longer in service; and a \$29 million net benefit primarily resulting from the sale of our Elwood power station. Excluding the net effect of these items from the calculation would result in a higher ratio of earnings to fixed charges for the twelve months ended December 31, 2013.

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DESCRIPTION OF THE SENIOR NOTES

Set forth below is a description of the specific terms of the Senior Notes. This description supplements, and should be read together with, the description of the general terms and provisions of the Senior Debt Securities set forth in the accompanying base prospectus under the captions DESCRIPTION OF DEBT SECURITIES and ADDITIONAL TERMS OF THE SENIOR DEBT SECURITIES and, to the extent it is inconsistent with the accompanying base prospectus, replaces the description in the accompanying base prospectus. The Senior Notes will be issued under our Senior Indenture dated as of June 1, 2015, as supplemented and amended from time to time by supplemental indentures, including by the Fifteenth Supplemental Indenture, dated as of June 1, 2018 (the Fifteenth Supplemental Indenture). The following description is not complete in every detail and is subject to, and is qualified in its entirety by reference to, the description of the Senior Debt Securities in the accompanying base prospectus, the Senior Indenture and Fifteenth Supplemental Indenture. Capitalized terms used in this DESCRIPTION OF THE SENIOR NOTES that are not defined in this prospectus supplement have the meanings given to them in the accompanying base prospectus, the Senior Indenture or Fifteenth Supplemental Indenture, as applicable. In this DESCRIPTION OF THE SENIOR NOTES section, references to Dominion Energy, we, us and our mean Dominion Energy, Inc., excluding any of its subsidiaries unless otherwise expressly stated or the context otherwise requires.

General

The Senior Notes will be an unsecured senior obligation of Dominion Energy. The Senior Notes will be initially limited in aggregate principal amount to \$300,000,000. We may, without the consent of the existing holders of the Senior Notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the Senior Notes. Any additional notes having such similar terms, together with any of the Senior Notes, as applicable, will constitute a single series of notes under the Senior Indenture.

The entire principal amount of the Senior Notes will mature and become due and payable, together with any accrued and unpaid interest thereon, on June 1, 2028. The Senior Notes are not subject to any sinking fund provision. The Senior Notes are available for purchase in denominations of \$2,000 and any greater integral multiple of \$1,000.

Interest

The Senior Notes will bear interest at the rate of 4.25% per year from the date of original issuance.

Interest is payable on the Senior Notes semi-annually in arrears on June 1 and December 1 of each year (each, an Interest Payment Date). The initial Interest Payment Date for the Senior Notes is December 1, 2018.

The amount of interest payable will be computed on the basis of a 360-day year of twelve 30-day months. If any date on which interest is payable on the Senior Notes is not a business day, then payment of the interest payable on that date will be made on the next succeeding day which is a business day (and without any interest or other payment in respect of any delay), with the same force and effect as if made on such date.

So long as the Senior Notes remain in book-entry only form, the record date for each Interest Payment Date will be the close of business on the business day before the applicable Interest Payment Date. If the Senior Notes are not in book-entry only form, the record date for each Interest Payment Date will be the close of business on the fifteenth calendar day before the applicable Interest Payment Date (whether or not a business day); however, interest payable at maturity or upon redemption or repurchase will be paid to the person to whom principal is payable.

Ranking

The Senior Notes are our direct, unsecured and unsubordinated obligations, will rank equally with all of our other senior unsecured debt, will be senior in right of payment to all of our subordinated indebtedness, and will be effectively subordinated to our secured debt, if any.

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Because we are a holding company and conduct all of our operations through our subsidiaries, which include Virginia Power, Dominion Energy Gas, Dominion Energy Questar, Dominion Energy Midstream and other subsidiaries, our ability to meet our obligations under the Senior Notes is dependent on the earnings and cash flows of those subsidiaries and the ability of those subsidiaries to pay dividends or to advance or repay funds to us. Holders of Senior Notes will generally have a junior position to claims of creditors of our subsidiaries, including trade creditors, debtholders, secured creditors, taxing authorities, guarantee holders and any preferred stockholders. As of March 31, 2018, our subsidiaries had approximately \$17.4 billion principal amount of outstanding long-term debt (including securities due within one year).

The Senior Indenture contains no restrictions on the amount of additional indebtedness that we or our subsidiaries may incur or the amount of preferred stock that our subsidiaries may issue. We and our subsidiaries expect to incur additional indebtedness from time to time.

