



The Williams Cos., Inc. (WMB)

# EDITED TRANSCRIPT

1Q 2022 Earnings Call

May 03, 2022

## Forward-looking statements

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  - Levels of dividends to Williams stockholders;
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  - 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, natural gas liquids, and crude oil prices, supply, and demand;
  - Demand for our services;
  - The impact of the coronavirus (COVID-19) pandemic.
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<ul style="list-style-type: none"> <li>• Availability of supplies, market demand, and volatility of prices;</li> <li>• Development and rate of adoption of alternative energy sources;</li> <li>• The impact of existing and future laws and regulations, the regulatory environment, environmental matters, and litigation, as well as our ability to obtain necessary permits and approvals, and achieve favorable rate proceeding outcomes;</li> <li>• Our exposure to the credit risk of our customers and counterparties;</li> <li>• 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;</li> <li>• Whether we are able to successfully identify, evaluate, and timely execute our capital projects and investment opportunities;</li> <li>• The strength and financial resources of our competitors and the effects of competition;</li> <li>• The amount of cash distributions from and capital requirements of our</li> </ul>	<ul style="list-style-type: none"> <li>investments and joint ventures in which we participate;</li> <li>• Whether we will be able to effectively execute our financing plan;</li> <li>• Increasing scrutiny and changing expectations from stakeholders with respect to our environmental, social, and governance practices;</li> <li>• The physical and financial risks associated with climate change;</li> <li>• The impacts of operational and developmental hazards and unforeseen interruptions;</li> <li>• The risks resulting from outbreaks or other public health crises, including COVID-19;</li> <li>• Risks associated with weather and natural phenomena, including climate conditions and physical damage to our facilities;</li> <li>• Acts of terrorism, cybersecurity incidents, and related disruptions;</li> <li>• Our costs and funding obligations for defined benefit pension plans and other postretirement benefit plans;</li> <li>• Changes in maintenance and construction costs, as well as our ability</li> </ul>	<ul style="list-style-type: none"> <li>to obtain sufficient construction-related inputs, including skilled labor;</li> <li>• 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);</li> <li>• 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;</li> <li>• 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;</li> <li>• Changes in the current geopolitical situation, including the Russian invasion of Ukraine;</li> <li>• Changes in U.S. governmental administration and policies;</li> <li>• Whether we are able to pay current and expected levels of dividends;</li> <li>• Additional risks described in our filings with the Securities and Exchange Commission (SEC).</li> </ul>
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- > Given the uncertainties and risk factors that could cause our actual results to differ materially from those contained in any forward-looking statement, we caution investors not to unduly rely on our forward-looking statements. We disclaim any obligations to and do not intend to update the above list or announce publicly the result of any revisions to any of the forward-looking statements to reflect future events or developments.
- > In addition to causing our actual results to differ, the factors listed above and referred to below may cause our intentions to change from those statements of intention set forth in this report. 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 (a) Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the SEC on February 28, 2022, and (b) Part II, Item 1A. Risk Factors in our Quarterly Report on Form 10-Q for the period ended March 31, 2022.

## CORPORATE PARTICIPANTS

### **Danilo Juvane**

*Vice President-Investor Relations and ESG*

### **Alan Armstrong**

*President, Chief Executive Officer & Inside Director*

### **John Porter**

*Chief Financial Officer & Senior Vice President*

### **Chad Zamarin**

*Senior Vice President-Corporate Strategic Development*

### **Micheal Dunn**

*Chief Operating Officer & Executive Vice President*

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## OTHER PARTICIPANTS

### **Brian Reynolds**

*Analyst, UBS Securities LLC*

### **Chase Mulvehill**

*Analyst, BofA Securities*

### **Praneeth Satish**

*Analyst, Wells Fargo*

### **Gabriel Moreen**

*Analyst, Mizuho Securities*

### **Jeremy Tonet**

*Analyst, JPMorgan Securities LLC*

### **Michael Lapidés**

*Analyst, Goldman Sachs & Co. LLC*

### **Jean Ann Salisbury**

*Analyst, Sanford C. Bernstein & Co. LLC*

### **Sunil Sibal**

*Analyst, Seaport Global Securities LLC*

### **Alex Kania**

*Analyst, Wolfe Research*

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### **Danilo Juvane**

*Vice President-Investor Relations and ESG, The Williams Cos., Inc.*

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, Alan Armstrong; and our Chief Financial Officer, John Porter, will speak to this morning. Also joining us on the call are Micheal Dunn, our Chief Operating Officer; Lane Wilson, our General Counsel; and Chad Zamarin, our Senior 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 Alan Armstrong.

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**Alan Armstrong**

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

Thanks, Danilo. Our natural gas-focused strategy continues to deliver steady, predictable growth and this past quarter was certainly no exception. In fact, we posted yet another quarter of record EBITDA driven by growth across all four of our core business segments, as well as our upstream JV operations. We continue to set new records for contracted transmission capacity and expect this record-breaking performance to continue for many years to come as we execute on the six unique transmission expansion projects totaling 1.9 Bcf per day. And our G&P business remains strong with modest growth during the quarter expected to ramp up over the balance of the year.

We continue to further advance our clean energy strategy through tightly aligned deals announced this quarter, including our acquisition of the Trace Midstream assets in the fast-growing Haynesville region - which just closed this past Friday - and through our partnership with Context Labs that I'll detail more when we get to our key investor focus areas.

Overall, we expect strong natural gas market fundamentals and steadfast project execution to drive additional growth for our business in 2022, and as a result, we are raising financial guidance with expectations of another remarkable year of growth. Importantly, the midpoint of this new guidance is beyond the top of our previous range.

So, an impressive start to the year with a number of clear catalysts for growth for the balance of the year and into 2023. And now I'll turn it over to John to go through the results for the quarter and our raised guidance. John?

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**John Porter**

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

Thanks, Alan. Starting here on slide 1 with the summary of our year-over-year financial performance. Overall, 2022 is off to a strong start. We've seen 7% growth in EBITDA, or 13% if you adjust last year to remove the favorable effects of last year's severe winter weather including Winter Storm Uri. And as we'll see on the next slide, our core natural gas-focused transmission and gathering and processing businesses have fueled this EBITDA growth, although we have also enjoyed continued strength in our upstream and marketing businesses.

