

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

WILLIAMS PARTNERS L.P.

CIK: **1483096** | IRS No.: **800534394** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-34831** | Film No.: **171002837**
SIC: **4922** Natural gas transmission

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2017

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 1-34831

WILLIAMS PARTNERS L.P.

(Exact name of registrant as specified in its charter)

DELAWARE

20-2485124

(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: (918) 573-2000

NO CHANGE

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

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes 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. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer Non-accelerated filer Smaller reporting company

Emerging growth

company

(Do not check if a smaller reporting 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

The registrant had 955,810,689 common units and 17,317,675 Class B units outstanding as of July 31, 2017.

Williams Partners L.P. Index

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The reports, filings, and other public announcements of Williams Partners L.P. (WPZ) may contain or incorporate by reference statements that do not directly or exclusively relate to historical facts. Such statements are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act). These forward-looking statements relate to anticipated financial performance, management’s plans and objectives for future operations, business prospects, outcome of regulatory proceedings, market conditions, and other matters.

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 cash distributions with respect to limited partner interests;
- Our and our affiliates’ future credit ratings;
- Amounts and nature of future capital expenditures;
- Expansion and growth of our business and operations;
- Expected in-service dates for capital projects;
- Financial condition and liquidity;

- Business strategy;
- Cash flow from operations or results of operations;
- Seasonality of certain business components;
- Natural gas and natural gas liquids prices, supply, and demand;
- 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:

- Whether we will produce sufficient cash flows to provide expected levels of cash distributions;
- Whether we elect to pay expected levels of cash distributions;
- Whether we will be able to effectively execute our financing plan;
- Whether Williams will be able to effectively manage the transition in its board of directors and management as well as successfully execute its business restructuring;
- Availability of supplies, including lower than anticipated volumes from third parties served by our business, and market demand;
- Volatility of pricing including the effect of lower than anticipated energy commodity prices and margins;
- Inflation, interest rates, and general economic conditions (including future disruptions and volatility in the global credit markets and the impact of these events on customers and suppliers);
- The strength and financial resources of our competitors and the effects of competition;
- Whether we are able to successfully identify, evaluate, and timely execute our capital projects and other investment opportunities in accordance with our forecasted capital expenditures budget;
- Our ability to successfully expand our facilities and operations;
- Development and rate of adoption of alternative energy sources;
- The impact of operational and developmental hazards, unforeseen interruptions, and the availability of adequate insurance coverage;
- The impact of existing and future laws, regulations, the regulatory environment, environmental liabilities, and litigation, as well as our ability to obtain permits and achieve favorable rate proceeding outcomes;
- Our costs for defined benefit pension plans and other postretirement benefit plans sponsored by our affiliates;
- Changes in maintenance and construction costs;

- Changes in the current geopolitical situation;
- Our exposure to the credit risk of our customers and counterparties;
- Risks related to financing, including restrictions stemming from debt agreements, future changes in credit ratings as determined by nationally-recognized credit rating agencies and the availability and cost of capital;
- The amount of cash distributions from and capital requirements of our investments and joint ventures in which we participate;
- Risks associated with weather and natural phenomena, including climate conditions and physical damage to our facilities;
- Acts of terrorism, including cybersecurity threats, and related disruptions;
- Additional risks described in our filings with the Securities and Exchange Commission (SEC).

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

In addition to causing our actual results to differ, the factors listed above and referred to below may cause our intentions to change from those statements of intention set forth 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.

Limited partner units are inherently different from the capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in a similar business. You should carefully consider our risk factors in addition to the other information in this report. If any of the risks to which we are exposed were actually to occur, our business, results of operations, and financial condition could be materially adversely affected. In that case, we might not be able to pay distributions on our common units, the trading price of our common units could decline, and unitholders could lose all or part of their investment.

Because forward-looking statements involve risks and uncertainties, we caution that there are important factors, in addition to those listed above, that may cause actual results to differ materially from those contained in the forward-looking statements. For a detailed discussion of those factors, see Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K filed with the SEC on February 22, 2017.

DEFINITIONS

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

Measurements:

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

Bcf: One billion cubic feet of natural gas

Bcf/d: One billion 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

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

Mbbls/d: One thousand barrels per day

Mdth/d: One thousand dekatherms per day

MMcf/d: One million cubic feet per day

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

MMdth/d: One million dekatherms per day

Tbtu: One trillion British thermal units

Consolidated Entities:

Cardinal: Cardinal Gas Services, L.L.C.

Constitution: Constitution Pipeline Company, LLC

Gulfstar One: Gulfstar One LLC

Jackalope: Jackalope Gas Gathering Services, L.L.C.

Northwest Pipeline: Northwest Pipeline, LLC

Transco: Transcontinental Gas Pipe Line Company, LLC

Partially Owned Entities: Entities in which we do not own a 100 percent ownership interest and which, as of June 30, 2017, we account for as an equity-method investment, including principally the following:

Aux Sable: Aux Sable Liquid Products LP

Caiman II: Caiman Energy II, LLC

Discovery: Discovery Producer Services LLC

Gulfstream: Gulfstream Natural Gas System, L.L.C.

Laurel Mountain: Laurel Mountain Midstream, LLC

OPPL: Overland Pass Pipeline Company LLC

UEOM: Utica East Ohio Midstream LLC

Government and Regulatory:

EPA: Environmental Protection Agency

FERC: Federal Energy Regulatory Commission

SEC: Securities and Exchange Commission

Other:

Williams: The Williams Companies, Inc. and, unless the context otherwise indicates, its subsidiaries (other than Williams Partners L.P. and its subsidiaries)

GAAP: U.S. generally accepted accounting principles

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

IDR: Incentive distribution right

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 any applicable Btu replacement cost, plant fuel, and third-party transportation and fractionation

PART I – FINANCIAL INFORMATION

**Williams Partners L.P.
Consolidated Statement of Comprehensive Income (Loss)
(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
(Millions, except per-unit amounts)				
Revenues:				
Service revenues	\$ 1,277	\$ 1,210	\$ 2,533	\$ 2,436
Product sales	642	530	1,369	958
Total revenues	1,919	1,740	3,902	3,394
Costs and expenses:				
Product costs	537	403	1,116	720
Operating and maintenance expenses	384	386	745	768
Depreciation and amortization expenses	423	432	856	867
Selling, general, and administrative expenses	154	139	310	320
Impairment of certain assets	2	396	3	402
Other (income) expense – net	7	24	10	48
Total costs and expenses	1,507	1,780	3,040	3,125
Operating income (loss)	412	(40)	862	269
Equity earnings (losses)	125	101	232	198
Impairment of equity-method investments (Note 10)	—	—	—	(112)
Other investing income (loss) – net (Note 5)	2	1	273	1
Interest incurred	(214)	(239)	(435)	(479)
Interest capitalized	9	8	16	19
Other income (expense) – net	15	12	64	27
Income (loss) before income taxes	349	(157)	1,012	(77)
Provision (benefit) for income taxes	1	(80)	4	(79)
Net income (loss)	348	(77)	1,008	2
Less: Net income (loss) attributable to noncontrolling interests	28	13	54	42
Net income (loss) attributable to controlling interests	\$ 320	\$ (90)	\$ 954	\$ (40)
Allocation of net income (loss) for calculation of earnings per common unit:				
Net income (loss) attributable to controlling interests	\$ 320	\$ (90)	\$ 954	\$ (40)
Allocation of net income (loss) to general partner	—	207	—	409
Allocation of net income (loss) to Class B units	6	(8)	17	(12)
Allocation of net income (loss) to common units	\$ 314	\$ (289)	\$ 937	\$ (437)
Basic earnings (loss) per common unit:				
Net income (loss) per common unit	\$.33	\$ (.49)	\$ 1.00	\$ (.74)
Weighted-average number of common units outstanding (thousands)	955,636	588,607	937,889	588,585
Diluted earnings (loss) per common unit:				
Net income (loss) per common unit	\$.33	\$ (.49)	\$ 1.00	\$ (.74)
Weighted-average number of common units outstanding (thousands)	955,986	588,607	938,217	588,585

Cash distributions per common unit	\$.60	\$.85	\$ 1.20	\$ 1.70
Other comprehensive income (loss):				
Cash flow hedging activities:				
Net unrealized gain (loss) from derivative instruments	\$ —	\$ —	\$ 4	\$ —
Reclassifications into earnings of net derivative instruments (gain) loss	(1)	—	(2)	—
Foreign currency translation activities:				
Foreign currency translation adjustments	—	5	—	77
Other comprehensive income (loss)	(1)	5	2	77
Comprehensive income (loss)	347	(72)	1,010	79
Less: Comprehensive income attributable to noncontrolling interests	28	13	54	42
Comprehensive income (loss) attributable to controlling interests	<u>\$ 319</u>	<u>\$ (85)</u>	<u>\$ 956</u>	<u>\$ 37</u>

See accompanying notes.

Williams Partners L.P.
Consolidated Balance Sheet
(Unaudited)

	June 30, 2017	December 31, 2016
(Dollars in millions)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,908	\$ 145
Trade accounts and other receivables (net of allowance of \$6 at June 30, 2017 and \$6 at December 31, 2016)	688	926
Inventories	150	138
Assets held for sale (Note 3)	1,004	24
Other current assets and deferred charges	191	181
Total current assets	3,941	1,414
Investments	6,675	6,701
Property, plant, and equipment, at cost	38,253	38,247
Accumulated depreciation and amortization	(10,581)	(10,226)
Property, plant, and equipment – net	27,672	28,021
Intangible assets – net of accumulated amortization	9,480	9,662
Regulatory assets, deferred charges, and other	450	467
Total assets	\$ 48,218	\$ 46,265
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable:		
Trade	\$ 711	\$ 589
Affiliate	130	109
Accrued interest	223	258
Asset retirement obligations	64	61
Liabilities held for sale (Note 3)	36	—
Other accrued liabilities	735	804
Commercial paper	—	93
Long-term debt due within one year	1,951	785
Total current liabilities	3,850	2,699
Long-term debt	16,614	17,685
Asset retirement obligations	824	798
Deferred income tax liabilities	19	20
Regulatory liabilities, deferred income, and other	1,972	1,860
Contingent liabilities (Note 11)		
Equity:		
Partners' equity:		
Common units (955,793,504 and 607,064,550 units outstanding at June 30, 2017 and December 31, 2016, respectively)	22,445	18,300
Class B units (17,317,675 and 16,690,016 units outstanding at June 30, 2017 and December 31, 2016, respectively)	786	769
General partner	—	2,385
Accumulated other comprehensive income (loss)	1	(1)

Total partners' equity	23,232	21,453
Noncontrolling interests in consolidated subsidiaries	1,707	1,750
Total equity	24,939	23,203
Total liabilities and equity	\$ 48,218	\$ 46,265

See accompanying notes.

Williams Partners L.P.
Consolidated Statement of Changes in Equity
(Unaudited)

Williams Partners L.P.

	Limited Partners			Accumulated Other Comprehensive Income (Loss)	Total Partners' Equity	Noncontrolling Interests	Total Equity
	Common Units	Class B Units	General Partner				
	(Millions)						
Balance – December 31, 2016	\$ 18,300	\$ 769	\$ 2,385	\$ (1)	\$ 21,453	\$ 1,750	\$ 23,203
Net income (loss)	937	17	—	—	954	54	1,008
Other comprehensive income (loss)	—	—	—	2	2	—	2
Conversion to noneconomic general partner interest (Note 1)	2,385	—	(2,385)	—	—	—	—
Distributions to The Williams Companies, Inc. - net	(8)	—	—	—	(8)	—	(8)
Sale of common units (Note 9)	2,212	—	—	—	2,212	—	2,212
Distributions to limited partners	(1,385)	—	—	—	(1,385)	—	(1,385)
Contributions from noncontrolling interests	—	—	—	—	—	10	10
Distributions to noncontrolling interests	—	—	—	—	—	(108)	(108)
Other	4	—	—	—	4	1	5
Net increase (decrease) in equity	4,145	17	(2,385)	2	1,779	(43)	1,736
Balance – June 30, 2017	<u>\$ 22,445</u>	<u>\$ 786</u>	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 23,232</u>	<u>\$ 1,707</u>	<u>\$ 24,939</u>

See accompanying notes.

Williams Partners L.P.
Consolidated Statement of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
	2017	2016
	(Millions)	
OPERATING ACTIVITIES:		
Net income (loss)	\$ 1,008	\$ 2
Adjustments to reconcile to net cash provided (used) by operating activities:		
Depreciation and amortization	856	867
Provision (benefit) for deferred income taxes	(1)	(80)
Net (gain) loss on disposition of equity-method investments	(269)	—
Impairment of equity-method investments	—	112
Impairment of and net (gain) loss on sale of assets and businesses	(6)	405
Amortization of stock-based awards	4	14
Cash provided (used) by changes in current assets and liabilities:		
Accounts and notes receivable	194	297
Inventories	(30)	—
Other current assets and deferred charges	(14)	(20)
Accounts payable	35	25
Accrued liabilities	(100)	58
Affiliate accounts receivable and payable – net	21	(44)
Other, including changes in noncurrent assets and liabilities	(191)	30
Net cash provided (used) by operating activities	<u>1,507</u>	<u>1,666</u>
FINANCING ACTIVITIES:		
Proceeds from (payments of) commercial paper – net	(93)	(304)
Proceeds from long-term debt	1,698	2,938
Payments of long-term debt	(1,535)	(2,201)
Proceeds from sales of common units	2,184	—
Contributions from general partner	—	6
Distributions paid	(1,357)	(1,231)
Distributions to noncontrolling interests	(108)	(45)
Contributions from noncontrolling interests	10	22
Distributions to The Williams Companies, Inc. – net	(8)	—
Payments for debt issuance costs	(13)	(8)
Contribution to Gulfstream for repayment of debt	—	(148)
Other – net	(23)	(1)
Net cash provided (used) by financing activities	<u>755</u>	<u>(972)</u>
INVESTING ACTIVITIES:		
Property, plant, and equipment:		
Capital expenditures (1)	(1,049)	(981)
Dispositions – net	(14)	7
Proceeds from dispositions of equity-method investments	200	—
Purchases of and contributions to equity-method investments	(79)	(122)
Distributions from unconsolidated affiliates in excess of cumulative earnings	258	261

Other – net	185	153
Net cash provided (used) by investing activities	(499)	(682)
Increase (decrease) in cash and cash equivalents	1,763	12
Cash and cash equivalents held for sale	—	(7)
Cash and cash equivalents at beginning of year	145	96
Cash and cash equivalents at end of period	\$ 1,908	\$ 101
<hr/>		
(1) Increases to property, plant, and equipment	\$ (1,155)	\$ (983)
Changes in related accounts payable and accrued liabilities	106	2
Capital expenditures	\$ (1,049)	\$ (981)

See accompanying notes.

Williams Partners L.P.
Notes to Consolidated Financial Statements
(Unaudited)

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 the consolidated financial statements and notes thereto for the year ended December 31, 2016, in Exhibit 99.1 of our Form 8-K dated May 25, 2017. 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 the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Unless the context clearly indicates otherwise, references in this report to “we,” “our,” “us,” or like terms refer to Williams Partners L.P. and its subsidiaries. Unless the context clearly indicates otherwise, references to “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.

We are a Delaware limited partnership whose common units are listed and traded on the New York Stock Exchange. WPZ GP LLC, a Delaware limited liability company wholly owned by The Williams Companies, Inc. (Williams), serves as our general partner. Our operations are located in the United States.

Financial Repositioning

In January 2017, we announced agreements with Williams, wherein Williams permanently waived the general partner’s incentive distribution rights (IDRs) and converted its 2 percent general partner interest in us to a noneconomic interest in exchange for 289 million newly issued common units. Pursuant to this agreement, Williams also purchased approximately 277 thousand common units for \$10 million. Additionally, Williams purchased approximately 59 million common units at a price of \$36.08586 per unit in a private placement transaction. According to the terms of this agreement, concurrent with our quarterly distributions in February 2017 and May 2017, Williams paid additional consideration totaling \$56 million to us for these units. Following these transactions and as of June 30, 2017, Williams owns a 74 percent limited partner interest in us.

Description of Business

Effective January 1, 2017, we implemented organizational changes, consistent with the manner in which our chief operating decision maker evaluates performance and allocates resources. Operations previously reported within the Central segment are now generally managed and presented within the West segment. Certain businesses previously reported within our NGL & Petchem Services segment are now managed and presented within the West, Atlantic-Gulf, and Northeast G&P segments. As a result, beginning with the reporting of first quarter 2017, our operations are organized into the following reportable segments: Northeast G&P, Atlantic-Gulf, West, and NGL & Petchem Services. Certain other corporate activities are included in Other. Prior period segment disclosures have been recast for these segment changes.

Northeast G&P is comprised of our midstream gathering and processing businesses in the Marcellus Shale region primarily in Pennsylvania, New York, and West Virginia and the Utica Shale region of eastern Ohio, as well as a 66 percent interest in Cardinal Gas Services, L.L.C. (Cardinal) (a consolidated entity), a 62 percent equity-method investment in Utica East Ohio Midstream, LLC (UEOM), a 69 percent equity-method investment in Laurel Mountain Midstream, LLC (Laurel Mountain), a 58 percent equity-method investment in Caiman Energy II, LLC (Caiman II),

and Appalachia Midstream Services, LLC, which owns equity-method investments with an approximate average 66 percent interest in multiple gathering systems in the Marcellus Shale (Appalachia Midstream Investments).

Atlantic-Gulf is comprised of our interstate natural gas pipeline, Transcontinental Gas Pipe Line Company, LLC (Transco), and significant 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 entity), which is a proprietary floating production system, and various petrochemical and feedstock pipelines in the Gulf Coast region, as well as a 50 percent equity-method investment in Gulfstream Natural Gas System, L.L.C. (Gulfstream), a 41 percent interest in Constitution Pipeline Company, LLC (Constitution) (a consolidated entity), which is under development, and a 60 percent equity-method investment in Discovery Producer Services LLC (Discovery).

West is comprised of our interstate natural gas pipeline, Northwest Pipeline LLC (Northwest Pipeline), and our gathering, processing, and treating operations in New Mexico, Colorado, and Wyoming, as well as the Barnett Shale region of north-central Texas, the Eagle Ford Shale region of south Texas, the Haynesville Shale region of northwest Louisiana, and the Mid-Continent region which includes the Anadarko, Arkoma, Delaware, and Permian basins. This segment also includes our NGL and natural gas marketing business, 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, LLC (OPPL), as well as our previously owned 50 percent equity-method investment in the Delaware basin gas gathering system (DBJV) in the Mid-Continent region (see Note 5 – Investing Activities).

NGL & Petchem Services is comprised of previously owned operations, including our 88.5 percent undivided interest in an olefins production facility in Geismar, Louisiana, which was sold in July 2017 (see Note 3 – Assets Held for Sale), and our refinery grade propylene splitter in the Gulf region, which we sold in June 2017. This segment also includes our previously owned Canadian assets which included an oil sands offgas processing plant located near Fort McMurray, Alberta, and a natural gas liquid (NGL)/olefin fractionation facility at Redwater, Alberta. In September 2016, these Canadian operations were sold.

Basis of Presentation

Significant risks and uncertainties

We may monetize assets that are not core to our strategy which could result in impairments of certain equity-method investments, property, plant, and equipment, and intangible assets. Such impairments could potentially be caused by indications of fair value implied through the monetization process or, in the case of asset dispositions that are part of a broader asset group, the impact of the loss of future estimated cash flows.

Accounting standards issued and adopted

Effective January 1, 2017, we adopted Accounting Standards Update (ASU) 2016-09 “Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting” (ASU 2016-09). Among other changes, ASU 2016-09 requires entities to classify as a financing activity, on the statement of cash flows, cash paid by an employer to a taxing authority when directly withholding shares from an employee’s award to satisfy the employer’s statutory tax withholding obligation. This guidance must be applied retrospectively and we have adjusted operating and financing activities on the Consolidated Statement of Cash Flows for the periods presented.

Accounting standards issued but not yet adopted

In January 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2017-04 “Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment” (ASU 2017-04). ASU 2017-04 modifies the concept of goodwill impairment to represent the amount by which a reporting unit’s carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. Under ASU 2017-04, entities will no longer be required to determine the implied fair value of goodwill by assigning the fair value of a reporting unit to its individual assets and liabilities as if that reporting unit had been acquired in a business combination. ASU 2017-04 is effective for goodwill impairment testing for interim and annual periods beginning after December 15, 2019, and requires a prospective transition. Early adoption is permitted for interim and annual goodwill impairment tests performed after

January 1, 2017, and we plan to adopt ASU 2017-04 in 2017. Our West reportable segment has \$47 million of goodwill included in *Intangible assets - net of accumulated amortization* in the Consolidated Balance Sheet.

In August 2016, the FASB issued ASU 2016-15 “Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments” (ASU 2016-15). ASU 2016-15 provides specific guidance on eight cash flow classification issues, including debt prepayment or debt extinguishment costs and distributions received from equity method investees, to reduce diversity in practice. ASU 2016-15 is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted. ASU 2016-15 requires a retrospective transition. We do not expect ASU 2016-15 to have a material impact on our consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13 “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” (ASU 2016-13). ASU 2016-13 changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans, and other instruments, entities will be required to use a new forward-looking “expected loss” model that generally will result in the earlier recognition of allowances for losses. The guidance also requires increased disclosures. ASU 2016-13 is effective for interim and annual periods beginning after December 15, 2019. Early adoption is permitted. ASU 2016-13 requires varying transition methods for the different categories of amendments. Although we do not expect ASU 2016-13 to have a significant impact, it will impact our trade receivables as the related allowance for credit losses will be recognized earlier under the expected loss model.

In February 2016, the FASB issued ASU 2016-02 “Leases (Topic 842)” (ASU 2016-02). ASU 2016-02 establishes a comprehensive new lease accounting model. ASU 2016-02 clarifies the definition of a lease, requires a dual approach to lease classification similar to current lease classifications, and causes lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018. Early adoption is permitted. ASU 2016-02 requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements. We are in the process of reviewing contracts to identify leases, as well as evaluating the applicability of ASU 2016-02 to contracts involving easements/rights-of-way.

In May 2014, the FASB issued ASU 2014-09 establishing Accounting Standards Codification (ASC) Topic 606, “Revenue from Contracts with Customers” (ASC 606). ASC 606 establishes a comprehensive new revenue recognition model designed to depict the transfer of goods or services to a customer in an amount that reflects the consideration the entity expects to be entitled to receive in exchange for those goods or services and requires significantly enhanced revenue disclosures. In August 2015, the FASB issued ASU 2015-14 “Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date” (ASU 2015-14). Per ASU 2015-14, the standard is effective for interim and annual reporting periods beginning after December 15, 2017. ASC 606 allows either full retrospective or modified retrospective transition and early adoption is permitted for annual periods beginning after December 15, 2016.

We continue to evaluate the impact ASC 606 may have on our financial statements. For each revenue contract type, we conducted a formal contract review process to evaluate the impact, if any, that ASC 606 may have. As a result of that process, we expect our revenues will increase associated with accounting for noncash consideration, which exists primarily in certain of our gas processing contracts where we receive commodities as full or partial consideration for services provided. We also expect the increase in revenues will be offset by a similar increase in costs when the commodities received are subsequently monetized. We continue to evaluate the application of accounting for noncash consideration as it relates to certain other contracts where we receive or retain commodities as part of the service arrangement. We also continue to evaluate contracts with a significant financing component, which may exist in situations where the timing of the consideration we receive varies significantly from the timing of when we provide the service. As such, we are unable to determine the potential impact upon the amount and timing of revenue recognition. We continue to develop and evaluate disclosures required under the new standard, with a particular focus on the scope of contracts subject to disclosure of remaining performance obligations. Additionally, we have identified possible financial system and internal control changes necessary for adoption. We currently anticipate utilizing a modified retrospective transition upon the adoption of ASC 606 as of January 1, 2018.

Public Unit Exchange

On May 12, 2015, we entered into an agreement for a unit-for-stock transaction whereby Williams would have acquired all of our publicly held outstanding common units in exchange for shares of Williams' common stock (WPZ Public Unit Exchange).

On September 28, 2015, we entered into a Termination Agreement and Release (Termination Agreement), terminating the WPZ Public Unit Exchange. Under the terms of the Termination Agreement, Williams was required to pay us a \$428 million termination fee, which settled through a reduction of quarterly incentive distributions payable to Williams (such reduction not to exceed \$209 million per quarter). Our November 2015, February 2016, and May 2016 distributions to Williams were reduced by \$209 million, \$209 million, and \$10 million, respectively, related to this termination fee.

Note 2 – Variable Interest Entities

As of June 30, 2017, we consolidate the following variable interest entities (VIEs):

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 which 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.

Constitution

We own a 41 percent interest in Constitution, a subsidiary that, due to shipper fixed-payment commitments under its long-term firm transportation contracts, is a VIE. We are the primary beneficiary because we have the power to direct the activities that most significantly impact Constitution's economic performance. We, as construction manager for Constitution, are responsible for constructing the proposed pipeline connecting our gathering system in Susquehanna County, Pennsylvania, to the Iroquois Gas Transmission and the Tennessee Gas Pipeline systems. The total remaining cost of the project is estimated to be approximately \$691 million, which we expect will be funded with capital contributions from us and the other equity partners on a proportional basis.

In December 2014, Constitution received approval from the Federal Energy Regulatory Commission (FERC) to construct and operate its proposed pipeline. However, in April 2016, the New York State Department of Environmental Conservation (NYSDEC) denied a necessary water quality certification for the New York portion of the pipeline. We remain steadfastly committed to the project, and in May 2016, Constitution appealed the NYSDEC's denial of the certification. We also filed an action in federal court seeking a declaration that the State of New York's authority to exercise permitting jurisdiction over certain other environmental matters is preempted by federal law, but that lawsuit was dismissed without prejudice as the court determined that Constitution had not yet suffered any injury in fact. The oral argument before the Second Circuit Court of Appeals regarding the NYSDEC's denial of Constitution's application for water quality certification under Section 401 of the Clean Water Act was held on November 16, 2016. We anticipate that the Second Circuit Court of Appeals' decision on our appeal will be issued soon. In light of the NYSDEC's denial of the water quality certification and the actions taken to challenge the decision, the anticipated target in-service date has been revised to as early as the first half of 2019, which assumes the timely receipt of a Notice to Proceed from the FERC. An unfavorable resolution could result in the impairment of a significant portion of the capitalized project costs, which total \$381 million on a consolidated basis at June 30, 2017, and are included within *Property, plant, and equipment, at cost* in the Consolidated Balance Sheet. Beginning in April 2016, we discontinued capitalization of development costs related to this project. It is also possible that we could incur certain supplier-related costs in the event of a prolonged delay or termination of the project.

Notes (Continued)

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. We expect to fund future expansion activity with capital contributions from us and the other equity partner on a proportional basis.

Jackalope

We own a 50 percent interest in Jackalope Gas Gathering Services, L.L.C. (Jackalope), a subsidiary that provides gathering and processing services for the Powder River basin 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 Jackalope's economic performance. We expect to fund future expansion activity with capital contributions from us and the other equity partner on a proportional basis.

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

	June 30, 2017	December 31, 2016	Classification
(Millions)			
Assets (liabilities):			
Cash and cash equivalents	\$ 39	\$ 82	<i>Cash and cash equivalents</i>
Accounts receivable	89	91	<i>Trade accounts and other receivables</i>
Prepaid assets	2	3	<i>Other current assets and deferred charges</i>
Property, plant, and equipment – net	2,957	3,024	<i>Property, plant, and equipment – net</i>
Intangible assets – net	1,411	1,431	<i>Intangible assets – net of accumulated amortization</i>
Accounts payable	(18)	(44)	<i>Accounts payable – trade</i>
Accrued liabilities	(4)	(3)	<i>Other accrued liabilities</i>
Current deferred revenue	(59)	(63)	<i>Other accrued liabilities</i>
Noncurrent asset retirement obligations	(102)	(99)	<i>Asset retirement obligations</i>
Noncurrent deferred revenue associated with customer advance payments	(319)	(324)	<i>Regulatory liabilities, deferred income, and other</i>

Note 3 – Assets Held for Sale

On July 6, 2017, we completed the sale of Williams Olefins, L.L.C., a wholly owned subsidiary which owned our interest in the Geismar, Louisiana, olefins plant (Geismar Interest) for \$2.084 billion in cash, subject to a working capital adjustment. Upon closing of the sale, we entered into a long-term supply and transportation agreement with the purchaser to provide feedstock to the plant via our Bayou Ethane pipeline system. As a result of this sale, we expect to record a gain of approximately \$1.1 billion in the third quarter of 2017.

The assets and liabilities of the Geismar olefins plant are presented as held for sale within the NGL & Petchem Services segment as of June 30, 2017. The following table presents the carrying amounts of the major classes of assets and liabilities included as part of the Geismar disposal group, which are presented within *Assets held for sale* and *Liabilities held for sale* in the Consolidated Balance Sheet. Also included in *Assets held for sale* in the Consolidated Balance Sheet are \$4 million of assets held for sale within the West segment unrelated to the Geismar Interest and at December 31, 2016, were previously included in *Other current assets and deferred charges*.

Notes (Continued)

	Carrying Amount June 30, 2017 (Millions)
Assets:	
Current assets	\$ 72
Property, plant, and equipment – net	903
Other noncurrent assets	25
	<u>\$ 1,000</u>
Liabilities:	
Current liabilities	\$ 35
Noncurrent liabilities	1
	<u>\$ 36</u>

The following table presents the results of operations for the Geismar disposal group.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Millions)			
Income (loss) before income taxes of the disposal group	\$ 2	\$ 30	\$ 25	\$ 48

Note 4 – Allocation of Net Income (Loss) and Distributions

The components of *Net income (loss)* within *Equity* are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Millions)			
Net income (loss) allocated to common limited partners' equity (1)	\$ 314	\$ (281)	\$ 937	\$ (238)
Net income (loss) allocated to Class B limited partners' equity	6	(8)	17	(7)
Net income (loss) allocated to general partner's equity (1) (2)	—	199	—	205
Net income (loss) attributable to noncontrolling interests	28	13	54	42
Net income (loss)	<u>\$ 348</u>	<u>\$ (77)</u>	<u>\$ 1,008</u>	<u>\$ 2</u>

- (1) *Net income (loss)* allocated to equity accounts above considers distributions paid to partners during the current reporting period, while *Net income (loss)* allocated within the Consolidated Statement of Comprehensive Income (Loss) considers distributions declared for the current reporting period, but paid in the subsequent period. The differences between *Net income (loss)* allocated to equity accounts and *Net income (loss)* allocated within the Consolidated Statement of Comprehensive Income (Loss) for the six months ended June 30, 2016, are primarily due to the timing of the waiver of IDRs associated with the Termination Agreement. (See Note 1 – General, Description of Business, and Basis of Presentation.)
- (2) As part of the first quarter 2017 Financial Repositioning (see Note 1 – General, Description of Business, and Basis of Presentation), our general partner interest in us was converted to a noneconomic interest and therefore no longer receives an allocation of net income.

Common Units

The Board of Directors of our general partner declared a cash distribution of \$0.60 per common unit on July 24, 2017, to be paid on August 11, 2017, to unitholders of record at the close of business on August 4, 2017.

Class B Units

The Class B units are not entitled to cash distributions. Instead, prior to conversion into common units, the Class B units receive quarterly distributions of additional paid-in-kind Class B units. Effective February 10, 2015, each Class B unit became convertible at the election of either us or the holders of such Class B unit into a common unit on a one-for-one basis. The Board of Directors of our general partner has authorized the issuance of 266,078 Class B units associated with the second-quarter distribution, to be issued on August 11, 2017.

Note 5 – Investing Activities**Acquisition of Additional Interests in Appalachia Midstream Investments**

During the first quarter of 2017, we exchanged all of our 50 percent interest in DBJV for an increased interest in two natural gas gathering systems that are part of the Appalachia Midstream Investments and \$155 million in cash. This transaction was recorded based on our estimate of the fair value of the interests received as we have more insight to this value as we operate the underlying assets. Following this exchange, we have an approximate average 66 percent interest in the Appalachia Midstream Investments. We continue to account for this investment under the equity-method due to the significant participatory rights of our partners such that we do not exercise control. We also sold all of our interest in Ranch Westex JV LLC for \$45 million. These transactions resulted in a total gain of \$269 million reflected in *Other investing income (loss) – net* in the Consolidated Statement of Comprehensive Income (Loss).

The fair value of the increased interests in the Appalachia Midstream Investments received as consideration was estimated to be \$1.1 billion using an income approach based on expected cash flows and an appropriate discount rate (a Level 3 measurement within the fair value hierarchy). The determination of estimated future cash flows involved significant assumptions regarding gathering volumes, rates, and related capital spending. A 9.5 percent discount rate was utilized and reflected our estimate of the cost of capital as impacted by market conditions and risks associated with the underlying business.

Impairments

The six months ended June 30, 2016, includes other-than-temporary impairment charges of \$59 million and \$50 million related to certain equity-method investments in DBJV and Laurel Mountain, respectively (see Note 10 – Fair Value Measurements and Guarantees).

Summarized Results of Operations for Certain Equity-Method Investments

The table below presents aggregated selected income statement data for our investments in Discovery, Gulfstream, and Appalachia Midstream Investments, which were considered significant as of June 30, 2016, in accordance with Regulation S-X 4-08(g).

	Six Months Ended	
	June 30,	
	2017	2016
	(Millions)	
Gross revenue	\$ 502	\$ 422
Operating income	300	244
Net income	269	204

Note 6 – Other Income and Expenses

The following table presents certain gains or losses reflected in *Other (income) expense – net* within *Costs and expenses* in our Consolidated Statement of Comprehensive Income (Loss):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Millions)			
Atlantic-Gulf				
Amortization of regulatory assets associated with asset retirement obligations	\$ 9	\$ 9	\$ 17	\$ 17
West				
Gains on contract settlements and terminations	(2)	—	(15)	—
NGL & Petchem Services				
Gain on sale of RGP Splitter	(12)	—	(12)	—
Net foreign currency exchange (gains) losses (1)	—	—	—	11

- (1) Primarily relates to gains and losses incurred on foreign currency transactions and the remeasurement of U.S. dollar denominated current assets and liabilities within our former Canadian operations.

Additional Items

Certain additional items included in the Consolidated Statement of Comprehensive Income (Loss) are as follows:

- *Service revenues* were reduced by \$15 million for the six months ended June 30, 2016, related to potential refunds associated with a ruling received in certain rate case litigation within the Atlantic-Gulf segment.
- *Selling, general, and administrative expenses* and *Operating and maintenance expenses* for the three and six months ended June 30, 2017 and 2016 includes severance and other related costs. The six months ended June 30, 2016, includes \$25 million in severance and other related costs associated with an approximate 10 percent reduction in workforce in the first quarter of 2016. The amounts by segment are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Millions)			
Northeast G&P	\$ —	\$ —	\$ —	\$ 3
Atlantic-Gulf	—	—	—	8
West	—	—	—	10
NGL & Petchem Services	—	—	—	4
Other	4	—	13	—

- *Other income (expense) – net* below *Operating income (loss)* includes \$19 million and \$37 million for the three and six months ended June 30, 2017, respectively, and \$13 million and \$29 million for the three and six months ended June 30, 2016, respectively, for allowance for equity funds used during construction within the Atlantic-Gulf segment.
- *Other income (expense) – net* below *Operating income (loss)* for the six months ended June 30, 2017, includes a net gain of \$30 million associated with the February 2017 early retirement of \$750 million of 6.125 percent senior unsecured notes that were

due in 2022. (See Note 8 – Debt and Banking Arrangements.) The net gain within the Other segment reflects \$53 million of unamortized premium, partially offset by \$23 million in premiums paid.

Notes (Continued)

Note 7 – Provision (Benefit) for Income Taxes

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
(Millions)				
Current:				
State	\$ 1	\$ 1	\$ 5	\$ 1
Deferred:				
State	—	(6)	(1)	(4)
Foreign	—	(75)	—	(76)
	—	(81)	(1)	(80)
Provision (benefit) for income taxes	\$ 1	\$ (80)	\$ 4	\$ (79)

The effective income tax rates for the total provision for the three and six months ended June 30, 2017, are less than the federal statutory rate due to income not subject to U.S. federal tax, partially offset by the effect of Texas franchise tax.

The effective income tax rates for the three and six months ended June 30, 2016, are greater than the federal statutory rate due to the tax effect of a \$341 million impairment associated with our Canadian operations (see Note 10 – Fair Value Measurements and Guarantees) and Texas franchise tax, partially offset by income not subject to U.S. federal tax.

Note 8 – Debt and Banking Arrangements

Long-Term Debt

Issuances and retirements

On July 6, 2017, we repaid our \$850 million variable interest rate term loan that was due December 2018 using proceeds from the sale of our Geismar Interest. This term loan is classified as long-term in the accompanying Consolidated Balance Sheet.

On June 5, 2017, we issued \$1.45 billion of 3.75 percent senior unsecured notes due 2027. We used the proceeds for general partnership purposes, primarily the July 3, 2017 repayment of \$1.4 billion of 4.875 percent senior unsecured notes that were due in 2023. These senior notes are classified as current in the accompanying Consolidated Balance Sheet due to our intent to repay the notes with current assets.

On April 3, 2017, Northwest Pipeline issued \$250 million of 4.0 percent senior unsecured notes due 2027 to investors in a private debt placement. Northwest Pipeline used the net proceeds to retire \$185 million of 5.95 percent senior unsecured notes that matured on April 15, 2017, and for general corporate purposes. As part of the issuance, Northwest Pipeline entered into a registration rights agreement with the initial purchasers of the unsecured notes. Northwest Pipeline is obligated to file and consummate a registration statement for an offer to exchange the notes for a new issue of substantially identical notes registered under the Securities Act of 1933, as amended, within 365 days from closing and to use commercially reasonable efforts to complete the exchange offer. Northwest Pipeline is required to provide a shelf registration statement to cover resales of the notes under certain circumstances. If Northwest Pipeline fails to fulfill these obligations, additional interest will accrue on the affected securities. The rate of additional interest will be 0.25 percent per annum on the principal amount of the affected securities for the first 90-day period immediately following the occurrence of a registration default, increasing by an additional 0.25 percent per annum with respect to each subsequent 90-day period thereafter, up to a maximum amount for all such registration defaults of 0.5 percent annually. Following the cure of any registration defaults, the accrual of additional interest will cease.

Notes (Continued)

On February 23, 2017, using proceeds received from the Financial Repositioning (see Note 1 – General, Description of Business, and Basis of Presentation), we early retired \$750 million of 6.125 percent senior unsecured notes that were due in 2022.

We retired \$600 million of 7.25 percent senior unsecured notes that matured on February 1, 2017.

Commercial Paper Program

As of June 30, 2017, no *Commercial paper* was outstanding under our \$3 billion commercial paper program.

Credit Facilities

	June 30, 2017	
	Stated Capacity	Outstanding
	(Millions)	
Long-term credit facility (1)	\$ 3,500	\$ —
Letters of credit under certain bilateral bank agreements		1

(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.

Note 9 – Partners' Capital

Financial Repositioning

See Note 1 – General, Description of Business, and Basis of Presentation for information regarding units that were issued during the first quarter of 2017 related to the Financial Repositioning.

Distribution Reinvestment Program

The May 2017 distribution resulted in 311,279 common units issued to the public at a discounted average price of \$39.69 per unit associated with the reinvested distributions of \$12 million.

The February 2017 distribution resulted in 395,395 common units issued to the public at a discounted average price of \$39.76 per unit associated with the reinvested distributions of \$16 million.

Notes (Continued)

Note 10 – Fair Value Measurements and Guarantees

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

	Carrying Amount	Fair Value	Fair Value Measurements Using		
			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 June 30, 2017:					
Measured on a recurring basis:					
ARO Trust investments	\$ 119	\$ 119	\$ 119	\$ —	\$ —
Energy derivatives assets designated as hedging instruments	5	5	5	—	—
Energy derivatives assets not designated as hedging instruments	3	3	2	—	1
Energy derivatives liabilities designated as hedging instruments	(1)	(1)	—	(1)	—
Energy derivatives liabilities not designated as hedging instruments	(6)	(6)	(2)	—	(4)
Additional disclosures:					
Other receivables	6	6	6	—	—
Long-term debt, including current portion	(18,565)	(19,700)	—	(19,700)	—
Assets (liabilities) at December 31, 2016:					
Measured on a recurring basis:					
ARO Trust investments	\$ 96	\$ 96	\$ 96	\$ —	\$ —
Energy derivatives assets designated as hedging instruments	2	2	—	2	—
Energy derivatives assets not designated as hedging instruments	1	1	—	—	1
Energy derivatives liabilities not designated as hedging instruments	(6)	(6)	—	—	(6)
Additional disclosures:					
Other receivables	15	15	15	—	—
Long-term debt, including current portion	(18,470)	(18,907)	—	(18,907)	—

Fair Value Methods

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

Assets and liabilities 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, is classified

as available-for-sale, and is reported in *Regulatory assets, deferred charges, and other* in the Consolidated Balance Sheet. Both realized and unrealized gains and losses are ultimately recorded as regulatory assets or liabilities.

Energy derivatives: Energy derivatives include commodity based exchange-traded contracts and over-the-counter contracts, which consist of physical forwards, futures, and swaps that are measured at fair value on a recurring basis. The fair value amounts are presented on a gross basis and do not reflect the netting of asset and liability positions permitted

under the terms of our master netting arrangements. Further, the amounts do not include cash held on deposit in margin accounts that we have received or remitted to collateralize certain derivative positions. Energy derivatives assets are reported in *Other current assets and deferred charges* and *Regulatory assets, deferred charges, and other* in the Consolidated Balance Sheet. Energy derivatives liabilities are reported in *Other accrued liabilities* and *Regulatory liabilities, deferred income, and other* in the Consolidated Balance Sheet.

Reclassifications of fair value between Level 1, Level 2, and Level 3 of the fair value hierarchy, if applicable, are made at the end of each quarter. No transfers between Level 1 and Level 2 occurred during the six months ended June 30, 2017 or 2016.

Additional fair value disclosures

Other receivables: Other receivables consist of margin deposits, which are reported in *Other current assets and deferred charges* in the Consolidated Balance Sheet. The disclosed fair value of our margin deposits is considered to approximate the carrying value generally due to the short-term nature of these items.

Long-term debt, including current portion: The disclosed fair value of our long-term debt is determined 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.

Nonrecurring fair value measurements

The following table presents impairments of assets and investments associated with certain nonrecurring fair value measurements within Level 3 of the fair value hierarchy.

	Classification	Segment	Date of Measurement	Fair Value	Impairments	
					Six Months Ended June 30,	
					2017	2016
					(Millions)	
Canadian operations (1)	<i>Assets held for sale</i>	NGL & Petchem Services	June 30, 2016	\$ 924		\$ 341
Certain gathering operations (2)	<i>Property, plant, and equipment – net</i>	West	June 30, 2016	18		48
Level 3 fair value measurements of certain assets						389
Other impairments and write-downs (3)					\$ 3	13
Impairment of certain assets					\$ 3	\$ 402
Equity-method investments (4)	<i>Investments</i>	West and Northeast G&P	March 31, 2016	\$ 1,294		\$ 109
Other equity-method investment	<i>Investments</i>	West	March 31, 2016	—		3
Impairment of equity-method investments						\$ 112

(1) Relates to our Canadian operations. We designated these operations as held for sale as of June 30, 2016. As a result, we measured the fair value of the disposal group, resulting in an impairment charge. The estimated fair value was determined by a market approach based primarily on inputs received in the marketing process and reflected our estimate of the potential assumed proceeds. We disposed of our Canadian operations through a sale during the third quarter of 2016.

(2) Relates to certain gathering assets within the Mid-Continent region. The estimated fair value was determined by a market approach based on our analysis of observable inputs in the principal market.

- (3) Reflects multiple individually insignificant impairments and write-downs of other certain assets that may no longer be in use or are surplus in nature for which the fair value was determined to be zero or an insignificant salvage value.
- (4) Relates to West's previously owned interest in DBJV and Northeast G&P's current equity-method investment in Laurel Mountain. Our carrying values in these equity-method investments had been written down to fair value at December 31, 2015. Our first-quarter 2016 analysis reflected higher discount rates for both of these equity-method investments, along with lower natural gas prices for Laurel Mountain. We estimated the fair value of these equity-method investments using an income approach based on expected future cash flows and appropriate discount rates. The determination of estimated future cash flows involved significant assumptions regarding gathering volumes and related capital spending. Discount rates utilized ranged from 13.0 percent to 13.3 percent and reflected increases in our estimated cost of capital, revised estimates of expected future cash flows, and risks associated with the underlying businesses.

Guarantees

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 11 – Contingent Liabilities

Environmental Matters

We are a participant in certain environmental activities in various stages including assessment studies, cleanup operations, and 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), and 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 June 30, 2017, we have accrued liabilities totaling \$16 million for these matters, as discussed below. Our accrual reflects the most likely costs of cleanup, which are generally based on completed assessment studies, preliminary results of studies, or our experience with other similar cleanup operations. Certain assessment studies are still in process for which the ultimate outcome may yield significantly different estimates of most likely costs. Any incremental amount in excess of amounts currently accrued cannot be reasonably estimated at this time due to uncertainty about the actual number of contaminated sites ultimately identified, the actual amount and extent of contamination discovered, and the final cleanup standards mandated by the EPA and other governmental authorities.

The EPA and various state regulatory agencies routinely promulgate and propose new rules, and issue updated guidance to existing rules. More recent rules and rulemakings include, but are not limited to, rules for reciprocating internal combustion engine maximum achievable control technology, new air quality standards for one hour nitrogen dioxide emissions, and volatile organic compound and methane new source performance standards impacting design and operation of storage vessels, pressure valves, and compressors. On October 1, 2015, the EPA issued its new rule regarding National Ambient Air Quality Standards for ground-level ozone, setting a new standard of 70 parts per billion. We are monitoring the rule's implementation and evaluating potential impacts to our operations. For these and other new regulations, we are unable to estimate the costs of asset additions or modifications necessary to comply due to uncertainty created by the various legal challenges to these regulations and the need for further specific regulatory guidance.

Our interstate gas pipelines are involved in remediation 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 June 30, 2017, we have accrued liabilities of \$8 million for these costs. We expect that these costs will be recoverable through rates.

We also accrue environmental remediation costs for natural gas underground storage facilities, primarily related to soil and groundwater contamination. At June 30, 2017, we have accrued liabilities totaling \$8 million for these costs.

Geismar Incident

On June 13, 2013, an explosion and fire occurred at our Geismar olefins plant and rendered the facility temporarily inoperable (Geismar Incident). As a result, there were two fatalities and numerous individuals (including employees and contractors) reported injuries. We are addressing the following contingent liabilities in connection with the Geismar Incident.

On October 21, 2013, the EPA issued an Inspection Report pursuant to the Clean Air Act's Risk Management Program following its inspection of the facility on June 24 through June 28, 2013. The report notes the EPA's preliminary determinations about the facility's documentation regarding process safety, process hazard analysis, as well as operating procedures, employee training, and other matters. On June 16, 2014, we received a request for information related to the Geismar Incident from the EPA under Section 114 of the Clean Air Act to which we responded on August 13, 2014. The EPA could issue penalties pertaining to final determinations. Multiple lawsuits, including class actions for alleged offsite impacts, property damage, customer claims, and personal injury, have been filed against us. The first two trials, for nine plaintiffs claiming personal injury, were held in Louisiana state court in Iberville Parish, Louisiana in September and November 2016. The juries returned adverse verdicts against Williams, our subsidiary Williams Olefins, LLC, and other defendants. To date, we have settled those cases as well as settled or agreed in principle to settle numerous other personal injury claims, and such aggregate amount greater than our \$2 million retention (deductible) value has been or will be recovered from our insurers. We believe these settlements to date substantially resolve any material exposure to such claims arising from the Geismar Incident. We believe that any additional losses arising from our alleged liability will be immaterial to our expected future annual results of operations, liquidity, and financial position and will be substantially covered by our general liability insurance policy, which has an aggregate limit of \$610 million applicable to this event.

Royalty Matters

Certain of our customers, including one major customer, 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 and Oklahoma based on allegations that we improperly participated with that major customer in causing the alleged royalty underpayments. We believe that the claims asserted are subject to indemnity obligations owed to us by that major customer. Due to the preliminary status of the cases, we are unable to estimate a range of potential loss at this time.

Unitholder Litigation

On March 7, 2016, a purported unitholder of us filed a putative class action on behalf of certain purchasers of our units in U.S. District Court in Oklahoma. The action names as defendants, us, Williams, Williams Partners GP LLC, Alan S. Armstrong, and Donald R. Chappel and alleges violations of certain federal securities laws for failure to disclose Energy Transfer Equity, L.P.'s intention to pursue a purchase of Williams conditioned on Williams not closing the WPZ Public Unit Exchange when announcing the WPZ Public Unit Exchange. The complaint seeks, among other things, damages and an award of costs and attorneys' fees. The plaintiff filed an amended complaint on August 31, 2016. On October 17, 2016, we requested the court dismiss the action, and on March 8, 2017, the court dismissed the complaint with prejudice. On April 7, 2017, the plaintiff filed a notice of appeal. We cannot reasonably estimate a range of potential loss at this time.

Other

In addition to the foregoing, various other proceedings are pending against us which are incidental to our operations.

Summary

We have disclosed 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 12 – Segment Disclosures

Our reportable segments are Northeast G&P, Atlantic-Gulf, West, and NGL & Petchem Services. (See Note 1 – General, Description of Business, and Basis of Presentation.) Certain other corporate activities are included in Other.

Performance Measurement

We evaluate segment operating performance based upon *Modified EBITDA* (earnings before interest, taxes, depreciation, and amortization). 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 revenues primarily represent the sale of NGLs from our natural gas processing plants to our marketing business.

We define *Modified EBITDA* as follows:

- Net income (loss) before:
 - Provision (benefit) for income taxes;
 - Interest incurred, net of interest capitalized;
 - Equity earnings (losses);
 - Impairment of equity-method investments;
 - Other investing income (loss) – net;
 - Impairment of goodwill;
 - 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.

Notes (Continued)

The following table reflects the reconciliation of *Segment revenues* to *Total revenues* as reported in the Consolidated Statement of Comprehensive Income (Loss).

	Northeast G&P	Atlantic- Gulf	West	NGL & Petchem Services	Eliminations	Total
	(Millions)					
Three Months Ended June 30, 2017						
Segment revenues:						
Service revenues						
External	\$ 206	\$ 540	\$ 527	\$ 4	\$ —	\$ 1,277
Internal	11	7	—	—	(18)	—
Total service revenues	217	547	527	4	(18)	1,277
Product sales						
External	43	75	369	155	—	642
Internal	9	50	66	2	(127)	—
Total product sales	52	125	435	157	(127)	642
Total revenues	\$ 269	\$ 672	\$ 962	\$ 161	\$ (145)	\$ 1,919

Three Months Ended June 30, 2016

Segment revenues:

Service revenues						
External	\$ 207	\$ 452	\$ 528	\$ 23	\$ —	\$ 1,210
Internal	9	6	—	—	(15)	—
Total service revenues	216	458	528	23	(15)	1,210
Product sales						
External	28	63	272	167	—	530
Internal	6	42	34	6	(88)	—
Total product sales	34	105	306	173	(88)	530
Total revenues	\$ 250	\$ 563	\$ 834	\$ 196	\$ (103)	\$ 1,740

Six Months Ended June 30, 2017

Segment revenues:

Service revenues						
External	\$ 414	\$ 1,067	\$ 1,045	\$ 7	\$ —	\$ 2,533
Internal	20	16	—	—	(36)	—
Total service revenues	434	1,083	1,045	7	(36)	2,533
Product sales						
External	103	144	774	348	—	1,369
Internal	17	115	117	8	(257)	—
Total product sales	120	259	891	356	(257)	1,369
Total revenues	\$ 554	\$ 1,342	\$ 1,936	\$ 363	\$ (293)	\$ 3,902

Six Months Ended June 30, 2016

Segment revenues:

Service revenues						
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External	\$ 423	\$ 923	\$ 1,059	\$ 31	\$ —	\$ 2,436
Internal	12	13	—	—	(25)	—
Total service revenues	435	936	1,059	31	(25)	2,436
Product sales						
External	46	99	483	330	—	958
Internal	11	75	65	11	(162)	—
Total product sales	57	174	548	341	(162)	958
Total revenues	\$ 492	\$ 1,110	\$ 1,607	\$ 372	\$ (187)	\$ 3,394

Notes (Continued)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
(Millions)				
Modified EBITDA by segment:				
Northeast G&P	\$ 247	\$ 222	\$ 473	\$ 442
Atlantic-Gulf	454	360	904	742
West	356	312	741	639
NGL & Petchem Services	30	(290)	81	(264)
Other	(11)	—	9	—
	<u>1,076</u>	<u>604</u>	<u>2,208</u>	<u>1,559</u>
Accretion expense associated with asset retirement obligations for nonregulated operations	(11)	(9)	(17)	(16)
Depreciation and amortization expenses	(423)	(432)	(856)	(867)
Equity earnings (losses)	125	101	232	198
Impairment of equity-method investments	—	—	—	(112)
Other investing income (loss) – net	2	1	273	1
Proportional Modified EBITDA of equity-method investments	(215)	(191)	(409)	(380)
Interest expense	(205)	(231)	(419)	(460)
(Provision) benefit for income taxes	(1)	80	(4)	79
Net income (loss)	<u>\$ 348</u>	<u>\$ (77)</u>	<u>\$ 1,008</u>	<u>\$ 2</u>

The following table reflects *Total assets* by reportable segment.

	Total Assets	
	June 30, 2017	December 31, 2016
(Millions)		
Northeast G&P	\$ 14,429	\$ 13,436
Atlantic-Gulf	14,532	14,176
West	17,062	18,479
NGL & Petchem Services	1,020	1,112
Other	1,787	161
Eliminations (1)	(612)	(1,099)
Total	<u>\$ 48,218</u>	<u>\$ 46,265</u>

(1) Eliminations primarily relate to the intercompany accounts and notes receivable generated by our cash management program.

Item 2

Management's Discussion and Analysis of Financial Condition and Results of Operations

General

We are an energy infrastructure master limited partnership focused on connecting North America's significant hydrocarbon resource plays to growing markets for natural gas and NGLs through our gas pipeline and midstream businesses. WPZ GP LLC, a Delaware limited liability company wholly owned by Williams, is our general partner.

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 through the FERC's ratemaking process. 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, and compression, NGL fractionation and transportation, crude oil production handling and transportation, marketing services for NGL, oil and natural gas, as well as storage facilities.

Effective January 1, 2017, we implemented organizational changes, consistent with the manner in which our chief operating decision maker evaluates performance and allocates resources. Operations previously reported within the Central segment are now generally managed and presented within the West segment. Certain businesses previously within our NGL & Petchem Services segment are now managed and presented within the West, Atlantic-Gulf, and Northeast G&P segments. Certain other corporate activities are included in Other. Prior period segment disclosures have been recast for these segment changes. As a result, beginning with the reporting of first-quarter 2017, our reportable segments are Northeast G&P, Atlantic-Gulf, West, and NGL & Petchem Services, which are comprised of the following businesses:

- Northeast G&P is comprised of our midstream gathering and processing businesses in the Marcellus Shale region primarily in Pennsylvania, New York, and West Virginia and the Utica Shale region of eastern Ohio, as well as a 66 percent interest in Cardinal (a consolidated entity), a 62 percent equity-method investment in UEOM, a 69 percent equity-method investment in Laurel Mountain, a 58 percent equity-method investment in Caiman II, and Appalachia Midstream Services, LLC, which owns equity-method investments with an approximate average 66 percent interest in multiple gas gathering systems in the Marcellus Shale (Appalachia Midstream Investments).
- Atlantic-Gulf is comprised of our interstate natural gas pipeline, Transco, and significant 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 consolidated entity), which is a proprietary floating production system, and various petrochemical and feedstock pipelines in the Gulf Coast region, as well as a 50 percent equity-method investment in Gulfstream, a 60 percent equity-method investment in Discovery, and a 41 percent interest in Constitution (a consolidated entity), which is under development.
- West is comprised of our interstate natural gas pipeline, Northwest Pipeline, and our gathering, processing and treating operations in New Mexico, Colorado, and Wyoming, as well as the Barnett Shale region of north-central Texas, the Eagle Ford Shale region of south Texas, the Haynesville Shale region of northwest Louisiana, and the Mid-Continent region which includes the Anadarko, Arkoma, Delaware, and Permian basins. This segment also includes our NGL and natural gas marketing business, storage facilities, an undivided 50 percent

interest in an NGL fractionator near Conway, Kansas and a 50 percent equity-method investment in OPPL, as well as our previously owned 50 percent equity-method investment in the Delaware basin gas gathering system (DBJV) in the Mid-Continent region (see Note 5 – Investing Activities of Notes to Consolidated Financial Statements).

- NGL & Petchem Services is comprised of previously owned operations, including our 88.5 percent undivided interest in an olefins production facility in Geismar, Louisiana, which was sold in July 2017 (see Note 3 – Assets Held for Sale of Notes to Consolidated Financial Statements), and our refinery grade propylene splitter in the Gulf region, which we sold in June 2017. This segment also includes our previously owned Canadian assets which included an oil sands offgas processing plant near Fort McMurray, Alberta, and a NGL/olefin fractionation facility at Redwater, Alberta. In September 2016, these Canadian operations were sold.

Financial Repositioning

In January 2017, we announced agreements with Williams, wherein Williams permanently waived the general partner's IDRs and converted its 2 percent general partner interest in us to a noneconomic interest in exchange for 289 million newly issued common units. Pursuant to this agreement, Williams also purchased approximately 277 thousand common units for \$10 million. Additionally, Williams purchased approximately 59 million common units at a price of \$36.08586 per unit in a private placement transaction. According to the terms of this agreement, concurrent with our quarterly distributions in February 2017 and May 2017, Williams paid additional consideration totaling \$56 million to us for these units. Following these transactions and as of June 30, 2017, Williams owns a 74 percent limited partner interest in us.

Distributions

On July 24, 2017, our general partner's Board of Directors approved a quarterly distribution to unitholders of \$0.60 per common unit on August 11, 2017, on our outstanding common units to unitholders of record at the close of business on August 4, 2017.

Overview of Six Months Ended June 30, 2017

Net income (loss) attributable to controlling interests for the six months ended June 30, 2017, changed favorably by \$994 million compared to the six months ended June 30, 2016, reflecting a \$593 million improvement in operating income primarily reflecting a \$399 million decrease in *Impairments of certain assets* and increased service revenue associated with expansion projects, a gain of \$269 million associated with the disposition of certain equity-method investments in 2017 and the absence of \$112 million of impairments of equity-method investments incurred in 2016.

Unless indicated otherwise, the following discussion and analysis of results of operations and financial condition and liquidity should be read in conjunction with the consolidated financial statements and notes thereto of this Form 10-Q and our annual consolidated financial statements and notes thereto in Exhibit 99.1 of our Form 8-K dated May 25, 2017.

West

Acquisition of additional interests in Appalachia Midstream Investments

During the first quarter of 2017, we exchanged all of our 50 percent interest in DBJV for an increased interest in two natural gas gathering systems that are part of the Appalachia Midstream Investments and \$155 million in cash. Following this exchange, we have an approximate average 66 percent interest in the Appalachia Midstream Investments. We also sold all of our interest in Ranch Westex JV LLC for \$45 million. These transactions resulted in a total gain of \$269 million reflected in *Other investing income (loss) – net* in the Consolidated Statement of Comprehensive Income (Loss) within the West segment. (See Note 5 – Investing Activities of Notes to Consolidated Financial Statements.)

NGL & Petchem Services

Geismar olefins facility monetization

In July 2017, we completed the sale of our Geismar Interest for \$2.084 billion in cash, subject to a working capital adjustment. Additionally, we entered into a long-term supply and transportation agreement with the purchaser to provide feedstock to the plant via our Bayou Ethane pipeline system, which is expected to provide a long-term fee-based revenue stream. (See Note 3 – Assets Held for Sale of Notes to Consolidated Financial Statements.)

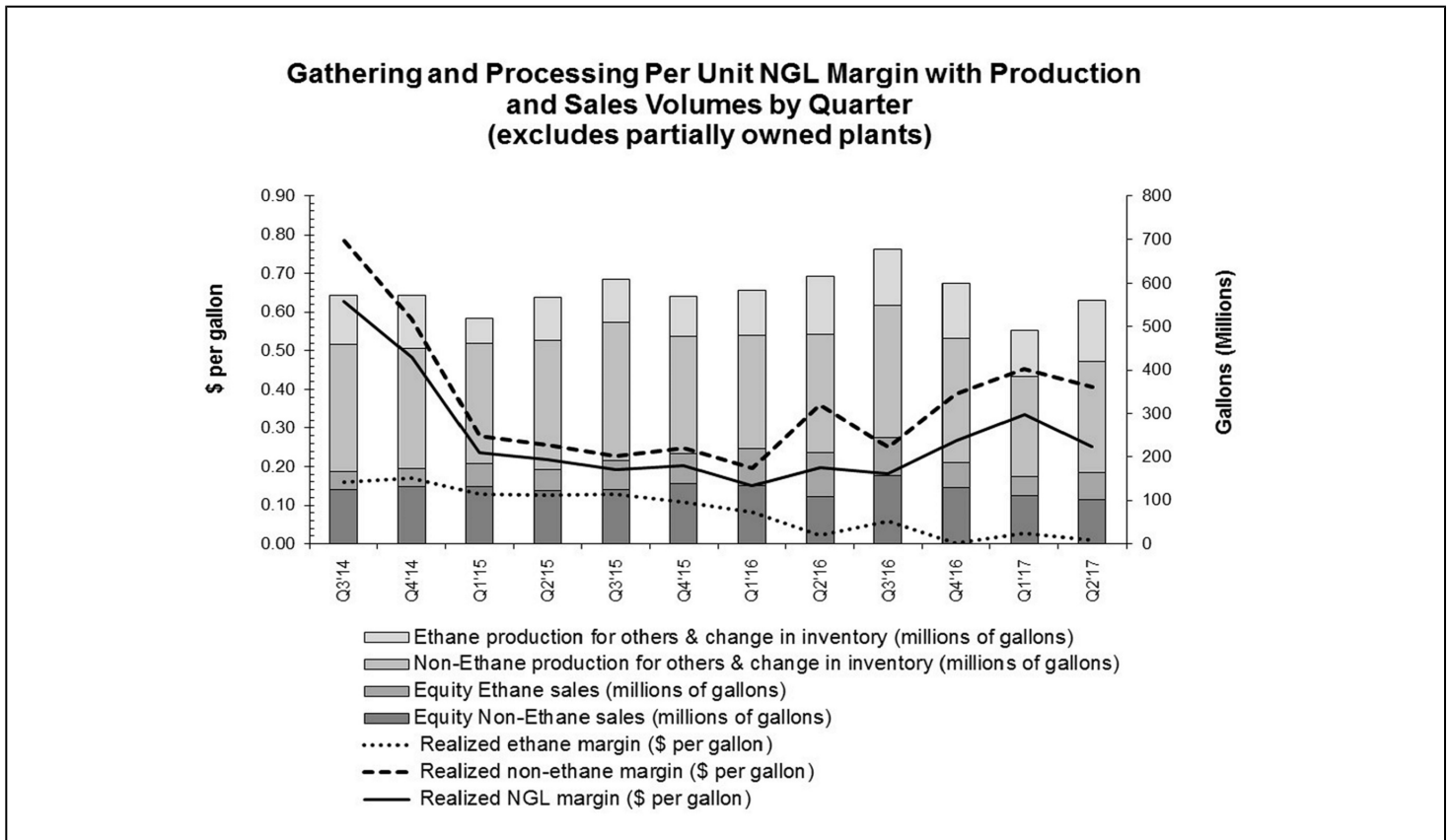
Following this sale, the cash proceeds were used to repay our \$850 million term loan. We also plan to use these proceeds to fund a portion of the capital and investment expenditures that are a part of our growth portfolio.

Commodity Prices

NGL per-unit margins were approximately 68 percent higher in the first six months of 2017 compared to the same period of 2016 due to a 43 percent increase in per-unit non-ethane prices. The per-unit margin increase also reflects the absence of our former Canadian operations which had lower per-unit non-ethane margins in the prior year compared to our domestic operations. These favorable impacts were partially offset by an approximate 55 percent increase in per-unit natural gas feedstock prices.

NGL margins are defined as NGL revenues less any applicable Btu replacement cost, plant fuel, and third-party transportation and fractionation. Per-unit NGL margins are calculated based on sales of our own equity volumes at the processing plants. Our equity volumes include NGLs where we own the rights to the value from NGLs recovered at our plants under both “keep-whole” processing agreements, where we have the obligation to replace the lost heating value with natural gas, and “percent-of-liquids” agreements whereby we receive a portion of the extracted liquids with no obligation to replace the lost heating value.

The following graph illustrates NGL production and sales volumes, as well as the margin differential between ethane and non-ethane products and the relative mix of those products.



The potential impact of commodity prices on our business for the remainder of 2017 is further discussed in the following Company Outlook.

Company Outlook

Our strategy is to provide large-scale 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, operational excellence, and customer satisfaction. We believe that accomplishing these goals will position us to deliver safe and reliable service to our customers and an attractive return to our unitholders.

Our business plan for 2017 includes the previously discussed financial repositioning transactions and the monetization of our Geismar Interest. These transactions serve to improve our cost of capital, remove our need to access the public equity markets for the next several years, enhance our growth, and provide for debt reduction.

Our growth capital and investment expenditures in 2017 are expected to total \$2.1 billion to \$2.8 billion. Approximately \$1.4 billion to \$1.9 billion of our growth capital funding needs include Transco expansions and other interstate pipeline growth projects, most of which are fully contracted with firm transportation agreements. The remaining growth capital spending in 2017 primarily reflects investment in gathering and processing systems in the Northeast G&P segment limited primarily to known new producer volumes, including volumes that support Transco expansion projects including our Atlantic Sunrise project. 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 meet legal, regulatory, and/or contractual commitments.

As a result of our significant continued capital and investment expenditures on Transco expansions and fee-based gathering and processing projects, as well as the sale of our Canadian operations and Geismar Interest, fee-based businesses are becoming an even more significant component of our portfolio and serve to reduce the influence of commodity price fluctuations on our operating results and cash flows. We expect to benefit as continued growth in demand for low-cost natural gas is driven by increases in LNG exports, industrial demand and power generation. For the remainder of 2017, current forward market prices indicate oil and natural gas prices are expected to be relatively comparable to the same period in 2016, while NGL prices are expected to be slightly stronger. However, some of our customers may continue to curtail or delay drilling plans until there is a more sustained recovery in prices, which may negatively impact our gathering volumes. Although there has been some improvement, the credit profiles of certain of our producer customers remain challenged. Unfavorable changes in energy commodity prices or the credit profile of our producer customers may also result in noncash impairments of our assets.

In 2017, our operating results are expected to include increases from our regulated fee-based businesses recently placed in-service or expected to be placed in-service in 2017, primarily along the Transco system. For our non-regulated businesses, we anticipate increases in fee-based revenue due to expanded capacity in the Eastern Gulf area and a slight increase in fee-based revenue in the Northeast G&P segment. Partially offsetting these increases are expected declines in fee-based revenue in the West segment. We expect overall gathering and processing volumes to remain steady in 2017 and increase thereafter to meet the growing demand for natural gas and natural gas products. We also anticipate lower general and administrative expenses due to cost reduction initiatives and asset monetizations.

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

- Opposition to infrastructure projects, including the risk of delay or denial in permits needed for our projects;
- Unexpected significant increases in capital expenditures or delays in capital project execution;
- Counterparty credit and performance risk, including that of Chesapeake Energy Corporation and its affiliates;
- 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 further industry downturn, including increased interest rates;
- Physical damages to facilities, including damage to offshore facilities by named windstorms;
- Other risks set forth under Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K filed with the SEC on February 22, 2017.

We seek to maintain a strong financial position and liquidity, as well as manage a diversified portfolio of energy infrastructure assets which continue to serve key growth markets and supply basins in the United States.

Expansion Projects

Our ongoing major expansion projects include the following:

Northeast G&P

Gathering System Expansion

We will continue to expand the gathering systems in the Marcellus and Utica Shale regions that are needed to meet our customers' production plans. The expansion of the gathering infrastructure includes additional compression and gathering pipeline to the existing system.

Susquehanna Supply Hub Expansion

The Susquehanna Supply Hub Expansion, which involves two new compression facilities with an additional 49,000 horsepower and 59 miles of 12 inch to 24 inch pipeline, is expected to increase gathering capacity, allowing a certain producer to fulfill its commitment to deliver 850 Mdth/d to our Atlantic Sunrise development. We anticipate this expansion will be completed by the end of 2017.

Atlantic-Gulf

Atlantic Sunrise

In February 2017, we received approval from the FERC to expand Transco's existing natural gas transmission system along with greenfield facilities to provide incremental firm transportation capacity from the northeastern Marcellus producing area to markets along Transco's mainline as far south as Station 85 in west central Alabama. On May 18, 2017, we received approval from the FERC for an approximate six mile route variance for the greenfield pipeline. We expect to place a portion of the mainline project facilities into service during the third quarter of 2017 and are targeting a full in-service during mid-2018, assuming timely receipt of all necessary regulatory approvals. The project is expected to increase capacity by 1,700 Mdth/d.

Constitution Pipeline

In December 2014, we received approval from the FERC to construct and operate the jointly owned Constitution pipeline, which will have an expected capacity of 650 Mdth/d. However, in April 2016, the New York State Department of Environmental Conservation (NYSDEC) denied a necessary water quality certification for the New York portion of the pipeline. We remain steadfastly committed to the project, and in May 2016, Constitution appealed the NYSDEC's denial of the certification. We also filed an action in federal court seeking a declaration that the State of New York's authority to exercise permitting jurisdiction over certain other environmental matters is preempted by federal law, but that lawsuit was dismissed without prejudice as the court determined that Constitution had not yet suffered any injury in fact. The oral argument before the Second Circuit Court of Appeals regarding the NYSDEC's denial of Constitution's application for water quality certification under Section 401 of the Clean Water Act was held on November 16, 2016. We anticipate that the Second Circuit Court of Appeals' decision on our appeal will be issued soon. (See Note 2 – Variable Interest Entities of Notes to Consolidated Financial Statements.) We currently own 41 percent of Constitution with three other parties holding 25 percent, 24 percent, and 10 percent, respectively. We will be the operator of Constitution. The 126-mile Constitution pipeline will connect our gathering system in Susquehanna County, Pennsylvania, to the Iroquois Gas Transmission and Tennessee Gas Pipeline systems in New York, as well as to a local distribution company serving New York and Pennsylvania. In light of the NYSDEC's denial of the water quality certification and the actions taken to challenge the decision, the anticipated target in-service date has been revised to as early as the first half of 2019, which assumes the timely receipt of a Notice to Proceed from the FERC.

Dalton

In August 2016, we obtained approval from the FERC to expand Transco's existing natural gas transmission system together with greenfield facilities to provide incremental firm transportation capacity from Station 210 in New Jersey to markets in northwest Georgia. On April 1, 2017, we began providing firm transportation service through the mainline portion of the project on an interim basis and we placed the full project into service in August of 2017. The project increased capacity by 448 Mdth/d.

Garden State

In April 2016, we received approval from the FERC to expand Transco's existing natural gas transmission system to provide incremental firm transportation capacity from Station 210 in New Jersey to a new interconnection on our Trenton Woodbury Lateral in New Jersey. The project will be constructed in phases and is expected to increase capacity by 180 Mdth/d. We plan to place the initial phase of the project into service during the third quarter of 2017 and the remaining portion in the second quarter of 2018.

Gulf Connector

In August 2016, we filed an application with the FERC to expand Transco's existing natural gas transmission system to provide incremental firm transportation capacity from Station 65 in Louisiana to delivery points in Wharton and San Patricio Counties, Texas. The project will be constructed in two phases, with the initial phase of the project expected to be in-service during the second half of 2018 and the remaining phase in 2019, assuming timely receipt of all necessary regulatory approvals. The project is expected to increase capacity by 475 Mdth/d.

Hillabee

In February 2016, the FERC issued a certificate order for the initial phases of Transco's Hillabee Expansion Project. The project involves an expansion of Transco's existing natural gas transmission system from Station 85 in west central Alabama to a new interconnection with the Sabal Trail pipeline in Alabama. The project will be constructed in phases, and all of the project expansion capacity will be leased to Sabal Trail. We placed a portion of Phase I into service in June of 2017 and the remainder of Phase I into service in July of 2017. Hillabee Phase I increased capacity by 818 Mdth/d. The in-service date of Phase II is planned for the second quarter of 2020 and together they are expected to increase capacity by 1,025 Mdth/d.

In March 2016, we entered into an agreement with the member-sponsors of Sabal Trail to resolve several matters. In accordance with the agreement, the member-sponsors paid us an aggregate amount of \$240 million in three equal installments as certain milestones of the project were met. The first \$80 million payment was received in March 2016, the second installment was received in September 2016 and the third installment was received in July 2017. We expect to recognize income associated with these receipts over the term of the capacity lease agreement.

New York Bay Expansion

In July 2016, we received approval from the FERC to expand Transco's existing natural gas transmission system to provide incremental firm transportation capacity from Pennsylvania to the Rockaway Delivery Lateral transfer point and the Narrows meter station in Richmond County, New York. We plan to place the project into service during the fourth quarter of 2017, and it is expected to increase capacity by 115 Mdth/d.

Norphlet Project

In March 2016, we announced that we have reached an agreement to provide deepwater gas gathering services to the Appomattox development in the Gulf of Mexico. The project will provide offshore gas gathering services to our existing Transco lateral, which will provide transmission services onshore to our Mobile Bay processing facility. We also plan to make modifications to our Main Pass 261 Platform to install an alternate delivery route from the platform, as well as modifications to our Mobile Bay processing facility. The project is scheduled to go into service during the second quarter of 2020.

Northeast Supply Enhancement

In March 2017, we filed an application with the FERC to expand Transco's existing natural gas transmission system to provide incremental firm transportation capacity from Station 195 in Pennsylvania to the Rockaway Delivery Lateral transfer point. We plan to place the project into service in late 2019 or during the first half of 2020, assuming timely receipt of all necessary regulatory approvals. The project is expected to increase capacity by 400 Mdth/d.

Virginia Southside II

In July 2016, we received approval from the FERC to expand Transco's existing natural gas transmission system together with greenfield facilities to provide incremental firm transportation capacity from Station 210 in New Jersey and Station 165 in Virginia to a new lateral extending from our Brunswick Lateral in Virginia. We plan to place the project into service during the fourth quarter of 2017 and it is expected to increase capacity by 250 Mdth/d.

West

Eagle Ford

We plan to expand our gathering infrastructure in the Eagle Ford region in order to meet our customers' production plans. The expansion of the gathering infrastructure includes the addition of well connections and gathering pipeline to the existing systems.

North Seattle Lateral Upgrade

In May 2017, we filed an application with the FERC to expand delivery capabilities on Northwest Pipeline's North Seattle Lateral. The project consists of the removal and replacement of approximately 6.9 miles of 8-inch diameter pipeline with new 20-inch diameter pipeline. We plan to place the project into service as early as the fourth quarter of 2019. The project is expected to increase capacity by up to 196 Mdth/d.

Critical Accounting Estimates

Constitution Pipeline Capitalized Project Costs

As of June 30, 2017, *Property, plant, and equipment, at cost* in our Consolidated Balance Sheet includes approximately \$381 million of capitalized project costs for Constitution, for which we are the construction manager and own a 41 percent consolidated interest. In December 2014, Constitution received approval from the FERC to construct and operate its proposed pipeline. However, in April 2016, the NYSDEC denied a necessary water quality certification for the New York portion of the pipeline. We remain steadfastly committed to the project, and in May 2016, Constitution appealed the NYSDEC's denial of the water quality certification.

As a result of the denial by the NYSDEC, we evaluated the capitalized project costs for impairment as recently as March 31, 2017, and determined that no impairment was necessary. Our evaluation considered probability-weighted scenarios of undiscounted future net cash flows, including a scenario assuming successful resolution with the NYSDEC and construction of the pipeline, as well as a scenario where the project does not proceed. We continue to monitor the capitalized project costs associated with Constitution for potential impairment.

Results of Operations

Consolidated Overview

The following table and discussion is a summary of our consolidated results of operations for the three and six months ended June 30, 2017, compared to the three and six months ended June 30, 2016. The results of operations by segment are discussed in further detail following this consolidated overview discussion.

	Three Months Ended June 30,		\$ Change*	% Change*	Six Months Ended June 30,		\$ Change*	% Change*
	2017	2016			2017	2016		
	(Millions)				(Millions)			
Revenues:								
Service revenues	\$ 1,277	\$ 1,210	+67	+6 %	\$ 2,533	\$ 2,436	+97	+4 %
Product sales	642	530	+112	+21 %	1,369	958	+411	+43 %
Total revenues	1,919	1,740			3,902	3,394		
Costs and expenses:								
Product costs	537	403	-134	-33 %	1,116	720	-396	-55 %
Operating and maintenance expenses	384	386	+2	+1 %	745	768	+23	+3 %
Depreciation and amortization expenses	423	432	+9	+2 %	856	867	+11	+1 %
Selling, general, and administrative expenses	154	139	-15	-11 %	310	320	+10	+3 %
Impairment of certain assets	2	396	+394	+99 %	3	402	+399	+99 %
Other (income) expense – net	7	24	+17	+71 %	10	48	+38	+79 %
Total costs and expenses	1,507	1,780			3,040	3,125		
Operating income (loss)	412	(40)			862	269		
Equity earnings (losses)	125	101	+24	+24 %	232	198	+34	+17 %
Impairment of equity-method investments	—	—	—	NM	—	(112)	+112	+100 %
Other investing income (loss) – net	2	1	+1	+100 %	273	1	+272	NM
Interest expense	(205)	(231)	+26	+11 %	(419)	(460)	+41	+9 %
Other income (expense) – net	15	12	+3	+25 %	64	27	+37	+137 %
Income (loss) before income taxes	349	(157)			1,012	(77)		
Provision (benefit) for income taxes	1	(80)	-81	NM	4	(79)	-83	NM
Net income (loss)	348	(77)			1,008	2		
Less: Net income attributable to noncontrolling interests	28	13	-15	-115 %	54	42	-12	-29 %
Net income (loss) attributable to controlling interests	\$ 320	\$ (90)			\$ 954	\$ (40)		

* += 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 June 30, 2017 vs. three months ended June 30, 2016

Service revenues increased due to higher volumes primarily in the eastern Gulf Coast region, including the impact of new volumes at Gulfstar One related to the Gunflint expansion placed in-service in the third quarter of 2016 and the absence of the temporary shut down of Gulfstar in the second quarter of 2016 to tie-in Gunflint, and higher volumes at Devils Tower related to Kodiak field production.

