



WE MAKE ENERGY HAPPEN

NYSE: WMB | williams.com

Barclays CEO Energy-Power Conference

*Alan Armstrong, President and CEO
September 4, 2019*



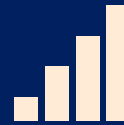
Williams is a unique large-scale, low-volatility, growing natural gas infrastructure company with high quality revenues

STABILITY



- > Irreplaceable asset base handling **30%** of U.S. natural gas supplies
- > Demand-driven, natural gas strategy drives **low volatility** in earnings and cash flow
- > 2019 gross margin projected to be **~97%** fee-based
- > Large-scale energy company: **~\$53B** enterprise value⁽¹⁾ with IG credit ratings
- > Met or exceeded Adjusted EBITDA street consensus each of the last **14** quarters⁽²⁾
- > **Exceeded** midpoint for 2017 and 2018 key guidance metrics

GROWTH



- > **12%** Adjusted EBITDA growth 2Q'19 over 2Q'18
- > Expecting **8%** Adjusted EBITDA growth 2018-2019⁽³⁾
- > **23%** Adjusted EPS CAGR expected 2017-2019 despite **\$5.1B** in asset sales since 2016⁽³⁾
- > Expect **5-7%** annual Adjusted EBITDA growth beyond 2019
- > **Natural gas demand** driving realized and future growth via regulated pipeline expansions, volume growth and efficiency gains in G&P, NGL synergies and attractive Deepwater Gulf of Mexico opportunities

YIELD & COVERAGE



- > Attractive current dividend yield of **6.7%**⁽¹⁾
- > **12.5%** dividend growth CAGR 2017-2019
- > Maintaining strong dividend coverage of **~1.7x** for reinvestment in growth capital opportunities
- > **~\$1.25B** excess cash available after dividends in 2019
- > **Deleveraging** through capital discipline, reinvesting cash flow and ongoing portfolio optimization transactions; targeting Net Debt-to-Adjusted EBITDA of <4.5x by year-end '19
- > Williams' **11.4x** EV / NTM Adjusted EBITDA multiple below long-term historical peer average of **13x**⁽⁴⁾

(1) Enterprise value and dividend yield per FactSet as of 8/27/19. Enterprise value includes market capitalization plus total debt and non-controlling interest less cash and cash equivalents.

(2) Williams' adjusted EBITDA exceeded or was within 2% of the consensus estimate for EBITDA in each quarter 1Q 2016–2Q 2019.

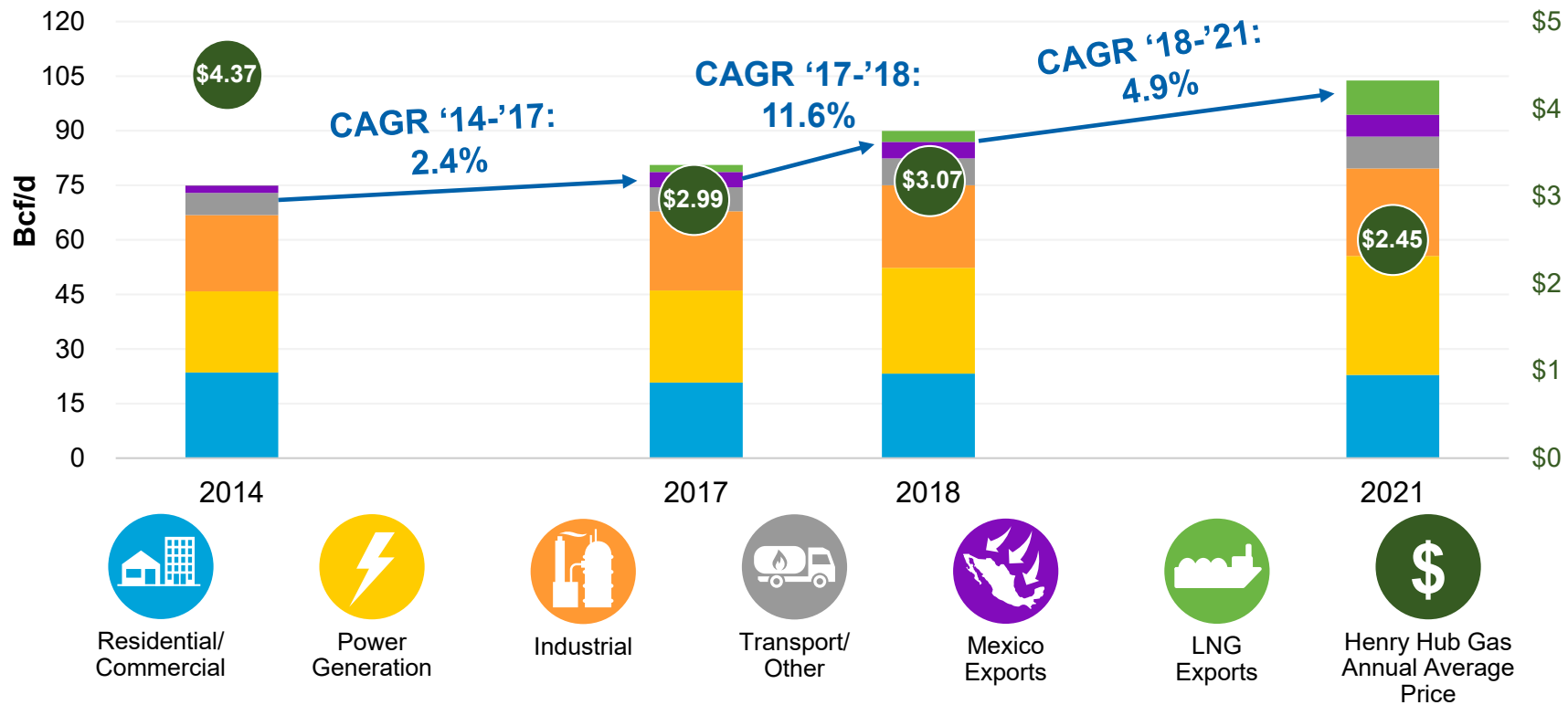
(3) WMB 2017-2019 growth rates based on midpoint of guidance. Total asset sales since 2016 excludes \$600 million net cash from the Northeast JV transaction (see press release dated 06/17/19).

(4) Data as of 6/30/19 per FactSet. Peer average represents EV / NTM Adj. EBITDA multiple from 1Q '13 to 2Q '19 and includes ENB, EPD, ET, KMI, OKE, TRGP and TRP.

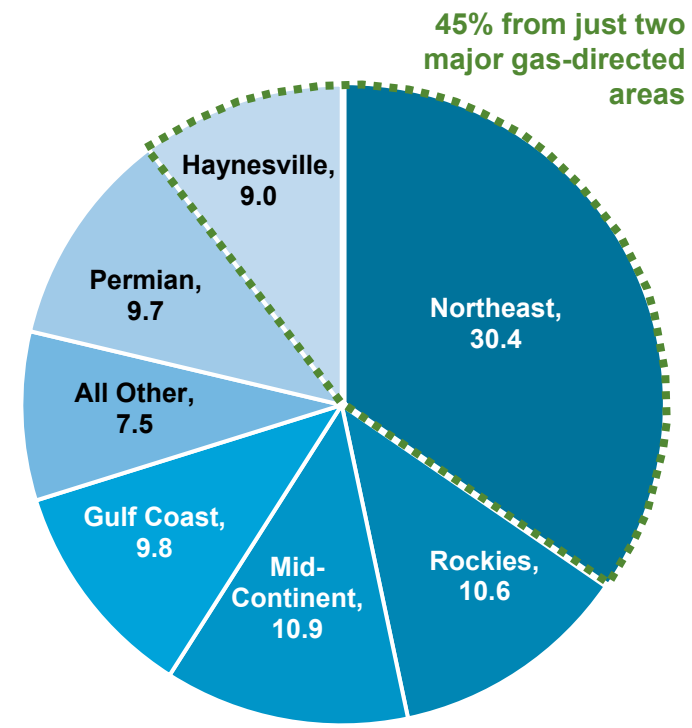
Note: This slide contains non-GAAP financial measures. A reconciliation of all non-GAAP financial measures used in this presentation to their nearest GAAP comparable financial measures are included at the back of this presentation.

Robust domestic and global natural gas demand forecasts continue to rise, reaching 104 Bcf/d by 2021

UNITED STATES NATURAL GAS DEMAND BY SECTOR (2014–2021)



AUGUST 2018 TO JULY 2019 UNITED STATES PRODUCTION BY REGION IN BCF/D



2021 U.S. NATURAL GAS DEMAND HAS INCREASED FOR EACH OF PAST 6 FORECAST PERIODS

Sources: Wood Mackenzie 1H '19 for demand, 2H '16- 1H '19 outlooks for comparison, Aug. '19 short-term outlook for production; U.S. Energy Information Administration for price history; NYMEX for forward curves as of 8-14-19

Haynesville, DJ and Marcellus show strongest rig retention year-over-year

Rig Count Comparison by Major Supply Area			
Supply Area	Week Ending Aug. 23 rd	Same Period Last year	Year-over-year % Change
Haynesville	50	48	4%
DJ-Niobrara	24	24	0%
Marcellus	51	52	-2%
Williston	48	52	-8%
Permian	399	435	-8%
Eagle Ford	67	79	-15%
Other	86	114	-25%
SCOOP/STACK	58	92	-37%
Utica	13	21	-38%
Barnett	1	2	-50%
Total	797	919	-13%

Source: Baker Hughes 8-23-19

North American LNG export growth has just begun

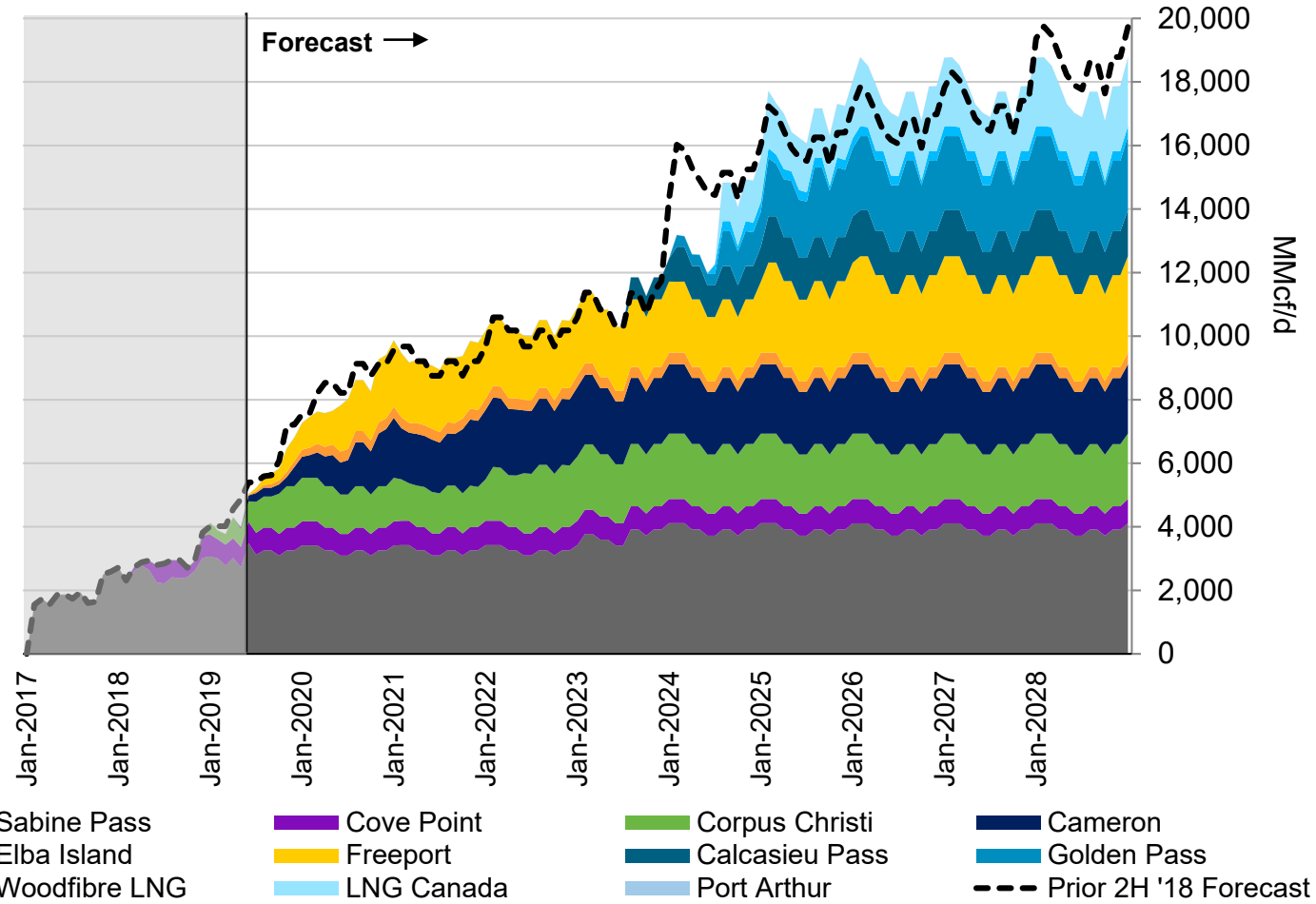
+4.7

+16.1

+19.4

Project Name	Bcf/d	Status
Sabine Pass Trains 1-5	3.3	Operational
Cove Point	0.7	Operational
Corpus Christi Train 1	0.7	Operational
Cameron Train 1	0.7	FERC Authorization Jul. '19
Corpus Christi Train 2	0.7	FERC Authorization Aug. '19
Elba Island	0.3	Awaiting FERC Authorization
Freeport Train 1	0.7	Awaiting FERC Authorization
Corpus Christi Train 3	0.7	Under construction
Cameron Train 2-3	1.4	Under construction
Freeport Train 2-3	1.4	Under construction
Sabine Pass Train 6	0.7	Under construction
Golden Pass	2.2	Under construction
LNG Canada	1.9	Under construction
Calcasieu Pass	1.4	FID Aug. 2019
Freeport Train 4	0.8	Awaiting FID
Port Arthur	1.6	Awaiting FID
Woodfibre LNG	0.3	Awaiting FID
Corpus Christi Stage 3	1.3	Announced
Cameron Expansion	1.4	Awaiting FID
Delfin	1.8	Awaiting FID
Driftwood	4.0	Awaiting FID
Gulf LNG	1.5	Awaiting FID
Lake Charles	2.2	Awaiting FID
Magnolia LNG	1.1	Awaiting FID
Jordan Cove	1.1	Announced
Plaquemines	2.7	Announced
Rio Grande	3.6	Announced

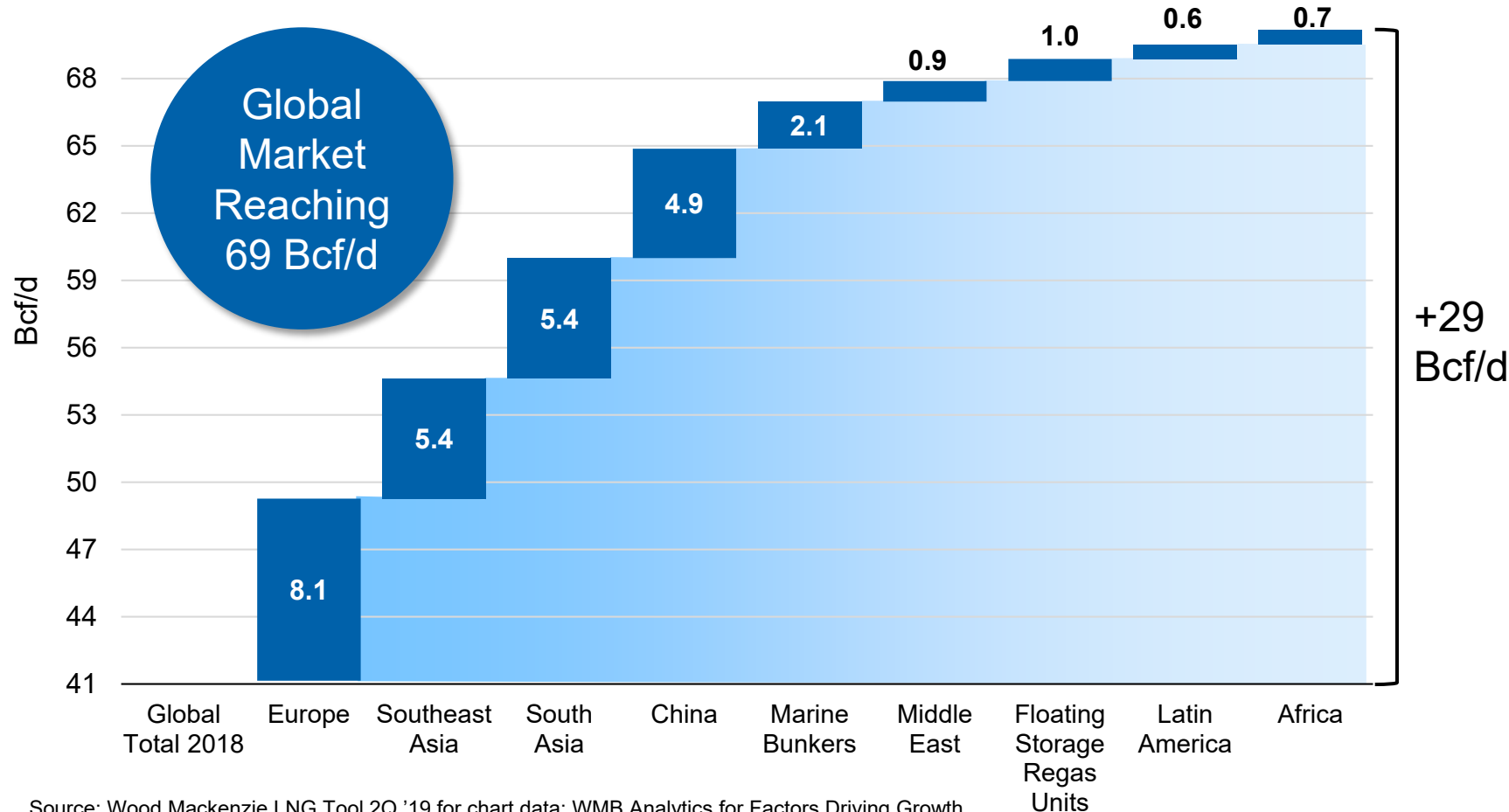
FORECASTED N.A. LNG EXPORT MONTHLY VOLUMES (2017 – 2028)



Source: Wood Mackenzie 1H '19; Company press releases. Note: FERC Authorization = To commence full commercial service beyond early-stage commissioning cargoes

Global LNG demand expected to grow over 70% through 2028, driven by Asia and Europe

TOP DRIVERS OF GLOBAL LNG DEMAND BY REGION '18-'28



Factors Driving Growth

China & India

- Developing economies pursuing clean energy for growth & fuel diversity

Northwest Europe

- LNG balances the market with flexible, dependable supply
- Upside potential from weather events & other price sensitive demand responses

Southeast Asia

- Need for supplemental supplies to replace maturing and declining indigenous resources
- Stronger growth prospects linked with better than anticipated economic developments

Southeast Europe

- LNG complements domestic & pipeline supply

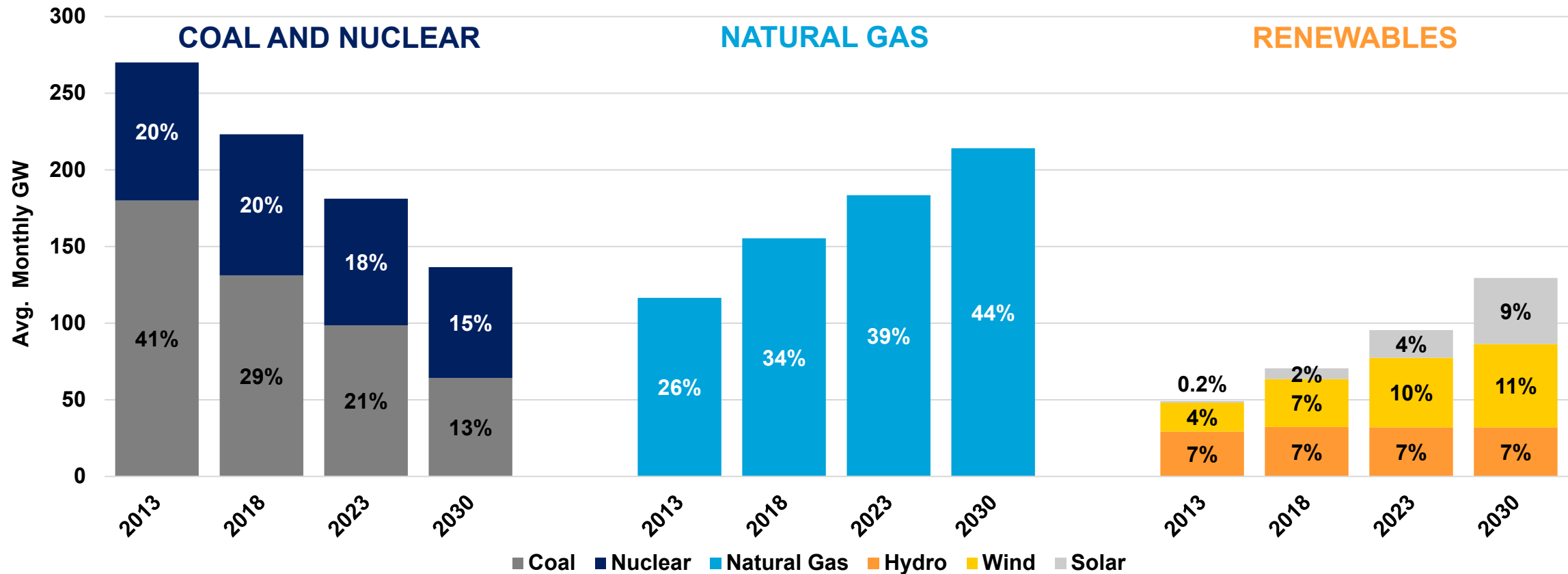
Japan, South Korea & Taiwan

- While solely dependent on LNG, legacy importers expected to have flat to declining demand due to relatively mature energy demand market

Source: Wood Mackenzie LNG Tool 2Q '19 for chart data; WMB Analytics for Factors Driving Growth
Declines totaling 1.2 bcf/d in forecasted demand from North America, Japan, South Korea, & Taiwan combined not represented on graph

Natural gas overtakes coal and nuclear as dominant fuel source for power

S&P GLOBAL PLATTS ANALYTICS FORECASTED UNITED STATES POWER GENERATION AND MARKET SHARE BY MAJOR SOURCES

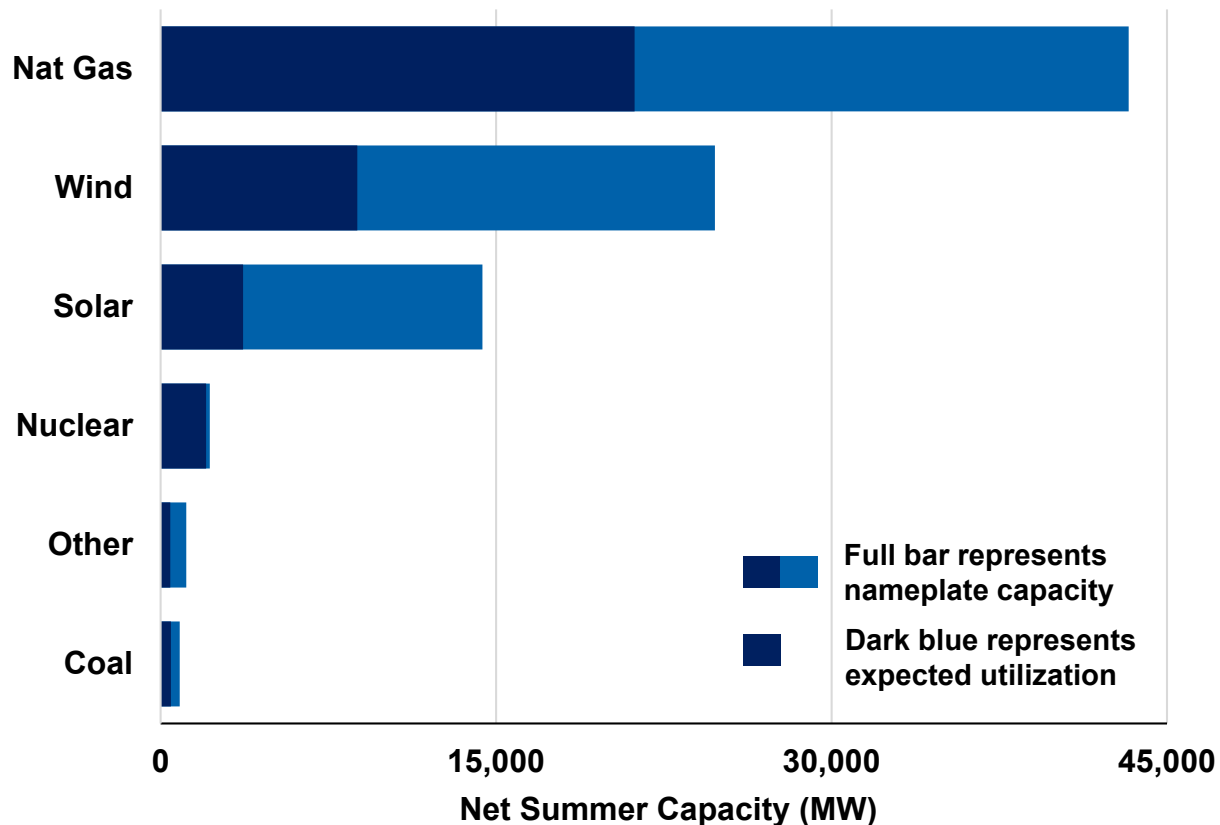


Source: S&P Global Platts, ©2019. Used with permission from Platts. Note: Market share percentage shown is calculated against all fuel sources