Our adjusted EPS increased 17%, continuing the strong trend of double-digit growth we've seen now for many years. Available funds from operations, AFFO, grew a bit more than EBITDA, continuing the trend of strong growth in this measure, up 16% year-over-year. As a reminder, AFFO is cash from operations including JV cash flows but excluding working capital fluctuation. If you compare AFFO to our capital investments of \$316 million and our dividends of \$518 million, you see that we generated over \$350 million in excess cash for the quarter. Also, you see our dividend coverage on this page based on AFFO continues to be very strong at 2.3 times. Our debt-to-adjusted EBITDA

metric continues to improve based on our strong growth in EBITDA and cash generation and our capital investment discipline. You see a nearly 0.4 or a 9% improvement in this measure in only a year.

So now let's move to the next slide and dig a little deeper into our EBITDA results for the quarter. Again, another strong start this year with 7% growth, reflecting the combined effect of the performance of our core business and upside in our upstream operation. Walking now from last year's \$1.415 billion to this year's \$1.511 billion, we start by isolating those favorable effects from last year's severe winter weather, which were \$77 million and are shown here in gray.

Maybe just a quick opening comment regarding expense trends, since inflation has been such a big topic lately. We've actually continued to see very solid cost control in our business. You may have noticed the \$34 million increase in operating and maintenance expense on the face of our income statement, but this is really driven by a combination of higher reimbursable expenses that are offset in other fee revenue, new lease payments that were just the planned part of Transco's Leidy South expansion project and finally operating expenses associated with our new upstream operations. And related to the \$31 million increase in SG&A on the face of the income statement, you should know that this is pretty much entirely related to the addition of the Sequent business, and that also includes their bonus accrual and an \$8 million credit reserve related to a small customer bankruptcy.

Moving next to our upstream operations on the waterfall chart here included in our other segment, upstream operations were up \$56 million, excluding the \$22 million of winter weather benefits from last year. Importantly, our first new Haynesville production only began in April, so really no contribution in this \$54 million yet from Haynesville. So, the full amount of the growth is attributable to our Wamsutter property and it's a bit of an apples-to-oranges comparison at that. As a reminder, last year we owned 100% of the acreage we acquired from BP only for February and March. But in the first quarter of this year, we owned 75% of the Wamsutter upstream JV, which now includes the combined BP, Southland and Crowheart acreage.

Shifting now to our core business performance. Our transmission & Gulf of Mexico business improved \$37 million or 6%, primarily at Transco and largely from the Leidy South expansion project which came online in phases last year. Overall, our average daily transmission volumes for Transco increased over 6% versus the prior year as we once again saw record winter natural gas demand. Transco's revenues are driven by reserved capacity, not actual throughput, but continued growth in actual throughput does highlight the criticality of Transco's service. We also saw higher margins in our Gulf of Mexico business.

Our Northeast G&P business increased \$16 million or 4%, driven by top line gathering and processing revenue growth on slightly lower volumes. G&P rate growth was supported by a combination of factors, including higher commodity-based rates, annual fee escalations and other expansion-related fee increases that more than offset the lower cost of service rate at our Bradford franchise. The slightly lower year-over-year Northeast volumes in the first quarter were anticipated in our initial guidance and we expect a continued quarterly increase for the remainder of the year compared to the first

quarter 2022 level. We continue to expect a gradual increase in overall Northeast volumes throughout the remainder of the year, but ultimately our plan for the Northeast in 2022 continues to see higher EBITDA versus 2021 on pretty flat volumes. However, we are well-positioned to resume stronger volume and EBITDA growth in the Northeast in 2023 driven by several expansion and optimization projects underway that Alan will discuss in more detail.

Shifting now to the West, which saw an impressive \$35 million or 17% improvement over 2021. In the West, we continue to see upside from our commodity price exposed rates in the Barnett, Piceance, and Haynesville, as well as substantially higher volumes in the Haynesville that drove an 11% overall increase in volumes for the West. In the West, we see a strong quarter-over-quarter growth trajectory throughout the rest of the year and especially in the second-half of the year driven primarily by strong drilling activity in the Haynesville.

Next, you see a \$30 million increase in our Gas & NGL Marketing Services business, which includes both our legacy Gas & NGL Marketing business as well as Sequent. This improvement was primarily caused by the addition of Sequent in July of last year. Overall, this segment produced \$65 million of EBITDA. As a reminder, the first quarter of each year is typically when Sequent creates the majority of its EBITDA and this was a strong performance for the team.

While we expect to see \$50 million to \$70 million of annual adjusted EBITDA contribution for this combined segment (Sequent plus our legacy Marketing business) this year we've gotten off to a stronger start than expected. And with the strong commodity price expectation for 2022, we expect to exceed this \$50 million to \$70 million range.

So, again, another strong start to the year with 7% growth in EBITDA, over \$1.5 billion, driven by core business performance and upside in our upstream and marketing operation.

Let's move to slide 3 to look at our latest financial guidance thoughts for full-year 2022. We are pleased to share a substantial improvement in our 2022 financial guidance versus what we provided in February of this year. I won't go through each of these metrics but will offer some commentary on the most pivotal numbers.

Let's start with adjusted EBITDA where our midpoint is increasing \$250 million, moving from \$5.8 billion to \$6.05 billion, with a tightened range of plus or minus \$150 million versus the original plus or minus \$200 million. This substantial raise in EBITDA guidance is grounded in our confidence in the continued growth in our core business before considering the Trace acquisition. Specifically, we expect steady quarterly EBITDA in our Transmission & Gulf of Mexico business through the remainder of the year but continued quarterly EBITDA and volume growth from our West and Northeast segment with some level of acceleration through the second half of the year.

Additionally for the remainder of 2022, we expect a growing contribution from the Trace acquisition, which closed last week, as it moves towards the targeted approximately six times acquisition multiple based on its 2023 EBITDA. And finally, with respect to our

upstream operations, we are encouraged by the results we've seen thus far in 2022 and remain confident in the fourth quarter exit rates we quoted at our Analyst Day.

Shifting down the page now to growth CapEx, you'll note a \$1 billion increase in guidance from a combination of the \$950 million Trace acquisition value and other Trace-related CapEx. Note that we've closed the Trace acquisition using the combination of cash on hand and other sources of liquidity including our revolver and commercial paper. You see that our debt-to-adjusted EBITDA remains steady at 3.8 times, reflecting the balancing of our increased EBITDA with our increased growth CapEx for Trace.