Optional Redemption

The Senior Notes are redeemable, in whole or in part at any time and from time to time prior to March 1, 2028 (three months prior to the maturity date), at our option at a make-whole redemption price equal to the greater of:

100% of the principal amount of the Senior Notes then outstanding to be redeemed, or

the sum of the present values of the remaining scheduled payments of principal and interest on the Senior Notes to be redeemed that would be due if such Senior Notes matured on March 1, 2028 but for the redemption (not including any portion of such payments of interest accrued as of the Redemption Date) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, plus 25 basis points, as calculated by an Independent Investment Banker,

plus accrued and unpaid interest to the Redemption Date.

In addition, the Senior Notes are redeemable, in whole or in part at any time and from time to time on or after March 1, 2028 (three months prior to the maturity date), at our option at a redemption price equal to 100% of the principal amount of the Senior Notes then outstanding to be redeemed, plus accrued and unpaid interest thereon to the Redemption Date.

Adjusted Treasury Rate means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

The Adjusted Treasury Rate will be calculated on the third business day preceding the Redemption Date.

Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Senior Notes to be redeemed (assuming, for this purpose, that the Senior Notes matured on March 1, 2028) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Senior Notes (Remaining Life).

Comparable Treasury Price for any Redemption Date means (1) the average of the Reference Treasury Dealer Quotations for the Redemption Date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

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Independent Investment Banker means BNP Paribas Securities Corp. and Scotia Capital (USA) Inc. and their respective successors or affiliates, as selected by us, or if any such firm is unwilling or unable to serve as such, an independent investment and banking institution of national standing appointed by us.

Reference Treasury Dealer means:

BNP Paribas Securities Corp. and Scotia Capital (USA) Inc. and their successors or affiliates; provided that, if any such firm or its successors or affiliates ceases to be a Primary Treasury Dealer, we will substitute another Primary Treasury Dealer; and

up to three other Primary Treasury Dealers selected by us.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue related to the Senior Notes being redeemed (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 3:30 p.m., New York City time, on the third business day preceding such Redemption Date.

We will mail a notice of redemption at least 20 days but not more than 60 days before the Redemption Date to each holder of Senior Notes to be redeemed. If we elect to partially redeem the Senior Notes, the trustee will select the Senior Notes to be redeemed in accordance with the procedures of DTC.

Unless we default in payment of the redemption price, on and after the Redemption Date, interest will cease to accrue on the Senior Notes or portions thereof called for redemption.

The Trustee

The trustee under the Senior Indenture is Deutsche Bank Trust Company Americas. The trustee will administer its corporate trust business at 60 Wall Street, 16th Floor, New York, NY 10005. We and certain of our affiliates maintain banking relationships with Deutsche Bank Trust Company Americas or its affiliates. Deutsche Bank Trust Company Americas also serves as trustee or series trustee under other indentures under which we and certain of our affiliates have issued securities. Deutsche Bank Trust Company Americas and its affiliates have purchased, and are likely to purchase in the future, our securities and securities of our affiliates.

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BOOK-ENTRY PROCEDURES AND SETTLEMENT

Upon issuance, the Senior Notes will be represented by one or more fully registered global certificates. Each global certificate will be deposited with the trustee on behalf of DTC as its custodian and will be registered in the name of DTC or a nominee of DTC. DTC is thus the only registered holder of these securities.

The following is based on information furnished to us by DTC:

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (Direct Participants) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at <http://www.dtcc.com>.

Purchases of the Senior Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Senior Notes on DTC's records. The ownership interest of each actual purchaser of each Senior Note (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Senior Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Senior Notes, except in the event that use of the book-entry system for the Senior Notes is discontinued.

To facilitate subsequent transfers, all of the Senior Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Senior Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Senior Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Senior Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by

arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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Redemption notices shall be sent to DTC. If less than all the Senior Notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Senior Notes to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Senior Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Company as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Senior Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds on the Senior Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Company or its agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such Participant and not of DTC, the Company or its agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Company or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Senior Notes at any time by giving reasonable notice to the Company or its agent. Under such circumstances, in the event that a successor depository is not obtained, Senior Note certificates are required to be printed and delivered. The Company may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Senior Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

We have no responsibility for the performance by DTC or its Participants of their respective obligations as described in this prospectus or under the rules and procedures governing their respective operations.

Global Clearance and Settlement Procedures

The following is based on information made available by Clearstream and Euroclear or from sources that we believe to be reliable, but we take no responsibility for the accuracy of this information. We have no responsibility for the performance by Clearstream and Euroclear or either of their Participants of their respective obligations as described in this prospectus or under the rules and procedures governing their respective operations.

Investors may elect to hold interests in the global notes through either DTC (in the United States) or through Clearstream or Euroclear, if they are participants in such systems, or indirectly through organizations that are participants in such systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories.