

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

or

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-4174

THE WILLIAMS COMPANIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

73-0569878

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

One Williams Center

Tulsa, Oklahoma

74172-0172

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: 800-945-5426 (800-WILLIAMS)

NO CHANGE

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Table with 3 columns: Title of each class, Trading Symbol(s), Name of each exchange on which registered. Row 1: Common Stock, \$1.00 par value, WMB, New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months... Yes [X] No []

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T... Yes [X] No []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company.

Large accelerated filer [X] Accelerated filer [] Non-accelerated filer [] Smaller reporting company [] Emerging growth company []

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes [] No [X]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Table with 2 columns: Class, Shares Outstanding at May 2, 2024. Row 1: Common Stock, \$1.00 par value, 1,218,754,019

The Williams Companies, Inc.
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The reports, filings, and other public announcements of The Williams Companies, Inc. (Williams) may contain or incorporate by reference statements that do not directly or exclusively relate to historical facts. Such statements are “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These forward-looking statements relate to anticipated financial performance, management’s plans and objectives for future operations, business prospects, outcomes of regulatory proceedings, market conditions, and other matters. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995.

All statements, other than statements of historical facts, included in this report that address activities, events, or developments that we expect, believe, or anticipate will exist or may occur in the future, are forward-looking statements. Forward-looking statements can be identified by various forms of words such as “anticipates,” “believes,” “seeks,” “could,” “may,” “should,” “continues,” “estimates,” “expects,” “forecasts,” “intends,” “might,” “goals,” “objectives,” “targets,” “planned,” “potential,” “projects,” “scheduled,” “will,” “assumes,” “guidance,”

“outlook,” “in-service date,” or other similar expressions. These forward-looking statements are based on management’s beliefs and assumptions and on information currently available to management and include, among others, statements regarding:

- Levels of dividends to Williams stockholders;
- Future credit ratings of Williams and its affiliates;
- Amounts and nature of future capital expenditures;
- Expansion and growth of our business and operations;
- Expected in-service dates for capital projects;
- Financial condition and liquidity;
- Business strategy;
- Cash flow from operations or results of operations;
- Seasonality of certain business components;
- Natural gas, natural gas liquids, and crude oil prices, supply, and demand;
- Demand for our services.

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

- 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;
- Our exposure to the credit risk of our 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;
- Whether we are able to successfully identify, evaluate, and timely execute our 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;
- Whether we will be able to effectively execute our financing plan;
- Increasing scrutiny and changing expectations from stakeholders with respect to our 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;
- Our costs and funding obligations for defined benefit pension plans and other postretirement benefit plans;
- Changes in maintenance and construction costs, as well as our ability to obtain sufficient construction-related inputs, including skilled labor;
- 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);
- 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 (OPEC) 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, including between Israel and Hamas and conflicts involving Iran and its proxy forces;
- 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 SEC.

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

In addition to causing our actual results to differ, the factors listed above and referred to below may cause our intentions to change from those statements of intention set forth in 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 Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on February 21, 2024, as may be supplemented by disclosures in Part II, Item 1A. Risk Factors in subsequent Quarterly Reports on Form 10-Q.

DEFINITIONS

The following is a listing of certain abbreviations, acronyms, and other industry terminology that may be used throughout this Form 10-Q.

Measurements:

Barrel or Bbl: One barrel of petroleum products that equals 42 U.S. gallons

Mbbls/d: One thousand barrels per day

Bcf: One billion cubic feet of natural gas

Bcf/d: One billion cubic feet of natural gas per day

MMcf/d: One million cubic feet of natural gas per day

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

MMbtu: One million British thermal units

Dekatherms (Dth): A unit of energy equal to one million British thermal units

Mdth/d: One thousand dekatherms per day

MMdth: One million dekatherms or approximately one trillion British thermal units

MMdth/d: One million dekatherms per day

Government and Regulatory:

EPA: Environmental Protection Agency

Exchange Act, the: Securities and Exchange Act of 1934, as amended

FERC: Federal Energy Regulatory Commission

IRS: Internal Revenue Service

SEC: Securities and Exchange Commission

Securities Act, the: Securities Act of 1933, as amended

Other:

Note: References to numerical notes refer to our Notes to Consolidated Financial Statements.

EBITDA: Earnings before interest, taxes, depreciation, and amortization

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

GAAP: U.S. generally accepted accounting principles

LNG: Liquefied natural gas; natural gas which has been liquefied at cryogenic temperatures

MVC: Minimum volume commitments

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

NGL margins: NGL revenues less Btu replacement cost, plant fuel, transportation, and fractionation

Appalachia Midstream Investments: Our equity-method investments with an approximate average 66 percent interest in multiple gas gathering systems in the Marcellus Shale region.

DJ Basin Acquisitions: On November 30, 2023, we closed on the acquisition of 100 percent of Cureton Front Range, LLC (Cureton) (Cureton Acquisition) and also closed on the acquisition of the remaining 50 percent interest in Rocky Mountain Midstream Holdings LLC (RMM) (RMM Acquisition), both of which operate midstream assets in the Denver-Julesberg (DJ) Basin.

Gulf Coast Storage Acquisition: On January 3, 2024, we closed on the acquisition of 100 percent of both Hartree Cardinal Gas, LLC and Hartree Natural Gas Storage, LLC (collectively, “Hartree”), which own natural gas storage facilities and pipelines in Louisiana and Mississippi.

MountainWest Acquisition: The February 14, 2023, acquisition of 100 percent of MountainWest Pipelines Holding Company (MountainWest), which includes FERC-regulated interstate natural gas pipeline systems and natural gas storage capacity.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

**The Williams Companies, Inc.
Consolidated Statement of Income
(Unaudited)**

| | Three Months Ended March 31, | |
|--|--------------------------------------|-----------|
| | 2024 | 2023 |
| | (Millions, except per-share amounts) | |
| Revenues: | | |
| Service revenues | \$ 1,905 | \$ 1,694 |
| Service revenues – commodity consideration | 30 | 36 |
| Product sales | 845 | 845 |
| Net gain (loss) from commodity derivatives | (9) | 506 |
| Total revenues | 2,771 | 3,081 |
| Costs and expenses: | | |
| Product costs | 526 | 553 |
| Net processing commodity expenses | 5 | 54 |
| Operating and maintenance expenses | 511 | 463 |
| Depreciation and amortization expenses | 548 | 506 |
| Selling, general, and administrative expenses | 186 | 176 |
| Other (income) expense – net | (17) | (31) |
| Total costs and expenses | 1,759 | 1,721 |
| Operating income (loss) | 1,012 | 1,360 |
| Equity earnings (losses) | 137 | 147 |
| Other investing income (loss) – net | 24 | 8 |
| Interest expense | (349) | (294) |
| Other income (expense) – net | 31 | 20 |
| Income (loss) before income taxes | 855 | 1,241 |
| Less: Provision (benefit) for income taxes | 193 | 284 |
| Net income (loss) | 662 | 957 |
| Less: Net income (loss) attributable to noncontrolling interests | 30 | 30 |
| Net income (loss) attributable to The Williams Companies, Inc. | 632 | 927 |
| Less: Preferred stock dividends | 1 | 1 |
| Net income (loss) available to common stockholders | \$ 631 | \$ 926 |
| Basic earnings (loss) per common share: | | |
| Net income (loss) available to common stockholders | \$.52 | \$.76 |
| Weighted-average shares (thousands) | 1,218,155 | 1,219,465 |
| Diluted earnings (loss) per common share: | | |
| Net income (loss) available to common stockholders | \$.52 | \$.76 |
| Weighted-average shares (thousands) | 1,222,222 | 1,225,781 |

See accompanying notes.

The Williams Companies, Inc.
Consolidated Statement of Comprehensive Income (Loss)
(Unaudited)

| | Three Months Ended | |
|---|---------------------------|---------------|
| | March 31, | |
| | 2024 | 2023 |
| | (Millions) | |
| Net income (loss) | \$ 662 | \$ 957 |
| Other comprehensive income (loss): | | |
| Designated interest rate cash flow hedging activities: | | |
| Net unrealized gain (loss) from derivative instruments, net of taxes of (\$3) in 2024 and \$(7) in 2023 | 11 | 20 |
| Reclassifications into earnings of net derivative instruments (gain) loss, net of taxes of \$— in 2024 and \$— in 2023 | (1) | — |
| Pension and other postretirement benefits: | | |
| Amortization of actuarial (gain) loss and net actuarial loss from settlements included in net periodic benefit cost (credit), net of taxes of \$— in 2024 and \$— in 2023 | — | 1 |
| Other comprehensive income (loss) | <u>10</u> | <u>21</u> |
| Comprehensive income (loss) | 672 | 978 |
| Less: Comprehensive income (loss) attributable to noncontrolling interests | 30 | 30 |
| Comprehensive income (loss) attributable to The Williams Companies, Inc. | <u>\$ 642</u> | <u>\$ 948</u> |

See accompanying notes.

The Williams Companies, Inc.
Consolidated Balance Sheet
(Unaudited)

| | March 31, 2024 | December 31, 2023 |
|---|--------------------------------------|----------------------|
| | (Millions, except per-share amounts) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 667 | \$ 2,150 |
| Trade accounts and other receivables (net of allowance of \$3 at March 31, 2024 and December 31, 2023) | 1,355 | 1,655 |
| Inventories | 239 | 274 |
| Derivative assets | 173 | 239 |
| Other current assets and deferred charges | 176 | 195 |
| Total current assets | 2,610 | 4,513 |
| Investments | 4,639 | 4,637 |
| Property, plant and equipment | 54,305 | 51,842 |
| Accumulated depreciation and amortization | (17,854) | (17,531) |
| Property, plant, and equipment – net | 36,451 | 34,311 |
| Intangible assets – net of accumulated amortization | 7,496 | 7,593 |
| Regulatory assets, deferred charges, and other | 1,551 | 1,573 |
| Total assets | \$ 52,747 | \$ 52,627 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,042 | \$ 1,379 |
| Derivative liabilities | 75 | 105 |
| Accrued and other current liabilities | 1,077 | 1,284 |
| Commercial paper | — | 725 |
| Long-term debt due within one year | 2,787 | 2,337 |
| Total current liabilities | 4,981 | 5,830 |
| Long-term debt | 24,100 | 23,376 |
| Deferred income tax liabilities | 4,001 | 3,846 |
| Regulatory liabilities, deferred income, and other | 4,735 | 4,684 |
| Contingent liabilities and commitments (Note 9) | | |
| Equity: | | |
| Stockholders' equity: | | |
| Preferred stock (\$1 par value; 30 million shares authorized at March 31, 2024 and December 31, 2023; 35,000 shares issued at March 31, 2024 and December 31, 2023) | 35 | 35 |
| Common stock (\$1 par value; 1,470 million shares authorized at March 31, 2024 and December 31, 2023; 1,258 million shares issued at March 31, 2024 and 1,256 million shares issued at December 31, 2023) | 1,258 | 1,256 |
| Capital in excess of par value | 24,564 | 24,578 |
| Retained deficit | (12,238) | (12,287) |
| Accumulated other comprehensive income (loss) | 10 | — |
| Treasury stock, at cost (39 million shares at March 31, 2024 and December 31, 2023 of common stock) | (1,180) | (1,180) |
| Total stockholders' equity | 12,449 | 12,402 |
| Noncontrolling interests in consolidated subsidiaries | 2,481 | 2,489 |
| Total equity | 14,930 | 14,891 |
| Total liabilities and equity | \$ 52,747 | \$ 52,627 |

See accompanying notes.

The Williams Companies, Inc.
Consolidated Statement of Changes in Equity
(Unaudited)

| The Williams Companies, Inc. Stockholders | | | | | | | | | |
|---|--------------------|-----------------|--------------------------------------|---------------------|---------------|-------------------|----------------------------------|-----------------------------|------------------|
| | Preferred Stock | Common Stock | Capital in Excess of Par Value | Retained Deficit | AOCI* | Treasury Stock | Total Stockholders' Equity | Noncontrolling Interests | Total Equity |
| | (Millions) | | | | | | | | |
| Balance at December 31, 2023 | \$ 35 | \$ 1,256 | \$ 24,578 | \$ (12,287) | \$ — | \$ (1,180) | \$ 12,402 | \$ 2,489 | \$ 14,891 |
| Net income (loss) | — | — | — | 632 | — | — | 632 | 30 | 662 |
| Other comprehensive income (loss) | — | — | — | — | 10 | — | 10 | — | 10 |
| Cash dividends – common stock (\$0.4750 per share) | — | — | — | (579) | — | — | (579) | — | (579) |
| Dividends and distributions to noncontrolling interests | — | — | — | — | — | — | — | (64) | (64) |
| Stock-based compensation and related common stock issuances, net of tax | — | 2 | (14) | — | — | — | (12) | — | (12) |
| Contributions from noncontrolling interests | — | — | — | — | — | — | — | 26 | 26 |
| Other | — | — | — | (4) | — | — | (4) | — | (4) |
| Net increase (decrease) in equity | — | 2 | (14) | 49 | 10 | — | 47 | (8) | 39 |
| Balance at March 31, 2024 | <u>\$ 35</u> | <u>\$ 1,258</u> | <u>\$ 24,564</u> | <u>\$ (12,238)</u> | <u>\$ 10</u> | <u>\$ (1,180)</u> | <u>\$ 12,449</u> | <u>\$ 2,481</u> | <u>\$ 14,930</u> |
| Balance at December 31, 2022 | \$ 35 | \$ 1,253 | \$ 24,542 | \$ (13,271) | \$ (24) | \$ (1,050) | \$ 11,485 | \$ 2,560 | \$ 14,045 |
| Net income (loss) | — | — | — | 927 | — | — | 927 | 30 | 957 |
| Other comprehensive income (loss) | — | — | — | — | 21 | — | 21 | — | 21 |
| Cash dividends – common stock (\$0.4475 per share) | — | — | — | (546) | — | — | (546) | — | (546) |
| Dividends and distributions to noncontrolling interests | — | — | — | — | — | — | — | (54) | (54) |
| Stock-based compensation and related common stock issuances, net of tax | — | 3 | (26) | — | — | — | (23) | — | (23) |
| Contributions from noncontrolling interests | — | — | — | — | — | — | — | 3 | 3 |
| Purchases of treasury stock | — | — | — | — | — | (74) | (74) | — | (74) |
| Other | — | — | — | (5) | — | — | (5) | (1) | (6) |
| Net increase (decrease) in equity | — | 3 | (26) | 376 | 21 | (74) | 300 | (22) | 278 |
| Balance at March 31, 2023 | <u>\$ 35</u> | <u>\$ 1,256</u> | <u>\$ 24,516</u> | <u>\$ (12,895)</u> | <u>\$ (3)</u> | <u>\$ (1,124)</u> | <u>\$ 11,785</u> | <u>\$ 2,538</u> | <u>\$ 14,323</u> |

* Accumulated Other Comprehensive Income (Loss)

See accompanying notes.

The Williams Companies, Inc.
Consolidated Statement of Cash Flows
(Unaudited)

| | Three Months Ended March 31, | |
|---|---------------------------------|-----------------|
| | 2024 | 2023 |
| | (Millions) | |
| OPERATING ACTIVITIES: | | |
| Net income (loss) | \$ 662 | \$ 957 |
| Adjustments to reconcile to net cash provided (used) by operating activities: | | |
| Depreciation and amortization | 548 | 506 |
| Provision (benefit) for deferred income taxes | 152 | 283 |
| Equity (earnings) losses | (137) | (147) |
| Distributions from equity-method investees | 188 | 208 |
| Net unrealized (gain) loss from commodity derivative instruments | 92 | (327) |
| Inventory write-downs | 4 | 18 |
| Amortization of stock-based awards | 24 | 17 |
| Cash provided (used) by changes in current assets and liabilities: | | |
| Accounts receivable | 314 | 1,269 |
| Inventories | 34 | 27 |
| Other current assets and deferred charges | 9 | (4) |
| Accounts payable | (309) | (1,017) |
| Accrued and other current liabilities | (218) | (318) |
| Changes in current and noncurrent commodity derivative assets and liabilities | (68) | 82 |
| Other, including changes in noncurrent assets and liabilities | (61) | (40) |
| Net cash provided (used) by operating activities | <u>1,234</u> | <u>1,514</u> |
| FINANCING ACTIVITIES: | | |
| Proceeds from (payments of) commercial paper – net | (723) | (352) |
| Proceeds from long-term debt | 2,099 | 1,502 |
| Payments of long-term debt | (1,012) | (7) |
| Payments for debt issuance costs | (16) | (8) |
| Proceeds from issuance of common stock | 5 | 3 |
| Purchases of treasury stock | — | (74) |
| Common dividends paid | (579) | (546) |
| Dividends and distributions paid to noncontrolling interests | (64) | (54) |
| Contributions from noncontrolling interests | 26 | 3 |
| Other – net | (17) | (17) |
| Net cash provided (used) by financing activities | <u>(281)</u> | <u>450</u> |
| INVESTING ACTIVITIES: | | |
| Property, plant, and equipment: | | |
| Capital expenditures (1) | (544) | (545) |
| Dispositions - net | 5 | (7) |
| Purchases of businesses, net of cash acquired (Note 3) | (1,851) | (1,056) |
| Purchases of and contributions to equity-method investments | (52) | (39) |
| Other – net | 6 | 8 |
| Net cash provided (used) by investing activities | <u>(2,436)</u> | <u>(1,639)</u> |
| Increase (decrease) in cash and cash equivalents | (1,483) | 325 |
| Cash and cash equivalents at beginning of year | 2,150 | 152 |
| Cash and cash equivalents at end of period | <u>\$ 667</u> | <u>\$ 477</u> |
| (1) Increases to property, plant, and equipment | \$ (509) | \$ (484) |
| Changes in related accounts payable and accrued liabilities | (35) | (61) |
| Capital expenditures | <u>\$ (544)</u> | <u>\$ (545)</u> |

See accompanying notes.