Natural gas continues to be the preferred fuel type for new power generation projects in the United States, followed by renewables



Power Generation Projects Built in '18-'19, Under Construction and Permitted by Fuel Type



Fuel Type of Choice



- > Carbon intensity from the U.S. power sector **fell by ~25% since 2008** as natural gas displaced other fossil fuels in power generation
- > Capacity added by natural gas-fired power generation projects **greater than all other sources combined**

Partnering with Renewables

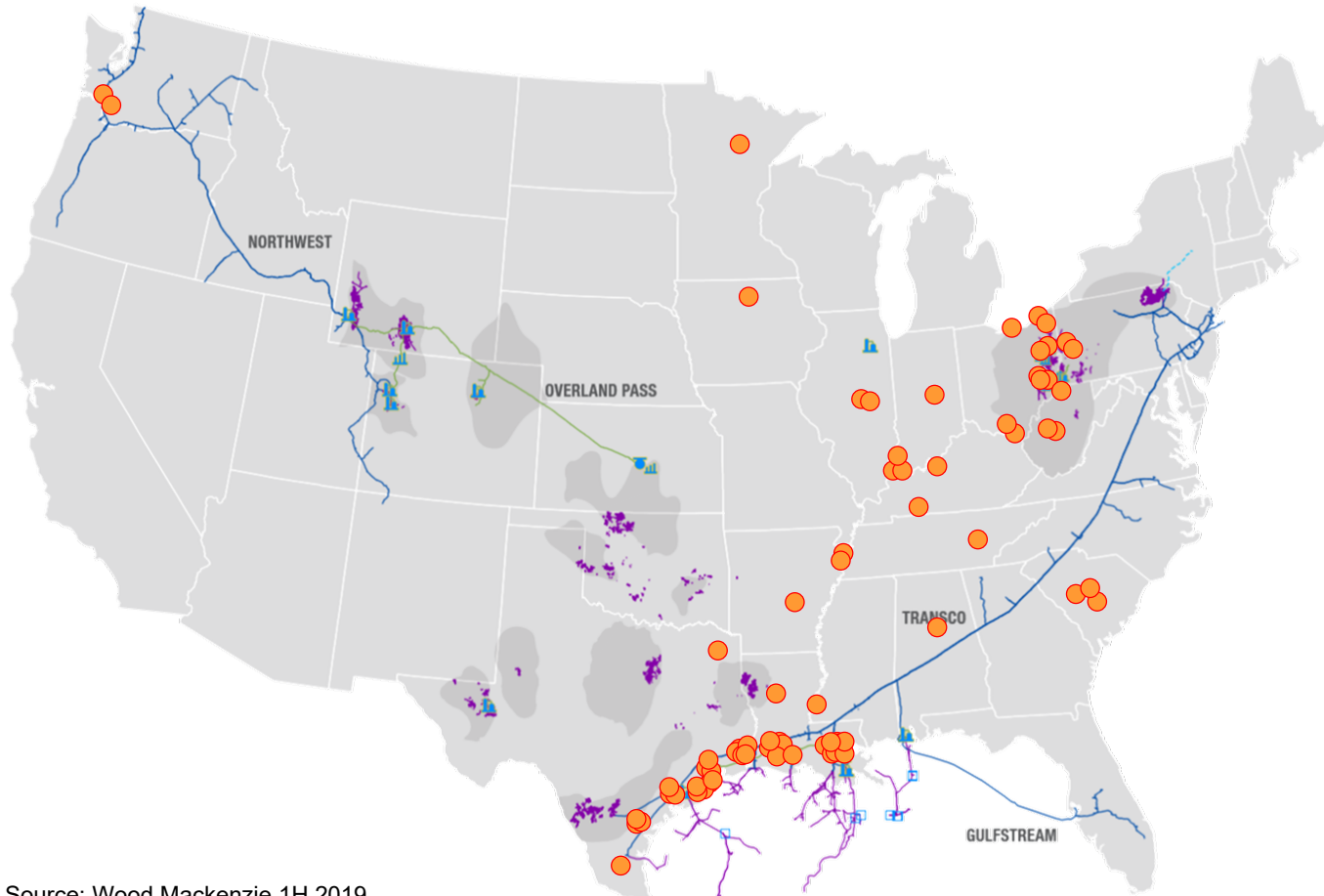


- > As states make strides toward **renewable power**, it is vital for **natural gas-fired** generation to follow as a backup fuel to ensure **grid reliability**
- > Natural gas **pipeline capacity** is increasingly **valuable** as more capacity will be needed to support the **intermittent nature** of renewable power

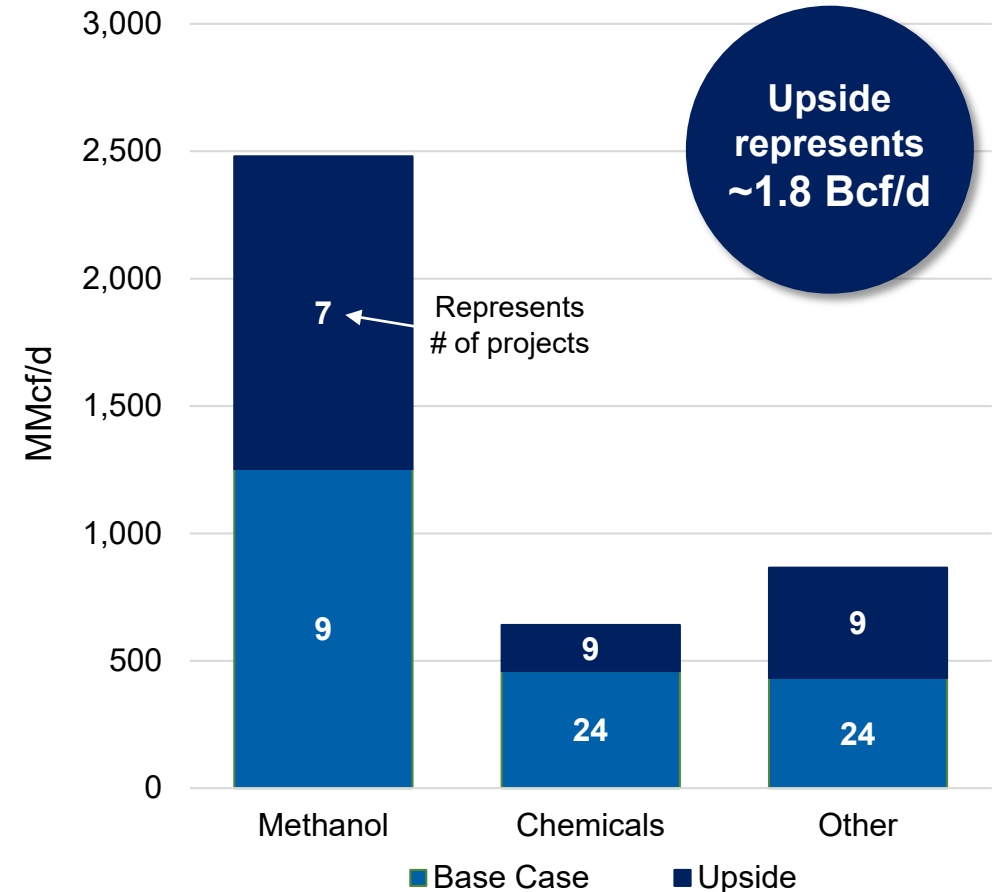
Source: U.S. Energy Information Administration

Industrial projects drive additional natural gas demand, predominantly along Transco states and Midwest

~80 IDENTIFIED INDUSTRIAL PROJECTS DRIVING NATURAL GAS DEMAND THROUGH 2023 IN LOWER-48



L-48 NATURAL GAS INDUSTRIAL PROJECTS BY SUB-SECTOR THROUGH 2023*



Source: Wood Mackenzie 1H 2019

*Industrial project gas demand assumes 90% utilization rate

Growth capital projects across the portfolio

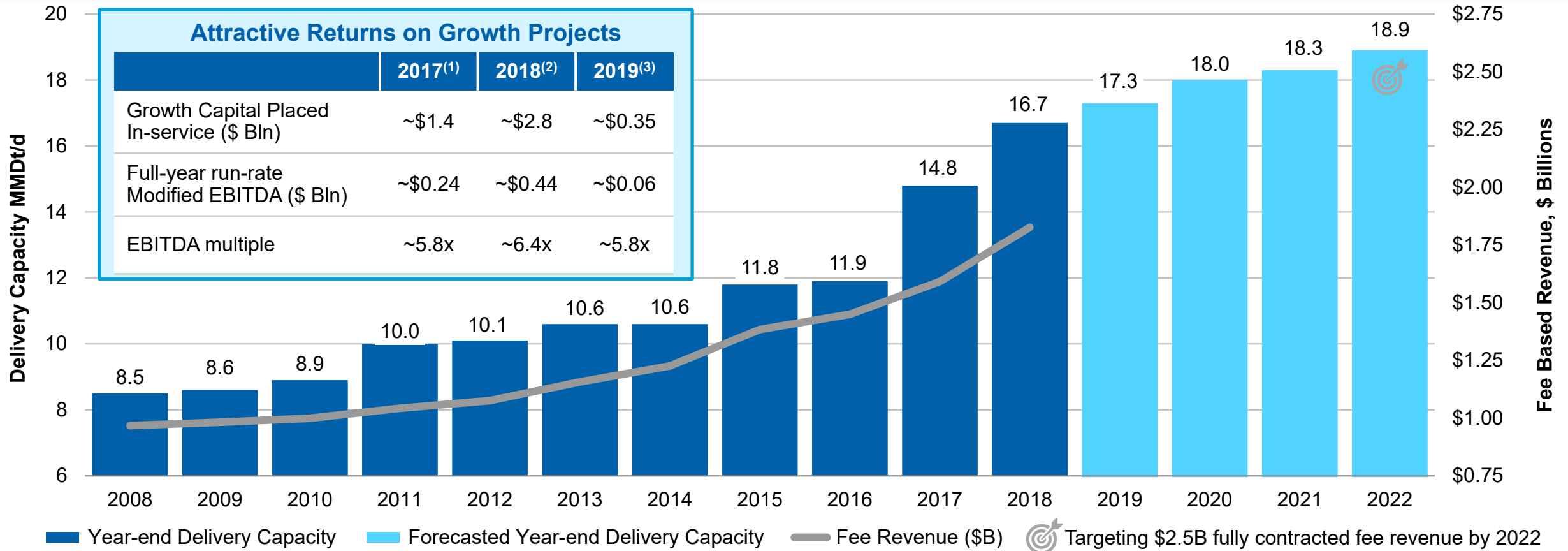
	2018	2019	2020	2021	2022+
DEMAND DRIVEN	<ul style="list-style-type: none"> > Transco – Atlantic Sunrise 1.7 MMDth/d; \$2.6B > Transco – Garden State 180 MDth/d; \$116MM 	<ul style="list-style-type: none"> > Northwest Pipeline – North Seattle Lateral Upgrade 159 MDth/d; \$47MM > Transco – Gulf Connector 475 MDth/d; \$167MM > Transco – St. James Supply 162 MDth/d; \$34MM ✓ Transco – Rivervale South to Market 190 MDth/d; \$128MM > Transco – Rate Case 	<ul style="list-style-type: none"> > Transco – Hillabee Phase 2 206 MDth/d > Transco – Gateway 65 MDth/d; \$85MM > Transco – Southeastern Trail 296 MDth/d; \$405MM > Transco – Emissions Reduction Program; \$1.2B over 5 years 	<ul style="list-style-type: none"> > Transco – Emissions Reduction Program > Transco – Northeast Supply Enhancement 400 MDth/d; \$927MM 	<ul style="list-style-type: none"> > Transco – Leidy South 580 MDth/d > Transco – Pursuing 20+ expansion opportunities including “Project 1” from Analyst Day, Emissions Reduction Program, Regional Energy Access 1.0 MMDth/d > Gulfstream - Phase VI 78 MDth/d
SUPPLY DRIVEN	<ul style="list-style-type: none"> > Atlantic Gulf Deepwater – Stampede > Northeast G&P – Susquehanna Gathering Expansion 700 MMcf/d 	<ul style="list-style-type: none"> ✓ West – DJ Processing Plants – 425 MMcf/d (Ft. Lupton III – 200 & Keenesburg I – 225) ✓ West – Wamsutter – High Point, Hansen Lake & Echo Springs G&P Expansions ✓ Northeast G&P – Rich Gas Growth Driving Oak Grove Expansion, Harrison Hub C3+ Pipeline & Checkmark Pipeline ✓ Northeast G&P – Susquehanna Gathering Expansion 500 MMcf/d – In Partial Service ✓ Atlantic Gulf Deepwater – Norphlet Pipeline, Lucius-Hadrian North & Buckskin tiebacks 	<ul style="list-style-type: none"> > Northeast G&P – Susquehanna Gathering Expansion 300 MMcf/d > Northeast G&P – Bradford Gathering Expansion 500 MMcf/d 	<ul style="list-style-type: none"> > West – Bluestem NGL Pipeline > West – DJ Processing Plant 225 MMcf/d (Keenesburg II) 	<ul style="list-style-type: none"> > West – DJ Processing Plants (Milton Complex) > Northeast G&P – Rich Gas Growth Driving Additional Oak Grove Expansions > Atlantic Gulf Deepwater – Additional Tiebacks: Whale, Ballymore, Tigris, Mexico Perdido & others

✓ = In-service since 1Q'19; Green = In-service; Black = In Progress; Blue = Potential/Under Negotiation

Note: Project cost estimates per initial FERC filings

Fully-contracted Transco expansions provide clear visibility into forecasted revenue

TRANSCO FULLY-CONTRACTED YEAR-END DELIVERY CAPACITY AND FEE-BASED REVENUE



(1) Includes Gulf Trace, Hillabee (Ph. 1), Dalton, NY Bay Expansion, Virginia Southside II, Garden State I

(2) Includes Garden State II, Atlantic Sunrise

(3) Includes Gulf Connector, St. James Supply, Rivervale South to Market

Applying a data-driven approach to NESE advocacy

NORTHEAST SUPPLY ENHANCEMENT (NESE)

> DATA-DRIVEN ADVOCACY:

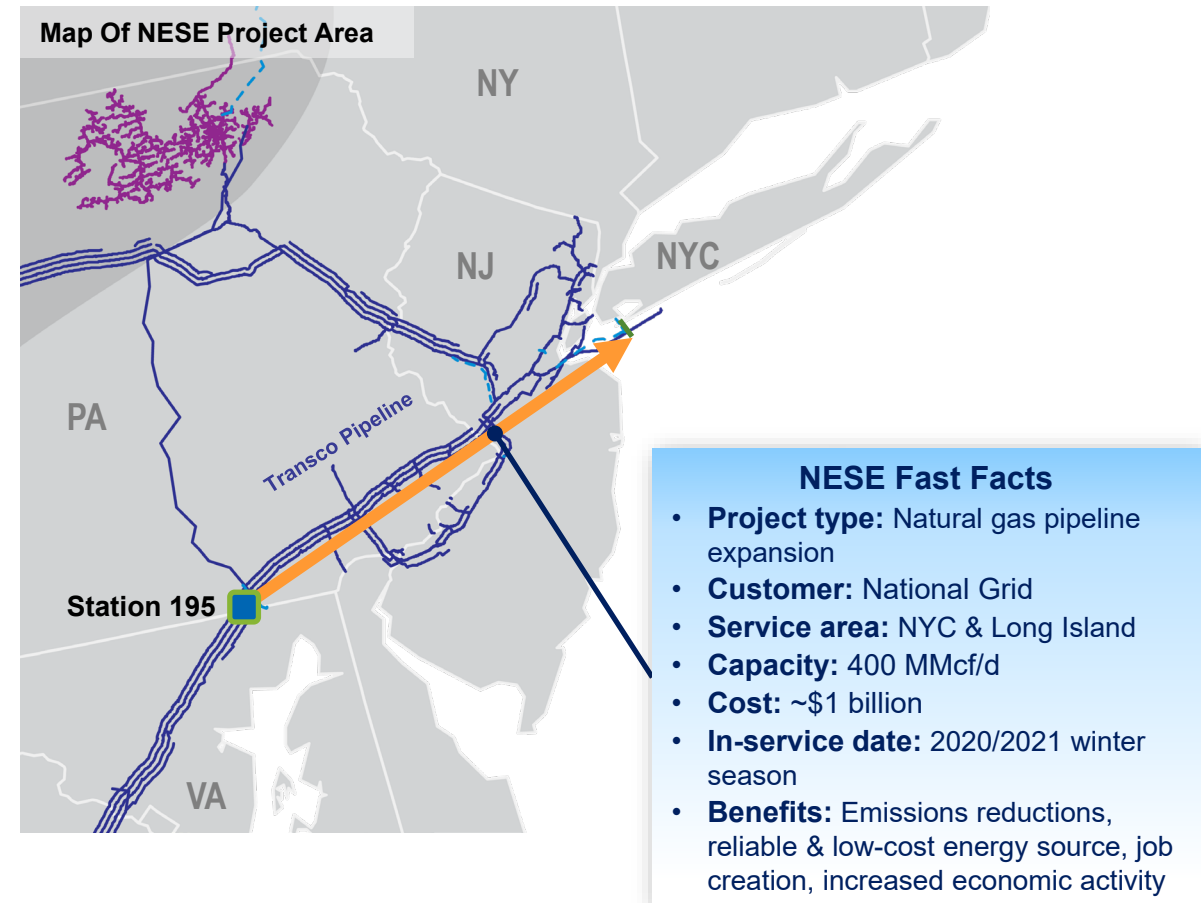
- Analyzed data to pinpoint compelling narratives and segments of supporters to help communicate the importance of NESE
- Engaged unique allies to partner on project advocacy at an early stage
- Created a process to manage and monitor stakeholder engagement and support levels

> ENVIRONMENTAL BENEFITS:

- Supports conversion from heating oil to cleaner natural gas in National Grid's service area, allowing its customers to reduce local air emissions
- CO2 emissions will ultimately be reduced by 200,000 tons per year – equivalent to removing 500,000 cars from the road per year

> PROJECT PERMITTING STATUS:

- Reapplied for the 401 Water Quality Certification in New York and New Jersey; Received Notice of Complete Application from New York and New Jersey
- Confident that the project will be completed in time for 2020/2021 winter season



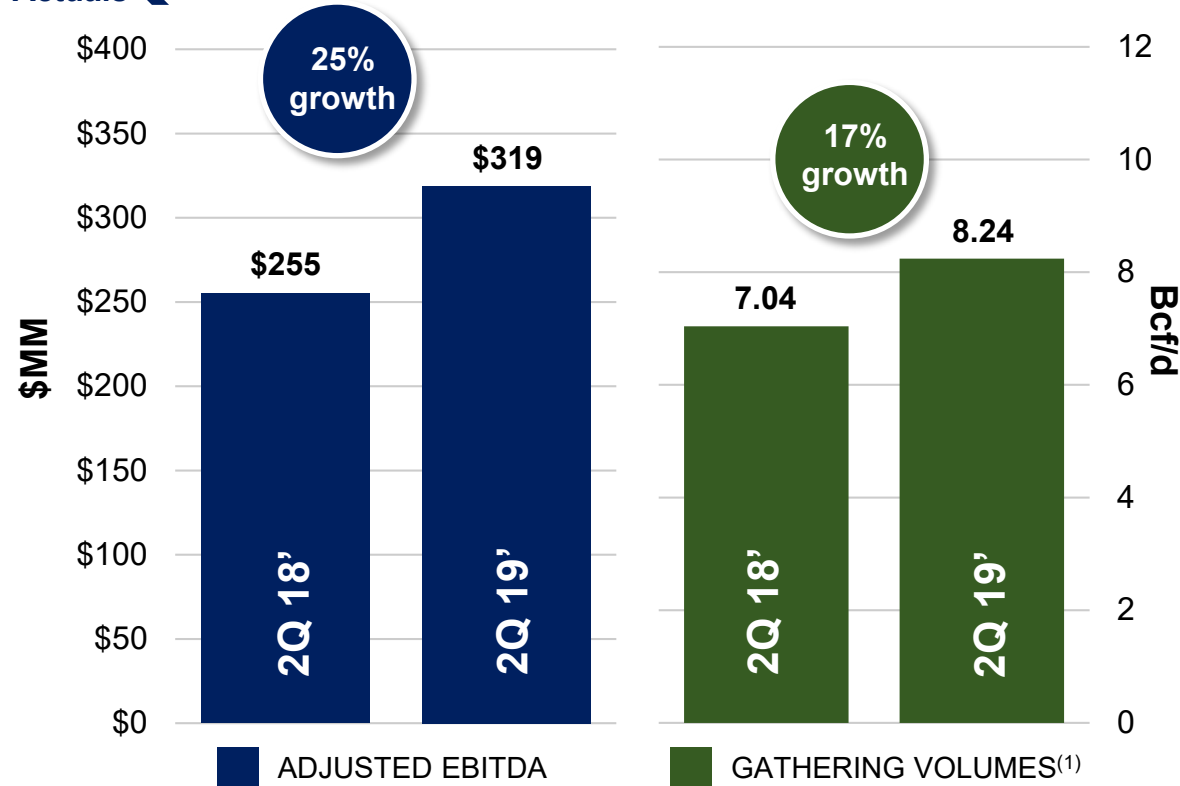
(1) Consistent with Williams' practice for financial planning, the capital cost and in-service target are further risked to \$1 billion and April 2021

Double digit EBITDA growth expected in the Northeast in 2019 - 2020

NORTHEAST EBITDA VS. VOLUME GROWTH

2Q '18 - 2Q '19

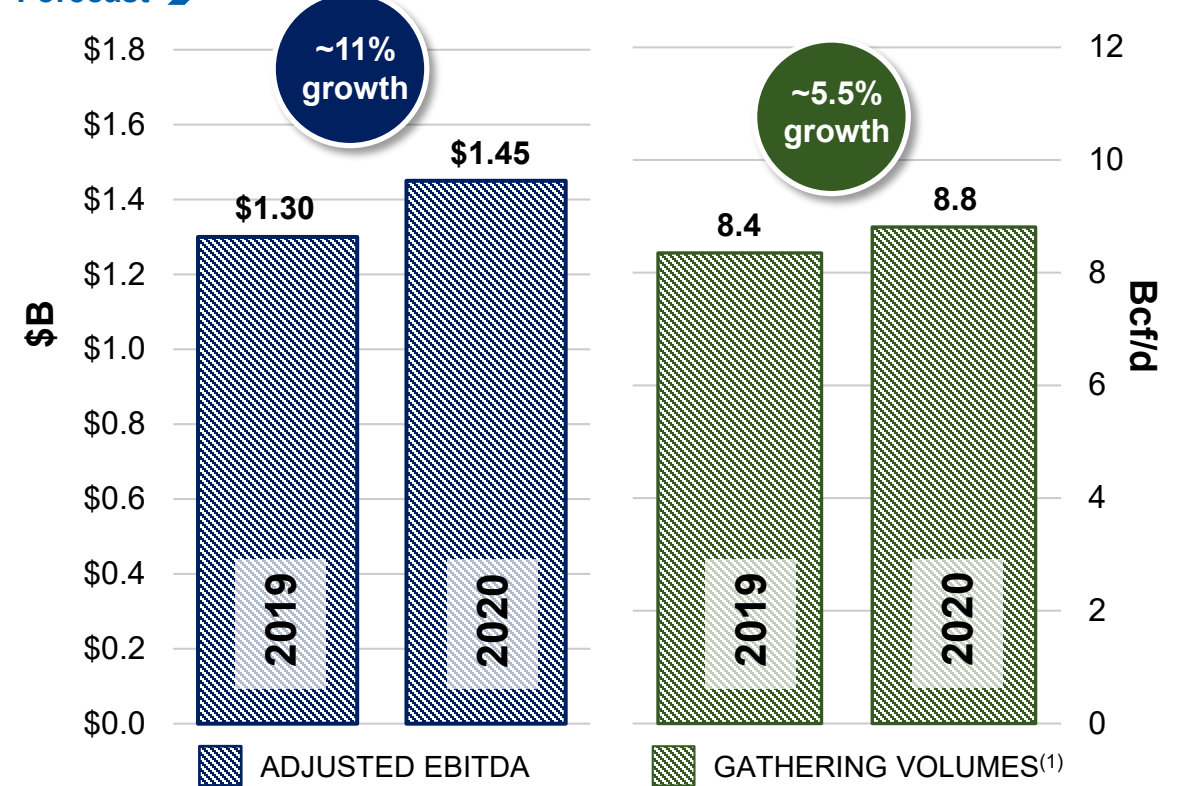
Actuals ◀



CURRENT NORTHEAST FORECASTS

2019 - 2020

Forecast ▶



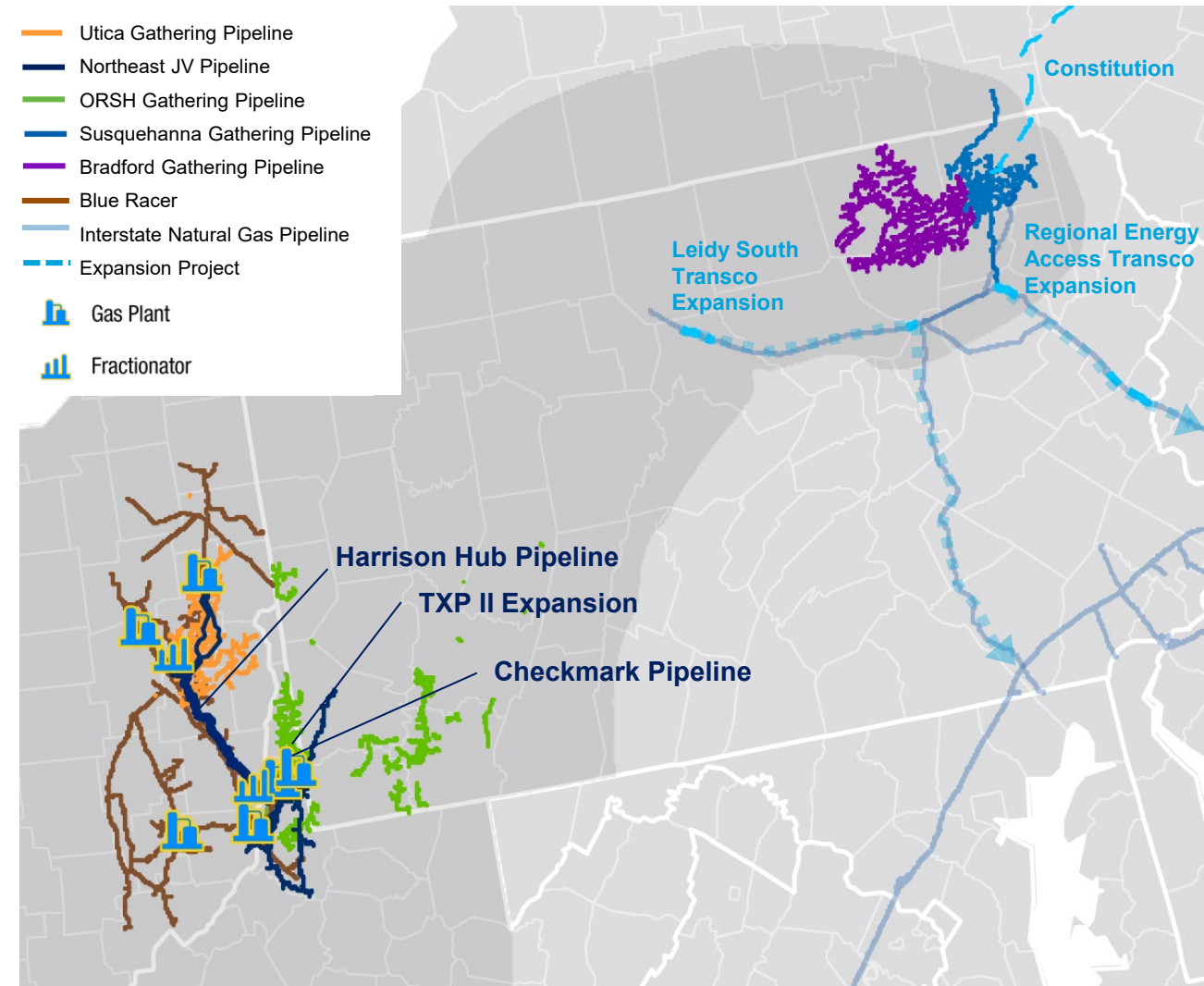
¹Northeast gathering volume charts do not include non-operated JVs

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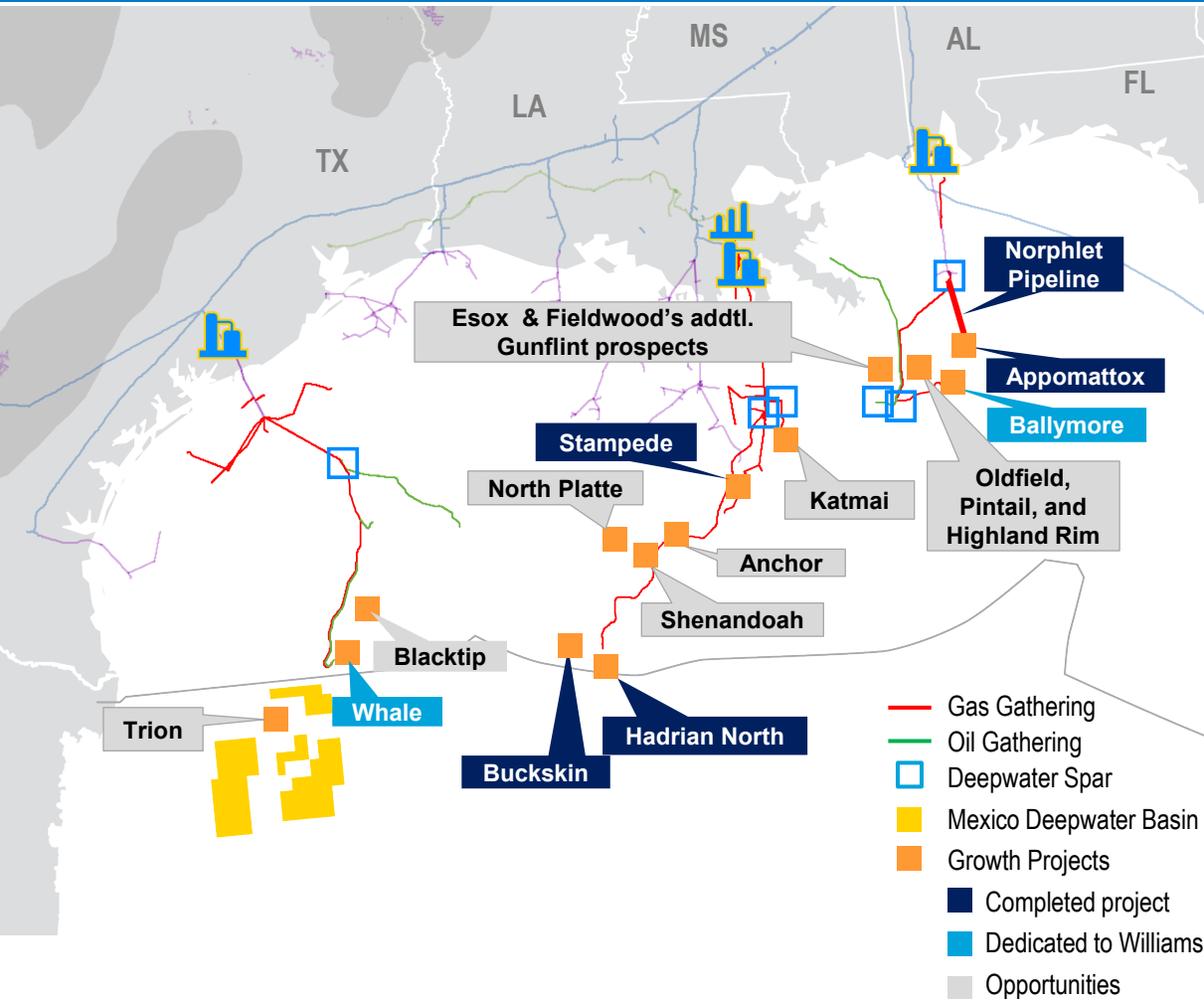
New projects, rate increases and additional services enable Northeast EBITDA growth at a higher rate than gathering volumes

2020 EBITDA DRIVERS

- >2019 capex backed by MVCs, rate increases and incremental services on same gathered volumes
- >Harrison Hub Pipeline now in-service which connects Moundsville to UEOM fractionation, providing current Moundsville customers access to Harrison NGL hub pricing and creating option to repurpose Moundsville fractionator
- >Checkmark Pipeline project in-service which increases Williams' processing volumes and gathering fees
- >TXP II processing plant now in-service, adding an incremental 200 MMcf/d of capacity to Oak Grove
- >Additional processing volumes from new agreements at ORSH
- >Susquehanna volume growth continues
- >Realizing operational cost synergies with UEOM



Substantial Gulf of Mexico discoveries near existing assets expected to facilitate long-term growth



> COMPLETED PROJECTS

- Acquired the Norphlet Pipeline for \$200 million following Shell’s first gas production in late June 2019
- Appomattox is first commercial discovery brought into production in the Norphlet formation; long-term growth expected
- Hadrian North, Buckskin, Stampede dedications add an additional 150 Bcf of reserves

> DEDICATIONS

- Chevron/Total Ballymore discovery 3 miles from Blind Faith; Largest discovery by Total in the GOM, with more than 670 ft of net oil pay
- Shell Whale discovery one of Shell’s largest finds in the GOM in the past decade with over 1,400 feet of oil pay

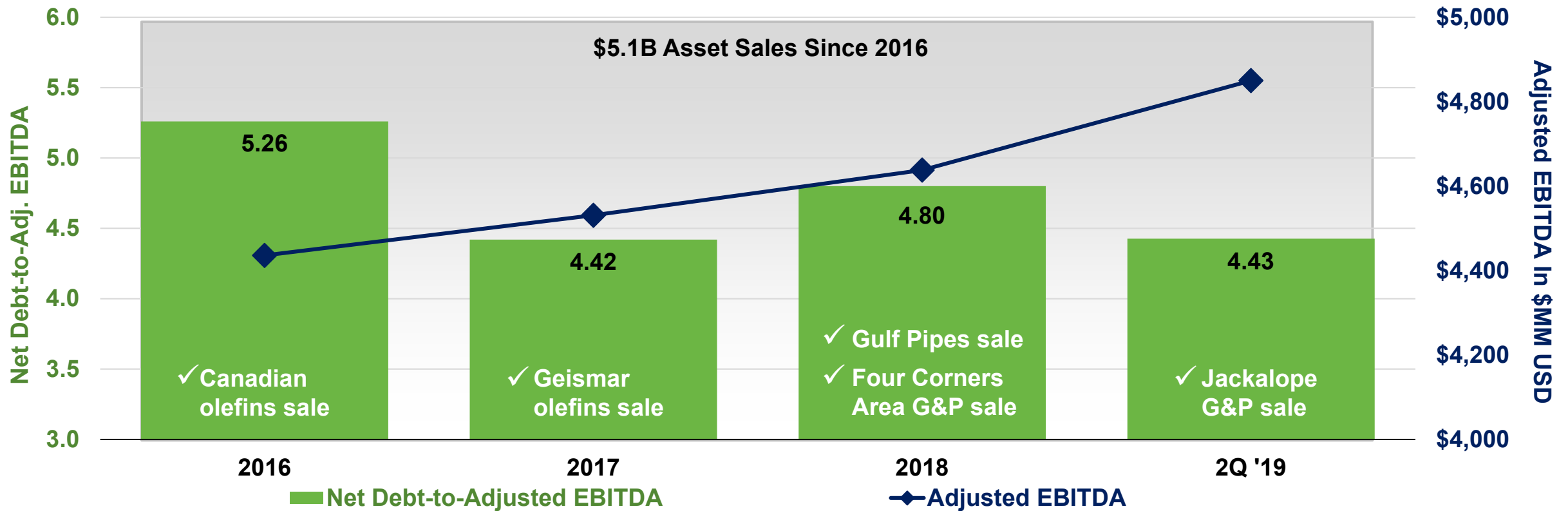
> OPPORTUNITIES

- Blacktip (15 miles from existing pipelines)
- Mexico Perdido discoveries, including Trion
- Anchor, Shenandoah, Katmai and North Platte
- Kosmos’ Oldfield, Pintail, and Highland Rim prospects near Devils Tower
- Hess’ Esox prospect and Fieldwood’s additional Gunflint prospects near Gulfstar One

