



The Williams Cos., Inc. (WMB)

EDITED TRANSCRIPT

2Q 2025 Earnings Call

August 5, 2025

Forward-looking statements

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 - Levels of dividends to Williams’ stockholders;
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 - Expected in-service dates for capital projects;
 - Financial condition and liquidity;
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 - Availability of supplies, market demand, and volatility of prices;
 - Development and rate of adoption of alternative energy sources;
 - The impact of existing and future laws and regulations, the regulatory environment, environmental matters, and litigation, as well as our ability and the ability of other energy companies with whom we conduct or seek to conduct business, to obtain necessary permits and approvals, and our ability to achieve favorable rate proceeding outcomes;
 - Exposure to the credit risk of customers and counterparties;
 - 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 consummate asset sales on acceptable terms;
 - The ability to successfully identify, evaluate, and timely execute on capital projects and investment opportunities;
 - The strength and financial resources of our competitors and the effects of competition;
 - The amount of cash distributions from and capital requirements of our investments and joint ventures in which we participate;
 - The ability to effectively execute our financing plan;
 - Increasing scrutiny and changing expectations from stakeholders with respect to environmental, social, and governance practices;
 - The physical and financial risks associated with climate change;
 - The impacts of operational and developmental hazards and unforeseen interruptions;
 - The risks resulting from outbreaks or other public health crises;
 - Risks associated with weather and natural phenomena, including climate conditions and physical damage to our facilities;
 - Acts of terrorism, cybersecurity incidents, and related disruptions;
 - 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;
 - Inflation, interest rates, tariffs on foreign-made materials and goods (including steel and steel pipes) necessary to our business, and general economic conditions (including future disruptions and volatility in the global credit markets and the impact of these events on customers and suppliers);
 - 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 ability of the members of the Organization of Petroleum Exporting Countries and other oil exporting nations to agree to and maintain oil price and production controls and the impact on domestic production;
 - Changes in the current geopolitical situation, including the Russian invasion of Ukraine and conflicts in the Middle East.
 - Changes in U.S. governmental administration and policies;
 - Whether we are able to pay current and expected levels of dividends;
 - 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.
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Thanks, Steven, and good morning, everyone. Thank you for joining us and for your interest in The Williams Companies. Yesterday afternoon, we released our earnings press release and the presentation that our President and CEO, Chad Zamarin; and our Chief Financial Officer, John Porter will speak to this morning. Also joining us on the call today are Larry Larsen, our Chief Operating Officer; Lane Wilson, our General Counsel; and Rob Wingo, our Executive Vice President of Corporate Strategic Development.

In our presentation materials, you'll find a disclaimer related to forward looking statements. This disclaimer is important and integral to our remarks, and you should review it. Also included in our presentation materials are non-GAAP measures that we reconciled to Generally Accepted Accounting Principles, and these reconciliation schedules appear at the

back of today's presentation materials.

So, with that, I'll turn it over to Chad.

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Thanks, Danilo and thank you all for joining us today. Before we dive in, I want to welcome Rob Wingo to the call. Rob joined Williams on July 14th, backfilling my previous role. Rob has hit the ground running, and we are thrilled to welcome him to Williams and to welcome his family to Tulsa. With Rob now on board, we have successfully transitioned and settled the leadership team, and we are laser focused on not missing a beat. Alan and I have had a very smooth transition and last week we held our first series of Williams' board meetings with Alan as Executive Chair.

It was a great set of meetings with our board, and we continue to benefit from what I believe is the very best board in the energy industry. It really is an incredible time to be at Williams. Our teams are firing on all cylinders and the fundamentals supporting our business are stronger than ever. We continue to see robust demand across our footprint, and you will see rising tides in our offshore business in the West, along the Gulf Coast, across the Northeast, and of course along our Transco corridor. As an example of these fundamental tailwinds, after posting record demand on Transco this past winter, in July, we set an all-time record for summer demand on Transco, delivering a record-breaking 16.1 Bcf of natural gas on July 29.

In addition, 9 of the 10 all-time highest peak summer days have occurred this summer. And you might think this is being driven by an abnormally hot summer, but in fact, on a cooling degree day basis, this summer has actually been 4.2% cooler than last year.

And now to the quarter. Our teams continue to deliver strong, consistent performance across the business and the second quarter is another example of how we are positioned to lead and grow in an evolving energy landscape. So, let's begin on slide 2. From deepwater developments to major pipeline expansions, our team has consistently delivered complex projects on time and on budget. In fact, oftentimes ahead of schedule and under budget and this past quarter was no different.

In total, we placed six major projects into service, including Transco's Southeast Energy Connector in Alabama and Transco's Texas to Louisiana Energy Pathway project along the Gulf Coast. In the deepwater, we successfully completed the expansion of our Gulf East system to serve Chevron's Ballymore production, which started up in April. And we commissioned Shenandoah, which will drive significant cash flows across our Discovery offshore asset that is now wholly-owned following last year's acquisition of our partner P66's interest in Discovery.

In the Haynesville, we brought the Louisiana Energy Gateway and Haynesville West projects online, enhancing our ability to deliver reliable energy across key markets. And we continue to strengthen our footprint in the Haynesville, completing the acquisition of Saber Midstream at an attractive multiple and further enhancing our position as the largest gas gatherer in one of the most prolific natural gas basins in the country.

As our new projects ramp up and serve our customers' needs, they will really show their power from an earnings perspective through the second half of 2025 and beyond. As for projects in execution, we've accelerated the timeline for Transco's Southeast Supply Enhancement or SESE project, which is the largest project ever from an earnings contribution perspective in the history of the company. Accelerating SESE shows our ability to move quickly and efficiently in response to customer needs and growing natural gas demand across the mid-Atlantic and Southeast markets.

We also began construction on the Socrates Power Innovation project, and we remain on track for bringing that project in service in 2026 as Williams supports our nation in winning the race for artificial intelligence and the next generation of technology. And in late breaking news, just yesterday, our team finalized the commercial agreements for Transco's Northeast Supply Enhancement, or NESE project. This is a significant step forward in bringing increased energy reliability, affordability and lower emissions to New York City and we look forward to finalizing federal and state regulatory approvals.