The Williams Companies, Inc.
Notes to Consolidated Financial Statements

Note 1 – General, Description of Business, and Basis of Presentation

General

Our accompanying interim consolidated financial statements do not include all the notes in our annual financial statements and, therefore, should be read in conjunction with our consolidated financial statements and notes thereto for the year ended December 31, 2023, in our Annual Report on Form 10-K. The accompanying unaudited financial statements include all normal recurring adjustments and others that, in the opinion of management, are necessary to present fairly our interim financial statements.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Unless the context clearly indicates otherwise, references in this report to “Williams,” “we,” “our,” “us,” or like terms refer to The Williams Companies, Inc. and its subsidiaries. Unless the context clearly indicates otherwise, references to “Williams,” “we,” “our,” and “us” include the operations in which we own interests accounted for as equity-method investments that are not consolidated in our financial statements. When we refer to our equity investees by name, we are referring exclusively to their businesses and operations.

Share Repurchase Program

In September 2021, our Board of Directors authorized a share repurchase program with a maximum dollar limit of \$1.5 billion. Repurchases may be made from time to time in the open market, by block purchases, in privately negotiated transactions, or in such other manner as determined by our management. Our management will also determine the timing and amount of any repurchases based on market conditions and other factors. The share repurchase program does not obligate us to acquire any particular amount of common stock, and it may be suspended or discontinued at any time. This share repurchase program does not have an expiration date. During the three months ended March 31, 2024 and 2023, there have been \$0 and \$74 million in repurchases under the program which are included in our Consolidated Statement of Changes in Equity. Cumulative repurchases to date under the program total \$139 million.

Description of Business

We are a Delaware corporation whose common stock is listed and traded on the New York Stock Exchange. Our operations are located in the United States and are presented within the following reportable segments: Transmission & Gulf of Mexico, Northeast G&P, West, and Gas & NGL Marketing Services, consistent with the manner in which our chief operating decision maker evaluates performance and allocates resources. All remaining business activities, including our upstream operations and corporate activities, are included in Other.

Transmission & Gulf of Mexico is comprised of our interstate natural gas pipelines, Transcontinental Gas Pipe Line Company, LLC (Transco), Northwest Pipeline LLC (Northwest Pipeline), and MountainWest Pipelines Holding Company (MountainWest), and their related natural gas storage facilities, as well as natural gas gathering and processing and crude oil production handling and transportation assets in the Gulf Coast region, including a 51 percent interest in Gulfstar One LLC (Gulfstar One) (a consolidated variable interest entity, or VIE), a 50 percent equity-method investment in Gulfstream Natural Gas System, L.L.C. (Gulfstream), and a 60 percent equity-method investment in Discovery Producer Services LLC (Discovery). Transmission & Gulf of Mexico also includes natural gas storage facilities and pipelines providing services in north Texas, and also in Louisiana and Mississippi related to the January 2024 Gulf Coast Storage Acquisition (see Note 3 – Acquisitions and Divestitures).

Northeast G&P is comprised of our midstream gathering, processing, and fractionation businesses in the Marcellus Shale region primarily in Pennsylvania and New York, and the Utica Shale region of eastern Ohio, as well as a 65 percent interest in Ohio Valley Midstream LLC (Northeast JV) (a consolidated VIE) which operates in West

Virginia, Ohio, and Pennsylvania, a 66 percent interest in Cardinal Gas Services, L.L.C. (Cardinal) (a consolidated VIE) which operates in Ohio, a 69 percent equity-method investment in Laurel Mountain Midstream, LLC (Laurel Mountain), a 50 percent equity-method investment in Blue Racer Midstream LLC (Blue Racer), and Appalachia Midstream Services, LLC, a wholly owned subsidiary that owns equity-method investments with an approximate average 66 percent interest in multiple gas gathering systems in the Marcellus Shale region (Appalachia Midstream Investments).

West is comprised of our gas gathering, processing, and treating operations in the Rocky Mountain region of Colorado and Wyoming, the Barnett Shale region of north-central Texas, the Eagle Ford Shale region of south Texas, the Haynesville Shale region of east Texas and northwest Louisiana, the Mid-Continent region which includes the Anadarko and Permian basins, and the Denver-Julesberg Basin (DJ Basin) of Colorado which includes Rocky Mountain Midstream Holdings LLC (RMM), a former 50 percent equity-method investment in which we acquired the remaining ownership interest in November 2023 (see Note 3 – Acquisitions and Divestitures). This segment also includes our NGL storage facilities, an undivided 50 percent interest in an NGL fractionator near Conway, Kansas, and a 50 percent equity-method investment in Overland Pass Pipeline Company LLC (OPPL).

Gas & NGL Marketing Services is comprised of our natural gas liquid (NGL) and natural gas marketing and trading operations, which includes risk management and transactions related to the storage and transportation of natural gas and NGLs on strategically positioned assets.

Basis of Presentation

Significant risks and uncertainties

We believe that the carrying value of certain of our property, plant, and equipment and intangible assets, notably certain acquired assets accounted for as business combinations between 2012 and 2014, may be in excess of current fair value. However, the carrying value of these assets, in our judgment, continues to be recoverable. It is reasonably possible that future strategic decisions, including transactions such as monetizing assets or contributing assets to new ventures with third parties, as well as unfavorable changes in expected producer activities, could impact our assumptions and ultimately result in impairments of these assets. Such transactions or developments may also indicate that certain of our equity-method investments have experienced other-than-temporary declines in value, which could result in impairment.

Discontinued operations

Unless indicated otherwise, the information in the Notes to Consolidated Financial Statements relates to our continuing operations.

Accounting Standards Issued But Not Yet Adopted

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires disclosure of significant segment expenses and expanded interim disclosures. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and early adoption is permitted. We do not expect adoption of ASU 2023-07 will have a material impact on our financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes: Improvements to Income Tax Disclosures*, which requires disclosure of specific categories in the rate reconciliation and additional information for reconciling items that meet a quantitative threshold. This ASU is effective for fiscal years beginning after December 15, 2024, and early adoption is permitted. We do not expect adoption of ASU 2023-09 will have a material impact on our financial statements.

Note 2 – Variable Interest Entities
Consolidated VIEs

As of March 31, 2024, we consolidate the following VIEs:

Northeast JV

We own a 65 percent interest in the Northeast JV, a subsidiary that is a VIE due to certain of our voting rights being disproportionate to our obligation to absorb losses and substantially all of the Northeast JV's activities being performed on our behalf. We are the primary beneficiary because we have the power to direct the activities that most significantly impact the Northeast JV's economic performance. The Northeast JV provides midstream services for producers in the Marcellus Shale and Utica Shale regions. Future expansion activity is expected to be funded with capital contributions from us and the other equity partner on a proportional basis.

Gulfstar One

We own a 51 percent interest in Gulfstar One, a subsidiary that, due to certain risk-sharing provisions in its customer contracts, is a VIE. Gulfstar One includes a proprietary floating-production system, Gulfstar FPS, and associated pipelines that provide production handling and gathering services in the eastern deepwater Gulf of Mexico. We are the primary beneficiary because we have the power to direct the activities that most significantly impact Gulfstar One's economic performance.

Cardinal

We own a 66 percent interest in Cardinal, a subsidiary that provides gathering services for the Utica Shale region and is a VIE due to certain risks shared with customers. We are the primary beneficiary because we have the power to direct the activities that most significantly impact Cardinal's economic performance. In order to meet contractual gas gathering commitments, we may fund more than our proportional share of future expansion activity, which could ultimately impact relative ownership.

The following table presents amounts included in our Consolidated Balance Sheet that are only for the use or obligation of our consolidated VIEs:

| | March 31, 2024 | December 31, 2023 |
|--|-------------------|----------------------|
| | (Millions) | |
| Assets (liabilities): | | |
| <i>Cash and cash equivalents</i> | \$ 67 | \$ 33 |
| <i>Trade accounts and other receivables – net</i> | 157 | 215 |
| <i>Inventories</i> | 5 | 5 |
| <i>Other current assets and deferred charges</i> | 5 | 4 |
| <i>Property, plant, and equipment – net</i> | 5,022 | 5,046 |
| <i>Intangible assets – net of accumulated amortization</i> | 2,022 | 2,049 |
| <i>Regulatory assets, deferred charges, and other</i> | 29 | 31 |
| <i>Accounts payable</i> | (69) | (109) |
| <i>Accrued and other current liabilities</i> | (30) | (28) |
| <i>Regulatory liabilities, deferred income, and other</i> | (268) | (268) |

Nonconsolidated VIEs

We own certain equity-method investments that are VIEs due primarily to our limited participating rights as a minority equity holder. Our maximum exposure to loss is limited to the carrying value of these investments, which totaled \$68 million at March 31, 2024.

Note 3 – Acquisitions and Divestitures
Gulf Coast Storage Acquisition

On January 3, 2024, we closed on the acquisition of 100 percent of a strategic portfolio of natural gas storage facilities and pipelines, located in Louisiana and Mississippi, from Hartree Partners LP (Gulf Coast Storage Acquisition) for \$1.95 billion. The purpose of this acquisition was to expand our natural gas storage footprint in the Gulf Coast region. Assets acquired, acquisition-related costs incurred, and results of operations realized are included within our Transmission & Gulf of Mexico segment. The Gulf Coast Storage Acquisition was funded with cash on hand and \$100 million of deferred consideration that does not accrue interest and is payable one year from the acquisition date. The obligation is presented within long-term debt owed by our wholly owned subsidiary Williams Field Services Group, LLC.

During the period from the acquisition date of January 3, 2024 to March 31, 2024, the operations acquired in the Gulf Coast Storage Acquisition contributed *Revenues* of \$53 million and *Modified EBITDA* (as defined in Note 10 – Segment Disclosures) of \$39 million, which is impacted by acquisition-related costs. Acquisition-related costs for the Gulf Coast Storage Acquisition total \$11 million, including \$10 million incurred in the first quarter of 2024 included in *Selling, general, and administrative expenses* in our Consolidated Statement of Income.

We accounted for the Gulf Coast Storage Acquisition as a business combination, which requires, among other things, that identifiable assets acquired and liabilities assumed be recognized at their acquisition date fair values. The valuation technique used consisted of the cost approach for property, plant, and equipment.

The following table presents the preliminary allocation of the acquisition date fair value of the major classes of the assets acquired and liabilities assumed at January 3, 2024. The allocation is considered preliminary because the valuation work has not been completed due to the ongoing review of the valuation results and validation of significant inputs and assumptions. Preliminary fair value measurements were made for certain acquired assets and liabilities, primarily property, plant, and equipment; however, adjustments to those measurements may be made in subsequent periods, up to one year from the acquisition date, as new information related to facts and circumstances as of the acquisition date may be identified. The fair value of accounts receivable acquired, included in Other current assets in the following table, equals contractual amounts receivable.

| | (Millions) |
|---|-------------------|
| <i>Cash and cash equivalents</i> | \$ 46 |
| Other current assets | 18 |
| <i>Property, plant, and equipment – net</i> | 2,042 |
| Other noncurrent assets | 2 |
| Total assets acquired | \$ 2,108 |
| Current liabilities | \$ (10) |
| Noncurrent liabilities | (107) |
| Total liabilities assumed | \$ (117) |
| Net assets acquired | \$ 1,991 |

DJ Basin Acquisitions
Cureton Acquisition

On November 30, 2023, we closed on the acquisition of 100 percent of Cureton Front Range, LLC (Cureton Acquisition), whose operations are located in the DJ Basin, for \$546 million, subject to working capital and post-closing adjustments. The purpose of this acquisition was to expand our gathering and processing footprint and create operational synergies for our operations in the DJ Basin. Assets acquired, acquisition-related costs incurred, and results of operations realized are included within our West segment. The Cureton Acquisition was funded with cash on hand.

During the period from the acquisition date of November 30, 2023 to December 31, 2023, the operations acquired in the Cureton Acquisition contributed *Revenues* of \$35 million and *Modified EBITDA* of \$7 million.

Acquisition-related costs for the Cureton Acquisition total \$7 million, including \$1 million incurred in the first quarter of 2024 included in *Selling, general, and administrative expenses* in our Consolidated Statement of Income.

We accounted for the Cureton Acquisition as a business combination. The valuation techniques used consisted of the cost approach for property, plant, and equipment and the income approach for valuation of other intangible assets.

The following table presents the preliminary allocation of the acquisition date fair value of the major classes of the assets acquired and liabilities assumed at November 30, 2023. The allocation is considered preliminary because the valuation work has not been completed due to the ongoing review of the valuation results and validation of significant inputs and assumptions. Preliminary fair value measurements were made for certain acquired assets and liabilities, primarily property, plant, and equipment and other intangible assets; however, adjustments to those measurements may be made in subsequent periods, up to one year from the acquisition date, as new information related to facts and circumstances as of the acquisition date may be identified. The fair value of accounts receivable acquired, included in Other current assets in the following table, equals contractual amounts receivable.

| | (Millions) |
|---|-------------------|
| <i>Cash and cash equivalents</i> | \$ 2 |
| Other current assets | 21 |
| <i>Property, plant, and equipment – net</i> | 437 |
| <i>Intangible assets – net of accumulated amortization</i> | 117 |
| Other noncurrent assets | 4 |
| Total identifiable assets acquired | \$ 581 |
| Current liabilities | \$ (25) |
| Noncurrent liabilities | (16) |
| Total liabilities assumed | \$ (41) |
| Net identifiable assets acquired | \$ 540 |
| Goodwill included in <i>Intangible assets – net of accumulated amortization</i> | 6 |
| Net assets acquired | \$ 546 |

Other intangible assets recognized in the Cureton Acquisition are related to contractual customer relationships from gas gathering and processing agreements with our customers. The basis for determining the value of these intangible assets is estimated future net cash flows to be derived from acquired contractual customer relationships discounted using a risk-adjusted discount rate. These intangible assets are being amortized on a straight-line basis over an initial period of 20 years which represents the term over which the contractual customer relationships are expected to contribute to our cash flows. Approximately 24 percent of the expected future revenues from these contractual customer relationships are impacted by our ability and intent to renew or renegotiate existing customer contracts. We expense costs incurred to renew or extend the terms of our gas gathering contracts with customers. Based on the estimated future revenues during the current contract periods (as estimated at the time of the acquisition), the weighted-average period prior to the next renewal or extension of the existing contractual customer relationships is approximately 10 years.

RMM Acquisition

As of December 31, 2022, we owned a 50 percent interest in RMM which we accounted for as an equity-method investment. On November 30, 2023, we closed on the acquisition of the remaining 50 percent interest in RMM (RMM Acquisition) for \$704 million. As a result of acquiring this additional interest, we obtained control of and now consolidate RMM. The purpose of this acquisition was to expand our gathering and processing footprint and create operational synergies for our operations in the DJ Basin. Assets acquired, acquisition-related costs incurred, and results of operations realized are included within our West segment. Substantially all of the RMM purchase price is not due to the seller until the first quarter of 2025, does not accrue interest until the fourth quarter of 2024, and may be repaid early without penalty. It was recorded as a deferred consideration obligation at fair value using an income approach, which resulted in a discount to the contractual amount due which will be imputed as interest expense over the term of the obligation. The obligation is presented within long-term debt owed by our wholly owned subsidiary Williams Rocky Mountain Midstream Holdings LLC.

During the period from the acquisition date of November 30, 2023 to December 31, 2023, RMM contributed *Revenues* of \$53 million and *Modified EBITDA* of \$12 million.

We accounted for the RMM Acquisition as a business combination. The book value of our existing equity-method investment prior to the acquisition date of November 30, 2023, was \$406 million. We recognized a \$30 million gain on remeasuring our existing equity-method investment to fair value included in *Other investing income (loss) – net* in our Consolidated Statement of Income during 2023. The valuation techniques used consisted of the income approach for our previous equity-method investment in RMM and the valuation of other intangible assets, and the cost approach for property, plant, and equipment.

The following table presents the preliminary allocation of the acquisition date fair value of the major classes of the assets acquired and liabilities assumed at November 30, 2023. The net assets acquired primarily reflect the noncash consideration transferred, which includes the fair value of both our previous equity-method investment and the deferred consideration obligation. The allocation is considered preliminary because the valuation work has not been completed due to the ongoing review of the valuation results and validation of significant inputs and assumptions. Preliminary fair value measurements were made for certain acquired assets and liabilities, primarily property, plant, and equipment and other intangible assets; however, adjustments to those measurements may be made in subsequent periods, up to one year from the acquisition date, as new information related to facts and circumstances as of the acquisition date may be identified. The fair value of accounts receivable acquired, included in Other current assets in the following table, equals contractual amounts receivable.

| | (Millions) |
|---|-------------------|
| <i>Cash and cash equivalents</i> | \$ 28 |
| Other current assets | 4 |
| <i>Investments</i> | 20 |
| <i>Property, plant, and equipment – net</i> | 1,041 |
| <i>Intangible assets – net of accumulated amortization</i> | 63 |
| Other noncurrent assets | 12 |
| Total identifiable assets acquired | \$ 1,168 |
| Current liabilities | \$ (44) |
| Noncurrent liabilities | (103) |
| Total liabilities assumed | \$ (147) |
| Net identifiable assets acquired | \$ 1,021 |
| Goodwill included in <i>Intangible assets – net of accumulated amortization</i> | 55 |
| Net assets acquired | \$ 1,076 |

Goodwill recognized in the RMM Acquisition relates primarily to enhancing and diversifying our basin positions as well as delivering operational synergies, including increasing volumes on our existing processing facilities and increasing revenues on our NGL transportation, fractionation, and storage assets, and is reported within our West segment. Substantially all of the goodwill is deductible for tax purposes. Goodwill is included within *Intangible assets – net of accumulated amortization* in our Consolidated Balance Sheet and represents the excess of the consideration, plus the fair value of any noncontrolling interest or any previously held equity interest, over the fair value of the net assets acquired. It is not subject to amortization but is evaluated annually as of October 1 for impairment or more frequently if impairment indicators are present that would indicate it is more likely than not that the fair value of the reporting unit is less than its carrying amount. As part of the evaluation, we compare our estimate of the fair value of the reporting unit with its carrying value, including goodwill. If the carrying value of the reporting unit exceeds its fair value, an impairment charge is recorded for the difference (not to exceed the carrying value of goodwill). Judgments and assumptions are inherent in our management's estimates of fair value.