Sources: Chevron 1/30/2018 Ballymore Press Release, Total 1/31/2018 Ballymore Press Release, Shell 1/31/2018 Whale Press Release, Shell 5/23/19 Norphlet press release

Adjusted EBITDA growth and strategic transactions accelerate de-leveraging

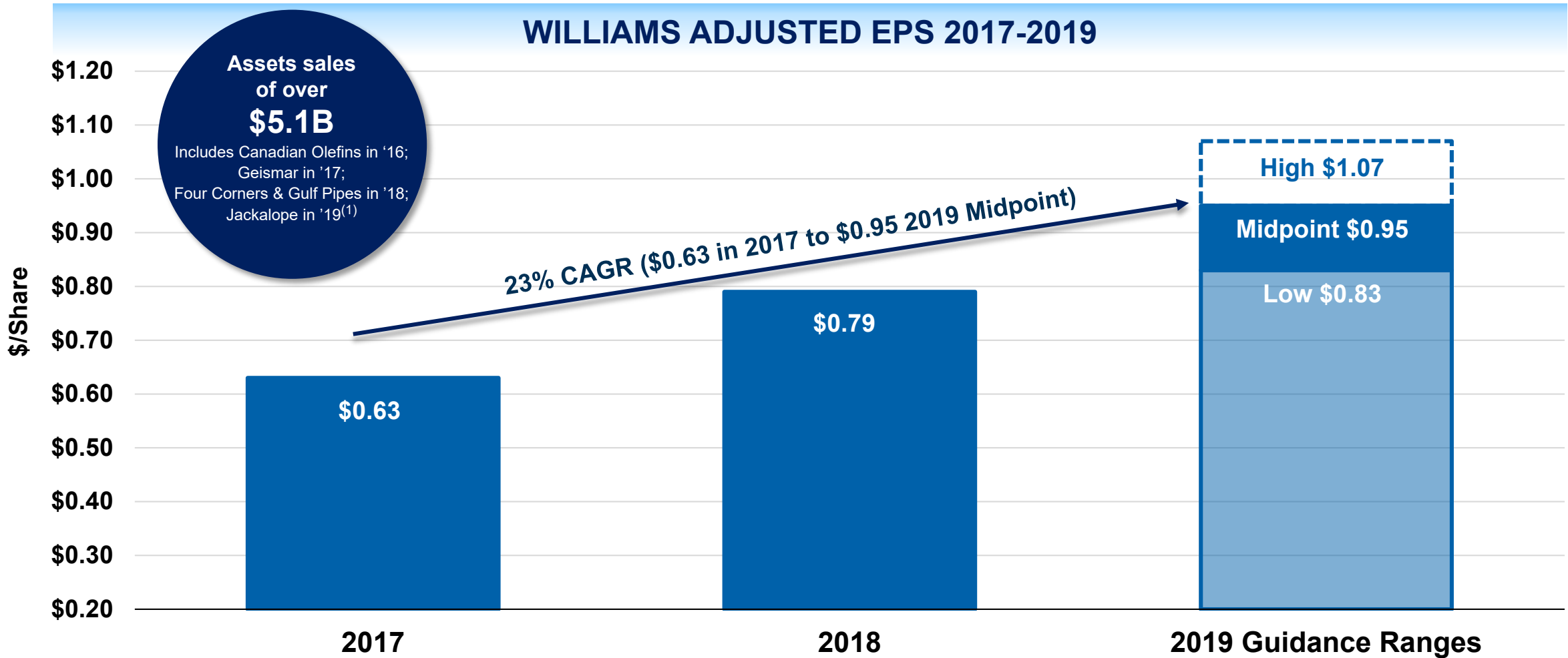
NET DEBT-TO-ADJUSTED EBITDA VS. ADJUSTED EBITDA¹
2016 – 2Q '19



¹Net Debt-to-Adjusted EBITDA ratio does not represent leverage ratios measured for WMB credit agreement compliance or leverage ratios as calculated by the major credit ratings agencies. Consolidated debt is net of cash on hand. 2Q '19 Adjusted EBITDA reflects the sum of the last four quarters.

Note: Total asset sales since 2016 excludes \$600 million net cash from the Northeast JV transaction (see press release dated 06/17/19). This slide contains non-GAAP financial measures. A reconciliation of all non-GAAP financial measures used in this presentation to their nearest GAAP financial measures is included at the back of this presentation.

Steady and predictable growth despite assets sales and commodity price volatility



¹Over \$2B in book gains are removed from Adjusted EPS. Total asset sales since 2016 excludes \$600 million net cash from the Northeast JV transaction (see press release dated 06/17/19).

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Making affordable, cleaner fuels available to communities

Sustainability Report

Published
June 2019 



- > Performing **better than industry benchmark** for Total Recordable Injury Rate
- > All Process Safety indicators showing **year-over-year improvement**
- > Advancing **socially and environmentally** responsible projects such as NESE
- > **Reduced methane emissions** from gas processing plants and transmission compressor stations more than **53% since 2012**
- > Transco Emissions Reduction Program projected to **reduce nitrogen oxide emissions** by an estimated **72%**

Williams is a unique large-scale, low-volatility, growing natural gas infrastructure company with high quality revenues

- ✓ **Demand-driven, natural gas strategy** built on irreplaceable asset base **handling 30%** of U.S. natural gas
- ✓ **Competitively advantaged natural gas infrastructure positions** generating abundant organic growth opportunities with **attractive returns**
- ✓ **Stable and predictable** fee-based cash flows driving expected **8% Adjusted EBITDA growth 2018-2019⁽¹⁾**; **5-7% annual Adjusted EBITDA growth longer term** beyond 2019
- ✓ Attractive current **dividend yield** of **6.7%⁽¹⁾**
- ✓ **12.5% dividend growth CAGR 2017-2019**; maintaining strong **dividend coverage of ~1.7x** for reinvestment in growth capital opportunities
- ✓ **Deleveraging** through capital discipline, reinvesting cash flow, and ongoing portfolio optimization transactions

¹Data and estimates per FactSet as of 8/27/19. WMB 2017-2019 growth rates based on midpoint of guidance.

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Forward Looking Statements

Forward-looking statements

- > The reports, filings, and other public announcements of The Williams Companies, Inc. (Williams) may contain or incorporate by reference statements that do not directly or exclusively relate to historical facts. Such statements are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (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 herein 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,” “targets,” “planned,” “potential,” “projects,” “scheduled,” “will,” “assumes,” “guidance,” “outlook,” “in-service date” or other similar expressions. These forward-looking statements are based on management’s beliefs and assumptions and on information currently available to management and include, among others, statements regarding:
- Levels of dividends to Williams stockholders;
 - Future credit ratings of Williams and its 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;
 - Demand for our services.

Forward-looking statements (cont'd)

- > **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 herein. 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;
 - 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 our capital projects and investment opportunities;
 - Our ability to acquire new businesses and assets and successfully integrate those operations and assets into existing businesses as well as successfully expand our facilities, and to consummate asset sales on acceptable terms;
 - 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 and 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 as well as our ability to obtain sufficient construction related inputs including skilled labor;
 - 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;

Forward-looking statements (cont'd)

- Risks associated with weather and natural phenomena, including climate conditions and physical damage to our facilities;
 - Acts of terrorism, cybersecurity incidents, and related disruptions;
 - Additional risks described in our filings with the Securities and Exchange Commission (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 herein. 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. For a detailed discussion of those factors, see Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K filed with the SEC on February 21, 2019.**

A nighttime photograph of a city skyline, likely Atlanta, Georgia, with several prominent skyscrapers illuminated. In the foreground, a highway with light trails from cars is visible. A semi-transparent blue banner is overlaid on the bottom left of the image.

Non-GAAP Reconciliations

Non-GAAP Disclaimer

- > This presentation may include certain financial measures – adjusted EBITDA, adjusted income (“earnings”), adjusted earnings per share, distributable cash flow and dividend coverage ratio – that are non-GAAP financial measures as defined under the rules of the Securities and Exchange Commission.
- > Our segment performance measure, modified EBITDA is defined as net income (loss) before income (loss) from discontinued operations, income tax expense, net interest expense, equity earnings from equity-method investments, other net investing income, remeasurement gain on equity-method investment, impairment of equity investments and goodwill, depreciation and amortization expense, and accretion expense associated with asset retirement obligations for nonregulated operations. We also add our proportional ownership share (based on ownership interest) of modified EBITDA of equity-method investments.
- > Adjusted EBITDA further excludes items of income or loss that we characterize as unrepresentative of our ongoing operations. Management believes this measure provides investors meaningful insight into results from ongoing operations.
- > Distributable cash flow is defined as adjusted EBITDA less maintenance capital expenditures, cash portion of net interest expense, income attributable to or dividends/distributions paid to noncontrolling interests and cash income taxes, and certain other adjustments that management believes affects the comparability of results. Adjustments for maintenance capital expenditures and cash portion of interest expense include our proportionate share of these items of our equity-method investments. We also calculate the ratio of distributable cash flow to the total cash dividends paid (dividend coverage ratio). This measure reflects Williams’ distributable cash flow relative to its actual cash dividends paid.
- > This presentation is accompanied by a reconciliation of these non-GAAP financial measures to their nearest GAAP financial measures. Management uses these financial measures because they are accepted financial indicators used by investors to compare company performance. In addition, management believes that these measures provide investors an enhanced perspective of the operating performance of assets and the cash that the business is generating.
- > Neither adjusted EBITDA, adjusted income, nor distributable cash flow are intended to represent cash flows for the period, nor are they presented as an alternative to net income or cash flow from operations. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with United States generally accepted accounting principles.



