

WILLIAMS COMPANIES INC

Form 424B5

August 10, 2018

Table of Contents**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Proposed</b>	
	<b>Maximum</b>	
	<b>Aggregate</b>	<b>Amount of</b>
	<b>Offering Price</b>	<b>Registration Fee</b>
Common stock, par value \$1.00 per share	\$1,000,000,000(1)	\$124,500(2)

- (1) The amount of securities to be registered consists of \$1,000,000,000 of an indeterminate number or amount of shares of common stock of The Williams Companies, Inc., estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the Securities Act ).
- (2) Securities having an aggregate offering price of \$1,000,000,000, registered under a registration statement on Form S-3 (File No. 333-223150) filed by Williams Partners L.P. (to which the Registrant is a successor within the meaning of Rule 405 under the Securities Act) on February 22, 2018, remain unsold. Pursuant to Rule 457(p) under the Securities Act, the registration fee of \$124,500 previously paid with respect to such unsold securities is offset against the total registration fee of \$124,500 due in connection with this registration statement. The registration fee of \$124,500 paid in connection with the registration statement on Form S-3 (File No. 333-223150) filed by Williams Partners L.P. on February 22, 2018 (the 2018 WPZ S-3 ) consisted of (i) \$15,019.99 previously paid with respect to unsold securities having an aggregate offering price of \$824,224,508.66, registered under a registration statement on Form S-3 (File No. 333-202284) filed by Williams Partners LP on February 25, 2015 and offset pursuant to Rule 457(p) in connection with the filing of the 2018 WPZ S-3 on February 22, 2018, and (ii) \$109,480.01 paid in connection with the initial filing of the 2018 WPZ S-3 on February 22, 2018. Both such amounts previously paid with respect to unsold securities are offset against the total registration fee due in connection with this registration statement.

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**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-223149**

**PROSPECTUS SUPPLEMENT**

**(To Prospectus dated February 22, 2018)**

**Common Stock Having an Aggregate Offering Price of Up to \$1,000,000,000**

This prospectus supplement and the accompanying base prospectus relate to the offer and sale from time to time of shares of common stock, par value \$1.00 per share ( common stock ) of The Williams Companies, Inc. ( Williams ) having an aggregate offering price of up to \$1,000,000,000 through one or more of the sales agents named in this prospectus supplement. These sales will be made over a period of time and from time to time in transactions at then-current prices, pursuant to an equity distribution agreement between us and the sales agents that has been filed with the Securities and Exchange Commission as an exhibit to a Current Report on Form 8-K.

Sales of shares of our common stock under this prospectus supplement, if any, will be made by means of ordinary brokers transactions through the facilities of the New York Stock Exchange ( NYSE ) or any other national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale and at market prices, in block transactions or as otherwise agreed between us and one or more of the sales agents. The sales agents are not required to sell any specific dollar amount of shares of our common stock but will use their commercially reasonable efforts, as our agents and subject to the terms of the equity distribution agreement, to sell the shares offered as instructed by us.

Under the terms of the equity distribution agreement, we also may sell shares of our common stock to any sales agent as principal for its own account at a price agreed upon at the time of the sale. If we sell shares of our common stock to any such sales agent as principal, we will enter into a separate terms agreement with such sales agent, and we will describe that agreement in a separate prospectus supplement or pricing supplement.

Our common stock is listed on the NYSE under the symbol WMB. The last reported sales price of our common stock on the NYSE on August 9, 2018 was \$31.79 per share.

The compensation of each of the sales agents for sales of shares of our common stock will be at a fixed commission rate of up to 2.0% of the gross sales price per share, depending upon the number of shares sold. See Plan of Distribution beginning on page S-26 for additional information regarding the compensation to be paid to sales agents. The net proceeds from any sales under this prospectus supplement will be used as described under Use of Proceeds in this prospectus supplement.

**Investing in our common stock involves risks. Please read Risk Factors beginning on page S-5 of this prospectus supplement, in our Annual Report on Form 10-K for the year ended December 31, 2017 and in our other periodic reports filed with the Securities and Exchange Commission and incorporated by reference**

herein.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying base prospectus. Any representation to the contrary is a criminal offense.

**Citigroup  
Credit Agricole CIB  
Mizuho Securities  
Scotia Howard Weil**

**Barclays  
Credit Suisse  
Morgan Stanley  
SMBC**

**BofA Merrill Lynch  
Deutsche Bank Securities  
MUFG  
SunTrust Robinson Humphrey  
Wells Fargo Securities  
August 10, 2018**

**CIBC Capital Markets  
J.P. Morgan  
RBC Capital Markets  
TD Securities**

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This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of offerings of shares of our common stock made pursuant to this prospectus. The second part is the accompanying base prospectus, which gives more general information, some of which does not apply to offerings of shares of our common stock made pursuant to this prospectus. Generally, when we refer only to the prospectus, we are referring to both parts combined. If the information about the offering of shares of our common stock varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that is also incorporated by reference into this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. Please read **Where You Can Find More Information** on page S-29 of this prospectus supplement.

Neither we nor the sales agents have authorized anyone to make representations or to provide you with additional or different information or to make representations other than those contained in this prospectus. Neither we nor the sales agents take any responsibility for, and can provide no assurances as to the reliability of, any other information that others may give you or any representations that others may make. We are offering to sell shares of our common stock, and seeking offers to buy shares of our common stock, only in jurisdictions where offers and sales are permitted. You should not assume that the information contained in this prospectus supplement, the accompanying base prospectus and any free writing prospectus relating to the offering of shares of our common stock made pursuant to this prospectus supplement is accurate as of any date other than the dates shown in these documents or that any information we have incorporated by reference herein is accurate as of any date other than the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since such dates.

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**Prospectus dated February 22, 2018**

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**FORWARD-LOOKING STATEMENTS**

Certain matters discussed in this prospectus supplement and the documents incorporated herein by reference, excluding historical information, include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act ), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act ). These forward-looking statements relate to anticipated financial performance, management's plans and objectives for future operations, business prospects, outcome of regulatory proceedings, market conditions and other matters. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995.

All statements, other than statements of historical facts, included in this prospectus supplement that address activities, events or developments that we expect, believe or anticipate will exist or may occur in the future, are forward-looking statements. Forward-looking statements can be identified by various forms of words such as anticipates, believes, seeks, could, may, should, continues, estimates, expects, forecasts, intends, might, goals, objectives, potential, projects, scheduled, will, assumes, guidance, outlook, in-service date, or other similar expressions. Forward-looking statements are based on management's beliefs and assumptions and on information currently available to management and include, among others, statements regarding:

Anticipated financial results following the Merger (defined below) with Williams Partners L.P.;

Levels of dividends to our stockholders;

Our and our affiliates' future credit ratings;

Amounts and nature of future capital expenditures;

Expansion and growth of our business and operations;

Expected in-service dates for capital projects;

Financial condition and liquidity;

Business strategy;

Cash flow from operations or results of operations;

Seasonality of certain business components;

Natural gas and natural gas liquids prices, supply, and demand; and

Demand for our services.

Forward-looking statements are based on numerous assumptions, uncertainties, and risks that could cause future events or results to be materially different from those stated or implied in this prospectus supplement or in the documents incorporated herein by reference. You should carefully consider the risk factors discussed below in addition to the other information in this prospectus supplement and in the documents incorporated herein by reference. If any of the following risks were actually to occur, our business, results of operations and financial condition could be materially adversely affected. In that case, we might not be able to pay dividends to holders of shares of our common stock, the trading price of shares of our common stock could decline, and stockholders could lose all or part of their investment. Many of the factors that will determine these results are beyond our ability to control or predict. Specific factors that could cause actual results to differ from results contemplated by the forward-looking statements include, among others, the following:

Whether we are able to pay current and expected levels of dividends;

Whether we will be able to effectively execute our financing plan;

Availability of supplies, market demand, and volatility of prices;

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Inflation, interest rates, and general economic conditions (including future disruptions and volatility in the global credit markets and the impact of these events on customers and suppliers);

The strength and financial resources of our competitors and the effects of competition;

Whether we are able to successfully identify, evaluate and timely execute investment opportunities;

Our ability to acquire new businesses and assets and successfully integrate those operations and assets into our existing businesses as well as successfully expand our facilities;

Development and rate of adoption of alternative energy sources;

The impact of operational and developmental hazards and unforeseen interruptions;

The impact of existing and future laws (including, but not limited to, the Tax Cuts and Job Acts of 2017 ( Tax Reform )), regulations, the regulatory environment, environmental liabilities, and litigation, as well as our ability to obtain necessary permits and approvals, and achieve favorable rate proceeding outcomes;

Our costs and funding obligations for defined benefit pension plans and other postretirement benefit plans;

Changes in maintenance and construction costs;

Changes in the current geopolitical situation;

Our exposure to the credit risk of our customers and counterparties;

Risks related to financing, including restrictions stemming from debt agreements, future changes in credit ratings as determined by nationally recognized credit rating agencies, and the availability and cost of capital;

The amount of cash distributions from and capital requirements of our investments and joint ventures in which we participate;

Risks associated with weather and natural phenomena, including climate conditions and physical damage to our facilities;



Acts of terrorism, including cybersecurity threats, and related disruptions; and

Additional risks described in our filings with the Securities and Exchange Commission (the "SEC"). Given the uncertainties and risk factors that could cause our actual results to differ materially from those contained in any forward-looking statement, we caution investors not to unduly rely on our forward-looking statements. We disclaim any obligations to and do not intend to update the above list or announce publicly the result of any revisions to any of the forward-looking statements to reflect future events or developments.

In addition to causing our actual results to differ, the factors listed above and referred to below may cause our intentions to change from those statements of intention set forth in or incorporated into this prospectus supplement. Such changes in our intentions may also cause our results to differ. We may change our intentions, at any time and without notice, based upon changes in such factors, our assumptions, or otherwise.

Because forward-looking statements involve risks and uncertainties, we caution that there are important factors, in addition to those listed above, that may cause actual results to differ materially from those contained in the forward-looking statements. These factors include the risks set forth under the caption "Risk Factors" in this prospectus supplement, the accompanying base prospectus and the documents incorporated herein and therein by reference.

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**CERTAIN DEFINITIONS**

As used in this prospectus supplement, unless the context otherwise requires or indicates:

*Northwest Pipeline* refers to Northwest Pipeline, LLC, our indirectly wholly owned subsidiary.

*Partially Owned Entities* refers to the entities in which we do not own a 100 percent ownership interest and which are accounted for as equity method investments, including principally Aux Sable Liquid Products L.P., Caiman Energy II, LLC, Discovery Producer Services LLC, AMHC, LLC, Gulfstream Natural Gas System, L.L.C., Jackalope Gas Gathering Services, L.L.C., Laurel Mountain Midstream, LLC, and Overland Pass Pipeline Company LLC, and Utica East Ohio Midstream LLC.

*Transco* refers to Transcontinental Gas Pipe Line Company, LLC, our indirectly wholly owned subsidiary.

*Williams Partners* and *WPZ* refer to Williams Partners L.P.

*Williams, we, our, us* and like terms refer to The Williams Companies, Inc. and its subsidiaries.

In addition, our industry uses many terms and acronyms that may not be familiar to you. To assist you in reading this prospectus supplement, we have provided below definitions of some of these terms.

*British Thermal Units (Btu)*: A unit of energy needed to raise the temperature of one pound of water by one degree Fahrenheit.

*FERC*: Federal Energy Regulatory Commission.

*Fractionation*: The process by which a mixed stream of natural gas liquids is separated into its constituent products, such as ethane, propane and butane.

*NGLs*: Natural gas liquids. Natural gas liquids result from natural gas processing and crude oil refining and are used as petrochemical feedstocks, heating fuels and gasoline additives, among other applications.

*NGL Margins*: NGL revenues less Btu replacement cost, plant fuel, and third-party transportation and fractionation.

*Throughput*: The volume of product transported or passing through a pipeline, plant, terminal or other facility.

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### **SUMMARY**

*This summary highlights information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying base prospectus. It does not contain all of the information that you should consider before making an investment decision. You should read the entire prospectus supplement, the accompanying base prospectus and the documents incorporated by reference for a more complete understanding of offerings of shares of our common stock made pursuant to this prospectus. Please read Risk Factors on page S-5 of this prospectus supplement, in our Annual Report on Form 10-K for the year ended December 31, 2017 and our other periodic reports filed with the SEC and incorporated by reference herein for information regarding risks you should consider before investing in shares of our common stock.*

#### **The Williams Companies, Inc.**

We are an energy infrastructure company focused on connecting North America's significant hydrocarbon resource plays to growing markets for natural gas and NGLs. Our operations are located principally in the United States.

#### **Recent Developments**

##### *Credit Agreement*

On July 13, 2018, we, Northwest Pipeline and Transco (collectively, the Borrowers) entered into a Credit Agreement (the Credit Agreement) with the lenders named therein and Citibank, N.A. (Citi), as administrative agent. The Credit Agreement may be used for working capital, acquisitions, capital expenditures and other general corporate purposes. The obligations of the lenders and letter of credit issuer to make the initial extensions of credit under the Credit Agreement became effective on August 10, 2018, the date we consummated the Merger.

The Borrowers may borrow, in the aggregate, up to \$4.5 billion under the Credit Agreement. Northwest Pipeline and Transco are each subject to a \$500 million borrowing sublimit. In addition, the Borrowers may request an increase of up to an additional \$500 million in commitments from either new lenders or increased commitments from existing lenders named in the Credit Agreement. However, at no time may the aggregate commitments under the Credit Agreement exceed \$5.0 billion. The Credit Agreement allows for same day swingline borrowings up to an aggregate amount of \$200 million, subject to other utilization of the aggregate commitments under the Credit Agreement. The facility made available under the Credit Agreement is initially available for five years from the Credit Agreement Effective Date (the Maturity Date). The Borrowers may request an extension of the Maturity Date for an additional one-year period up to two times, to allow a Maturity Date as late as the seventh anniversary of August 10, 2018, subject to certain conditions.

Interest on borrowings under the Credit Agreement is payable at rates per annum equal to, at our option: (1) a fluctuating base rate equal to an adjusted base rate plus the applicable margin, or (2) a periodic fixed rate equal to LIBOR plus the applicable margin. The adjusted base rate will be the highest of (i) the federal funds rate plus 0.5 percent, (ii) a publicly announced base rate, and (iii) one-month LIBOR plus 1.0 percent. We are required to pay a commitment fee based on the unused portion of the commitments under the Credit Agreement. The applicable margin and the commitment fee are determined by reference to a pricing schedule based on the applicable Borrower's senior unsecured debt ratings.

Under the Credit Agreement, up until the quarter ending June 30, 2019, we are required to maintain a ratio of debt to EBITDA of no greater than 5.75 to 1.00. Thereafter, until the quarter ending December 31, 2019, we are required to maintain a ratio of debt to EBITDA of no greater than 5.50 to 1.00. Thereafter, if we, in any fiscal quarter, make one

or more acquisitions for a total aggregate purchase price that exceeds or equals \$25 million, we are required to maintain a ratio of debt to EBITDA of no greater than 5.50 to 1.00 for the fiscal quarter in which the acquisition occurs and the two fiscal quarters following thereafter. In any other case, we are required to

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maintain a ratio of debt to EBITDA of no greater than 5.00 to 1.00. For each of Transco and Northwest Pipeline and their respective consolidated subsidiaries, the ratio of debt to capitalization (defined as net worth plus debt) is not permitted to be greater than 65%. Each of the above ratios will be tested beginning at the end of the first fiscal quarter ending after August 10, 2018 and thereafter at the end of each subsequent fiscal quarter, and the debt to EBITDA ratio is measured on a rolling four-quarter basis.

The Credit Agreement contains customary representations and warranties and affirmative, negative and financial covenants which were made only for the purposes of the Credit Agreement and as of the specific date (or dates) set forth therein, and may be subject to certain limitations as agreed upon by the contracting parties. The Credit Agreement contains various covenants that limit, among other things, each Borrower and each Borrower's respective material subsidiaries' ability to grant certain liens supporting indebtedness, each Borrower's ability to merge or consolidate, sell all or substantially all of its assets in certain circumstances, make certain distributions during an event of default, and each Borrower and each Borrower's respective material subsidiaries' ability to enter into certain restrictive agreements.

The Credit Agreement includes customary events of default. If an event of default occurs with respect to a Borrower, the lenders will be able to terminate the commitments for all Borrowers and accelerate the maturity of the loans of the defaulting Borrower and exercise other rights and remedies.

The foregoing description of the Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the Credit Agreement, a copy of which is filed as Exhibit 10.1 to our Current Report on Form 8-K filed on July 17, 2018 and incorporated by reference into this prospectus supplement.

### *Williams and Williams Partners Merger*

On August 10, 2018, pursuant to the Merger Agreement among us, SCMS LLC (the "Merger Sub"), our wholly owned subsidiary, WPZ, and WPZ GP LLC (the "WPZ General Partner"), the general partner of WPZ, Merger Sub merged with and into WPZ, with WPZ surviving as our wholly owned subsidiary (the "Merger"). After the consummation of the Merger, WPZ merged with and into us (the "Post-Closing Merger" and together with the Merger, the "Mergers"), after which WPZ ceased to exist. Each publicly held common unit of WPZ outstanding at the time of the Merger was converted into the right to receive 1.494 shares of our common stock.

### *Charter Amendment*

In connection with the Merger, on August 10, 2018 we amended our Amended and Restated Certificate of Incorporation to increase the number of authorized shares of our capital stock from 990,000,000 shares to 1,500,000,000 shares, consisting of 1,470,000,000 shares of our common stock and 30,000,000 shares of preferred stock, par value \$1.00 per share.

### *Commercial Paper Program*

On August 10, 2018, we entered into a commercial paper program (the "CP Program") pursuant to which we may issue short-term, unsecured commercial paper notes (the "CP Notes") pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act. Amounts available under the CP Program may be borrowed, repaid, and re-borrowed from time to time, with the aggregate principal amount of CP Notes outstanding under the CP Program at any time not to exceed \$4.0 billion. The net proceeds of issuances of the CP Notes are expected to be used to fund planned capital expenditures and for other general corporate purposes. Our Credit Agreement is available, subject to the terms and conditions thereof, to repay the CP Notes, if necessary.

The maturities of the CP Notes will vary but may not exceed 397 days from the date of issue. The CP Notes will be sold under customary terms in the commercial paper market and will be issued at a discount from par, or, alternatively, will be sold at par and bear varying interest rates on a fixed or floating basis.

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Six commercial paper dealers will each act as a dealer under the CP Program (each a Dealer and, collectively, the Dealers ) pursuant to the terms and conditions of a commercial paper dealer agreement entered into between the Partnership and each Dealer. A national bank will act as issuing and paying agent under the CP Program.

### *Contribution of Series B Preferred Stock to The Williams Companies Foundation, Inc.*

On July 13, 2018, through a wholly owned subsidiary, we contributed an aggregate of 35,000 shares of Series B Non-Voting Perpetual Preferred Stock, par value \$1.00 per share (the Series B Preferred Stock ), to The Williams Companies Foundation, Inc. (the Foundation ), an Oklahoma not-for-profit corporation exempt from U.S. federal income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended (the Code ), for use in future charitable and non-profit causes. The shares of Series B Preferred Stock were issued by us to a wholly owned subsidiary for \$1,000 per share in cash (with an aggregate value of \$35,000,000) pursuant to Section 4(a)(2) of the Securities Act, which the subsidiary immediately contributed to the Foundation. The Series B Preferred Stock may not be re-offered or sold in the United States absent an effective registration statement or an exemption from the registration requirements under applicable federal and state securities laws.

Subject to certain exceptions described in the Certificate of Designations of Series B Preferred Stock, as long as any shares of Series B Preferred Stock are outstanding, we will not declare, pay, or set aside for payment a dividend on shares of our common stock, or any other junior securities (other than dividends payable solely in shares of, or options, warrants or rights to subscribe for or purchase, junior securities), and no common stock or other junior securities or parity securities may be, directly or indirectly, purchased, redeemed or otherwise acquired by us or any of our subsidiaries, in each case, during any fiscal quarter, unless a dividend has been declared by our board of directors on the shares of Series B Preferred Stock during such fiscal quarter for the latest completed dividend period in accordance with the Certificate of Designations of Series B Preferred Stock and any such declared but unpaid dividend on the shares of Series B Preferred Stock is contemporaneously paid in full (or a sum sufficient for the payment thereof has been set aside).

For further information concerning the Series B Preferred Stock, please refer to our Current Report on Form 8-K filed on July 17, 2018, which includes a copy of the Certificate of Designations of Series B Preferred Stock and is incorporated by reference into this prospectus supplement.

### **Principal Executive Offices and Internet Address**

Our principal executive offices are located at One Williams Center, Tulsa, Oklahoma 74172-0172, and our telephone number is (918) 573-2000. Our website is located at <http://co.williams.com>. We make our periodic reports and other information filed with or furnished to the SEC available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this prospectus supplement or the accompanying base prospectus and does not constitute a part of this prospectus supplement or the accompanying base prospectus.

### **Other Relationships**

Certain of the sales agents and their affiliates have engaged, and may in the future engage, in commercial banking, investment banking or financial advisory transactions with us and our affiliates, in the ordinary course of their business. Such sales agents and their affiliates have received, and may in the future receive, customary compensation and expense reimbursement for these commercial banking, investment banking or financial advisory transactions. In addition, certain of the sales agents and/or their affiliates participating in sales hereunder are agents, arrangers,

bookrunners or lenders under our Credit Agreement. As of the date hereof, we have \$825 million in borrowings outstanding under the Credit Agreement.

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**THE OFFERING**

Common stock offered	Common stock having an aggregate offering price of up to \$1,000,000,000.
Use of proceeds	We intend to use the net proceeds of sales of shares of our common stock offered hereby, after deducting the sales agents' commissions and our offering expenses, for general corporate purposes, including repaying or refinancing a portion of our indebtedness outstanding and funding working capital, capital expenditures or acquisitions. See Use of Proceeds.
Dividends	On May 10, 2018, we declared a regular dividend of \$0.34 per share of common stock, payable June 25, 2018 to holders of record at the close of business on June 8, 2018. See Description of Capital Stock Common Stock Dividends in the accompanying base prospectus for more information.
NYSE symbol	WMB
Risk factors	See Risk Factors beginning on page S-5 and the other information included in, or incorporated by reference into, this prospectus supplement and the accompanying base prospectus for a discussion of certain factors you should carefully consider before deciding to invest in shares of our common stock.

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**RISK FACTORS**

*An investment in shares of our common stock involves risks. Before you invest in shares of our common stock, you should carefully consider the following risk factors, together with all of the other information included in this prospectus supplement, the accompanying base prospectus and the documents incorporated herein by reference in evaluating an investment in shares of our common stock. If any of the risks discussed below or in the foregoing documents were actually to occur, our business, prospects, financial condition, results of operations, cash flows and, in some cases, our reputation, could be materially adversely affected. In that case, our ability to pay dividends to our shareholders may be reduced, and the trading price of shares of our common stock could decline. In any such case, you may lose all or part of your original investment and not realize any return that you may have expected thereon. See *Certain Definitions* for definitions of certain terms used in this section.*

**Risks Related to Our Business**

***The financial condition of our natural gas transportation and midstream businesses is dependent on the continued availability of natural gas supplies in the supply basins that we access and demand for those supplies in the markets we serve.***

Our ability to maintain and expand our natural gas transportation and midstream businesses depends on the level of drilling and production by third parties in our supply basins. Production from existing wells and natural gas supply basins with access to our pipeline and gathering systems will naturally decline over time. The amount of natural gas reserves underlying these existing wells may also be less than anticipated, and the rate at which production from these reserves declines may be greater than anticipated. We do not obtain independent evaluations of natural gas reserves connected to our systems and processing facilities. Accordingly, we do not have independent estimates of total reserves dedicated to our systems or the anticipated life of such reserves. In addition, low prices for natural gas, regulatory limitations, or the lack of available capital could adversely affect the development and production of additional natural gas reserves, the installation of gathering, storage, and pipeline transportation facilities and the import and export of natural gas supplies. Localized low natural gas prices in one or more of our existing supply basins, whether caused by a lack of infrastructure or otherwise, could also result in depressed natural gas production in such basins and limit the supply of natural gas made available to us. The competition for natural gas supplies to serve other markets could also reduce the amount of natural gas supply for our customers. A failure to obtain access to sufficient natural gas supplies will adversely impact our ability to maximize the capacities of our gathering, transportation, and processing facilities.

Demand for our services is dependent on the demand for gas in the markets we serve. Alternative fuel sources such as electricity, coal, fuel oils, or nuclear energy, as well as technological advances and renewable sources of energy, could reduce demand for natural gas in our markets and have an adverse effect on our business.

A failure to obtain access to sufficient natural gas supplies or a reduction in demand for our services in the markets we serve could result in impairments of our assets and have a material adverse effect on our business, financial condition, results of operations, and cash flows.

***Prices for natural gas, NGLs, oil, and other commodities, are volatile and this volatility has and could continue to adversely affect our financial results, cash flows, access to capital, and ability to maintain our existing businesses.***

Our revenues, operating results, future rate of growth, and the value of certain components of our businesses depend primarily upon the prices of natural gas, NGLs, oil, or other commodities, and the differences between prices of these commodities and could be materially adversely affected by an extended period of current low commodity prices, or a

further decline in commodity prices. Price volatility has and could continue to impact both the amount we receive for our products and services and the volume of products and services we sell. Prices affect the amount of cash flow available for capital expenditures and our ability to borrow money or raise

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additional capital. Price volatility has and could continue to have an adverse effect on our business, results of operations, financial condition, and cash flows.

The markets for natural gas, NGLs, oil, and other commodities are likely to continue to be volatile. Wide fluctuations in prices might result from one or more factors beyond our control, including:

Worldwide and domestic supplies of and demand for natural gas, NGLs, oil, and related commodities;

Turmoil in the Middle East and other producing regions;

The activities of the Organization of Petroleum Exporting Countries;

The level of consumer demand;

The price and availability of other types of fuels or feedstocks;

The availability of pipeline capacity;

Supply disruptions, including plant outages and transportation disruptions;

The price and quantity of foreign imports of natural gas and oil;

Domestic and foreign governmental regulations and taxes;

The credit of participants in the markets where products are bought and sold.

***We are exposed to the credit risk of our customers and counterparties, including Chesapeake Energy Corporation and its affiliates, and our credit risk management will not be able to completely eliminate such risk.***

We are subject to the risk of loss resulting from nonpayment and/or nonperformance by our customers and counterparties in the ordinary course of our business. Generally, our customers are rated investment grade, are otherwise considered creditworthy, or are required to make prepayments or provide security to satisfy credit concerns. However, our credit procedures and policies cannot completely eliminate customer and counterparty credit risk. Our customers and counterparties include industrial customers, local distribution companies, natural gas producers, and marketers whose creditworthiness may be suddenly and disparately impacted by, among other factors, commodity price volatility, deteriorating energy market conditions, and public and regulatory opposition to energy producing activities. In a low commodity price environment certain of our customers could be negatively impacted, causing them significant economic stress including, in some cases, to file for bankruptcy protection or to renegotiate contracts. To

the extent one or more of our key customers commences bankruptcy proceedings, our contracts with the customers may be subject to rejection under applicable provisions of the United States Bankruptcy Code, or may be renegotiated. Further, during any such bankruptcy proceeding, prior to assumption, rejection or renegotiation of such contracts, the bankruptcy court may temporarily authorize the payment of value for our services less than contractually required, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. For example, Chesapeake Energy Corporation and its affiliates, which accounted for approximately 10 percent of our 2017 consolidated revenues, have experienced significant, negative financial results due to sustained low commodity prices. If we fail to adequately assess the creditworthiness of existing or future customers and counterparties or otherwise do not take or are unable to take sufficient mitigating actions, including obtaining sufficient collateral, deterioration in their creditworthiness, and any resulting increase in nonpayment and/or nonperformance by them could cause us to write down or write off accounts receivable. Such write-downs or write-offs could negatively affect our operating results in the periods in which they occur, and, if significant, could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

***We may not be able to grow or effectively manage our growth.***

As part of our growth strategy, we consider acquisition opportunities and engage in significant capital projects. We have both a project lifecycle process and an investment evaluation process. These are processes we

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use to identify, evaluate, and execute on acquisition opportunities and capital projects. We may not always have sufficient and accurate information to identify and value potential opportunities and risks or our investment evaluation process may be incomplete or flawed. Regarding potential acquisitions, suitable acquisition candidates may not be available on terms and conditions we find acceptable or, where multiple parties are trying to acquire an acquisition candidate, we may not be chosen as the acquirer. If we are able to acquire a targeted business, we may not be able to successfully integrate the acquired businesses and realize anticipated benefits in a timely manner.

Our growth may also be dependent upon the construction of new natural gas gathering, transportation, compression, processing or treating pipelines, and facilities, NGL transportation, or fractionation or storage facilities as well as the expansion of existing facilities. In the current environment, we may face political opposition by landowners, environmental activists, and others resulting in the delay and/or denial of required governmental permits. Additional risks associated with construction may include the inability to obtain rights-of-way, skilled labor, equipment, materials, and other required inputs in a timely manner such that projects are completed, on time or at all, and the risk that construction cost overruns could cause total project costs to exceed budgeted costs. Additional risks associated with growing our business include, among others, that:

Changing circumstances and deviations in variables could negatively impact our investment analysis, including our projections of revenues, earnings, and cash flow relating to potential investment targets, resulting in outcomes which are materially different than anticipated;

We could be required to contribute additional capital to support acquired businesses or assets;

We may assume liabilities that were not disclosed to us, that exceed our estimates and for which contractual protections are either unavailable or prove inadequate;

Acquisitions could disrupt our ongoing business, distract management, divert financial and operational resources from existing operations and make it difficult to maintain our current business standards, controls, and procedures;

Acquisitions and capital projects may require substantial new capital, including the issuance of debt or equity, and we may not be able to access capital markets or obtain acceptable terms.

If realized, any of these risks could have an adverse impact on our financial condition, results of operations, including the possible impairment of our assets, or cash flows.

### ***We may face opposition to the construction and operation of our pipelines and facilities from various groups.***

We may face opposition to the construction and operation of our pipelines and facilities from environmental groups, landowners, tribal groups, local groups and other advocates. Such opposition could take many forms, including organized protests, attempts to block or sabotage our operations, intervention in regulatory or administrative proceedings involving our assets, or lawsuits or other actions designed to prevent, disrupt or delay the operation of our assets and business. In addition, acts of sabotage or eco-terrorism could cause significant damage or injury to people, property or the environment or lead to extended interruptions of our operations. Any such event that interrupts the

revenues generated by our operations, or which causes us to make significant expenditures not covered by insurance, could adversely affect our financial condition and results of operations.

***Holders of our common stock may not receive dividends in the amount expected or any dividends.***

We may not have sufficient cash each quarter to pay dividends or maintain current or expected levels of dividends. The actual amount of cash we dividend may fluctuate from quarter to quarter and will depend on various factors, some of which are beyond our control, including:

The amount of cash that our subsidiaries distribute to us;

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The amount of cash we generate from our operations, our working capital needs, our level of capital expenditures, and our ability to borrow;

The restrictions contained in our indentures and credit facility and our debt service requirements;

The cost of acquisitions, if any.

A failure either to pay dividends or to pay dividends at expected levels could result in a loss of investor confidence, reputational damage, and a decrease in the value of our stock price.

***Our industry is highly competitive and increased competitive pressure could adversely affect our business and operating results.***

We have numerous competitors in all aspects of our businesses, and additional competitors may enter our markets. Any current or future competitor that delivers natural gas, NGLs, or other commodities into the areas that we operate could offer transportation services that are more desirable to shippers than those we provide because of price, location, facilities or other factors. In addition, current or potential competitors may make strategic acquisitions or have greater financial resources than we do, which could affect our ability to make strategic investments or acquisitions. Our competitors may be able to respond more quickly to new laws or regulations or emerging technologies or to devote greater resources to the construction, expansion, or refurbishment of their facilities than we can. Failure to successfully compete against current and future competitors could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

***We do not own all of the interests in the Partially Owned Entities, which could adversely affect our ability to operate and control these assets in a manner beneficial to us.***

Because we do not control the Partially Owned Entities, we may have limited flexibility to control the operation of or cash distributions received from these entities. The Partially Owned Entities' organizational documents generally require distribution of their available cash to their members on a quarterly basis; however, in each case, available cash is reduced, in part, by reserves appropriate for operating the businesses. As of December 31, 2017, our investments in the Partially Owned Entities accounted for approximately 7 percent of our total consolidated assets. Conflicts of interest may arise in the future between us, on the one hand, and our Partially Owned Entities, on the other hand, with regard to our Partially Owned Entities' governance, business, or operations. If a conflict of interest arises between us and a Partially Owned Entity, other owners may control the Partially Owned Entity's actions with respect to such matter (subject to certain limitations), which could be detrimental to our business. Any future disagreements with the other co-owners of these assets could adversely affect our ability to respond to changing economic or industry conditions, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

***We will conduct certain operations through joint ventures that may limit our operational flexibility or require us to make additional capital contributions.***

Some of our operations are conducted through joint venture arrangements, and we may enter additional joint ventures in the future. In a joint venture arrangement, we have less operational flexibility, as actions must be taken in accordance with the applicable governing provisions of the joint venture. In certain cases:



We cannot control the amount of capital expenditures that we are required to fund with respect to these operations;

We are dependent on third parties to fund their required share of capital expenditures;

We may be subject to restrictions or limitations on our ability to sell or transfer our interests in the jointly owned assets;

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We may be forced to offer rights of participation to other joint venture participants in the area of mutual interest;

We have limited ability to influence or control certain day to day activities affecting the operations. In addition, joint venture participants may have obligations that are important to the success of the joint venture, such as the obligation to pay substantial carried costs pertaining to the joint venture and to pay their share of capital and other costs of the joint venture, the performance of which is outside our control. Similarly, if we fail to make a required capital contribution under the applicable governing provisions of a joint venture arrangement, we could be deemed to be in default under the joint venture agreement. Joint venture partners may be in a position to take actions contrary to instructions or requests or contrary to our policies or objectives, and disputes between us and our joint venture partners may result in delays, litigation or operational impasses.

