

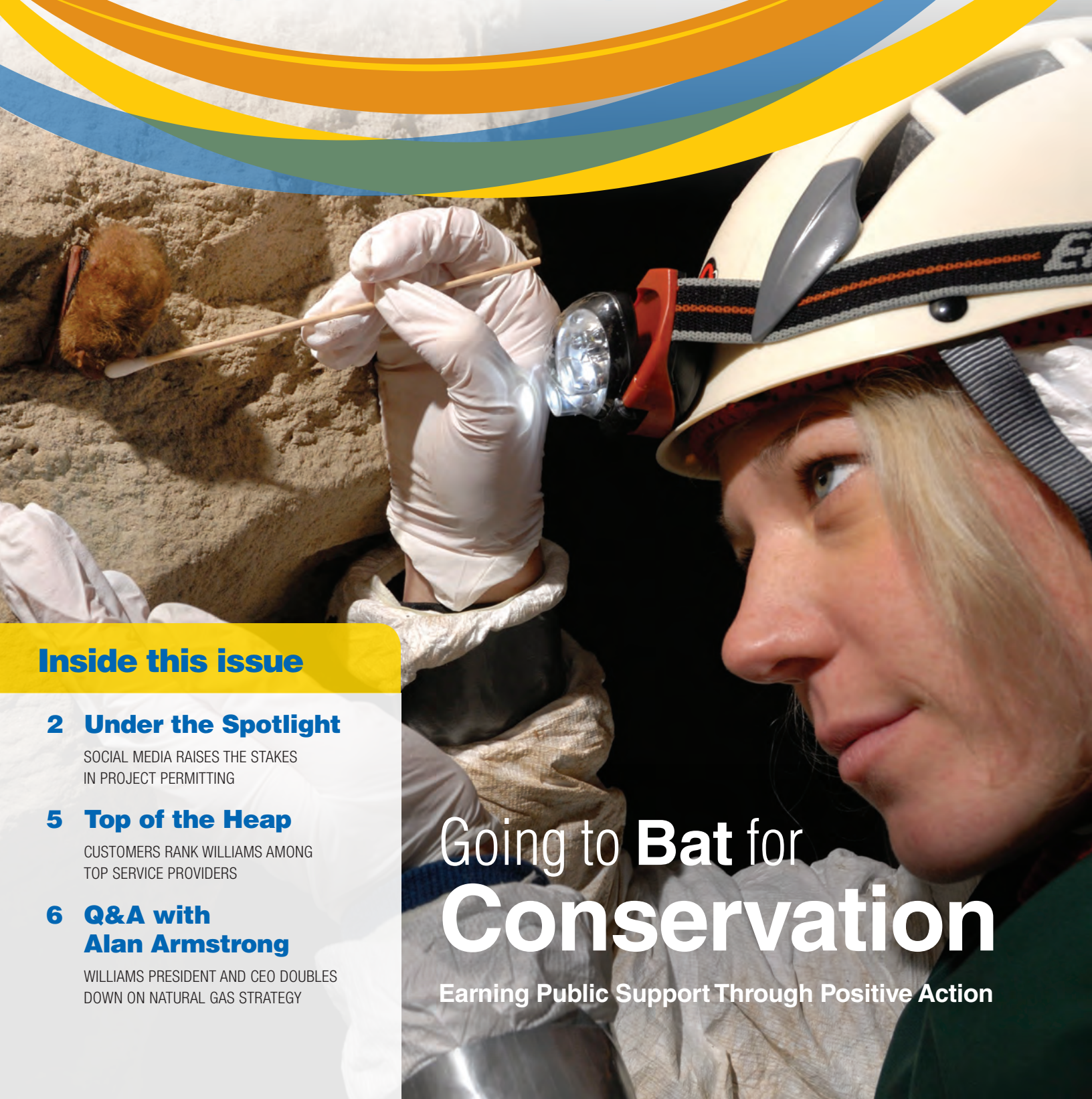


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A PUBLICATION FOR WILLIAMS CUSTOMERS

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UNDER THE SPOTLIGHT

The widespread use of the Internet and social media has allowed public opposition to become more organized against pipeline projects.