Reconciliation of Income (Loss) Attributable to The Williams Companies, Inc. to Adjusted Income, 2016 and 2017

(Dollars in millions, except per-share amounts)	2016					2017				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
Income (loss) attributable to The Williams Companies, Inc. available to common stockholders	\$ (65)	\$ (405)	\$ 61	\$ (15)	\$ (424)	\$ 373	\$ 81	\$ 33	\$ 1,687	\$ 2,174
Income (loss) - diluted earnings (loss) per common share	\$ (.09)	\$ (.54)	\$.08	\$ (.02)	\$ (.57)	\$.45	\$.10	\$.04	\$ 2.03	\$ 2.62
Adjustments:										
<i>Williams Partners</i>										
Estimated minimum volume commitments	\$ 60	\$ 64	\$ 70	\$ (194)	\$ —	\$ 15	\$ 15	\$ 18	\$ (48)	\$ —
Impairment of certain assets	—	389	—	22	411	—	—	1,142	9	1,151
Ad valorem obligation timing adjustment	—	—	—	—	—	—	—	7	—	7
Organizational realignment-related costs	—	—	—	24	24	4	6	6	2	18
Loss related to Canada disposition	—	—	32	2	34	(3)	(1)	4	4	4
Severance and related costs	25	—	—	12	37	9	4	5	4	22
Constitution Pipeline project development costs	—	8	11	9	28	2	6	4	4	16
Potential rate refunds associated with rate case litigation	15	—	—	—	15	—	—	—	—	—
ACMP Merger and transition costs	5	—	—	—	5	—	4	3	4	11
Share of impairment at equity-method investments	—	—	6	19	25	—	—	1	—	1
Gain on asset retirement	—	—	—	(11)	(11)	—	—	(5)	5	—
Geismar Incident adjustments	—	—	—	(7)	(7)	(9)	2	8	(1)	—
Gain on sale of Geismar Interest	—	—	—	—	—	—	—	(1,095)	—	(1,095)
Gains from contract settlements and terminations	—	—	—	—	—	(13)	(2)	—	—	(15)
Accrual for loss contingency	—	—	—	—	—	9	—	—	—	9
Gain on early retirement of debt	—	—	—	—	—	(30)	—	3	—	(27)
Gain on sale of RGP Splitter	—	—	—	—	—	—	(12)	—	—	(12)
Settlement charge from pension early payout program	—	—	—	—	—	—	—	—	35	35
Regulatory charges resulting from Tax Reform	—	—	—	—	—	—	—	—	713	713
Share of regulatory charges resulting from Tax Reform for equity-method investments	—	—	—	—	—	—	—	—	11	11
Expenses associated with Financial Repositioning	—	—	—	—	—	—	2	—	—	2
Expenses associated with strategic asset monetizations	—	—	—	2	2	1	4	—	—	5
Total Williams Partners adjustments	105	461	119	(122)	563	(15)	28	101	742	856

Reconciliation of Income (Loss) Attributable to The Williams Companies, Inc. to Adjusted Income, 2016 and 2017 (cont'd)

(Dollars in millions, except per-share amounts)	2016					2017				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
<i>Other</i>										
Impairment of certain assets	—	406	—	8	414	—	23	68	—	91
Loss related to Canada disposition	—	—	33	(1)	32	1	—	—	1	2
Canadian PDH facility project development costs	34	11	16	—	61	—	—	—	—	—
Gain on sale of certain assets	(10)	—	—	—	(10)	—	—	—	—	—
Expenses associated with strategic alternatives	6	13	21	7	47	1	3	5	—	9
ACMP Merger and transition costs	2	—	—	—	2	—	—	—	—	—
Severance and related costs	1	—	—	4	5	—	—	—	—	—
Settlement charge from pension early payout program	—	—	—	—	—	—	—	—	36	36
Regulatory charges resulting from Tax Reform	—	—	—	—	—	—	—	—	63	63
Expenses associated with Financial Repositioning	—	—	—	—	—	8	—	—	—	8
<i>Total Other adjustments</i>	<u>33</u>	<u>430</u>	<u>70</u>	<u>18</u>	<u>551</u>	<u>10</u>	<u>26</u>	<u>73</u>	<u>100</u>	<u>209</u>
Adjustments included in Modified EBITDA	138	891	189	(104)	1,114	(5)	54	174	842	1,065
<i>Adjustments below Modified EBITDA</i>										
Impairment of equity-method investments - Williams Partners	112	—	—	318	430	—	—	—	—	—
Gain on disposition of equity-method investment - Williams Partners	—	—	(27)	—	(27)	(269)	—	—	—	(269)
Interest expense related to potential rate refunds associated with rate case litigation - Williams Partners	3	—	—	—	3	—	—	—	—	—
Accelerated depreciation related to reduced salvage value of certain assets - Williams Partners	—	—	—	4	4	—	—	—	—	—
Accelerated depreciation by equity-method investments	—	—	—	—	—	—	—	—	9	9
Change in depreciable life associated with organizational realignment - Williams Partners	—	—	—	(16)	(16)	(7)	—	—	—	(7)
Interest income on receivable from sale of Venezuela assets - Other	(18)	(18)	—	—	(36)	—	—	—	—	—
Allocation of adjustments to noncontrolling interests	(83)	(154)	(41)	(76)	(354)	77	(10)	(28)	(199)	(160)
	<u>14</u>	<u>(172)</u>	<u>(68)</u>	<u>230</u>	<u>4</u>	<u>(199)</u>	<u>(10)</u>	<u>(28)</u>	<u>(190)</u>	<u>(427)</u>
Total adjustments	152	719	121	126	1,118	(204)	44	146	652	638
Less tax effect for above items	(61)	(202)	(39)	19	(283)	77	(17)	(55)	(246)	(241)
Adjustments for tax-related items ⁽¹⁾	—	34	5	—	39	(127)	—	—	(1,923)	(2,050)
Adjusted income available to common stockholders	\$ 26	\$ 146	\$ 148	\$ 130	\$ 450	\$ 119	\$ 108	\$ 124	\$ 170	\$ 521
Adjusted diluted earnings per common share ⁽²⁾	\$.03	\$.19	\$.20	\$.17	\$.60	\$.14	\$.13	\$.15	\$.20	\$.63
Weighted-average shares - diluted (thousands)	751,040	751,297	751,858	752,818	751,761	826,476	828,575	829,368	829,607	828,518

(1) The second and third quarters of 2016 include a favorable adjustment related to the reversal of a cumulative anticipatory foreign tax credit. The first quarter of 2017 includes an unfavorable adjustment related to the release of a valuation allowance. The fourth quarter of 2017 includes an unfavorable adjustment to reverse the tax benefit associated with remeasuring our deferred tax balances at a lower corporate rate resulting from Tax Reform.

(2) The sum of earnings per share for the quarters may not equal the total earnings per share for the year due to changes in the weighted-average number of common shares outstanding.

Reconciliation of Net Income/(Loss) to Modified EBITDA and Adjusted EBITDA, 2016 and 2017

(Dollars in millions)	2016					2017				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
Net income (loss)	\$ (13)	\$ (505)	\$ 131	\$ 37	\$ (350)	\$ 569	\$ 193	\$ 125	\$ 1,622	\$ 2,509
Provision (benefit) for income taxes	2	(145)	69	49	(25)	37	65	24	(2,100)	(1,974)
Interest expense	291	298	297	293	1,179	280	271	267	265	1,083
Equity (earnings) losses	(97)	(101)	(104)	(95)	(397)	(107)	(125)	(115)	(87)	(434)
Impairment of equity-method investments	112	—	—	318	430	—	—	—	—	—
Other investing (income) loss - net	(18)	(18)	(28)	1	(63)	(272)	(2)	(4)	(4)	(282)
Proportional Modified EBITDA of equity-method investments	189	191	194	180	754	194	215	202	184	795
Depreciation and amortization expenses	445	446	435	437	1,763	442	433	433	428	1,736
Accretion expense associated with asset retirement obligations for nonregulated operations	7	8	9	7	31	7	9	7	10	33
Modified EBITDA	\$ 918	\$ 174	\$ 1,003	\$ 1,227	\$ 3,322	\$ 1,150	\$ 1,059	\$ 939	\$ 318	\$ 3,466
Williams Partners	\$ 955	\$ 604	\$ 1,070	\$ 1,235	\$ 3,864	\$ 1,132	\$ 1,076	\$ 1,000	\$ 408	\$ 3,616
Other	(37)	(430)	(67)	(8)	(542)	18	(17)	(61)	(90)	(150)
Total Modified EBITDA	\$ 918	\$ 174	\$ 1,003	\$ 1,227	\$ 3,322	\$ 1,150	\$ 1,059	\$ 939	\$ 318	\$ 3,466
Adjustments included in Modified EBITDA⁽¹⁾:										
Williams Partners	\$ 105	\$ 461	\$ 119	\$ (122)	\$ 563	\$ (15)	\$ 28	\$ 101	\$ 742	\$ 856
Other	33	430	70	18	551	10	26	73	100	209
Total Adjustments included in Modified EBITDA	\$ 138	\$ 891	\$ 189	\$ (104)	\$ 1,114	\$ (5)	\$ 54	\$ 174	\$ 842	\$ 1,065
Adjusted EBITDA:										
Williams Partners	\$ 1,060	\$ 1,065	\$ 1,189	\$ 1,113	\$ 4,427	\$ 1,117	\$ 1,104	\$ 1,101	\$ 1,150	\$ 4,472
Other	(4)	—	3	10	9	28	9	12	10	59
Total Adjusted EBITDA	\$ 1,056	\$ 1,065	\$ 1,192	\$ 1,123	\$ 4,436	\$ 1,145	\$ 1,113	\$ 1,113	\$ 1,160	\$ 4,531

(1) Adjustments by segment are detailed in the "Reconciliation of Income (Loss) Attributable to The Williams Companies, Inc. to Adjusted Income," which is also included in these materials.

Reconciliation of Income (Loss) Attributable to The Williams Companies, Inc. to Adjusted Income, 2018 and 2019 YTD

<i>(Dollars in millions, except per-share amounts)</i>	2018					2019		
	<i>1st Qtr</i>	<i>2nd Qtr</i>	<i>3rd Qtr</i>	<i>4th Qtr</i>	<i>Year</i>	<i>1st Qtr</i>	<i>2nd Qtr</i>	<i>Year</i>
Income (loss) attributable to The Williams Companies, Inc. available to common stockholders	\$ 152	\$ 135	\$ 129	\$ (572)	\$ (156)	\$ 194	\$ 310	\$ 504
Income (loss) - diluted earnings (loss) per common share ⁽¹⁾	\$.18	\$.16	\$.13	\$ (.47)	\$ (.16)	\$.16	\$.26	\$.41
Adjustments:								
<i>Northeast G&P</i>								
Expenses associated with new venture	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3	\$ 6	\$ 9
Settlement charge from pension early payout program	—	—	—	4	4	—	—	—
Severance and related costs	—	—	—	—	—	—	10	10
<i>Total Northeast G&P adjustments</i>	—	—	—	4	4	3	16	19
<i>Atlantic-Gulf</i>								
Constitution Pipeline project development costs	2	1	1	—	4	—	1	1
Settlement charge from pension early payout program	—	—	—	7	7	—	—	—
Regulatory adjustments resulting from Tax Reform	11	(20)	—	—	(9)	—	—	—
Benefit of regulatory asset associated with increase in Transco's estimated deferred state income tax rate following WPZ Merger	—	—	(3)	—	(3)	—	—	—
Share of regulatory charges resulting from Tax Reform for equity-method investments	2	—	—	—	2	—	—	—
Reversal of expenditures capitalized in prior years	—	—	—	—	—	—	15	15
Gain on sale of certain Gulf Coast pipeline assets	—	—	—	(81)	(81)	—	—	—
Gain on asset retirement	—	—	(10)	(2)	(12)	—	—	—
Severance and related costs	—	—	—	—	—	—	19	19
<i>Total Atlantic-Gulf adjustments</i>	15	(19)	(12)	(76)	(92)	—	35	35
<i>West</i>								
Impairment of certain assets	—	—	—	1,849	1,849	12	64	76
Settlement charge from pension early payout program	—	—	—	6	6	—	—	—
Regulatory adjustments resulting from Tax Reform	(7)	—	—	—	(7)	—	—	—
Charge for regulatory liability associated with the decrease in Northwest Pipeline's estimated deferred state income tax rates following WPZ Merger	—	—	12	—	12	—	—	—
Gain on sale of Four Corners assets	—	—	—	(591)	(591)	2	—	2
Severance and related costs	—	—	—	—	—	—	14	14
<i>Total West adjustments</i>	(7)	—	12	1,264	1,269	14	78	92

Reconciliation of Income (Loss) Attributable to The Williams Companies, Inc. to Adjusted Income, 2018 and 2019 YTD (con't)

(Dollars in millions, except per-share amounts)	2018					2019		
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year
<i>Other</i>								
Loss on early retirement of debt	7	—	—	—	7	—	—	—
Impairment of certain assets	—	66	—	—	66	—	—	—
Settlement charge from pension early payout program	—	—	—	5	5	—	—	—
Regulatory adjustments resulting from Tax Reform	—	1	—	—	1	—	—	—
(Benefit) adjustment of regulatory assets associated with increase in Transco's estimated deferred state income tax rate following WPZ Merger	—	—	(45)	—	(45)	12	—	12
WPZ Merger costs	—	4	15	1	20	—	—	—
Gain on sale of certain Gulf Coast pipeline systems	—	—	—	(20)	(20)	—	—	—
Charitable contribution of preferred stock to Williams Foundation	—	—	35	—	35	—	—	—
<i>Total Other adjustments</i>	7	71	5	(14)	69	12	—	12
Adjustments included in Modified EBITDA	15	52	5	1,178	1,250	29	129	158
<i>Adjustments below Modified EBITDA</i>								
Gain on deconsolidation of Jackalope interest	—	(62)	—	—	(62)	—	—	—
Gain on deconsolidation of certain Permian assets	—	—	—	(141)	(141)	2	—	2
Impairment of equity-method investments	—	—	—	32	32	74	(2)	72
Gain on sale of equity-method investments	—	—	—	—	—	—	(122)	(122)
Allocation of adjustments to noncontrolling interests	(5)	21	—	—	16	—	(1)	(1)
	(5)	(41)	—	(109)	(155)	76	(125)	(49)
Total adjustments	10	11	5	1,069	1,095	105	4	109
Less tax effect for above items	(3)	(3)	(1)	(267)	(274)	(26)	(1)	(27)
Adjustments for tax-related items ⁽²⁾	—	—	110	—	110	—	—	—
Adjusted income available to common stockholders	\$ 159	\$ 143	\$ 243	\$ 230	\$ 775	\$ 273	\$ 313	\$ 586
Adjusted diluted earnings per common share ⁽¹⁾	\$.19	\$.17	\$.24	\$.19	\$.79	\$.22	\$.26	\$.48
Weighted-average shares - diluted (thousands)	830,197	830,107	1,026,504	1,212,822	976,097	1,213,592	1,214,065	1,213,830

(1) The sum of earnings per share for the quarters may not equal the total earnings per share for the year due to changes in the weighted-average number of common shares outstanding.