Other intangible assets recognized in the RMM Acquisition are related to contractual customer relationships from gas gathering and processing agreements with our customers. The basis for determining the value of these intangible assets is estimated future net cash flows to be derived from acquired contractual customer relationships discounted using a risk-adjusted discount rate. These intangible assets are being amortized on a straight-line basis over an initial period of 20 years which represents the term over which the contractual customer relationships are expected to contribute to our cash flows. Approximately 18 percent of the expected future revenues from these contractual customer relationships are impacted by our ability and intent to renew or renegotiate existing customer contracts. We expense costs incurred to renew or extend the terms of our gas gathering contracts with customers. Based on the estimated future revenues during the current contract periods (as estimated at the time of the acquisition), the weighted-average period prior to the next renewal or extension of the existing contractual customer relationships is approximately 10 years.

MountainWest Acquisition

On February 14, 2023, we closed on the acquisition of 100 percent of MountainWest, which includes Federal Energy Regulatory Commission (FERC)-regulated interstate natural gas pipeline systems and natural gas storage capacity (MountainWest Acquisition), for \$1.08 billion of cash, funded with available sources of short-term liquidity, and retaining \$430 million outstanding principal amount of MountainWest long-term debt. For 2023, \$1.024 billion is presented in *Purchases of businesses, net of cash acquired* in our Consolidated Statement of Cash Flows reflecting the cash purchase price, reduced for post-closing adjustments and the cash acquired as presented in

the purchase price allocation. The purpose of the MountainWest Acquisition was to expand our existing transmission and storage infrastructure footprint into major markets in Utah, Wyoming, and Colorado. Assets acquired, acquisition-related costs incurred, and results of operations realized are included within our Transmission & Gulf of Mexico segment.

During the period from the acquisition date of February 14, 2023 to December 31, 2023, the operations acquired in the MountainWest Acquisition contributed *Revenues* of \$225 million and *Modified EBITDA* of \$122 million, which includes \$27 million of transition-related costs.

Acquisition-related costs for the MountainWest Acquisition total \$17 million, including \$12 million incurred in the first quarter of 2023 included in *Selling, general, and administrative expenses* in our Consolidated Statement of Income.

We accounted for the MountainWest Acquisition as a business combination. The valuation techniques used consisted of the cost approach for nonregulated property, plant, and equipment, as well as the market approach for the assumed long-term debt consistent with the valuation technique discussed in Note 7 – Fair Value Measurements and Guarantees. MountainWest’s regulated operations are accounted for pursuant to Accounting Standards Codification Topic 980, “Regulated Operations”. The fair value of assets and liabilities subject to rate making and cost recovery provisions were determined utilizing the income approach. MountainWest’s expected return on rate base is consistent with expected returns of similarly situated assets, resulting in carryover basis of these assets and liabilities equaling their fair value.

The following table presents the allocation of the acquisition date fair value of the major classes of the assets acquired and liabilities assumed at February 14, 2023. The fair value of accounts receivable acquired equals contractual amounts receivable.

| | (Millions) |
|---|-------------------|
| <i>Cash and cash equivalents</i> | \$ 23 |
| <i>Trade accounts and other receivables</i> | 33 |
| Other current assets | 26 |
| <i>Investments</i> | 20 |
| <i>Property, plant, and equipment – net</i> | 1,019 |
| Other noncurrent assets | 33 |
| Total identifiable assets acquired | \$ 1,154 |
| Current liabilities | \$ (47) |
| <i>Long-term debt</i> | (365) |
| Other noncurrent liabilities | (95) |
| Total liabilities assumed | \$ (507) |
| Net identifiable assets acquired | \$ 647 |
| Goodwill included in <i>Intangible assets – net of accumulated amortization</i> | 400 |
| Net assets acquired | \$ 1,047 |

Goodwill recognized in the MountainWest Acquisition relates primarily to enhancing and diversifying our basin positions and the long-term value associated with rate regulated businesses and is reported within our Transmission & Gulf of Mexico segment. Substantially all of the goodwill is deductible for tax purposes.

Supplemental Pro Forma

The following pro forma *Revenues* and *Net income (loss) attributable to The Williams Companies, Inc.* for the three months ended March 31, 2023, are presented as if the Gulf Coast Storage Acquisition had been completed on

January 1, 2023, and the DJ Basin Acquisitions and MountainWest Acquisition had been completed on January 1, 2022. These pro forma amounts are not necessarily indicative of what the actual results would have been if the acquisitions had in fact occurred on the dates or for the periods indicated, nor do they purport to project *Revenues* or *Net income (loss) attributable to The Williams Companies, Inc.* for any future periods or as of any date. These amounts do not give effect to any potential cost savings, operating synergies, or revenue enhancements to result from the transactions or the potential costs to achieve these cost savings, operating synergies, and revenue enhancements.

| | Three Months Ended March 31, 2023 | | | | |
|---|-----------------------------------|------------------------------|--------------------|----------------------------|--------------------|
| | As Reported | Pro Forma Gulf Coast Storage | Pro Forma DJ Basin | Pro Forma MountainWest (1) | Pro Forma Combined |
| | (Millions) | | | | |
| <i>Revenues</i> | \$ 3,081 | \$ 46 | \$ 64 | \$ 35 | \$ 3,226 |
| <i>Net income (loss) attributable to The Williams Companies, Inc.</i> | 927 | 16 | 3 | 6 | 952 |

(1) Excludes results from operations acquired in the acquisition for the period beginning on the acquisition date, as these results are included in the amounts as reported.

Sale of Certain Gulf Coast Liquids Pipelines

On September 29, 2023, we completed the sale of various petrochemical and feedstock pipelines and associated contracts in the Gulf Coast region for \$348 million. As a result of this sale, we recorded a gain of \$129 million primarily in the third quarter of 2023 in our Transmission & Gulf of Mexico segment. The gain was reflected in *Gain on sale of business* in our Consolidated Statement of Income. The results of operations for this disposal group, excluding the gain noted, were not significant for the reporting periods.

Note 4 – Revenue Recognition**Revenue by Category**

The following table presents our revenue disaggregated by major service line:

| | Regulated Interstate Transportation & Storage | Gulf of Mexico Midstream & Storage | Northeast Midstream | West Midstream | Gas & NGL Marketing Services | Other | Eliminations | Total |
|--|---|--|------------------------|----------------|------------------------------------|--------|--------------|----------|
| (Millions) | | | | | | | | |
| Three Months Ended March 31, 2024 | | | | | | | | |
| Revenues from contracts with customers: | | | | | | | | |
| Service revenues: | | | | | | | | |
| Regulated interstate natural gas transportation and storage | \$ 880 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ (21) | \$ 859 |
| Gathering, processing, transportation, fractionation, and storage: | | | | | | | | |
| Monetary consideration | — | 145 | 444 | 430 | — | — | (38) | 981 |
| Commodity consideration | — | 9 | 5 | 16 | — | — | — | 30 |
| Other | 4 | 9 | 24 | 6 | — | — | (5) | 38 |
| Total service revenues | 884 | 163 | 473 | 452 | — | — | (64) | 1,908 |
| Product sales | 25 | 37 | 25 | 248 | 1,306 | 108 | (318) | 1,431 |
| Total revenues from contracts with customers | 909 | 200 | 498 | 700 | 1,306 | 108 | (382) | 3,339 |
| Other revenues (1) | 8 | 3 | 11 | 1 | 833 | 12 | — | 868 |
| Other adjustments (2) | — | — | — | — | (1,569) | — | 133 | (1,436) |
| Total revenues | \$ 917 | \$ 203 | \$ 509 | \$ 701 | \$ 570 | \$ 120 | \$ (249) | \$ 2,771 |
| Three Months Ended March 31, 2023 | | | | | | | | |
| Revenues from contracts with customers: | | | | | | | | |
| Service revenues: | | | | | | | | |
| Regulated interstate natural gas transportation and storage | \$ 813 | \$ — | \$ — | \$ — | \$ — | \$ — | \$ (11) | \$ 802 |
| Gathering, processing, transportation, fractionation, and storage: | | | | | | | | |
| Monetary consideration (3) | — | 104 | 422 | 351 | — | — | (44) | 833 |
| Commodity consideration | — | 12 | 6 | 18 | — | — | — | 36 |
| Other (3) | 4 | 2 | 25 | 2 | 1 | — | (4) | 30 |
| Total service revenues | 817 | 118 | 453 | 371 | 1 | — | (59) | 1,701 |
| Product sales | 22 | 36 | 49 | 90 | 1,373 | 102 | (254) | 1,418 |
| Total revenues from contracts with customers | 839 | 154 | 502 | 461 | 1,374 | 102 | (313) | 3,119 |
| Other revenues (1) | 13 | 4 | 7 | 42 | 1,916 | 15 | — | 1,997 |
| Other adjustments (2) | — | — | — | — | (2,159) | — | 124 | (2,035) |
| Total revenues | \$ 852 | \$ 158 | \$ 509 | \$ 503 | \$ 1,131 | \$ 117 | \$ (189) | \$ 3,081 |

- Revenues not derived from contracts with customers primarily consist of physical product sales related to commodity derivative contracts, realized and unrealized gains and losses associated with our commodity derivative contracts, which are reported in *Net gain (loss) from commodity derivatives* in our Consolidated Statement of Income, management fees that we receive for certain services we provide to operated equity-method investments, and leasing revenues associated with our headquarters building.
- Other adjustments reflect certain costs of Gas & NGL Marketing Services' risk management activities. As we are acting as agent for natural gas marketing customers or engage in energy trading activities, the resulting revenues are presented net of the related costs of those activities in our Consolidated Statement of Income.
- Certain contractual reimbursements of operating and maintenance costs totaling \$42 million for the three months ended March 31, 2023, previously included in *Other* are now presented in *Monetary consideration* to conform to the current presentation.

Contract Assets

The following table presents a reconciliation of our contract assets:

| | Three Months Ended March 31, | |
|--|---------------------------------|--------------|
| | 2024 | 2023 |
| | (Millions) | |
| Balance at beginning of period | \$ 36 | \$ 29 |
| Revenue recognized in excess of amounts invoiced | 41 | 43 |
| Minimum volume commitments invoiced | (27) | (30) |
| Balance at end of period | <u>\$ 50</u> | <u>\$ 42</u> |

Contract Liabilities

The following table presents a reconciliation of our contract liabilities:

| | Three Months Ended March 31, | |
|--|---------------------------------|-----------------|
| | 2024 | 2023 |
| | (Millions) | |
| Balance at beginning of period | \$ 1,081 | \$ 1,043 |
| Payments received and deferred | 42 | 29 |
| Significant financing component | 2 | 2 |
| Contract liability acquired (disposed) – net | — | 5 |
| Recognized in revenue | (72) | (69) |
| Balance at end of period | <u>\$ 1,053</u> | <u>\$ 1,010</u> |

Remaining Performance Obligations

Remaining performance obligations primarily include reservation charges on contracted capacity for our gas pipeline firm transportation contracts with customers, storage capacity contracts, long-term contracts containing minimum volume commitments (MVC) associated with our midstream businesses, and fixed payments associated with offshore production handling. For our interstate natural gas pipeline businesses, remaining performance obligations reflect the rates for such services in our current FERC tariffs for the life of the related contracts; however, these rates may change based on future tariffs approved by the FERC and the amount and timing of these changes are not currently known.

Our remaining performance obligations exclude variable consideration, including contracts with variable consideration for which we have elected the practical expedient for consideration recognized in revenue as billed. Certain of our contracts contain evergreen and other renewal provisions for periods beyond the initial term of the contract. The remaining performance obligation amounts as of March 31, 2024, do not consider potential future performance obligations for which the renewal has not been exercised and exclude contracts with customers for which the underlying facilities have not received FERC authorization to be placed into service. Consideration received prior to March 31, 2024, that will be recognized in future periods is also excluded from our remaining performance obligations and is instead reflected in contract liabilities.

The following table presents the amount of the contract liabilities balance expected to be recognized as revenue when performance obligations are satisfied and the transaction price allocated to the remaining performance obligations under certain contracts as of March 31, 2024.

| | Contract Liabilities | Remaining Performance Obligations |
|--------------------|----------------------|---|
| | (Millions) | |
| 2024 (nine months) | \$ 116 | \$ 2,845 |
| 2025 (one year) | 148 | 3,530 |
| 2026 (one year) | 139 | 3,329 |
| 2027 (one year) | 127 | 2,776 |
| 2028 (one year) | 112 | 2,380 |
| Thereafter | 411 | 13,624 |
| Total | \$ 1,053 | \$ 28,484 |

Accounts Receivable

The following is a summary of our *Trade accounts and other receivables*:

| | March 31, 2024 | December 31, 2023 |
|---|-----------------|-------------------|
| | (Millions) | |
| Accounts receivable related to revenues from contracts with customers | \$ 1,156 | \$ 1,292 |
| Receivables from derivatives | 163 | 311 |
| Other accounts receivable | 36 | 52 |
| <i>Trade accounts and other receivables</i> | \$ 1,355 | \$ 1,655 |

Note 5 – Provision (Benefit) for Income Taxes

The *Provision (benefit) for income taxes* includes:

| | Three Months Ended March 31, | |
|---|------------------------------|---------------|
| | 2024 | 2023 |
| | (Millions) | |
| Current: | | |
| Federal | \$ 35 | \$ 1 |
| State | 6 | — |
| | 41 | 1 |
| Deferred: | | |
| Federal | 127 | 237 |
| State | 25 | 46 |
| | 152 | 283 |
| <i>Provision (benefit) for income taxes</i> | \$ 193 | \$ 284 |

The effective income tax rates for the total provision (benefit) for both the three months ended March 31, 2024 and 2023 are greater than the federal statutory rate, primarily due to the effect of state income taxes.

Note 6 – Debt and Banking Arrangements
Issuances

Our senior unsecured public debt issuances for 2024 are as follows:

| Issue Date | Maturity Date | Amount (Millions) | Rate |
|-----------------|----------------|----------------------|--------|
| January 5, 2024 | March 15, 2029 | \$ 1,100 | 4.900% |
| January 5, 2024 | March 15, 2034 | 1,000 | 5.150% |

Retirements

Our senior unsecured public debt retirements for 2024 are as follows:

| Date of Retirement | Maturity Date | Amount (Millions) | Rate |
|--------------------|---------------|----------------------|--------|
| March 4, 2024 | March 4, 2024 | \$ 1,000 | 4.300% |

Credit Facility

| | March 31, 2024 | |
|---|-----------------|-------------|
| | Stated Capacity | Outstanding |
| | (Millions) | |
| Long-term credit facility (1) | \$ 3,750 | \$ — |
| Letters of credit under certain bilateral bank agreements | | 22 |

(1) In managing our available liquidity, we do not expect a maximum outstanding amount in excess of the capacity of our credit facility inclusive of any outstanding amounts under our commercial paper program.

Commercial Paper Program

At March 31, 2024, no commercial paper was outstanding under our \$3.5 billion commercial paper program.

Note 7 – Fair Value Measurements and Guarantees

The following table presents, by level within the fair value hierarchy, certain of our significant financial assets and liabilities. The carrying values of cash and cash equivalents, accounts receivable, accounts payable, and commercial paper approximate fair value because of the short-term nature of these instruments. Therefore, these assets and liabilities are not presented in the following table.

| | Fair Value Measurements Using | | | | |
|---|-------------------------------|---------------|--|---|--|
| | Carrying Amount | Fair Value | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| (Millions) | | | | | |
| Assets (liabilities) at March 31, 2024: | | | | | |
| Measured on a recurring basis: | | | | | |
| ARO Trust investments | \$ 282 | \$ 282 | \$ 282 | \$ — | \$ — |
| Commodity derivative assets (1) | 160 | 160 | 42 | 68 | 50 |
| Commodity derivative liabilities (1) | (232) | (232) | — | (228) | (4) |
| Interest rate derivatives | (4) | (4) | — | (4) | — |
| Additional disclosures: | | | | | |
| Long-term debt, including current portion | (26,887) | (26,520) | — | (26,520) | — |
| Guarantees | (37) | (29) | — | (13) | (16) |
| Assets (liabilities) at December 31, 2023: | | | | | |
| Measured on a recurring basis: | | | | | |
| ARO Trust investments | \$ 269 | \$ 269 | \$ 269 | \$ — | \$ — |
| Commodity derivative assets (2) | 310 | 310 | 141 | 112 | 57 |
| Commodity derivative liabilities (2) | (285) | (285) | (3) | (278) | (4) |
| Interest rate derivatives | 6 | 6 | — | 6 | — |
| Additional disclosures: | | | | | |
| Long-term debt, including current portion | (25,713) | (25,553) | — | (25,553) | — |
| Guarantees | (37) | (28) | — | (12) | (16) |

(1) Commodity derivative assets and liabilities exclude \$70 million of net cash collateral in Level 1.

(2) Commodity derivative assets and liabilities exclude \$2 million of net cash collateral in Level 1.

Fair Value Methods

We use the following methods and assumptions in estimating the fair value of our financial instruments:

Assets measured at fair value on a recurring basis

ARO Trust investments: Transco deposits a portion of its collected rates, pursuant to its rate case settlement, into an external trust (ARO Trust) that is specifically designated to fund future asset retirement obligations (ARO). The ARO Trust invests in a portfolio of actively traded mutual funds that are measured at fair value on a recurring basis based on quoted prices in an active market and is reported in *Regulatory assets, deferred charges, and other* in our Consolidated Balance Sheet. Both realized and unrealized gains and losses are ultimately recorded as regulatory assets or liabilities.