The remainder of the guidance items either changed in relation to the change in EBITDA that I've just discussed or remain unchanged as in the case of maintenance CapEx. So, again, a substantial increase in EBITDA guidance of \$250 million at the midpoint, driven by continued growth in our core business as well as contributions from Trace acquisition and sustained expectations for our upstream JV operation.

So, with that, I'll pass it back to Alan to review our key investor focus areas. Alan?

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**Alan Armstrong**

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

Okay. Well, thanks, John. I'm going to move on now to the key investor focus areas here on slide 4. Our natural gas-focused strategy continues to play out with strong fundamentals that are driving incremental growth opportunities, particularly as we continue to see increasing demand for US LNG exports along the Transco corridor. As well, we have seen domestic demand for power and industrial sectors continue to grow despite much higher natural gas prices. Admittedly, it has been somewhat surprising to us how inelastic this demand has remained.

The challenge ahead to meet this stubborn and growing demand isn't higher cost of supply, it is simply that we need more US infrastructure to connect some of the world's lowest cost supplies to this burgeoning demand. I'll point out that Transco delivered a record breaking 17.15 million dekatherms on January 3. And while extreme winter weather usually coincides with these peak day deliveries, this volume record was due to growing demands in the Transco markets, and we expect this natural growth in demand to continue as we continue to see loads within our existing footprint.

Our G&P business continues to thrive in the current environment allowing us to capture the upside benefit of pricing and inflation adjusters in our rates that have been sitting on their floors for many years. And we continue to execute our upstream JV strategy by realizing the near-term benefits of its commodity price exposure while setting the stage for continued use of our latent midstream capacity in the longer-term as these volumes grow.

Now, I'm going to move on to our financial strength and stability. And as detailed earlier by John, we increased our guidance midpoint to \$6.05 billion, driven by the following: first of all, strong base business performance with volumes in the Northeast G&P business expected to rebound for the balance of the year and, of course, this along with

the higher rates that we were seeing in some of our consolidated assets has got us set up for a very strong performance for the balance of the year; strong performance of our Gas & NGL Marketing business in the first quarter and the growing volumes in our upstream JV which are enjoying higher-than-planned pricing is another driver; and finally, incremental volume and earnings from the Trace acquisition as we've mentioned earlier.

With our recent updated guidance, we expect to achieve a four-year EBITDA CAGR now of 7% and an impressive EPS CAGR of 19% at our midpoint. On the whole, our business continues to fire on all cylinders, driving our financial strength and stability and the picture actually just keeps improving as we have been well-positioned to capture the upside in this environment.

Looking now at our exposure to growth, given the current strength of natural gas fundamentals in the US and abroad, we see a significant runway of growth opportunities for Williams. First of all, we now have 1.9 Bcf per day of high-return Transco projects that have now moved into execution. This has been raised since our Analyst Day due to recently secured customer commitments to advance the Texas-Louisiana Energy Pathway Project, which moved out of the development bucket into execution, and this project connects low-cost South Texas gas supplies with LNG markets in Louisiana.

Second, in the Gulf of Mexico, we secured another customer agreement at Salamanca, further building on growth momentum in the Deepwater Gulf of Mexico, which continues to deliver more and more opportunities in response to these higher oil prices. In the Northeast, we've reached agreements with our producing customers for significant gathering expansions in both the rich Utica and the rich Marcellus, and we now have four significant expansion projects under execution that will drive growth showing up later this year and into 2023.

And our strategic bolt-on acquisition of assets from Trace Midstream closed last week and this now positions Williams as the second-largest gas gatherer in the fast-growing Haynesville. This is consistent with our long-held strategy to seek a number one or number two position in the key basins in which we operate. With our Haynesville gas gathering capacity now above 4 Bcf per day, we continue to crisply execute on our wellhead to water strategy. In fact, we are close to commercializing the Louisiana Energy Gateway project. And given significant interest by its various shippers, we do expect to announce a final investment decision on that project soon.

Our growth prospects don't stop with these projects, however. We see more opportunities on the horizon even as we navigate an evolving regulatory environment. Importantly, we saw the FERC respond to concerns from both industry and legislators in a constructive manner this past quarter, and we are optimistic that regulators recognize the need for reliable permitting process to support natural gas infrastructure. Importantly, key legislative leaders have renewed their focus on streamlining permitting in our country to ensure we've got the necessary midstream infrastructure to support our country's LNG buildout goals.

And finally let's look at the developments related to our new energy ventures. Obviously, as we think about decarbonization, there are a lot of opportunities to invest in energy innovation and new technologies. As part of our strategy to accelerate the next-

generation energy marketplace, Williams has established a Corporate Venture Capital fund that is set up in a way to support direct investments in startups that leverage Williams' assets for decarbonization solutions, as well as limited partnership funds that specifically invest in low-carbon technologies.

A great example of how we're utilizing this VC fund is our recently announced partnership with Context Labs on a technology solution to support the gathering, marketing, and transportation of responsibly sourced natural gas from wellhead to end-user. And by leveraging the Context Labs technology, we will enable supply and delivery decisions that connect the cleanest energy sources to meet real-time energy needs across the country. Also supporting our work in this space, we just announced a collaboration with Cheniere Energy to implement a QMRV pilot that will further the development of advanced monitoring technologies to enhance clean energy supply and delivery for Williams and its customers. So, lots of exciting things happening in this space and all positioned around supporting and enhancing our natural gas-focused strategy.

So, in closing I'll reiterate that our intense focus on our natural gas-focused strategy has built a business that is steady and predictable with continued growth, improving returns and free cash flow. Our best-in-class long-haul pipes are in the right place serving the very best markets; and by design, our formidable gathering assets are in the low-cost basins that will be called on to meet gas demand as it continues to grow. These gathering assets are irreplaceable and critical infrastructure within the natural gas value chain. And our Sequent platform that extends across the natural gas pipeline and storage industry is providing infrastructure optimization services that create value for Williams and our customers while mitigating downside risk. You've heard me say it before, but we remain bullish on natural gas because we recognize the critical role it plays and will continue to play in both our countries and the world's pursuit of a clean energy future. Natural gas is an important component of today's fuel mix and should be prioritized as one of the most important tools to aggressively displace more carbon intensive fuels around the world. Our networks are critical to serving both domestic and global energy demand in a lower carbon and economically viable manner.