The risks described above or the failure to continue joint ventures, or to resolve disagreements with joint venture partners could adversely affect our ability to conduct our operations that are the subject of any joint venture, which could in turn negatively affect our financial condition and results of operations.

***We may not be able to replace, extend, or add additional customer contracts or contracted volumes on favorable terms, or at all, which could affect our financial condition, the amount of cash available to pay dividends, and our ability to grow.***

We rely on a limited number of customers and producers for a significant portion of our revenues and supply of natural gas and NGLs. Although many of our customers and suppliers are subject to long-term contracts, if we are unable to replace or extend such contracts, add additional customers, or otherwise increase the contracted volumes of natural gas provided to us by current producers, in each case on favorable terms, if at all, our financial condition, growth plans, and the amount of cash available to pay dividends could be adversely affected. Our ability to replace, extend, or add additional customer or supplier contracts, or increase contracted volumes of natural gas from current producers, on favorable terms, or at all, is subject to a number of factors, some of which are beyond our control, including:

The level of existing and new competition in our businesses or from alternative sources, such as electricity, renewable resources, coal, fuel oils, or nuclear energy;

Natural gas and NGL prices, demand, availability, and margins in our markets. Higher prices for energy commodities related to our businesses could result in a decline in the demand for those commodities and, therefore, in customer contracts or throughput on our pipeline systems. Also, lower energy commodity prices could negatively impact our ability to maintain or achieve favorable contractual terms, including pricing, and could also result in a decline in the production of energy commodities resulting in reduced customer contracts, supply contracts, and throughput on our pipeline systems;

General economic, financial markets, and industry conditions;

The effects of regulation on us, our customers, and our contracting practices;

Our ability to understand our customers' expectations, efficiently and reliably deliver high quality services and effectively manage customer relationships. The results of these efforts will impact our reputation and positioning in the market.

***Certain of our gas pipeline services are subject to long-term, fixed-price contracts that are not subject to adjustment, even if our cost to perform such services exceeds the revenues received from such contracts.***

Our gas pipelines provide some services pursuant to long-term, fixed-price contracts. It is possible that costs to perform services under such contracts will exceed the revenues our pipelines collect for their services. Although most of the services are priced at cost-based rates that are subject to adjustment in rate cases, under

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FERC policy, a regulated service provider and a customer may mutually agree to sign a contract for service at a negotiated rate that may be above or below the FERC regulated cost-based rate for that service. These negotiated rate contracts are not generally subject to adjustment for increased costs that could be produced by inflation or other factors relating to the specific facilities being used to perform the services.

***Some of our businesses are exposed to supplier concentration risks arising from dependence on a single or a limited number of suppliers.***

Some of our businesses may be dependent on a small number of suppliers for delivery of critical goods or services. If a supplier on which one of our businesses depends were to fail to timely supply required goods and services, such business may not be able to replace such goods and services in a timely manner or otherwise on favorable terms or at all. If our business is unable to adequately diversify or otherwise mitigate such supplier concentration risks and such risks were realized, such businesses could be subject to reduced revenues and increased expenses, which could have a material adverse effect on our financial condition, results of operation, and cash flows.

***Failure of our service providers or disruptions to our outsourcing relationships might negatively impact our ability to conduct our business.***

Certain of our accounting and information technology services are currently provided by third-party vendors, and sometimes from service centers outside of the United States. Services provided pursuant to these agreements could be disrupted. Similarly, the expiration of such agreements or the transition of services between providers could lead to loss of institutional knowledge or service disruptions. Our reliance on others as service providers could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

***An impairment of our assets, including goodwill, property, plant, and equipment, intangible assets, and/or equity-method investments, could reduce our earnings.***

GAAP requires us to test certain assets for impairment on either an annual basis or when events or circumstances occur which indicate that the carrying value of such assets might be impaired. The outcome of such testing could result in impairments of our assets including our goodwill, property, plant, and equipment, intangible assets, and/or equity method investments. Additionally, any asset monetizations could result in impairments if any assets are sold or otherwise exchanged for amounts less than their carrying value. If we determine that an impairment has occurred, we would be required to take an immediate noncash charge to earnings.

***Our operations are subject to operational hazards and unforeseen interruptions.***

There are operational risks associated with the gathering, transporting, storage, processing, and treating of natural gas, the fractionation, transportation, and storage of NGLs, and crude oil transportation and production handling, including:

Aging infrastructure and mechanical problems;

Damages to pipelines and pipeline blockages or other pipeline interruptions;

Uncontrolled releases of natural gas (including sour gas), NGLs, crude oil, or other products;

Collapse or failure of storage caverns;

Operator error;

Damage caused by third-party activity, such as operation of construction equipment;

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Pollution and other environmental risks;

Fires, explosions, craterings, and blowouts;

Security risks, including cybersecurity;

Operating in a marine environment.

Any of these risks could result in loss of human life, personal injuries, significant damage to property, environmental pollution, impairment of our operations, loss of services to our customers, reputational damage, and substantial losses to us. The location of certain segments of our facilities in or near populated areas, including residential areas, commercial business centers, and industrial sites, could increase the level of damages resulting from these risks. An event such as those described above could have a material adverse effect on our financial condition and results of operations, particularly if the event is not fully covered by insurance.

***We do not insure against all potential risks and losses and could be seriously harmed by unexpected liabilities or by the inability of our insurers to satisfy our claims.***

In accordance with customary industry practice, we maintain insurance against some, but not all, risks and losses, and only at levels we believe to be appropriate. The occurrence of any risks not fully covered by our insurance could have a material adverse effect on our business, financial condition, results of operations, and cash flows and our ability to repay our debt.

***Our assets and operations, as well as our customers' assets and operations, can be adversely affected by weather and other natural phenomena.***

Our assets and operations, especially those located offshore, and our customers' assets and operations can be adversely affected by hurricanes, floods, earthquakes, landslides, tornadoes, fires, and other natural phenomena and weather conditions, including extreme or unseasonable temperatures, making it more difficult for us to realize the historic rates of return associated with our assets and operations. A significant disruption in our or our customers' operations or a significant liability for which we are not fully insured could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

***Our business could be negatively impacted by acts of terrorism and security threats, including cybersecurity threats, and related disruptions.***

Given the volatile nature of the commodities we transport, process, store, and sell, our assets and the assets of our customers and others in our industry may be targets of terrorist activities. A terrorist attack could create significant price volatility, disrupt our business, limit our access to capital markets, or cause significant harm to our operations, such as full or partial disruption to our ability to produce, process, transport, or distribute natural gas, NGLs, or other commodities. Acts of terrorism, as well as events occurring in response to or in connection with acts of terrorism, could cause environmental repercussions that could result in a significant decrease in revenues or significant reconstruction or remediation costs, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

We rely on our information technology infrastructure to process, transmit, and store electronic information, including information we use to safely operate our assets. While we believe that we maintain appropriate information security policies, practices, and protocols, we face cybersecurity and other security threats to our information technology infrastructure, which could include threats to our operational industrial control systems and safety systems that operate our pipelines, plants, and assets. We could face unlawful attempts to gain access to our information technology infrastructure, including coordinated attacks from hackers, whether state-sponsored groups, hacktivists, or private individuals. The age, operating systems, or condition of our current information technology infrastructure and software assets and our ability to maintain and upgrade such assets could affect our ability to resist cybersecurity threats. We could also face attempts to gain access to information

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related to our assets through attempts to obtain unauthorized access by targeting acts of deception against individuals with legitimate access to physical locations or information. Breaches in our information technology infrastructure or physical facilities, or other disruptions including those arising from theft, vandalism, fraud, or unethical conduct, could result in damage to our assets, unnecessary waste, safety incidents, damage to the environment, reputational damage, potential liability, or the loss of contracts, and have a material adverse effect on our operations, financial condition, results of operations, and cash flows.

***If third-party pipelines and other facilities interconnected to our pipelines and facilities become unavailable to transport natural gas and NGLs or to treat natural gas, our revenues could be adversely affected.***

We depend upon third-party pipelines and other facilities that provide delivery options to and from our pipelines and facilities for the benefit of our customers. Because we do not own these third-party pipelines or other facilities, their continuing operation is not within our control. If these pipelines or facilities were to become temporarily or permanently unavailable for any reason, or if throughput were reduced because of testing, line repair, damage to pipelines or facilities, reduced operating pressures, lack of capacity, increased credit requirements or rates charged by such pipelines or facilities or other causes, we and our customers would have reduced capacity to transport, store or deliver natural gas or NGL products to end use markets or to receive deliveries of mixed NGLs, thereby reducing our revenues. Any temporary or permanent interruption at any key pipeline interconnect or in operations on third-party pipelines or facilities that would cause a material reduction in volumes transported on our pipelines or our gathering systems or processed, fractionated, treated, or stored at our facilities could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

***Our operating results for certain components of our business might fluctuate on a seasonal basis.***

Revenues from certain components of our business can have seasonal characteristics. In many parts of the country, demand for natural gas and other fuels peaks during the winter. As a result, our overall operating results in the future might fluctuate substantially on a seasonal basis. Demand for natural gas and other fuels could vary significantly from our expectations depending on the nature and location of our facilities and pipeline systems and the terms of our natural gas transportation arrangements relative to demand created by unusual weather patterns.

***We do not own all of the land on which our pipelines and facilities are located, which could disrupt our operations.***

We do not own all of the land on which our pipelines and facilities have been constructed. As such, we are subject to the possibility of increased costs to retain necessary land use. In those instances in which we do not own the land on which our facilities are located, we obtain the rights to construct and operate our pipelines and gathering systems on land owned by third parties and governmental agencies for a specific period of time. In addition, some of our facilities cross Native American lands pursuant to rights-of-way of limited terms. We may not have the right of eminent domain over land owned by Native American tribes. Our loss of these rights, through our inability to renew right-of-way contracts or otherwise, could have a material adverse effect on our business, financial condition, results of operations, and cash flows.

***Our business could be negatively impacted as a result of stockholder activism.***

In recent years, stockholder activism, including threatened or actual proxy contests, has been directed against numerous public companies, including ours. During the latter part of fiscal year 2016, we were the target of a proxy contest from a stockholder activist, which resulted in our incurring significant costs. If stockholder activists were to again take or threaten to take actions against the Company or seek to involve themselves in the governance, strategic direction or operations of the Company, we could incur significant costs as well as the



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distraction of management, which could have an adverse effect on our business or financial results. In addition, actions of activist stockholders may cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

***Litigation pertaining to the ETC Merger, including litigation related to Energy Transfer Equity, L.P.'s (ETE's) termination of and failure to close the ETC Merger, may negatively impact our business and operations.***

We have incurred and may continue to incur additional costs in connection with the prosecution, defense or settlement of the currently pending and any future litigation relating to the ETC Merger or ETE's termination of and failure to close the ETC Merger. We cannot predict the outcome of this litigation. Such litigation may also create a distraction for our management team and board of directors and require time and attention. In addition, any litigation relating to the ETC Merger or ETE's termination of and failure to close the ETC Merger could, among other things, adversely affect our financial condition and results of operations.

***Our costs and funding obligations for our defined benefit pension plans and costs for our other postretirement benefit plans are affected by factors beyond our control.***

We have defined benefit pension plans covering substantially all of our U.S. employees and other postretirement benefit plans covering certain eligible participants. The timing and amount of our funding requirements under the defined benefit pension plans depend upon a number of factors that we control, including changes to pension plan benefits, as well as factors outside of our control, such as asset returns, interest rates, and changes in pension laws.

Changes to these and other factors that can significantly increase our funding requirements could have a significant adverse effect on our financial condition and results of operations.

***Failure to attract and retain an appropriately qualified workforce could negatively impact our results of operations.***

Events such as an aging workforce without appropriate replacements, mismatch of skill sets to future needs, or unavailability of contract labor may lead to operating challenges such as lack of resources, loss of knowledge, and a lengthy time period associated with skill development, including with the workforce needs associated with projects and ongoing operations. Failure to hire and adequately obtain replacement employees, including the ability to transfer significant internal historical knowledge and expertise to the new employees, or the future availability and cost of contract labor may adversely affect our ability to manage and operate the businesses. If we are unable to successfully attract and retain an appropriately qualified workforce, results of operations could be negatively impacted.

***If there is a determination that the spin-off of WPX Energy, Inc. (WPX) stock to our stockholders is taxable for U.S. federal income tax purposes because the facts, representations or undertakings underlying a U.S. Internal Revenue Service (IRS) private letter ruling or a tax opinion are incorrect or for any other reason, then we and our stockholders could incur significant income tax liabilities.***

In connection with our original separation plan that called for an initial public offering (IPO) of stock of WPX and a subsequent spin-off of our remaining shares of WPX to our stockholders, we obtained a private letter ruling from the IRS and an opinion of our outside tax advisor, to the effect that the distribution by us of WPX shares to our stockholders, and any related restructuring transaction undertaken by us, would not result in recognition for U.S. federal income tax purposes, of income, gain or loss to us or our stockholders under section 355 and section 368(a)(1)(D) of the Code, except for cash payments made to our stockholders in lieu of fractional shares of WPX common stock. In addition, we received an opinion from our outside tax advisor to the effect that

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the spin-off pursuant to our revised separation plan which was ultimately consummated on December 31, 2011, which did not involve an IPO of WPX shares, would not result in the recognition, for federal income tax purposes, of income, gain, or loss to us or our stockholders under section 355 and section 368(a)(1)(D) of the Code, except for cash payments made to our stockholders in lieu of fractional shares of WPX. The private letter ruling and opinion have relied on or will rely on certain facts, representations, and undertakings from us and WPX regarding the past and future conduct of the companies' respective businesses and other matters. If any of these facts, representations, or undertakings are, or become, incorrect or are not otherwise satisfied, including as a result of certain significant changes in the stock ownership of us or WPX after the spin-off, or if the IRS disagrees with any such facts and representations upon audit, we and our stockholders may not be able to rely on the private letter ruling or the opinion of our tax advisor and could be subject to significant income tax liabilities.

***The WPX spin-off may expose us to potential liabilities arising out of state and federal fraudulent conveyance laws and legal dividend requirements that we did not assume in our agreements with WPX.***

The spin-off is subject to review under various state and federal fraudulent conveyance laws. A court could deem the spin-off or certain internal restructuring transactions undertaken by us in connection with the separation to be a fraudulent conveyance or transfer. Fraudulent conveyances or transfers are defined to include transfers made or obligations incurred with the actual intent to hinder, delay, or defraud current or future creditors or transfers made or obligations incurred for less than reasonably equivalent value when the debtor was insolvent, or that rendered the debtor insolvent, inadequately capitalized or unable to pay its debts as they become due. A court could void the transactions or impose substantial liabilities upon us, which could adversely affect our financial condition and our results of operations. Whether a transaction is a fraudulent conveyance or transfer will vary depending upon the jurisdiction whose law is being applied. Under the separation and distribution agreement between us and WPX, from and after the spin-off, each of WPX and we are responsible for the debts, liabilities, and other obligations related to the business or businesses which each owns and operates. Although we do not expect to be liable for any such obligations not expressly assumed by us pursuant to the separation and distribution agreement, it is possible that a court would disregard the allocation agreed to between the parties, and require that we assume responsibility for obligations allocated to WPX, particularly if WPX were to refuse or were unable to pay or perform the subject allocated obligations.

## **Risks Related to Financing Our Business**

***Downgrades of our credit ratings, which are determined outside of our control by independent third parties, impact our liquidity, access to capital, and our costs of doing business.***

Downgrades of our credit ratings increase our cost of borrowing and could require us to provide collateral to our counterparties, negatively impacting our available liquidity. In addition, our ability to access capital markets could continue to be limited by the downgrading of our credit ratings.

Credit rating agencies perform independent analysis when assigning credit ratings. This analysis includes a number of criteria such as, business composition, market, and operational risks, as well as various financial tests. Credit rating agencies continue to review the criteria for industry sectors and various debt ratings and may make changes to those criteria from time to time. Credit ratings are subject to revision or withdrawal at any time by the ratings agencies.

***Difficult conditions in the global financial markets and the economy in general could negatively affect our business and results of operations.***

Our businesses may be negatively impacted by adverse economic conditions or future disruptions in global financial markets. Included among these potential negative impacts are industrial or economic contraction leading to reduced energy demand and lower prices for our products and services and increased difficulty in collecting amounts owed to us by our customers. If financing is not available when needed, or is available only on unfavorable terms, we may be unable to implement our business plans or otherwise take advantage of

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business opportunities or respond to competitive pressures. In addition, financial markets have periodically been affected by concerns over U.S. fiscal and monetary policies. These concerns, as well as actions taken by the U.S. federal government in response to these concerns, could significantly and adversely impact the global and U.S. economies and financial markets, which could negatively impact us in the manner described above.

### ***Restrictions in our debt agreements and the amount of our indebtedness may affect our future financial and operating flexibility.***

Our total outstanding long-term debt (including current portion) as of June 30, 2018, was \$21.3 billion.