Keystone Pipeline. Dakota Access Pipeline. Once upon a time, the names of oil-and-gas pipelines were obscure tidbits of trivia, known only to energy professionals and industry regulators. Displayed on intricate GIS maps, discussed by marketers and schedulers, these names were all but unknown to the general public.

That was then; this is now. Today, projects like Keystone and Dakota Access are lightning rods for environmental activists and industry opponents who rally massive support on social media. Their ability to organize and build opposition on a national scale has redefined NIMBY,

effectively making “my backyard” anywhere a pipeline is proposed.

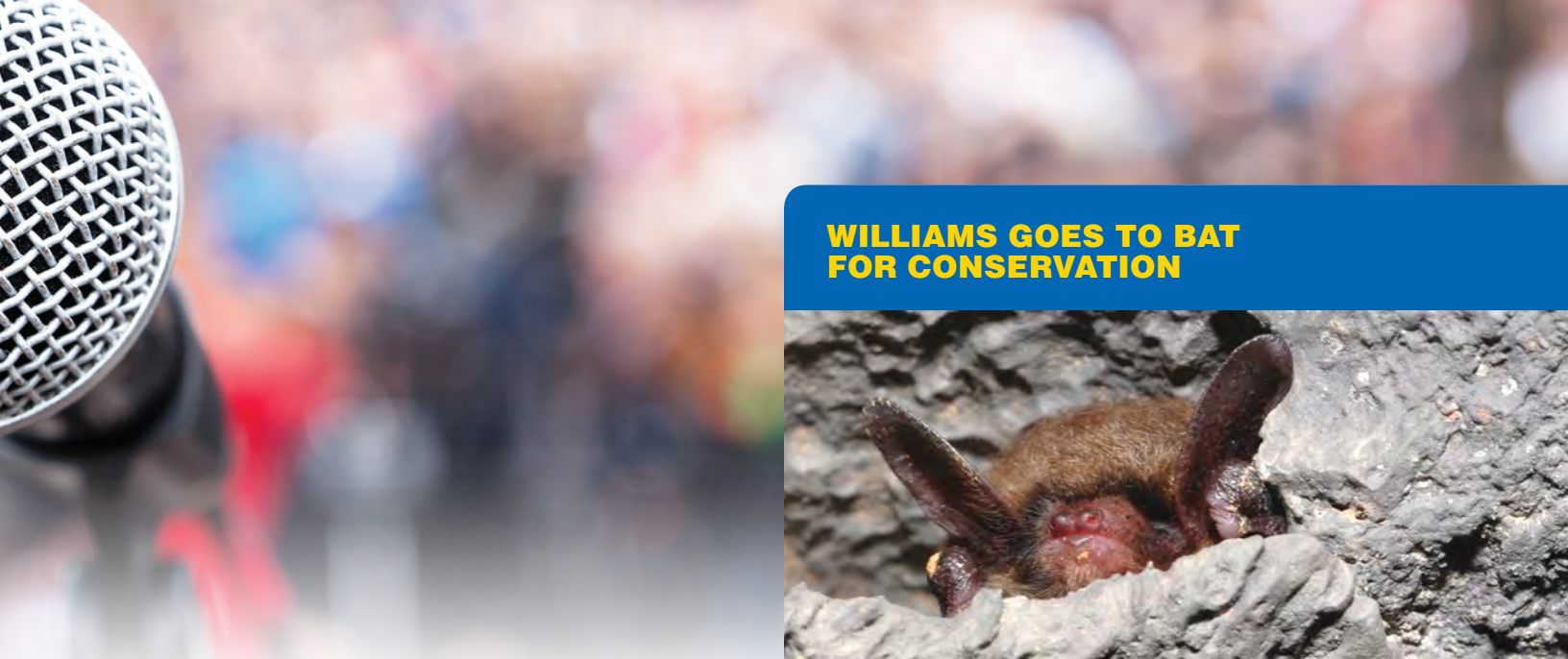
“Today, our industry is not only experiencing opposition from environmentalists but from other stakeholders such as landowners and community organizations who are also passionate about their views,” says Dave Darcey, vice president, Strategic Development. “The reality is that opposition toward our pipeline projects and our industry is stronger than ever.”