The country is waking up to the fact that when we lag in building natural gas infrastructure, we see increases in energy costs, a reduction in energy reliability and a stifling of economic opportunity and growth. We're hopeful that we will continue to see constrained markets reopen and embrace natural gas as the very best solution for lowering emissions, reducing consumer costs, and delivering energy reliability and security with US produced energy.

Turning to our financials, we are increasing our 2025 adjusted EBITDA guidance midpoint by \$50 million, and we're now guiding to \$7.75 billion at the midpoint, which represents a cumulative \$350 million raise since our original guidance was set in 2024. At our revised midpoint, our performance from 2020 through 2025 will deliver an impressive five-year EBITDA annual growth rate of 9% and John will go through this in more detail in his remarks.

And finally, we published our 2024 sustainability report last week, which outlines our progress in environmental stewardship, social responsibility and governance and we continue to lead the industry in this space. As I said at the top of the call, it is an exciting time at Williams and I'm very proud of the team and equally excited about the opportunities ahead. And I'll now turn it over to John for a deeper dive into the financials.

John Porter

Chief Financial Officer & Senior Vice President, The Williams Cos., Inc.

Thanks, Chad. Starting here on slide 3 with a closer look at our adjusted EBITDA performance, which was up 8% over the second quarter of 2024. Walking now from last year's \$1.667 billion to this year's \$1.808 billion, we start with our transmission and Gulf business, which improved \$91 million or 11%, setting an all-time record due to higher revenues from expansion projects.

At Transco, we had increases from Regional Energy Access, Southside Reliability Enhancement, Texas to Louisiana Energy Pathway, and the Southeast Energy Connector projects. We also continued to see growth from our storage businesses on higher renewal rates at Gulf Coast Storage and NorTex, as well as incremental contributions from market-based rates at our Washington storage facility.

In the Gulf, we saw contributions from our Discovery acquisition as well as contributions from our new service to Shell's Whale project. Second quarter Gulf gathering volumes were up over 17% versus prior year, and NGL production was up about 77%. Lastly for this segment, although our new Transco rates went into effect on March 1, we continue to maintain a conservative reserve pending the final settlement.

Next, our Northeast G&P business improved \$22 million or 5%, primarily on higher revenues, including higher gathering and processing rates. This segment was unfavorably impacted by the Aux Sable divestiture that we made last August. Overall, volumes ticked up about 5% over 2Q 2024, and we continue to see July volumes that are basically in line with the 2Q 2025 averages. In the West, we were also \$22 million or 7% higher, driven by higher Haynesville volumes and growth in the DJ Basin, including the Rimrock acquisition that closed at the end of January. The West was negatively impacted by a step down in our minimum volume commitments at Eagle Ford.

On the volume front, overall volumes grew about 13%, driven by growth in the Haynesville, including volumes from the Saber acquisition acquired on June 2, 2025. Our Sequent marketing business was flat versus the prior year, where contributions from the Cogentrix acquisition offset weaker realizations in the gas marketing business. And then, finally, our other segment, which includes our upstream business, was up about \$7 million, including higher upstream volumes, partially offset by unfavorable price impacts from significantly lower oil prices versus the prior year. So, that gets you to the \$1.808 billion of EBITDA for 2Q 2025 or 8% growth.

Let's move to the next slide and discuss what we're seeing for the remainder of 2025. As Chad mentioned, we are once again revising our 2025 adjusted EBITDA guidance upward from a previous midpoint of \$7.7 billion to now \$7.75 billion, and we're moving the top of the range to \$7.9 billion. At \$7.75 billion, we will see 9% growth in adjusted EBITDA over 2024 and a 9% CAGR from 2020. Additionally, if you bridge back to when we first issued our

2025 adjusted EBITDA guidance in February of 2024, we are now up \$350 million cumulative from the original guidance of \$7.4 billion.

Our current guidance update reflects a continued solid start to 2025, the addition of the Saber acquisition with an expected modest contribution for 2025 of less than \$20 million, and our overall confidence in the growth of our underlying business plus line of sight to an extraordinary number of projects coming online in the near future.

Speaking specifically to the segments, in our Transmission & Gulf segment, we look forward to settling our Transco rate case and seeing the contributions from the two transmission projects we recently placed in service, as well as completing four additional transmission projects by end of year. And we remain optimistic about continued upside from the recontracting of our storage business. The revised guidance we are issuing today does include what we feel is a pretty good read on where we think the rate case will settle.

Additionally, in the deepwater, we've now completed the Shenandoah, Whale and Ballymore projects and still have the Salamanca project to go for 2025. In the deepwater, we are only in the early stages of a volume ramp that will accelerate through the remainder of the year. In our gathering and processing businesses, we continue to see overall strengthening in our volumes, reflecting our exposure to crucial natural gas-focused basins and our Haynesville expansions, including our large-scale Louisiana Energy Gateway project. Lastly, we are still well positioned to deliver on plan for our upstream business and the majority of our marketing businesses plan was realized in the first quarter.

Just a couple of notes on full-year 2025 growth CapEx and available funds from operations. First, for growth CapEx, accounting for the favorable acceleration of the Southeast Supply Enhancement project and our planned spending on the Northeast Supply Enhancement project, we now see growth CapEx coming in towards the high end of our current guidance of just under \$2.9 billion.

You'll also see an increase in our per share metrics, including our 2025 AFFO per share guidance, which includes our higher expected adjusted EBITDA as well as lowering our 2025 current income taxes by about \$100 million. We were very pleased with the restoration of 100% bonus depreciation in the One Big Beautiful Bill. As we've discussed, this creates significant cash tax deferrals that are tied to the in-service dates of nonregulated capital investments like our Power Innovation projects but also covering our other gathering and processing investments.

So, again, 2025 is off to a solid start toward meeting or beating our guidance, even after raising it a cumulative \$350 million. Our 2025 guidance delivers 9% growth at midpoint and would sustain a 9% CAGR for 2020 to 2025. Our backlog of fully contracted projects points to continued industry-leading growth in the coming years and our recently completed annual

10-year forecast just keeps improving. All of this gives us confidence in the long-term sustainability of the strong financial performance.