Additionally, Transco's natural gas transportation fee revenues increased reflecting expansion projects placed in-service during 2016 and 2017. The increase in *Service revenues* was

partially offset by lower rates primarily in the Barnett Shale region associated with the fourth-quarter 2016 contract restructuring as well as lower volumes in most of the western and Utica Shale regions, driven by natural declines. The lower rates and volumes were partially offset by increases related to the recognition of deferred revenue in the Barnett Shale region associated with the restructuring of contracts in the fourth quarter of 2016. *Service revenues* increases were also partially offset by the absence of our former Canadian operations that were sold in the third quarter of 2016.

Product sales increased due to higher marketing revenues primarily due to significantly higher prices and volumes. This increase is partially offset by lower olefin sales associated with decreased volumes at the RGP Splitter primarily due to the plant ceasing operations in advance of its sale in June 2017, as well as decreased volumes at our Geismar plant due to downtime associated with an electrical power outage impacting the second-quarter 2017.

The increase in *Product costs* is primarily due to the same factors that increased marketing sales, partially offset by lower olefin feedstock purchases associated with decreased volumes.

Operating and maintenance expenses decreased primarily due to the absence of costs associated with our former Canadian operations and ongoing cost containment efforts. These decreases are partially offset by an increase in pipeline integrity testing on Transco, costs associated with Transco's expansion projects, and general maintenance.

Selling, general, and administrative expenses increased primarily due to higher severance and organizational realignment costs primarily associated with our Other segment, partially offset by the absence of costs associated with our former Canadian operations.

The favorable change in *Impairment of certain assets* reflects the absence of 2016 impairments of our former Canadian operations and certain Mid-Continent assets (see Note 10 – Fair Value Measurements and Guarantees of Notes to Consolidated Financial Statements).

The favorable change in *Other (income) expense – net* within *Operating income (loss)* includes a gain on the sale of our RGP Splitter in the second quarter of 2017.

Operating income (loss) changed favorably primarily due to the absence of the 2016 impairments of our former Canadian operations and certain Mid-Continent assets, an increase in service revenues associated with certain projects placed in-service, and the gain on the sale of our RGP Splitter, partially offset by lower product margins primarily due a decrease in olefin production volumes.

The favorable change in *Equity earnings (losses)* is due to an increase in ownership of our Appalachian Midstream Investments and an increase from Discovery primarily due to the accelerated recognition of previously deferred revenue, partially offset by lower UEOM results driven by lower processing volumes from the Utica gathering system.

Interest expense decreased primarily due to lower *Interest incurred* primarily attributable to debt retirements and the absence of borrowings on our credit facility in 2017. (See Note 8 – Debt and Banking Arrangements of Notes to Consolidated Financial Statements.)

Provision (benefit) for income taxes changed unfavorably primarily due to the absence of a 2016 income tax benefit associated with the impairment of our former Canadian operations. See Note 7 – Provision (Benefit) for Income Taxes of Notes to Consolidated Financial Statements for a discussion of the effective tax rates compared to the federal statutory rate for both periods.

The unfavorable change in *Net income (loss) attributable to noncontrolling interests* is primarily due to improved results in our Gulfstar operations.

Six months ended June 30, 2017 vs. six months ended June 30, 2016

Service revenues increased due to higher volumes primarily in the eastern Gulf Coast region, including the impact of new volumes at Gulfstar One related to the Gunflint expansion placed in-service in the third quarter of 2016, the absence of the temporary shut-down of Gulfstar One in the second quarter of 2016 to tie into Gunflint, the absence of producers' 2016 operational issues in the Tubular Bells field in the first quarter of 2016, and higher volumes at Devils

Tower related to Kodiak field production. Additionally, Transco experienced higher natural gas transportation fee revenues reflecting expansion projects placed in-service, as well as an increase in storage revenues due to the absence of an accrual for potential refunds associated with a ruling received in certain rate case litigation in 2016. *Service revenues* also increased due to the recognition of deferred revenue in the Barnett Shale region associated with the restructuring of contracts in the fourth quarter of 2016. These increases were partially offset by lower rates, primarily in the Barnett Shale region associated with the previously discussed contract restructure, as well as lower volumes in most of the western and Utica Shale regions, driven by natural declines and extreme weather conditions in the Rocky Mountains in 2017. The sale of our former Canadian operations also contributed to declines in service revenue.

Product sales increased due to higher marketing revenues primarily associated with significantly higher prices and volumes. Revenues from the sale of our equity NGLs increased primarily due to significantly higher non-ethane NGL prices, partially offset by lower volumes. These increases were partially offset by lower olefin production sales primarily due to lower volumes, partially offset by higher prices. The decrease in equity NGL and olefin volumes reflect the absence of production revenues associated with our former Canadian operations that were sold in September 2016.

The increase in *Product costs* is primarily due to the same factors that increased marketing sales. *Product costs* also reflect a slight increase in costs associated with the production of NGLs and olefins.

Operating and maintenance expenses decreased primarily due to the absence of costs associated with our former Canadian operations and lower labor-related costs resulting from our workforce reductions that occurred late in first-quarter 2016, and ongoing cost containment efforts. These decreases are partially offset by an increase in pipeline integrity testing on Transco, costs associated with Transco's expansion projects, and general maintenance.

Selling, general, and administrative expenses decreased primarily due to lower labor-related costs resulting from our workforce reductions that occurred late in first-quarter 2016, ongoing cost containment efforts, and the absence of costs associated with our former Canadian operations. These decreases are partially offset by higher costs related to our organizational realignment and severance, primarily associated with our Other segment.

The favorable change in *Impairment of certain assets* reflects the absence of 2016 impairments of our former Canadian operations and certain Mid-Continent assets (see Note 10 – Fair Value Measurements and Guarantees of Notes to Consolidated Financial Statements).

The favorable change in *Other (income) expense – net* within *Operating income (loss)* includes gains from certain contract settlements and terminations in 2017, a gain on the sale of our RGP Splitter in 2017, the absence of an unfavorable change in foreign currency exchange associated with our former Canadian operations, and insurance proceeds received in 2017 associated with the Geismar Incident, partially offset by the accrual of additional expenses in 2017 related to the Geismar Incident.

Operating income (loss) changed favorably primarily due to the absence of the 2016 impairments of our former Canadian operations and certain Mid-Continent assets, higher service revenues from expansion projects placed in-service, the absence of an operating loss associated with our former Canadian operations, as well as ongoing cost containment efforts, including the workforce reductions in first-quarter 2016. *Operating income (loss)* also improved due to gains from certain contract settlements and the sale of our RGP Splitter.

The favorable change in *Equity earnings (losses)* is due to an increase in ownership of our Appalachian Midstream Investments, improved results at Discovery attributable to the accelerated recognition of previously deferred revenue, and improved results at Laurel Mountain Midstream due to higher rates, partially offset by lower UEOM results driven by lower processing volumes from the Utica gathering system.

The decrease in *Impairment of equity-method investments* reflects the absence of first-quarter 2016 impairment charges associated with our DBJV and Laurel Mountain equity-method investments. (See Note 10 – Fair Value Measurements and Guarantees of Notes to Consolidated Financial Statements.)

Other investing income (loss) - net reflects the gain on disposition of our investments in DBJV and Ranch Westex JV LLC in 2017. (See Note 5 – Investing Activities of Notes to Consolidated Financial Statements.)

Management's Discussion and Analysis (Continued)

Interest expense decreased primarily due to lower *Interest incurred* primarily attributable to debt retirements and the absence of borrowings on our credit facility in 2017. (See Note 8 – Debt and Banking Arrangements of Notes to Consolidated Financial Statements.)

Other income (expense) – net below *Operating income (loss)* changed favorably primarily due to a \$30 million net gain on early debt retirement in 2017, which is included in our Other segment. (See Note 6 – Other Income and Expenses of Notes to Consolidated Financial Statements.)

Provision (benefit) for income taxes changed unfavorably primarily due to the absence of a 2016 income tax benefit associated with the impairment of our former Canadian operations. See Note 7 – Provision (Benefit) for Income Taxes of Notes to Consolidated Financial Statements for a discussion of the effective tax rates compared to the federal statutory rate for both periods.

The unfavorable change in *Net income (loss) attributable to noncontrolling interests* is primarily due to improved results in our Gulfstar operations, partially offset by lower results for our Cardinal gathering system.

Period-Over-Period Operating Results – Segments

We evaluate segment operating performance based upon *Modified EBITDA*. Note 12 – Segment Disclosures of Notes to Consolidated Financial Statements 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.

Northeast G&P

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Millions)			
Service revenues	\$ 217	\$ 216	\$ 434	\$ 435
Product sales	52	34	120	57
Segment revenues	269	250	554	492
Product costs	(49)	(34)	(118)	(55)
Other segment costs and expenses	(89)	(85)	(175)	(180)
Impairment of certain assets	(1)	(4)	(2)	(8)
Proportional Modified EBITDA of equity-method investments	117	95	214	193
Northeast G&P Modified EBITDA	\$ 247	\$ 222	\$ 473	\$ 442

Three months ended June 30, 2017 vs. three months ended June 30, 2016

Modified EBITDA increased primarily due to higher *Proportional Modified EBITDA of equity-method investments*.

Service revenues increased slightly including:

- A \$14 million increase in fee revenues in the Susquehanna Supply Hub driven by 16 percent higher gathered volumes reflecting increased customer production;
- A \$10 million increase in fee revenues in our Ohio Valley Midstream operations driven by higher gathering and processing volumes in second quarter 2017 reflecting the absence of shut-in volumes from second quarter 2016 as well as new production coming online;

Management's Discussion and Analysis (Continued)

- Partially offset by a \$26 million decrease in the Utica gathering system associated with 25 percent lower gathered volumes driven by natural declines.

Product sales increased primarily due to higher non-ethane volumes within our marketing activities. The changes in marketing revenues are offset by similar changes in marketing purchases, reflected above as *Product costs*.

Proportional Modified EBITDA of equity-method investments increased primarily due to a \$27 million increase at Appalachian Midstream Investments reflecting our increased ownership, partially offset by an \$11 million decrease at UEOM driven by lower processing volumes from the Utica gathering system as noted above.

Six months ended June 30, 2017 vs. six months ended June 30, 2016

Modified EBITDA increased primarily due to higher *Proportional Modified EBITDA of equity-method investments*.

Service revenues decreased slightly reflecting a \$47 million decrease in the Utica gathering system primarily due to 26 percent lower gathered volumes driven by natural declines, partially offset by a \$23 million increase in fee revenue at Susquehanna Supply Hub driven by 12 percent higher gathered volumes reflecting increased customer production, and a \$22 million increase in fee revenue at Ohio Valley Midstream reflecting the absence of shut-in volumes from the first half of 2016, as well as new production coming online.

Product sales increased primarily due to higher non-ethane prices and volumes within our marketing activities. The changes in marketing revenues are offset by similar changes in marketing purchases, reflected above as *Product costs*.

Proportional Modified EBITDA of equity-method investments changed favorably primarily due to a \$29 million increase at Appalachian Midstream Investments reflecting our increased ownership acquired late in the first quarter, an \$8 million increase at Laurel Mountain Midstream associated with higher gathering revenue due to higher rates reflecting higher natural gas prices, partially offset by a \$21 million decrease at UEOM driven by lower processing volumes from the Utica gathering system as noted above.

Atlantic-Gulf

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Millions)			
Service revenues	\$ 547	\$ 458	\$ 1,083	\$ 936
Product sales	125	105	259	174
Segment revenues	672	563	1,342	1,110
Product costs	(113)	(98)	(231)	(162)
Other segment costs and expenses	(185)	(172)	(359)	(338)
Impairment of certain assets	—	(1)	—	(2)
Proportional Modified EBITDA of equity-method investments	80	68	152	134
Atlantic-Gulf Modified EBITDA	\$ 454	\$ 360	\$ 904	\$ 742
NGL margin	\$ 9	\$ 7	\$ 23	\$ 12

Three months ended June 30, 2017 vs. three months ended June 30, 2016

Modified EBITDA increased primarily due to higher service revenues and an increase in the *Proportional Modified EBITDA of equity-method investments*, partially offset by higher *Other segment costs and expenses*.

Management's Discussion and Analysis (Continued)

Service revenues increased primarily due to:

- A \$69 million increase in eastern Gulf Coast region fee revenues primarily related to the impact of new volumes at Gulfstar One from the Gunflint expansion placed in-service in the third quarter of 2016 and the absence of the temporary shut-down of Gulfstar One in the second quarter of 2016 to tie-in Gunflint, along with higher volumes at Devils Tower related to the Kodiak field;
- A \$27 million increase in Transco's natural gas transportation fee revenues primarily due to a \$30 million increase associated with expansion projects placed in-service in 2016 and 2017.

Product sales increased primarily due to a \$13 million increase in system management gas sales from Transco. System management gas sales are offset in *Product costs* and, therefore, have no impact on *Modified EBITDA*.

Other segment costs and expenses primarily increased due to higher Transco pipeline integrity testing and costs associated with Transco's expansion projects, partially offset by a favorable change in equity allowance for funds used during construction (AFUDC), primarily associated with an increase in Transco's capital spending.

The increase in *Proportional Modified EBITDA of equity-method investments* includes an \$11 million increase from Discovery primarily due to the accelerated recognition of previously deferred revenue.

Six months ended June 30, 2017 vs. six months ended June 30, 2016

Modified EBITDA increased primarily due to higher service revenues, and increase in the *Proportional Modified EBITDA of equity-method investments* and higher NGL margins, partially offset by higher *Other segment costs and expenses*.

Service revenues increased primarily due to:

- A \$112 million increase in eastern Gulf Coast region fee revenues primarily related to the impact of new volumes at Gulfstar One related to the Gunflint expansion placed in-service in the third quarter of 2016, the absence of the temporary shut-down of Gulfstar One in the second quarter of 2016 to tie-in Gunflint, the absence of producers' operational issues in the Tubular Bells field during the first quarter of 2016, and higher volumes at Devils Tower related to the Kodiak field;
- A \$31 million increase in Transco's natural gas transportation fee revenues primarily due to a \$43 million increase associated with expansion projects placed in-service in 2016 and 2017, partially offset by lower volume-based transportation services revenues;
- A \$15 million increase in Transco's storage revenue related to the absence of an accrual for potential refunds associated with a ruling received in certain rate case litigation in 2016.

Product sales increased primarily due to:

- A \$45 million increase in crude oil and NGL marketing revenues. Crude oil marketing sales increased by \$31 million primarily due to 28 percent higher sales prices and 19 percent higher volumes, primarily associated with the marketing of higher volumes at Devils Tower. NGL marketing sales increased \$14 million primarily due to a 45 percent increase in non-ethane sales prices. These changes in marketing revenues are offset by similar changes in marketing purchases;
- A \$24 million increase in revenues from our equity NGLs primarily due to a \$15 million increase as a result of sales from inventory, which temporarily increased during the latter part of 2016 while we experienced an increase in keep-whole volumes due to disrupted operations of a competitor. In addition, an \$8 million increase is related to a 42 percent increase in realized non-ethane prices.

Management's Discussion and Analysis (Continued)

- A \$12 million increase in system management gas sales from Transco. System management gas sales are offset in *Product costs* and, therefore, have no impact on *Modified EBITDA*.

Product costs increased primarily due to:

- A \$44 million increase in marketing purchases (offset in *Product sales*);
- A \$13 million increase in natural gas purchases associated with the production of equity NGLs primarily due to increased sales from inventory and a 50 percent increase in per-unit natural gas prices;
- A \$12 million increase in system management gas costs (offset in *Product sales*).

Other segment costs and expenses primarily increased due to higher costs associated with Transco's expansion projects, pipeline testing and general maintenance, as well as higher general and administrative costs due to an increased share of allocated support costs. These increases are partially offset by a \$16 million favorable change in equity AFUDC, associated with an increase in Transco's capital spending which is offset by an \$8 million decrease in Constitution's equity AFUDC as we discontinued capitalization of development costs in April 2016.

The increase in *Proportional Modified EBITDA of equity-method investments* includes a \$17 million increase from Discovery primarily associated with an \$11 million increase due to the accelerated recognition of previously deferred revenue. The remaining increase is primarily due to higher volumes associated with the Keathley Canyon Connector platform.

West

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Millions)			
Service revenues	\$ 527	\$ 528	\$ 1,045	\$ 1,059
Product sales	435	306	891	548
Segment revenues	962	834	1,936	1,607
Product costs	(409)	(276)	(825)	(498)
Other segment costs and expenses	(214)	(225)	(412)	(473)
Impairment of certain assets	(1)	(49)	(1)	(50)
Proportional modified EBITDA of equity-method investments	18	28	43	53
West Modified EBITDA	\$ 356	\$ 312	\$ 741	\$ 639
NGL margin	\$ 30	\$ 32	\$ 67	\$ 52

Three months ended June 30, 2017 vs. three months ended June 30, 2016

Modified EBITDA increased primarily due to lower *Impairment of certain assets*, new amortization of deferred revenue associated with the up-front cash payment received in conjunction with the fourth quarter 2016 Barnett Shale contract restructuring, and lower segment costs and expenses, partially offset by lower gathering rates and lower volumes as a result of natural declines.

Service revenues decreased slightly primarily due to:

- Lower gathering rates in the Barnett Shale related to the fourth quarter 2016 contract restructuring, along with lower rates recognized in the Eagle Ford Shale and Niobrara regions. Rates recognized in the Niobrara region represent a portion of the total contractual rate, with the difference reflected as deferred revenue;

- Lower volumes in most regions as a result of natural declines, partially offset by higher volumes in the Eagle Ford Shale as a result of new wells connected;

Management's Discussion and Analysis (Continued)

- A \$53 million increase related to the amortization of deferred revenue associated with the up-front cash payment received in conjunction with the fourth quarter 2016 Barnett Shale contract restructuring.

Product sales increased primarily due to:

- A \$119 million increase in marketing revenues primarily due to increases in product prices including a 21 percent increase in average non-ethane per-unit sales prices, a 30 percent increase in ethane prices, and a 52 percent increase in natural gas prices. In addition, ethane and non-ethane sales volumes were 45 percent and 8 percent higher, respectively (more than offset by higher *Product costs*);

- A \$7 million increase in revenues associated with our equity NGLs due to 18 percent higher non-ethane prices, partially offset by 10 percent lower non-ethane volumes primarily due to natural declines.

Product costs increased primarily due to:

- A \$123 million increase in marketing purchases (substantially offset in *Product sales*);
- A \$9 million increase in natural gas purchases associated with the production of equity NGLs primarily due to a 53 percent increase in per-unit natural gas prices.

Other segment costs and expenses decreased primarily due to lower operating expenses that include lower compression costs and reductions related to ongoing cost containment efforts.

Impairment of certain assets decreased primarily due to the absence of a \$48 million impairment of certain Mid-Continent gathering assets in 2016.

Proportional modified EBITDA of equity-method investments decreased primarily due to the divestiture of our interests in DBJV and Ranch Westex JV LLC late in the first quarter of 2017.

Six months ended June 30, 2017 vs. six months ended June 30, 2016

Modified EBITDA increased primarily due to new amortization of deferred revenue associated with the up-front cash payment received in conjunction with the fourth quarter 2016 Barnett Shale contract restructuring, lower segment costs and expenses, lower *Impairment of certain assets*, and higher per-unit NGL margins, partially offset by lower gathering rates and volumes as a result of natural declines.

Service revenues decreased primarily due to:

- Lower gathering rates in the Barnett Shale area primarily due to the fourth quarter 2016 contract restructuring, along with lower rates recognized in the Niobrara, Eagle Ford Shale, and Haynesville Shale regions. Rates recognized in the Niobrara region represent a portion of the total contractual rate, with the difference reflected as deferred revenue;
- Lower volumes in most regions as a result of natural declines and more extreme weather conditions in the Rocky Mountains in the first quarter of 2017;
- A \$105 million increase related to the amortization of deferred revenue associated with the up-front cash payment received in conjunction with the fourth quarter 2016 Barnett Shale contract restructuring.

Product sales increased primarily due to:

- A \$305 million increase in marketing revenues primarily due to a 43 percent increase in average non-ethane per-unit sales prices, a 38 percent increase ethane prices, and a 52 percent increase in natural gas prices. In addition, non-ethane, ethane, and natural gas sales volumes were 10 percent, 28 percent, and 41 percent higher, respectively (more than offset by higher *Product costs*);

Management's Discussion and Analysis (Continued)

- A \$33 million increase in revenues associated with our equity NGLs primarily due to 43 percent higher non-ethane prices.

Product costs increased primarily due to:

- A \$306 million increase in marketing purchases (substantially offset in *Product sales*);
- A \$19 million increase in natural gas purchases associated with the production of equity NGLs primarily due to a 55 percent increase in per-unit natural gas prices.

The decrease in *Other segment costs and expenses* reflects a \$34 million decline in operating expenses and a \$12 million reduction in general and administrative expenses, primarily due to the 2016 workforce reductions, ongoing cost containment efforts, lower compression expenses, and a reduced share of allocated support costs. In addition, the decrease in *Other segment costs and expenses* reflects gains from contract settlements and terminations.

Impairment of certain assets decreased primarily due to the absence of a \$48 million impairment of certain Mid-Continent gathering assets in 2016.

Proportional modified EBITDA of equity-method investments decreased primarily due to the divestiture of our interests in DBJV and Ranch Westex JV LLC late in the first quarter of 2017.

NGL & Petchem Services

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Millions)			
Service revenues	\$ 4	\$ 23	\$ 7	\$ 31
Product sales	157	173	356	341
Segment revenues	161	196	363	372
Product costs	(107)	(98)	(231)	(191)
Other segment costs and expenses	(24)	(46)	(51)	(103)
Impairment of certain assets	—	(342)	—	(342)
NGL & Petchem Services Modified EBITDA	\$ 30	\$ (290)	\$ 81	\$ (264)
Olefins margin	\$ 52	\$ 74	\$ 123	\$ 145
NGL margin	—	1	—	6

Three months ended June 30, 2017 vs. three months ended June 30, 2016

Modified EBITDA changed favorably primarily due to the absence of a \$341 million impairment of our former Canadian operations in second-quarter 2016 and lower segment costs and expenses, partially offset by lower margins associated with our olefin operations.

Service revenues declined due to the absence of revenues associated with our former Canadian operations that were sold in September 2016.

Product sales decreased primarily due to:

- A \$31 million decrease in olefin sales primarily due to a \$17 million decrease at the RGP Splitter associated with \$23 million lower volumes as the plant ceased operations in advance of its sale in June 2017, and also experienced lower production in April and May 2017 due to a third-party storage issue. The lower volumes were partially offset by \$6 million higher sales

prices reflecting higher propylene prices. The decrease in olefins sales also includes a \$13 million decrease at our Geismar plant associated with \$23 million of lower

volumes due to downtime related to an electrical power outage impacting second-quarter 2017, partially offset by \$10 million higher sales prices primarily due to 9 percent higher ethylene prices;

- A \$20 million increase in marketing revenues primarily due to higher olefin volumes and prices (offset by higher *Product costs*).

Product costs increased primarily due to:

- A \$20 million increase in marketing product costs primarily due to higher olefin feedstock prices and volumes (offset by higher *Product sales*);
- A \$9 million decrease in olefin feedstock purchases primarily due to lower feedstock costs at the RGP Splitter reflecting \$16 million of lower volumes associated with the issues noted above, partially offset by \$7 million higher feedstock prices.

The decrease in *Other segment costs and expenses* is primarily due to the absence of \$23 million in operating and other expenses associated with our former Canadian operations, as well as a \$12 million gain on the sale of the RGP Splitter, partially offset by \$12 million of higher operating and other expenses primarily due to selling expenses associated with the Geismar plant and higher operating expenses associated with repairs of the electrical outage noted above.

The decrease in *Impairment of certain assets* primarily reflects the absence of the second-quarter 2016 impairment of our former Canadian operations (see Note 10 – Fair Value Measurements and Guarantees of Notes to Consolidated Financial Statements).

Six months ended June 30, 2017 vs. six months ended June 30, 2016

Modified EBITDA increased primarily due to the absence of a \$341 million impairment of our former Canadian operations in second-quarter 2016 and lower segment costs and expenses, partially offset by lower margins associated with our olefin operations.

Service revenues declined due to the absence of revenues associated with our former Canadian operations that were sold in September 2016.

Product sales increased primarily due to:

- A \$58 million increase in marketing revenues primarily due to higher olefin volumes and prices (significantly offset by higher *Product costs*);
- A \$21 million decrease in olefin sales primarily due to a \$16 million decrease at our Geismar plant reflecting \$60 million from lower volumes associated with the electrical outage in second-quarter 2017, as well as planned maintenance downtime in first-quarter 2017 compared with no plant downtime in the first half of 2016. The lower volumes were partially offset by \$44 million associated with higher prices, primarily 26 percent higher ethylene prices. In addition, olefin sales declined \$13 million due to the sale of our former Canadian business, partially offset by \$8 million higher sales at our RGP Splitter primarily due to \$25 million related to higher sales prices associated with higher propylene prices, partially offset by \$17 million from lower volumes in second-quarter 2017, as noted above;
- A \$20 million decrease due to the absence of NGL production revenues associated with our former Canadian operations.