Commodity derivatives: Commodity derivatives include exchange-traded contracts and over-the-counter (OTC) contracts, which consist of physical forwards, futures, and swaps that are measured at fair value on a recurring basis. We also have other derivatives related to asset management agreements and other contracts that require physical delivery. Derivatives classified as Level 1 are valued using New York Mercantile Exchange (NYMEX) futures prices. Derivatives classified as Level 2 are valued using basis transactions that represent the cost to transport natural gas from a NYMEX delivery point to the contract delivery point. These transactions are based on quotes obtained either through electronic trading platforms or directly from brokers. Derivatives classified as Level 3 are valued using a combination of observable and unobservable inputs. The fair value amounts are presented on a net basis and reflect the netting of asset and liability positions permitted under the terms of our master netting arrangements and cash held on deposit in margin accounts that we have received or remitted to collateralize certain derivative positions. Commodity derivative assets are reported in *Derivative assets* and *Regulatory assets, deferred charges, and other* in our Consolidated Balance Sheet. Commodity derivative liabilities are reported in *Derivative liabilities* and *Regulatory liabilities, deferred income, and other* in our Consolidated Balance Sheet. Changes in the fair value of our derivative assets and liabilities are recorded in *Net gain (loss) from commodity derivatives* and *Net processing commodity expenses* in our Consolidated Statement of Income. See Note 8 – Commodity Derivatives for additional information on our derivatives.

Interest rate derivatives: At December 31, 2023, we held forward starting interest rate swap agreements with notional amounts totaling \$1.15 billion. During January 2024 we terminated certain of these agreements totaling \$750 million of notional value coinciding with the issuance of long-term debt (see Note 6 – Debt and Banking Arrangements). During the first quarter of 2024 we entered into new agreements totaling \$100 million of notional value. The fair value of these derivatives is determined using discounted cash flows considering forward interest rates and the terms of the agreements, corroborated by counterparty valuations, and is classified as a Level 2 measurement. We designated these derivatives as cash flow hedges to reduce interest rate exposure on future debt issuances. Gains and losses on these derivative instruments are reflected as a component of AOCI and, after the termination of the swap agreement, are amortized to earnings over the term of the related debt as a component of *Interest expense* in our Consolidated Statement of Income. These forward starting interest rate swaps are reported in *Derivative assets* and *Derivative liabilities* in our Consolidated Balance Sheet.

Additional fair value disclosures

Long-term debt, including current portion: The disclosed fair value of our long-term debt is determined primarily by a market approach using broker quoted indicative period-end bond prices. The quoted prices are based on observable transactions in less active markets for our debt or similar instruments. The fair values of the financing obligations associated with our Dalton, Leidy South, and Atlantic Sunrise projects, as well as the deferred consideration obligations associated with the RMM Acquisition and the Gulf Coast Storage Acquisition (see Note 3 – Acquisitions and Divestitures), all included within long-term debt, were determined using an income approach.

Guarantees: Guarantees primarily consist of a guarantee we have provided in the event of nonpayment by our previously owned communications subsidiary, Williams Communications Group, Inc., (WilTel), on a lease performance obligation that extends through 2042. Guarantees also include an indemnification related to a disposed operation.

To estimate the fair value of the WilTel guarantee, an estimated default rate is applied to the sum of the future contractual lease payments using an income approach. The estimated default rate is determined by obtaining the average cumulative issuer-weighted default rate based on the credit rating of WilTel's current owner and the term of the underlying obligation. The default rate is published by Moody's Investors Service. The carrying value of the WilTel guarantee is reported in *Accrued and other current liabilities* in our Consolidated Balance Sheet. The maximum potential undiscounted liquidity exposure is approximately \$23 million at March 31, 2024. Our exposure declines systematically through the remaining term of WilTel's obligation.

The fair value of the guarantee associated with the indemnification related to a disposed operation was estimated using an income approach that considered probability-weighted scenarios of potential levels of future

performance. The terms of the indemnification do not limit the maximum potential future payments associated with the guarantee. The carrying value of this guarantee is reported in *Regulatory liabilities, deferred income, and other* in our Consolidated Balance Sheet.

We are required by our revolving credit agreement to indemnify lenders for certain taxes required to be withheld from payments due to the lenders and for certain tax payments made by the lenders. The maximum potential amount of future payments under these indemnifications is based on the related borrowings and such future payments cannot currently be determined. These indemnifications generally continue indefinitely unless limited by the underlying tax regulations and have no carrying value. We have never been called upon to perform under these indemnifications and have no current expectation of a future claim.

Note 8 – Commodity Derivatives

We are exposed to commodity price risk. To manage this volatility, we use various contracts in our marketing and trading activities that generally meet the definition of derivatives. Derivative positions are monitored using techniques including, but not limited to, value at risk. Derivative instruments are recognized at fair value in our Consolidated Balance Sheet as either assets or liabilities and are presented on a net basis by counterparty, net of margin deposits. See Note 7 – Fair Value Measurements and Guarantees for additional fair value information. In our Consolidated Statement of Cash Flows, any cash impacts of settled commodity derivatives are recorded as operating activities.

We enter into commodity derivatives to economically hedge exposures to natural gas, NGLs, and crude oil and retain exposure to price changes that can, in a volatile energy market, be material and can adversely affect our results of operations.

At March 31, 2024, the notional volume of the net long (short) positions for our commodity derivative contracts were as follows:

| | Commodity | Unit of Measure | Net Long (Short) Position |
|---------------------------------|---------------------|-----------------|---------------------------|
| Index Risk | Natural Gas | MMBtu | 889,421,561 |
| Central Hub Risk - Henry Hub | Natural Gas | MMBtu | (58,822,236) |
| Basis Risk | Natural Gas | MMBtu | 9,758,296 |
| Central Hub Risk - Mont Belvieu | Natural Gas Liquids | Barrels | (2,085,286) |
| Central Hub Risk - WTI | Crude Oil | Barrels | (225,000) |

Commodity Derivatives Financial Statement Presentation

The fair value of commodity derivatives, which are not designated as hedging instruments for accounting purposes, is reflected as follows:

| Commodity Derivatives Categories | March 31, 2024 | | December 31, 2023 | |
|--|-------------------|---------------|----------------------|---------------|
| | Assets | (Liabilities) | Assets | (Liabilities) |
| | (Millions) | | | |
| Current | \$ 438 | \$ (406) | \$ 623 | \$ (496) |
| Noncurrent | 173 | (277) | 243 | (345) |
| Total commodity derivatives | \$ 611 | \$ (683) | \$ 866 | \$ (841) |
| Counterparty and collateral netting offset | (380) | 450 | (552) | 554 |
| Amounts recognized in our Consolidated Balance Sheet | \$ 231 | \$ (233) | \$ 314 | \$ (287) |

The pre-tax impacts of commodity derivatives, which are not designated as hedging instruments for accounting purposes, are reflected in our Consolidated Statement of Income as follows:

| | Gain (Loss) | |
|---|------------------------------|---------------|
| | Three Months Ended March 31, | |
| | 2024 | 2023 |
| | (Millions) | |
| <i>Net gain (loss) from commodity derivatives within Total revenues:</i> | | |
| Realized | \$ 86 | \$ 174 |
| Unrealized | (95) | 332 |
| | <u>\$ (9)</u> | <u>\$ 506</u> |
| <i>Net gain (loss) from commodity derivatives within Net processing commodity expenses:</i> | | |
| Realized | \$ (4) | \$ (4) |
| Unrealized | 3 | (5) |
| | <u>\$ (1)</u> | <u>\$ (9)</u> |
| Total net gain (loss) from commodity derivatives | <u>\$ (10)</u> | <u>\$ 497</u> |

Contingent Features

Generally, collateral may be provided in the form of a parent guaranty, letter of credit, or cash. If collateral is required, fair value amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral are offset against fair value amounts recognized for derivatives executed with the same counterparty.

We have specific trade and credit contracts that contain minimum credit rating requirements. These credit rating requirements typically give counterparties the right to suspend or terminate credit if our credit ratings are downgraded to non-investment grade status. Under such circumstances, we would need to post collateral to continue transacting business with these counterparties. At March 31, 2024, the contractually required collateral in the event of a credit rating downgrade to non-investment grade status was \$14 million.

We maintain accounts with brokers or the clearing houses of certain exchanges to facilitate financial derivative transactions. Based on the value of the positions in these accounts and the associated margin requirements, we may be required to deposit cash into these accounts. At March 31, 2024, net cash collateral held on deposit in broker margin accounts was \$70 million.

Note 9 – Contingencies

Royalty Matters

Certain of our customers, including Chesapeake Energy Corporation (Chesapeake), have been named in various lawsuits alleging underpayment of royalties and claiming, among other things, violations of anti-trust laws and the Racketeer Influenced and Corrupt Organizations Act. We have also been named as a defendant in certain of these cases filed in Pennsylvania based on allegations that we improperly participated with Chesapeake in causing the alleged royalty underpayments. We believe that the claims asserted are subject to indemnity obligations owed to us by Chesapeake, which obligations survived Chesapeake's bankruptcy proceedings. Prior to its bankruptcy, Chesapeake reached a settlement to resolve substantially all Pennsylvania royalty cases pending. During the pendency of the bankruptcy, that settlement was renegotiated. The settlement applies to both Chesapeake and us and does not require any contribution from us. On August 23, 2021, after referral to the United States District Court for the Southern District of Texas by the bankruptcy court, the court approved the settlement. Two objectors filed an appeal with the United States Court of Appeals for the Fifth Circuit. On June 8, 2023, the Court of Appeals vacated the settlement approval and remanded to the United States District Court for the Southern District of Texas with

instructions to dismiss the settlement proceedings for lack of jurisdiction. On August 31, 2023, the bankruptcy court entered an order finding the settlement agreements to be null and void. Certain plaintiffs have filed a notice of dismissal of their claims against Chesapeake that arose prior to February 8, 2021 in the United States District Court for the Middle District of Pennsylvania lawsuits. The notice states that plaintiffs are not releasing their claims against the other defendants, including us, or claims against Chesapeake that arose after February 9, 2021. We continue to believe the claims against us are subject to indemnity obligations owed to us by Chesapeake.

Environmental Matters

We are a participant in certain environmental activities in various stages including assessment studies, cleanup operations, and/or remedial processes at certain sites, some of which we currently do not own. We are monitoring these sites in a coordinated effort with other potentially responsible parties, the U.S. Environmental Protection Agency (EPA), or other governmental authorities. We are jointly and severally liable along with unrelated third parties in some of these activities and solely responsible in others. Certain of our subsidiaries have been identified as potentially responsible parties at various Superfund and state waste disposal sites. In addition, these subsidiaries have incurred, or are alleged to have incurred, various other hazardous materials removal or remediation obligations under environmental laws. As of March 31, 2024, we have accrued liabilities totaling \$43 million for these matters, as discussed below. Estimates of the most likely costs of cleanup are generally based on completed assessment studies, preliminary results of studies, or our experience with other similar cleanup operations. At March 31, 2024, certain assessment studies were still in process for which the ultimate outcome may yield different estimates of most likely costs. Therefore, the actual costs incurred will depend on the final amount, type, and extent of contamination discovered at these sites, the final cleanup standards mandated by the EPA or other governmental authorities, and other factors.

The EPA and various state regulatory agencies routinely propose and promulgate new rules and issue updated guidance to existing rules. These rulemakings include, but are not limited to, rules for reciprocating internal combustion engine and combustion turbine maximum achievable control technology, reviews and updates to the National Ambient Air Quality Standards, and rules for new and existing source performance standards for volatile organic compound and methane. We continuously monitor these regulatory changes and how they may impact our operations. Implementation of new or modified regulations may result in impacts to our operations and increase the cost of additions to *Property, plant, and equipment – net* in our Consolidated Balance Sheet for both new and existing facilities in affected areas; however, due to regulatory uncertainty on final rule content and applicability timeframes, we are unable to reasonably estimate the cost of these regulatory impacts at this time.

Continuing operations

Our interstate gas pipelines are involved in remediation and monitoring activities related to certain facilities and locations for polychlorinated biphenyls, mercury, and other hazardous substances. These activities have involved the EPA and various state environmental authorities, resulting in our identification as a potentially responsible party at various Superfund waste sites. At March 31, 2024, we have accrued liabilities of \$12 million for these costs and expect to recover approximately \$3 million through rates.

We also accrue environmental remediation costs for natural gas underground storage facilities, primarily related to soil and groundwater contamination. At March 31, 2024, we have accrued liabilities totaling \$6 million for these costs.

Former operations

We have potential obligations in connection with assets and businesses we no longer operate. These potential obligations include remediation activities at the direction of federal and state environmental authorities and the indemnification of the purchasers of certain of these assets and businesses for environmental and other liabilities

existing at the time the sale was consummated. At March 31, 2024, we have accrued environmental liabilities of \$25 million related to these matters.

Other Divestiture Indemnifications

Pursuant to various purchase and sale agreements relating to divested businesses and assets, we have indemnified certain purchasers against liabilities that they may incur with respect to the businesses and assets acquired from us. The indemnities provided to the purchasers are customary in sale transactions and are contingent upon the purchasers incurring liabilities that are not otherwise recoverable from third parties.

At March 31, 2024, other than as previously disclosed, we are not aware of any material claims against us involving the above-described indemnities. Any claim for indemnity brought against us in the future may have a material adverse effect on our results of operations in the period in which the claim is made.

In addition to the foregoing, various other proceedings are pending against us that are incidental to our operations, none of which are expected to be material to our expected future annual results of operations, liquidity, and financial position.

Summary

We have disclosed our estimated range of reasonably possible losses for certain matters above, as well as all significant matters for which we are unable to reasonably estimate a range of possible loss. We estimate that for all other matters for which we are able to reasonably estimate a range of loss, our aggregate reasonably possible losses beyond amounts accrued are immaterial to our expected future annual results of operations, liquidity, and financial position. These calculations have been made without consideration of any potential recovery from third parties.

Note 10 – Segment Disclosures

Our reportable segments are Transmission & Gulf of Mexico, Northeast G&P, West, and Gas & NGL Marketing Services. All remaining business activities are included in Other. (See Note 1 – General, Description of Business, and Basis of Presentation.)

Performance Measurement

We evaluate segment operating performance based upon *Modified EBITDA*. This measure represents the basis of our internal financial reporting and is the primary performance measure used by our chief operating decision maker in measuring performance and allocating resources among our reportable segments. Intersegment *Service revenues* primarily represent transportation services provided to our marketing business and gathering services provided to our oil and gas properties. Intersegment *Product sales* primarily represent the sale of natural gas and NGLs from our natural gas processing plants and our oil and gas properties to our marketing business.

We define *Modified EBITDA* as follows:

- Net income (loss) before:
 - Provision (benefit) for income taxes;
 - Interest expense;
 - Equity earnings (losses);
 - Other investing income (loss) – net;
 - Depreciation and amortization expenses;
 - Accretion expense associated with asset retirement obligations for nonregulated operations.

- This measure is further adjusted to include our proportionate share (based on ownership interest) of *Modified EBITDA* from our equity-method investments calculated consistently with the definition described above.

Significant noncash items which are components of *Modified EBITDA* may include unrealized net gain (loss) from commodity derivatives within *Total revenues*, unrealized net gain (loss) from commodity derivatives within *Net processing commodity expenses* for our Gas & NGL Marketing segment, charges associated with lower of cost or net realizable value adjustments to our Gas & NGL Marketing segment inventory within *Product sales* and *Product costs* in our Consolidated Statement of Income, and impairments of certain assets within *Other (income) expense – net* within *Operating income (loss)*.

The following table reflects the reconciliation of *Modified EBITDA* to *Net income (loss)* as reported in our Consolidated Statement of Income:

| | Three Months Ended March 31, | |
|--|-------------------------------------|---------------|
| | 2024 | 2023 |
| | (Millions) | |
| Modified EBITDA by segment: | | |
| Transmission & Gulf of Mexico | \$ 829 | \$ 715 |
| Northeast G&P | 504 | 470 |
| West | 327 | 304 |
| Gas & NGL Marketing Services | 101 | 567 |
| Total reportable segments | 1,761 | 2,056 |
| Modified EBITDA of other business activities | 76 | 74 |
| | 1,837 | 2,130 |
| Accretion expense associated with asset retirement obligations for nonregulated operations | (18) | (15) |
| Depreciation and amortization expenses | (548) | (506) |
| Equity earnings (losses) | 137 | 147 |
| Other investing income (loss) – net | 24 | 8 |
| Proportional Modified EBITDA of equity-method investments | (228) | (229) |
| Interest expense | (349) | (294) |
| (Provision) benefit for income taxes | (193) | (284) |
| <i>Net income (loss)</i> | <u>\$ 662</u> | <u>\$ 957</u> |

The following table reflects the reconciliation of *Segment revenues* to *Total revenues* as reported in our Consolidated Statement of Income:

| | Transmission & Gulf of Mexico | Northeast G&P | West | Gas & NGL Marketing Services (1) | Other | Eliminations | Total |
|--|----------------------------------|---------------|---------------|--|---------------|-----------------|-----------------|
| | (Millions) | | | | | | |
| Three Months Ended March 31, 2024 | | | | | | | |
| Segment revenues: | | | | | | | |
| Service revenues | | | | | | | |
| External | \$ 1,029 | \$ 475 | \$ 397 | \$ — | \$ 4 | \$ — | \$ 1,905 |
| Internal | 20 | 4 | 40 | — | — | (64) | — |
| Total service revenues | 1,049 | 479 | 437 | — | 4 | (64) | 1,905 |
| Total service revenues – commodity consideration | 9 | 5 | 16 | — | — | — | 30 |
| Product sales | | | | | | | |
| External | 30 | 2 | 72 | 707 | 34 | — | 845 |
| Internal | 31 | 23 | 176 | (120) | 74 | (184) | — |
| Total product sales | 61 | 25 | 248 | 587 | 108 | (184) | 845 |
| Net gain (loss) from commodity derivatives | | | | | | | |
| Realized | — | — | — | 81 | 5 | — | 86 |
| Unrealized | — | — | — | (98) | 3 | — | (95) |
| Total net gain (loss) from commodity derivatives (2) | — | — | — | (17) | 8 | — | (9) |
| <i>Total revenues</i> | <u>\$ 1,119</u> | <u>\$ 509</u> | <u>\$ 701</u> | <u>\$ 570</u> | <u>\$ 120</u> | <u>\$ (248)</u> | <u>\$ 2,771</u> |
| Three Months Ended March 31, 2023 | | | | | | | |
| Segment revenues: | | | | | | | |
| Service revenues | | | | | | | |
| External | \$ 915 | \$ 443 | \$ 332 | \$ 1 | \$ 3 | \$ — | \$ 1,694 |
| Internal | 25 | 11 | 24 | — | — | (60) | — |
| Total service revenues | 940 | 454 | 356 | 1 | 3 | (60) | 1,694 |
| Total service revenues – commodity consideration | 12 | 6 | 18 | — | — | — | 36 |
| Product sales | | | | | | | |
| External | 24 | 8 | 19 | 776 | 18 | — | 845 |
| Internal | 31 | 41 | 71 | (101) | 84 | (126) | — |
| Total product sales | 55 | 49 | 90 | 675 | 102 | (126) | 845 |
| Net gain (loss) from commodity derivatives | | | | | | | |
| Realized | — | — | 39 | 117 | 18 | — | 174 |
| Unrealized | — | — | — | 338 | (6) | — | 332 |
| Total net gain (loss) from commodity derivatives (2) | — | — | 39 | 455 | 12 | — | 506 |
| <i>Total revenues</i> | <u>\$ 1,007</u> | <u>\$ 509</u> | <u>\$ 503</u> | <u>\$ 1,131</u> | <u>\$ 117</u> | <u>\$ (186)</u> | <u>\$ 3,081</u> |

(1) As we are acting as agent for natural gas marketing customers or engage in energy trading activities, the resulting revenues are presented net of the related costs of those activities.