And, with that, I'll turn it back over to Chad.

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Thanks, John. Before we turn it over to questions, I want to wrap up with a clear message. This is the golden age of natural gas and Williams is built for this moment. With an ever-expanding backlog of fully contracted projects now extending beyond 2030 and our proven ability to meet customer needs and capture new business in emerging markets, Williams is better positioned than any other company to benefit from the growing wave of natural gas demand. The world is quickly recognizing that natural gas is the backbone of reliable, affordable, and cleaner energy, and our infrastructure is essential to meeting growing demand here in the US and around the world.

On top of the world's need for clean, reliable, and affordable energy, we have also seen the rapid emergence of the need for speed with respect to energy. The race is on for the next generation of technology, and the race can only be won if we get back to building the products, technologies, and energy of the future. This needs to be an urgent wake-up call. We've seeded ground in our ability to compete globally, and it's time to reclaim it. And it all starts with energy infrastructure. And we believe with natural gas infrastructure as a critical backbone of our nation's energy system.

At Williams, we're investing in the infrastructure that will power America's future. Our teams are as active as ever and are working an exciting backlog of projects and growing pipeline of opportunities. And I look forward to us delivering for our customers and for our country. Our strategy is intentionally aligned with the world's growing demand for clean, affordable, and reliable energy, as well as for the need for speed. The need is real, and the Williams team is rising to the challenge.

And with that, we'll turn it over to your questions

Question & Answer Section

Praneeth Satish

Analyst, Wells Fargo

Thanks. Good morning. So, you've increased EBITDA at a 9% CAGR over the last five years. I guess when I look at the opportunity set for the next five years, it looks dramatically better with CapEx opportunities rising, power demand rising and ROIC improving. So, I get

that you're going up against the law of large numbers, but do you think there's some upward bias here to the 5% to 7% EBITDA CAGR guidance that's out there? I mean, from our math you could significantly surpass that. Or are there some headwinds that we should be thinking about as we look out through 2030?

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah. No, I don't think there are headwinds, Praneeth. I think you actually said it well. We've shown, I think, pretty remarkable growth over the last five years. The company is even healthier now, the balance sheet is stronger, and I'd say the tailwinds are even better. And so, we're going to remain disciplined and stay tuned. We'll be, I think, laying out a bit more color on the longer range opportunity set in our Analyst Day in early 2026.

But I think you captured it well. We want to continue to invest in a disciplined manner, high return projects, and do that in a way that generates predictable growth. But I think we've demonstrated that the business is built to exceed our historical growth rates. But I'd say more to come as we roll out the next five plus years of projects.

Praneeth Satish

Analyst, Wells Fargo

Got it. Thanks. And then on the last call, you had mentioned ordering some long lead time equipment for two additional behind the meter projects beyond Socrates. Maybe can you provide any updates there on where those projects stand in development and when you expect to FID them?

And maybe I'll try to push my luck here but given that the majority of the behind the meter deals industry-wide so far have taken place in Texas and Ohio – can we assume that at least one of those projects is located in those regions? And then, any further thoughts you could provide in terms of sizing and economics of those projects relative to Socrates?

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah. First, what I'd say is that I think we've said we expect to deliver commercial agreements for the next couple of projects in the second half of the year. And so the teams continue to do a tremendous job, I'd say, meeting the customers' needs and tailoring our solutions to what the market is looking for. So we have placed orders, as you mentioned. And I would expect that we're going to be fully commercializing the next couple of projects in the next few months.

And we remain on track. We have talked about that looking like another call it up to a gigawatt of capacity that we think we could bring online by the end of 2027. And so I still

think that's a good target. And we would expect the economics to look as attractive as the Socrates economics that we rolled out. Plus, I would say that we continue to look for opportunities that even better leverage our footprint and the full suite of capabilities that we have when we connect opportunities all the way from our gathering and processing business through to the customer need.

And so we continue to feel good about those projects moving forward. And I'd also say we are continuing to see the potential to upsize even the Socrates project. And so I'd say stay tuned. But I think the second half of the year we should – we're feeling confident about our ability to deliver the next round of projects.

Praneeth Satish
Analyst, Wells Fargo

Got it. Thank you.

Jeremy Tonet
Analyst, JP Morgan

Hi. Good morning.

Chad Zamarin
President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Good morning.

Jeremy Tonet
Analyst, JP Morgan

Just want to kind of pick up with the opportunity set as you outlined, previously, just if we think about the back half of 2025, do you see FIDs on the pipeline side more likely stemming from another Transco type of expansion? Or do you see the possibility for an FID on something stemming from the Northwest system? It seems like there's a lot of irons in the fire as you laid out in the slide there.

Chad Zamarin
President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah, I can start, and Larry can also weigh in here. Obviously, we've crystallized, I think the scoping of Power Express on Transco. The announcement on NESE yesterday is a significant milestone. And I think it's reflective of markets that have been constrained, reopening and recognizing the need for natural gas. As we've seen utility bills go up, we've seen reliability go down. And so we are seeing still across the entire footprint, including, as you mentioned, in the Pacific Northwest area that's been a bit quiet over the last few years from a gas pipeline expansion perspective.

And so, whether or not we see FIDs here in the second half of the year, kind of wait to see the pace at which the next round of projects roll out. But, as I mentioned in my remarks, we continue to be as active as ever. And we really do see project opportunities in the Gulf Coast, in the Southeast, Mid-Atlantic, the Northeast and in the West and Pacific Northwest. But Larry can also maybe give an update on the West opportunities.

Larry Larsen

Chief Operating Officer & Executive Vice President, The Williams Cos., Inc.

Yeah. Thanks, Chad. This is Larry Larsen. As a lot of people know, we do have an open season that's out there right now on our Rockies Columbia Connector project, that's targeted to serve the Pacific Northwest, Washington, Oregon, and Idaho. That open season non-binding, it closes tomorrow. And I think, so far, we've seen some great interest having really good discussions with customers. I think we're optimistic, we'll see something materialize just because we are seeing an increase in demand for natural gas. The system utilization on Northwest Pipeline continues to remain high.

And so, the team is working well with their customer group and working towards negotiations. So I think we'll just have to see the pace of how that comes together over the second half of this year.