Product costs increased primarily due to:

- A \$54 million increase in marketing product costs primarily due to higher olefin feedstock prices and volumes (more than offset by higher *Product sales*);

Management's Discussion and Analysis (Continued)

- A \$14 million decrease due to the absence of NGL product costs associated with our former Canadian operations.

The decrease in *Other segment costs and expenses* is primarily due to the absence of \$54 million in operating and other expenses associated with our former Canadian operations, as well as a \$12 million gain on the sale of the RGP Splitter, partially offset by \$11 million higher operating and other expenses primarily due to selling expenses associated with the Geismar plant and higher operating expenses associated with repairs of the electrical outage noted above.

The decrease in *Impairment of certain assets* primarily reflects the absence of the 2016 impairment of our former Canadian operations (see Note 10 – Fair Value Measurements and Guarantees of Notes to Consolidated Financial Statements).

Management's Discussion and Analysis of Financial Condition and Liquidity

Outlook

Fee-based businesses are becoming an even more significant component of our portfolio and serve to reduce the influence of commodity price fluctuations on our cash flows. We expect to benefit as continued growth in demand for low-cost natural gas is driven by increases in LNG exports, industrial demand, and power generation.

As previously discussed in Company Outlook, our expected growth capital and investment expenditures total approximately \$2.1 billion to \$2.8 billion in 2017. Approximately \$1.4 billion to \$1.9 billion of our growth capital funding needs include Transco expansions and other interstate pipeline growth projects, most of which are fully contracted with firm transportation agreements. The remaining growth capital spending in 2017 primarily reflects investment in gathering and processing systems in the Northeast G&P segment limited primarily to known new producer volumes, including volumes that support Transco expansion projects including our Atlantic Sunrise project. 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 meet legal, regulatory, and/or contractual commitments. We retain the flexibility to adjust planned levels of capital and investment expenditures in response to changes in economic conditions or business opportunities.

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 2017. Our expected material internal and external sources of liquidity for 2017 are as follows:

- Cash and cash equivalents on hand;
- Cash generated from operations;
- Distributions from our equity-method investees;
- Cash proceeds from the January 2017 and February 2017 purchase of common units by Williams (see Note 1 – General, Description of Business, and Basis of Presentation of Notes to Consolidated Financial Statements);
- Utilization of our credit facility and/or commercial paper program;
- Proceeds from asset monetizations.

We expect our material internal and external uses of liquidity to be:

- Working capital requirements;
- Capital and investment expenditures;
- Debt service payments, including payments of long-term debt;
- Quarterly distributions to our unitholders.

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

Management's Discussion and Analysis (Continued)

As of June 30, 2017, we had a working capital surplus of \$91 million. Our available liquidity is as follows:

Available Liquidity	June 30, 2017
	(Millions)
Cash and cash equivalents (1)	\$ 1,908
Capacity available under our \$3.5 billion credit facility, less amounts outstanding under our \$3 billion commercial paper program (2)	3,500
	\$ 5,408

- (1) On July 3, 2017, a portion of these funds was used to retire our \$1.4 billion of 4.875 percent senior unsecured notes. (See Note 8 – Debt and Banking Arrangements of Notes to Consolidated Financial Statements.)
- (2) 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. As of June 30, 2017, no *Commercial paper* was outstanding under our commercial paper program. Through June 30, 2017, the highest amount outstanding under our commercial paper program and credit facility during 2017 was \$178 million. At June 30, 2017, we were in compliance with the financial covenants associated with this credit facility. Borrowing capacity available under our \$3.5 billion credit facility as of August 1, 2017, was \$3.5 billion.

Registrations

In September 2016, we filed a registration statement for our distribution reinvestment program. (See Note 9 – Partners' Capital of Notes to Consolidated Financial Statements.)

In February 2015, we filed a shelf registration statement, as a well-known seasoned issuer, registering common units representing limited partner interests and debt securities. Also in February 2015, we filed a shelf registration statement for the offer and sale from time to time of common units representing limited partner interests in us having an aggregate offering price of up to \$1 billion. These sales are to be made over a period of time and from time to time in transactions at prices which are market prices prevailing at the time of sale, prices related to market price, or at negotiated prices. Such sales are to be made pursuant to an equity distribution agreement between us and certain banks who may act as sales agents or purchase for their own accounts as principals.

Distributions from Equity-Method Investees

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

Credit Ratings

Our ability to borrow money is impacted by our credit ratings. Our current ratings are as follows:

Rating Agency	Outlook	Senior Unsecured Debt Rating	Corporate Credit Rating
S&P Global Ratings	Stable	BBB	BBB
Moody's Investors Service	Stable	Baa3	N/A
Fitch Ratings	Positive	BBB-	N/A

During March 2017, S&P Global Ratings upgraded the rating for WPZ, and in July 2017, Fitch Ratings changed the Outlook for WPZ to Positive. 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 rating might increase our future cost of borrowing and would require us to provide additional collateral to third parties, negatively impacting our available liquidity. As of June 30, 2017, we estimate that a downgrade to a rating below investment-grade could require us to provide up to \$379 million in additional collateral of either cash or letters of credit with third parties under existing contracts.

Cash Distributions to Unitholders

The Board of Directors of our general partner declared a cash distribution of \$0.60 per common unit on July 24, 2017, to be paid on August 11, 2017, to unitholders of record at the close of business on August 4, 2017.

Sources (Uses) of Cash

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

Cash Flow Category	Six Months Ended June 30,		
	2017	2016	
(Millions)			
Sources of cash and cash equivalents:			
Operating activities – net	Operating	\$ 1,507	\$ 1,666
Proceeds from sales of common units (see Note 1)	Financing	2,184	—
Proceeds from long-term debt (see Note 8)	Financing	1,698	998
Distributions from unconsolidated affiliates in excess of cumulative earnings	Investing	258	261
Proceeds from dispositions of equity-method investments (see Note 5)	Investing	200	—
Proceeds from credit-facility borrowings	Financing	—	1,940
Uses of cash and cash equivalents:			
Payments of long-term debt (see Note 8)	Financing	(1,535)	(375)
Distributions paid (1)	Financing	(1,357)	(1,231)
Capital expenditures	Investing	(1,049)	(981)
Dividends and distributions to noncontrolling interests	Financing	(108)	(45)
Payments of commercial paper – net	Financing	(93)	(304)
Purchases of and contributions to equity-method investments	Investing	(79)	(122)
Payments on credit-facility borrowings	Financing	—	(1,825)
Contribution to Gulfstream for repayment of debt	Financing	—	(148)
Other sources / (uses) – net	Financing and Investing	137	178
Increase (decrease) in cash and cash equivalents		\$ 1,763	\$ 12

(1) Includes \$1.018 billion and \$808 million to Williams in 2017 and 2016, respectively.

Operating activities

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*, *Net (gain) loss on disposition of equity-method investments*, *Impairment of equity-method investments*, and *Impairment of and net (gain) loss on sale of assets and businesses*. Our *Net cash provided (used) by operating activities* for the six months ended June 30, 2017, decreased from the same period in 2016 primarily due to the absence in 2017 of certain minimum volume commitment receipts due to contract restructurings, partially offset by higher operating income in 2017.

Off-Balance Sheet Arrangements and Guarantees of Debt or Other Commitments

We have various other guarantees and commitments which are disclosed in Note 2 – Variable Interest Entities, Note 8 – Debt and Banking Arrangements, Note 10 – Fair Value Measurements and Guarantees, and Note 11 – Contingent Liabilities of Notes to

Consolidated Financial Statements. We do not believe these guarantees and commitments or the possible fulfillment of them will prevent us from meeting our liquidity needs.

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 and has not materially changed during the first six months of 2017.

Item 4

Controls and Procedures

Our management, including our general partner's 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 Securities 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 partnership 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 error or mistake. 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 general partner's Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, our general partner's Chief Executive Officer and Chief Financial Officer concluded that these Disclosure Controls are effective at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There have been no changes during the second quarter of 2017 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 which 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.

On February 21, 2017, we received notice from the Environmental Enforcement Section of the United States Department of Justice regarding certain alleged violations of the Clean Air Act at our Moundsville facility as set forth in a Notice of Noncompliance issued by the EPA on January 14, 2016. The notice includes an offer to avoid further legal action on the alleged violations by paying \$2 million. We are currently evaluating the communication and our response.

On May 5, 2017, we entered into a Consent Order with the Georgia Department of Natural Resources, Environmental Protection Division (GEPD) pertaining to alleged violations of the Georgia Water Quality Control Act and associated rules arising from a permit issued by GEPD for construction of the Dalton Project. Pursuant to the Consent Order, we paid a fine of \$168,750 and agreed to perform a Corrective Action Order to remedy the alleged violations.

Other

The additional information called for by this item is provided in Note 11 – Contingent Liabilities of Notes to Consolidated Financial Statements included under Part I, Item 1. Financial Statements of this report, which information is incorporated by reference into this item.

Item 6. Exhibits**Exhibit
No.****Description**

-
- | | |
|-------|---|
| 2.1§ | — Agreement and Plan of Merger dated as of May 12, 2015, by and among The Williams Companies, Inc., SCMS LLC, Williams Partners L.P., and WPZ GP LLC (filed on May 13, 2015 as Exhibit 2.1 to Williams Partners L.P.'s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference). |
| 2.2*§ | — Membership Interest Purchase Agreement, dated as of April 13, 2017, among Williams Field Services Group, LLC, Williams Partners L.P., Williams Olefins, L.L.C., NOVA Chemicals Inc., and NOVA Chemicals Corporation. |
| 3.1 | — Certificate of Limited Partnership of Chesapeake Midstream Partners, L.P. (filed on February 16, 2010 as Exhibit 3.1 to Williams Partners L.P.'s registration statement on Form S-1 (File No. 333-164905) and incorporated herein by reference). |
| 3.2 | — Amendment to Certificate of Limited Partnership of Chesapeake Midstream Partners, L.P. (filed on July 30, 2012 as Exhibit 3.1 to Williams Partners L.P.'s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference). |
| 3.3 | — Amendment to Certificate of Limited Partnership of Access Midstream Partners, L.P. (filed on February 3, 2015 as Exhibit 3.5 to Williams Partners L.P.'s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference). |
| 3.4 | — Composite Certificate of Limited Partnership of Williams Partners L.P. (filed on February 25, 2015 as Exhibit 3.4 to Williams Partners L.P.'s annual report on Form 10-K (File No. 001-34831) and incorporated herein by reference). |
| 3.5 | — First Amended and Restated Agreement of Limited Partnership of Chesapeake Midstream Partners, L.P., dated August 3, 2010 (filed on August 5, 2010 as Exhibit 3.1 to Williams Partners L.P.'s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference). |
| 3.6 | — Amendment No. 1 to the First Amended and Restated Agreement of Limited Partnership of Chesapeake Midstream Partners, L.P. dated as of July 24, 2012 (filed on July 30, 2012 as Exhibit 3.3 to Williams Partners L.P.'s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference). |
| 3.7 | — Amendment No. 2 to the First Amended and Restated Agreement of Limited Partnership of Access Midstream Partners, L.P. dated as of December 20, 2012 (filed on December 26, 2012 as Exhibit 3.1 to Williams Partners L.P.'s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference). |
| 3.8 | — Amendment No. 3 to the First Amended and Restated Agreement of Limited Partnership of Access Midstream Partners, L.P. dated as of January 29, 2015 (filed on February 3, 2015 as Exhibit 3.1 to Williams Partners L.P.'s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference). |
| 3.9 | — Amendment No. 4 to the First Amended and Restated Agreement of Limited Partnership of Access Midstream Partners, L.P. dated as of January 29, 2015 (filed on February 3, 2015 as Exhibit 3.4 to Williams Partners L.P.'s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference). |
| 3.10 | — Amendment No. 5 to the First Amended and Restated Agreement of Limited Partnership of Williams Partners L.P., dated as of June 10, 2015 (filed on June 12, 2015 as Exhibit 3 to Williams Partners L.P.'s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference). |
| 3.11 | — Amendment No. 6 to the First Amended and Restated Agreement of Limited Partnership of Williams Partners L.P., dated September 28, 2015 (filed on September 28, 2015 as Exhibit 3.1 to Williams Partners L.P.'s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference). |

Exhibit No.	Description
3.12	— Amendment No. 7 to the First Amended and Restated Agreement of Limited Partnership of Williams Partners L.P., dated October 12, 2016 (filed on October 13, 2016 as Exhibit 3 to Williams Partners L.P.’s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference).
3.13	— Amendment No. 8 to the First Amended and Restated Agreement of Limited Partnership of Williams Partners L.P., dated January 9, 2017 (filed on January 10, 2017 as Exhibit 3.1 to Williams Partners L.P.’s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference).
3.14	— Composite Agreement of Limited Partnership of Williams Partners L.P. (filed on February 22, 2017 as Exhibit 3.14 to Williams Partners L.P.’s annual report on Form 10-K (File No. 001-34831) and incorporated herein by reference).
3.15	— Certificate of Formation of Chesapeake Midstream GP, L.L.C. (filed on February 16, 2010 as Exhibit 3.3 to Williams Partners L.P.’s registration statement on Form S-1 (File No. 333-164905) and incorporated herein by reference).
3.16	— Certificate of Amendment to Certificate of Formation of Chesapeake Midstream GP, L.L.C. (filed on July 30, 2012 as Exhibit 3.5 to Williams Partners L.P.’s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference).
3.17	— Certificate of Amendment of Certificate of Formation of Access Midstream Partners GP, L.L.C. (filed on February 3, 2015 as Exhibit 3.2 to Williams Partners L.P.’s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference).
3.18	— Composite Certificate of Formation of WPZ GP LLC (filed on February 25, 2015 as Exhibit 3.14 to Williams Partners L.P.’s annual report on Form 10-K (File No. 001-34831) and incorporated herein by reference).
3.19	— Eighth Amended and Restated Limited Liability Company Agreement of WPZ GP LLC (filed on August 2, 2016 as Exhibit 3.17 to Williams Partners L.P.’s quarterly report on Form 10-Q (File No. 001-34831) and incorporated herein by reference).
4.1	Ninth Supplemental Indenture, dated as of June 5, 2017, between Williams Partners L.P. and The Bank of New York Mellon Trust Company, N.A., as trustee (filed on June 5, 2017 as Exhibit 4.1 to Williams Partners L.P.’s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference).
10.1	— Termination Agreement and Release, dated as of September 28, 2015, by and among The Williams Companies, Inc., SCMS LLC, Williams Partners L.P. and WPZ GP LLC (filed on September 28, 2015 as Exhibit 10.1 to Williams Partners L.P.’s current report on Form 8-K (File No. 001-34831) and incorporated herein by reference).
12*	— Computation of Ratio of Earnings to Fixed Charges.
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.
101.SCH*	— XBRL Taxonomy Extension Schema.

Exhibit No.	Description
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.

* Filed herewith.

** Furnished herewith.

§ Pursuant to Item 601(b)(2) of Regulation S-K., the registrant agrees to furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon request.

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.

WILLIAMS PARTNERS L.P.

(Registrant)

By: WPZ GP LLC, its general partner

/s/ TED T. TIMMERMANS

Ted T. Timmermans

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

August 3, 2017

MEMBERSHIP INTEREST PURCHASE AGREEMENT

among

WILLIAMS FIELD SERVICES GROUP, LLC,

as the Seller,

WILLIAMS PARTNERS L.P.,

as the Seller Parent,

WILLIAMS OLEFINS, L.L.C.,

as the Company,

NOVA CHEMICALS INC.,

as the Buyer,

and

NOVA CHEMICALS CORPORATION,

as the Buyer Parent

Dated as of April 13, 2017

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MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT, dated as of April 13, 2017 (this “Agreement”), is among Williams Field Services Group, LLC, a Delaware limited liability company (the “Seller”), Williams Partners L.P., a Delaware limited partnership (the “Seller Parent”), Williams Olefins, L.L.C., a Delaware limited liability company (the “Company”), NOVA Chemicals Inc., a Delaware corporation (the “Buyer”), and NOVA Chemicals Corporation, a corporation continued under the Laws of the Province of New Brunswick, Canada (the “Buyer Parent”).

RECITALS

- A. The Seller owns 100% of the issued and outstanding membership interests (the “Interests”) of the Company.
- B. The Seller wishes to sell to the Buyer, and the Buyer wishes to purchase from the Seller, the Interests.

AGREEMENT

In consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Certain Defined Terms. For purposes of this Agreement:

“Acquisition Engagement” has the meaning set forth in Section 11.19(a).

“Action” means any Investigation, claim, action, suit, arbitration, litigation, petition, complaint or proceeding, in each case, by or before any Governmental Authority.

“Affiliate” means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person.

“Agreement” has the meaning set forth in the Preamble.

“Alternative Financing” means any financing, including from alternative sources, in an amount (together with other financial resources of the Buyer including unrestricted cash, cash equivalents and marketable securities of the Buyer on the Closing Date) sufficient to consummate the transactions contemplated by this Agreement and the Ancillary Agreements so long as (unless the Seller provides prior consent) such financing shall not (i) reduce the aggregate amount of the Financing available on the Closing Date from that contemplated in the Financing Commitments, (ii) expand upon the conditions precedent to the Financing as set forth in the Financing Commitments or (iii) be reasonably expected to prevent, impede or delay the consummation of the transactions contemplated by this Agreement or the Ancillary Agreements.

“Ancillary Agreements” means the Indemnification Agreements, the Ethane Supply Agreements and the Transition Services Agreement.

“Andrews Kurth” has the meaning set forth in Section 11.19(a).

“Anti-Bribery Laws” has the meaning set forth in Section 4.25.

“Applicable Accounting Principles” has the meaning set forth in Section 2.3(a).

“Applicable Courts” has the meaning set forth in Section 11.9.

“Applicable Policies” has the meaning set forth in Section 4.12(a).

“Approval” has the meaning set forth in Section 3.3(b).

“Balance Sheet” has the meaning set forth in Section 4.6(a).

“Basket Amount” has the meaning set forth in Section 9.8(a)(i).

“Benefits Continuation Period” has the meaning set forth in Section 6.10(a).

“BIS” has the meaning set forth in Section 8.1(a).

“Blacklisted Person” means a Person who is on (a) the OFAC list of Specially Designated Nationals and Blocked Persons, (b) the Bureau of Industry and Security of the United States Department of Commerce’s “Denied Persons List,” “Entity List” or “Unverified List,” (c) the Office of Defense Trade Controls of the United States Department of State’s “List of Debarred Parties” or (d) any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation.

“Business” means the production of olefins at the Plant, the sale of olefins and the storage of ethylene by the Company, all as currently conducted; provided, however, that “Business” shall not include (i) the ownership or operation of the pipelines that provide feedstock to the Plant, including the related transportation services, supply services and non-ethylene storage services provided by the Company or any of its Affiliates, up to the applicable custody transfer meters but not including any pipelines, related transportation services, supply services and non-ethylene storage services on the Plant side of the Plant’s custody transfer meters, (ii) the Williams ROWs or (iii) assets transferred pursuant to the reorganization described in Schedule 4.7 of the Disclosure Schedules; provided, further, that the reference in this definition to the business “as currently conducted” is a reference to the conduct of the business before the occurrence of and without taking into consideration the interruption and special circumstances applicable to the Company as a result of the March 2017 power outage.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in the City of New York.

“Business Employees” has the meaning set forth in Section 4.10(a).

“Buyer” has the meaning set forth in the Preamble.

“Buyer Fundamental Representations” has the meaning set forth in Section 9.1(a).

“Buyer Indemnified Persons” has the meaning set forth in Section 9.2.

“Buyer Material Adverse Effect” means any event, change, occurrence or effect that would prevent, materially delay or materially impede the performance by the Buyer of its obligations under this Agreement or the Transaction Documents to which it will be a party or the consummation of the transactions contemplated hereby or thereby.

“Buyer Parent” has the meaning set forth in the Preamble.

“Buyer Parent Guaranteed Obligations” has the meaning set forth in Section 11.22(b).

“CFIUS” has the meaning set forth in Section 6.5(d).

“CFIUS Approval” means the Buyer, the Seller or both shall have received written notice from CFIUS stating that: (i) CFIUS has concluded that the transaction is not a “covered transaction” and is not subject to review under applicable Law; (ii) the review or investigation of the transaction contemplated by this Agreement under the Exon-Florio Provision has been concluded (including by expiration of the waiting period), and there are no unresolved national security concerns with respect to the transaction contemplated by this Agreement; or (iii) CFIUS has sent a report to the President of the United States requesting the President’s decision on the CFIUS notice submitted by the Seller and the Company and either (A) the period under the Defense Production Act of 1950 during which the President may announce his decision to take action to suspend, prohibit or place any limitations on the transactions contemplated hereby has expired without any such action being threatened, announced or taken, or (B) the President has announced a decision not to take any action to suspend, prohibit or place any limitations on the transactions contemplated hereby.

“Claim” has the meaning set forth in Section 6.7(b).

“Close Family Member” means, with respect to an individual: (i) the individual’s spouse; (ii) the individual’s and the spouse’s grandparents, parents, siblings, children, nieces, nephews, aunts, uncles and first cousins; (iii) the spouse of any persons listed in subcategories (i) and (ii); and (iv) any other individual who shares the same household with the individual.

“Closing” has the meaning set forth in Section 2.2(a).

“Closing Date” has the meaning set forth in Section 2.2(a).

“Closing Net Working Capital” has the meaning set forth in Section 2.3(b).

“Code” means the Internal Revenue Code of 1986, as amended through the date hereof.

“Company” has the meaning set forth in the Preamble.

“Company Assets” means all of the Company’s assets (except for the Excluded Assets). For the avoidance of doubt, the terms “Company Assets,” “assets of the Company” and similar references to the assets of the Company do not include SABIC’s 11.54% undivided interests in the assets comprising the Plant or SABIC’s 1/6th interest in the land underlying the Plant.

“Company Indemnified Party” has the meaning set forth in Section 6.7(b).

“Company Tax Contest” has the meaning set forth in Section 7.5(f).

“Company Taxes” has the meaning set forth in Section 7.5(a).

“Confidentiality Agreement” has the meaning set forth in Section 6.4.

“Continuing Employees” has the meaning set forth in Section 6.10(a).

“control,” including the terms “controlled by” and “under common control with,” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, as general partner or managing member, by contract or otherwise.

“Current Employer” has the meaning set forth in Section 6.10(a).

“D&O Insurance” has the meaning set forth in Section 6.7(a).

“Data Room” has the meaning set forth in Section 4.10(a).

“Disclosure Schedules” has the meaning set forth in Section 3.3(b).

“Employee Plans” has the meaning set forth in Section 4.10(b).

“Encumbrance” means any charge, claim, mortgage, lien, privilege, easement, servitude, right of way, encroachment, lease, option, pledge, security interest or other restriction of any kind (other than those created under applicable securities laws, and not including any license of Intellectual Property or any restrictions arising under any license of Intellectual Property).

“Enterprise Value” means \$2,100,000,000.00.

“Environmental Laws” has the meaning set forth in Section 4.16(d)(i).

“Environmental Permits” has the meaning set forth in Section 4.16(d)(ii).

“ERISA” has the meaning set forth in Section 4.10(b).

“ERISA Affiliate” has the meaning set forth in Section 6.10(g).

“Estimated Net Working Capital” has the meaning set forth in Section 2.3(a).

“Estimated Purchase Price” means (i) the Enterprise Value, plus (ii) the Working Capital Overage, if any, minus (iii) the Working Capital Underage, if any.

“Ethane Supply Agreements” means: (i) the Ethane Supply Agreement – Base Volume between Williams Gulf Coast Transportation Company LLC, Williams Olefins Pipeline Holdco LLC and the Company substantially in the form set forth in Exhibit E hereto; and (ii) the Ethane Supply Agreement – Swing Volume between Williams Gulf Coast Transportation Company LLC and the Company substantially in the form set forth in Exhibit F hereto.

“Excluded Assets” means all of the Company’s right, title and interest in and to: (i) Specified Claims and related records and databases, (ii) assets used in connection with the ownership or operation of the pipelines that provide feedstock to the Plant, including the related transportation services, supply services and non-ethylene storage services provided by the Company or any of its Affiliates, up to the applicable custody transfer meters but not including any pipelines, related transportation services, supply services and non-ethylene storage services on the Plant side of the Plant’s custody transfer meters; (iii) the Williams ROWs; and (iv) assets transferred pursuant to the reorganization described in Schedule 4.7 of the Disclosure Schedules.

“Exon-Florio Provision” means Section 721 of the Defense Production Act of 1950.

“Final Closing Statement” has the meaning set forth in Section 2.3(b).

“Financial Statements” has the meaning set forth in Section 4.6(a).

“Financing” has the meaning set forth in Section 5.4.

“Financing Commitments” has the meaning set forth in Section 5.4.

“Financing Sources” means the entities, including each agent, lender, arranger and other entity (but excluding the Buyer, the Company and their respective Subsidiaries), that have committed to provide or otherwise entered into agreements in connection with the Financing, the Alternative Financing or the Replacement Financing, including the parties to the Financing Commitments and any joinder agreements, indentures or credit agreements relating thereto, and together with each former, current and future Affiliate thereof and each former,

current and future officer, director, employee, partner, controlling Person, advisor, attorney, agent and representative thereof, other Person or Affiliate or the heirs, executors, successors and assigns of any of the foregoing.

“Fraud” means an intentional and knowing misrepresentation of material facts with intent to deceive that constitutes common law fraud under applicable Laws.

“GAAP” means United States generally accepted accounting principles as in effect on the date hereof.

“Gibson Dunn” has the meaning set forth in Section 2.2(a).

“Government Official” means: (i) any representative (including anyone elected, nominated or appointed to be a representative) of any Governmental Authority, or anyone otherwise acting in an official capacity on behalf of a Governmental Authority; (ii) any political party, political party official or political party employee; (iii) any candidate for public office; (iv) any royal or ruling family member; or (v) any Representative of any of those Persons listed in subcategories (i) through (iv).

“Governmental Authority” means any federal, state, local or foreign government or governmental, regulatory or administrative authority, agency or commission thereof or any judicial or arbitral body (public or private).

