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Q3 2015 Earnings Call

Company Participants

- Thomas E. Hamlin
- Mark F. McGettrick
- Thomas F. Farrell ll
- Paul D. Koonce

Other Participants

- Daniel Eggers
- Michael Weinstein
- Steven Isaac Fleishman
- Praful Mehta
- Brian J. Chin
- Stephen Calder Byrd
- Paul Patterson

MANAGEMENT DISCUSSION SECTION

Thomas E. Hamlin

GAAP and Non-GAAP Financial Measures

Also, on this call, we will discuss the measures of our company's performance that differ from those recognized by GAAP

Reconciliation of our non-GAAP measures to the most directly comparable GAAP financial measures we are able to calculate and report are contained in the earnings release kit and Dominion Midstream's press release

Mark F. McGettrick

Financial Highlights

Earnings

- Dominion Resources reported operating earnings of $1.03 per share for Q3 2015, which was in the middle of our guidance range of $0.95 to $1.10 per share
- Lower operating expenses and high margins from our merchant generated plants accounted for the slightly betterthanexpected performance
- GAAP earnings were $1 per share for Q3
- The principal differences between GAAP and operating earnings were out of the period tax-related items for our electric operations

- A reconciliation of operating earnings to reported earnings can be found on Schedule 2 of the earnings release kit

Results by Operating Segment

Dominion Virginia Power

- Moving to results by operating segment
- At Dominion Virginia Power, EBITDA for Q3 was $388mm, which was just below its guidance range
- Kilowatt hour sales were modestly below expectations
- Excluding weather, YTD sales growth was about 1%, which is consistent with our expectations for the year
- A delay in commission approval of our strategic undergrounding program also impacted EBITDA for the quarter

EBITDA

- Dominion Generation produced EBITDA of $796mm in Q3, which was in the upper half of its guidance range
- Lower operating expenses and higher merchant generation margins were contributing factors to the strong results

Dominion Energy

- Third quarter EBITDA for Dominion Energy was $332mm, which was near the top of its guidance range
- Positive drivers were lower operating expenses and higher gas distribution margins
- On a consolidated basis, interest expenses were in line with our expectations, while income taxes were in the upperend of our guidance range
- Overall, we are pleased with the performance of each of our operating segments

Adjusted EBITDA

- For Q3 2015, Dominion Midstream Partners produced adjusted EBITDA of $20.3mm and distributable cash flow of $19.8mm, all consistent with management's expectations
- On October 23, Dominion Midstream's Board of Directors declared a distribution of $0.20 per unit payable on November 13 to unitholders of record on November 3
  - This distribution represents a 7% increase over last quarter's payment and is consistent with our plan to achieve 22% annual distribution growth for LP units

Dominion Midstream

- In September, Dominion Midstream acquired a 25.9% interest in the Iroquois Pipeline for the issuance of 8.6mm limited partnership units to National Grid and New Jersey Resources
- The freeze action will be accretive to DM's distributable cash flows and enable it to meet its targeted 22% distribution growth rate for 2016 without having to access the capital markets to fund an additional drop
- On September 24, Dominion's board authorized the company to invest up to $50mm over a 12-month period to purchase LP units of Dominion Midstream Partners in the open market

- As of last week, the company had acquired a little over 550,000 units at a cost of about $15.4mm.As we have now passed the one-year anniversary of the IPO, we expect to file a registration statement with the SEC later today
  - However, as noted, this filing does not relate to any planned issuances prior to 2017

Cash Flow and Treasury Activities

- Moving to cash flow and treasury activities at Dominion, funds from operations were $3.4B for the first nine months of the year
- Commercial paper and letters of credit outstanding at the end of the quarter were $2.6B
  - We have $4.5B of credit facilities
- And taking into account cash and short-term investments, we ended the quarter with liquidity of $2B
- For statements of cash flow and liquidity, please see pages 14 and 25 of the earnings release kit

Capital Markets

- In the financing area, we announced in September that based on our current plans, we’ll not need to access the capital markets for new common equity throughout the remainder of the decade
- We did access the debt market in September with $650mm 10-year note offering from Dominion
  - We plan to come to market with another issue for Dominion Gas Holdings of $550mm to $700mm later this year
- We’re also pleased thatFitch Investor Services recently reaffirmed its ratingsfor Dominion and its subsidiaries in the report issued last month