Jeremy Tonet

Analyst, JP Morgan

Got it. Thank you for that. And a question for Rob if I may. Rob, was just wondering if you could talk a bit about your experience at EQT and what you're bringing to Williams here as far as any different thoughts on how to approach things strategically or any thoughts in general, on what you're seeing so far?

Rob Wingo

Executive Vice President-Corporate Strategic Development, The Williams Cos., Inc.

Jeremy, good to meet you. Yeah. So, I've spent quite a bit of my career both in the midstream and on the upstream side and so I'm bringing both of those perspectives to bear here. I would say that what I've seen here is a very robust, thoughtful strategy, comprehensive, and it's been proving to be very successful.

My goal is to execute on the plan that's already in place and tweak where necessary and to basically capture the robust opportunity set that's in front of us here. I've gotten a very warm welcome from the team, and I'm very grateful for that. I see an organization full of very strong performers, bolstered by, frankly, one of the best cultures I've seen. And the team is excited. They're excited about Chad's leadership and the leadership from the rest of the executive team. And I think we're ready to go.

Jeremy Tonet
Analyst, JP Morgan

Got it. Great. Thanks for that.

Spiro Dounis
Analyst, Citi

Thanks, operator. Good morning, team. I wanted to go back to that project backlog. And as we think about that 2028 to 2030 timeframe, you've got Power Express now coming in 2030, you've got a few more, let's call it, longer cycle projects in the hopper. I guess I'm just curious, as we think about the mix of long cycle versus short cycle in that timeframe, are you leaning in any one particular direction right now as we anticipate some of these FIDs coming, and as you think about the CapEx, that's going to sort of fill that out. Should it look similar to 2025, or do you see that changing?

Chad Zamarin
President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Thanks, Spiro. Good question. I think, generally, we really tried to demonstrate our ability to layer in projects to create fairly predictable earnings growth. And we do see that opportunity over the next five years. And frankly, it's crystallizing. I think, pretty nicely. So, you will see the Southeast Supply Enhancement project coming online in 2027. We bookended the decade with Power Express, which will come online in 2030.

And then, layering in of, call it, singles, and doubles on the transmission side of the business. But then also importantly, our power express projects that are pretty powerful because they turn from FID to in-service pretty quickly. And so I think you'll continue to see a pretty good layering in of demand pull projects, which is really great from a strategy perspective because we're connecting these projects to robust demand from LNG export power demand, industrial demand, and direct power for data center demand.

And what that will do is ultimately pull supply to meet that demand. And so, we do see the next five years an ability to continue to layer in transmission projects and Power Innovation projects. And then we will expect to see the supply response to meet that kind of demand that we're connecting to the system. And so, I'd say you're seeing some of the larger projects. And as we announced the next round of Power Innovation projects, I think those will really fill significant growth through the end of the decade, but we'll layer in then the smaller projects along the way.

And from a CapEx perspective, I think John has mentioned we've been able to keep the balance sheet in incredibly strong position. In fact, we've added quite a bit of growth without increasing the targeted credit metric for 2025. And if you look at the capacity that we have to invest over the next couple of years, I think we will see a bit more investment. And we may have seen the last few years, although 2025 is shaping up to be a pretty healthy

organic capital year. But I think we feel really good about our ability to maybe tick up capital a bit, but well within the capacity of the balance sheet to maintain our strong credit metrics.

John Porter

Chief Financial Officer & Senior Vice President, The Williams Cos., Inc.

Yeah, and I think – Spiro, yeah, just maybe one more thought to that. I mean, what we're seeing with our long range forecast and the opportunities that the commercial teams are bringing forward is a continued cadence of high returning CapEx projects too. So we've got the capacity. Commercial teams are busier than ever. But what we're seeing in the backlog continues to be high returning projects. And as Chad said, many of those cycling to operations in pretty short time frames.

Spiro Dounis

Analyst, Citi

Got it. Thanks, John. Thanks, Chad. Second one just on M&A, maybe a two part question here. First, with respect to Saber, curious kind of downstream opportunities there are now with LEG, whether this sort of fills this up beyond current levels and maybe even necessitates an expansion at some point.

And then, just looking at M&A more broadly, the recent deals have been a little bit smaller in scale. And I guess I'm curious, is that a function of just the available assets out there right now tend to be smaller? Is that an effort on your part to keep that small and focus more on organic? Just curious how to think about your M&A strategy right now.

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah. So, first on Saber, the Saber footprint, it's a great set of assets, underpinned by very high-quality counterparty credit and very strong minimum volume commitments. And it sits just north of our Haynesville footprint in Louisiana, which is nice. It extends our footprint north into an area where we currently don't operate and we do see the ability over time to attract volumes through that system down into our southern infrastructure and towards markets along the Gulf Coast, which is what our LEG system provides.

So, we do think it's a very attractive acquisition from a value perspective, but also over time, we think has some potential – upside potential to better integrate into our footprint than had it been just continuing to stand on its own. And so we like it from that perspective. And I think your point about the size of M&A.

I mean, we continue to be very disciplined, I think we like our ability to layer in bolt-on acquisitions in a way that's very manageable from a pacing and an overall capital perspective. On the one hand, we do respond to some degree to what's available in the

marketplace. But more importantly, I think we're constantly looking for the right strategic opportunities that are unique to our footprint and our ability to capture outsized value.

And so, we tend to think long-term, even from an M&A perspective and plan those moves so that they layer into our overall program and not feel like we're in a position where we have to react to what's available in the marketplace. And so, there are fewer smaller companies today than there were five years ago. But we continue to have, we think, such strong positions across our footprint that if there are opportunities that make sense, in many cases, we can somewhat be patient and we can layer those in when and where it makes sense.

Spiro Dounis

Analyst, Citi

Great. I'll leave it there for today. Thank you, team.

Zack Van Everen

Analyst, TPH

Hi all. Thanks for taking my question. Maybe just starting on LEG, great to see that online and flowing. It looks like it's flowing a decent amount of gas. I'm just curious if that gas was waiting behind pipe or if that's been kind of shifted around from other intrastate pipes within the basin.