The agreements governing our indebtedness contain covenants that restrict our and our material subsidiaries' ability to incur certain liens to support indebtedness and our ability to merge or consolidate or sell all or substantially all of our assets in certain circumstances. In addition, certain of our debt agreements contain various covenants that restrict or limit, among other things, our ability to make certain distributions during the continuation of an event of default, the ability of our subsidiaries to incur additional debt, and our, and our material subsidiaries', ability to enter into certain affiliate transactions and certain restrictive agreements. Certain of our debt agreements also contain, and those we enter into in the future may contain, financial covenants, and other limitations with which we will need to comply.

Our debt service obligations and the covenants described above could have important consequences. For example, they could:

Make it more difficult for us to satisfy our obligations with respect to our indebtedness, which could in turn result in an event of default on such indebtedness;

Impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes, or other purposes;

Diminish our ability to withstand a continued or future downturn in our business or the economy generally;

Require us to dedicate a substantial portion of our cash flow from operations to debt service payments, thereby reducing the availability of cash for working capital, capital expenditures, acquisitions, the payments of dividends, general corporate purposes, or other purposes;

Limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate, including limiting our ability to expand or pursue our business activities and preventing us from engaging in certain transactions that might otherwise be considered beneficial to us.

Our ability to comply with our debt covenants, to repay, extend, or refinance our existing debt obligations and to obtain future credit will depend primarily on our operating performance. Our ability to refinance existing debt obligations or obtain future credit will also depend upon the current conditions in the credit markets and the availability of credit generally. If we are unable to comply with these covenants, meet our debt service obligations, or obtain future credit on favorable terms, or at all, we could be forced to restructure or refinance our indebtedness, seek additional equity capital or sell assets. We may be unable to obtain financing or sell assets on satisfactory terms, or at

all.

Our failure to comply with the covenants in the documents governing our indebtedness could result in events of default, which could render such indebtedness due and payable. We may not have sufficient liquidity to repay our indebtedness in such circumstances. In addition, cross-default or cross-acceleration provisions in our debt agreements could cause a default or acceleration to have a wider impact on our liquidity than might otherwise arise from a default or acceleration of a single debt instrument. For more information regarding our debt agreements, please read Note 13 Debt, Banking Arrangements, and Leases of Notes to Consolidated Financial Statements in our Annual Report on Form 10-K, filed with the SEC on February 22, 2017, and

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Note 9 Debt and Banking Arrangements of Notes to Consolidated Financial Statements in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018, filed with the SEC on August 2, 2018, each incorporated herein by reference.

***Increases in interest rates could adversely impact our share price, our ability to issue equity or incur debt for acquisitions or other purposes, and our ability to make cash dividends at our intended levels.***

Interest rates may increase in the future. As a result, interest rates under the Credit Agreement or on future credit facilities and debt offerings could be higher than current levels, causing our financing costs to increase accordingly. As with other yield-oriented securities, our share price will be impacted by the level of our dividends and implied dividend yield. The dividend yield is often used by investors to compare and rank yield-oriented securities for investment decision-making purposes. Therefore, changes in interest rates, either positive or negative, may affect the yield requirements of investors who invest in our shares, and a rising interest rate environment could have an adverse impact on our share price and our ability to issue equity or incur debt for acquisitions or other purposes and to pay cash dividends at our intended levels.

***Our hedging activities might not be effective and could increase the volatility of our results.***

In an effort to manage our financial exposure related to commodity price and market fluctuations, we have entered, and may in the future enter into contracts to hedge certain risks associated with our assets and operations. In these hedging activities, we have used, and may in the future use, fixed-price, forward, physical purchase, and sales contracts, futures, financial swaps, and option contracts traded in the over-the-counter markets or on exchanges. Nevertheless, no single hedging arrangement can adequately address all risks present in a given contract. For example, a forward contract that would be effective in hedging commodity price volatility risks would not hedge the contract's counterparty credit or performance risk. Therefore, unhedged risks will always continue to exist. While we attempt to manage counterparty credit risk within guidelines established by our credit policy, we may not be able to successfully manage all credit risk and as such, future cash flows and results of operations could be impacted by counterparty default.

## **Risks Related to Regulations**

***The natural gas sales, transportation, and storage operations of our gas pipelines are subject to regulation by the FERC, which could have an adverse impact on their ability to establish transportation and storage rates that would allow them to recover the full cost of operating their respective pipelines, including a reasonable rate of return.***

In addition to regulation by other federal, state, and local regulatory authorities, under the Natural Gas Act of 1938, interstate pipeline transportation and storage service is subject to regulation by the FERC. Federal regulation extends to such matters as:

Transportation and sale for resale of natural gas in interstate commerce;

Rates, operating terms, types of services, and conditions of service;

Certification and construction of new interstate pipelines and storage facilities;



Acquisition, extension, disposition, or abandonment of existing interstate pipelines and storage facilities;

Accounts and records;

Depreciation and amortization policies;

Relationships with affiliated companies who are involved in marketing functions of the natural gas business;

Market manipulation in connection with interstate sales, purchases, or transportation of natural gas.

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Regulatory or administrative actions in these areas, including successful complaints or protests against the rates of the gas pipelines, can affect our business in many ways, including decreasing tariff rates and revenues, decreasing volumes in our pipelines, increasing our costs, and otherwise altering the profitability of our pipeline business.

***The operation of our businesses might also be adversely affected by regulatory proceedings, changes in government regulations or in their interpretation or implementation, or the introduction of new laws or regulations applicable to our businesses or our customers.***

Public and regulatory scrutiny of the energy industry has resulted in the proposal and/or implementation of increased regulations. Such scrutiny has also resulted in various inquiries, investigations, and court proceedings, including litigation of energy industry matters. Both the shippers on our pipelines and regulators have rights to challenge the rates we charge under certain circumstances. Any successful challenge could materially affect our results of operations.

Certain inquiries, investigations, and court proceedings are ongoing. Adverse effects may continue as a result of the uncertainty of ongoing inquiries, investigations, and court proceedings, or additional inquiries and proceedings by federal or state regulatory agencies or private plaintiffs. In addition, we cannot predict the outcome of any of these inquiries or whether these inquiries will lead to additional legal proceedings against us, civil or criminal fines and/or penalties, or other regulatory action, including legislation, which might be materially adverse to the operation of our business and our results of operations or increase our operating costs in other ways. Current legal proceedings or other matters, including environmental matters, suits, regulatory appeals, and similar matters might result in adverse decisions against us which, among other outcomes, could result in the imposition of substantial penalties and fines and could damage our reputation. The result of such adverse decisions, either individually or in the aggregate, could be material and may not be covered fully or at all by insurance.

In addition, existing regulations, including those pertaining to financial assurances to be provided by our businesses in respect of potential asset decommissioning and abandonment activities, might be revised, reinterpreted, or otherwise enforced in a manner which differs from prior regulatory action. New laws and regulations, including those pertaining to oil and gas hedging and cash collateral requirements, might also be adopted or become applicable to us, our customers, or our business activities. If new laws or regulations are imposed relating to oil and gas extraction, or if additional or revised levels of reporting, regulation, or permitting moratoria are required or imposed, including those related to hydraulic fracturing, the volumes of natural gas and other products that we transport, gather, process, and treat could decline, our compliance costs could increase, and our results of operations could be adversely affected.

***Our operations are subject to environmental laws and regulations, including laws and regulations relating to climate change and greenhouse gas emissions, which may expose us to significant costs, liabilities, and expenditures that could exceed our expectations.***

Our operations are subject to extensive federal, state, tribal, and local laws and regulations governing environmental protection, endangered and threatened species, the discharge of materials into the environment, and the security of industrial facilities. Substantial costs, liabilities, delays, and other significant issues related to environmental laws and regulations are inherent in the gathering, transportation, storage, processing, and treating of natural gas, fractionation, transportation, and storage of NGLs, and crude oil transportation and production handling as well as waste disposal practices and construction activities. Failure to comply with these laws, regulations, and permits may result in the assessment of administrative, civil and/or criminal penalties, the imposition of remedial obligations, the imposition of stricter conditions on or revocation of permits, the issuance of injunctions limiting or preventing some or all of our operations, and delays or denials in granting permits.

Joint and several, strict liability may be incurred without regard to fault under certain environmental laws and regulations, for the remediation of contaminated areas and in connection with spills or releases of materials

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associated with natural gas, oil, and wastes on, under or from our properties and facilities. Private parties, including the owners of properties through which our pipeline and gathering systems pass and facilities where our wastes are taken for reclamation or disposal, may have the right to pursue legal actions to enforce compliance as well as to seek damages for noncompliance with environmental laws and regulations or for personal injury or property damage arising from our operations. Some sites at which we operate are located near current or former third-party hydrocarbon storage and processing or oil and natural gas operations or facilities, and there is a risk that contamination has migrated from those sites to ours.

We are generally responsible for all liabilities associated with the environmental condition of our facilities and assets, whether acquired or developed, regardless of when the liabilities arose and whether they are known or unknown. In connection with certain acquisitions and divestitures, we could acquire, or be required to provide indemnification against, environmental liabilities that could expose us to material losses, which may not be covered by insurance. In addition, the steps we could be required to take to bring certain facilities into compliance could be prohibitively expensive, and we might be required to shut down, divest or alter the operation of those facilities, which might cause us to incur losses.

In addition, climate change regulations and the costs associated with the regulation of emissions of greenhouse gases (GHGs) have the potential to affect our business. Regulatory actions by the Environmental Protection Agency or the passage of new climate change laws or regulations could result in increased costs to operate and maintain our facilities, install new emission controls on our facilities, or administer and manage our GHG compliance program. If we are unable to recover or pass through a significant level of our costs related to complying with climate change regulatory requirements imposed on us, it could have a material adverse effect on our results of operations and financial condition. To the extent financial markets view climate change and GHG emissions as a financial risk, this could negatively impact our cost of and access to capital. Climate change and GHG regulation could also reduce demand for our services.

***The FERC recently issued a policy statement that reversed its 2005 income tax policy that permitted master limited partnership ( MLP ) interstate oil and natural gas pipelines to recover an income tax allowance in cost of service rates, which if implemented, may adversely impact our financial condition and future results of operations.***

In May 2005, the FERC issued a statement of general policy permitting a pipeline to include in its cost-of-service computations an income tax allowance provided that an entity or individual has an actual or potential income tax liability on income from the pipeline's public utility assets. Pursuant to that policy, the extent to which owners of pipelines have such actual or potential income tax liability will be reviewed by the FERC on a case-by-case basis in rate cases where the amounts of the allowances will be established. On March 15, 2018, the FERC issued a revised policy statement regarding the recovery of income tax costs in rates of natural gas pipelines. The FERC found that an impermissible double recovery results from granting an MLP pipeline both an income tax allowance and a return on equity pursuant to the discounted cash flow methodology. As a result, the FERC will no longer permit an MLP pipeline to recover an income tax allowance in its cost of service and further stated it will address the application of this policy to non-MLP partnership forms as those issues arise in subsequent proceedings.

On July 18, 2018, the FERC issued an order dismissing the requests for rehearing and clarification of the revised policy statement. In addition, the FERC provided guidance that an MLP pipeline (or other pass-through entity) no longer recovering an income tax allowance pursuant to the revised policy may eliminate previously accumulated deferred income taxes (ADIT) from its cost of service instead of flowing these previously accumulated ADIT balances to ratepayers. However, the FERC stated that the revised policy statement and such guidance do not establish a binding rule, but are instead expressions of general policy intent designed to provide guidance by notifying entities of the course of action the FERC intends to follow in future adjudications. To the extent the FERC addresses these issues

in future proceedings, it will consider any arguments regarding not only the application of the revised policy to the facts of the case, but also any arguments regarding the underlying validity of the policy itself.

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On March 15, 2018, the FERC also issued a Notice of Proposed Rulemaking proposing a filing process that will allow it to determine which natural gas pipelines may be collecting unjust and unreasonable rates in light of the recent reduction in the corporate income tax rate as a result of Tax Reform and the FERC's revised policy statement regarding MLPs. On July 18, 2018, the FERC issued a Final Rule in the docket, retaining the filing process and reaffirming the options that pipelines have to either reflect the reduced tax rate or explain why no rate change is necessary. FERC also clarified that a natural gas company organized as a pass-through entity all of whose income or losses are consolidated on the federal income tax return of its corporate parent is considered to be subject to the federal corporate income tax, and is thus eligible for a tax allowance.

On March 15, 2018, the FERC also issued a Notice of Inquiry seeking comments on the additional impacts of Tax Reform on jurisdictional rates, particularly whether, and if so how, the FERC should address changes relating to accumulated deferred income tax amounts after the corporate income tax rate reduction and bonus depreciation rules, and whether other features of Tax Reform require FERC action. Due to the foregoing, it is reasonably possible that future tariff-based rates collected by our interstate natural gas pipelines may be negatively impacted by such actions, which may have a material adverse effect on our business, financial condition, results of operations, and cash flows.

***We expect that certain aspects of Tax Reform, including regulatory liabilities relating to reduced corporate federal income tax rates, could adversely impact our financial condition and our future financial results.***

Certain of the rates we charge to our customers are subject to the rate-making policies of the FERC. These policies permit us to include in our cost-of-service an income tax allowance that includes a deferred income tax component. The recently enacted Tax Reform makes significant changes to the U.S. federal income tax rules applicable to both individuals and entities, including among other things, a reduction in corporate federal income tax rates. Although we expect the decreased federal income tax rates will require us to return amounts to certain customers for this item through future rates and have recognized a regulatory liability, the details of any regulatory implementation guidance remain uncertain.

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**USE OF PROCEEDS**

We intend to use the net proceeds of sales of shares of our common stock offered hereby, after deducting the sales agents' commissions and our offering expenses, for general corporate purposes, including repaying or refinancing a portion of our indebtedness outstanding and funding working capital, capital expenditures or acquisitions. For additional information regarding certain other relationships, please read "Plan of Distribution" in this prospectus supplement.

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**CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS**

The following is a summary of certain U.S. federal income tax considerations relating to the purchase, ownership and disposition of the shares of our common stock, as of the date hereof. This summary deals only with shares of our common stock purchased in this offering for cash and held as capital assets. Additionally, this summary does not deal with special situations. For example, this summary does not address:

tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, financial institutions, regulated investment companies, real estate investment trusts, expatriates, tax-exempt entities, traders in securities that elect to use a mark-to-market method of accounting for their securities, U.S. expatriates, controlled foreign corporations, passive foreign investment companies, or insurance companies;

tax consequences to persons holding shares of our common stock as part of a hedging, integrated, or conversion transaction or a straddle or persons deemed to sell shares of our common stock under the constructive sale provisions of the Code;

tax consequences to persons who at any time hold more than 5% of the total fair market value of any class of our stock;

tax consequences to U.S. holders of shares of our common stock whose functional currency is not the U.S. dollar;

tax consequences to partnerships or other pass-through entities for U.S. federal income tax purposes and investors in such entities; or

alternative minimum tax consequences, if any.

Finally, this summary does not address U.S. federal tax consequences other than income taxes (such as estate and gift tax consequences) or any state, local or foreign tax consequences.

The discussion below is based upon the provisions of the Code, and U.S. Treasury regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, or interpreted differently so as to result in U.S. federal income tax consequences different from those discussed below. This summary does not address all aspects of U.S. federal income taxation and does not deal with all tax consequences that may be relevant to holders in light of their personal circumstances.

If an entity (or arrangement) classified as a partnership for U.S. federal income tax purposes holds shares of our common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding shares of our common stock, you should consult your tax advisor.



If you are considering the purchase of shares of our common stock, you should consult your own tax advisors concerning the U.S. federal income tax consequences to you in light of your particular facts and circumstances and any consequences arising under the laws of any state, local, foreign or other taxing jurisdiction.

### **Consequences to U.S. Holders**

The following is a summary of the U.S. federal income tax consequences that will apply to a U.S. holder of shares of our common stock. U.S. holder means a beneficial owner of common stock for U.S. federal income tax purposes that is:

an individual citizen or resident of the United States;

a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

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an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust if (1) it is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

***Distributions***

A distribution in respect of shares of our common stock generally will be treated as a dividend to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Subject to certain holding period requirements, dividends that constitute qualified dividend income received by non-corporate U.S. holders generally will be subject to taxation at the lower applicable capital gains rate. If a U.S. holder is a U.S. corporation, it may be eligible to claim the deduction allowed to U.S. corporations in respect of dividends received from other U.S. corporations equal to a portion of any dividends received, subject to generally applicable limitations on that deduction.

If the distribution exceeds current and accumulated earnings and profits, the excess will be treated as a nontaxable return of capital reducing the U.S. holder's tax basis in the common stock to the extent of the U.S. holder's tax basis in that stock. Any remaining excess will be treated as capital gain from the sale or exchange of our common stock.

U.S. holders should consult their tax advisors regarding the holding period and other requirements that must be satisfied in order to qualify for the dividends-received deduction and the reduced maximum tax rate for qualified dividend income.