Opposition toward a project no longer flies quietly under the radar. The widespread use of the Internet and social media has allowed opposition to become more organized across the country and to easily share tactics, news and knowledge.

The majority of the public opposition toward the hydrocarbon industry comes from environmental groups, human rights activists and NIMBY landowners. Public opposition toward pipelines is not just contained to local communities; it can



Our Dalton expansion will serve customers in northern Georgia.



WILLIAMS GOES TO BAT FOR CONSERVATION



emerge from anti-pipeline supporters anywhere in the world at any time thanks to the Internet and media coverage.

Targeting Pipelines

Environmental activist groups, such as the Sierra Club, have ambitious goals in the United States such as “transitioning to 100 percent clean (renewable) energy.” Environmental groups that oppose fossil fuels are targeting natural gas pipeline projects as a way to hold up the entire industry.

Many groups who oppose fracking by E&P companies also target pipelines. They wager that if the pipelines are not built, E&P companies do not have a way to transport hydrocarbons out of the producing basin.

Activists, landowners and community organizations frequently attempt to use FERC public comment opportunities to influence state officials responsible for granting pipeline project permits. Activists and landowners voice their opinions and concerns about natural gas pipeline projects through FERC public hearings, emails, letters, protests, petitions, social media, white papers and blogs.

This is why it’s critical that our company — and the industry — interact with stakeholders through a strategic, integrated approach that builds public and political support for our growth projects, regulatory priorities and our future ability to operate in key markets.

“Our success depends on a strategically focused and credible working relationship with regulators. It requires a multi-faceted, multi-channel effort to build community and political support for our business at all levels, especially in communities and within state governments,” says Rob Hatley, vice president, Communication & Strategic Outreach. ■

In addition to delivering natural gas, our Dalton expansion pipeline may also be delivering a lifeline for bats in Georgia and across the nation.

Williams is underwriting a program at Georgia State University being developed by researchers to treat and protect bats threatened by a deadly fungus known as white-nose syndrome. The Dalton expansion route runs through bat roosting habitat.

“White nose syndrome is a devastating disease, and we are trying to keep pace with it,” says Pete Pattavina of the U.S. Fish & Wildlife Service. “But it is just moving so fast. We have the disease in 29 states; we have the fungus identified in three additional states and five Canadian provinces. So this is an impact that is occurring across North American and is decimating regional populations of small bat species.”

Brett Simmons, an environmental specialist with Williams, considers the project a win-win. “As a wildlife biologist, I have an interest in both — getting the pipeline built and doing the right thing for the species that we impact,” Brett says.

Researchers on the project say Williams’ support is invaluable.

“Although habitat is very important for all wildlife — in this case, when population declines with bats, it’s almost exclusively due to disease,” says Dr. Chris Conelison of Georgia State University. “And so in order to have the greatest conservation impact, we have to target the cause of the population declines. That’s where Williams has been so pivotal in providing the support we need to implement these treatments in an experimental setting so that we can try to develop these technologies so that they can be applied on a broader area to have the type of conservation impact we hope to see on a regional and geographic scale.”

This effort is one of the Dalton Expansion-related conservation projects we’re working on with the U.S. Fish and Wildlife Service and the Georgia Department of natural resources to mitigate potential impacts from the construction of the pipeline.

[View a video about the Dalton Expansion bat conservation project at https://williams.wistia.com/medias/h3pz8s7l4t.](https://williams.wistia.com/medias/h3pz8s7l4t)



Project Updates

FERC Approves Williams Expansion in Georgia

In August, the FERC approved Williams' application to expand the Transco pipeline to provide additional natural gas service to utility companies and a municipal entity in northwest Georgia. The Dalton Expansion project is designed to deliver natural gas to an existing electric generating facility in northern Georgia operated by Oglethorpe Power Corp., local distribution company Atlanta Gas Light, as well as the City of Cartersville.