Larry Larsen

Chief Operating Officer & Executive Vice President, The Williams Cos., Inc.

Yeah. Hey, Zack. This is Larry Larsen. I'll take that one. Good question. Yeah. One, really excited to get LEG online. Obviously, we know that one has been a challenging project for us to get through on some fronts and excited to have first flows start last week. And I think you're going to see a mix of, yeah, we are seeing some ramp-up in productivity that's going to be driving growth on volumes to the system.

But you'll also see some producers probably shifting from some other markets to be able to get access to the Gillis market and some of the growing LNG demand. And so, we anticipate that to ramp up pretty quickly and hopefully see that being running pretty full here by the end of the year.

Zack Van Everen

Analyst, TPH

Got it. That makes sense. Maybe sticking on the same theme. Maybe some update on your guys' overall macro view in the Haynesville and the Northeast. We've seen prices come down a bit, but we've also seen some private producers around your system add quite a bit

of rigs. So, maybe just a general view on the volumes across the systems through the rest of the year.

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah, I'll start and then let Larry talk about producer activity. I think we tend to say this often, lower prices continue to confirm the demand for natural gas. Today, natural gas is about a quarter of the cost of oil on an MMBtu basis. And a quarter of the cost of electricity at the delivered retail level. And so, having an attractive price for natural gas, frankly, in a time when we're seeing utility bills increase across our footprint, I think is reaffirming the demand for natural gas. So, that's a good thing from our perspective.

And we do see very clear line of sight to growing demand. And so, I'll let Larry talk about current producer activity. But we were, I think, already talking about the supply and demand balance through the end of the decade needing to call significantly on the Haynesville, call significantly on the Permian, and then as much as we can unlock from the Northeast, and that was before we started to see more in-basin demand start to materialize because of power generation growth really across the entire United States. And so, you've seen project like NESE. NESE was not in the supply and demand balance for the Northeast. And so, we're seeing projects that are being announced that are going to add demand to the footprint of our country. And we're going to need to continue to see a big call on gas. And so, I think, we like the fact that low natural gas prices are showing the power of natural gas to be that low-cost solution for our country. And we definitely think we will see that demand grow even beyond what was being modeled through the end of the decade. But Larry, maybe you can speak to current activity levels.

Larry Larsen

Chief Operating Officer & Executive Vice President, The Williams Cos., Inc.

Yeah, we have seen an uptick in activity in the Haynesville, and it's been mixed between producers. We have seen some of the privates bringing some activity into the Haynesville and we expect the volumes to continue to ramp. We're obviously seeing demand pick up, now with LEG coming into service and having access to the growing LNG demand and other markets down at Gillis. We anticipate through the back half of this year's continued growth compared to what we've seen in the first half.

If you think about the Northeast, it's been somewhat mixed between producers as well. It's great to see Coterra, their announcement coming out, their continued activity in the Northeast PA. So, we're anticipating volume growth in the Northeast and as well as some of our development in Ohio Basin. And so, it's a little somewhat more moderate probably in the Northeast, just as we've got a mix between producers, but we are seeing some second half of the year volume growth anticipated.

Zack Van Everen

Analyst, TPH

Got it. I appreciate the time, everyone. Thanks.

Jason Gabelman

Analyst, TD Securities

Yeah. Hey, good morning. Thanks for taking my questions. First I wanted to ask about the tariff impact on CapEx and build multiples and as we think about new projects that you're going to build like NESE. How do those steel tariffs impact the CapEx to EBITDA multiples and how do you manage that risk moving forward?

Larry Larsen

Chief Operating Officer & Executive Vice President, The Williams Cos., Inc.

Yeah. No, great question. This is Larry. I'll take that one. Obviously, we're very engaged. Our supply chain is actively monitoring impacts. As we look at it, I mean, the steel costs, I mean, they can, depending on the project, be somewhere between 5% to 15% of total project costs. And so, as we see some of these tariffs, as we look at some of our projects right now, it could have anywhere from a 1% to maybe 3% impact on total project costs. And so, nothing too significant at this point. I mean, a lot of that is managed within the contingencies. If you think about just ongoing management of projects, we're always navigating variability in steel prices. And so, nothing is different here, but really just goes to a lot of the strategic sourcing that our teams do on supply chain front and really trying to get ahead of any constraints that we see in the marketplace right now. But as we think about NESE and other projects near term, we don't see anything that's a significant impact to it.

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah. And I would just add, I think we've talked about this and to put some numbers to it, NESE is a great example. I mean, the FERC has reinstated the environmental study that was done for NESE last go around. That's an example of helping to lower cost. It can cost several hundred million dollars to get through the permitting phase of a project. So, addressing permitting reform has a way bigger opportunity to impact cost.

We were able to receive a favorable permit allowance from the Army Corps of Engineers for spoil for the NESE project. That was over \$150 million cost that would have been borne by that project because of permitting restrictions in that area. So, we're going to continue to beat the drum on the fact that we've got to, as a country, address permitting reform.

And that has a much bigger opportunity for lowering costs for consumers in the US and the tariffs. I think, as Larry mentioned, are something that we feel confident we can manage. But the real opportunity is going to continue to be getting back to making it more efficient to

build infrastructure in the US.

Jason Gabelman

Analyst, TD Securities

Yeah, great. Thanks for that color. My second one is on the LNG infrastructure build out and I noticed that in your slides, you increased the forecast for LNG export projects under construction and then pre-FID projects within your footprint. And I guess with that moving higher, the question is how does that kind of impact your outlook for additional projects that you could build in the US Gulf Coast? And then also, how do you think about the storage opportunity with the LNG build out continuing to move up into the right.

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah. So, thanks. Good question. And maybe I'll start. First, we've certainly seen, I think, both with the negotiations that are happening around trade but also just the fundamentals around natural gas. We've seen, I think a lot of upside to the LNG demand case, which is great. We're seeing pretty clear line of sight to that demand growth. I think you're seeing that already kind of play through in some of our early project announcements. But this is going to be a story that continues to drive additional projects, but Larry mentioned where we are on LEG.