***Sale, Exchange, Certain Redemptions or Other Taxable Dispositions of our Common Stock***

Upon a sale, exchange, redemption (provided the redemption is treated as a sale or exchange for U.S. federal income tax purposes) or certain other taxable dispositions of our common stock, a U.S. holder generally will recognize capital gain or loss equal to the difference between (i) the amount of cash and the fair market value of any property received upon such taxable disposition and (ii) the U.S. holder's adjusted tax basis in the common stock. Such capital gain or loss will be long-term capital gain or loss if a U.S. holder's holding period in the common stock is more than one year at the time of the taxable disposition. In the case of certain non-corporate U.S. holders (including individuals), long-term capital gain generally will be subject to tax at a reduced rate of taxation. The deductibility of capital losses is subject to limitations.

***Medicare Tax***

A U.S. person that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the U.S. person's net investment income for the relevant taxable year and (2) the excess of the U.S. person's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000 depending on the individual's circumstances). Net investment income generally includes dividends and net gains from the disposition of our common stock, unless such dividend or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. holder that is an individual, estate or trust should consult its tax advisor regarding the applicability of the Medicare tax to its income and gains in respect of its investment in the common stock.

***Information Reporting and Backup Withholding***

When required, we or our paying agent will report to the U.S. holders of our common stock and to the IRS amounts paid on or with respect to the common stock during each calendar year and the amount of tax, if any, withheld from such payments. A U.S. holder will be subject to backup withholding on any dividends paid on our

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common stock and proceeds from the sale or other taxable disposition of our common stock at the applicable rate if the U.S. holder (a) fails to provide us or our paying agent with a correct taxpayer identification number or certification of exempt status, (b) has been notified by the IRS that it is subject to backup withholding as a result of the failure to properly report payments of interest or dividends, or (c) in certain circumstances, has failed to certify under penalty of perjury that it is not subject to backup withholding. A U.S. holder may be eligible for an exemption from backup withholding by providing a properly completed IRS Form W-9 to us or our paying agent. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability provided the required information is properly furnished to the IRS by the U.S. holder on a timely basis.

## **Consequences to Non-U.S. Holders**

The term "non-U.S. holder" means a beneficial owner of shares of common stock that is, for U.S. federal income tax purposes, an individual, corporation, trust or estate that is not a U.S. holder.

## ***Distributions***

Except as described in the next paragraph and subject to the discussions below of backup withholding and the Foreign Account Tax Compliance Act, any distributions treated as dividends (see "Consequences to U.S. Holders" "Distributions" above) paid to a non-U.S. holder with respect to the shares of our common stock will be subject to withholding tax at a 30% rate or such lower rate as specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish to us or our paying agent a valid IRS Form W-8BEN or W-8BEN-E (or suitable successor or substitute form) certifying such non-U.S. holder's qualification for the reduced rate. Non-U.S. holders that do not timely provide us or our paying agent with the required certification, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If a non-U.S. holder holds shares of our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on the shares of our common stock are effectively connected with such non-U.S. holder's United States trade or business (and if required by an applicable income tax treaty, attributable to a permanent establishment maintained by the non-U.S. holder in the United States), the non-U.S. holder will be exempt from U.S. federal withholding tax. To claim the exemption, the non-U.S. holder must generally furnish to us or our paying agent a properly executed IRS Form W-8ECI (or suitable successor or substitute form). However, dividends paid on shares of our common stock that are effectively connected with a non-U.S. holder's United States trade or business (and if required by an applicable income tax treaty, attributable to a permanent establishment maintained by the non-U.S. holder in the United States) generally will be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates in much the same manner as if such non-U.S. holder were a U.S. holder. Any such effectively connected dividends received by a foreign corporation may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or such lower rate as specified by an applicable income tax treaty.

Distributions in excess of our current and accumulated earnings and profits will first constitute a return of capital and reduce a Non-U.S. holder's basis in our common stock, but not below zero, and then will be treated as described under Sale, Exchange, Certain Redemptions or Other Taxable Dispositions of our Common Stock below.

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***Sale, Exchange, Certain Redemptions or Other Taxable Dispositions of our Common Stock***

Subject to the discussions below regarding backup withholding and the Foreign Account Tax Compliance Act, any gain realized by a non-U.S. holder upon the sale, exchange, redemption (provided the redemption is treated as a sale or exchange for U.S. federal income tax purposes) or other taxable disposition of shares of our common stock will not be subject to U.S. federal income tax with respect to such gain unless:

that gain is effectively connected with the conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment maintained by the non-U.S. holder);

the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or

we are or have been a U.S. real property holding corporation during the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period (the applicable statutory period) and either (a) our common stock is not regularly traded on an established securities market, or (b) our common stock is regularly traded on an established securities market, and the non-U.S. holder actually or constructively held more than 5% of our common stock at any time during the applicable statutory period. For this purpose, our common stock will be treated as regularly traded on an established securities market for a calendar quarter if either (1)(i) trades in our common stock are effected other than in de minimis quantities on at least 15 days during the quarter and (ii) the aggregate number of shares of our common stock traded is at least 7.5% of the average number of shares of our common stock outstanding during the quarter, or (2) our common stock is traded on an established securities market in the United States during which it is regularly quoted by brokers or dealers making a market in our common stock. We may be treated as a U.S. real property holding corporation for U.S. federal income tax purposes. However, our common stock is currently treated as regularly traded on an established securities market for this purpose.

A non-U.S. holder described in the first bullet point above will be subject to U.S. federal income tax on the net gain derived from the sale or other taxable disposition at the regular graduated rates generally in the same manner as a U.S. holder. If a non-U.S. holder is eligible for the benefits of a tax treaty between the United States and its country of residence, any such gain will be subject to U.S. federal income tax in the manner specified by the treaty. To claim the benefit of a treaty, a non-U.S. holder must properly submit an IRS Form W-8BEN or W-8BEN-E (or suitable successor or substitute form). A non-U.S. holder that is a foreign corporation and is described in the first bullet point above in addition may be subject to a branch profits tax equal to 30% of its effectively connected earnings and profits for that taxable year, or at a lower rate if so specified by an applicable income tax treaty.

An individual non-U.S. holder described in the second bullet point above will be subject to a flat 30% U.S. federal income tax on the gain derived from the sale, which may be offset by certain U.S. source capital losses (even though such holder is not considered a resident of the United States) provided such non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

If we are treated as a U.S. real property holding corporation and if gain from the sale or exchange of shares of our common stock is subject to tax based on our status as a U.S. real property holding corporation for one of the reasons stated above, the non-U.S. holder will be subject to U.S. federal income tax on the net gain generally in the same

manner as a U.S. holder and the transferee of such shares may be required to deduct and withhold a tax equal to 10% of the amount realized on the disposition, unless certain exceptions apply. Any tax withheld may be credited against the U.S. federal income tax owed by the non-U.S. holder for the year in which the sale or exchange occurs. Non-U.S. holders should consult their own advisors about the consequences that could result if we are, or become, a U.S. real property holding corporation.

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### ***Information Reporting and Backup Withholding***

Generally, we must report to the IRS and to non-U.S. holders the amount of dividends and non-dividend distributions paid to the non-U.S. holder and the amount of tax, if any, withheld with respect to those payments. Copies of the information returns reporting such payments and any withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty.

In general, a non-U.S. holder will not be subject to backup withholding with respect to payments of dividends that we make to the holder if the non-U.S. holder certifies under penalty of perjury that it is not a U.S. person (and we do not have actual knowledge or reason to know that the holder is a U.S. person, as defined under the Code) such as by furnishing a valid IRS form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. A non-U.S. holder will be subject to information reporting and, depending on the circumstances, backup withholding with respect to the proceeds of the sale or other disposition of shares of our common stock within the United States or conducted through certain U.S.-related payors, unless the payor of the proceeds receives the statement described above (and the payor does not have actual knowledge or reason to know that the holder is a U.S. person, as defined under the Code) or the holder otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

### **Foreign Account Tax Compliance Act**

The Foreign Account Tax Compliance Act (which we refer to as "FATCA") provides that a 30% withholding tax will be imposed on certain payments (including dividends as well as gross proceeds from sales or other dispositions of stock giving rise to such dividends) made to a foreign financial institution (as specifically defined in the Code) and certain other foreign entities if such entity fails to satisfy certain disclosure and reporting rules or otherwise qualify for an exemption from these rules. FATCA generally requires that (i) in the case of a foreign financial institution, the entity identifies and provides information in respect of financial accounts with such entity held (directly or indirectly) by U.S. persons and U.S.-owned foreign entities and (ii) in the case of a non-financial foreign entity, the entity identifies and provides information in respect of substantial U.S. owners of such entity. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (i) above, then pursuant to an agreement between it and the United States Treasury or an intergovernmental agreement between, generally, the jurisdiction in which it is resident and the United States Treasury, it must, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to non-compliant foreign financial institutions and certain other account holders.

The withholding provisions described above will apply to payment of dividends regardless of when they are made but generally not apply to payments of gross proceeds from a sale or other disposition of stock until on or after January 1, 2019. Investors should consult their tax advisors regarding FATCA and the regulations thereunder.

**The preceding discussion of certain U.S. federal income tax consequences is for general information only and is not tax advice. Accordingly, each investor should consult its own tax advisor as to particular tax consequences to it of purchasing, holding and disposing of shares of our common stock, including the applicability and effect of any state, local or foreign tax laws, and of any pending or subsequent changes in applicable laws.**

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**PLAN OF DISTRIBUTION**

We have entered into an equity distribution agreement with Citigroup Global Markets Inc., Barclays Capital Inc., CIBC World Markets Corp., Credit Agricole Securities (USA) Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, MUFG Securities Americas Inc., RBC Capital Markets, LLC, Scotia Capital (USA) Inc., SMBC Nikko Securities America, Inc., SunTrust Robinson Humphrey, Inc., TD Securities (USA) LLC and Wells Fargo Securities, LLC as our sales agents, under which we may offer and sell shares of our common stock having an aggregate offering price of up to \$1,000,000,000 from time to time. We have filed the equity distribution agreement as an exhibit to a Current Report on Form 8-K, which is incorporated by reference in this prospectus supplement. The sales, if any, of shares of our common stock under the equity distribution agreement will be made by means of ordinary brokers' transactions through the facilities of the NYSE or any other national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale and at market prices, in block transactions or as otherwise agreed between one or more of the sales agents and us. The sales agents will not engage in any transactions that stabilize the price of our common stock.

Under the terms of the equity distribution agreement, we may sell shares of our common stock to any sales agent as principal for its own account at a price agreed upon at the time of sale. If we sell shares of our common stock to any such sales agent as principal, we will enter into a separate terms agreement with such sales agent, and we will describe that agreement in a separate prospectus supplement or pricing supplement.

We will designate the maximum dollar amount of shares of our common stock to be sold through the sales agents on a daily basis or otherwise as we and the sales agents agree and the minimum price per share at which such common stock may be sold. The sales agents are not required to sell any specific dollar amount of shares but will use their commercially reasonable efforts, as our agents and subject to the terms and conditions of the equity distribution agreement, to sell shares as instructed by us. We may instruct the sales agents not to sell any shares of our common stock if the sales cannot be effected at or above the price designated by us in any such instruction. We or the sales agents may suspend any offering of shares of our common stock at any time and from time to time by notifying the other party.

The sales agents will provide to us written confirmation following the close of trading on the NYSE each day in which shares of our common stock are sold under the equity distribution agreement. Each confirmation will include the number of shares sold on that day, the gross sales proceeds and the net proceeds to us (after transaction fees, if any, but before other expenses). We will report at least quarterly the number of shares sold through the sales agents under the equity distribution agreement, the net proceeds to us (before expenses) and the commissions of the sales agents in connection with the sales of shares of our common stock.

The compensation of each of the sales agents for sales of shares of our common stock will be at a fixed commission rate of up to 2.0% of the gross sales price per share, depending upon the number of shares sold. We have agreed to reimburse the sales agents for certain of their expenses. We estimate that such expenses may be up to approximately \$500,000.

Settlement for sales of shares of our common stock will occur on the second business day following the date on which any sales were made in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

If we or the sales agents have reason to believe that shares of our common stock are no longer an actively-traded security as defined under Rule 101(c)(1) of Regulation M under the Exchange Act, that party will promptly notify the



other and sales of shares of our common stock pursuant to the equity distribution agreement will be suspended until in our collective judgment Rule 101(c)(1) or another exemptive provision has been satisfied.

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The offering of shares of our common stock pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of all shares subject to the equity distribution agreement or (2) the termination of the equity distribution agreement by us and/or by the sales agents.

In connection with the sale of shares of our common stock on our behalf, the sales agents may be deemed to each be an underwriter within the meaning of the Securities Act, and the compensation paid to the sales agents may be deemed to be underwriting commissions or discounts. We have agreed to provide indemnification and contribution to the sales agents against certain liabilities, including civil liabilities under the Securities Act.

## **Relationships / FINRA Conduct Rules**

Certain of the sales agents and their affiliates have engaged, and may in the future engage, in commercial banking, investment banking or financial advisory transactions with us and our affiliates, in the ordinary course of their business. Such sales agents and their affiliates have received, and may in the future receive, customary compensation and expense reimbursement for these commercial banking, investment banking or financial advisory transactions. In addition, certain of the sales agents and/or their affiliates participating in sales hereunder are agents, arrangers, bookrunners or lenders under our Credit Agreement. As of the date hereof, we have \$825 million in borrowings outstanding under the Credit Agreement.

Certain of the sales agents and their affiliates are Dealers under our CP Program. To the extent we use proceeds from any sales under this prospectus supplement to repay any of the CP Notes and such Dealers hold such CP Notes, such Dealers may receive proceeds from such sales under this prospectus supplement.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments, including serving as counterparties to certain derivative and hedging arrangements, and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve our securities and/or instruments. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **Indemnification**

We have agreed to indemnify the several sales agents against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the sales agents may be required to make for these liabilities.

## **Listing**

Our common stock is traded on the NYSE under the symbol WMB.

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**LEGAL MATTERS**

The validity of the shares offered hereby will be passed upon for us by Gibson, Dunn & Crutcher LLP. Certain legal matters in connection with the shares offered hereby will be passed upon for the sales agents by Shearman & Sterling LLP, New York, New York.

**EXPERTS**

The consolidated financial statements of The Williams Companies, Inc. appearing in the The Williams Companies, Inc.'s Current Report on Form 8-K dated May 3, 2018, including schedules appearing therein, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference which, as to the consolidated financial statements for the year 2017, is based in part on the report of PricewaterhouseCoopers LLP, and as to the consolidated financial statements for the years 2016 and 2015, is based in part on the report of Deloitte & Touche LLP, each an independent registered public accounting firm. The effectiveness of The Williams Companies, Inc.'s internal control over financial reporting as of December 31, 2017 appearing in The Williams Companies, Inc.'s Annual Report (Form 10-K) for the year ended December 31, 2017 has been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon the reports of Ernst & Young LLP, PricewaterhouseCoopers LLP and Deloitte & Touche LLP pertaining to such financial statements and upon the report of Ernst & Young LLP pertaining to the effectiveness of The Williams Companies, Inc.'s internal control over financial reporting as of the respective dates given on the authority of such firms as experts in accounting and auditing.

The audited financial statements of Gulfstream Natural Gas System, L.L.C., as of and for the year ended December 31, 2017, not separately presented in this prospectus, have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, whose report thereon is incorporated by reference. The audited financial statements of The Williams Companies, Inc., to the extent they relate to Gulfstream Natural Gas System, L.L.C., have been incorporated by reference in reliance on the report of such independent registered public accounting firm given on the authority of said firm as experts in auditing and accounting.

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**WHERE YOU CAN FIND MORE INFORMATION**

We have filed a registration statement with the SEC under the Securities Act that registers the offer and sale of shares of our common stock covered by this prospectus supplement. The registration statement, including the attached exhibits, contains additional relevant information about us. In addition, we file annual, quarterly and other reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the SEC's Public Reference Room. The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. Our SEC filings are available on the SEC's website at <http://www.sec.gov>. Unless specifically listed below, the information contained on the SEC website is not intended to be incorporated by reference in this prospectus supplement and you should not consider that information a part of this prospectus supplement. You also can obtain information about us at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

**INCORPORATION BY REFERENCE**

The SEC allows us to incorporate by reference the information we have filed with the SEC. This means that we can disclose important information to you without actually including the specific information in this prospectus supplement or the accompanying base prospectus by referring you to other documents filed separately with the SEC. The information incorporated by reference is an important part of this prospectus supplement and the accompanying base prospectus. Information that we later provide to the SEC, and which is deemed to be filed with the SEC, will automatically update information previously filed with the SEC, and may replace information in this prospectus supplement and the accompanying base prospectus and information previously filed with the SEC.

We incorporate by reference in this prospectus supplement the following documents that we have previously filed with the SEC:

our Annual Report on Form 10-K (File No. 1-04174) for the year ended December 31, 2017, filed on February 22, 2018, as revised by our Current Report on Form 8-K filed on May 3, 2018, which revised Items 6, 7, 7A, and 8 of the Form 10-K and Exhibit 12 thereto;

our Quarterly Reports on Form 10-Q (File No. 1-04174) for the quarterly periods ended March 31, 2018 and June 30, 2018, filed with the SEC on May 3, 2018 and August 2, 2018, respectively;

our Current Reports on Form 8-K (File No. 1-04174) filed with the SEC on February 26, 2018, March 15, 2018, May 3, 2018, May 11, 2018, May 17, 2018, June 5, 2018, July 17, 2018 and August 6, 2018 (excluding for all such Current Reports the information, if any, furnished under Item 7.01 thereof and corresponding information furnished under Item 9.01 or included as an exhibit thereto); and

The description of our common stock, par value \$1.00 per share, contained in our Registration Statement on Form 8-B (File No. 1-04174) filed on August 20, 1987, and any subsequent amendments or reports filed for the purpose of updating such description.