And finally, as we look overseas to the energy crisis in Europe and its ripple effects on energy security, the importance of affordable and reliable energy supplies on a global scale has now taken center stage. Williams is excited about the important role we will play in meeting the dual challenge of delivering increasing amounts of reliable, affordable energy while also continuing to decrease greenhouse gas emissions around the world. Utilizing our critical infrastructure that is connected to the best natural gas basins in the US to increasingly serve LNG export facilities and growing US demand for clean, affordable energy is a great place for our organization to start.

And with that, I'll open it up for your questions.

## QUESTION AND ANSWER SECTION

### **Brian Reynolds**

*Analyst, UBS Securities LLC*

Hi. Good morning, everyone. Maybe to talk on the EBITDA guidance for a little bit. I was curious if you could just provide a little bit more color as to upside and downside of the EBITDA range? First look at apples-to-apples comparison, it seems like commodity exposure is really the main driver of guidance in addition to the Trace acquisition. And I was just wondering if you had anything to add to that in addition to like if there are any volume metric assumption changes to the guidance update? Thanks.

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### **Alan Armstrong**

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

Yeah. Actually, the drivers are kind of – primarily as we studied it, the drivers are absolutely our base business. If you look at first quarter volumes in the Northeast and you're considering the rebound that we're seeing from very active drilling operations, a lot of it in the third and fourth quarter just due to infrastructure issues but – on our part but that is the primary driver is just seeing a nice rebound in the Northeast. Actually, I would say we're being pretty modest in our expectation of pricing.

And in fact if you look at this quarter, Haynesville really didn't even produce this quarter other than the base level it's been producing and certainly didn't contribute to EBITDA. So the upside that we have is really just from a volumetric exposure with pretty modest assumption on pricing for the balance of the year. So really the driver, the primary driver for growth is, first, our base business and second the E&P in the Haynesville and that ramp-up that is going very well at this point but did not contribute in the first quarter. And then finally is the Trace acquisition in that order in terms of the value.

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### **Brian Reynolds**

*Analyst, UBS Securities LLC*

Great. Appreciate that color. And then maybe as a follow-up on just the evolving regulatory environment, it appears that there's some near-term tailwinds to support natural gas and LNG infrastructure permitting. I was curious if you could comment on this evolving environment and curious if Williams is considering adding new Transco growth projects for FERC approval to the docket that may not have been pursued at the end of last year or the beginning of this year? Thanks.

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### **Alan Armstrong**

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

Well, I would just say, first of all, we have a long list within that six projects that are under execution and we are encouraged in our discussion with the FERC and their clear desire to see good projects that reduce emissions in the markets they serve. And so I would say we're very fortunate to have a number of projects that actually reduce

emissions in the markets they serve. And so we certainly we are seeing support out of the FERC and obviously they've been moving projects through pretty quickly.

On the increment, I would say nothing has really changed that much for us. It's just kind of a steady beat right now of continued demand from customers and RFPs that we're responding to and working with customers on. So I will say that I think on the one hand, you kind of have this popular notion that gas demand is not increasing. And on the other hand the reality is it is increasing and we're certainly seeing that through RFPs coming from our various customers on the demand side. So, we're pretty excited about the way the future is shaping up on that front. And we do think, particularly at the FERC level, that they are being supportive, particularly of projects that we can demonstrate to reduce emissions in the markets we serve, and we have a great track record of working with the FERC in a constructive manner and we expect that to continue.

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**Chase Mulvehill**

*Analyst, BofA Securities*

Hey, good morning. And I guess first question is just really on the LEG. It sounds like that you guys are getting close to FIDing that. Could you talk about I guess how much contracting that you still have left that you need to accomplish and how much capacity that you expect LEG to be and maybe the total cost there as well? And I've got a follow-up after that.

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**Chad Zamarin**

*Senior Vice President-Corporate Strategic Development*

Sure. Hey, this is Chad. The LEG is at full capacity of 1.8 Bcf a day project. We have over half of that contracted today. We would expect to achieve a sufficient level of commercial contract over the next couple of months to FID the project. We see a pretty significant need for volumes that are growing in the Haynesville to get to Gulf Coast market. And so we feel pretty good about how that's being done.

Micheal, I don't know if you want to talk about the capital for the project

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**Micheal Dunn**

*Chief Operating Officer & Executive Vice President*

Yeah. I would say the capital cost estimates are really pretty much in-line with the other projects that we've been executing on the large diameter-type activities. We're not ready to disclose the actual capital investment opportunity there. But I would – suffice to say that the returns are very nice and the fact that we also have options on the pipe right now really tells us that we are locking in on what we think the cost will be. Just because the volatility of steel prices right now are pretty uncertain and that's been going on for quite some time now and we were able to acquire some options on the surplus pipes from cancelled projects and apply that for the LEG project. So, we feel good about the material costs right now that we have in the budget and certainly we feel pretty good about the capital costs that will be constructed based on what we know today.

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**Chad Zamarin**

*Senior Vice President-Corporate Strategic Development*

Yeah. An important to just remember that when we executed on the Trace acquisition, Quantum did and we announced that Quantum will be an equity partner in the project so that will reduce our capital load a bit. And it could be that we bring in an additional equity partner in the project. So we will I think de-risk a portion of the capital but get the benefit of creating that full value chain from truly wellhead to water across our infrastructure. And we'll work with our partners on the project to optimize the entire value chain.

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**Chase Mulvehill**

*Analyst, BofA Securities*

Okay. All right. Perfect. The quick follow-up is just directly on that strategy of wellhead to water. We do get questions from investors about midstream and if they would ever consider LNG export facilities. Obviously, we've got one of peers out there that are obviously considering this. So, I guess my question to you is, would you ever consider building an LNG export facility?

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**Chad Zamarin**

*Senior Vice President-Corporate Strategic Development*

Yeah. I'll start and let Alan follow-up. I'd say for the Haynesville strategy, the wellhead to water, there's a pretty good existing footprint of LNG export facilities that we're focused on connecting to. We are the largest infrastructure provider to the LNG terminals across the entire footprint. So, for the near-term, our focus is on making sure that our customers can access those LNG terminals, and also, we can connect our customers to the very best markets, whether those are domestic or international.