We've announced an expansion of our Haynesville gathering system that will move more volumes into LEG over time. That project will come online in 2027. That's adding 400 million cubic feet a day of expansion capacity just from our South Mansfield gathering system. And so we do think that there will continue to be a pretty significant call. Most models had the Haynesville growing by an incremental 10 Bcf a day over the next, call it, five to seven years.

And that was before we've added in these additional kind of demand pulls from LNG. And so, as the largest gatherer in the Haynesville, you can imagine that we're going to continue to see expansions fill up projects like LEG and have expansions beyond this current round. Larry, I don't know anything you want to add to that?

Larry Larsen

Chief Operating Officer & Executive Vice President, The Williams Cos., Inc.

No. I think you hit it pretty well. I mean, on the storage front, we announced the Pine Prairie expansion early this year, I mean we've got a great footprint in the Gulf. And so as you continue to see LNG demand grow and some of the potential volatility that will create – we expect that will create more opportunity for more storage opportunities in the future. I think that'll be something we'll continue to monitor and right now we're just focused on getting the Pine Prairie expansion executed and we'll continue to talk to some of both the producer market as well as the LNG market on what the needs for additional storage will look like.

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah, I think on that note, it's probably worth saying Pine Prairie, as we announced that project, we've been able pull together sufficient support for the project but even have seen demand beyond that project capacity. And so teams are already working on the next round of storage expansion opportunities. So we do think that's going to be an added vector of growth over the next 5, 10 years.

Jason Gabelman

Analyst, TD Securities

Great. Thanks for the answers.

John Mackay

Analyst, Goldman Sachs

Hey, everyone, thank you for the time. I wanted to ask on two Transco projects. Just on the first one, you talked on this briefly of being able to pull forward SESE a little bit. I think you've mentioned the FERC filings, the ability to pull that even potentially more forward. Can you kind of walk us through what you're thinking there and kind of what you're looking for to get a better sense of maybe earlier timing. Thanks.

Larry Larsen

Chief Operating Officer & Executive Vice President, The Williams Cos., Inc.

Yeah. So, this is Larry, I can take that one. So, yeah, great news as far as being able to have an environmental assessment versus going through the full environmental impact statement related SESE. And so that will help speed up the permitting timeline. And so hopefully we'll able to get a notice to proceed on that project next year and be able to move that up a quarter and full in-service.

We are anticipating some opportunities to have partial in-service come in at the beginning of 2027. We're still kind of finalizing the actual scope of that and how we'll end up contracting that from a revenue standpoint. But I think it's pretty exciting news to be able to bring that in and accelerate some value in 2027. So that's kind of the main feedback on it.

John Mackay

Analyst, Goldman Sachs

That's helpful. Thank you. And then the second one is – it does look like the size of Power Express was refined down a little bit. Maybe just walk us through the thinking there and capacity over time. Thanks.

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

I'll start and see if anyone wants to add. But I do think, any time we're pulling a project together – we went through the same process, if you recall, on Southeast Supply Enhancement – the teams work to find the optimum, most efficient size of the project from a build and capital efficiency perspective and also from a market perspective. And we did see more demand than what we ultimately decided to contract for in this first round of the project.

But we found that point of efficiency and I would say, don't necessarily interpret the amount of volume to equate to the highest returning, highest value project. We're constantly looking for the sweet spot to find the point of efficiency from a capacity and capital efficiency perspective.

And I think we found it for Power Express. I would say we continue to see quite a bit of additional demand along that entire corridor, and so we don't expect that to be the last project along that Transco footprint. And so we'll continue to work on the next round of opportunities.

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John Mackay

Analyst, Goldman Sachs

I appreciate the time. Thank you.

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Manav Gupta

Analyst, UBS

Good morning, guys. I wanted to talk a little bit about the Rockies Columbia Connector project. Can you give us more details about it? It looks very like an interesting project. Can you talk about some benefits and what would be the path forward here?

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Larry Larsen

Chief Operating Officer & Executive Vice President, The Williams Cos., Inc.

Yeah, this is Larry. I can hit on that. I mentioned a little bit earlier in the comments – so we went out with a nonbinding open season that closes tomorrow. Really the big driver is increased demand across Washington, Oregon and Idaho and those markets, a lot of it is driven by power generation needs but also enhancing reliability as we continue to see the systems get fully utilized.

And so, as we think about those markets, it's been ones where they haven't really anticipated growth in natural gas. We're excited to see a shift in perspective and excitement around the need for additional infrastructure. And so we'll be working to close out that open

season and hopefully work through negotiations with some of the anchor shippers and progress that forward to an FID at some point here shortly. But so far it's been really, I think, exciting interest in it.

And it'll be a nice expansion for the Northwest pipeline system going into one of our key market areas.

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah, I think it's important, Larry mentioned, and we've been talking about this. We've seen peak natural gas demand across all of our transmission assets over the last several years. We just talked about seeing peak summer demand on Transco in a summer that isn't abnormally hot. In fact, it's quite a bit cooler than it was last summer.

That kind of activity across our footprint will be a precursor to additional expansions. I mean, that is a signal that these markets need more capacity. We've talked about the fact that as the country continues to add intermittent resources to our energy system, we're going to continue to need more natural gas infrastructure to meet peak demand. I think we're seeing that theme play out across the footprint, and the Pacific Northwest is certainly following that same fundamental.

Manav Gupta

Analyst, UBS

Thank you. And my quick follow-up here – it's been like seven or eight months since you have had a new administration. I'm just trying to understand how things actually changed on the ground for permitting and are people from the government reaching out to you? Do you now have a seat at the table in determining the policies which can drive energy independence of the United States? Thank you.

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah, I'm going to let Lane weigh in on that. But the first thing I'd say is, I think that our teams have done a great job having a seat at the table irrespective of administration. Our strategy is not designed to play to any one kind of administration or constituency. I would say that we have seen an increase in clear support and recognition for the need for our infrastructure.

Some of that is, I think, because of the new administration, but I think most of that is because of just the recognition that we need low cost, affordable, reliable, energy and natural gas is the tool that best provides that. But we are very active at the table and Lane maybe you can give an update on just the permitting reform and the general landscape as

you see it.

Lane Wilson

General Counsel & Senior Vice President, The Williams Cos., Inc.