These reports contain important information about us, our financial condition and our results of operations.

All documents that we file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and prior to the termination of sales hereunder will also be deemed to be incorporated herein by reference and will automatically update and supersede information in this prospectus supplement. Nothing in this prospectus supplement shall be deemed to incorporate information furnished to, but not filed with, the SEC pursuant to Item 2.02 or Item 7.01 of Form 8-K (or corresponding information furnished under Item 9.01 or included as an exhibit).

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We make available free of charge on or through our Internet website, <http://co.williams.com>, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our Internet website is not part of this prospectus supplement and does not constitute a part of this prospectus supplement.

You may obtain any of the documents incorporated by reference in this prospectus supplement from the SEC through the SEC's website at the address provided above. You also may request a copy of any document incorporated by reference in this prospectus supplement (excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference in this prospectus supplement), at no cost, by visiting our Internet website at <http://co.williams.com>, or by writing or calling us at the following address:

Investor Relations

The Williams Companies, Inc.

One Williams Center

Tulsa, Oklahoma 74172-0172

Telephone: (918) 573-2078

We have not, and the sales agents have not, authorized anyone to provide you with any information other than in this prospectus and the information incorporated by reference herein. We take no responsibility for, and can provide no assurances as to the reliability of, any other information that others may give you. You should not assume that the information incorporated by reference or provided in this prospectus supplement is accurate as of any date other than the dates shown on the front of each document.

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**PROSPECTUS**

**THE WILLIAMS COMPANIES, INC.**

**DEBT SECURITIES**

**PREFERRED STOCK**

**COMMON STOCK**

**PURCHASE CONTRACTS**

**WARRANTS**

**UNITS**

We or selling securityholders to be named in a prospectus supplement may from time to time offer to sell debt securities, preferred stock, common stock, purchase contracts, warrants, or units. This prospectus describes some of the general terms that may apply to these securities and the general manner in which they may be offered. Each time we or a selling securityholder sells securities pursuant to this prospectus, we will provide a supplement to this prospectus that contains specific information about the offering and the specific terms of the securities offered. You should read this prospectus, the applicable prospectus supplement and the documents incorporated by reference herein and therein carefully before you invest in our securities.

Our common stock is listed on the New York Stock Exchange under the ticker symbol **WMB**.

We or selling securityholders will sell these securities directly to investors, or through agents, dealers, or underwriters as designated from time to time, or through a combination of these methods, on a continuous or delayed basis.

This prospectus may not be used to sell our securities unless it is accompanied by the applicable prospectus supplement.

We have not authorized anyone to provide you with any information or to make any representation that is different from, or in addition to, the information contained in this prospectus or any prospectus supplement. We take no responsibility for, and can provide no assurances as to the reliability of, any other information that others may give you or representations that others may make. We are not making an offer to sell or soliciting an offer to buy any securities other than the securities described in this prospectus and any applicable prospectus supplement. We are not making an offer to sell or soliciting an offer to buy any of these securities in any state or jurisdiction where the offer is not permitted or in any circumstances in which such offer or solicitation is unlawful. You should not assume that the information contained or incorporated by reference in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents.

**Investing in our securities involves a high degree of risk. See **Risk Factors** contained in Page 2 herein, in the applicable prospectus supplement and in the documents incorporated by reference herein and therein.**

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

The date of this prospectus is February 22, 2018.



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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement on Form S-3 we filed with the Securities and Exchange Commission ( SEC ) using a shelf registration process. We or selling securityholders to be named in a prospectus supplement may sell any combination of the securities described in this prospectus from time to time, either separately or in units, in one or more offerings.

Each time we or selling securityholders sell securities pursuant to this prospectus, we will describe in a prospectus supplement, which will be delivered with this prospectus, specific information about the offering and the terms of the particular securities offered.

In addition, the prospectus supplement may also add, update, or change the information contained in this prospectus. If there is any inconsistency between the information contained in this prospectus and any information incorporated by reference herein, on the one hand, and the information contained in any applicable prospectus supplement or incorporated by reference therein, on the other hand, you should rely on the information in the applicable prospectus supplement or incorporated by reference therein.

Wherever references are made in this prospectus to information that will be included in a prospectus supplement, to the extent permitted by applicable law, rules, or regulations, we may instead include such information or add, update, or change the information contained in this prospectus by means of a post-effective amendment to the registration statement of which this prospectus is a part, through filings we make with the SEC that are incorporated by reference into this prospectus or by any other method as may then be permitted under applicable law, rules, or regulations.

Statements made in this prospectus, in any prospectus supplement, or in any document incorporated by reference in this prospectus or any prospectus supplement as to the contents of any contract or other document are not necessarily complete. In each instance we refer you to the copy of the contract or other document filed as an exhibit to the registration statement of which this prospectus is a part or as an exhibit to the documents incorporated by reference. You may obtain copies of those documents as described below under Where You Can Find More Information.

**Neither the delivery of this prospectus nor any sale made under it implies that there has been no change in our affairs or that the information in this prospectus is correct as of any date after the date of this prospectus. You should not assume that the information in this prospectus, including any information incorporated in this prospectus by reference, the accompanying prospectus supplement, or any free writing prospectus prepared by us, is accurate as of any date other than the date on the front of those documents. Our business, financial condition, results of operations, and prospects may have changed since that date.**

We have not authorized anyone to provide you with any information or to make any representation that is different from, or in addition to, the information contained or incorporated by reference in this prospectus or any prospectus supplement. We take no responsibility for, and can provide no assurances as to the reliability of, any other information that others may give you or representations that others may make. We are not making an offer to sell securities in any jurisdiction where the offer or sale of such securities is not permitted.

In this prospectus, Williams (which includes The Williams Companies, Inc. and, unless the context otherwise requires, all of our subsidiaries) is at times referred to in the first person as we, us, or our. We also sometimes refer to Williams as the Company.



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**ABOUT THE WILLIAMS COMPANIES, INC.**

We are an energy infrastructure company focused on connecting North America's significant hydrocarbon resource plays to markets for natural gas and natural gas liquids. Our operations are located principally in the United States.

As of December 31, 2017, our interstate gas pipelines and midstream interests were largely held through our significant investment in Williams Partners L.P. ( WPZ ). We own a 74 percent limited partner interest in WPZ.

We were founded in 1908, originally incorporated under the laws of the state of Nevada in 1949 and reincorporated under the laws of the state of Delaware in 1987. Our principal executive offices are located at One Williams Center, Tulsa, Oklahoma 74172, and our telephone number is (918) 573-2000.

**RISK FACTORS**

Investing in the securities described herein involves risk. We urge you to carefully consider the risk factors described in our filings with the SEC that are incorporated by reference in this prospectus and any prospectus supplement or free writing prospectus used in connection with an offering of our securities, as well as the information relating to us identified below under Special Note Regarding Forward-Looking Statements, before making an investment decision.

**WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act ), and file reports and other information with the SEC. The public may read and copy any reports or other information that we file with the SEC at the SEC's public reference room, 100 F Street N.E., Washington, D.C. 20549-2521. The public may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. Our SEC filings are also available to the public from commercial document retrieval services and at the website maintained by the SEC at <http://www.sec.gov>. Unless specifically listed under Incorporation by Reference below, the information contained on the SEC website is not intended to be incorporated by reference into this prospectus and you should not consider that information a part of this prospectus.

Our SEC filings can also be inspected and copied at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. We will also provide to you, at no cost, a copy of any document incorporated by reference in this prospectus and the applicable prospectus supplement and any exhibits specifically incorporated by reference into those documents. You may request copies of these filings from us by mail at the following address, or by telephone at the following telephone number:

**The Williams Companies, Inc.**

**Investor Relations**

**One Williams Center**

**Tulsa, Oklahoma 74172-0172**

**Telephone Number: (918) 573-2000**

We make available free of charge on or through our Internet website, <http://www.williams.com>, our reports and other information filed with or furnished to the SEC as referred to above and amendments to those reports filed or furnished

pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our website is not intended to be incorporated by reference into this prospectus and you should not consider that information a part of this prospectus.

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**INCORPORATION BY REFERENCE**

We are incorporating by reference into this prospectus information we file with the SEC, which means we are disclosing important information to you by referring you to those documents. The information we incorporate by reference is considered to be part of this prospectus, unless we update or supersede that information by the information contained in this prospectus or the information we file subsequently that is incorporated by reference into this prospectus or any prospectus supplement. Information that we later provide to the SEC, and that is deemed to be filed with the SEC, automatically will update information previously filed with the SEC, and may replace information in this prospectus.

We are incorporating by reference the following documents that we have filed with the SEC:

our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed with the SEC on February 22, 2018;

the information specifically incorporated by reference into our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 from our definitive proxy statement (other than information furnished rather than filed) for the 2017 Annual Meeting of Stockholders, which was filed with the SEC on April 4, 2017; and

the description of our common stock, par value \$1.00 per share, contained in our Registration Statement on Form 8-B filed on August 20, 1987 (File No. 001-04174), including any amendments or reports filed for the purpose of updating the description of our common stock.

These documents contain important information about us, our financial condition and our results of operations.

All documents that we file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and prior to the termination of all offerings made pursuant to this prospectus and the applicable prospectus supplement also will be deemed to be incorporated herein by reference. Nothing in this prospectus shall be deemed to incorporate information furnished to but not filed with the SEC, including pursuant to Item 2.02 or Item 7.01 of Form 8-K (or corresponding information furnished under Item 9.01 or included as an exhibit).

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain matters contained or incorporated by reference in this prospectus and the applicable prospectus supplement include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements relate to anticipated financial performance, management's plans and objectives for future operations, business prospects, outcome of regulatory proceedings, market conditions and other matters. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995.

All statements, other than statements of historical facts, included in this prospectus that address activities, events or developments that we expect, believe or anticipate will exist or may occur in the future, are forward-looking statements. Forward-looking statements can be identified by various forms of words such as anticipates, believes, seeks, could, may, should, continues, estimates, expects, forecasts, intends, might, goals, objectives, potential, projects, scheduled, will, assumes, guidance, outlook, in-service date, or other similar expressions. Forward-looking statements, as of the day they were made, were based on management's beliefs and assumptions and on information available to management and include, among others, statements regarding:

expected levels of cash distributions by WPZ with respect to limited partner interests;

levels of dividends to Williams stockholders;

future credit ratings of Williams, WPZ, and their affiliates;

amounts and nature of future capital expenditures;

expansion and growth of our business and operations;

expected in-service dates for capital projects;

financial condition and liquidity;

business strategy;

cash flow from operations or results of operations;

seasonality of certain business components;

natural gas and natural gas liquids prices, supply, and demand; and

demand for our services.

Forward-looking statements are based on numerous assumptions, uncertainties, and risks that could cause future events or results to be materially different from those stated or implied in this prospectus or in the documents incorporated herein by reference. Many of the factors that will determine these results are beyond our ability to control or predict. Specific factors that could cause actual results to differ from results contemplated by the forward-looking statements include, among others, the following:

whether WPZ will produce sufficient cash flows to provide expected levels of cash distributions;

whether we are able to pay current and expected levels of dividends;

whether WPZ elects to pay expected levels of cash distributions and we elect to pay expected levels of dividends;

whether we will be able to effectively execute our financing plan;

availability of supplies, including lower than anticipated volumes from third parties served by our midstream business, and market demand;



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volatility of pricing including the effect of lower than anticipated energy commodity prices and margins;

inflation, interest rates, and general economic conditions (including future disruptions and volatility in the global credit markets and the impact of these events on our customers and suppliers);

the strength and financial resources of our competitors and the effects of competition;

whether we are able to successfully identify, evaluate, and timely execute our capital projects and other investment opportunities in accordance with our forecasted capital expenditures budget;

our ability to successfully expand our facilities and operations;

development and rate of adoption of alternative energy sources;

the impact of operational and developmental hazards and unforeseen interruptions, and the availability of adequate insurance coverage;

the impact of existing and future laws (including, but not limited to, the Tax Cuts and Jobs Act of 2017), regulations, the regulatory environment, environmental liabilities, and litigation, as well as our ability to obtain necessary permits and approvals and achieve favorable rate proceeding outcomes;

our costs and funding obligations for defined benefit pension plans and other postretirement benefit plans;

changes in maintenance and construction costs;

changes in the current geopolitical situation;

our exposure to the credit risk of our customers and counterparties;

risks related to financing, including restrictions stemming from debt agreements, future changes in credit ratings as determined by nationally-recognized credit rating agencies, and the availability and cost of capital;

the amount of cash distributions from and capital requirements of our investments and joint ventures in which we participate;

risks associated with weather and natural phenomena, including climate conditions and physical damage to our facilities;

acts of terrorism, including cybersecurity threats and related disruptions; and

additional risks described in our filings with the SEC.

Given the uncertainties and risk factors that could cause our actual results to differ materially from those contained in any forward-looking statement, we caution investors not to unduly rely on our forward-looking statements. We disclaim any obligations to and do not intend to update the above list or to announce publicly the result of any revisions to any of the forward-looking statements to reflect future events or developments.

In addition to causing our actual results to differ, the factors listed above and described in the documents incorporated by reference herein may cause our intentions to change from those statements of intention set forth or incorporated by reference in this prospectus and the applicable prospectus supplement. Such changes in our intentions may also cause our results to differ. We may change our intentions, at any time and without notice, based upon changes in such factors, our assumptions, or otherwise.

Because forward-looking statements involve risks and uncertainties, we caution that there are important factors, in addition to those listed above and described in the documents incorporated by reference herein, that may cause actual results to differ materially from those contained in the forward-looking statements. These factors include the risks set forth under the caption **Risk Factors** in this prospectus and in the documents incorporated by reference in this prospectus and the applicable prospectus supplement.

**Table of Contents****USE OF PROCEEDS**

We intend to use the net proceeds we receive from the sale of securities by us as set forth in the applicable prospectus supplement. We will not receive any proceeds from the sale of securities by selling securityholders.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our consolidated ratio of earnings to fixed charges for each of the periods indicated.

	<b>Year Ended December 31,</b>				
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Ratio of Earnings to Fixed Charges(a)	1.75	0.94	*	5.13	2.75

- (a) The ratio has been computed by dividing earnings by fixed charges. For purposes of computing these ratios, earnings means the following: income from continuing operations before income taxes, less equity earnings; plus fixed charges (discussed below) and an adjustment to reflect actual distributions from equity investments; less capitalized interest. Fixed charges means the sum of interest accrued and that portion of rental expense that we believe to represent an interest factor.

\* Earnings were inadequate to cover fixed charges by \$1,505 million for 2015.

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**DESCRIPTION OF DEBT SECURITIES**

The following sets forth certain general terms and provisions of the base indenture under which the debt securities are to be issued, unless otherwise specified in a prospectus supplement. The particular terms of the debt securities to be sold will be set forth in a prospectus supplement relating to such debt securities.

The debt securities will represent unsecured general obligations of the Company, unless otherwise provided in the prospectus supplement. As indicated in the applicable prospectus supplement, the debt securities will either be senior debt or subordinated debt. Unless otherwise specified in the applicable prospectus supplement, the debt securities will be issued under an indenture, dated as of December 18, 2012, between us and The Bank of New York Mellon Trust Company, N.A. that has been filed as an exhibit to the registration statement of which this prospectus is a part, subject to such amendments or supplemental indentures as are adopted from time to time. The following summary of certain provisions of that indenture does not purport to be complete and is subject to, and qualified in its entirety by, reference to all the provisions of that indenture, including the definitions therein of certain terms. Wherever particular sections or defined terms of the indenture are referred to, it is intended that such sections or defined terms shall be incorporated herein by reference.

**General**

The indenture does not limit the amount of debt securities that may be issued thereunder. The applicable prospectus supplement with respect to any debt securities will set forth the following terms of the debt securities offered pursuant thereto:

the title and series of such debt securities;

any limit upon the aggregate principal amount of such debt securities of such series;

whether such debt securities will be in global or other form;

the date or dates and method or methods by which principal and any premium on such debt securities is payable;

the interest rate or rates (or method by which such rate will be determined), if any;

the dates on which any such interest will be payable and the method of payment;

whether and under what circumstances any additional amounts are payable with respect to such debt securities;

the notice, if any, to holders of such debt securities regarding the determination of interest on a floating rate debt security;

the basis upon which interest on such debt securities shall be calculated, if other than that of a 360 day year of twelve 30-day months;

the place or places where the principal of and interest or additional amounts, if any, on such debt securities will be payable;

any redemption or sinking fund provisions, or the terms of any repurchase at the option of the holder of the debt securities;

the denominations of such debt securities, if other than \$1,000 and integral multiples thereof;

any rights of the holders of such debt securities to convert the debt securities into other securities or property;

the terms, if any, on which payment of principal or any premium, interest or additional amounts on such debt securities will be payable in a currency other than U.S. dollars;

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the terms, if any, by which the amount of payments of principal or any premium, interest or additional amounts on such debt securities may be determined by reference to an index, formula, financial or economic measure or other methods;

if other than the principal amount thereof, the portion of the principal amount of such debt securities that will be payable upon declaration of acceleration of the maturity thereof or provable in bankruptcy;

any events of default or covenants in addition to or in lieu of those described herein and remedies therefor;

whether such debt securities will be subject to defeasance or covenant defeasance;

the terms, if any, upon which such debt securities are to be issuable upon the exercise of warrants;

any trustees other than The Bank of New York Mellon Trust Company, N.A., and any authenticating or paying agents, transfer agents or registrars or any other agents with respect to such debt securities;

the terms, if any, on which such debt securities will be subordinate to other debt of the Company;

whether such debt securities will be guaranteed and the terms thereof;

whether such debt securities will be secured by collateral and the terms of such security; and

any other specific terms of such debt securities and any other deletions from or additions to or modifications of the indenture with respect to such debt securities.