Transco Files Gulf Connector Project

In August, Williams announced that Transco had filed an application with the FERC seeking authorization to construct a 475,000 Dth/d expansion in Texas and Louisiana to connect U.S. natural gas supplies with global liquefied natural gas (LNG) markets.

Constructed in two phases, the Gulf Connector project is designed to deliver 75,000 Dth/d to Freeport LNG Development, L.P.'s liquefaction project by the second half of 2018, and 400,000 Dth/d to Cheniere Energy's Corpus Christi liquefaction terminal in 2019.

New Project Planned to Enhance NY Deliveries

Transco this year intends to file an application for a project to expand service to New York City for the 2019/2020 winter heating season. The proposed Northeast Supply Enhancement project is being designed to provide customers with access to an additional 400,000 Dth/d of natural gas.

The project was pre-filed with FERC in May 2016 (Docket No. PF16-5). Williams intends to file a Certificate Application with FERC in the spring of 2017.

Atlantic Sunrise Pipe Arrives in PA

Sections of steel pipe milled for the construction of the proposed Atlantic Sunrise project are currently being manufactured and readied for the project. The pipe must be manufactured many months in advance of construction due to the long lead time associated with milling the nearly 200 miles of pipe associated with the project.

Major Project Status Report

Gulf Trace	Construction underway
Dalton	Construction underway
Hillabee	Construction underway
NY Bay	Construction underway
VA Southside II	Construction underway
Garden State	FERC order received
Atlantic Sunrise	FEIS received
Gulf Connector	Filed with FERC Aug. 16

TOP OF THE HEAP

Williams leads Mastio survey for energy providers in midstream and pipeline services

The Mastio survey is an industry-wide study that identifies and quantifies the perceptions and needs of natural gas pipeline customers. Results from this survey help us improve our service to customers and helps us make significant progress in our quest for excellence.

This year, we were particularly excited to win the Mastio Quality Award for Midstream Services. This award is given to the midstream supplier with the highest overall score based on attributes that affect quality of service — in terms of non-cost factors.

Williams also scored a 107.72-weighted score on quality. And, we improved our overall Net Promoter Score (NPS) of 24.4 percent, beating the average Net Promoter Score of 14.9 percent by nearly 10 points.

Our score lowered only slightly from the 25.8% we scored in 2014. But, our NPS score shows that Williams is holding firm even in turbulent times.

“We are thrilled that we had 94 customers rank us — more rankings than any other company,” says Teri Dreyer, director of Market and Customer Intelligence. “In the tough year we’ve had, we are pleased to see so many customers take the time to provide feedback so we can continuously improve our service to them.”

Also for midstream, we ranked first in ease of contacting the right person to help and providing timely notices of downtime. Williams ranked second in minimizing down time and providing reporting on reliability.

“We have worked hard to create a reliability reporting process that customers find valuable,” Dreyer adds. We are pleased to see this effort paying off.”

Our gas pipelines topped the overall rankings in this year’s survey. Northwest Pipeline and Transco ranked number two and number five, respectively. Both have placed in the top five of their category for more than five years.

In the last Mastio survey of interstate pipeline customers across the United States, Northwest Pipeline maintained its rating in the top 10% of pipelines, coming in fourth place out of 41 interstate pipelines for overall quality of service.

“We are thankful to our pipeline customers for recognizing our efforts,” Dreyer says. “Since receiving the results of that survey, we have been busy fine-tuning our customer service based on the feedback we received from you.”

We are pleased with the results from this year’s survey, but understand that our work isn’t done.

For our midstream services, for instance, we only ranked in the bottom half on one metric: scheduled projects completed on budget. “Project execution is and will continue to be a focus for our engineering and operations teams,” Dreyer says.

And we’ll continue to focus on improving our pipelines by increasing the functionality of Northwest Passage, improving the interconnect construction process and helping our Marketing Services representatives better understand our customers business needs.