So I think our strategy of building that full value chain is not dependent upon us building and operating LNG terminals. And so our strategy today is to serve as a reliable supplier to LNG export terminals and then increasingly provide access to our customers to those LNG markets.

I don't know if Alan...

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**Alan Armstrong**

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

Yeah. No, I think you said that very well, Chad. I think obviously there's a lot of project debt that's utilized in that space today that gets those down to some pretty low cash on cash returns that we think is a great – it's a great way to make sure there's plenty of capacity to get out. If we determine that there wasn't going to be plenty of capacity to get out then we might consider that.

But, as it sits today, it looks like there's plenty of new capacity that is trying to get built at low cost and fairly low returns given the project financing that is being applied to those projects. So we see better places that we can put our capital to use better today than there and so that keeps us focused on the areas we have very strong competitive advantages as Chad pointed out.

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**Chase Mulvehill**

*Analyst, BofA Securities*

Well, I really appreciate the color. I'll turn it back over. Thanks, Alan.

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**Praneeth Satish**

*Analyst, Wells Fargo*

Thanks. Good morning. Just staying on the Haynesville, there's a lot of midstream companies now that are evaluating takeaway projects including you guys. I guess my question is how competitive is it to secure contracts for a new pipeline? I know you have a head start on LEG because of the Trace deal, but do you think you can generate the same return on LEG as you would on Transco projects? Just trying to get a sense of competitiveness.

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**Alan Armstrong**

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

Yeah. That's a great question. I would say generally probably not just because our returns on Transco have gotten to be very much higher than the normal projects. And thanks to the efforts of the environmental opposition of making pipeline permitting so difficult in the areas that we operate, it's allowed us much higher returns in that space than would normally be allowed.

So it's definitely more competitive. We like it because we've got follow-on business upstream and downstream with Transco, so it makes the kind of total incremental return on those projects attractive, but it is not as high as kind of bolt-on expansions that we see on Transco today just because of our strong competitive position in those areas.

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**Praneeth Satish**

*Analyst, Wells Fargo*

Got it. And then maybe if you could just give us an update on producer activity in the Northeast? It sounds like you're positive given the gathering expansions you've announced. But do you see the potential for a more meaningful volume increase in 2023? And then maybe tied to that, where do you stand in terms of NGL volumes versus frac capacity? Do you see the need to expand frac capacity at any point over the coming years? Thanks.

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**Micheal Dunn**

*Chief Operating Officer & Executive Vice President*

Thanks. Good morning. This is Micheal. I'll take the Northeast question. We saw in the first quarter this year really a convergence of several things that impacted volume in the Northeast really across the entire basin. And a lot of that was driven by production increases that occurred in the fourth quarter of 2021, where a lot of producers accelerated their well pad connections early in order to hit great exit rates for the end of 2021 which was great for our system. And we saw a lot of peaks on our systems in 2021, but that obviously hurt 2022 performance in the first quarter with all of that early execution and then the decline that occurred from those new wells.

So we saw that and we saw really significant winter weather in the Northeast this year. It's something that we haven't seen in several years this magnitude and that did impact a lot of the production for the producer freeze-offs, and not only just on our systems and the producers on our systems, but the production that was gathered by others that would be brought to our processing facilities, we also saw some impact there. So we did see some inlet plant volume declines because of that.

And then, finally, we had a producer that had the well pads that came online that had significant levels of condensate which is good for them from a production standpoint, but it overwhelmed their facilities and so they weren't able to bring those volumes to us until they rectified that situation. So that's been fixed but that did impact some significant volumes from that producer in the quarter.

So we had several big items that impacted that, and as Alan said, we expect an acceleration of volumes coming on between now and the end of the year, and we have talked about the volumes in the Northeast being somewhat flat this year from some of the producers talking about being in maintenance mode. But we do see 2023 shaping up pretty well with the four expansions that we have underway across all of the dry and rich basins in the Northeast.

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**Alan Armstrong**

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

And just to be clear, when we say we're talking about flat volumes that we're saying flat to 2021. So, it'd be a growth point from where we are here in the first quarter for sure.

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**Praneeth Satish**

*Analyst, Wells Fargo*

Got it. Thank you.

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**Gabriel Moreen**

*Analyst, Mizuho Securities*

Hey. Good morning, everyone. With some of the gathering contracts now it sounds like being off the minimums from, I guess, commodity price standpoint, I was wondering if

there's a possibility for getting enterprise rise rule-of-thumb for sensitivity to nat gas prices overall? And I'm also just curious what gas price forecast are you using in your guidance now?

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**Alan Armstrong**

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

Yeah. Gabe, thanks for your question. I don't think we've released that sensitivity on price. But we have said the contracts that we have there are around our Laurel Mountain Midstream business with EQT in the Marcellus has that feature as well as the Barnett gathering contract with Total in the Barnett Shales. So those are the kind of the two primary areas of exposures, there's a lot of areas with smaller ones. But in terms of any significant, those are the big ones. But we have not provided that.

In terms of the pricing that's in there, I would just tell you it's – we're not counting on the kind of current pricing that we have obviously for the balance of the year. And so we're being I would say a bit conservative about what we expect for the balance of the year because we do think given the kind of growth that we're seeing in both the Haynesville and the gearing up in the Marcellus and the Utica that we're exposed to, we can't very well on one hand see the kind of growth that we see coming on there and expect prices to remain at these levels. And so I would say that those two things have to be considered jointly and we do so.

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**Gabriel Moreen**

*Analyst, Mizuho Securities*

Thanks, Alan. And maybe if I can just ask one follow-up on the Haynesville. After hopefully like FIDs in the not-too-distant future just how you're feeling about your current footprint there relative to kind of where you want to be? Clearly, there's some other assets I think that are out there on the market. So maybe if you could just kind of speak to that as your balance sheet is kind of giving you more room here I think to play some more offense?

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**Alan Armstrong**

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

Yeah. I would just say, as usual, we're going to be patient and picky and we've done that and it served us well. In the case of Trace, we kind of caught that a – from a timing standpoint, I think we caught that at a great timing and we had unique considerations that we had to offer Quantum and Rockcliff there both in terms of access to the LNG market via our LEG and Transco systems as well as an interest in LEG for Quantum which was valuable to them. So we'll continue to look for those kind of unique opportunities as they pop-up where we've got significant value that we can add between us and the buyer. So I wouldn't say we're not going to look at everything because probably we will but I think we will remain fairly patient and picky about how we choose our points of growth.