(2) We record transactions that qualify as commodity derivatives at fair value with changes in fair value recognized in earnings in the period of change and characterized as unrealized gains or losses. Gains and losses from commodity derivatives held for energy trading purposes are presented on a net basis in revenue.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

We are an energy company committed to being the leader in providing infrastructure that safely delivers natural gas products to reliably fuel the clean energy economy. Our operations are located in the United States.

Our interstate natural gas pipeline strategy is to create value by maximizing the utilization of our pipeline capacity by providing high-quality, low-cost transportation of natural gas to large and growing markets. Our gas pipeline businesses' interstate transmission and storage activities are subject to regulation by the FERC and as such, our rates and charges for the transportation of natural gas in interstate commerce, and the extension, expansion or abandonment of jurisdictional facilities and accounting, among other things, are subject to regulation. The rates are established primarily through the FERC's ratemaking process, but we also may negotiate rates with our customers pursuant to the terms of our tariffs and FERC policy. Changes in commodity prices and volumes transported have limited near-term impact on these revenues because the majority of cost of service is recovered through firm capacity reservation charges in transportation rates.

The ongoing strategy of our midstream operations is to safely and reliably operate large-scale midstream infrastructure where our assets can be fully utilized and drive low per-unit costs. We focus on consistently attracting new business by providing highly reliable service to our customers. These services include natural gas gathering, processing, treating, compression and storage, NGL fractionation, transportation and storage, crude oil production handling and transportation, as well as marketing services for NGL, crude oil, and natural gas.

Consistent with the manner in which our chief operating decision maker evaluates performance and allocates resources, our operations are conducted, managed, and presented within the following reportable segments: Transmission & Gulf of Mexico, Northeast G&P, West, and Gas & NGL Marketing Services. All remaining business activities, including our upstream operations and corporate activities, are included in Other. Our reportable segments are comprised of the following business activities:

- Transmission & Gulf of Mexico is comprised of our interstate natural gas pipelines, Transco, Northwest Pipeline, and MountainWest, and their related natural gas storage facilities, as well as natural gas gathering and processing and crude oil production handling and transportation assets in the Gulf Coast region, including a 51 percent interest in Gulfstar One, a 50 percent equity-method investment in Gulfstream, and a 60 percent equity-method investment in Discovery. Transmission & Gulf of Mexico also includes natural gas storage facilities and pipelines providing services in north Texas, and also in Louisiana and Mississippi related to the January 2024 Gulf Coast Storage Acquisition (see Note 3 – Acquisitions and Divestitures).
- Northeast G&P is comprised of our midstream gathering, processing, and fractionation businesses in the Marcellus Shale region primarily in Pennsylvania and New York, and the Utica Shale region of eastern Ohio, as well as a 65 percent interest in Northeast JV which operates in West Virginia, Ohio, and Pennsylvania, a 66 percent interest in Cardinal which operates in Ohio, a 69 percent equity-method investment in Laurel Mountain, a 50 percent equity-method investment in Blue Racer, and Appalachia Midstream Investments.
- West is comprised of our gas gathering, processing, and treating operations in the Rocky Mountain region of Colorado and Wyoming, the Barnett Shale region of north-central Texas, the Eagle Ford Shale region of south Texas, the Haynesville Shale region of east Texas and northwest Louisiana, the Mid-Continent region which includes the Anadarko and Permian basins, and the DJ Basin of Colorado which includes RMM, a former 50 percent equity-method investment in which we acquired the remaining ownership interest in November 2023 (see Note 3 – Acquisitions and Divestitures). This segment also includes our NGL storage facilities, an undivided 50 percent interest in an NGL fractionator near Conway, Kansas, and a 50 percent equity-method investment in OPPL.

- Gas & NGL Marketing Services is comprised of our NGL and natural gas marketing and trading operations, which includes risk management and transactions related to the storage and transportation of natural gas and NGLs on strategically positioned assets.

Unless indicated otherwise, the following discussion and analysis of results of operations and financial condition and liquidity relates to our current continuing operations and should be read in conjunction with the consolidated financial statements and notes thereto of this Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2023 dated February 21, 2024.

Dividends

In March 2024, we paid a regular quarterly dividend of \$0.4750 per share.

Overview of Three Months Ended March 31, 2024

Net income (loss) attributable to The Williams Companies, Inc. for the three months ended March 31, 2024, decreased \$295 million compared to the three months ended March 31, 2023. Further discussion of our results is found in this report in the Results of Operations.

Recent Developments

Gulf Coast Storage Acquisition

On January 3, 2024, we closed on the acquisition of 100 percent of a strategic portfolio of natural gas storage facilities and pipelines, located in Louisiana and Mississippi, from Hartree Partners LP for \$1.95 billion. The purpose of this acquisition, which is reported in the Transmission & Gulf of Mexico segment, is to expand our natural gas storage footprint in the Gulf Coast region. The Gulf Coast Storage Acquisition was funded with cash on hand and \$100 million of deferred consideration (see Note 3 – Acquisitions and Divestitures).

Company Outlook

Our strategy is to provide a large-scale, reliable, and clean energy infrastructure designed to maximize the opportunities created by the vast supply of natural gas and natural gas products that exists in the United States. We accomplish this by connecting the growing demand for cleaner fuels and feedstocks with our major positions in the premier natural gas and natural gas products supply basins. We continue to maintain a strong commitment to safety, environmental stewardship including seeking opportunities for renewable energy ventures, operational excellence, and customer satisfaction. We believe that accomplishing these goals will position us to deliver safe, reliable, clean energy services to our customers and an attractive return to our shareholders. Our business plan for 2024 includes a continued focus on earnings and cash flow growth.

In 2024, our operating results are expected to benefit from the recent Gulf Coast Storage and DJ Basin acquisitions. We also anticipate increases resulting from Transmission & Gulf of Mexico expansion projects, including the Regional Energy Access project, and annual inflation-based rate increases across our gathering and processing business. These increases are partially offset by lower expected Gas & NGL Marketing Services results, the absence of realized hedge gains captured in 2023, and a decrease in expected volumes primarily in the Appalachian Basin associated with a lower expected commodity price environment.

We seek to maintain a strong financial position and liquidity, as well as manage a diversified portfolio of safe, clean, and reliable energy infrastructure assets that continue to serve key growth markets and supply basins in the United States. Our growth capital and investment expenditures in 2024 are expected to range from \$1.45 billion to \$1.75 billion, excluding acquisitions. Growth capital spending in 2024 primarily includes Transco expansions, all of which are fully contracted with firm transportation agreements, projects supporting growth in the Haynesville Basin, and projects supporting the Northeast G&P business. We also expect to invest capital in our Other business ventures. In addition to growth capital and investment expenditures, we also remain committed to projects that maintain our

assets for safe and reliable operations, as well as projects that reduce emissions, and meet legal, regulatory, and/or contractual commitments.

Potential risks and obstacles that could impact the execution of our plan include:

- A global recession, which could result in downturns in financial markets and commodity prices, as well as impact demand for natural gas and related products;
- Opposition to, and regulations affecting, our infrastructure projects, including the risk of delay or denial in permits and approvals needed for our projects;
- Counterparty credit and performance risk;
- Unexpected significant increases in capital expenditures or delays in capital project execution, including increases from inflation or delays caused by supply chain disruptions;
- Unexpected changes in customer drilling and production activities, which could negatively impact gathering and processing volumes;
- Lower than anticipated demand for natural gas and natural gas products which could result in lower-than-expected volumes, energy commodity prices, and margins;
- General economic, financial markets, or industry downturns, including increased inflation and interest rates;
- Physical damages to facilities, including damage to offshore facilities by weather-related events;
- Other risks set forth under Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on February 21, 2024, as may be supplemented by disclosure in Part II, Item 1A. Risk Factors in subsequent Quarterly Reports on Form 10-Q.

Expansion Projects

Our ongoing major expansion projects include the following:

Transmission & Gulf of Mexico

Deepwater Shenandoah Project

In June 2021, we reached an agreement with two third-parties to provide offshore natural gas gathering and transportation services as well as onshore natural gas processing services. The project expands our existing Gulf of Mexico offshore infrastructure via a 5-mile offshore lateral pipeline from the Shenandoah platform to Discovery's existing Keathley Canyon Connector pipeline, adds onshore processing facilities at Larose, Louisiana to handle the expected rich Shenandoah production, and the natural gas liquids will be fractionated and marketed at Discovery's Paradis plant in Louisiana. We plan to place the project into service in the fourth quarter of 2024.

Deepwater Whale Project

In August 2021, we reached an agreement with two third-parties to provide offshore natural gas gathering and crude oil transportation services as well as onshore natural gas processing services. The project expands our existing Western Gulf of Mexico offshore infrastructure via a 26-mile gas lateral pipeline from the Whale platform to the existing Perdido gas pipeline and adds a new 125-mile oil pipeline from the Whale platform to our existing junction platform. We plan to place the project into service in the fourth quarter of 2024.

Regional Energy Access

In January 2023, we received approval from the FERC for the project to expand Transco's existing natural gas transmission system to provide incremental firm transportation capacity from receipt points in northeastern Pennsylvania to multiple delivery points in Pennsylvania, New Jersey, and Maryland. We placed approximately half of the project into service in the fourth quarter of 2023 and plan to place the remainder of the project into service as early as the fourth quarter of 2024, assuming timely receipt of all necessary regulatory approvals. The project is expected to increase capacity by 829 Mdth/d.

Southside Reliability Enhancement

In July 2023, we received approval from the FERC for the project, which involves an expansion of Transco's existing natural gas transmission system to provide incremental firm transportation capacity from receipt points in Virginia and North Carolina to delivery points in North Carolina. We plan to place the project into service as early as the fourth quarter of 2024, assuming timely receipt of all necessary regulatory approvals. The project is expected to increase capacity by 423 Mdth/d.

Texas to Louisiana Energy Pathway

In January 2024, we received approval from the FERC for the project, which involves an expansion of Transco's existing natural gas transmission system to provide firm transportation capacity from receipt points in south Texas to delivery points in Texas and Louisiana. We plan to place the project into service as early as the first quarter of 2025, assuming timely receipt of all necessary regulatory approvals. The project is expected to provide 364 Mdth/d of new firm transportation service through a combination of increasing capacity, converting interruptible capacity to firm, and utilizing existing capacity.

Southeast Energy Connector

In November 2023, we received approval from the FERC for the project, which involves an expansion of Transco's existing natural gas transmission system to provide incremental firm transportation capacity from receipt points in Mississippi and Alabama to a delivery point in Alabama. We plan to place the project into service in the second quarter of 2025, assuming timely receipt of all necessary regulatory approvals. The project is expected to increase capacity by 150 Mdth/d.

Commonwealth Energy Connector

In November 2023, we received approval from the FERC for the project, which involves an expansion of Transco's existing natural gas transmission system to provide incremental firm transportation capacity in Virginia. We plan to place the project into service as early as the fourth quarter of 2025, assuming timely receipt of all necessary regulatory approvals. The project is expected to increase capacity by 105 Mdth/d.

Alabama Georgia Connector

In March 2024, we received approval from the FERC for the project, which involves an expansion of Transco's existing natural gas transmission system to provide incremental firm transportation capacity from our Station 85 pooling point in Alabama to customers in Georgia. We plan to place the project into service as early as the fourth quarter of 2025, assuming timely receipt of all necessary regulatory approvals. The project is expected to increase capacity by 64 Mdth/d.

Southeast Supply Enhancement

We plan to file an application with the FERC as early as the third quarter of 2024 for this project, which involves an expansion of Transco's existing natural gas transmission system to provide incremental firm transportation capacity from receipt points in Virginia to delivery points in Virginia, North Carolina, South

Carolina, Georgia, and Alabama. We plan to place the project into service as early as the fourth quarter of 2027, assuming timely receipt of all necessary regulatory approvals. The project is expected to increase capacity by 1,592 Mdth/d.

Overthrust Westbound Compression Expansion

In November 2023, we filed an application with the FERC for the project, which involves an expansion of MountainWest's existing natural gas transmission system to provide incremental firm transportation capacity from multiple receipt points in Wamsutter, Wyoming to a delivery point in Opal, Wyoming. We plan to place the project into service as early as the fourth quarter of 2025, assuming timely receipt of all necessary regulatory approvals. The project is expected to increase capacity by 325 Mdth/d.

Northeast G&P

Cardinal Gathering Expansion

We have an agreement in place with a third party to facilitate natural gas production growth in the Utica Shale region. We plan to construct approximately 8 miles of gathering pipeline and associated incremental compression. The system, once constructed, will add incremental capacity of 125 MMcf/d and will provide natural gas gathering services to the third party. The project is expected to go into service in the third quarter of 2025.

West

Louisiana Energy Gateway

In June 2022, we announced our intention to construct new natural gas gathering assets which are expected to gather 1.8 Bcf/d of natural gas produced in the Haynesville Shale basin for delivery to premium markets, including Transco, industrial markets, and growing LNG export demand along the Gulf Coast. This project is expected to go into service in the second half of 2025.

Haynesville Gathering Expansion

In February 2023, we announced our agreement with a third party to facilitate natural gas production growth in the Haynesville basin. We plan to construct a greenfield gathering system in support of the third party's 26,000-acre dedication. The system, once constructed, will provide natural gas gathering services to the third party. The third party has also agreed to a long-term capacity commitment on our Louisiana Energy Gateway project. This project is expected to go into service in the second half of 2025.

Results of Operations

Consolidated Overview

The following table and discussion is a summary of our consolidated results of operations for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, and should be read in conjunction with the results of operations by segment, as discussed in further detail following this consolidated overview discussion.

| | Three Months Ended March 31, | | | 2023 |
|--|------------------------------|----------------------|---------------------|----------|
| | 2024 | \$ Change from 2023* | % Change from 2023* | |
| (Dollars in millions) | | | | |
| Revenues: | | | | |
| Service revenues | \$ 1,905 | +211 | +12 % | \$ 1,694 |
| Product sales and service revenues – commodity consideration | 875 | -6 | -1 % | 881 |
| Net gain (loss) from commodity derivatives | (9) | -515 | NM | 506 |
| Total revenues | 2,771 | | | 3,081 |
| Costs and expenses: | | | | |
| Product costs and net processing commodity expenses | 531 | +76 | +13 % | 607 |
| Operating and maintenance expenses | 511 | -48 | -10 % | 463 |
| Depreciation and amortization expenses | 548 | -42 | -8 % | 506 |
| Selling, general, and administrative expenses | 186 | -10 | -6 % | 176 |
| Other (income) expense – net | (17) | -14 | -45 % | (31) |
| Total costs and expenses | 1,759 | | | 1,721 |
| Operating income (loss) | 1,012 | | | 1,360 |
| Equity earnings (losses) | 137 | -10 | -7 % | 147 |
| Other investing income (loss) – net | 24 | +16 | +200 % | 8 |
| Interest expense | (349) | -55 | -19 % | (294) |
| Other income (expense) – net | 31 | +11 | +55 % | 20 |
| Income (loss) before income taxes | 855 | | | 1,241 |
| Less: Provision (benefit) for income taxes | 193 | +91 | +32 % | 284 |
| Net income (loss) | 662 | | | 957 |
| Less: Net income (loss) attributable to noncontrolling interests | 30 | — | — % | 30 |
| Net income (loss) attributable to The Williams Companies, Inc. | \$ 632 | -295 | -32 % | \$ 927 |

* + = Favorable change; - = Unfavorable change; NM = A percentage calculation is not meaningful due to a change in signs, a zero-value denominator, or a percentage change greater than 200.

Three months ended March 31, 2024 vs. three months ended March 31, 2023

Service revenues increased primarily due to higher volumes from acquisitions at our Transmission & Gulf of Mexico and West segments, and higher revenues associated with expansion projects at our Transmission & Gulf of Mexico segment.

The net sum of *Product sales and service revenues – commodity consideration*, *Product costs and net processing commodity expenses*, and net realized gains and losses on commodity derivatives related to sales of product and shrink gas purchases for our processing plants for our reportable segments comprise our *Commodity margins*. *Service revenues - commodity consideration* represent payments we receive in the form of commodities for processing services provided. Most of these commodity volumes are sold during the month processed and are offset within *Product costs and net processing commodity expenses* below. The sum of *Product sales* and net realized gains and losses on commodity derivatives related to our upstream operations comprise *Net realized product sales*.

The *Product sales and service revenues – commodity consideration* decrease primarily consists of:

- Lower equity NGL sales and commodity consideration revenues primarily due to lower prices substantially offset by higher non-ethane volumes;
- Lower NGL marketing sales primarily due to lower prices and lower volumes; partially offset by
- Higher net natural gas marketing sales primarily due to higher sales and purchases volumes substantially offset by lower net prices and higher storage costs; and
- Higher product sales from our upstream operations primarily due to higher production volumes substantially offset by lower commodity prices.