Debt securities may be presented for exchange, conversion or transfer in the manner, at the places and subject to the restrictions set forth in the debt securities and the prospectus supplement. Such services will be provided without charge, other than any tax or other governmental charge payable in connection therewith, but subject to the limitations provided in the indenture.

The indenture does not contain any covenant or other specific provision affording protection to holders of the debt securities in the event of a highly leveraged transaction or a change in control of the Company, except to the limited extent described below under Consolidation, Merger and Sale of Assets.

**Modification and Waiver**

The indenture provides that supplements to the indenture and the applicable supplemental indentures may be made by the Company and the trustee for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the indenture or of modifying in any manner the rights of the holders of debt securities of a series under the indenture or the debt securities of such series, with the consent of the holders of a majority (or such greater

amount as is provided for a particular series of debt securities) in principal amount of the outstanding debt securities issued under such indenture that are affected by the supplemental indenture, voting as a single class; provided that no such supplemental indenture may, without the consent of the holder of each such debt security affected thereby, among other things:

- (a) change the stated maturity of the principal of, or any premium or installment of interest on or any additional amounts with respect to, any such debt securities, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest or any additional amounts thereon, or reduce any premium payable on redemption thereof or otherwise, or reduce the amount of the principal of debt securities issued with original issue discount that would be due and payable upon an acceleration of the maturity thereof or the amount thereof provable in bankruptcy, or change the redemption provisions or adversely affect the right of repayment at the option of the holder, or change the place of payment or the currency in which the principal of, or any premium, interest or additional amounts with respect to any debt security is payable, or impair the right of any holder of debt securities to institute suit for the payment after such payment is due (except a rescission and annulment of acceleration with respect to a series of debt securities by the holders of at least a majority in aggregate principal amount of the then outstanding debt securities of such series and a waiver of the payment default that resulted from such acceleration);

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- (b) reduce the percentage in principal amount of the outstanding debt securities of any series, the consent of the holders of which is required for any such supplemental indenture, or the consent of whose holders is required for any waiver or reduce the quorum required for voting;
- (c) modify any of the provisions of the sections of such indenture relating to supplemental indentures with the consent of the holders, waivers of past defaults or securities redeemed in part, except to increase any percentage set forth in such sections or to provide that certain other provisions of such indenture cannot be modified or waived without the consent of each holder affected thereby; or

- (d) make any change that adversely affects the right to convert or exchange any security into or for common stock or other securities, cash or other property in accordance with the terms of the applicable debt security.

The indenture provides that a supplemental indenture that changes or eliminates any covenant or other provision of the indenture that has expressly been included solely for the benefit of one or more particular series of debt securities, or that modifies the rights of the holders of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under the indenture of the holders of debt securities of any other series.

The indenture provides that the Company and the applicable trustee may, without the consent of the holders of any series of debt securities issued thereunder, enter into additional supplemental indentures for one of the following purposes:

- (a) to evidence the succession of another person to the Company and the assumption by any such successor of the covenants of the Company in such indenture and in the debt securities issued thereunder;
- (b) to add to the covenants of the Company for the benefit of the holders of all or any series of debt securities or to surrender any right or power conferred on the Company pursuant to the indenture;
- (c) to establish the form and terms of debt securities issued thereunder;
- (d) to evidence and provide for a successor trustee under such indenture with respect to one or more series of debt securities issued thereunder or to provide for or facilitate the administration of the trusts under such indenture by more than one trustee;
- (e) to cure any ambiguity, to correct or supplement any provision in the indenture that may be defective or inconsistent with any other provision of the indenture or to make any other provisions with respect to matters or questions arising under such indenture; provided that no such action pursuant to this clause (e) shall adversely affect the interests of the holders of any series of debt securities issued thereunder in any material respect;

- (f)



to add to, delete from or revise the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of securities under the indenture;

- (g) to add any additional events of default with respect to all or any series of debt securities;
- (h) to supplement any of the provisions of the indenture as may be necessary to permit or facilitate the defeasance and discharge of any series of debt securities, provided that such action does not adversely affect the interests of any holder of an outstanding debt security of such series or any other security in any material respect;
- (i) to make provisions with respect to the conversion or exchange rights of holders of debt securities of any series;
- (j) to convey, transfer, assign, mortgage or pledge to the trustee as security for the debt securities of any series any property or assets;

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- (k) to add guarantees in respect of the debt securities of one or more series and to provide for the terms and conditions of release thereof;
- (l) to change or eliminate any of the provisions of the indenture, provided that any such change or elimination become effective only when there is no security of any series outstanding created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision;
- (m) to provide for certificated securities in addition to or in place of global securities;
- (n) to qualify such indenture under the Trust Indenture Act of 1939, as amended;
- (o) with respect to the debt securities of any series, to conform the text of the indenture or the debt securities of such series to any provision of the description thereof in the Company's offering memorandum or prospectus relating to the initial offering of such debt securities, to the extent that such provision, in the good faith judgment of the Company, was intended to be a verbatim recitation of a provision of the indenture or such securities; or
- (p) to make any other change that does not adversely affect the rights of holders of any series of debt securities issued thereunder in any material respect.

**Events of Default**

Unless otherwise provided in any prospectus supplement, the following will be events of default under the indenture with respect to each series of debt securities issued thereunder:

- (a) default for 30 days in the payment when due of interest on, or any additional amount in respect of, any series of debt securities;
- (b) default in the payment of principal or any premium on any series of the debt securities outstanding under the indenture when due;
- (c) default in the deposit, if any, of any sinking fund payment when and as due by the terms of any debt security of such series, subject to any cure period that may be specified in any debt security of such series;
- (d) failure by the Company to observe or perform any other of the covenants or agreements with respect to that series contained in such debt securities for 60 days after receipt of written notice from the trustee upon instruction from holders of at least 25% in principal amount of the then outstanding debt securities of such series to comply with any of the other agreements in the indenture and stating that such notice is a Notice of Default under the indenture; provided, that if such failure cannot be remedied within such 60-day period,

such period shall be automatically extended by another 60 days so long as (i) such failure is subject to cure and (ii) the Company is using commercially reasonable efforts to cure such failure; and provided, further, that a failure to comply with any such other agreement in the indenture that results from a change in generally accepted accounting principles shall not be deemed to be an event of default;

(e) certain events of bankruptcy, insolvency or reorganization of the Company; and

(f) any other event of default provided in or pursuant to the indenture with respect to a particular series of debt securities, provided that such event of default that results from a change in generally accepted accounting principles shall not be deemed to be an event of default.

In case an event of default specified in clause (a) or (b) above shall occur and be continuing with respect to any series of debt securities, holders of at least 25%, and in case an event of default specified in any clause other than clause (a), (b) or (e) above shall occur and be continuing with respect to any series of debt securities, holders of at least a majority, in aggregate principal amount of the debt securities of such series then outstanding may declare the principal (or, in the case of discounted debt securities, the amount specified in the terms thereof) of

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such series to be due and payable immediately. If an event of default described in (e) above shall occur and be continuing then the principal (or, in the case of discounted debt securities, the amount specified in the terms thereof) of all the debt securities outstanding shall automatically become due and payable, without notice or other action by any holder or the applicable trustee, to the full extent permitted by law. Any past or existing default or event of default with respect to particular series of debt securities and its consequences under such indenture may be waived by the holders of a majority in principal amount of the outstanding debt securities of such series, except in each case a continuing default (1) in the payment of the principal of, any premium or interest on, or any additional amounts with respect to, any debt security of such series, or (2) in respect of a covenant or provision which cannot be modified or amended without the consent of each holder affected thereby.

The indenture provides that the applicable trustee may withhold notice to the holders of any default with respect to any series of debt securities (except in payment of principal of or interest or premium on, or additional amounts or sinking fund or purchase fund installment in respect of, the debt securities) if the board of directors, the executive committee or a trust committee of directors or responsible officers of the applicable trustee considers it in the interest of holders to do so.

The indenture contains a provision entitling the applicable trustee to be indemnified by the holders before proceeding to exercise any trust or power under the indenture at the request of such holders. The indenture provides that the holders of a majority in aggregate principal amount of the then outstanding debt securities of any series may direct the time, method and place of conducting any proceedings for any remedy available to the applicable trustee or exercising any trust or power conferred upon the applicable trustee with respect to the debt securities of such series; provided, however, that the applicable trustee may decline to follow any such direction if, among other reasons, the applicable trustee determines in good faith that the actions or proceedings as directed may not lawfully be taken or would be unduly prejudicial to the holders of the debt securities of such series not joining in such direction. The right of a holder to institute a proceeding with respect to a series of debt securities will be subject to certain conditions precedent including, without limitation, that in case of an event of default specified in clause (a), (b) or (e) of the first paragraph above under Events of Default, holders of at least 25%, or in case of an event of default other than specified in clause (a), (b) or (e) of the first paragraph above under Events of Default, holders of at least a majority, in aggregate principal amount of the debt securities of such series then outstanding make a written request upon the applicable trustee to exercise its powers under such indenture, indemnify the applicable trustee and afford the applicable trustee reasonable opportunity to act. Notwithstanding the foregoing, the holder has an absolute right to receipt of the principal of, premium, if any, and interest or additional amounts when due on the debt securities, to require conversion of debt securities if such indenture provides for convertibility at the option of the holder and to institute suit for the enforcement thereof.

## **Consolidation, Merger and Sale of Assets**

The indenture provides that the Company may not directly or indirectly consolidate with or merge with or into, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets and properties and the assets and properties of its subsidiaries (taken as a whole) to another person in one or more related transactions unless the successor person is a person organized under the laws of any domestic jurisdiction and assumes the Company's obligations on the debt securities issued thereunder, and under the indenture, and after giving effect thereto no event of default, and no event that, after notice or lapse of time or both, would become an event of default, shall have occurred and be continuing, and that certain other conditions are met.

## **Certain Covenants**

*Payment of Principal, any Premium, Interest or Additional Amounts*

The Company will duly and punctually pay the principal of, and premium and interest on or any additional amounts payable with respect to, any debt securities of any series in accordance with their terms.

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### *Maintenance of Office or Agency*

The Company will be required to maintain an office or agency in each place of payment for each series of debt securities for notice and demand purposes and for the purposes of presenting or surrendering debt securities for payment, registration of transfer, or exchange.

### *Reports*

So long as any debt securities of a particular series are outstanding, the Company will file with the Trustee, within 30 days after the Company has filed the same with the Commission, unless such reports are available on the Commission's EDGAR filing system (or any successor thereto), copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if the Company is not required to file information, documents or reports pursuant to either of said Sections, then it shall file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations.

### *Additional Covenants*

Any additional covenants of the Company with respect to any series of debt securities will be set forth in the prospectus supplement relating thereto.

## **Conversion Rights**

The terms and conditions, if any, upon which the debt securities are convertible into common stock or preferred stock will be set forth in the applicable prospectus supplement relating thereto. Such terms will include the conversion price (or manner of calculation thereof), the conversion period, provisions as to whether conversion will be at the option of the holders or the Company, the events requiring an adjustment of the conversion price and provisions affecting conversion in the event of redemption of such debt securities and any restrictions on conversion.

## **Redemption; Repurchase at the Option of the Holder; Sinking Fund**

The terms and conditions, if any, upon which (a) the debt securities are redeemable at the option of the Company, (b) the holder of debt securities may cause the Company to repurchase such debt securities or (c) the debt securities are subject to any sinking fund will be set forth in the applicable prospectus supplement relating thereto.

## **Repurchases on the Open Market**

The Company or any affiliate of the Company may at any time or from time to time repurchase any debt security in the open market or otherwise. Such debt securities may, at the option of the Company or the relevant affiliate of the Company, be held, resold or surrendered to the trustee for cancellation.

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### **Discharge, Defeasance and Covenant Defeasance**

The indenture provides, with respect to each series of debt securities issued thereunder, that the Company may satisfy and discharge its obligations under such debt securities of a series and such indenture with respect to debt securities of such series if:

- (a) all debt securities of such series previously authenticated and delivered, with certain exceptions, have been accepted by the applicable trustee for cancellation; or
- (b) (i) the debt securities of such series have become due and payable, will become due and payable at their stated maturity within one year, or are to be called for redemption within one year under arrangements satisfactory to the applicable trustee for giving the notice of redemption and the Company irrevocably deposits in trust with the applicable trustee, as trust funds solely for the benefit of the holders of such debt securities, for that purpose, money or governmental obligations or a combination thereof sufficient (in the opinion of a nationally recognized independent registered public accounting firm expressed in a written certification thereof delivered to the applicable trustee) to pay and discharge the entire indebtedness on the debt securities of such series to the date of such deposit or to the maturity, as the case may be, and pays all other sums payable by it under such indenture; and
- (ii) the Company delivers to the applicable trustee an officers' certificate and an opinion of counsel, in each case stating that all conditions precedent provided for in such indenture relating to the satisfaction and discharge of such indenture with respect to the debt securities of such series have been complied with.

Notwithstanding such satisfaction and discharge, the obligations of the Company to compensate and indemnify the trustee, to pay additional amounts, if any, in respect of debt securities in certain circumstances and to convert or exchange debt securities pursuant to the terms thereof and the obligations of the Company and the trustee to hold funds in trust and to apply such funds pursuant to the terms of the indenture, with respect to issuing temporary debt securities, with respect to the registration, transfer and exchange of debt securities, with respect to the replacement of mutilated, destroyed, lost or stolen debt securities and with respect to the maintenance of an office or agency for payment, shall in each case survive such satisfaction and discharge.

Unless inapplicable to debt securities of a series pursuant to the terms thereof, the indenture provides that (i) the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the debt securities issued thereunder of any series, and the provisions of such indenture will, except as noted below, no longer be in effect with respect to the debt securities of such series ( defeasance ) and (ii) (1) the Company may omit to comply with the covenant under Consolidation, Merger and Sale of Assets and any other additional covenants established pursuant to the terms of such series, and such omission shall be deemed not to be an event of default under clause (d) or (f) of the first paragraph of Events of Default and (2) the occurrence of any event described in clause (f) of the first paragraph of Events of Default shall not be deemed to be an event of default, in each case with respect to the outstanding debt securities of such series ((1) and (2) of this clause (ii), covenant defeasance ); provided that the following conditions shall have been satisfied with respect to such series:

- (a)

the Company has irrevocably deposited in trust with the applicable trustee as trust funds solely for the benefit of the holders of the debt securities of such series, for the purpose of making the following payments, money or government obligations or a combination thereof sufficient (in the opinion of a nationally recognized independent registered public accounting firm expressed in a written certification thereof delivered to the applicable trustee), without consideration of any reinvestment, to pay and discharge (i) the principal of and accrued interest or additional amounts on the outstanding debt securities of such series to maturity or earlier redemption (irrevocably provided for under arrangements satisfactory to the applicable trustee), as the case may be or (ii) any mandatory sinking fund payments applicable to the outstanding debt securities;



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- (b) such defeasance or covenant defeasance will not result in a breach or violation of, or constitute a default under, such indenture or any other material agreement or instrument to which the Company is a party or by which it is bound;
- (c) no event of default or event which with notice or lapse of time would become an event of default with respect to such debt securities of such series shall have occurred and be continuing on the date of such deposit;
- (d) the Company shall have delivered to such trustee an opinion of counsel as described in the indenture to the effect that the holders of the debt securities of such series will not recognize income, gain or loss for Federal income tax purposes as a result of the Company's exercise of its option under this provision of such indenture and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance or covenant defeasance had not occurred;
- (e) the Company has delivered to the applicable trustee an officers' certificate and an opinion of counsel, in each case stating that all conditions precedent provided for in such indenture relating to the defeasance contemplated have been complied with;
- (f) if the debt securities are to be redeemed prior to their maturity, notice of such redemption shall have been duly given or in another manner satisfactory to the trustee; and
- (g) any such defeasance or covenant defeasance shall comply with any additional or substitute terms provided for by the terms of such debt securities of such series.