“Guarantees” has the meaning set forth in Section 6.12.

“HSR Act” has the meaning set forth in Section 3.3(b).

“Hub Agreement” means the Storage and Service Agreement between the Company and Lone Star NGL Mont Belvieu LP, dated May 1, 2015, as amended to date.

“Indebtedness” means, as at a specified date, without duplication, the principal amount, plus any related accrued and unpaid interest, fees and prepayment premiums or penalties, of (i) indebtedness for borrowed money of the Company, whether short-term or long-term (including obligations under leases required to be capitalized under GAAP), (ii) indebtedness of the Company evidenced by any note, bond, debenture or other debt security, (iii) net settlement costs under any obligations of the Company under any interest rate, currency or other hedging agreement as if such obligations were extinguished at the Closing, (iv) obligations of the Company under or with respect to any letters of credit, performance bonds or similar obligations of the Company, in each case to the extent drawn and unpaid, (v) all interest, fees and other expenses owed with respect to indebtedness of the Company described in the foregoing clauses (i) through (iv), in each case to the extent accrued and to the extent payable at or as a result of the Closing, and (vi) all indebtedness referred to in the foregoing clauses (i) through (v) that is directly or indirectly guaranteed by the Company or that is secured by the assets or properties of the Company. Notwithstanding the foregoing, “Indebtedness” does not include (A) any operating or lease obligations not otherwise required to be capitalized under GAAP, (B) any intercompany obligations between or among any member of the Seller Group, on the one hand, and the Company, on the other, that will be settled, repaid or otherwise eliminated at the Closing, (C) obligations under any letters of credit, performance bonds or similar obligations that are settled or eliminated prior to the Closing or set forth in Schedule 6.12 of the Disclosure Schedules or (D) trade payables and other accrued expenses incurred in the ordinary course of business.

“Indemnification Agreements” means the Claim Indemnification Agreement and the Indemnification Agreement to be entered into by the Seller Parent, the Company and the Buyer, substantially in the forms attached as Exhibit B-1 and Exhibit B-2 hereto.

“Indemnified Person” has the meaning set forth in Section 9.4.

“Indemnifying Person” has the meaning set forth in Section 9.4.

“Indemnity Cap” has the meaning set forth in Section 9.8(b).

“Independent Accounting Firm” has the meaning set forth in Section 2.3(d).

“Intellectual Property” means: (i) trade names, trademarks and service marks, domain names, trade dress and similar rights, including any registrations or applications to register any of the foregoing; (ii) patents and patent applications; (iii) copyrights (whether registered or unregistered) and applications for registration; (iv) confidential and proprietary information, including technical information, specifications, processes, formulations, inventions (that are not yet the subject of a patent filing) trade secrets and know-how; and (v) computer software.

“Intercompany Agreements” has the meaning set forth in Section 6.11.

“Interests” has the meaning set forth in the Recitals.

“Investigation” means an investigation by a Governmental Authority of which the Seller has Knowledge.

“Involuntary Termination” has the meaning set forth in Section 6.10(b).

“IRS” means the Internal Revenue Service of the United States.

“Kean Miller” has the meaning set forth in Section 11.19(a).

“Knowledge” with respect to (i) the Seller, means the actual or constructive knowledge of the persons listed in Schedule 1.1(a) of the Disclosure Schedules and (ii) the Buyer, means the actual or constructive knowledge of the persons listed in Schedule 1.1(b) of the Disclosure Schedules; provided, that for the purposes of this definition, constructive knowledge means the knowledge a Person performing similar functions on behalf of the Company, the Seller or the Buyer, as applicable, would reasonably be expected to obtain in the performance of his or her duties.

“Law” means any statute, law, ordinance, regulation, rule, code, injunction, judgment, decree or order of any Governmental Authority.

“Leased Real Property” means the immovable property leased by the Company as tenant, together with, to the extent leased by the Company, all buildings and other constructions, structures, facilities or improvements located thereon and all easements, servitudes, licenses, rights and appurtenances of the Company relating to the foregoing. For purposes of this Agreement, the Hub Agreement is not a lease.

“Leave Employee” has the meaning set forth in Section 6.10(a).

“Liability” means any Indebtedness, obligations, duties or liabilities of any nature (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, due or to become due), regardless of whether such Indebtedness, obligations, duties or liabilities would be required to be disclosed on a balance sheet prepared in accordance with GAAP.

“License Agreement” means the Process License Agreement between the Company and the Licensor, dated March 30, 2012.

“Licensor” means Lummus Technology, Inc.

“Loss” means any and all Liabilities, actual losses, amounts paid in settlement, damages, fines, penalties, costs, charges, obligations, fees, interest and expenses (including court costs and reasonable fees of attorneys, accountants and other experts in connection with any Action).

“Marketing Employees” means the individuals identified as “Marketing Employees” in the Data Room to the extent employed by the Company or its Affiliates as of the Closing Date.

“Material Adverse Effect” means any event, change, occurrence or effect that has or would have a material adverse effect on the business, assets, financial condition or results of operations of the Company, other than any event, change, occurrence or effect resulting from: (i) general changes or developments in any of the industries in which the Company operates, except to the extent that the foregoing has a disproportionate effect on the Company when compared to other Persons in the industry in which the Company operates; (ii) changes in regional, national or international political conditions (including any outbreak or escalation of hostilities, or any acts of war or terrorism or any other national or international calamity, crisis or emergency) or in general economic, business, regulatory, political or market conditions or in national or international financial markets; (iii) natural disasters or calamities; (iv) any actions required under this Agreement to obtain any approval or authorization under applicable antitrust or competition Laws for the consummation of the transactions contemplated hereby; (v) changes in any applicable Laws or applicable accounting regulations or principles or interpretations thereof, except to the extent that the foregoing has a disproportionate effect on the Company when compared to other Persons in the industry in which the Company operates; (vi) the announcement or pendency of this Agreement and the transactions contemplated hereby; (vii) any action taken by the Company or the Seller in each case which is required by or resulting from or arising in connection with this Agreement (other than any action or inaction taken by the Company or the Seller that is a breach of this Agreement); (viii) any actions taken (or omitted to be taken) by or at the specific request of the Buyer; (ix) the matters described in Schedule 4.7 of the Disclosure Schedules and Item 10 in Schedule 6.1(a) of the Disclosure Schedules; (x) matters for which the Company is indemnified under the Indemnification Agreements; or (xi) any adverse change in or effect on the business of the Company that is cured by or on behalf of the Company before the earlier of the Closing Date and the date on which this Agreement is terminated pursuant to Section 10.1. For the avoidance of doubt, a Material Adverse Effect shall be measured only against past performance of the Company, and not against any forward-looking statements, financial projections or forecasts of the Company.

“Material Contracts” has the meaning set forth in Section 4.17(a).

“Minimum Loss Amount” has the meaning set forth in Section 9.8(a)(i).

“Net Adjustment Amount” has the meaning set forth in Section 2.3(g)(i).

“Net Working Capital” means, as at a specified date and without duplication, an amount (which may be positive or negative) equal to (i) the current assets of the Company that are included in the line item categories of current assets specifically identified on Exhibit A hereto, minus (ii) the current liabilities of the Company that are included in the line item categories of current liabilities specifically identified on Exhibit A hereto, minus (iii) the amount of any Indebtedness.

“Notice of Disagreement” has the meaning set forth in Section 2.3(c).

“OFAC” means the U.S. Department of the Treasury, Office of Foreign Assets Control.

“Operating Agreement” means the Operating Agreement dated January 28, 1966 between Allied Chemical Corporation (predecessor to the Company), Wyandotte Chemical Corporation (predecessor to the Company) and Borg-Warner Corporation (predecessor to SABIC Petrochemicals Holding US, Inc.), as amended to date.

“Owned Real Property” means the real (immovable) property owned by the Company whether alone or in indivision with others. For purposes of clarification, “Owned Real Property” does not include the Plant.

“Permits” means any permit, license or other authorization of a Governmental Authority.

“Permitted Encumbrances” means (i) statutory liens for current Taxes not yet due or delinquent or the validity or amount of which is being contested in good faith by appropriate proceedings, (ii) all matters in the public records of the counties and parishes where the assets of the Company are located, to the extent the same are otherwise valid and enforceable and do not materially interfere with the present use of the assets of the Company, (iii) mechanics’, carriers’, workers’, repairers’ and other similar liens or privileges arising or incurred in the ordinary course of business relating to obligations as to which there is no default on the part of the Company, or the validity or amount of which is being contested in good faith by appropriate proceedings, or pledges, deposits or other liens or privileges securing the performance of bids, trade contracts, leases or statutory obligations (including workers’ compensation, unemployment insurance or other social security legislation), (iv) zoning and other land use and environmental regulations, promulgated by Governmental Authorities having jurisdiction with respect to any Owned Real Property and the Plant to the extent the Company is in material compliance therewith, (v) liens granted to any lender at the Closing in connection with any financing by the Buyer of the transactions contemplated hereby, (vi) all matters (A) specifically listed as Exceptions 10 through 118, 121 through 128 and 130 on Schedule BII of the First American Title Insurance Company’s Commitment for Title Insurance [Plant Site] a copy of which is attached hereto at Exhibit H, or (B) specifically listed as Exceptions 8, 9, 15 through 113 and 115 through 121 (excluding any listed as deleted) on Schedule BII of the First American Title Insurance Company’s Commitment for Title Insurance [Ascension Parish Undeveloped Tracts] a copy of which is attached hereto at Exhibit H hereto, (C) shown on the surveys attached hereto as Exhibit H or (D) other than with respect to the Owned Real Property, that do not materially interfere with the present use of the Company Assets or materially adversely affect the current value of the Company Assets; and (vii) Encumbrances created by any actions or inactions of the Buyer or any of its Affiliates.

“Person” means an individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, person, trust, association, organization or other entity, including any Governmental Authority, and including any successor, by merger or otherwise, of any of the foregoing.

“Plant” means the Geismar Olefins Plant in Ascension and Iberville Parishes, Louisiana that is the subject of the Operating Agreement, including fixtures, structures, all buildings and other constructions, and improvements comprising it.

“Post-Closing Benefit Plans” has the meaning set forth in Section 6.10(c).

“Post-Closing Employer” has the meaning set forth in Section 6.10(a).

“Preliminary Closing Statement” has the meaning set forth in Section 2.3(a).

“Purchase Price” means the Estimated Purchase Price, as it may be adjusted in accordance with Section 2.3 and Section 7.6.

“Replacement Financing” means any financing, including from alternative sources, in an amount (together with any remaining Financing and other financial resources of the Buyer including unrestricted cash, cash equivalents and marketable securities of the Buyer on the Closing Date) sufficient to consummate the transactions contemplated by this Agreement and the Ancillary Agreements, so long as (unless the Seller provides prior consent) such financing shall not (i) reduce the aggregate amount of the Financing available on the Closing Date from that contemplated in the Financing Commitments, (ii) expand upon the conditions precedent to the Financing as set forth in the Financing Commitments or (iii) be reasonably expected to prevent, impede or delay the consummation of the transactions contemplated by this Agreement or the Ancillary Agreements.

“Representatives” means, with respect to any Person, the officers, directors, managers, principals, employees, agents, auditors, accountants, advisors, bankers and other representatives of such Person.

“RWI Policy” means the representations and warranties insurance policy written in favor of the Buyer as of the date of this Agreement, in the form attached as Exhibit D hereto.

“SABIC” means SABIC Petrochemicals Holding US, Inc.

“Sample Net Working Capital Calculation” has the meaning set forth in Section 2.3(a).

“Securities Act” has the meaning set forth in Section 5.5.

“Seller” has the meaning set forth in the Preamble.

“Seller Fundamental Representations” has the meaning set forth in Section 9.1(a)(i).

“Seller Group” means the Seller Parent and its Affiliates and Subsidiaries (other than the Company).

“Seller Indemnified Persons” has the meaning set forth in Section 9.3.

“Seller Material Adverse Effect” means any event, change, occurrence or effect that would prevent, materially delay or materially impede the performance by the Seller of its obligations under this Agreement or the Transaction Documents to which it will be a party or the consummation of the transactions contemplated hereby or thereby.

“Seller Parent” has the meaning set forth in the Preamble.

“Seller Parent Guaranteed Obligations” has the meaning set forth in Section 11.23(a).

“Specified Claims” has the meaning given such term in Exhibit B-1 of this Agreement.

“Subsidiary” means, with respect to any Person, any other Person of which at least 50% of the outstanding voting securities or other voting equity interests are owned, directly or indirectly, by such first Person. For purposes of clarification, the Plant is not a Subsidiary of the Company.

“Target Net Working Capital” means \$50,500,000.00.

“Tax” or “Taxes” means any and all taxes of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any Governmental Authority.

“Tax Allocation” has the meaning set forth in Section 7.3.

“Tax Return” means any return, declaration, report, statement, information statement and other document required to be filed with respect to Taxes.

“Termination Date” has the meaning set forth in Section 10.1(c).

“Third Party Claim” has the meaning set forth in Section 9.4.

“Transaction Documents” means the Ancillary Agreements and the Intercompany Agreements.

“Transfer Consent” means a consent by a third party that must be obtained in order for the conveyance, transfer, assignment or delivery of all of the right, title and interest of the Company in and to any Williams ROW to be valid and not in violation of the terms of any applicable document or agreement and in a form similar to the relevant form provided in the Data Room with such amendments or modifications as the Seller determines are reasonably necessary in order to obtain such consents, provided such amendments or modifications do not result in the imposition of material obligations on the Company without the Company’s prior written consent, such consent not to be unreasonably withheld, conditioned or delayed

“Transition Services Agreement” means the transition services agreement between the Buyer, the Company and the Seller Parent substantially in the form attached as Exhibit C hereto.

“Treasury Regulations” means the regulations promulgated by the U.S. Department of the Treasury under the Code.

“Undeveloped Land” means the “Ascension Parish Undeveloped Tract” as described in Item 2 on Schedule 4.13(a)(i) of the Disclosure Schedules.

“WARN” means the Worker Adjustment and Retraining Notification Act or any similar Law.

“Williams Insurance Policies” has the meaning set forth in Section 6.13(a).

“Williams ROWs” means the easements, licenses, rights-of-way, permits and servitudes in favor of the Company set forth on Exhibit I hereto to be conveyed to the Seller Group upon receipt of a Transfer Consent prior to the Closing or otherwise pursuant to Section 6.16.

“Working Capital Overage” shall exist when (and shall be equal to the amount by which) the Estimated Net Working Capital exceeds the Target Net Working Capital.

“Working Capital Underage” shall exist when (and shall be equal to the amount by which) the Target Net Working Capital exceeds the Estimated Net Working Capital.

ARTICLE II PURCHASE AND SALE

Section 2.1 The Purchase and Sale of the Interests. Upon the terms and subject to the conditions of this Agreement, at the Closing, the Seller shall sell, assign, transfer, convey and deliver the Interests to the Buyer and the Buyer shall purchase the Interests from the Seller, for the consideration specified below in this Article II.

Section 2.2 Closing.

(a) The sale and purchase of the Interests shall take place at a closing (the “Closing”) to be held at the offices of Gibson, Dunn & Crutcher LLP (“Gibson Dunn”), 1801 California St., Denver, Colorado 80202, at 9:00 a.m., Mountain time, on the third Business Day following the satisfaction or, to the extent permitted by applicable Law, waiver of all conditions to the obligations of the parties set forth in Article VIII (other than such conditions as may, by their terms, only be satisfied at the Closing or on the Closing Date), or at such other place or at such other time or on such other date as the Seller and the Buyer mutually may agree in writing. The day on which the Closing takes place is herein referred to as the “Closing Date.”

(b) At the Closing, the Buyer shall deliver or cause to be delivered to the Seller (or such other Person as may be specified herein):

(i) an amount equal to the Estimated Purchase Price, by wire transfer of immediately available funds in dollars to the account or accounts that have been designated by the Seller in writing no later than two Business Days prior to the Closing Date;

(ii) a certificate of the secretary or an assistant secretary of the Buyer substantially in the form set forth in Exhibit G-1 hereto;

(iii) the certificate required under Section 8.2(a) substantially in the form set forth in Exhibit G-2 hereto;

(iv) duly executed counterparts to the Indemnification Agreements, the Ethane Supply Agreements and the Transition Services Agreement signed by each party thereto other than the members of the Seller Group; and

(v) the Buyer shall deliver the final form of the RWI Policy, effective as of the Closing.

(c) At the Closing (or any earlier date specified below), the Seller shall deliver or cause to be delivered to the Buyer:

(i) a properly executed statement of non-foreign status from the Seller dated as of the Closing Date that meets the requirements of Treasury Regulation Section 1.1445-2(b)(2); provided, that the Buyer's only remedy for the Seller's failure to provide such certificate will be to withhold from the payments to be made pursuant to this Agreement any required withholding Tax under Section 1445 of the Code, and the Seller's failure to provide such certificate will not be deemed to be a failure of any conditions set forth in Section 8.3 to have been met;

(ii) a duly executed assignment of the Interests to the Buyer substantially in the form set forth in Exhibit G-3 hereto;

(iii) certificates of the secretary or an assistant secretary of the Seller substantially in the form set forth in Exhibit G-4 hereto;

(iv) the certificate required under Section 8.3(a) substantially in the form set forth in Exhibit G-5 hereto;

(v) certificates of the Secretaries of State of the applicable jurisdictions as to the good standing of the Seller and the Company in their respective states of formation and of the Company in Louisiana; and

(vi) duly executed counterparts to the Indemnification Agreements, the Ethane Supply Agreements and the Transition Services Agreement signed by each party thereto other than the Company or the Buyer or its Affiliates, as applicable.

Section 2.3 Purchase Price Adjustments.

(a) At least three Business Days prior to the Closing Date, the Seller shall prepare, or cause to be prepared, and deliver to the Buyer a statement (the "Preliminary Closing Statement") setting forth a good-faith estimate of the Company's (i) Net Working Capital (the "Estimated Net Working Capital") determined as of 11:59 p.m. Central time on the day immediately preceding the Closing Date (and without giving effect to the transactions contemplated hereby), based on the Company's books and records and other information available at the Closing, calculated on a basis consistent with Exhibit A hereto and the accounting principles, practices, assumptions, conventions and policies referred to therein, including any exclusions or deviations from GAAP specified therein (the "Applicable Accounting Principles") and (ii) the Estimated Purchase Price. An illustrative example of the calculation of Net Working Capital is set forth on Exhibit A hereto (the "Sample Net Working Capital Calculation").

(b) Within 60 days after the Closing Date, the Buyer shall cause to be prepared and delivered to the Seller a written statement (the "Final Closing Statement") that shall include and set forth a calculation in reasonable detail of the actual Net Working Capital ("Closing Net Working Capital"), determined as of 11:59 p.m. Central time on the day immediately preceding the Closing Date (and without giving effect to the transactions contemplated hereby other than the cancellation of intercompany amounts pursuant to Section 6.11). The Final Closing Statement (i) shall be prepared on a basis consistent with the Applicable Accounting Principles and the Sample Net Working Capital Calculation and (ii) shall be based exclusively on the facts and circumstances as they exist as of the Closing Date and shall exclude the effects of any event, act, change in circumstances or similar

development arising or occurring on or after the Closing Date. To the extent any actions following the Closing with respect to the accounting books and records of the Company on which the Final Closing Statement and the foregoing calculations are to be based are not consistent with the Applicable Accounting Principles, such changes shall not be taken into account in preparing the Final Closing Statement or calculating amounts reflected thereon.

(c) The Final Closing Statement shall become final and binding on the 60th day following delivery thereof, unless prior to the end of such period the Seller delivers to the Buyer written notice of its disagreement (a “Notice of Disagreement”) specifying the nature and amount of any dispute as to the Closing Net Working Capital, as set forth in the Final Closing Statement.

(d) During the 30-day period following delivery of a Notice of Disagreement by the Seller to the Buyer, the parties in good faith shall seek to resolve in writing any differences that they may have with respect to the calculation of the Closing Net Working Capital as specified therein. Any disputed items resolved in writing between the Buyer and the Seller within such 30-day period shall be final and binding with respect to such items, and if the Seller and the Buyer agree in writing on the resolution of each disputed item specified by the Seller in the Notice of Disagreement and the amount of the Closing Net Working Capital, the amount so determined shall be final and binding on the parties for all purposes hereunder. If the Buyer and the Seller have not resolved all such differences by the end of such 30-day period, the Buyer and the Seller shall submit, in writing, to an independent public accounting firm (the “Independent Accounting Firm”), their briefs detailing their views as to the correct nature and amount of each item remaining in dispute and the amount of the Closing Net Working Capital, and the Independent Accounting Firm shall make a written determination as to each such disputed item and the amount of the Closing Net Working Capital. The Independent Accounting Firm shall be BDO USA, LLP or, if such firm is unable or unwilling to act, such other independent public accounting firm as shall be agreed upon in writing by the Seller and the Buyer. The Buyer and the Seller shall use their commercially reasonable efforts to cause the Independent Accounting Firm to render a written decision resolving the matters submitted to it within 30 days following the submission thereof. The Independent Accounting Firm shall consider only those items and amounts in the Buyer’s and the Seller’s respective calculations of the Closing Net Working Capital that are identified as being items and amounts to which the Buyer and the Seller have been unable to agree. The scope of the disputes to be resolved by the Independent Accounting Firm shall be limited to correcting mathematical errors and determining whether the items and amounts in dispute were determined in accordance with the Applicable Accounting Principles and the Sample Net Working Capital Calculation, and the Independent Accounting Firm is not to make any other determination, including any determination as to whether the Target Net Working Capital or any estimates on the Preliminary Closing Statement are correct, adequate or sufficient. In resolving any disputed item, the Independent Accounting Firm may not assign a value other than the value for such item claimed by either party. The Independent Accounting Firm’s determination of any disputed item, and the Closing Net Working Capital, as appropriate, shall be based solely on written materials submitted by the Buyer and the Seller (i.e., not on independent review). The determination of the Independent Accounting Firm shall be conclusive and binding upon the parties hereto and shall not be subject to appeal or further review. Judgment may be entered upon the written determination of the Independent Accounting Firm in accordance with Section 11.9. In acting under this Agreement, the Independent Accounting Firm will be entitled to the privileges and immunities of an arbitrator.

(e) The costs of any dispute resolution pursuant to this Section 2.3, including the fees and expenses of the Independent Accounting Firm and of any enforcement of the determination thereof, shall be borne by the Buyer and by the Seller in inverse proportion as they may prevail on the matters resolved by the Independent Accounting Firm, which proportionate allocation shall be calculated on an aggregate basis based on the relative dollar values of the amounts in dispute and shall be determined by the Independent Accounting Firm at the time the determination of such firm is rendered on the merits of the matters submitted. The fees and disbursements of the Representatives of each party incurred in connection with the preparation or review of the Final Closing Statement and preparation or review of any Notice of Disagreement, as applicable, shall be borne by such party.

(f) The Buyer and the Seller will, and will cause the Company (in the case of the Seller, prior to the Closing and, in the case of the Buyer, during the period from and after the date of delivery of the Final Closing Statement through the resolution of any adjustment to the Purchase Price contemplated by this Section 2.3) to afford the Seller or the Buyer, as applicable, and their respective Representatives reasonable access, during

normal business hours and upon reasonable prior notice, to the personnel, properties, books and records of the Company and to any other information reasonably requested for purposes of preparing and reviewing the calculations contemplated by this Section 2.3. Each party shall authorize its accountants to disclose work papers generated by such accountants in connection with preparing and reviewing the calculations specified in this Section 2.3; provided, that such accountants shall not be obligated to make any work papers available except in accordance with such accountants' disclosure procedures, and then only after the non-client party has signed an agreement relating to access to such work papers in form and substance acceptable to such accountants.

(g) The Estimated Purchase Price shall be adjusted, upwards or downwards, as follows:

(i) For the purposes of this Agreement, the "Net Adjustment Amount" means an amount, which may be positive or negative, equal to the Closing Net Working Capital as finally determined pursuant to this Section 2.3 minus the Estimated Net Working Capital.

(ii) If the Net Adjustment Amount is positive, the Estimated Purchase Price shall be adjusted upwards by an amount equal to the Net Adjustment Amount. In such event, the Buyer shall promptly pay the Net Adjustment Amount to the Seller.

(iii) If the Net Adjustment Amount is negative (in which case the Net Adjustment Amount for purposes of this clause (iii) shall be deemed to be equal to the absolute value of such amount), the Estimated Purchase Price shall be adjusted downwards by an amount equal to the Net Adjustment Amount. In such event, the Seller shall promptly pay the Net Adjustment Amount to the Buyer.

(h) Amounts to be paid pursuant to Section 2.3(g) shall bear interest from the Closing Date to the date of such payment at a rate equal to the rate of interest from time to time announced publicly by Citibank, N.A. as its prime rate, calculated on the basis of a year of 365 days and the number of days elapsed. Payments in respect of Section 2.3(g) shall be made within three Business Days of final determination of the Net Adjustment Amount pursuant to the provisions of this Section 2.3 by wire transfer of immediately available funds to such account or accounts as may be designated in writing by the party entitled to such payment at least two Business Days prior to such payment date.

(i) For the avoidance of doubt, this Section 2.3 is not intended to be used to permit the introduction of different judgments, accounting methodologies (including with respect to accruals and reserves), policies, principals, practices, procedures or classifications for purposes of calculating amounts referred to in this Section 2.3, or to adjust for any inconsistencies between the Applicable Accounting Principles, on the one hand, and GAAP, on the other.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller hereby represents and warrants to the Buyer as of the date of this Agreement and as of the Closing Date (or in the case of representations and warranties made as of a specified date, as of such specified date) as follows:

Section 3.1 Organization. The Seller is a limited liability company validly existing and in good standing under the Laws of Delaware. The Seller Parent is a limited partnership validly existing and in good standing under the Laws of Delaware. The Seller and the Seller Parent each is duly qualified as a foreign company to do business, and is in good standing, in each jurisdiction in which either the ownership of the Interests or the use of the assets owned or used by it or the nature of its business makes such qualification necessary, except, in each case, for any failure that would not, individually or in the aggregate, reasonably be expected to have a Seller Material Adverse Effect.