As we are acting as agent for natural gas marketing customers, our natural gas marketing product sales are presented net of the related costs of those activities within our Gas & NGL Marketing Services segment.

Net gain (loss) from commodity derivatives includes realized and unrealized gains and losses from derivative instruments reflected within *Total revenues* primarily in our Gas & NGL Marketing Services and West segments, and at Other (see Note 8 – Commodity Derivatives).

We experience significant earnings volatility from the fair value accounting required for the derivatives used to hedge a portion of the economic value of the underlying transportation and storage capacity portfolios as well as upstream-related production. However, the unrealized fair value measurement gains and losses are generally offset by valuation changes in the economic value of the underlying production or transportation and storage capacity contracts, which is not recognized until the underlying transaction occurs.

The *Product costs and net processing commodity expenses* decrease primarily consists of:

- Lower marketing prices and volumes for our NGL marketing activities; and
- Lower shrink gas purchases associated with our equity NGL production activities due to lower natural gas prices.

Operating and maintenance expenses increased primarily related to operating costs of the assets acquired in the November 2023 DJ Basin Acquisitions, the January 2024 Gulf Coast Storage Acquisition, and the February 2023 MountainWest Acquisition.

Depreciation and amortization expenses increased primarily related to assets acquired in the Gulf Coast Storage Acquisition, the DJ Basin Acquisitions, and the MountainWest Acquisition.

Equity earnings (losses) changed unfavorably primarily due to the consolidation of RMM following our acquisition of the remaining ownership interest in November 2023.

The increase in *Interest expense* was primarily due to our 2023 and 2024 debt issuances, and imputed interest on deferred consideration obligations related to our Gulf Coast Storage and DJ Basin Acquisitions, partially offset by 2023 and 2024 debt retirements (see Note 6 – Debt and Banking Arrangements).

Provision (benefit) for income taxes changed favorably primarily due to lower pre-tax income. See Note 5 – Provision (Benefit) for Income Taxes for a discussion of the effective tax rate compared to the federal statutory rate for both periods.

Period-Over-Period Operating Results – Segments

We evaluate segment operating performance based upon *Modified EBITDA*. Note 10 – Segment Disclosures includes a reconciliation of this non-GAAP measure to *Net income (loss)*. Management uses *Modified EBITDA* because it is an accepted financial indicator used by investors to compare company performance. In addition,

management believes that this measure provides investors an enhanced perspective of the operating performance of our assets. *Modified EBITDA* should not be considered in isolation or as a substitute for a measure of performance prepared in accordance with GAAP.

Transmission & Gulf of Mexico

| | Three Months Ended March 31, | |
|--|---------------------------------|--------|
| | 2024 | 2023 |
| | (Millions) | |
| Service revenues | \$ 1,049 | \$ 940 |
| Product sales and service revenues – commodity consideration (1) | 70 | 67 |
| Segment revenues | 1,119 | 1,007 |
| Product costs and net processing commodity expenses (1) | (61) | (57) |
| Other segment costs and expenses | (275) | (288) |
| Proportional Modified EBITDA of equity-method investments | 46 | 53 |
| Transmission & Gulf of Mexico Modified EBITDA | \$ 829 | \$ 715 |
| Commodity margins | \$ 9 | \$ 10 |

(1) Included as a component of *Commodity margins*.

Three months ended March 31, 2024 vs. three months ended March 31, 2023

Transmission & Gulf of Mexico Modified EBITDA increased primarily due to higher *Service revenues*.

Service revenues increased primarily due to:

- A \$50 million increase due to the acquisition of Gulf Coast Storage assets in January 2024 primarily in storage revenues (see Note 3 – Acquisitions and Divestitures);
- A \$35 million increase due to the acquisition of MountainWest in February 2023 primarily in transportation and storage revenues (see Note 3 – Acquisitions and Divestitures);
- A \$20 million increase in Transco's revenues associated with the Regional Energy Access expansion project placed partially in-service in the fourth quarter of 2023; partially offset by
- A \$13 million decrease due to the sale of certain liquids pipelines in the Gulf Coast region in September 2023 primarily in transportation revenues (see Note 3 – Acquisitions and Divestitures).

Other segment costs and expenses decreased primarily due to:

- A favorable change in equity AFUDC as a result of increased capital expenditures at Transco;
- A favorable change in the deferral of ARO-related depreciation at Transco; partially offset by
- Higher operating expenses related to our Gulf Coast Storage and MountainWest Acquisitions; substantially offset by lower costs related to timing and scope of general maintenance activities primarily at Transco and the sale of certain liquids pipelines in the Gulf Coast region.

Northeast G&P

| | Three Months Ended March 31, | |
|--|---------------------------------|--------|
| | 2024 | 2023 |
| | (Millions) | |
| Service revenues | \$ 479 | \$ 454 |
| Product sales and service revenues – commodity consideration (1) | 30 | 55 |
| Segment revenues | 509 | 509 |
| Product costs and net processing commodity expenses (1) | (19) | (50) |
| Other segment costs and expenses | (143) | (132) |
| Proportional Modified EBITDA of equity-method investments | 157 | 143 |
| Northeast G&P Modified EBITDA | \$ 504 | \$ 470 |
| Commodity margins | \$ 11 | \$ 5 |

(1) Included as a component of *Commodity margins*.

Three months ended March 31, 2024 vs. three months ended March 31, 2023

Northeast G&P Modified EBITDA increased primarily due to higher *Service revenues* and higher *Proportional Modified EBITDA of equity-method investments*, partially offset by higher *Other segment costs and expenses*.

Service revenues increased primarily due to:

- A \$19 million increase in gathering revenues at Susquehanna Supply Hub primarily related to higher volumes associated with the Susquehanna Supply Hub gathering expansion project placed in-service in the fourth quarter of 2023 as well as escalated rates;
- A \$9 million increase in revenues in the Utica Shale region primarily related to higher gathering rates resulting from the prior year annual cost of service contract redetermination at Cardinal, partially offset by lower volumes at Flint; partially offset by
- An \$11 million decrease in revenues at the Northeast JV primarily related to lower transportation & fractionation, processing, and gathering volumes, partially offset by higher processing and transportation & fractionation rates.

Other segment costs and expenses increased primarily due to higher employee-related costs as well as increased corporate allocations.

Proportional Modified EBITDA of equity-method investments increased at Aux Sable Liquid Products LP primarily due to the terms of the new product marketing agreement, and at Blue Racer primarily driven by higher gathering and processing volumes. Additionally, Appalachia Midstream Investments increased primarily driven by higher gathering rates offset by lower volumes at the Bradford Supply Hub. The increase was partially offset by a decrease at Laurel Mountain due to lower commodity-based gathering rates and lower volumes.

West

| | Three Months Ended March 31, | |
|---|---------------------------------|---------|
| | 2024 | 2023 |
| | (Millions) | |
| Service revenues | \$ 437 | \$ 356 |
| Product sales and service revenues – commodity consideration (1) | 264 | 108 |
| Net realized gain (loss) from commodity derivatives relating to service revenues | 3 | 39 |
| Net realized gain (loss) from commodity derivatives relating to product sales (1) | (3) | — |
| Net realized gain (loss) from commodity derivatives | — | 39 |
| Segment revenues | 701 | 503 |
| Product costs and net processing commodity expenses (1) | (249) | (132) |
| Other segment costs and expenses | (150) | (100) |
| Proportional Modified EBITDA of equity-method investments | 25 | 33 |
| West Modified EBITDA | \$ 327 | \$ 304 |
| Commodity margins | \$ 12 | \$ (24) |

(1) Included as a component of *Commodity margins*.

Three months ended March 31, 2024 vs. three months ended March 31, 2023

West Modified EBITDA increased primarily due higher *Service revenues* and *Commodity margins*, partially offset by higher *Other segment costs and expenses* and an unfavorable change in *Net realized gain (loss) from commodity derivatives relating to service revenues*.

Service revenues increased primarily due to:

- A \$71 million increase in the DJ Basin region primarily associated with the DJ Basin Acquisitions in November 2023 (see Note 3 – Acquisitions and Divestitures);
- A \$13 million increase in the Wamsutter region primarily associated with higher gathering volumes from increased producer activity as well as higher volumes associated with the absence of weather-related events in first-quarter 2023;
- A \$12 million increase in our other NGL operations associated with higher fractionation revenue due to higher volumes and higher storage fees primarily due to a new contract; partially offset by
- A \$10 million decrease in the Barnett Shale region primarily due to lower gathering rates driven by unfavorable commodity pricing;
- A \$9 million decrease in the Eagle Ford Shale region primarily due to lower gathering volumes as well as lower MVC revenues.

Net realized gain (loss) from commodity derivatives relating to service revenues reflects an unfavorable change in settled commodity prices relative to our natural gas hedge positions.

Commodity margins increased \$36 million primarily due to a \$30 million increase from our equity NGLs due to a favorable change in net realized commodity pricing primarily for shrink gas purchases and a \$5 million increase from other sales activities associated primarily with the Cureton Acquisition.

Other segment costs and expenses increased primarily due to higher operating expenses related to the DJ Basin Acquisitions, the absence of favorable contract settlements in first-quarter 2023, and an unfavorable change in our net imbalance liability due to changes in pricing.

Proportional Modified EBITDA of equity-method investments decreased primarily due to lower proportional results as RMM was consolidated as of November 30, 2023, partially offset by higher volumes at OPPL.

Gas & NGL Marketing Services

| | Three Months Ended March 31, | |
|---|---------------------------------|--------|
| | 2024 | 2023 |
| | (Millions) | |
| Service revenues | \$ — | \$ 1 |
| Product sales (1) | 587 | 675 |
| Net realized gain (loss) from commodity derivative instruments (1) | 81 | 117 |
| Net unrealized gain (loss) from commodity derivative instruments | (98) | 338 |
| Net gain (loss) from commodity derivatives | (17) | 455 |
| Segment revenues | 570 | 1,131 |
| Net unrealized gain (loss) from commodity derivative instruments within Net processing commodity expenses | 3 | (5) |
| Product costs (1) | (432) | (527) |
| Other segment costs and expenses | (40) | (32) |
| Gas & NGL Marketing Services Modified EBITDA | \$ 101 | \$ 567 |
| Commodity margins | \$ 236 | \$ 265 |

(1) Included as a component of *Commodity margins*.

Three months ended March 31, 2024 vs. three months ended March 31, 2023

Gas & NGL Marketing Services Modified EBITDA decreased primarily due to an unfavorable change in *Net unrealized gain (loss) from commodity derivative instruments* within *Segment revenues* and lower *Commodity margins*.

Commodity margins decreased \$29 million primarily due to a \$26 million decrease in our natural gas marketing margins including \$15 million of lower natural gas transportation capacity marketing margins due to less favorable net realized pricing spreads. The decrease in our natural gas marketing margins also includes \$11 million of lower natural gas storage marketing margins primarily driven by lower withdrawals from warmer winter weather in first quarter 2024 compared to 2023 and a less favorable change in realized derivative gains, partially offset by a favorable change in lower cost or net realizable value inventory adjustment.

Net unrealized gain (loss) from commodity derivative instruments within *Segment revenues* and *Net processing commodity expenses* relates to derivative contracts that are not designated as hedges for accounting purposes. The

change from 2023 is primarily due to a change in forward commodity prices relative to our hedge positions in 2024 compared to 2023.

Other

| | Three Months Ended March 31, | |
|--|---------------------------------|--------|
| | 2024 | 2023 |
| | (Millions) | |
| Service revenues | \$ 4 | \$ 3 |
| Product sales (1) | 108 | 102 |
| Net realized gain (loss) from commodity derivative instruments (1) | 5 | 18 |
| Net unrealized gain (loss) from commodity derivative instruments | 3 | (6) |
| Net gain (loss) from commodity derivatives | 8 | 12 |
| Segment revenues | 120 | 117 |
| Other segment costs and expenses | (44) | (43) |
| Modified EBITDA of other business activities | \$ 76 | \$ 74 |
| Net realized product sales | \$ 113 | \$ 120 |

(1) Included as a component of *Net realized product sales*.

Three months ended March 31, 2024 vs. three months ended March 31, 2023

Modified EBITDA of other business activities increased slightly primarily due to:

- A \$9 million favorable change in *Net unrealized gain (loss) from commodity derivative instruments* due to changes in forward commodity prices relative to our upstream hedge positions in 2024 compared to 2023; partially offset by
- A \$7 million decrease in *Net realized product sales* from our upstream operations primarily due to lower net realized commodity prices, partially offset by higher production volumes.

Management's Discussion and Analysis of Financial Condition and Liquidity**Outlook**

Our growth capital and investment expenditures in 2024 are expected to range from \$1.45 billion to \$1.75 billion, excluding acquisitions. Growth capital spending in 2024 primarily includes Transco expansions, all of which are fully contracted with firm transportation agreements, projects supporting growth in the Haynesville Basin, and projects supporting the Northeast G&P business. We also expect to invest capital in our Other business ventures. In addition to growth capital and investment expenditures, we also remain committed to projects that maintain our assets for safe and reliable operations, as well as projects that reduce emissions, and meet legal, regulatory, and/or contractual commitments. We intend to fund substantially all planned 2024 capital spending with cash available after paying dividends. We retain the flexibility to adjust planned levels of growth capital and investment expenditures in response to changes in economic conditions or business opportunities including the repurchase of our common stock.

On January 5, 2024, we issued \$2.1 billion in long-term debt and on March 4, 2024, we retired \$1.0 billion in long-term debt (see Note 6 – Debt and Banking Arrangements).

As of March 31, 2024, we have approximately \$2.787 billion of long-term debt due within one year. Our potential sources of liquidity available to address these maturities include cash on hand, proceeds from refinancing, our credit facility, or our commercial paper program, as well as proceeds from asset monetizations.

Liquidity

Based on our forecasted levels of cash flow from operations and other sources of liquidity, we expect to have sufficient liquidity to manage our businesses in 2024. Our potential material internal and external sources and uses of liquidity are as follows:

| | |
|-----------------|--|
| Sources: | |
| | Cash and cash equivalents on hand |
| | Cash generated from operations |
| | Distributions from our equity-method investees |
| | Utilization of our credit facility and/or commercial paper program |
| | Cash proceeds from issuance of debt and/or equity securities |
| | Proceeds from asset monetizations |
| Uses: | |
| | Working capital requirements |
| | Capital and investment expenditures |
| | Product costs |
| | Gas & NGL Marketing Services payments for transportation and storage capacity and gas supply |
| | Other operating costs including human capital expenses |
| | Quarterly dividends to our shareholders |
| | Repayments of borrowings under our credit facility and/or commercial paper program |
| | Debt service payments, including payments of long-term debt |
| | Distributions to noncontrolling interests |
| | Share repurchase program |

As of March 31, 2024, we have approximately \$24.1 billion of long-term debt due after one year. Our potential sources of liquidity available to address these maturities include cash generated from operations, proceeds from refinancing, our credit facility, or our commercial paper program, as well as proceeds from asset monetizations.

Potential risks associated with our planned levels of liquidity discussed above include those previously discussed in Company Outlook.

As of March 31, 2024, we had a working capital deficit of \$2.371 billion, including cash and cash equivalents and long-term debt due within one year. Our available liquidity is as follows:

| Available Liquidity | March 31, 2024 | |
|--|----------------|-------|
| | (Millions) | |
| Cash and cash equivalents | \$ | 667 |
| Capacity available under our \$3.75 billion credit facility, less amounts outstanding under our \$3.5 billion commercial paper program (1) | | 3,750 |
| | \$ | 4,417 |

(1) In managing our available liquidity, we do not expect a maximum outstanding amount in excess of the capacity of our credit facility inclusive of any outstanding amounts under our commercial paper program. We had no commercial paper outstanding as of March 31, 2024. Through March 31, 2024, the highest amount outstanding under our commercial paper program and credit facility during 2024 was \$725 million. At March 31, 2024, we were in compliance with the financial covenants associated with our credit facility.

Dividends

We increased our regular quarterly cash dividend to common stockholders by approximately 6.1 percent from the \$0.4475 per share paid in each quarter of 2023, to \$0.4750 per share paid in March 2024.

Registrations

In February 2024, we filed a shelf registration statement as a well-known seasoned issuer.

Distributions from Equity-Method Investees

The organizational documents of entities in which we have an equity-method investment generally require periodic distributions of their available cash to their members. In each case, available cash is reduced, in part, by reserves appropriate for operating their respective businesses.

Credit Ratings

The interest rates at which we are able to borrow money are impacted by our credit ratings. The current ratings are as follows:

| Rating Agency | Outlook | Senior Unsecured Debt Rating |
|---------------------------|----------|------------------------------|
| S&P Global Ratings | Positive | BBB |
| Moody's Investors Service | Stable | Baa2 |
| Fitch Ratings | Stable | BBB |

In April 2024, S&P Global Ratings changed its Outlook from Stable to Positive.

These credit ratings are included for informational purposes and are not recommendations to buy, sell, or hold our securities, and each rating should be evaluated independently of any other rating. No assurance can be given that the credit rating agencies will continue to assign us investment-grade ratings even if we meet or exceed their current criteria for investment-grade ratios. A downgrade of our credit ratings might increase our future cost of borrowing and, if ratings were to fall below investment-grade, could require us to provide additional collateral to third parties, negatively impacting our available liquidity.