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**Gabriel Moreen**

*Analyst, Mizuho Securities*

Thanks, Alan.

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**Jeremy Tonet**

*Analyst, JPMorgan Securities LLC*

Just wanted to touch on Appalachia a bit more and I guess the production outlook there in – given how egress constraints impacts production, just wondering now that you have Mariner East online, you have the Shell cracker coming here. With higher I guess egress or demand for NGLs, are you starting to see any more pivot towards liquids-rich areas or is it really focused still on dry gas more given the higher prices? Just wondering how your conversations with producers are going now and how do you think that shifts and could growth materialize this year or next year do you think?

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**Micheal Dunn**

*Chief Operating Officer & Executive Vice President*

Hey, Jeremy, it's Micheal. We are seeing growth expectations increasing for 2023 in both sides of the rich and the dry. We've got an expansion in Northeast PA underway that comes online in 2023, unlocking additional volume for our gathering system. And the other expansions that we spoke of are really down in the rich area. So we're working with Encino, who's the upstream producer that bought the acreage from Chesapeake years ago. They have access to both rich and dry in the Flint and Cardinal gathering systems that we have and they can balance those rigs both between the dry and the rich. So they have that benefit of being in close proximity there. And so they're just taking advantage of capacity when it becomes available. And we have some interconnects that we're increasing capacity on as well. We've put additional volumes in Texas Eastern and Rover from those systems. And so those will come online this year but that just unlocks more capability to move gas out of the system and then obviously take advantage of latent capacity that's available on those interstate pipeline.

So I would say we're seeing a pretty exciting growth coming in 2023 from definitely the rich side with the support of NGL and condensate prices that are tied to WTI. And right now we're seeing our processing complex and the OVM system is full where we had some impacts as I said earlier from the winter weather with production being able to get into those systems. We are back to full now and we're working on our interconnects between our OVM system and the Blue Racer system so that we can utilize latent capacity there when it's available and vice-versa ultimately. And so that will certainly unlock some additional opportunities there to continue to grow those rich volume.

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**Jeremy Tonet**

*Analyst, JPMorgan Securities LLC*

Got it. Thanks for that. And just wanted to touch on higher nat gas prices a little bit more if I could and whether these higher prices impacts your thoughts on monetizing Wamsutter, Haynesville E&P assets given the strong price in gas here and at the same time higher prices, more volatility leading to wider basis differential. Do you see this kind of maybe driving more upside through to the Sequent operations in the near-term given this backdrop?

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**Alan Armstrong**

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

Yeah. Great question, Jeremy. And I would tell you I've been really impressed with the way our commercial teams have been working together on Sequent. So I'm going to answer the back or the end of your question first.

Really, if you think about Sequent and the way that they run the business of optimization, being in a basin that is starting to get crowded from a transport standpoint and starting to have volatility in the basis and allows us to capture and aggregate supplies into then turning that into an infrastructure solution is exactly what we bought Sequent for and that's turning in to be a pretty powerful tool for us. And probably while I certainly expect that over time for us to get there, I have been very impressed how quickly the teams have come together to materialize some opportunities on that front.

So, really excited about that. And I think not just the nice performance that we got out of Sequent here in the first quarter but as well just seeing strategically what it's doing for us in terms of intelligence in the basin and dealing with volatility in the basin as markets grow, and optimization of capacity becomes critical as you get up near the limits of the basin's capacity to export. Again, that allows us then to aggregate those supplies that need optimization and then that of course gives us a front seat as it relates to infrastructure solutions for that. So really that has gone according to plan and then some I would say.

On the question of monetization of the E&P business, remember that first on Wamsutter, our primary goal and the real value there is for us to build, getting those volumes built up. And so the structure that we have today there with Crowheart which incents them and very powerful incentive to dramatically grow volumes. And then that cash margin of that kind of regardless of pricing environment, that cash margin that flows back to us through the midstream asset is exactly what we're looking for, which is obviously a much more durable solution than depending on high prices here in the current environment. So, that strategy remains intact and we remain very focused on getting the volumes built up in that basin before we would think about the next step of monetization which may be very welcome there.

On the Haynesville side, somewhat similar, except that in that structure the undeveloped, not the existing producing reserves but the undeveloped acreage does transfer over as the development is done by GeoSouthern and they are just doing an incredible job. I want to give them a lot of credit here on the way they've been managing as an operator out there on the drilling operation. And we're really excited to see what that's going to mean for us, both in terms of responding to this very strong pricing

environment we have on gas and here in the near-term but as well the volumes and the cash margin that we'll get from the downstream assets in the longer term. So, both of those are going extremely well. But the Haynesville obviously is going to be a much more near-term catalyst for growth just given the ability to very quickly attack that and drill out the acreage there in the Haynesville.

But some of that value will be transferred in the undeveloped acreage, not in the producing acreage but in the undeveloped acreage will transfer over to GeoSouthern over time.

Anything to add to that, Chad?

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**Chad Zamarin**

*Senior Vice President-Corporate Strategic Development*

Just the pace there currently. There are three rigs at GeoSouthern that is running the Haynesville on our position. And at that pace, we would see that reversion of interest on the undeveloped occurs sometime in early 2023. So, it's kind of self-fulfilling in the Haynesville, so that will happen naturally.

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**Jeremy Tonet**

*Analyst, JPMorgan Securities LLC*

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

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**Michael Lapidès**

*Analyst, Goldman Sachs & Co. LLC*

Hey, guys. Thank you for taking my question; one modeling one and one kind of siting and permitting longer-term one. Just on the modeling one, can you remind us – I want to make sure I caught this correctly, what was the Sequent contribution in the first quarter and what do you expect for the full-year?

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**John Porter**

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

Yeah. We're speaking to a run rate in our overall combined marketing business of Sequent and our legacy NGL and Gas Marketing at \$50 million to \$70 million per – on a normal run rate. What we said though is that the \$65 million of that segment produced in the first quarter, given the strong start that we've seen and the price outlook for the rest of 2022 means that we'll likely exceed that range for 2022. But \$50 million to \$70 million is what we're targeting as sort of a normal run rate for our overall Marketing business which is now combined Sequent and our legacy Gas and NGL business.