Section 3.2 Authority. The Seller has the limited liability company power, the Seller Parent has the limited partnership power, and each has the authority to execute and deliver this Agreement and the Ancillary Agreements to which it is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by each of the Seller and the Seller Parent of this Agreement and the Ancillary Agreements to which it is a party and the consummation by each of the Seller and the Seller Parent of the transactions contemplated hereby and thereby have been duly and

validly authorized by all necessary limited liability company action by the Seller, by all necessary limited partnership action by the Seller Parent and by all necessary limited liability company action of the general partner of the Seller Parent. No other corporate proceedings on the part of the Seller Parent, the Seller or any of their respective Affiliates are necessary to authorize the execution, delivery or performance of this Agreement (or will be necessary to authorize the execution, delivery or performance of the Ancillary Agreements to which it is a party) or to consummate the transactions contemplated hereby (and thereby). This Agreement has been duly executed and delivered by the Seller and the Seller Parent (and each Ancillary Agreement will be duly executed and delivered by the Seller Parent or its Affiliate that is party thereto) and, assuming due execution and delivery by each of the other parties hereto (and thereto), constitutes, and at the Closing each Ancillary Agreement to which the Seller Parent or its Affiliate is a party will constitute, the legal, valid and binding obligation of the Seller, the Seller Parent or its Affiliate, as applicable, enforceable against the Seller, the Seller Parent or its Affiliate, as applicable, in accordance with their terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether considered in a proceeding in equity or at law).

Section 3.3 No Conflict; Required Filings and Consents.

(a) Assuming all required Approvals described in Section 3.3(b) (other than clauses (v) and (vi) thereof) have been made, obtained or given, the execution, delivery and performance by the Seller and the Seller Parent of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby do not and will not:

(i) conflict with or violate the certificate of formation or limited liability company agreement of the Seller or the organizational documents of the Seller Parent;

(ii) conflict with or violate any Law or Permit applicable to the Seller or Seller Parent or by which any property or asset of the Seller or the Seller Parent is bound or affected;

(iii) conflict with, result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a default) under, or require any consent of any Person pursuant to, any material contract or agreement to which the Seller or the Seller Parent is a party;

(iv) result in the imposition or creation of any Encumbrance (other than Permitted Encumbrances) on the Interests; or

(v) pursuant to a preferential purchase right, right of first refusal or offer, or buy-sell arrangement, give any Person the right to prevent the Closing or to acquire any part of the Interests;

except, in the case of clause (iii), (iv) or (v), for any such conflicts, violations, breaches, defaults or other occurrences that would not, individually or in the aggregate, reasonably be expected to have a Seller Material Adverse Effect or that arise as a result of any facts or circumstances relating to the Buyer or any of its Affiliates.

(b) Neither the Seller nor the Seller Parent is required to file, seek or obtain any notice, authorization, approval, order, Permit or consent of or with any Governmental Authority (each, an “Approval”) in connection with the execution, delivery and performance by the Seller and the Seller Parent of this Agreement or the consummation of the transactions contemplated hereby, except (i) for any Approvals required to be made under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (the “HSR Act”) and the rules and regulations promulgated thereunder, (ii) for such Approvals as may be required by any applicable federal or state securities or “blue sky” Laws, (iii) for Approvals required by the Louisiana Public Service Commission, Federal Energy Regulatory Commission or the Texas Railroad Commission, as set forth on Schedule 3.3(b) of the Disclosure Schedules attached hereto (the “Disclosure Schedules”), (iv) for regulatory approvals or routine governmental consents normally acquired after the consummation of transactions of the nature contemplated by this Agreement and the Ancillary Agreements, (v) where failure to obtain such Approval would not prevent, materially delay or materially impede the performance by the Seller or the Seller Parent of its obligations under this Agreement or the consummation of the transactions contemplated hereby, (vi) where failure to obtain such Approval, or to make such filing or notification, would not, individually or in the aggregate, reasonably be expected to have a Seller Material Adverse Effect, (vii) as may be necessary as a result of any facts or circumstances relating to the Buyer or any of its Affiliates or (viii) for any filings required to be made under the Exon-Florio Provision as part of the parties’ effort to secure CFIUS Approval.

Section 3.4 Interests. The Seller is the record and beneficial owner of the Interests, free and clear of any Encumbrance other than Encumbrances created by any actions of the Buyer or any of its Affiliates.

Section 3.5 Brokers. Except for Morgan Stanley and Centerview Partners, the fees, commissions and expenses of which will be paid by the Seller Parent, no broker, finder or investment banker is entitled to any brokerage, finder’s or other fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of the Seller or Seller Parent.

Section 3.6 Litigation. There are no Actions pending or, to the Seller’s Knowledge, threatened in writing against the Seller or the Seller Parent, except as would not reasonably be expected to have a Seller Material Adverse Effect.

Section 3.7 OFAC.

- (a) None of the Seller Parent or its Subsidiaries, including the Seller and the Company, is a Blacklisted Person.
- (b) The Seller Parent and its Subsidiaries, including the Seller and the Company, are and have always been in compliance with economic sanctions regulations and other measures that are administered by OFAC.
- (c) Neither the Seller Parent nor any of its Subsidiaries, including the Seller and the Company, operate or have operated in, or do business or within the last 20 years have done business in or with Persons in, Crimea, Cuba, Iran, North Korea, Sudan or Syria.

Section 3.8 Exclusivity of Representations and Warranties. None of the Seller, the Seller Parent, or any of their respective Affiliates or Representatives is making any representation or warranty of any kind or nature whatsoever, oral or written, express or implied, relating to the Seller or the Seller Parent, as applicable, except as expressly set forth in this Article III, Article IV or Section 11.23(a), and the Seller and the Seller Parent hereby disclaim any such other representations or warranties.

ARTICLE IV REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY

The Seller hereby represents and warrants to the Buyer as of the date of this Agreement and as of the Closing Date (or in the case of representations and warranties made as of a specified date, as of such specified date) as follows:

Section 4.1 Organization and Qualification. The Company is (a) a limited liability company validly existing and in good standing under the Laws of the State of Delaware and has all necessary limited liability company power and authority to own, lease and operate its properties and to carry on the Business and (b) duly qualified as a foreign company to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of the Business makes such qualification necessary, except, in each case, for any such failures that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 4.2 Authority. The Company has the limited liability company power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby have been duly and validly authorized by all necessary limited liability company action. No other corporate proceedings on the part of the Company or any of its Affiliates are necessary to authorize the execution, delivery or performance of this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Company and, assuming due execution and delivery by each of the other parties hereto, constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether considered in a proceeding in equity or at law).

Section 4.3 No Conflict; Required Filings and Consents.

- (a) Except as set forth in Schedule 4.3(a) of the Disclosure Schedules, assuming all required Approvals described in Section 4.3(b) (other than clause (v) thereof) have been made, obtained or given, the execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby do not and will not:

- (i) conflict with or violate the certificate of formation or limited liability company agreement of the Company;
- (ii) conflict with or violate any Law or Permit applicable to the Company or by which any Company Asset is bound or affected;
- (iii) conflict with, result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a default) under, or require any consent of any Person pursuant to, any Material Contract, or result in the acceleration of or create in any Person the right to accelerate, terminate, modify or cancel any such Material Contract;
- (iv) result in the imposition or creation of any Encumbrance (other than Permitted Encumbrances) on the Company Assets;
- (v) pursuant to a preferential purchase right, right of first refusal or offer, or buy-sell arrangement, give any Person the right to prevent the Closing or to acquire any part of the Interests or a material portion of the Company Assets;

except, in the case of clause (iv) or (v), for any such conflicts, violations, breaches, defaults or other occurrences that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Business or prevent, materially delay or materially impede the performance by the Company of its obligations under this Agreement or the consummation of the transactions contemplated hereby, or that arise as a result of any facts or circumstances relating to the Buyer or any of its Affiliates.

(b) The Company is not required to file, seek or obtain any Approval in connection with the execution, delivery and performance by the Company of this Agreement or the consummation of the transactions contemplated hereby, except (i) for any Approvals required to be made under the HSR Act and the rules and regulations promulgated thereunder, (ii) for such filings as may be required by any applicable federal or state securities or "blue sky" Laws, (iii) for Approvals required by the Louisiana Public Service Commission, Federal Energy Regulatory Commission or the Texas Railroad Commission, as set forth on Schedule 4.3(b) of the Disclosure Schedules, (iv) for regulatory approvals or routine governmental consents normally acquired after the consummation of transactions of the nature contemplated by this Agreement and the Ancillary Agreements, (v) where failure to obtain such Approval would not prevent, materially delay or materially impede the performance by the Company of its obligations under this Agreement or the consummation of the transactions contemplated hereby, (vi) as may be necessary as a result of any facts or circumstances relating to the Buyer or any of its Affiliates or (vii) for any filings required to be made under the Exon-Florio Provision as part of the parties' effort to secure CFIUS Approval.

Section 4.4 Capitalization. The Company's authorized and outstanding membership interests are as set forth in Schedule 4.4 of the Disclosure Schedules. All of the Interests are validly issued, fully paid and nonassessable. The Interests constitute all of the issued and outstanding membership interests of the Company. There are no outstanding obligations, options, warrants, subscriptions, convertible securities, stock appreciation rights or profit interests relating to the membership interests of the Company or obligating the Company to issue or sell any membership interests of, or any other interest in, the Company. There are no outstanding contractual obligations of the Company to repurchase, redeem or otherwise acquire any membership interests of the Company or make any investment in any other Person. Except for rights granted to the Buyer under this Agreement, there are no obligations of the Company or the Seller to issue, sell, transfer or repurchase, redeem or otherwise acquire, or relating to the voting of, any of the Interests.

Section 4.5 Subsidiaries. Except as set forth in Schedule 4.5 of the Disclosure Schedules, the Company does not, directly or indirectly, own any stock, equity, partnership, membership or similar interest in, or

any interest convertible into, exercisable for the purchase of or exchangeable for any such stock, equity, partnership, membership or similar interest in, any Person.

Section 4.6 Financial Statements; Indebtedness.

(a) Copies of the audited consolidated balance sheet of the Company as at December 31, 2015 and December 31, 2016 (the “Balance Sheet”), and the related statements of equity, income and cash flows, together with all related notes thereto (the “Financial Statements”) are attached to Schedule 4.6(a) of the Disclosure Schedules. Each of the Financial Statements fairly presents, in all material respects, the consolidated financial position and results of operations of the Company as at the respective dates thereof and for the respective periods indicated therein in accordance with GAAP applied on a consistent basis throughout the periods covered thereby, except as otherwise noted therein. The Financial Statements of the Company include certain subsidiaries and assets for the periods presented that are no longer owned by the Company.

(b) There is no Indebtedness.

(c) Other than any liabilities (i) not required to be disclosed on a balance sheet prepared in accordance with GAAP or (ii) incurred in the ordinary course of business as presently conducted after the date of the Balance Sheet, the Company has no material liabilities of any nature (contingent or otherwise).

Section 4.7 Absence of Certain Changes or Events. Since the date of the Balance Sheet, there has not occurred any Material Adverse Effect. Except as set forth in Schedule 4.7 of the Disclosure Schedules, since the date of the Balance Sheet, the Business has been conducted in the ordinary course of business consistent with past practices in all material respects, and the Company has not taken any action that the Company would be prohibited from taking pursuant to Section 6.1(a) without the consent of the Buyer if such action had been taken after the date hereof.

Section 4.8 Compliance with Law; Permits.

(a) The Company is, and during the past three years has been, in compliance with all Laws applicable to the Business or the Company Assets, except as not material to the Business or the Company Assets and as would not reasonably be expected to have a Seller Material Adverse Effect. Except as set forth in Schedule 4.8(a) of the Disclosure Schedules, during the past three years, neither the Seller nor the Company has received any notice from any Governmental Authority alleging any material violation by the Company of any applicable Law that has not been fully and finally resolved.

(b) Except as set forth in Schedule 4.8(b) of the Disclosure Schedules, the Company is in possession of, and in material compliance with, all Permits necessary for the Company to own, lease and operate its properties and to carry on the Business, and has made available to the Buyer in the Data Room true and complete copies of all such Permits. Except as listed in Schedule 4.8(b) of the Disclosure Schedules, during the past three years, the Company has not received any written notification from any Governmental Authority alleging or asserting violations of any such Permits, and no Action is pending or, to the Seller’s Knowledge, threatened in writing with respect to the Company’s compliance with, or the revocation, validity or modification of any of such Permits or the Company’s operations thereunder, that has not been fully and finally resolved.

Section 4.9 Litigation. Schedule 4.9 of the Disclosure Schedules sets forth all Actions by or against the Company that are pending. Except as set forth in Schedule 4.9 of the Disclosure Schedules, to the Seller’s Knowledge, there is no Action by or against the Company threatened in writing that demands damages in excess of \$100,000 or is reasonably likely to result in a Material Adverse Effect.

Section 4.10 Employee Benefit Plans.

(a) The Company does not have any employees. Employees working at the Company's Geismar, Louisiana site are employed by an Affiliate of the Seller. The aggregate annual base salaries and incentive compensation for the Marketing Employees and all employees anticipated to be working at the Company's Geismar, Louisiana site as of the Closing Date (collectively, the "Business Employees") and a list of the job title, salary and hire date for each Business Employee have been made available to the Buyer in the electronic data room established by the Company in connection with the transactions contemplated by this Agreement as of the date indicated thereon (the "Data Room"). The Business Employees represent all of the employees necessary to operate the Business in the ordinary course of business as of the date of this Agreement, except for (i) those services provided by (A) vendors, (B) contingent workers, (C) employees of the Seller and its Affiliates who are not Business Employees and who provide shared services among the Company, the Seller and Seller's Affiliates prior to the date of this Agreement and (D) employees who terminate employment with the Company in the ordinary course, and (ii) except for employment positions with the Company that are available for hire and that have not been filled. Prior to the Closing Date, the Current Employer will provide to the Buyer such information relating to the benefits and compensation of the Business Employees as may be reasonably requested in writing by the Buyer to facilitate the Buyer's obligation to make offers of employment pursuant to Section 6.10.

(b) Schedule 4.10(b) of the Disclosure Schedules sets forth (i) a list of all employee benefit plans (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) and all bonus, stock option, stock purchase, restricted stock, incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, severance or other benefit plans, programs or arrangements that are maintained, contributed to or sponsored by the Company or any of its Affiliates for the benefit of any Business Employee and (ii) a list of all material employment, termination, severance or other contracts, agreements or arrangements pursuant to which the Company or any of its Affiliates currently has any obligation with respect to any Business Employee (collectively, the "Employee Plans"). The Company has made available to the Buyer in the Data Room a true and complete copy of each Employee Plan and all current summary plan descriptions, if any, with respect to any Employee Plan.

(c) Except as set forth on Schedule 4.10(c) of the Disclosure Schedules, none of the Employee Plans provide for welfare benefits, including welfare benefits following termination of employment including to the extent required by Section 4980B of the Code and similar state laws.

Section 4.11 Labor Matters. None of the Business Employees are represented by any union or subject to benefits under any labor or collective bargaining contract in connection with such Business Employee's employment by the Company or any of its Affiliates, and during the past three years, to the Seller's Knowledge, no labor organizational activities have occurred with respect to any Business Employees in connection with such Business Employees' employment by the Company or any of its Affiliates. There are no material Actions pending or, to the Seller's Knowledge, threatened in writing concerning labor matters with respect to the Company.

Section 4.12 Insurance.

(a) Schedule 4.12(a)-1 of the Disclosure Schedules sets forth a true and complete list of all material insurance policies in force with respect to the Company and its assets. The Seller has made available to the Buyer in the Data Room true and complete copies of all such material insurance policies pursuant to which the Company would remain entitled to rights after the Closing, to the extent available under such policies, with respect to a claim, act, omission, event, loss or allegation of wrongful act that occurred or existed prior to the Closing Date (such policies "Applicable Policies"). Schedule 4.12(a)-2 of the Disclosure Schedules sets forth, as of the date of this Agreement, a true and complete list of each claim with respect to the Company in excess of \$100,000 made during the past three years under any Applicable Policy or any policy to which any Applicable Policy is a replacement or renewal, including a brief description of the claim and its resolution.

(b) Except for matters covered under or relating to the Indemnification Agreements and except as set forth in Schedule 4.12(b) of the Disclosure Schedules:

(i) as of the date hereof, all such insurance policies to which the Company is a party or which provide coverage to the Company or its assets (A) are valid, outstanding and enforceable, (B) are in full force and effect and (C) do not provide for any retrospective premium adjustment on the part of the Company;

(ii) as of the date of this Agreement, none of the Seller or the Company has received (A) any refusal of coverage or any notice that a defense will be afforded with reservation of rights other than customary indications as to reservation of rights by insurers, or (B) other than customary notices, any written notice of cancellation or any other indication that any insurance policy is no longer in full force or effect or will not be renewed or that the issuer of any policy is not willing or able to perform its obligations thereunder;

(iii) the Company has paid all premiums due and has otherwise performed all of its material obligations under each policy to which the Company is a party or that provides coverage to the Company, or a director, officer or member thereof;

(iv) to the Seller's Knowledge, the Company has given notice to the insurer of all claims that are insured thereby, and the Company has not received any notice that any of such claims will be denied coverage; and

(v) all such policies comply with statutory minimums, where applicable, and are sufficient for compliance with all agreements for which the Company is a party.

Section 4.13 Real Property.

(a) Schedule 4.13(a)(i) of the Disclosure Schedules lists all of the Owned Real Property. Except as set forth in Schedule 4.13(a)(ii) of the Disclosure Schedules, the Company has good and valid title to all Owned Real Property in full (fee simple) ownership, free and clear of all Encumbrances, other than Permitted Encumbrances.

(b) Schedule 4.13(b) of the Disclosure Schedules lists each parcel of Leased Real Property. The Company has a valid leasehold estate in all Leased Real Property.

(c) The Seller has made all Williams ROWs available to the Buyer in the Data Room.

Section 4.14 Intellectual Property.

(a) Schedule 4.14(a) of the Disclosure Schedules sets forth true and complete lists of (i) all patents and patent applications, registered trademarks or service marks and applications to register any trademarks or service marks, registered copyrights and applications for registration of copyrights owned by the Company and (ii) all material Intellectual Property owned by a third Person and licensed to the Company or its Affiliates and currently used by the Company in the Business (excluding licenses for commercially available "off-the-shelf" software and any customizations thereof developed by Affiliates of the Company (other than "off-the-shelf" software the implementation of which would materially impact the Business)). The licenses set forth on Schedule 4.14(a) of the Disclosure Schedules are valid, binding and in full force and effect. The Company is not in breach of, or default under, any such license, and to the Seller's Knowledge, no condition exists which with the passage of time or giving of notice or both would reasonably be expected to cause a breach or default.

(b) No claim has been asserted or, to the Seller's Knowledge, threatened in writing that the operation of the Business or the use or exploitation by the Company of any Intellectual Property owned by or currently used by the Company infringes or otherwise violates the Intellectual Property of any third Person, and to the Seller's Knowledge, the Business does not infringe or otherwise violate the Intellectual Property of any third Person. To the Seller's Knowledge, the Company has not placed any Encumbrances (other than Permitted Encumbrances) on any of the Intellectual Property material to the operation of the Business.

(c) To the Seller's Knowledge, none of the Intellectual Property owned by the Company is being infringed by any third party.

(d) To the Seller's Knowledge, during the past three years, the Company has complied at all times in all material respects with all applicable Laws pertaining to privacy, user data or personal data.

(e) The Company has not made any Improvement (as defined in the License Agreement) to any technology that is licensed from Licensor under the License Agreement and that is material to the Business or the Company Assets.

Section 4.15 Taxes.

(a) Except as set forth in Schedule 4.15(a) of the Disclosure Schedules, (i) all Tax Returns required to be filed by or with respect to the Company have been filed on a timely basis (taking into account all extensions of due dates) and are correct and complete in all material respects, (ii) all Taxes owed by the Company that are or have become due have been timely paid in full, (iii) there are no liens on any assets of the Company that arose in connection with any failure (or alleged failure) to pay any Tax on any of such assets other than Permitted Encumbrances, (iv) the Company is and at all times has been properly disregarded as an entity separate from its owner for federal income tax purposes pursuant to Treasury Regulation Section 301.7701-3(b)(1), (v) no claim has been made in writing by any Governmental Authority in connection with Taxes in a jurisdiction in which the Company does not file a Tax Return that the Company or its operations are or may be subject to taxation by that jurisdiction in respect of Taxes that would be covered by or the subject of such a Tax Return, and (vi) there is no pending Action for assessment or collection of Taxes and no Tax assessment, deficiency or adjustment has been asserted or proposed with respect to the Company.

(b) Except as set forth on Schedule 4.15(b) of the Disclosure Schedules, the Tax exemptions set forth in Schedule 4.15(b) of the Disclosure Schedules are currently in effect and have not been revoked or modified in any respect. No applicable Governmental Authority has notified the Company that any such exemption may or shall be revoked or modified in any respect.

(c) The Seller has made available to the Buyer in the Data Room correct and complete copies of all Tax Returns, examination reports and statements of deficiencies assessed against or agreed to by or with respect to the Company or the Company's assets in the past three years.

(d) The Company is not and has never been bound by any Tax-sharing agreement, Tax indemnity agreement or other similar contract.

(e) The Company is not a party to any joint venture, partnership, contract or other arrangement that is treated as a partnership for federal, state, local or foreign Tax purposes.

(f) The Company has not been a party to or participated in a transaction that is or is substantially similar to a 'reportable transaction' within the meaning of Section 6707A(c)(1) of the Code or Section 1.6011-4(b)(1) of the Treasury Regulations.

(g) The Company has incurred no liabilities for Taxes since December 31, 2016 other than in the ordinary course of business.

Section 4.16 Environmental Matters.

(a) Except as set forth in Schedule 4.16(a) of the Disclosure Schedules, (i) since June 1, 2013, the Company has been in material compliance with all applicable Environmental Laws and has obtained and is in material compliance with all applicable Environmental Permits, (ii) the Company has timely filed applications for renewal or extension, as applicable, of all material Environmental Permits for which the application deadline or expiration date fell on or before the date of this Agreement, and (iii) there are no written claims alleging material

violation of or liability under any Environmental Permit or Environmental Law pending or, to the Seller's Knowledge, threatened in writing against the Company.

(b) The Company has provided or made available to the Buyer in the Data Room (i) true and complete copies of all material Environmental Permits and (ii) all audit reports, inspection reports, third-party reports prepared for the Company and orders of a Governmental Authority that identify (x) any actual or potential violations of Environmental Laws by the Company or (y) Liability of the Company under Environmental Laws, in each case, arising since June 1, 2013 or with respect to the matters set forth on Schedule 4.16(a) of the Disclosure Schedules and that could reasonably be expected to result in Losses in excess of \$250,000 for individual claims or a series of similar or related claims, (iii) all notices of violation, requests for information and all responses (including documents provided) to any requests for information under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended or the Clean Air Act, as amended, received by the Company since June 1, 2013 or with respect to the matters set forth on Schedule 4.16(a) of the Disclosure Schedules and (iv) all material reports or studies prepared by the Company relating to New Source Review applicability pursuant to the Clean Air Act, as amended, related to the expansion project described in Schedule 4.16(a) of the Disclosure Schedules.

(c) Except as set forth in Schedule 4.16(c) of the Disclosure Schedules, there are no Actions pending, or to the Seller's Knowledge, threatened in writing by any Person challenging the validity, terms or conditions of any material Environmental Permit or the Company's right or entitlement to conduct the Business pursuant to any Environmental Permit.

(d) For purposes of this Agreement:

(i) "Environmental Laws" means Laws in effect as of the date of this Agreement or earlier, as applicable, relating to protection of public health, the environment or employee or workplace health and safety, including: (A) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; (B) the Emergency Planning and Community Right to Know Act, as amended; (C) the Solid Waste Disposal Act, as amended; (D) the Clean Air Act, as amended; (E) the Clean Water Act, as amended; (F) the Toxic Substances Control Act, as amended; (G) the Occupational Safety and Health Act of 1970, as amended; (H) the Oil Pollution Act of 1990, as amended; and (I) the Hazardous Materials Transportation Act, as amended.

(ii) "Environmental Permits" means all Permits under any Environmental Law.

Section 4.17 Material Contracts.

(a) Schedule 4.17(a) of the Disclosure Schedules lists each of the following written contracts and agreements of the Company (other than the contracts and agreements transferred to the Seller Group pursuant to the reorganization described in Schedule 4.7 of the Disclosure Schedules) (such contracts and agreements as described in this Section 4.17(a), whether or not listed on Schedule 4.17(a) of the Disclosure Schedules, being "Material Contracts"):

(i) other contracts listed on Schedule 4.17(a) of the Disclosure Schedules;

(ii) contracts in effect as of the date of this Agreement requiring estimated aggregate annual payments or generating annual revenues in excess of \$10,000,000 for the calendar year ending December 31, 2017;

(iii) outstanding futures, swap, collar, put, call, floor, cap, option, hedging, forward sale or other derivative contracts involving natural gas, ethane, ethylene or other commodity sales or trading;

(iv) contracts that limit or purport to limit the ability of the Company to compete in any line of business or with any Person or in any geographic area or during any period of time after the Closing Date;

(v) joint venture, partnership or similar agreements or arrangements;

(vi) contracts under which the Company is lessee of or holds or operates any real (immovable) or personal (movable) property owned by any other Person, except for any contract or agreement under which the aggregate annual rental payments do not exceed \$1,000,000;

(vii) contracts that relate to the future disposition or acquisition of material assets or properties by the Company outside the ordinary course of business, or any merger or business combination with respect to the Company (other than this Agreement or the Transaction Documents);

(viii) contracts with respect to the creation, incurrence, assumption or guaranteeing any indebtedness for borrowed money or any capitalized lease obligation;

(ix) confidentiality agreements or non-solicitation agreements that could materially impact the ability of the Company to operate the Business;

(x) collective bargaining agreements or voluntary recognition agreements covering the Business Employees with respect to the Company;

(xi) contracts between the Company, on the one hand, and the Seller or an Affiliate of the Seller, on the other hand (other than contracts that are to be terminated at or prior to the Closing);

(xii) contracts for the employment of any individual, including retention agreements (other than contracts that are to be terminated at or prior to the Closing); and

(xiii) customer contracts containing a 'most favored nation' pricing provision.