Sources (Uses) of Cash

The following table summarizes the sources (uses) of cash and cash equivalents for each of the periods presented in the Consolidated Statement of Cash Flows (see Notes to Consolidated Financial Statements for the Notes referenced in the table):

| | Cash Flow Category | Three Months Ended March 31, | |
|---|----------------------------|------------------------------|---------------|
| | | 2024 | 2023 |
| (Millions) | | | |
| Sources of cash and cash equivalents: | | | |
| <i>Proceeds from long-term debt</i> | Financing | \$ 2,099 | \$ 1,502 |
| <i>Net cash provided (used) by operating activities</i> | Operating | 1,234 | 1,514 |
| Uses of cash and cash equivalents: | | | |
| <i>Purchases of businesses, net of cash acquired (Note 3)</i> | Investing | (1,851) | (1,056) |
| <i>Payments of long-term debt</i> | Financing | (1,012) | (7) |
| <i>Proceeds from (payments of) commercial paper - net</i> | Financing | (723) | (352) |
| <i>Common dividends paid</i> | Financing | (579) | (546) |
| <i>Capital expenditures</i> | Investing | (544) | (545) |
| <i>Dividends and distributions paid to noncontrolling interests</i> | Financing | (64) | (54) |
| <i>Purchases of and contributions to equity-method investments</i> | Investing | (52) | (39) |
| <i>Purchases of treasury stock</i> | Financing | — | (74) |
| Other sources / (uses) – net | Financing and Investing | 9 | (18) |
| <i>Increase (decrease) in cash and cash equivalents</i> | | <u>\$ (1,483)</u> | <u>\$ 325</u> |
| <i>Operating activities</i> | | | |

The factors that determine operating activities are largely the same as those that affect *Net income (loss)*, with the exception of noncash items such as *Depreciation and amortization, Provision (benefit) for deferred income taxes, Equity (earnings) losses, Net unrealized (gain) loss from commodity derivative instruments, Inventory write-downs, and Amortization of stock-based awards.*

Our *Net cash provided (used) by operating activities* for the three months ended March 31, 2024 decreased from the same period in 2023 primarily due to unfavorable changes in net operating working capital and margin requirements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our current interest rate risk exposure is related primarily to our debt portfolio. Our debt portfolio is primarily comprised of fixed rate debt, which mitigates the impact of fluctuations in interest rates. Any borrowings under our credit facility and any issuances under our commercial paper program could be at a variable interest rate and could expose us to the risk of increasing interest rates. The maturity of our long-term debt portfolio is partially influenced by the expected lives of our operating assets. We may utilize interest rate derivative instruments to hedge interest rate risk associated with future debt issuances (see Note 6 – Debt and Banking Arrangements).

Commodity Price Risk

We are exposed to commodity price risk through our natural gas and NGL marketing activities, including contracts to purchase, sell, transport, and store product. We routinely manage this risk with a variety of exchange-traded and OTC energy contracts such as forward contracts, futures contracts, and basis swaps, as well as physical transactions. Although many of the contracts used to manage commodity exposure are derivative instruments, these economic hedges are not designated or do not qualify for hedge accounting treatment.

We are also exposed to commodity prices through our upstream business and certain gathering and processing contracts. We use derivative instruments to lock in forward sales prices on a portion of our expected future production and to lock in NGL margin on a portion of our commodity-exposed gathering and processing volumes. These economic hedges are not designated for hedge accounting treatment.

The maturities of our commodity derivative contracts at March 31, 2024 were as follows:

| Fair Value Measurements of Assets (Liabilities) Using (1) | Total Fair Value | Maturity | | |
|---|------------------|--------------|----------------|----------------|
| | | 2024 | 2025 - 2026 | 2027 - 2028+ |
| | | (Millions) | | |
| Level 1 (2) | \$ 42 | \$ 8 | \$ 39 | \$ (5) |
| Level 2 | (160) | 37 | (88) | (109) |
| Level 3 | 46 | 1 | 11 | 34 |
| Fair value of contracts outstanding at March 31, 2024 | <u>\$ (72)</u> | <u>\$ 46</u> | <u>\$ (38)</u> | <u>\$ (80)</u> |

(1) See Note 7 – Fair Value Measurements and Guarantees for discussion of valuation techniques by level within the fair value hierarchy. See Note 8 – Commodity Derivatives for the amount of change in fair value recognized in our Consolidated Statement of Income.

(2) Commodity derivative assets and liabilities exclude \$70 million of net cash collateral in Level 1.

Value at Risk (VaR)

VaR is the maximum predicted loss in portfolio value over a specified time period that is not expected to be exceeded within a given degree of probability. Our VaR may not be comparable to that of other companies due to differences in the factors used to calculate VaR. Our VaR is determined using parametric models with 95 percent confidence intervals and one-day holding periods, which means that 95 percent of the time, the risk of loss in a day from a portfolio of positions is expected to be less than or equal to the amount of VaR calculated. Our open exposure is managed in accordance with established policies that limit market risk and require daily reporting of predicted financial loss to management. Because we generally manage physical gas assets and economically protect our positions by hedging in the futures markets, our open exposure is generally mitigated. We employ daily risk testing, using both VaR and stress testing, to evaluate the risk of our positions.

We actively monitor open commodity marketing positions and the resulting VaR and maintain a relatively small risk exposure as total buy volume is close to sell volume, with minimal open natural gas price risk.

The VaR associated with our integrated natural gas trading operations was \$3 million at March 31, 2024 and \$9 million at December 31, 2023. We had the following VaRs for the period shown:

| | Three months ended March 31, 2024 | |
|---------|--|----|
| | (Millions) | |
| Average | \$ | 5 |
| High | \$ | 15 |
| Low | \$ | 3 |

Our non-trading portfolio primarily consists of commodity derivatives that hedge our upstream business and certain gathering and processing contracts. The VaR associated with these commodity derivatives was \$3 million at March 31, 2024 and \$3 million at December 31, 2023. We had the following VaRs for the period shown:

| | Three months ended March 31, 2024 | |
|---------|--|---|
| | (Millions) | |
| Average | \$ | 4 |
| High | \$ | 5 |
| Low | \$ | 3 |

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures (as defined in Rules 13a - 15(e) and 15d - 15(e) of the Exchange Act) (Disclosure Controls) or our internal control over financial reporting (Internal Controls) will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. We monitor our Disclosure Controls and Internal Controls and make modifications as necessary; our intent in this regard is that the Disclosure Controls and Internal Controls will be modified as systems change and conditions warrant.

Evaluation of Disclosure Controls and Procedures

An evaluation of the effectiveness of the design and operation of our Disclosure Controls was performed as of the end of the period covered by this report. This evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these Disclosure Controls are effective at a reasonable assurance level.

As disclosed in Note 3 – Acquisitions and Divestitures, we acquired Hartree as part of the Gulf Coast Storage Acquisition on January 3, 2024. Hartree’s total revenues constituted approximately 2 percent of total revenues as shown in our consolidated financial statements for the three months ended March 31, 2024. Hartree’s total assets constituted approximately 4 percent of total assets as shown in our consolidated financial statements as of March 31, 2024. We also acquired Cureton on November 30, 2023, and its total revenues constituted approximately 4 percent of total revenues as shown in our consolidated financial statements for the three months ended March 31, 2024. Cureton’s total assets constituted approximately 1 percent of total assets as shown in our consolidated financial statements as of March 31, 2024. We excluded Hartree’s and Cureton’s disclosure controls and procedures that are subsumed by their internal control over financial reporting from the scope of management’s assessment of the effectiveness of our disclosure controls and procedures. This exclusion is in accordance with the guidance issued by the Staff of the Securities and Exchange Commission that an assessment of recent business combinations may be omitted from management’s assessment of internal control over financial reporting for one year following the acquisition.

Changes in Internal Control Over Financial Reporting

Other than as set forth above, there have been no changes during the first quarter of 2024 that have materially affected, or are reasonably likely to materially affect, our Internal Control over Financial Reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Environmental

Certain reportable legal proceedings involving governmental authorities under federal, state, and local laws regulating the discharge of materials into the environment are described below. While it is not possible for us to predict the final outcome of the proceedings that are still pending, we do not anticipate a material effect on our consolidated financial position if we receive an unfavorable outcome in any one or more of such proceedings. Our threshold for disclosing material environmental legal proceedings involving a governmental authority where potential monetary sanctions are involved is \$1 million.

On January 19, 2016, we received a Notice of Noncompliance with certain Leak Detection and Repair (LDAR) regulations under the Clean Air Act at our Moundsville Fractionator Facility from the EPA, Region 3. Subsequently, the EPA alleged similar violations of certain LDAR regulations at our Oak Grove Gas Plant. On March 19, 2018, we received a Notice of Violation of certain LDAR regulations at our former Ignacio Gas Plant from the EPA, Region 8, following an on-site inspection of the facility. On March 20, 2018, we also received a Notice of Violation of certain LDAR regulations at our Parachute Creek Gas Plant from the EPA, Region 8. All such notices were subsequently referred to a common attorney at the Department of Justice (DOJ). We have entered into a consent decree with the DOJ and other agencies regarding global resolution of the claims at these facilities, as well as alleged violations at certain other facilities. The consent decree, which became effective on December 26, 2023, imposes both payment of a civil penalty in the amount of \$3.75 million and an injunctive relief component. Civil penalties were paid to the various federal, state, and tribal authorities during the first quarter 2024.

Other environmental matters called for by this Item are described under the caption “*Environmental Matters*” in Note 9 – Contingencies included under Part II, Item 8 Financial Statements of this report, which information is incorporated by reference into this Item.

Other litigation

The additional information called for by this Item is provided in Note 9 – Contingencies included under Part II, Item 8 Financial Statements of this report, which information is incorporated by reference into this Item.

Item 1A. Risk Factors

Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on February 21, 2024, includes risk factors that could materially affect our business, financial condition, or future results. Those Risk Factors have not materially changed.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities
ISSUER PURCHASES OF EQUITY SECURITIES

| Period | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾ | Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs |
|--------------------------------|----------------------------------|------------------------------|---|--|
| January 1 - January 31, 2024 | — | \$ — | — | \$ 1,360,938,325 |
| February 1 - February 29, 2024 | — | \$ — | — | \$ 1,360,938,325 |
| March 1 - March 31, 2024 | — | \$ — | — | \$ 1,360,938,325 |
| Total | — | \$ — | — | \$ — |

(1) In September 2021, our Board of Directors authorized a share repurchase program with a maximum dollar limit of \$1.5 billion. Repurchases may be made from time to time in the open market, by block purchases, in privately negotiated transactions, or in such other manner as determined by our management. Our management will also determine the timing and amount of any repurchases based on market conditions and other factors. The share repurchase program does not obligate us to acquire any particular amount of common stock, and it may be suspended or discontinued at any time. This share repurchase program does not have an expiration date.

Item 5. Other Information

During the three months ended March 31, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

| Exhibit No. | Description |
|-------------|--|
| 3.1 | — Amended and Restated Certificate of Incorporation as supplemented (filed on May 26, 2010, as Exhibit 3.1 to The Williams Companies, Inc.'s current report on Form 8-K (File No. 001-04174) and incorporated herein by reference). |
| 3.2 | — Certificate of Designations of Series B Preferred Stock of The Williams Companies, Inc. (filed on July 17, 2018 as Exhibit 3.1 to The Williams Companies, Inc.'s current report on Form 8-K (File No. 001-04174) and incorporated herein by reference). |
| 3.3 | — Certificate of Amendment dated August 10, 2018 (filed on August 10, 2018 as Exhibit 3.1 to The Williams Companies, Inc.'s current report on Form 8-K (File No. 001-04174) and incorporated herein by reference). |
| 3.4 | — By-Laws of The Williams Companies, Inc., as last amended effective October 25, 2022 (filed on October 31, 2022, as Exhibit 3.4 to The Williams Companies, Inc.'s current report on Form 10-Q (File No. 001-04174) and incorporated herein by reference). |
| 101.1§* | — Form of 2024 Performance-Based Restricted Stock Unit Award between The Williams Companies, Inc. and certain employees and officers. |
| 31.1* | — Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended, and Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | — Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended, and Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32** | — Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS* | — XBRL Instance Document. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document. |
| 101.SCH* | — XBRL Taxonomy Extension Schema. |
| 101.CAL* | — XBRL Taxonomy Extension Calculation Linkbase. |
| 101.DEF* | — XBRL Taxonomy Extension Definition Linkbase. |
| 101.LAB* | — XBRL Taxonomy Extension Label Linkbase. |
| 101.PRE* | — XBRL Taxonomy Extension Presentation Linkbase. |
| 104* | — Cover Page Interactive Data File. The cover page interactive data file does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document (contained in Exhibit 101). |

* Filed herewith.

** Furnished herewith.

§ Management contract or compensatory plan or arrangement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE WILLIAMS COMPANIES, INC.

(Registrant)

/s/ Mary A. Hausman

Mary A. Hausman

Vice President, Chief Accounting Officer and
Controller (Duly Authorized Officer and Principal
Accounting Officer)

May 6, 2024

Date=Grant Date

TO: <@Name@>**FROM:****SUBJECT:** 2024 Performance-Based Restricted Stock Unit Award

You have been selected to receive a performance-based restricted stock unit award to be paid if (i) the Company's Return on Capital Employed meets performance requirements or (ii) the Company's Available Funds from Operations per share meets performance requirements, both as established by the Committee, over the Performance Period. In addition, any earned award can be increased or decreased by up to 25% based on our three-year total shareholder return performance in relation to our comparator group of companies. This award is subject to the terms and conditions of The Williams Companies, Inc. 2007 Incentive Plan, as amended and restated from time to time, and the 2024 Performance-Based Restricted Stock Unit Agreement (the "Agreement").

This award is granted to you in recognition of your role as an employee whose responsibilities and performance are critical to the attainment of long-term goals. This award and similar awards are made on a selective basis and are, therefore, to be kept confidential.

Subject to all of the terms of the Agreement, you will generally become entitled to payment of the award if you are an active employee of the Company on February 22, 2027 and if performance measures set forth in the Agreement are certified for the three-year Performance Period beginning January 1, 2024. The adjustment and termination provisions associated with this award are included in the Agreement.

If you have any questions about this award, you may contact a dedicated Fidelity Stock Plan Representative at 1-800-544-9354.

2024 PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

THIS 2024 PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT (this “Agreement”), which contains the terms and conditions for the restricted stock units (“Restricted Stock Units” or “RSUs”) referred to in the 2024 Performance-Based Restricted Stock Unit Award Letter delivered in hard copy or electronically to the Participant (“2024 Award Letter”), is by and between **THE WILLIAMS COMPANIES, INC.**, a Delaware corporation (the “Company”), and the individual identified on the last page hereof (the “Participant”).

1. **Grant of RSUs.** Subject to the terms and conditions of The Williams Companies, Inc. 2007 Incentive Plan, as amended and restated from time to time (the “Plan”), this Agreement, and the 2024 Award Letter, the Company hereby grants to the Participant an award (the “Award”) of **<@Num+C @>** RSUs (“Target Number of Shares”) effective **<@GrDt+C@>** (the “Effective Date”). The Award, which is subject to adjustment under the terms of this Agreement, gives the Participant the opportunity to earn the right to receive the number of shares of the Common Stock of the Company equal to 0% to 200% of the Target Number of Shares based on the formula established by the Committee for calculating the number of Shares that will be paid based on the Company’s Return on Capital Employed and Available Funds from Operations per share over the Performance Period, as adjusted based on the Company’s three-year Relative Total Shareholder Return (“TSR”) as compared to the Company’s comparator group as established by the Committee (the “Comparator Group”). These shares, together with any other shares that are payable under this Agreement, are referred to in the Agreement as “Shares.” Until the Participant both becomes vested in the RSUs under the terms of Paragraph 5 and is paid such Shares under the terms of Paragraph 6, the Participant shall have no rights as a stockholder of the Company with respect to the Shares; provided, however, that the Participant shall have the right to earn Dividend Equivalents with respect to the RSUs awarded under this Agreement in accordance with Subparagraph 5(i) below.

2. **Incorporation of Plan and Acceptance of Documents.** The Plan is hereby incorporated herein by reference, and all capitalized terms used herein which are not defined in this Agreement shall have the meaning set forth in the Plan. By accepting this Award, the Participant acknowledges that he or she has received a copy of, or has online access to, the Plan, and hereby automatically accepts the RSUs subject to all the terms and provisions of the Plan and this Agreement. The Participant hereby further agrees that he or she has received a copy of, or has online access to, the Plan prospectus, as updated from time to time, and hereby acknowledges his or her automatic acceptance and receipt of such prospectus electronically.

3. **Committee Decisions and Interpretations; Committee Discretion.** The Participant hereby agrees to accept as binding, conclusive and final all actions, decisions and/or interpretations of the Committee, its delegates, or agents, upon any questions or other matters arising under the Plan or this Agreement.

4. Performance Measures; Number of Shares Payable to the Participant.

(a) Performance measures established by the Committee shall be based on Return on Capital Employed and Available Funds from Operations per share, each weighted at 50%. The Committee has established a formula for calculating the designated number of Shares that will be paid based on based on the Company's Return on Capital Employed and Available Funds from Operations per share over the Performance Period, as adjusted based on the Company's three-year Relative TSR as compared to the Company's Comparator Group, all as more fully described in Subparagraphs 4(b) through 4(c) below.

(b) The RSUs awarded to Participant and subject to this Agreement as reflected in Paragraph 1 above represent Participant's opportunity to earn the right to payment of between 0% and 200% of the Target Number of Shares upon (i) certification by the Committee Return on Capital Employed, Available Funds from Operations per share, and the Company's annualized Relative TSR as compared to the Company's Comparator Group over the Performance Period, based on the formula established by the Committee and (ii) satisfaction of all the other conditions set forth in Paragraph 5 below.