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**Michael Lapidès**

*Analyst, Goldman Sachs & Co. LLC*

Got it. And then on the permitting front, I know there's lots of discussion in DC about doing things that can make development of gas infrastructure assets easier over time. But we just saw the administration in the last couple of weeks revised some of the NEPA-related requirements for gas infrastructure which strikes me that it would actually make it a little more onerous in the siting and permitting process. And we just saw yesterday a challenge to a license amendment for a Louisiana LNG project that already has an EIS.

Just curious kind of from your thinking longer-term, what do you think the messages that are coming out across the board are in terms of – either from policymakers, environmental groups or others in terms of the desire but more importantly the process for siting and permitting the asset infrastructure?

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**Alan Armstrong**

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

Yeah. Michael, great question, something that we study a lot. And I would just say, first of all, that is not a well-oiled machine we're talking about there and I'm not sure sometimes the right hand knows what the left hand is doing in that regard. And certainly the FERC got some very clear instruction from the Energy and Natural Resource Committee. So I think that was very helpful in terms of getting the FERC lined out. The CEQ activity that you spoke about was certainly a step backwards. But frankly really the previous path that the Trump administration set on CEQ was helpful but it really hadn't had that much impact yet on NEPA but it definitely was a step backwards. I wonder if that was a little better communication within the administration. I kind of wonder if that would have come out given the need and the desire for natural gas infrastructure to get permitted but it certainly was a step in the wrong direction.

I don't really have a comment yet on the EIS and relicensing issue that you mentioned. I'm not familiar enough with that to provide a comment on that. So anyway, I would just say, yes, we think there's a desire from the administration and certainly from some of the key Senate committees to streamline permitting. But I'm not sure that everybody's moving in lockstep with that amongst the various agencies just yet. But I'm very hopeful given the direction that the FERC responded to, I'm very hopeful that we'll see that with other agencies as well.

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**Michael Lapidés**

*Analyst, Goldman Sachs & Co. LLC*

Got it. And when you're referring to the FERC, you're just calling the changes to the policy statement and making a draft and taking comments, et cetera, or something else along those lines?

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**Alan Armstrong**

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

Well, I would say a couple of things there. I mean, yes, certainly that's positive but as well we saw a lot of certificates get issued that have been ending for some time there pretty quickly as well post the hearing that the Senate Committee held and so we thought that was very constructive. And frankly our discussion with various commissioners indicates that they really are serious about trying to get good projects that have the ability to reduce emissions and are being done and permitted responsibly, including very intense stakeholder engagement. They are serious about getting those permitted and we think that's very positive sign.

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**Michael Lapidés**

*Analyst, Goldman Sachs & Co. LLC*

Got it. Thank you, Alan. Much appreciated guys.

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**Jean Ann Salisbury**

*Analyst, Sanford C. Bernstein & Co. LLC*

Hey. Good morning. How close do you think the Haynesville is to running out of capacity today? Do you think that it will actually run out and you'll see blowouts before the next wave of projects come on beginning with Gulfrun or it's like not that close but maybe next year?

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**Chad Zamarin**

*Senior Vice President-Corporate Strategic Development*

Yeah. This is Chad again. Good question. I think that the Haynesville, it does have takeaway capacity that we see providing relief through probably the next couple of years. I would just note though that the traditional Haynesville capacity wasn't necessarily built for the markets that need the gas today so it's not the most efficient path for getting gas to the growing markets, which is why our Louisiana Energy Gateway project, we think makes a lot of sense. We are targeting that project to move directly from the Haynesville South to growing LNG and industrial markets along the Gulf Coast.

So we do see capacity that will allow the Haynesville growth to continue over the next couple of years. But we see a need for projects to come online in the 2023, 2024 – sorry, 2024 timeframe.

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**Jean Ann Salisbury**

*Analyst, Sanford C. Bernstein & Co. LLC*

Great. That makes a lot of sense. And then sort of a related follow-up, we're obviously kind of getting tight on gas takeaway from all of the major Tier 1 gas basins. Are you starting to see any increase in interest or planned activity from the so-called Tier 2 basins like the Barnett or Piceance, the current gas strip?

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**Micheal Dunn**

*Chief Operating Officer & Executive Vice President*

Yeah. Jean Ann, this Micheal. We are – capacity – we've got a lot of capacity available at the Rockies for example. So I would say you'll see some uptick in activity out of the Rockies to move gas out of there with the types of builds that historically that Rockies gas. So there is definitely opportunity to continue to increase from those basins which we call the Tier 2. And we have a large footprint certainly in the Rockies. So we're pretty optimistic about that.

We're seeing some drilling activity in the Barnett as well, but most of that is keeping production flat to slightly growing on our systems there. A lot of that has been drilled out. And it's a more tough environment to drill in with mostly being urban there. But we are seeing some activity that's very pleasing to us with the rate structure that we have there in Barnett. So I think where you see producers with takeaway capability and available you're going to see some increased activity and these prices continue as they have been.

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**Jean Ann Salisbury**

*Analyst, Sanford C. Bernstein & Co. LLC*

Great. That's helpful. Thank you.

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**Sunil Sibal**

*Analyst, Seaport Global Securities LLC*

Yes. Hi. Good morning, folks, and thanks for all the clarity on the call. So I just wanted to go back to the Venture Capital Fund, which was mentioned for clean energy and greenhouse gas monitoring. I was curious if you could talk about that investment opportunity in there in terms of the size and the threshold on returns on that?

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**Alan Armstrong**

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

Sure. I would just say we are being pretty modest in those investments. We have a pretty tight screening process in that regard and we're not putting large amounts of capital to work right now on that. But it is important capital because we do think that that will long-term be a differentiator and we've been very clear with ourselves that we want to think about where the puck is going in that regard. And we do think that reducing methane emissions and overall greenhouse gas emissions from our natural gas value chain is absolutely essential for natural gas to be the powerful tool and be considered the most powerful tool at reducing and impacting positively climate change.

So, we are dead serious about making sure that on the QMRV front and our ability to in an unassailable way certify responsibly sourced gas, we think that's going to be very important in the long run. And so that's not super expensive because it's not big capital,

but we are certainly engaging our organization in making sure that we don't sit around and wait for really good solutions be developed. We think there's a lot of efforts going on that front think at the end of the day, those are going to have to be really strong, unassailable solutions that people can trust and whether they're an NGO or they're a gas producer that it can be trusted. And so we're very focused on that and we want to be there on the frontlines of that. But it is not big capital that we're investing in that space right now.