Operating Earnings

- Looking ahead to Q4, Dominion’s operating earnings guidance is $0.85 to $0.95 per share compared to operating earnings of $0.84 per share for Q4 2014
- Positive earnings drivers for the quarter compared to last year are higher revenues from our growth projects, lower capacity payments to non-utility generators and higher merchant generating margins

Hedging

- Negative drivers for the quarter were lower farm-out revenues and share dilution
- Dominion’s operating earnings guidance for the year remains $3.50 to $3.85 per share
- As to hedging, you can find our hedge positions on page 27 of the earnings release kit
- As of mid-October, we’ve hedged 99% of our expected 2015 production at Millstone and 83% of our expected 2016 production

Summary

So let me summarize my financial review

Operating earnings were $1.03 per share for Q3 2015, which was in the middle of our guidance range

Operating results for Dominion Midstream Partners were in line with management's expectations

And finally, Dominion's operating earnings guidance for Q4 2015 is $0.85 to $0.95 per share and our operating earnings guidance for the full-year remains $3.50 to $3.85 per share

Thomas F. Farrell ll

Business Highlights

YTD

- Strong operational and safety performance continued in Q3
- YTD, OSHA recordables for each business unit are ahead of or are consistent with their respective targets for the year
- Our nuclear fleet continues to operate well
- The net capacity factor of our six units was 95.9% for the first nine months of the year
- Our Power Generation group also performed well with record net generation during Q3

Dominion Carolina Gas Subsidiary

- In early October, the citizens of South Carolina, home to our Dominion Carolina Gas subsidiary, were victims of unprecedented floods
- Fortunately, the operations of Dominion Carolina Gas were not significantly impacted by the floods
  - There were no safety incidents, no service interruptions, and no significant damage to our facilities
- Working with local officials, Dominion has been able to assist in the recovery, providing 100,000 bottles of safe drinking water as well as safe kits, hot meals, food and other essential supplies
- Company also assisted in aerial transportation for damage assessment,in responsemadeadditional contributions to the Red Cross Disaster Relief

Biennial Review

- Now, for an update on the biennial review
- Hearings on the Virginia State Corporation Commission's review on Virginia Power's earnings for 2013 and 2014 were held in September
- A final order is expected late this month
- You will recall that neither our base rates, nor the allowed rate of return are subject to change in this proceeding
- Biennial review process will resume in 2022, covering earnings for the CYs 2020 and 2021

Growth Plans

- Now for an update on our growth plans

- Construction of the 1,358-megawatt combined-cycle facility in Brunswick County was about 90% complete through Q3
  - There are approximately 1,050 workers on site
- All major equipments have been installed,and first fire of the initial combustion turbineis targeted for later this month
- The facility is on time and on budget with an expected mid-2016 commercial operation date
- The hearing on our request for CPCN and Rate Rider for the proposed 1,588-megawatt Greensville Country project is scheduled for January 12
- Major contracts for this project have been executed, including the combustion turbine supply agreement MH Power Systems and EPC agreementwithFluor.This three-on-onecombined-cycle facility is expected to achieve commercial operation in December 2018
  - It will provideapproximately $2B in customer benefits over its life

Renewable Acquisition Efforts

- We've continued our merchant contracted renewable acquisition efforts with the September acquisition of a 50% interest in the 210-megawatt Three Cedars Solar Project in Utah, scheduled for operations next year
- The acquisition brings our contracted solar portfolio to 690 megawatts, exceeding 645-megawatt target we had announced earlier in the year
- On September 4, Dominion signed an agreement for the sale of a 33% interest in 425 megawatts to this portfolio with SunEdison for approximately $300mm
  - We plan to monetize the remaining two-thirds interest after the ICC holding period waseconomically advantageous

Solar Strategy

- Our solar strategy is transitioning from the merchant business to our regulated business in Virginia, where we plan to invest $700mm this decade to construct 400 megawatts of utility-scale projects in this space
- Based on RFPs conducted in August, the company selected three projects totaling 56 megawatts and submitted an application with State Corporation Commission for CPCN and Rate Rider on October 1
- If approved, the solar site will be in service by late 2016

Sales Agreement

- Also during the quarter, we were awarded a 10-year energy sales agreement The United States Navy to supply the Norfolk Naval Station
- The Navyhas the option to extend the agreement for an additional 10 years
- The energy will be generated by 20-megawattsolar facility located in North Carolina, which we agreed to acquire from the solardeveloper on September 4