Notwithstanding a defeasance or covenant defeasance, the Company's obligations with respect to the following in respect of debt securities of such series will survive with respect to such securities until otherwise terminated or discharged under the terms of the indenture or no debt securities of such series are outstanding:

- (a) the rights of holders of outstanding debt securities of such series to receive payments in respect of the principal of, interest on or premium or additional amounts, if any, payable in respect of, such debt securities when such payments are due from the trust referred in clause (a) in the preceding paragraph;
- (b) the issuance of temporary debt securities, the registration, transfer and exchange of debt securities, the replacement of mutilated, destroyed, lost or stolen debt securities and the maintenance of an office or agency for payment and holding payments in trust;
- (c) the rights, powers, trusts, duties and immunities of the trustee, and the Company's obligations in connection therewith; and

(d) the defeasance or covenant defeasance provisions of the indenture.

**Applicable Law**

The indenture provides that the debt securities and the indenture will be governed by and construed in accordance with the laws of the State of New York.

**About the Trustee**

Unless otherwise specified in the applicable prospectus supplement, The Bank of New York Mellon Trust Company, N.A. is the trustee under the indenture.

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**DESCRIPTION OF CAPITAL STOCK**

**Preferred Stock**

Under our amended and restated certificate of incorporation, as supplemented, we are authorized to issue up to 30,000,000 shares of preferred stock, par value \$1.00 per share, in one or more series. As of February 19, 2018, there were no shares of preferred stock issued and outstanding.

The following description of preferred stock sets forth certain general terms and provisions of the series of preferred stock to which any prospectus supplement may relate. The prospectus supplement relating to a particular series of preferred stock will describe certain other terms of such series of preferred stock. If so indicated in the prospectus supplement relating to a particular series of preferred stock, the terms of any such series of preferred stock may differ from the terms set forth below. The description of preferred stock set forth below and the description of the terms of a particular series of preferred stock set forth in the related prospectus supplement are not complete and are qualified in their entirety by reference to the certificate of incorporation and to the certificate of designation relating to that series of preferred stock.

The rights of the holders of each series of preferred stock will be subordinate to those of our general creditors.

***General Terms of the Preferred Stock***

The certificate of incorporation will set forth the designations, preferences, and relative, participating, optional and other special rights, and the qualifications, limitations, and restrictions of the preferred stock of each series. To the extent the certificate of incorporation does not set forth the rights and limitations, they will be fixed by the certificate of designation relating to the series. A prospectus supplement relating to each series will specify the terms of the preferred stock as follows:

the distinctive designation of the series and the number of shares which shall constitute the series;

the rate of dividends, if any, payable on shares of the series, the date, if any, from which the dividends shall accrue, the conditions upon which and the date when the dividends shall be payable, and whether the dividends shall be cumulative or noncumulative;

the amounts which the holders of the preferred stock of the series shall be entitled to be paid in the event of a voluntary or involuntary liquidation, dissolution, or winding up of Williams; and

whether or not the preferred stock of the series shall be redeemable and at what times and under what conditions and the amount or amounts payable thereon in the event of redemption.

The prospectus supplement may, in a manner not inconsistent with the provisions of the certificate of incorporation:

limit the number of shares of the series that may be issued;

provide for a sinking fund for the purchase or redemption or a purchase fund for the purchase of shares of the series, set forth the terms and provisions governing the operation of any fund, and establish the status as to reissue of shares of preferred stock purchased or otherwise reacquired or redeemed or retired through the operation of the sinking or purchase fund;

grant voting rights to the holder of shares of the series, in addition to and not inconsistent with those granted by the certificate of incorporation to the holders of preferred stock;

impose conditions or restrictions upon the creation of indebtedness of Williams or upon the issue of additional preferred stock or other capital stock ranking equally with or prior to the preferred stock or capital stock as to dividends or distribution of assets on liquidation;

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impose conditions or restrictions upon the payment of dividends upon, the making of other distributions to, or the acquisition of junior stock;

grant to the holders of the preferred stock of the series the right to convert the preferred stock into shares of another series or class of capital stock; or

grant other special rights to the holders of shares of the series as the board of directors may determine and as shall not be inconsistent with the provisions of the certificate of incorporation.

***Dividends***

Holders of the preferred stock of any series shall be entitled to receive, when, as and if declared by the board of directors, preferential dividends in cash at the annual rate, if any, fixed for the series. Their entitlement will be subject to any limitations specified in the certificate of incorporation and in the certificate of designation providing for the issuance of a particular series of preferred stock. The certificate of designation providing for the issuance of preferred stock of the series may specify the date on which the preferential dividends are payable. The preferential dividends shall further be payable to stockholders of record on a date which precedes each dividend payment date which the board of directors has fixed in advance of each particular dividend.

Each share of preferred stock shall rank on a parity with each other share of preferred stock, irrespective of series, with respect to preferential dividends accrued on the shares of the series. We will not declare or pay any dividend nor will we set apart a dividend for payment for the preferred stock of any series unless at the same time we declare, pay, or set apart a dividend in like proportion to the dividends accrued upon the preferred stock of each other series. This does not, however, prevent us from authorizing or issuing one or more series of preferred stock bearing dividends subject to contingencies as to the existence or amount of our earnings during one or more fiscal periods, or as to other events, to which dividends on other series of preferred stock are not subject.

So long as any shares of preferred stock remain outstanding, we will not, unless all dividends accrued on outstanding shares of preferred stock for all past dividend periods shall have been paid or declared and a sum sufficient for the payment of the dividends set apart:

pay or declare any dividends whatsoever, whether in cash, stock, or otherwise;

make any distribution on any class of junior stock; or

purchase, retire, or otherwise acquire for valuable consideration any shares of preferred stock (subject to certain limitations) or junior stock.

As a holding company, our ability to pay dividends on the preferred stock will depend upon the payment of dividends, interest, or other charges by our subsidiaries to us. Debt instruments of certain of our subsidiaries may limit the amount of payments to us, which could affect the amount of funds available to us to pay dividends on the preferred stock.

The registrar, transfer agent, and dividend disbursing agent for the preferred stock will be named in the applicable prospectus supplement.

***Redemption***

With the approval of our board of directors, we may redeem all or any part of the preferred stock of any series that by its terms is redeemable. Redemption will take place at the time or times and on the terms and conditions fixed for the series. We must duly give notice in the manner provided in the certificate of designation providing for the series. We must pay for preferred stock in cash the sum fixed for the series, together, in each case, with an amount equal to accrued and unpaid dividends on the series of preferred stock. The certificate of designation providing for a series of preferred stock that is subject to redemption may provide, upon the two

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conditions discussed below, that the shares will no longer be deemed outstanding, and all rights with respect to the shares will cease, including the accrual of further dividends, other than the right to receive the redemption price of the shares without interest, when:

we have given notice of redemption of all or part of the shares of the series; and

we have set aside or deposited with a suitable depository for the proportionate benefit of the shares called for redemption the redemption price of the shares, together with accrued dividends to the date fixed as the redemption date.

Redemption will terminate the right of holders of the preferred stock to accrual of further dividends. Redemption will not, however, terminate the right of holders of the shares redeemed to receive the redemption price for the shares without interest.

## ***Voting Rights***

The preferred stock will have no right or power to vote on any question or in any proceeding or to be represented at or to receive notice of any meeting of stockholders, except as:

stated in this prospectus or the applicable prospectus supplement;

expressly provided by law; or

provided in the certificate of designation of the series of preferred stock.

On any matters on which the holders of the preferred stock or any series thereof shall be entitled to vote separately as a class or series, they shall be entitled to one vote for each share held.

So long as any shares of preferred stock are outstanding, we must not, during the continuance of any default in the payment of dividends on the preferred stock, redeem or otherwise acquire for value any shares of the preferred stock or of any other stock ranking on a parity with the preferred stock concerning dividends or distribution of assets on liquidation. Holders of a majority of the number of shares of preferred stock outstanding at the time may, however, permit such a redemption by giving their consent in person or by proxy, either in writing or by vote at any annual meeting or any special meeting called for the purpose.

## ***Liquidation Rights***

In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the affairs of Williams, the holders of the preferred stock of the respective series are entitled to be paid in full the following amounts:

the amount fixed in the certificate of designation providing for the issue of shares of the series; plus

a sum equal to all accrued and unpaid dividends on the shares of preferred stock to the date of payment of the dividends.

We must have made this payment in full to the holders of the preferred stock before we may make any distribution or payment to the holders of any class of stock ranking junior to the preferred stock as to dividends or distribution of assets on liquidation. After we have made this payment in full to the holders of the preferred stock, our remaining assets and funds will be distributed among the holders of our stock ranking junior to the preferred stock according to their rights. If our assets available for distribution to holders of preferred stock are insufficient to make the payment required to be made in full, these assets will be distributed to the holders of shares of preferred stock proportionately to the amounts payable upon each share of preferred stock.



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### **Common Stock**

As of the date of this prospectus, we are authorized to issue up to 960,000,000 shares of common stock, par value \$1.00 per share. As of February 19, 2018, we had 827,327,336 issued and outstanding shares of common stock. In addition, as of February 8, 2018, 10,449,180 shares of common stock were subject to options or deferred rights outstanding under various stock and compensation incentive plans. The outstanding shares of common stock are fully paid and nonassessable. The holders of common stock are not entitled to preemptive or redemption rights. Shares of common stock are not convertible into shares of any other class of capital stock. Computershare Trust Company, N.A. ( Computershare ) is the transfer agent and registrar for our common stock. Our common stock is listed on the New York Stock Exchange under the ticker symbol WMB.

### ***Dividends***

The holders of our common stock are entitled to receive dividends when, as, and if declared by our board of directors, out of funds legally available for their payment subject to the rights of holders of any outstanding preferred stock.

### ***Voting Rights***

The holders of our common stock are entitled to one vote per share on all matters submitted to a vote of stockholders.

### ***Rights Upon Liquidation***

In the event of our voluntary or involuntary liquidation, dissolution, or winding up of the affairs of Williams, the holders of our common stock will be entitled to share equally in any assets available for distribution after the payment in full of all debts and distributions and after the holders of all series of outstanding preferred stock have received their liquidation preferences in full.

### **Certain Certificate of Incorporation Provisions**

We currently have the following provisions in our charter or bylaws that could be considered to be anti-takeover provisions:

an article in our charter requiring the affirmative vote of three-fourths of the outstanding shares of common stock for certain merger and asset sale transactions with holders of more than five percent of the voting power of Williams;

a bylaw that only permits our chairman of the board, chief executive officer or a majority of the board to call a special meeting of the stockholders; and

a bylaw requiring stockholders to provide prior notice for nominations for election to the board of directors or for proposing matters which can be acted upon at stockholders meetings.

We are a Delaware corporation and are subject to Section 203 of the Delaware General Corporation Law ( DGCL ). In general, Section 203 prevents an interested stockholder, which is defined generally as a person owning 15% or more of our outstanding voting stock, from engaging in a business combination with us for three years following the date

that person became an interested stockholder unless:

before that person became an interested stockholder, our board of directors approved the transaction in which the interested stockholder became an interested stockholder or approved the business combination;

upon completion of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time

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the transaction commenced (excluding stock held by persons who are both directors and officers of Williams or by certain employee stock plans); or

on or following the date on which that person became an interested stockholder, the business combination is approved by our board of directors and authorized at a meeting of stockholders by the affirmative vote of the holders of a least 66  $\frac{2}{3}$ % of our outstanding voting stock (excluding shares held by the interested stockholder).

A business combination includes mergers, asset sales and other transactions resulting in a financial benefit to the interested stockholder.

## **DESCRIPTION OF PURCHASE CONTRACTS**

We may issue purchase contracts for the purchase or sale of:

debt or equity securities issued by us or securities of third parties, a basket of such securities, an index or indices of such securities or any combination of the above as specified in the applicable prospectus supplement;

currencies; or

commodities.

Each purchase contract will entitle the holder thereof to purchase or sell, and obligate us to sell or purchase, on specified dates, such securities, currencies or commodities at a specified purchase price, which may be based on a formula, all as set forth in the applicable prospectus supplement. We may, however, satisfy our obligations, if any, with respect to any purchase contract by delivering the cash value of such purchase contract or the cash value of the property otherwise deliverable or, in the case of purchase contracts on underlying currencies, by delivering the underlying currencies, as set forth in the applicable prospectus supplement. The applicable prospectus supplement will also specify the methods by which the holders may purchase or sell such securities, currencies or commodities and any acceleration, cancellation or termination provisions or other provisions relating to the settlement of a purchase contract.

The purchase contracts may require us to make periodic payments to the holders thereof or vice versa, which payments may be deferred to the extent set forth in the applicable prospectus supplement, and those payments may be unsecured or prefunded on some basis. The purchase contracts may require the holders thereof to secure their obligations in a specified manner to be described in the applicable prospectus supplement. Alternatively, purchase contracts may require holders to satisfy their obligations thereunder when the purchase contracts are issued. Our obligation to settle such pre-paid purchase contracts on the relevant settlement date may constitute indebtedness. Accordingly, pre-paid purchase contracts will be issued under the indenture, a copy of which is filed as an exhibit to the registration statement of which this prospectus is a part.

## **DESCRIPTION OF WARRANTS**

We may issue warrants to purchase our debt or equity securities or securities of third parties or other rights, including rights to receive payment in cash or securities based on the value, rate or price of one or more specified commodities, currencies, securities or indices, or any combination of the foregoing. Warrants may be issued independently or together with any other securities and may be attached to, or separate from, such securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a warrant agent. The terms of any warrants to be issued and a description of the material provisions of the applicable warrant agreement will be set forth in the applicable prospectus supplement.

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The applicable prospectus supplement will describe the following terms of any warrants in respect of which this prospectus is being delivered:

the title of such warrants;

the aggregate number of such warrants;

the price or prices at which such warrants will be issued;

the currency or currencies in which the price of such warrants will be payable;

the securities or other rights, including rights to receive payment in cash or securities based on the value, rate or price of one or more specified commodities, currencies, securities or indices, or any combination of the foregoing, purchasable upon exercise of such warrants;

the price at which and the currency or currencies, in which the securities or other rights purchasable upon exercise of such warrants may be purchased;

the date on which the right to exercise such warrants shall commence and the date on which such right shall expire;

if applicable, the minimum or maximum amount of such warrants which may be exercised at any one time;

if applicable, the designation and terms of the securities with which such warrants are issued and the number of such warrants issued with each such security;

if applicable, the date on and after which such warrants and the related securities will be separately transferable; and

any other terms of such warrants, including terms, procedures and limitations relating to the exchange and exercise of such warrants.

**DESCRIPTION OF UNITS**

As specified in the applicable prospectus supplement, we may issue units consisting of one or more purchase contracts, warrants, debt securities, shares of preferred stock, shares of common stock, or any combination of such securities. The applicable prospectus supplement will describe:

the terms of the units and of the purchase contracts, warrants, debt securities, preferred stock, and common stock comprising the units, including whether and under what circumstances the securities comprising the units may be traded separately;

a description of the terms of any unit agreement governing the units; and

a description of the provisions for the payment, settlement, transfer or exchange of the units.

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**SELLING SECURITYHOLDERS**

Information about selling securityholders, where applicable, will be set forth in a prospectus supplement, in a post-effective amendment, or in filings we make with the SEC under the Exchange Act that are incorporated by reference.

**LEGAL MATTERS**

Certain legal matters will be passed upon for us by Gibson, Dunn & Crutcher LLP. Any agents or underwriters will be represented by their own legal counsel named in the applicable prospectus supplement.

**EXPERTS**

The consolidated financial statements of The Williams Companies, Inc. appearing in The Williams Companies, Inc.'s Annual Report (Form 10-K) for the year ended December 31, 2017 including schedules appearing therein, and the effectiveness of The Williams Companies, Inc.'s internal control over financial reporting as of December 31, 2017, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference which, as to the consolidated financial statements for the year 2017, is based in part on the report of PricewaterhouseCoopers LLP, and as to the consolidated financial statements for the years 2016 and 2015, is based in part on the report of Deloitte & Touche LLP, each an independent registered public accounting firm. Such financial statements are, and audited financial statements to be included in subsequently filed documents will be, incorporated herein in reliance upon the reports of Ernst & Young LLP pertaining to such financial statements and the effectiveness of our internal control over financial reporting as of the respective dates (to the extent covered by consents filed with the Securities and Exchange Commission) given on the authority of such firms as experts in accounting and auditing.

The audited financial statements of Gulfstream Natural Gas System, L.L.C., not separately presented in this Prospectus, have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, whose report thereon is incorporated by reference. The audited financial statements of The Williams Companies, Inc., to the extent they relate to Gulfstream Natural Gas System, L.L.C., have been incorporated by reference in reliance on the report of such independent registered public accounting firm given on the authority of said firm as experts in auditing and accounting.

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**Common Stock Having an Aggregate Offering Price of Up to \$1,000,000,000**

**PROSPECTUS SUPPLEMENT**

**August 10, 2018**

**Citigroup**

**Barclays**

**BofA Merrill Lynch**

**CIBC Capital Markets**

**Credit Agricole CIB**

**Credit Suisse**

**Deutsche Bank Securities**

**J.P. Morgan**

**Mizuho Securities**

**Morgan Stanley**

**MUFG**

**RBC Capital Markets**

**Scotia Howard Weil**

**SMBC**



**SunTrust Robinson Humphrey**

**TD Securities**

**Wells Fargo Securities**