Yeah. Thanks, Chad. And I couldn't agree more with Chad's comments. I think we had a seat at the table previously, and we certainly have one now. And probably the biggest thing that could happen – I think we've got some tailwinds, I think the administration is certainly behind us – would be permitting reform. It almost made it through the One Big Beautiful Bill, and unfortunately the Senate parliamentarian struck it near the end.

But I think the energy cost in this country, the recognition of the need for more and more natural gas, and more and more linear infrastructure sort of set the table for the possibility of a nice permitting reform package near the end of the year. It's politics, so we never know, but I certainly think that we're in the game and we're hopeful that that could happen and be a bipartisan effort because it truly would be good for all Americans.

Manav Gupta

Analyst, UBS

Thank you.

Theresa Chen

Analyst, Barclays

Morning. In terms of the guidance increase, it looks like you've bumped AFFO more than adjusted EBITDA at the midpoint. Was this the result of cash tax savings expected post OBBB or were there other drivers of this delta?

John Porter

Chief Financial Officer & Senior Vice President, The Williams Cos., Inc.

Thanks for the question, Theresa. I know there's been a few questions about the overall impact of OBBBA on our cash taxes, so maybe I'll just hit that more comprehensively. I did note in my comments that restoration of the 100% bonus depreciation in the bill did create significant cash tax deferrals for us. And those will be tied, in general, to the in-service dates of the nonregulated capital investments that we are making and that we will be making, including all of those power innovation projects that are coming, as well as other gathering and processing investments.

For 2025, I discussed that we had basically moved our current taxes down by about \$100 million. So specifically to answer your question, the two biggest impacts to the increase in the AFFO per share guidance were the increase in the adjusted EBITDA and a lowering of the current income taxes.

Again, same questions about the impact of this going forward – as we think about, for example, 2026, it'll be another year where we'll have significant growth in earnings in 2026, and based on what we're seeing now, we would expect the cash taxes would be at or below our 2025 levels given the benefits of the 100% bonus depreciation.

So, again, less than \$200 million, even though we'll continue to consistently grow taxable income and earnings. And if you think about 2025 and 2026 cash taxes, those numbers that I've been discussing, around \$200 million, those are really tied more with the corporate alternative minimum tax. As a reminder, the payments that we're making under the corporate alternative minimum tax can be used to offset future regular tax amounts owed.

So you started looking beyond 2026, and I think the overall effects of the bill will be largely dependent on the amount of nonregulated capital investments that will be placed in service in any given year. But we're pretty optimistic that we're going to continue to see really significant cash tax deferrals beyond 2026 especially when we look at the slate of power innovation opportunities that are out there for the team.

Theresa Chen

Analyst, Barclays

Thank you for that detailed answer, John. And with the project runway on gas to power innovation serving data centers and AI, in particular – can you provide us an update about how you're using AI within your own organization at this point, whether it be on the cost saving side or even on the commercial side bringing this full circle?

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah, I'll start and then maybe Larry can chime in. We've certainly been adding capabilities within the organization. Our great Chief Technology Officer, Brian Letzkus, retired last year, but we were able to hire his replacement, Naveen. He's come in with a lot of passion around AI and truly across the organization, both on the cost and efficiency side, but also on the way we transform how we do our business.

And if you think about the projects that we're taking on and the scale of those projects in many cases being larger and our team, Eric Ormond, who leads our project organization, is working closely with Naveen in bringing artificial intelligence capabilities to how we do that business. Our market intelligence functions are adding data analytics capabilities.

You think about our footprint, both from a Sequent perspective, but also from an infrastructure perspective – we've got such incredible knowledge and information across the organization. So, how can we better integrate that information and understand how markets

are behaving and then, ultimately, how we can develop infrastructure solutions to provide support for those markets. But, Larry, you might have some direct examples you want to share.

Larry Larsen

Chief Operating Officer & Executive Vice President, The Williams Cos., Inc.

Yeah. No, I think you hit it pretty well. Right now, we're very focused on just getting the data into the hands of our teams to be able to make really smart decisions around that, and that's both on the commercial front, on the project execution and in our day-to-day operations, as we think about our maintenance strategies and practices and trying to find efficiencies in how and when we do maintenance on our facilities.

And so, I think there's some really good opportunities there. I think we're in the early stages of how we think AI is going to complement that. But excited about Naveen coming in and bringing energy and working with our team to actually bring some of that to fruition.

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

I'll just give you a little anecdote and this will be for Rob Wingo to figure out how to make this happen everywhere. But last year, we did a test case where we had some of our young talent compete with one of our 10-year traders in our Sequent business on a unique asset in the Dallas-Fort Worth area.

And for a month, the young programmers data analytics team was building AI models to figure out how to market energy in the Dallas-Fort Worth area. And after the end of a month, if you looked back and thought about what perfect execution would look like and if it would have been 100% you could've predicted weather, price, supply, and demand, our 10 year gas trader scored around a 94% and one of the AI modelers scored a 96%.

And it gives you an idea of the power of someone who had never marketed energy before. You think about what we could do as a country to be – even just an initial case of being a few percentage points more efficient in how we market energy across the United States. It's given us a lot of, I think, excitement around our ability to bring our unique proprietary capabilities and knowledge and build smarter solutions for our customers.

Theresa Chen

Analyst, Barclays

That is a fascinating exercise. Thank you both.

Burke Sansiviero

Analyst, Wolfe

Hi. Good morning. Just a quick one on NESE. Just what are the next steps from here and what needs to happen on the approval side for the project to be in service by 4Q 2027? And then, how quick is the physical build timeline?

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Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah, Look, I don't think you can understate the importance of NESE. First, I want to give a shout out to our team. That's traditionally been a pretty tough place to develop infrastructure, but we are certainly seeing the market and I think even the political atmosphere shift in recognizing the benefits of natural gas.

And so, yesterday, signing the commercial agreements on NESE was a huge signal from the utilities that they recognize the need, and they are seeing support from the regulatory bodies in New York to move forward with the project. And so, the next steps are that today we will file the agreements with the FERC.