Transmission Assets and Capital Budget

- We have a number of electric transmission projects at various stages of regulatory approval and construction
- During Q3, $146mm of transmission assets were placed into service, bringing the YTD total to $660mm
    - We estimate another $290mm of replacementservice in Q4 for a full-year total of $950mm
- Electric transmissions capital budget for growth projects, including NERC, RTEP, maintenance, as well as security-related investments will average over $700mm per year through at least the remainder of the decade
- Progress on our growth plan for Dominion Energy continues as well
    - We closed on the first farm-out of our Utica acreage in September with the transaction covering approximately 16,000acres
- We still have over 160,000 acres in the Utica formation available to serve as farm-out transactions
- Interest in the Utica continues to be strong

Supply Header Project

- We're continuing to work toward the commencement of construction on the Atlantic Coast Pipeline and the related Supply Header Project
- We made the formal FERC filings for these projects in September
- On Friday we made a supplemental filing to address specific routing solutions for avoidance of threatenedand endangered species

Weawarded

- The company is committed to constructing a project that is environmentally sound
- Surveying is now over 85% complete, and engineering is about 75% complete
- Weawarded the small diameter pipe contracts to AMERICAN Cast Iron Pipe in August
- Construction bids were received in May and we expect to execute contracts by the end of the year
    - We plan to begin construction on both projects in Q4 next year and begin operations in November 2018

Duke Energy

- With last week's announcement that Duke Energy has agreed to acquire Piedmont Natural Gas,we have received several questions as to how the combination of two of the partners in the Atlantic Coast Pipeline will impact the project
- Dominion will remain the operator, and there will be no changes in the management or operation of the project
- It's provided forin our existing agreement that upon closing of the transaction, the ownership structure will be recalibrated with Dominion retaining its leading ownership percentage, assuming the Southern AGL transaction also occurs
- The ownership interest will be Dominion 48%, Duke 47% and Southern 5%

Cove PointLiquefaction Project

- Now, I'll update on our Cove PointLiquefaction project

- Overall, it is approximately 47% complete, and there are about 1,300 workers onsite
- Engineering is 95% complete and approximately 95% of the engineering equipment has been procured as of the end of Q3
- All 34 of the construction projects have been approved by FERC
- Also, the cryogenic heat exchanger was delivered by barge to the site last week.The project continues to be on time and on budget for a late 2017 in-service date

Atlantic Coast Pipeline and Supply Header

- In addition to the Atlantic Coast Pipeline and Supply Header, we have 13 energy growth projects underway with $1.2B of investments to move more than 2B cubic feet per day for customers by the end of 2018
- The Edgemoorproject in South Carolina and The Western Access Project in Ohio are under construction and proceeding on time and on budget
  - Since our last call, we received FERC approval for three pipeline expansion projects and received the environmental assessment for a fourth
- We have four other projects filed with FERC, and one project in Charleston, South Carolina, we expect to file very shortly
- This quarter, we also announced two new demand-driven projects to serve LDC and power generation customers

New Projects

- There has been a fair amount of press and investor attention recently regarding the large number of gas infrastructure projects that are under development, particularly in the Northeast, and how much of this new capacity maybe underutilized because of the low gas price environment does not support enough our production to fill these pipes
- The vast majority of these new projects is supported by contractedproducers, whosefinancesare under stress due to low commodity prices leading some to beconcerned with the long-term financial viability of the projects

Infrastructure Growth Projects

- I want to highlight the significant difference of Dominion's infrastructure growth projects from those of others
- With the exception of a couple of smaller producer outlet projects that are well underway to completion, all of Dominion's major expansion projects are secure with firm commitments from consumers of natural gas, not the producers
  - These demand-driven projects include Cove Point Export, the Atlantic Coast Pipeline, the Supply Header Project, the NewMarket project, CPV and Keys in Maryland, Edgemoor in South Carolina and several others
- All are with sound counterparties that are meeting customer demand orfueling electric power production

Summary

So to summarize, our business has delivered strong operating and safety performance in Q3

The Brunswick County construction project is proceeding ontime and onbudget

We continue to work for a FERC approval for the Atlantic Coast Pipeline and the Supply Header Project, and construction at the Cove Point Liquefaction Project is continuing ontime and onbudget

QUESTION AND ANSWER SECTION

<Q - Daniel Eggers>: Tom, it's been a pretty tough quarter, quarters for the MLP space probably and kind of the gas infrastructure assets.Are you guys seeing opportunities of things coming up for sale looking interesting and certainly interest enough for you to go out and issue some more equity capital to get deals done? Are you more content to sit on what you have for the time being and stay out of the equity markets?