(c) Subject to the Committee's discretion as set forth in Subparagraph 4(d) below and to satisfaction of all other conditions set forth in Paragraph 5 below, the actual number of Shares earned by and payable to Participant will be determined based upon certification of the Return on Capital Employed, Available Funds from Operations per share, and Relative TSR results and satisfaction of all other conditions set forth in Paragraph 5 below. For the portion of the Award attributable to Return on Capital Employed, the award percentage will be 0% if the Return on Capital Employed certified by the Committee is less than the Threshold established by the Committee. If Return on Capital Employed is at or above the Threshold established by the Committee, such portion will be determined on a continuum ranging from 50% to 200%, depending on the level of Return on Capital Employed certified by the Committee at the end of the Performance Period. The award percentage between these points will be determined by utilizing the Company's placement along the continuum and calculating the resulting award percentage using the formula established by the Committee. For the portion of the Award attributable to Available Funds from Operations per share, the award percentage will be 0% if the Available Funds from Operations per share certified by the Committee is less than the Threshold established by the Committee. If the Available Funds from Operations per share is at or above the Threshold established by the Committee, such portion will be determined on a continuum ranging from 50% to 200%, depending on the Available Funds from Operations per share certified by the Committee at the end of the Performance Period. The award percentage between these points will be determined by utilizing the Company's placement along the continuum and calculating the resulting award percentage using the formula established by the Committee. Notwithstanding the foregoing, the number of Shares earned and payable may be adjusted based on the Company's relative TSR as compared to the Comparator Group. If the Company's TSR is in the top one-third of the Comparator Group, the number of Shares will be increased by 25%, not to exceed 200% of Target Number of Shares. If the Company's TSR is in

the bottom one-third of the Comparator Group, the number of Shares will be decreased by 25%. If the Company's TSR is in the middle one-third of the Comparator Group, the number of Shares will not be adjusted.

(d) Notwithstanding (i) any other provision of this Agreement or the Plan or (ii) certification by the Committee that Return on Capital Employed or the Available Funds from Operations per share exceeds the threshold the Committee established, the Committee may in its sole and absolute discretion reduce, but not below zero (0), the number of Shares payable to the Participant based on such factors as it deems appropriate, including but not limited to the Company's performance. Accordingly, any reference in this Agreement to Shares that (i) become payable, (ii) may be received by a Participant or (iii) are earned by a Participant, and any similar reference, shall be understood to mean the number of Shares that are received, payable or earned after any such reduction is made.

5. Vesting; Legally Binding Rights.

(a) Notwithstanding any other provision of this Agreement, (i) a Participant shall not be entitled to any payment of Shares under this Agreement unless and until such Participant obtains a legally binding right to such Shares and satisfies applicable vesting conditions for such payment and (ii) a Participant shall not be entitled to payment of any Dividend Equivalents unless and until and to the extent such Participant obtains a legally binding right to, and satisfies applicable vesting conditions for payment of, the underlying Shares on which such Dividend Equivalents are payable.

(b) Except as otherwise provided in Subparagraphs 5(c) – 5(h) below and subject to the provisions of Subparagraph 4(d) above, the Participant shall vest in Shares under this Agreement only if and at the time that both of the following conditions are fully satisfied:

(i) The Participant remains an active employee of the Company or any of its Affiliates on February 22, 2027 (the "Maturity Date"); and

(ii) The Committee certifies that either the Company's annualized Total Shareholder Return exceeded the annualized Total Shareholder Return of one or more members of the Company's Comparator Group or the Company's Return on Capital Employed exceeded thresholds established by the Committee over the performance period beginning January 1, 2024 and ending December 31, 2026 (the "Performance Period"). Certification, if any, by the Committee for the Performance Period shall be made by the Maturity Date or as soon thereafter as is administratively practicable.

(c) If a Participant dies, becomes Disabled (as defined below) or qualifies for Retirement (as defined below) prior to the Maturity Date while an active employee of the Company or any of its Affiliates, at but not prior to the Maturity Date, and only to the extent and at the time that the Committee certifies that the performance measures for the

Performance Period are satisfied under Subparagraph 5(b)(ii) above, upon such certification, the Participant shall vest in that number of Shares the Participant might otherwise have received for the Performance Period in accordance with Subparagraphs 4(a) through 4(d) above prorated to reflect that portion of the Performance Period prior to such Participant's ceasing to be an active employee of the Company and its Affiliates. The pro rata number of Shares in which the Participant may become vested in such case shall equal that number determined by multiplying (i) the number of Shares the Participant might otherwise have received for the Performance Period in accordance with Subparagraphs 4(a) to 4(d) above times (ii) a fraction, the numerator of which is the number of full and partial months in the period that begins the month following the month that contains the Effective Date and ends on (and includes) the date the Participant ceases being an active employee of the Company and its Affiliates, and the denominator of which is the total number of full and partial months in the period that begins the month following the month that contains the Effective Date and ends on (and includes) the Maturity Date.

(d) As used in this Agreement, the terms "Disabled," "qualify for Retirement," "Separation from Service" and "Affiliate" shall have the following respective meanings:

(i) A Participant shall be considered Disabled if such Participant (A) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (B) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Participant's employer. Notwithstanding the forgoing, all determinations of whether a Participant is Disabled shall be made in accordance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and guidance thereunder.

(ii) A Participant "qualifies for Retirement" only if such Participant experiences a Separation from Service (as defined in (iii) below) after attaining age fifty-five (55) and completing at least three (3) years of service with the Company or any of its Affiliates.

(iii) "Separation from Service" means a Participant's termination or deemed termination from employment with the Company and its Affiliates (as defined in (iv) below). For purposes of determining whether a Separation from Service has occurred, the employment relationship is treated as continuing intact while the Participant is on military leave, sick leave or other bona fide leave of absence if the period of such leave does not exceed six (6) months, or if longer, so long as the Participant retains a right to reemployment with his or her employer under an applicable statute or by contract. For this purpose, a leave of absence constitutes

a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for his or her employer. If the period of leave exceeds six (6) months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship will be deemed to terminate on the first date immediately following such six (6) month period. Notwithstanding the foregoing, if a leave of absence is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months, and such impairment causes the Participant to be unable to perform the duties of the Participant's position of employment or any substantially similar position of employment, a twenty-nine (29) month period of absence shall be substituted for such six (6) month period. For purposes of this Agreement, a Separation from Service occurs at the date as of which the facts and circumstances indicate either that, after such date: (A) the Participant and the Company reasonably anticipate the Participant will perform no further services for the Company and its Affiliates (whether as an employee or an independent contractor) or (B) that the level of bona fide services the Participant will perform for the Company and its Affiliates (whether as an employee or independent contractor) will permanently decrease to no more than twenty (20%) of the average level of bona fide services performed over the immediately preceding thirty-six (36) month period or, if the Participant has been providing services to the Company and its Affiliates for less than thirty-six (36) months, the full period over which the Participant has rendered services, whether as an employee or independent contractor. The determination of whether a Separation from Service has occurred shall be governed by the provisions of Treasury Regulation § 1.409A-1, as amended, taking into account the objective facts and circumstances with respect to the level of bona fide services performed by the Participant after a certain date.

(e) If a Participant experiences a Separation from Service prior to the Maturity Date and within two years following a Change in Control, either voluntarily for Good Reason or involuntarily (other than due to Cause), the Participant shall vest in that number of Shares equal to the Target Number of Shares.

(f) If the Participant experiences an involuntary Separation from Service prior to the Maturity Date and the Participant either receives cash severance benefits under a severance pay plan or program maintained by the Company or receives benefits under a separation agreement with the Company, at but not prior to the Maturity Date and only to the extent the Committee certifies that the performance measures for the Performance Period are satisfied under Subparagraph 5(b)(ii) above, the Participant shall, on the date of such certification, become vested in that number of Shares the Participant might otherwise have received for the Performance Period in accordance with Paragraph 4 above pro-rated to reflect that portion of the Performance Period prior to the Participant's ceasing to be an active employee of the Company and its Affiliates. The pro rata number of Shares which may be payable to the Participant on but not prior to the Maturity Date in

such case shall equal that number determined by multiplying (i) the number of Shares the Participant might otherwise have received for the Performance Period in accordance with Paragraph 4 above times (ii) a fraction, the numerator of which is the number of full and partial months in the period that begins the month following the month that includes the Effective Date and ends on (and includes) the date the Participant ceases being an active employee of the Company and its Affiliates, and the denominator of which is the number of full and partial months in the period that begins the month following the month that contains the Effective Date and ends on (and includes) the Maturity Date.

(g) If (i) the Participant experiences an involuntary Separation from Service prior to the Maturity Date due to a sale of a business or the outsourcing of any portion of a business, and (ii) the Company or any of its Affiliates fails to make an offer of comparable employment, as defined in a severance plan or program maintained by the Company, to the Participant, then at the time and to the extent the Committee certifies that the performance measures for the Performance Period are satisfied under Subparagraph 5(b)(ii) above, upon such certification, the Participant shall become vested in that number of Shares the Participant might otherwise have received for the Performance Period in accordance with Paragraph 4 above pro-rated to reflect that portion of the Performance Period prior to the Participant's ceasing to be an active employee of the Company and its Affiliates. The pro rata number of Shares in which the Participant may become vested on, but not prior to, the Maturity Date in such case shall equal that number of Shares determined by multiplying (i) the number of Shares the Participant might otherwise have received for the Performance Period in accordance with Paragraph 4 above times (ii) a fraction, the numerator of which is the number of full and partial months in the period that begins the month following the month that contains the Effective Date and ends on (and includes) the date the Participant ceases being an active employee of the Company and its Affiliates, and the denominator of which is the total number of full and partial months in the period that begins the month following the month that contains the Effective Date and ends on (and includes) the Maturity Date. For purposes of this Subparagraph 5(g), a Termination of Affiliation shall constitute an involuntary Separation from Service.

(h) If in the event of a Change in Control, the acquiring or surviving company does not assume or continue this Award or does not provide equivalent awards of substantially the same value, the Participant shall, immediately prior to the Change in Control, vest in that number of Shares equal to the Target Number of Shares.

(i) If the Participant becomes entitled to payment of any Shares under this Agreement, the Participant shall also be entitled to receipt of Dividend Equivalents with respect to such Shares in an amount equal to the amount of dividends, if any, that would have been payable on such Shares if such Shares had been issued and outstanding from the date of this Agreement through the payment date of the Shares. Dividend Equivalents shall remain assets of the Company until paid hereunder and may, in the discretion of the Committee be paid in either cash or Shares. If Dividend Equivalents are paid in Shares, the number of Shares so payable will equal the total amount of Dividend Equivalents

payable, if any, divided by the Fair Market Value of a Share on the payment date. No fractional Shares shall be issued.

6. Payment of Shares and Dividend Equivalents.

- (a) (i) The payment date for all Shares in which a Participant becomes vested pursuant to Subparagraph 5(e) above, and related Dividend Equivalents in which the Participant becomes vested pursuant to Subparagraph 5(i), shall be no more than thirty (30) days after such Participant's Separation from Service. If such 30-day period spans two calendar years, then payment will be made in the later calendar year. However, if the Participant was a "key employee" within the meaning of Section 409A(a)(B)(i) of the Code immediately prior to his or her Separation from Service, payment shall not be made sooner than the earlier to occur of the following: (i) six (6) months following the date of such Separation from Service; and (ii) the Participant's death.
- (ii) For purposes of this Subparagraph 6(a), "key employee" means an employee designated on an annual basis by the Company as of December 31 (the "Key Employee Designation Date") as an employee meeting the requirements of Section 416(i) of the Code utilizing the definition of compensation under Treasury Regulation § 1.415(c)-2(d)(2). A Participant designated as a "key employee" shall be a "key employee" for the entire twelve (12) month period beginning on April 1 following the Key Employee Designation Date.
- (b) The payment date for all Shares in which the Participant becomes vested pursuant to Paragraph 5 above, other than Subparagraph 5(e) (as to which the payment date is determined in accordance with Subparagraph 6(a) above), and related Dividend Equivalents in which the Participant becomes vested pursuant to Subparagraph 5(i), shall be the calendar year containing the Maturity Date.
- (c) Upon conversion of RSUs into Shares under this Agreement, such RSUs shall be cancelled. Shares that become payable under this Agreement will be paid by the Company by the delivery to the Participant, or the Participant's beneficiary or legal representative, of one or more certificates (or other indicia of ownership) representing Shares of Williams Common Stock equal in number to the number of Shares and if to be paid in Shares, related Dividend Equivalents, otherwise payable under this Agreement less the number of Shares having a Fair Market Value, as of the date the withholding tax obligation arises, equal to a withholding amount approved by the Committee in advance. Notwithstanding the foregoing, to the extent permitted by Section 409A of the Code and the guidance thereunder, if federal employment taxes become due upon the Participant's becoming entitled to payment of Shares, the number of Shares necessary to cover such taxes may be used to satisfy such taxes upon such entitlement.

7. Other Provisions.

(a) The Participant understands and agrees that payments under this Agreement shall not be used for, or in the determination of, any other payment or benefit under any continuing agreement, plan, policy, practice or arrangement providing for the making of any payment or the provision of any benefits to or for the Participant or the Participant's beneficiaries or representatives, including, without limitation, any employment agreement, any change of control severance protection plan or any employee benefit plan as defined in Section 3(3) of ERISA, including, but not limited to qualified and non-qualified retirement plans.

(b) The Participant agrees and understands that, subject to the limit expressed in clause (iii) of the following sentence, upon payment of Shares and Dividend Equivalents under this Agreement, stock certificates (or other indicia of ownership) issued may be held as collateral for monies he/she owes to Company or any of its Affiliates, including but not limited to personal loan(s), Company credit card debt, relocation repayment obligations or benefits from any plan that provides for pre-paid educational assistance. In addition, the Company may accelerate the time or schedule of a payment of vested Shares and Dividend Equivalents and/or deduct from any payment of Shares and Dividend Equivalents to the Participant under this Agreement, or to his or her beneficiaries in the case of the Participant's death, that number of Shares having a Fair Market Value at the date of such deduction equal to the amount of such debt as satisfaction of any such debt, *provided* that (i) such debt is incurred in the ordinary course of the employment relationship between the Company or any of its Affiliates and the Participant, (ii) the aggregate amount of any such debt-related collateral held or deduction made in any taxable year of the Company with respect to the Participant does not exceed \$5,000, and (iii) the deduction of Shares is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant.

(c) Except as provided in Subparagraphs 5(c) through 5(h) above, in the event that the Participant's employment with the Company or any of its Affiliates terminates prior to the Maturity Date, RSUs subject to this Agreement and any right to Shares and Dividend Equivalents issuable hereunder shall be forfeited.

(d) The Participant acknowledges that this Award and similar awards are made on a selective basis and are, therefore, to be kept confidential.

(e) RSUs, Shares, Dividend Equivalents, and the Participant's interest in RSUs, Shares, and Dividend Equivalents, may not be sold, assigned, transferred, pledged or otherwise disposed of or encumbered at any time prior to both (i) the Participant's becoming vested in Shares and Dividend Equivalents and (ii) payment of Shares and Dividend Equivalents under this Agreement.

(f) If the Participant at any time forfeits any or all of the RSUs pursuant to this Agreement, the Participant agrees that all of the Participant's rights to and interest in such

RSUs and in Shares and Dividend Equivalents issuable thereunder or relating thereto shall terminate upon forfeiture without payment of consideration.

(g) The Committee shall determine whether an event has occurred resulting in the forfeiture of the RSUs and any Shares and Dividend Equivalents issuable thereunder in accordance with this Agreement and all determinations of the Committee shall be final and conclusive.

(h) With respect to the right to receive payment of Shares and Dividend Equivalents under this Agreement, nothing contained herein shall give the Participant any rights that are greater than those of a general creditor of the Company.

(i) The obligations of the Company under this Agreement are unfunded and unsecured. Each Participant shall have the status of a general creditor of the Company with respect to amounts due, if any, under this Agreement.

(j) The parties to this Agreement intend that this Agreement meet the requirements of Section 409A of the Code and recognize that it may be necessary to modify this Agreement and/or the Plan to reflect guidance under Section 409A of the Code issued by the Internal Revenue Service. Participant agrees that the Committee shall have sole discretion in determining (i) whether any such modification is desirable or appropriate and (ii) the terms of any such modification.

(k) The Participant hereby automatically becomes a party to this Agreement whether or not he or she accepts the Award electronically or in writing in accordance with procedures of the Committee, its delegates or agents.

(l) Nothing in this Agreement or the Plan shall interfere with or limit in any way the right of the Company or an Affiliate to terminate the Participant's employment or service at any time, nor confer upon the Participant the right to continue in the employ of the Company and/or Affiliate.

(m) The Participant hereby acknowledges that nothing in this Agreement shall be construed as requiring the Committee to allow a Domestic Relations Order with respect to this Award.

8. Notices. All notices to the Company required hereunder shall be in writing and delivered by hand or by mail, addressed to The Williams Companies, Inc., One Williams Center, Tulsa, Oklahoma 74172, Attention: Stock Administration Department. Notices shall become effective upon their receipt by the Company if delivered in the foregoing manner. To direct the sale of any Shares issued under this Agreement, contact Fidelity at <http://netbenefits.fidelity.com> or by telephone at 800-544-9354.

9. Forfeiture and Clawback. Notwithstanding any other provision of the Plan or this Agreement to the contrary, by accepting the Award represented by this Agreement, the Participant acknowledges that any incentive-based compensation paid to the Participant

hereunder may be subject to recovery by the Company under any clawback policy that the Company may adopt from time to time, including without limitation any policy that the Company has adopted under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations of the U.S. Securities and Exchange Commission thereunder or the requirements of any national securities exchange on which the Shares may be listed. The Participant agrees to be bound by any such policy and further agrees to promptly return any such incentive-based compensation which the Company determines it is required to recover from you under any such clawback policy.

10. Tax Consultation. The Participant understands he or she will incur tax consequences as a result of acquisition or disposition of the Shares and Dividend Equivalents. The Participant agrees to consult with any tax consultants he or she thinks advisable in connection with the acquisition of the Shares and Dividend Equivalents and acknowledges that he or she is not relying, and will not rely, on the Company for any tax advice.

THE WILLIAMS COMPANIES, INC.

Participant: <@Name>

SSN: <@SSN @>

CERTIFICATIONS

I, Alan S. Armstrong, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Williams Companies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2024

/s/ Alan S. Armstrong

Alan S. Armstrong
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, John D. Porter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Williams Companies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2024

/s/ John D. Porter

John D. Porter
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of The Williams Companies, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned hereby certifies, in his capacity as an officer of the Company, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Alan S. Armstrong

Alan S. Armstrong
President and Chief Executive Officer
May 6, 2024

/s/ John D. Porter

John D. Porter
Senior Vice President and Chief Financial Officer
May 6, 2024

A signed original of this written statement required by Section 906 has been provided to, and will be retained by, the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Report and shall not be considered filed as part of the Report.