In terms of the return component, the areas that we are investing, more sizable amounts of capital like in our solar business, we are targeting mid-teen returns on those projects. Obviously, that's not available in the merchant space around renewables today and we're well aware of that. But given the fact that we've got our own load to serve there, and we've got a lot of the essential facilities already in place that reduce the capital load on that that's what drives the higher returns there. So, Chad, you got anything to add there?

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**Chad Zamarin**

*Senior Vice President-Corporate Strategic Development*

Yeah. I would just add that on the venture capital front, we have been, I think, smart in investing alongside proven venture capital investors; that's not our core business. And so we've made some small investments in a couple of existing funds. On the Context Labs investment, we're actually investing alongside Boone Pickens Energy Partners. They are the large investor in that platform which, again, we really like, a highly credible investor. And our relatively small minority investment though does allow us to have significant impact over how that technology will get developed and deployed. And we want to make sure that we can help to bring to market the very best decarbonization solutions.

And so, I think the strategy of finding the really promising technologies, partnering with investment platforms that understand these markets and know how to put good money to work and then having our seat at the table to influence the direction of the technology so that it achieves the goal that we're all trying to achieve. And so that's how we're approaching the investment strategy.

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**Sunil Sibal**

*Analyst, Seaport Global Securities LLC*

Oh, got it. Thanks for that. And just one follow-up; I think you mentioned about the gas prices and I was curious how is the E&P production that you have exposure to, hedged throughout remainder of 2022 or for 2023?

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**John Porter**

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

Yeah. Yeah. So, Sunil, thank you for the question. As we discussed at Analyst Day, our upstream hedging program we've been pretty much focused on supporting our original Street guidance and the underlying capital investments that we're making in those upstream businesses. And so as such we've continued to expand the hedges that will protect the planned upstream gross margins and those have been at favorable prices versus the original guidance.

A couple of points though. Because a good portion of our production volumes is really dependent on future production, we generally don't hedge more than about 70% of our expected exposure for the year. Also in this environment, with the strong current pricing that we're seeing, we do expect that operators will push for volumes beyond what those original plans were. But until we see those volumes really materialize, we don't intend to hedge more than really 70% of those originally expected volumes.

As we've already discussed, we do have significant contracts with direct exposure to prices as well above a floor especially at the Barnett and in the Marcellus. So those contracts also provide us with exposure to gas prices beyond the upstream JV.

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**Sunil Sibal**

*Analyst, Seaport Global Securities LLC*

Okay. Thanks for the color. That's all I had.

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**Alex Kania**

*Analyst, Wolfe Research*

Great. Thanks. Maybe just a follow-up from earlier discussions on policy. But from the administration you've talked about the agencies but also do you think that there's a chance that we may be able to see some sort of kind of legislative kind of work being done that maybe sort of an all-of-the-above sort of strategy coupling clean energy, incentives with kind of more focus on natural gas?

And then maybe on a related question on policy, are you seeing kind of this Department of Commerce review on solar could be impacting your – I guess the \$100 million or so of placeholder that you've got for solar this year or kind of whether it's impacting any thoughts for future years?

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**Alan Armstrong**

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

Yeah. I'll take the first part of that and I'll hand the solar question off to Chad. First of all, I would just say on the policy question, normally my immediate response to that would be, boy, it's a crowded field of issues and would be hard to get any movement on energy policy. But Senator Manchin has been very well-seated and very well-positioned to drive through these solutions and he has been putting forth some thoughts on energy policy and I'm very, very thankful for that because I think the timing is right to get some

attention to that and to actually come up with an energy policy, I think all of all us would question whether we've actually had an energy policy or not.

And so I think the timing is right for that and I think getting some clarification on that would really benefit our country and hopefully set legislation in place that puts aside some of the ways that we continue to stand in our own way as a country and using our natural gas resource as both a powerful economic driver or for us, which I think in the next year or so we're going to wish we had as well as a powerful geopolitical tool obviously. And so I think the timing is right and I think we've got a really good advocate for that in Senator Manchin.

So I would just say we're very focused on that front and I'll turn the solar question over to Chad.

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**Chad Zamarin**

*Senior Vice President-Corporate Strategic Development*

Yeah. I will just say that we are watching proposed tariffs. We're watching the discussions regarding incentive structures for solar. But would remind you that our solar program is primarily focused on installing solar at facilities where we utilize power and that in many cases is more expensive than standalone solar that we can install. And so, we're – the economics of our investments are primarily driven by our ability to install solar projects that frankly compete even without incentives and almost irrespective of some of the cost pressures that we're seeing.

So as it relates to the \$100 million that we've talked about this year, I'd say not so much affected by the policy issues. But I will say that we have said we're keeping a close eye on supply chain issues. We are under no time demand to install our solar facilities by date certain and so we are going to make sure that we time those projects appropriately. We don't get caught subject to higher prices than we need to pay for materials because of kind of supply constraint issues. And so we're keeping a close eye on the supply chain kind of things which has a much bigger impact we think at least for the projects that are currently underway than the kind of the policy issues that we're keeping an eye on.

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**Alex Kania**

*Analyst, Wolfe Research*

Great. Thank you.

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**CLOSING REMARKS**

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**Alan Armstrong**

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

Thank you very much and appreciate everybody tuning in today and appreciate the great questions. I just want to reiterate here on the back-end that the drivers for the growth for the balance of the year are really powerful and really across our base business, the Marcellus and the Utica, as we discussed. Obviously, the Haynesville growth is powerful and I think people are starting to see strong evidence of that.

The Deepwater business, we've got a couple of really nice tie-in projects this year that will add to value towards the end of this year, and the Wamsutter later this year as our drilling operations pick up out there towards the very end of this year we'll see volumes in the Wamsutter that of course would be driving the base business as well out there.

And then finally, as I mentioned earlier, the Haynesville, we really haven't even seen the power of that yet on the E&P side. So first quarter was definitely not driven by that because that's really a balance of the year, and into 2023 some really attractive earnings coming out of that area as well. So a lot of – great quarter but a whole lot of firepower left here to drive growth for balance of the year and into 2023.

And with that, I thank you for your attention today and look forward to talking to you soon.