<A - Thomas F. Farrell ll>: Well, it's certainly been a tough quarter, really for like maybe four months for the sector,although, I think, objectively that Dominion Midstream Partners has done relatively well compared to some of the rest of the sector. I think that's largely due to the long dropdownschedule we have for organic growth projects. We have looked for things like the Carolina gas transmission, the Iriquoisassets, where we were able to place the LP units directly with the sellers. That's the kind of thing we're looking for. We have plenty of projects. Werecognize the volatility of the markets right now and we're inclined to just focus on our own projects.

<Q - Daniel Eggers>: And I guess,kind of in that spirit, obviously some pretty big M&A transactions this quarter. Can you remind us on how you guys think about M&A and how you prioritize it against the internal growth opportunities you see?

<A - Thomas F. Farrell ll>: I think we've been fairly consistent for quite a long time. I hope we have, we think,we don't talk about M&A at all. In case somebody decides slightly, we've got a different nuance in the way we say we don't talk about it. So we try not to talk about it. With the exception, we have said since we created Dominion Midstream Partners that we would be looking for assets to contribute to the MLP and we are.But like I said, we have anything that we look at that we're going to judge against our own projects and what issuing LP units, how we've prepared through just organically growing. We like what we have.

<Q - Daniel Eggers>: Okay. Got it. I guess, the last one on solar, you were able to get the SunEdison deal put together this quarter. What do you thinkabout doing with the rest of the megawatts that haven't been committed to the SunEdison thus far?And is there appetite in the market to monetize that next chunk?

<A>: Hey, Dan, this is [ph] Norris (22:57). We're happy with the sell-down arrangement that we have with SunEd. As you are aware, we can't monetize a fourth those until after the sunset of the ICCperiod. So you shouldn't look for us to be back in the market anytime soon for that. Those transactionstook us through the end of 2015. So we do have some 2016 projects that will be developed next year. We'll see what the market bears at that point in terms of those projects.But, again, don't look for us to access the market for additional sell-down for a bit while.

<Q - Michael Weinstein>: Hey, quick questions. One, have you guys talked at all about the benefits that you expect to have from capacity performance at PJM?

<A - Mark F. McGettrick>: Michael, this is Mark. We haven't talked about that. There have been a lot of questions about it. I guess, what the way I would summarize that is, we were very happy with the outcome of those auctions and expect to be a beneficiary.

<Q - Michael Weinstein>: Okay. And with the growth of solar estimates at some of your peers, including Southern and Con Ed, just wondering if you guys plan on increasing your targets yourselves at some point?

<A - Thomas F. Farrell ll>: In terms of incremental of new solar?

<Q - Michael Weinstein>: Yes.

<A - Thomas F. Farrell ll>: We have a pretty good line of sight through the 30% ITC window through next year. I guess, the only caveat I give you on that is, we expect some projects in 2016 become available due to some distress with YieldCos that have a time commitment to build, may need some assistance in financing those. We'll very selectively look at that as we go out, and we will definitely look at Virginia projects for us to build in Virginia to support our future needs in terms of our carbon compliance, so again merchant wise, I'd say, very selective, but our focus really being on the Virginia service territory.

<Q - Michael Weinstein>: And one question about dividends. How are you thinking about dividend growth going forward considering the buybacks of DM shares? And I guess looking forward, spin-off of the GP of the MLP also little less interesting these days than it used to.

<A - Mark F. McGettrick>: Yeah, we've never talked about doing anything with our GP, just to answer a statement rather than a question. We see no reason to change our distribution growth rate which is 22%, which is – we think is best-in-class at the MLP and we stated in February that it's our anticipation, subject to board approval, to increase our dividend at Dominion about 8% a year through the balance of the decade.

<Q - Michael Weinstein>: Right. Right. And one last question, about cost savings, if you could just make a comment on that going forward at the utility and also at the merchant generation company? And then, that's it.

<A - Mark F. McGettrick>: Michael, on the cost side, you should think about our operating budgets growing at about a rate at CPI that we roll out. The only major fluctuations would be the timing of Millstone outages, where one year you might have two and next year you might have three. But we're focused on CPI type growth going ahead.