(2) The third quarter of 2018 reflects tax adjustments driven by the WPZ Merger, primarily a valuation allowance for foreign tax credits.

Reconciliation of Net Income (Loss) to Modified EBITDA, Adjusted EBITDA and Distributable Cash Flow, 2018 and 2019 YTD

(Dollars in millions, except coverage ratios)	2018					2019		
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year
The Williams Companies, Inc.								
<i>Reconciliation of GAAP "Net Income (Loss)" to Non-GAAP "Modified EBITDA", "Adjusted EBITDA" and "Distributable cash flow"</i>								
Net income (loss)	\$ 270	\$ 269	\$ 200	\$ (546)	\$ 193	\$ 214	\$ 324	\$ 538
Provision (benefit) for income taxes	55	52	190	(159)	138	69	98	167
Interest expense	273	275	270	294	1,112	296	296	592
Equity (earnings) losses	(82)	(92)	(105)	(117)	(396)	(80)	(87)	(167)
Other investing (income) loss - net	(4)	(68)	(2)	(113)	(187)	73	(126)	(53)
Proportional Modified EBITDA of equity-method investments	169	178	205	218	770	190	175	365
Depreciation and amortization expenses	431	434	425	435	1,725	416	424	840
Accretion for asset retirement obligations associated with nonregulated operations	8	10	8	7	33	9	8	17
Modified EBITDA	1,120	1,058	1,191	19	3,388	1,187	1,112	2,299
EBITDA adjustments	15	52	5	1,178	1,250	29	129	158
Adjusted EBITDA	1,135	1,110	1,196	1,197	4,638	1,216	1,241	2,457
Maintenance capital expenditures ⁽¹⁾	(110)	(160)	(138)	(122)	(530)	(93)	(130)	(223)
Preferred dividends	—	—	—	(1)	(1)	(1)	—	(1)
Net interest expense - cash portion ⁽²⁾	(276)	(279)	(274)	(299)	(1,128)	(304)	(302)	(606)
Cash taxes	(1)	(10)	(1)	1	(11)	3	85	88
Income attributable to noncontrolling interests ⁽³⁾	(25)	(24)	(19)	(28)	(96)			
Dividend and distributions paid to noncontrolling interests						(41)	(27)	(68)
Distributable cash flow	\$ 723	\$ 637	\$ 764	\$ 748	\$ 2,872	\$ 780	\$ 867	\$ 1,647
Total cash distributed ⁽⁴⁾	\$ 438	\$ 443	\$ 412	\$ 411	\$ 1,704	\$ 460	\$ 461	\$ 921
Weighted-average shares – diluted (thousands) ⁽⁵⁾	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000	1,213,592	1,214,065	1,213,830
Distributable cash flow / share	\$ 0.60	\$ 0.53	\$ 0.63	\$ 0.62	\$ 2.37	\$ 0.64	\$ 0.71	\$ 1.36
Coverage ratios:								
Distributable cash flow divided by Total cash distributed	1.65	1.44	1.85	1.82	1.69	1.70	1.88	1.79
Net income (loss) divided by Total cash distributed	0.62	0.61	0.49	(1.33)	0.11	0.47	0.70	0.58

(1) Includes proportionate share of maintenance capital expenditures of equity-method investments.

(2) Includes proportionate share of interest expense of equity-method investments.

(3) Excludes allocable share of certain EBITDA adjustments.

(4) Includes cash dividends paid on common stock each quarter by WMB, as well as the public unitholders share of distributions declared by WPZ for the first two quarters of 2018.

(5) Shares in the 2018 periods reflect the WMB common shares outstanding per the 9/30/18 Consolidated Balance Sheet following the WPZ Merger.

Reconciliation of Modified EBITDA to Non-GAAP Adjusted EBITDA

(Dollars in millions)	2018					2019		
	1st Otr	2nd Otr	3rd Otr	4th Otr	Year	1st Otr	2nd Otr	Year
Net income (loss)	\$ 270	\$ 269	\$ 200	\$ (546)	\$ 193	\$ 214	\$ 324	\$ 538
Provision (benefit) for income taxes	55	52	190	(159)	138	69	98	167
Interest expense	273	275	270	294	1,112	296	296	592
Equity (earnings) losses	(82)	(92)	(105)	(117)	(396)	(80)	(87)	(167)
Other investing (income) loss - net	(4)	(68)	(2)	(113)	(187)	73	(126)	(53)
Proportional Modified EBITDA of equity-method investments	169	178	205	218	770	190	175	365
Depreciation and amortization expenses	431	434	425	435	1,725	416	424	840
Accretion expense associated with asset retirement obligations for nonregulated operations	8	10	8	7	33	9	8	17
Modified EBITDA	\$ 1,120	\$ 1,058	\$ 1,191	\$ 19	\$ 3,388	\$ 1,187	\$ 1,112	\$ 2,299
Northeast G&P	\$ 250	\$ 255	\$ 281	\$ 300	\$ 1,086	\$ 299	\$ 303	\$ 602
Atlantic-Gulf	451	475	492	605	2,023	560	524	1,084
West	413	389	412	(906)	308	332	278	610
Other	6	(61)	6	20	(29)	(4)	7	3
Total Modified EBITDA	\$ 1,120	\$ 1,058	\$ 1,191	\$ 19	\$ 3,388	\$ 1,187	\$ 1,112	\$ 2,299
Adjustments included in Modified EBITDA ⁽¹⁾:								
Northeast G&P	\$ —	\$ —	\$ —	\$ 4	\$ 4	\$ 3	\$ 16	\$ 19
Atlantic-Gulf	15	(19)	(12)	(76)	(92)	—	35	35
West	(7)	—	12	1,264	1,269	14	78	92
Other	7	71	5	(14)	69	12	—	12
Total Adjustments included in Modified EBITDA	\$ 15	\$ 52	\$ 5	\$ 1,178	\$ 1,250	\$ 29	\$ 129	\$ 158
Adjusted EBITDA:								
Northeast G&P	\$ 250	\$ 255	\$ 281	\$ 304	\$ 1,090	\$ 302	\$ 319	\$ 621
Atlantic-Gulf	466	456	480	529	1,931	560	559	1,119
West	406	389	424	358	1,577	346	356	702
Other	13	10	11	6	40	8	7	15
Total Adjusted EBITDA	\$ 1,135	\$ 1,110	\$ 1,196	\$ 1,197	\$ 4,638	\$ 1,216	\$ 1,241	\$ 2,457

(1) Adjustments by segment are detailed in the "Reconciliation of Income (Loss) Attributable to The Williams Companies, Inc. to Adjusted Income," which is also included in these materials.

Explanation of Net Debt to Adjusted EBITDA

<i>\$ Millions, unless otherwise noted</i>	2016	2017	2018	Q2'19
Commercial Paper	93	0	0	0
Current Portion of Long-term Debt	785	501	47	1,563
Noncurrent Portion of Long-term Debt	22,624	20,434	22,367	20,711
Less Cash	(170)	(899)	(168)	(806)
Net Debt	23,332	20,036	22,246	21,468
Adjusted EBITDA	4,436	4,531	4,638	4,850
Net Debt to Adjusted EBITDA⁽¹⁾	5.26 x	4.42 x	4.80 x	4.43 x

¹Net Debt-to-Adjusted EBITDA ratio does not represent leverage ratios measured for WMB credit agreement compliance or leverage ratios as calculated by the major credit ratings agencies. Consolidated debt is net of cash on hand. 2Q '19 Adjusted EBITDA reflects the sum of the last four quarters.

Reconciliation of Northeast G&P Modified EBITDA to Adjusted EBITDA, 2019 and 2020 Latest Forecast

<i>(\$ in millions)</i>	2019	2020
Northeast G&P Modified EBITDA	\$1,281	\$1,450
Expenses associated with new venture	9	-
Severance and related costs	10	-
Northeast G&P Adjusted EBITDA	\$1,300	\$1,450

Reconciliation of Income (Loss) Attributable to The Williams Companies, Inc. to Adjusted Income

Reconciliation of Net Income (Loss) to Adjusted Income

	2019 GUIDANCE		
	Low	Mid	High
(\$ in millions, except per-share amounts)			
Net income (loss)	\$1,100	\$1,250	\$1,400
Less: Net income (loss) attributable to noncontrolling interests	90	90	90
Less: Preferred stock dividends	3	3	3
Net income (loss) attributable to The Williams Companies, Inc. available to common stockholders	1,007	1,157	1,307
Adjustments:			
Adjustments included in Modified EBITDA ⁽¹⁾		39	
Adjustments below Modified EBITDA ⁽²⁾		(44)	
Total adjustments		(5)	
Less tax effect for above items ⁽³⁾		4	
Adjusted income available to common stockholders	1,006	1,156	1,306
Adjusted diluted earnings per common share	\$0.83	\$0.95	\$1.07
Weighted-average shares - diluted (millions)	1,217	1,217	1,217

(1) Includes 1Q 2019 adjustments of \$29 and anticipated future adjustments of \$10

(2) Includes 1Q 2019 adjustments of \$76 and anticipated gain on sale of Jackalope equity investment of ~(\$120)

(3) Includes 1Q 2019 tax effect for adjustments of (\$26) and taxes on anticipated gain on sale of Jackalope equity investment of ~\$30

Reconciliation of Net Income to Modified EBITDA, Non-GAAP Adjusted EBITDA and Distributable Cash Flow (con't)

(\$ in millions, except per-share amounts and coverage ratios)

	2019 GUIDANCE		
	Low	Mid	High
Net income (loss)	\$1,100	\$1,250	\$1,400
Provision (benefit) for income taxes		425	
Interest expense		1,200	
Equity (earnings) losses		(410)	
Impairment of equity-method investments		74	
Estimated 2Q 2019 gain on sale of equity-method investment (Jackalope)		(120)	
Proportional Modified EBITDA of equity-method investments		780	
Depreciation and amortization expenses and accretion for asset retirement obligations associated with nonregulated operations		1,760	
Other		2	
Modified EBITDA	\$4,811	\$4,961	\$5,111
EBITDA Adjustments ⁽¹⁾		39	
Adjusted EBITDA	\$4,850	\$5,000	\$5,150
Net Interest expense - cash portion ⁽²⁾		(1,210)	
Maintenance capital expenditures ⁽²⁾	(625)	(575)	(525)
Cash taxes		75	
Dividends and distributions paid to noncontrolling interests and other ⁽³⁾		(190)	
Distributable cash flow (DCF)	\$2,900	\$3,100	\$3,300
--- Distributable Cash Flow per share ⁽⁴⁾	\$2.38	\$2.55	\$2.71
Dividends paid		(1,850)	
Excess cash available after dividends	\$1,050	\$1,250	\$1,450
Dividend per share		\$1.52	
Coverage ratio (Distributable cash flow / Dividends paid)	1.57x	1.68x	1.78x

(1) Includes 1Q 2019 adjustments of \$29 and anticipated future adjustments of \$10

(2) Includes proportionate share of equity investments

(3) Prior guidance was based on income allocable to noncontrolling interests but current guidance reflects projected cash distributions to consolidated joint venture partners

(4) Distributable cash flow / 1,217 million diluted weighted-average common shares