“We sincerely appreciate your participation in this survey,” Dreyer says. “Your opinions help shape and prioritize any future changes and enhancements to the services we provide.” ■



“We are thrilled that we had 94 customers rank us — more rankings than any other company.”

*Teri Dreyer
Director Marketing &
Customer Intelligence*

Q&A with President and CEO **Alan Armstrong**



Alan Armstrong, President & CEO of Williams

2016 was an eventful year for Williams. What can customers expect in 2017?

You can expect to see us doubling down on our proven natural gas-focused strategy, which has positioned us well to serve our customers by connecting the most prolific supplies to the fastest growing markets. And most of all, you can expect to see us continually enhancing our ability to execute on projects

to ensure we are exceeding your expectations and helping you achieve your business goals.

What are the prospects for increasing takeaway capacity for producer customers, especially in the Northeast?

Under our capital plan, prospects are very good. Transco is not only the nation's largest natural gas pipeline, it's also the nation's fastest growing interstate natural gas pipeline system. From a demand standpoint, a tremendous amount of the increased capacity on our system coming from these major projects serves the growing power generation load, as well as the conversions from fuel oil to natural gas in markets like New York City. At 1.7 Bcf per day capacity, Atlantic Sunrise is the biggest expansion ever on Transco, but there are several others as well. In fact, we're on schedule to double our capacity on Transco in the decade between 2008 and 2018, reaching over 16 Bcf a day. And we have several more projects under development beyond that.

What is the greatest challenge facing the company now?

Without question, one of the top issues we're dealing with is making sure we're engaging a broad range of stakeholders as we work to get projects permitted. We have to acknowledge that opposition to energy infrastructure projects is intense, and that it's important to find ways to satisfy people's concerns in a way that's positive for everybody. We're taking things on a little differently than a lot of companies are today, and our



teams work very hard to build genuine relationships with local stakeholders and we're investing resources to make sure our supporters' voices are heard by decision makers.

We're also working to find win-win partnerships and have a great example in our Dalton project in Georgia, where despite quite a bit of pushback from the Sierra Club, we were able to work with both the state and the U.S. Fish & Wildlife Service. They had a concern about a bat species there that our route was going to impact. And we said, 'Isn't there something we can do that's better for the species than simply a reroute?'

We worked with Georgia State University to develop an aerosol to eliminate a fungus that has become a real threat to the species. And it will do a lot more good for the species than us spending millions of dollars rerouting the pipeline. So I'm really proud of the way our teams are dealing with some of these issues and we're really starting to see some of those points of success.

How can customers help in this effort?

I definitely think we need to continue educating the general public about the necessity of energy infrastructure in a way that's not antagonistic or arrogant, but open and transparent. We need to be consistent and continue emphasizing the economic and environmental benefits of natural gas in particular. For example, I would like to see our LDC customers, who have a direct line of communication to end users, leverage that access to help advocate for midstream players, who don't really have that direct connection.

Residential customers may understand and accept the role of LDCs, but for the most part the residential customers lack the understanding of what goes on upstream from that point.

What is the one thing you'd like Williams' customers to know about us?

I would like our customers to know how much we appreciate their business and value the relationships we have with them. We will never take our customers for granted and will continually work toward better service, greater efficiency and more flexibility. I'm honored that, even in a challenging year, we were awarded the Mastio Quality Award for Midstream Services. At the same time, I hope our customers are giving us feedback more than once a year — we want that feedback continuously, so that we can always improve what we do to earn and keep your trust. ■



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40th anniversary

Williams recently commemorated the 40th anniversary of the construction of the Williams Center, our company's headquarters in Tulsa, Okla. Williams CEO John H. Williams (left) took a first look at a scale model for the tower with his nephew, Joe Williams, in 1973. The original plans called for offices in two smaller towers – not one skyscraper. When John saw the model, he walked up to it and placed one tower atop the other, saying, "That's the way it ought to be." His idea dramatically changed downtown Tulsa's skyline. The 52-story, 667-foot-tall tower opened its doors Nov. 1, 1976. It's Tulsa's tallest skyscraper and a fundamental aspect of the city's landscape.