And we expect the FERC to act pretty quickly. We've seen the FERC really do its job well over the last several months. And so, we do expect the FERC to act quickly in reinstating the certificate. And then we still need to receive the New York water permit. We are on file for the water permit. And the state has issued a notice of complete application, and we do expect the state to issue the water permit once the Public Service Commission affirms our customers' plans for the project.

And so, we expect that to happen within the next couple of months. And assuming that that all happens on time, I think everyone is very focused on trying to maintain that schedule. We would actually break ground this year and then be more active in construction next year to bring the product online. We're targeting right now a fourth quarter 2027 in-service with NESE, ahead of the 2027 winter heating season.

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Burke Sansiviero

Analyst, Wolfe

Thanks for that. And just for my second one. You mentioned a bit in prepared remarks on it, but if you could just please speak to how discussions are tracking on the Transco rate case, latest expectations, and are you optimistic on getting some form of tracker for emissions reduction spend?

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Larry Larsen

Chief Operating Officer & Executive Vice President, The Williams Cos., Inc.

This is Larry, I can take that question. The teams are doing a great job engaging with the shipper group on the rate case settlement discussions. We're not quite there yet, but we're getting really close – optimistic that we'll end up there. I think as most people know when we filed our motion on it, we were seeking to have modernization tracker in it. I think, through the negotiations right now, I'm not optimistic that we'll have that in here.

I think that we still think that's the right answer longer term, as we think about the need for modernization. And so, if we're not successful in this settlement negotiation, we'll continue to look at ERP projects going forward. But we'll kind of think about the timing of those as it relates to the next rate case.

Burke Sansiviero

Analyst, Wolfe

Thank you.

Jean Ann Salisbury

Analyst, BofA

Hey, good morning. I just have one. Can SESE be expanded further? It seems like demand in the southeast only continues to increase. What is the constraint on the current size of SESE at 1.6 Bcf/d? Was that a customer contracting number or was it more of a mechanical limit of compression that you could add?

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah. If we roll back the tape to SESE's original FID, it was a timing and again, kind of finding that sweet spot from a capacity and efficiency perspective, but also from a timing perspective. We needed to shut the book on that episode and chapter of the project so that we could maintain pace to get it in-service in 2027.

We do still see significant opportunity and demand along those corridors, both serving the Mid-Atlantic and Northeast from the South but also bringing more volumes in across the Marcellus and Utica and attracting those to markets from the North. And so Transco in general along the Eastern Seaboard, we think will continue to have quite a bit of expansion opportunity. From a permitting and project execution perspective, we won't change the scope of SESE, but there are additional expansion projects along that corridor that the team is working on every day.

Jean Ann Salisbury

Analyst, BofA

Great. Thank you. I'll leave it there.

Robert Catellier

Analyst, CIBC

Hey, good morning. Chad, I think you mentioned in your earlier comments the need for speed, and you've already announced one project being accelerated. So I'm curious what you're seeing in terms of additional opportunities to either accelerate or upsize existing projects, as we're seeing with some of your peer group this quarter. And on a related note, what's your comfort level in terms of carrying temporarily higher leverage as a result?

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah, I'll let John weigh in on the higher leverage. I think we've demonstrated our ability to grow the business frankly from a peer leading perspective without straining the balance sheet. John can talk more about that. And then from a need for speed perspective, I mean, yes, I think you will continue to see us press the accelerator as much as possible on any project that we have underway. But also meeting the customer where their needs are. That's why layering in a nice complement of longer-term projects over the long range horizon of the plan, but also delivering power innovation behind the meter, creative solutions for customers that frankly can't wait for the longer-term build out of the grid will continue to be our strategy.

And so, I've mentioned adding another gigawatt of power innovation projects by the end of 2027. That kind of speed to market is, I think, unique and demonstrates the team's ability to pull together a lot of different capabilities and to do it very quickly. But yeah, we will continue to press to see what other projects can be brought faster. But John, maybe you can address the balance sheet.

John Porter

Chief Financial Officer & Senior Vice President, The Williams Cos., Inc.

Yeah, thanks. And maybe just starting with 2025. When we put out our original guidance for 2025, back in February of 2024, we had a leverage target of 3.65 times at the midpoint of guidance. Since then, we've added all of the Socrates spend, which was over \$900 million into 2025, and some other spend related to SESE. And it looks like we're going to be able to basically stay at that original leverage. So, if you think about our overall leverage target of 3.5 to 4 times, as we look out with our long range plan, we see lots of capacity on the balance sheet to be able to add projects and not even begin to strain that four times top level.

So, we feel very comfortable that we can operate within this 3.5 to 4 times and pursue a very large scale CapEx budget. But again, we're very focused on the returns on these projects and being careful that we continue to demonstrate that the investments we're making are really leading the industry in terms of cash returns. That's a very high priority for us. But the balance sheet is not going to be an issue, I don't believe, over the next few

years, even though we are seeing as many of these opportunities as we've seen in a long time.

Robert Catellier

Analyst, CIBC

Okay, that's helpful. And last one for me – you've been active on GP acquisitions over the last couple of years. I wonder how much more investment you might see there and what do you see of the gaps in the value chain or the regional capability?

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Yeah, I think the great news for us, and we've just been through our strategy process with our board. There really are no must fill gaps. We can continue to deliver industry leading growth without having to fill any holes. And so, that's a great position to be starting from. So, that means we can be very opportunistic across our footprint.

We tend to focus on M&A that's within our footprint. I mean at the end of the day, we use the same capital allocation model for M&A as we do for capital projects. So those opportunities have to compete with high return growth projects, which is why you tend to see us be very disciplined and opportunistic in pursuing targets that leverage our footprint and oftentimes have real synergy value. And so I think you'll continue to see more of that. But we don't feel like we have a strategic hole that needs to be filled in order to achieve our really impressive growth outlook. But we'll continue to take advantage of our footprint and look for high leverage opportunities across the footprint.

Robert Catellier

Analyst, CIBC

Okay. Thank you.

Closing Remarks

Chad Zamarin

President, Chief Executive Officer & Inside Director, The Williams Cos., Inc.

Great. Well, thank you for joining us today. Thanks for the robust Q&A session and thanks for your interest in Williams. We look forward to speaking with you again soon. In the meantime, we wish you well.