<Q - Steven Isaac Fleishman>: Just wanted to confirm that the long-term growth rates that you've highlighted, earnings dividends, those are all still good.

<A - Mark F. McGettrick>: Yes.

<Q - Steven Isaac Fleishman>: Okay. And then, on the issues with the – all the things we've heard in terms of lower oil prices, gas prices liquids prices, maybe slowing production, et cetera. If you look at not just your new projects, but also the existing fleet of assets, could you maybe just characterize your exposure, if anything? I assume it's pretty small, but just if it's – is it enough, is there anything that we should worry about in terms of numbers over the next year or two due to these issues?

<A - Mark F. McGettrick>: Steve, I'm going to let Paul to answer that question, but I'd also take you back to the script where Tom differentiated our projects vs. a lot of others that are in the marketplace. Almost all of ours are demand pull projects with regulated utilities or counterparties, hence we feel real good about that. But let me have Paul to give you more color.

<Q - Steven Isaac Fleishman>: Yeah.

<A - Paul D. Koonce>: Yeah. Good morning, Steve. Yeah, the producer outlet projects that we have announced and put into service are really reworks of existing assets. So there really is no credit exposure to speak of for those projects. And we've been very focused on our growth projects. And I think if you kind of check around the market, you'll see that our credit requirements are probably as strict as anybody's and I think that's reflective of our projects. So I don't see anything really that should concern you.

<Q - Praful Mehta>: A quick question on merchants, on the merchant side. With all the retirements happening in New York, New England, how do you see that impacting your fleet of gas assets in New York and New England?

<A - Thomas F. Farrell ll>: Praful, while of course we only have two gas assets, last one in New England in Manchester and one inCGM outside Philadelphia, Fairless. We do see pressure particularly on capacity, ultimately on energy and NEPOOL with some recent announcements. And I think the New York announcement this morning will also put pressure on Northeast prices, particular on capacity as you go out. Since the infrastructure there on gas is not going to be able to significantly, expand gas at least for the next many years, I think continued shutdown on NEPOOL's side in the Northeast will support both higher energy and capacity.

<Q - Praful Mehta>: Got you. Thank you. And then in terms of, sorry, in terms of taxes. You talked about ITC expiration post 2016 and moving away from solar, merchant solar to more utility scale. I just wanted to understand from a tax perspective, both book and cash taxes, how do you expect the ITC expiration post 2016 to impact your book and cash taxes?

<A - Mark F. McGettrick>: I think it's going to depend on, one, what ITC is available. Right now, it's just 10% and on the projects we'll be focused on, they'll be regulated projects. So they will flow through regulated rates through riders to customers in Virginia. So that benefit will flow through back to them.

<Q - Brian J. Chin>: If we can go to the farm-outs and you mentioned that there is about 160,000 acres left. Just, I guess springboarding a little bit more specifically off Steve's earlier question, given where gas prices are at right now and commodity prices overall, are you seeing a change in the market place out there with regards to farm-out interest and can you just comment on the updated sort of industry outlook for farm-outs here?

<A - Paul D. Koonce>: Brian, this is Paul Koonce. It's interesting, there is certainly a lot of stress among the producer community, but there is also real interest in getting a secure acreage position in this basin. And what our acreage offers is really a lot of acreage that's blocked up, that's contiguous and because this production is held by production, there's no time limit on when the lease will expire. So from that standpoint, there continues to be a lot of real interest, especially when you look at some of these Utica initial production rates. So we've seen a real strong interest and have seen no let up.

<Q - Brian J. Chin>: Excellent. And then one last question. Historically, you guys have not done analyst days in consecutive years. You've generally done it every other year or so. Generally, this year it seems to me at least that you guys have just been executing on what you talked about on the Analyst Day earlier this year. Should we go under the assumption that you guys won't need to do any Analyst Day for next year or do you think one might be merited given just the change in the commodity price environment?

<A - Mark F. McGettrick>: Brian, this is Mark. I think, we'll have to evaluate that if we get closer and give guidance for next year. We had a lot of a significant change to talk about it in February this year. I think an Analyst Day will be driven by how much the plan changes long-term, if at all. And if it stays pretty much on course with what we have, we probably will wait another year for an Analyst Day, but again, we'll talk about that in Q1 call based on what events are at that time.

<Q - Stephen Calder Byrd>: I wanted to touch on the solar procurement process in Virginia, given some of the recent regulatory activity in the state. At a high level, could you talk about how you think about procuring solar on the utility side within Virginia?

<A - Thomas F. Farrell ll>: Well. First, I think you're probably referring to the order, I guess, with last week on the – or the week before on the Remington Solar Project. Steve, to distinguish between that project and the projects for example that we just filed, the projects we filed – I guess, we filed Remington in January or February. We had done a lot of work around RFPs and market conditions in solar in the region, when we filed that and believe that we adequately demonstrated that. We went through a much more rigorous or I shouldn't say a more rigorous –different process, which – over the summer, for these new projects, which we think are more than compliant with what it was the Commission was looking for in the Remington Project.

So we do RFPs, test the market, look at what we get back in return and then we'll file them. The projects are going to be required – are going to be required to meet the Clean Power Plan and they are – the General Assembly said and it's built those pathearly this year that they believe these are in the public interest. So we'll work our way through this process with the commission. Projects are going to get built and I think they'll look like the ones we just passed.

<Q - Stephen Calder Byrd>: Understood. Thanks and shifting over to, I'm sorry, can I ask this?

<A - Thomas F. Farrell ll>: I'm sorry. I couldn't hear you.

<Q - Stephen Calder Byrd>: Sorry, shifting over to nuclear. I wanted to just, at a high level, get your thoughts on the O&M environment for nuclear. Any trends that you're seeing there just as we think into the future? I know your nuclear operations are very different from some of these smaller units that are retiring. But I'm just curious, any trends you see in terms of nuclear operations' cost requirement going forward, things of that nature?

<A - Thomas F. Farrell ll>: Let me just give a high level response to that, and then I'll turn it over to Dave Christian. Steve, I assume you're referring of course to the announcement today of Entergy and FitzPatrick.We've seen other single merchant power plant, nuclear plants under stress from other companies. We had this happen here, we had this happen with Kewaunee. When I say here, I mean at Dominion. I guess it's happened three years ago, it was very, very difficult decision for us to make. We tried very, very hard to keep that unit operating, but we just couldn't see with the way the market structure we set up at Millstone in particular, that we could make it work without seeing it drain on the balance of our nuclear fleet.

Wasn't ahappy day to announce that closing. So everybody is in the different environment. We are all at different plant economics, but it's a structural issue. I think more macro than micro at least it was for us. But today, particularly on O&M and nuclear, well, I think Mark characterized it pretty well. We've had a cap to expected O&M growth at CPIs and that we are also try and work to culture a continuous improvement, we're always scrutinizing costs. We happened to be blessed with some very low cost units and some very large units. So Millstone in particular is largest unit in New England, dual-unit site. It doesn't have a lot of those same characteristics that Pilgrim, BY and Kewaunee, right.

<Q - Paul Patterson>: Just, I'm sorry if I missed this, but could you elaborate a little bit on the merchant performance that drove earnings this quarter?

<A - Thomas F. Farrell ll>: We had higher hedge prices than – vs. last year and I'm assuming you're referencing to quarter-by-quarter or vs. ...

<Q - Paul Patterson>: Yeah. Just quarter-by-quarter.

<A - Thomas F. Farrell ll>: So we had higher hedge prices than we had in quarter last year and we also had additional one at all of our units at Mills – at Manchester and at Fairless. So it really was a pricing and volume issue for us.

<Q - Paul Patterson>: Okay. And then would we talk to the hedging at Millstone? I didn't see any information or any hedging information for 2017. Any thoughts about that? What we're looking at in terms of the hedging for Millstone?

<A - Thomas F. Farrell ll>: Yeah, Paul. A couple of years ago, I'm changed our view on hedging based on the forward curves really being depressed. And as you know, at Millstone, what moves that market is winter weather. So as you saw from the hedge tables today, we have hedged out most of 2016 production hour from 60% to 83%. And as we go into any CY, we've always and we'll continue to hedge Millstone between 80% and 90% going into a CY. So we're right on schedule for 2016. For 2017, we have not hedged 2017 as of yet. We will see what winder curves look like as we go through, but as we sit here at this time next year, we will be in a very similar hit position for 2017 at Millstone. Then we have historically or just a little more opportunistic about it than we have been in the past.

<Q - Paul Patterson>: Okay. Great. And then just on the – just a follow-up on the farm-out question, you guys are still pretty comfortable, it sounds like with the $450mm to $500mm 2015 through 2020 pre-tax opportunities there, is that still the case?

<A - Thomas F. Farrell ll>: I still feel very good about it.