(b) Each Material Contract is valid and binding on the Company and, to the Seller's Knowledge, the counterparties thereto, and is in full force and effect. Except as set forth in Schedule 4.17(b) of the Disclosure Schedules, (i) the Company is not in breach of, or default under, any Material Contract, and to the Seller's Knowledge, no condition exists which with the passage of time or giving of notice or both would reasonably be expected to cause a breach or default, (ii) to the Seller's Knowledge, no other party to any Material Contract is in breach or default of such Material Contract, and (iii) to the Seller's Knowledge, as of the date hereof, no party to a

Material Contract has exercised any termination or acceleration rights thereunder, except as may be set forth on Schedule 4.17(a) of the Disclosure Schedules.

(c) The Seller has furnished or made available to the Buyer in the Data Room a true and complete copy of each Material Contract, including all amendments thereto or other notices relating thereto, that are described on Schedule 4.17(a) of the Disclosure Schedules.

(d) Except as set forth in Schedule 4.17(d) of the Disclosure Schedules as of the date hereof, (i) there are no audits which have been commenced by any party to a Material Contract which have not been concluded and (ii) there are no material outstanding claims or unresolved disputes under any audits commenced by a party to a Material Contract.

Section 4.18 Brokers. Except for Morgan Stanley and Centerview Partners, the fees, commissions and expenses of which will be paid by the Seller Parent, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of the Company.

Section 4.19 Title to and Condition of Assets. The Company has valid title to all of its material tangible (corporeal) personal property other than any leased assets, and a valid leasehold interest in all of its leased assets, except for Permitted Encumbrances. Except as set forth in Schedule 4.19 of the Disclosure Schedules, the Company Assets (including its undivided interests in each of the Owned Real Property and the Plant) are and at the Closing will be sufficient in all material respects to permit the conduct of the Business substantially in the same manner as presently conducted by the Company. To the Seller's Knowledge, except as set forth in Schedule 4.19 of the Disclosure Schedules, each of the material tangible (corporeal) Company Assets, whether owned or leased, is in good, serviceable condition, subject only to normal maintenance requirements and normal wear and tear reasonably expected in the ordinary course of business of the Company and taking into account the age of such assets. The Excluded Assets have not been used for the production of olefins at the Plant, the sale of olefins or the storage of ethylene by the Company.

Section 4.20 Customers. Schedule 4.20 of the Disclosure Schedules contains a complete and correct list of the 20 largest customers of the Company (measured by the aggregate dollar amount of revenues attributable to such customers) during the 12-month period ended December 31, 2016.

Section 4.21 Bank Accounts. Schedule 4.21 of the Disclosure Schedules contains a complete and correct list of all bank accounts and investment accounts maintained by the Company, along with a list of Persons authorized to sign with respect to such accounts.

Section 4.22 Bonds and Credit Support. Schedule 4.22 of the Disclosure Schedules lists all bonds, letters of credits, parent guarantees and other similar credit support instruments maintained by the Seller, any of its Affiliates or the Company with respect to the Company Assets or the Business.

Section 4.23 Intercompany Transactions. Schedule 4.23 of the Disclosure Schedules sets out each agreement or contract between the Company, on the one hand, and the Seller or any of its Affiliates, on the other hand. Except as noted in Schedule 6.11 of the Disclosure Schedules, each such agreement or contract will be terminated prior to or at the Closing without any Liability or Action against the Company following the Closing. Except as set forth on Schedule 6.10(e) of the Disclosure Schedules, as of the Closing, the Company will not have any loans outstanding with or owe any money to any of the Business Employees or the Company's officers, directors or members (other than expense reimbursements to made in the ordinary course of business, consistent with past practices).

Section 4.24 Books and Records. Except as set forth in Schedule 4.24 of the Disclosure Schedules, the books and records of the Company have been, and are being, maintained in all material respects in accordance with GAAP and other applicable legal and accounting requirements; provided, that this representation does not apply to

books and records of the Company for the portions of its business that are being transferred out of the Company in connection with the reorganization described in Schedule 4.7 of the Disclosure Schedules.

Section 4.25 Anti-Bribery. The Company and its Affiliates are in compliance with all applicable anti-bribery and anti-corruption laws, including the US Foreign Corrupt Practices Act (collectively, the “Anti-Bribery Laws”). None of the Company or any of its Affiliates has, directly or indirectly, offered, paid, promised or authorized the giving of money or anything of value to any Government Official or other Person, while knowing or having reason to believe that some portion or all of the payment or thing of value will be offered, given or promised, directly or indirectly, to a Government Official or another Person for the purpose of: (a) influencing any act or decision of such Government Official or such Person in their official capacity, including a decision to do or omit to do any act in violation of their lawful duties or proper performance of functions; or (b) inducing such Government Official or such Person to use their influence or position with any Governmental Authority or other Person to influence any act or decision, in order to obtain or retain business for, direct business to, or secure an improper advantage for the Company or any of its Affiliates. None of the Company or any of its Affiliates or Representatives (y) is a Government Official or (z) has a Close Family Member, personal, business or other relationship or association with a Government Official who may have responsibility for or oversight of any business activities of the Company or any of its Affiliates, other than any relationships or associations that have been disclosed in writing to the Buyer.

Section 4.26 Plant Ownership. The Company is the operator of the Plant pursuant to the terms of the Operating Agreement. The Company owns an undivided interest in the Plant, free and clear of all Encumbrances other than Permitted Encumbrances and subject to the Operating Agreement, such undivided interest being 88.46%; provided that this sentence is not a representation or warranty with respect to the land upon which the Plant is located.

Section 4.27 Exclusivity of Representations and Warranties. None of the Seller Parent, the Seller or the Company or any of their Affiliates or Representatives is making any representation or warranty of any kind or nature whatsoever, oral or written, express or implied, relating to the Company (including, but not limited to, any representation or warranty relating to the financial condition, results of operations, assets or liabilities of the Company), except as expressly set forth in Article III, this Article IV or Section 11.23(a), and the Seller Parent, the Seller and the Company hereby disclaim any such other representations or warranties. Except as set forth in Section 4.13(c), none of the Seller Parent, the Seller or the Company or any of their Affiliates or Representatives is making any representation or warranty under this Agreement with respect to the Williams ROWs.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer hereby represents and warrants to the Seller as of the date of this Agreement and as of the Closing Date (or in the case of representations and warranties made as of a specified date, as of such specified date) as follows:

Section 5.1 Organization and Qualification. The Buyer is a corporation validly existing and in good standing under the Laws of the State of Delaware. The Buyer Parent has been continued under the laws of its governing jurisdiction and is in good standing under the laws of the Province of New Brunswick, Canada. The Buyer is duly qualified as a foreign company to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification necessary, except, in each case, for any such failures that would not, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect. The Buyer Parent is duly registered to carry on business in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification necessary, except, in each case, for any such failures that would not, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect.

Section 5.2 Authority. The Buyer and the Buyer Parent each has the corporate power and authority to execute and deliver this Agreement and each Ancillary Agreement to which it is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by each of the Buyer and the Buyer Parent of this Agreement and each Ancillary Agreement to which it is a party and the consummation by the Buyer and the Buyer Parent of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action by the Buyer and the Buyer Parent. No other corporate proceedings on the part of the Buyer Parent, the Buyer or any of its Affiliates are necessary to authorize the execution, delivery or performance of this Agreement (or will be necessary to authorize the execution, delivery or performance of the Ancillary Agreements to which it is a party) or to consummate the transactions contemplated hereby (or thereby). This Agreement has been duly executed and delivered by the Buyer and the Buyer Parent (and each Ancillary Agreement will be duly executed and delivered by the Company, the Buyer, the Parent or its Affiliate that is party thereto), and, assuming due execution and delivery by each of the other parties hereto (and thereto), constitutes, and at the Closing each Ancillary Agreement to which the Company, the Buyer, the Buyer Parent or its Affiliate is a party will constitute, the legal, valid and binding obligation of the Company, the Buyer or the Buyer Parent, as applicable, enforceable against the Company, the Buyer, the Buyer Parent or its Affiliate, as applicable, in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether considered in a proceeding in equity or at law).

Section 5.3 No Conflict; Required Filings and Consents.

(a) Assuming all required Approvals described in Section 5.3(b) (other than clause (iv) thereof) have been made, obtained or given, the execution, delivery and performance by the Buyer and the Buyer Parent of this Agreement and the consummation of the transactions contemplated hereby do not and will not:

(i) conflict with or violate the organizational documents of the Buyer or Buyer Parent;

(ii) conflict with or violate any Law applicable to the Buyer or the Buyer Parent or by which any property or asset of the Buyer or the Buyer Parent is bound or affected; or

(iii) conflict with, result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a default) under, or require any consent of any Person pursuant to, any material contract or agreement to which the Buyer or the Buyer Parent is a party;

except, in the case of clause (iii), for any such conflicts, violations, breaches, defaults or other occurrences that would not, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect or that arise as a result of any facts or circumstances relating to the Company or any of its Affiliates.

(b) Neither the Buyer nor the Buyer Parent is required to file, seek or obtain any Approval in connection with the execution, delivery and performance by the Buyer and the Buyer Parent of this Agreement or the consummation of the transactions contemplated hereby, except (i) for any Approvals required to be made under the HSR Act, and the rules and regulations promulgated thereunder or the Exon-Florio Provision as part of the parties' effort to secure CFIUS Approval, (ii) for such Approvals as may be required by any applicable federal or state securities or "blue sky" Laws, (iii) for Approvals required by the Louisiana Public Service Commission or (iv) where failure to obtain such Approval, or to make such filing or notification would not, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect.

Section 5.4 Financing. The Buyer has delivered or caused to be delivered to the Seller true and complete copies of executed commitment letter(s), together with all attachments thereto (as the same may be amended pursuant to Section 6.9 and subject to Section 6.9(a)(iii), the "Financing Commitments"), pursuant to which the lender parties thereto have agreed, subject to the terms and conditions thereof, to provide or cause to be provided to the Buyer Parent or its Affiliate the debt amounts set forth therein (subject to Section 6.9(a)(iii), the "Financing") (it being understood that such commitment letter(s) have been redacted in a customary manner, to omit

the fee amounts provided therein and other information customarily redacted in such letters (none of which would be reasonably expected to adversely affect the conditions, amount or availability of the Financing)). As of the date of this Agreement, none of the Financing Commitments have been amended or modified, no such amendment or modification is contemplated, and the respective commitments contained in the Financing Commitments have not been withdrawn or rescinded. As of the date of this Agreement, the Financing Commitments are in full force and effect and constitute the legal, valid and binding obligation of the Buyer Parent, and, to the Buyer's Knowledge, the other parties thereto (in each case, except to the extent that enforceability may be limited by the applicable bankruptcy, insolvency, moratorium, reorganization or similar Laws affecting the enforcement of creditors' rights generally or by general principles of equity). There are no conditions precedent related to the funding of the full amount of the Financing other than as set forth in or contemplated by the Financing Commitments. Except for the fee letters referred to or delivered in connection with the Financing Commitments (true and correct copies of which have been delivered to the Seller, except that such fee letters may have been redacted in a customary manner to omit the fee amounts provided therein and other information customarily redacted in such letters), as of the date of this Agreement there are no side letters or other contracts or arrangements (oral or written) related to the funding or investing, as applicable, to the Financing other than as expressly set forth in the applicable Financing Commitment, that could adversely affect the conditionality, enforceability or availability of the Financing. As of the date of this Agreement, to the Buyer's Knowledge, no event has occurred that (with or without notice or lapse of time, or both) would reasonably be expected to constitute a breach or default on the part of the Buyer under the Financing Commitments. As of the date of this Agreement, the Buyer is not aware of any fact or occurrence that makes any of the representations or warranties of the Buyer Parent relating to the Buyer Parent, in any of the Financing Commitments, inaccurate in any material respect. As of the date of this Agreement, the Buyer Parent has no reason to believe that it will be unable to satisfy on a timely basis any condition to funding, or investing in, as applicable, to be satisfied by it on the Closing Date and contained in the Financing Commitments. The Buyer Parent has fully paid any and all commitment fees or other fees required by the terms of the Financing Commitments to be paid on or before the date of this Agreement. Subject to the terms and conditions of the Financing Commitments and subject to the satisfaction of the conditions contained in Section 8.1 and Section 8.3, the aggregate proceeds contemplated by the Financing Commitments, together with other financial resources of the Buyer including unrestricted cash, cash equivalents and marketable securities (net of any applicable Tax liabilities) of the Buyer on the Closing Date, will be sufficient for the Buyer and its Affiliates, as applicable, to consummate the transactions contemplated by this Agreement and the Ancillary Agreements and to pay all related fees and expenses.

Section 5.5 Investment Intent. The Buyer is acquiring the Interests for its own account for investment purposes only and not with a view to any public distribution thereof or with any intention of selling, distributing or otherwise disposing of the Interests in a manner that would violate the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). The Buyer agrees that the Interests may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act and any applicable state securities laws, except pursuant to an exemption from such registration under the Securities Act and such laws. The Buyer is able to bear the economic risk of holding the Interests for an indefinite period (including total loss of its investment) and has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risk of its investment.

Section 5.6 OFAC.

- (a) None of the Buyer Parent or its Subsidiaries, including the Buyer, is a Blacklisted Person.
- (b) The Buyer Parent and its Subsidiaries, including the Buyer, are and have always been in compliance with economic sanctions regulations and other measures that are administered by OFAC.

(c) Neither the Buyer Parent nor any of its Subsidiaries, including the Buyer, operate or have operated in, or do business or within the last 20 years have done business in or with Persons in, Crimea, Cuba, Iran, North Korea, Sudan or Syria.

Section 5.7 Brokers. Except for HSBC Securities (USA) Inc., the fees, commissions and expenses of which will be paid by the Buyer, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of the Buyer or the Buyer Parent.

Section 5.8 Buyer's Investigation and Reliance. The Buyer is a sophisticated purchaser and has made its own independent investigation, review and analysis regarding the Company and the transactions contemplated hereby, which investigation, review and analysis were conducted by the Buyer together with expert advisors, including legal counsel, that it has engaged for such purpose. As of the date of this Agreement, the Buyer and its Representatives have been provided with full and complete access to the Representatives, properties, offices, plants and other facilities, books and records of the Company and other information that they have requested in connection with their investigation of the Company and the transactions contemplated hereby. The Buyer acknowledges and agrees that: (a) none of the Seller, the Company or any of their respective Affiliates or Representatives has made any representation or warranty, express or implied, as to the accuracy or completeness of any information concerning the Company contained herein or made available in the Data Room or otherwise in connection with the Buyer's investigation of the Company, except as expressly set forth in this Agreement, and the Seller, the Company and their respective Affiliates and Representatives expressly disclaim any and all Liability that may be based on such information or errors therein or omissions therefrom; (b) the Buyer has not relied and is not relying on any statement, representation or warranty, oral or written, express or implied, made by the Seller, the Company or any of their respective Affiliates or Representatives, except as expressly set forth in Article III and Article IV; (c) none of the Seller, the Company or any of their respective Affiliates or Representatives shall have any Liability to the Buyer or any of its Affiliates or Representatives resulting from the use of any information, documents or materials made available to the Buyer, whether orally or in writing, in any confidential information memoranda, "data rooms," management presentations, due diligence discussions or in any other form in expectation of the transactions contemplated by this Agreement; and (d) none of the Seller, the Company nor any of their respective Affiliates or Representatives is making, directly or indirectly, any representation or warranty with respect to any estimates, projections or forecasts involving the Company, including as contained in the Confidential Information Presentation dated October 2016, the Transaction Overview and the business model contained in Folder 1.1.3.2 of the Data Room. The Buyer acknowledges that there are inherent uncertainties in attempting to make such estimates, projections and forecasts and that it takes full responsibility for making its own evaluation of the adequacy and accuracy of any such estimates, projections or forecasts (including the reasonableness of the assumptions underlying any such estimates, projections and forecasts). The Buyer acknowledges that, should the Closing occur, the Buyer shall acquire the Company on an "as is" and "where is" basis, except as otherwise expressly set forth in this Agreement. The Buyer acknowledges and agrees that the representations and warranties in Article III and Article IV are the result of arm's-length negotiations between sophisticated parties, and the Buyer has not relied and is not relying on any other statement, representation or warranty, oral or written, express or implied, made by the Seller Parent, the Seller, the Company or any of their respective Affiliates or Representatives.

Section 5.9 Exclusivity of Representations and Warranties. None of the Buyer, the Buyer Parent, or any of their respective Affiliates or Representatives is making any representation or warranty of any kind or nature whatsoever, oral or written, express or implied, relating to the Buyer or the Buyer Parent, as applicable, except as expressly set forth in this Article V or Section 11.22(a), and the Buyer and the Buyer Parent hereby disclaim any such other representations or warranties.

ARTICLE VI COVENANTS

Section 6.1 Conduct of Business Prior to the Closing.

(a) Except as otherwise contemplated by this Agreement, required by applicable Law, or as set forth in Schedule 6.1(a) of the Disclosure Schedules, between the date of this Agreement and the Closing Date, without the prior written consent of the Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), the Company will not take any of the following actions:

(i) amend any of the Company's certificate of formation or limited liability company agreement or equivalent organizational documents;

(ii) issue or sell any membership interests of the Company or any options, warrants, convertible securities or other rights of any kind to acquire any such membership interests or equity interests;

(iii) acquire any corporation, partnership, limited liability company or other business organization, in each case that is material, individually or in the aggregate, to the Company;

(iv) adopt a plan of complete or partial liquidation, dissolution, merger, consolidation or recapitalization of the Company or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against the Company under any similar Law;

(v) except as required by Law, (A) file any material election in respect of Taxes, including any election for the Company to be treated as a corporation for federal or any applicable state income tax purposes, (B) change or rescind any material Tax election, amend any material Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of materially increasing the Tax Liability of the Company in respect of any period after the Closing Date, or (C) settle or compromise any material claim, notice, audit report or assessment in respect of Taxes;

(vi) transfer, assign, sell or otherwise dispose of any of the material Company Assets shown or reflected in the Balance Sheet other than (A) the sale of obsolete property or property no longer used in the Business, (B) in the ordinary course of business consistent with past practice or (C) the sale of current assets reported on the Balance Sheet;

(vii) make any capital investment in, or any material loan to, any other Person, other than (A) the extension of credit or other provision of services to any customer of the Company, (B) in connection with the cash management system of the Company and its Affiliates or (C) as would not be material, individually or in the aggregate, to the Company;

(viii) commit to make any material capital expenditures to be spent after the Closing Date in excess of \$1,000,000 except (A) in connection with planned capital projects listed on Schedule 6.1(a)(viii) of the Disclosure Schedules and (B) as may be reasonably required to conduct safety, compliance, reliability or emergency operations, repairs or replacements;

(ix) enter into a new line of business or abandon or discontinue any existing material lines of business;

(x) purchase, lease or otherwise acquire the right to own, use or lease any property or asset that will result in a payment obligation (not reflected in the Closing Net Working Capital) after the Closing Date for an amount in excess of \$500,000, individually, outside the ordinary course of business except for purposes of safety management, compliance or reliability or in connection with emergency situations and as permitted by Section 6.1(a)(viii) above;

(xi) other than in the ordinary course of business, (A) enter into any Material Contract or (B) enter into any material amendment or modification to, or termination of, any Material Contract;

(xii) settle any Action that would result in the Company being subject to equitable relief that would have a material adverse impact on the Business or the Company after the Closing; or

(xiii) enter into any contract or agreement to do any of the foregoing.

(b) Except as otherwise contemplated by this Agreement, as required by applicable Law or as set forth on Schedule 6.1(a) of the Disclosure Schedules, the Business shall be conducted only in the ordinary course of business in all material respects.

(c) Between the date of this Agreement and the Closing Date, the Company shall maintain in full force and effect the Williams Insurance Policies or replacements or renewals thereof, at materially the same level and scope as was held by or for the benefit of the Company, the Company Assets or the Business immediately prior to the date of this Agreement.

(d) Notwithstanding the foregoing provisions of Section 6.1(a) and (b), between the date of this Agreement and the Closing Date, the Company may take commercially reasonable actions with respect to emergency situations or as required for the Company to comply with the Law; provided that the Company must provide the Buyer with written notice of such action taken as soon as reasonably practicable.

(e) For the purposes of clarification, nothing contained in this Section 6.1 is intended to give the Buyer, directly or indirectly, the right to control or direct the operations of the Company prior to the Closing. Subject to the other provisions of this Section 6.1, prior to the Closing, the Seller and the Company shall exercise complete control and supervision over the Company's operations.

Section 6.2 Covenants Regarding Information.

(a) From the date hereof until the Closing Date, upon reasonable notice, the Seller shall, and shall cause the Company to, (i) afford the Buyer and its Representatives reasonable access to the Representatives, properties, offices, plants and other facilities, books and records of the Company and (ii) furnish the Buyer and its Representatives with such financial, operating and other data and information as the Buyer or its Representatives may reasonably request; provided, further, that any such access or furnishing of information shall be conducted at the Buyer's expense, during normal business hours, under the supervision of the Company's personnel and in such a manner as to not unreasonably interfere with the normal operations of the Company. Notwithstanding anything to the contrary in this Agreement, the Company shall not be required to (i) provide access to personnel records of the Company relating to individual performance or evaluation records, medical histories or other information, which in the Company's good faith determination is sensitive or the disclosure of which could subject the Company or any of its Affiliates to risk of Liability or (ii) disclose any information to the Buyer or its Representatives if the Company determines, in its reasonable discretion, that (A) such disclosure would jeopardize any attorney-client or other legal privilege, (B) such disclosure would contravene any applicable Laws, fiduciary duty or binding agreement entered into prior to the date hereof, (C) such information is pertinent to any litigation in which the Company or any of its Affiliates, on the one hand, and the Buyer or any of its Affiliates, on the other hand, are adverse parties or (D) such information is not related to the Company and is in any consolidated, combined or unitary Tax Return filed by the Seller, the Company or any of their Affiliates or any of their respective predecessor entities, nor shall the Buyer be entitled to conduct any invasive sampling or testing of any soil, gas, air, surface water, groundwater, building materials or other environmental media, including the conduct of a Phase II environmental site assessment. If the Company determines in its reasonable discretion that specific information is competitively sensitive in nature, (Y) the Company shall make such information available only to a 'clean team' of Representatives of the Buyer (such Representatives to be agreed by the Buyer and the Seller), and (Z) the Seller and the Buyer shall cooperate to take necessary actions to avoid exposure under applicable antitrust Laws in connection with the disclosure of such information.

(b) In order to facilitate the resolution of any claims made against or incurred by the Seller or any of its Affiliates (as they relate to the Company), for a period of seven years after the Closing Date or, if shorter, the applicable period specified in the Company's document retention policy, the Company shall (i) retain the books

and records relating to the Company relating to periods prior to the Closing Date and (ii) afford the Representatives of the Seller and its Affiliates reasonable access (including the right to make, at the Seller's expense, photocopies), during normal business hours, to such books and records; provided, further, that the Company shall notify the Seller in writing at least 30 days in advance of destroying any such books and records prior to the seventh anniversary of the Closing Date in order to provide the Seller the opportunity to copy such books and records in accordance with this Section 6.2(b). Notwithstanding the foregoing, after the Closing Date, neither the Buyer nor the Company will be obligated to provide the Seller with access to any books and records or personnel files pursuant to this Section 6.2(b) where such access would violate any Law.

Section 6.3 No Hire; No Solicitation.

(a) If this Agreement is terminated prior to the Closing, the Buyer will not, for a period of one year after such termination, without the prior written consent of the Seller, either alone or in conjunction with any other Person, directly or indirectly, or through its present or future Affiliates, hire or solicit (other than a solicitation by general advertisement) any person who was, is or will be a Business Employee at any time during the period from the date six months prior to the date of this Agreement until the date of such termination, to terminate his or her employment with the Seller or any of its Affiliates. The Buyer agrees that any remedy at law for any breach by the Buyer of this Section 6.3 would be inadequate, and that the Seller would be entitled to seek injunctive relief in such a case. If it is ever held that this restriction on the Buyer is too onerous and is not necessary for the protection of the Seller, the Buyer agrees that any court of competent jurisdiction may impose such lesser restrictions that such court may consider to be necessary or appropriate properly to protect the Seller and the Company.

(b) For a period of one year after the Closing Date, the Seller will not, without the prior written consent of the Buyer, either alone or in conjunction with any other Person, directly or indirectly, or through its present or future Affiliates, hire or solicit (other than a solicitation by general advertisement) any person who is a Continuing Employee at any time during the period from the date six months prior to the date of this Agreement until the Closing Date, to terminate his or her employment with the Company, the Buyer or any of its Affiliates. The Seller agrees that any remedy at law for any breach by the Seller of this Section 6.3(b) would be inadequate, and that the Buyer would be entitled to seek injunctive relief in such a case. If it is ever held that this restriction on the Seller is too onerous and is not necessary for the protection of the Buyer, the Seller agrees that any court of competent jurisdiction may impose such lesser restrictions that such court may consider to be necessary or appropriate properly to protect the Buyer and the Company.

Section 6.4 Confidentiality. Each of the parties shall hold, and shall cause its Representatives to hold, in confidence all documents and information furnished to it, or by it in the case of the Seller, prior to, on or after the date of this Agreement by or on behalf of any other party to this Agreement in connection with the transactions contemplated hereby pursuant to the terms of the confidentiality agreement dated October 27, 2016, between the Buyer and The Williams Companies, Inc. (as such agreement has been amended from time to time, the "Confidentiality Agreement"), which shall continue in full force and effect for a period of three years after the Closing Date; provided, that, after the Closing, confidential and commercially sensitive information concerning the Business or the Company Assets, whether or not disclosed by the Buyer or the Seller or one of their Affiliates under the Confidentiality Agreement, will be deemed to be the "Confidential Information" of the Buyer as the "Disclosing Party" under the Confidentiality Agreement, and the exclusions from confidentiality obligations under Section 3 (other than those in Section 3(b)) of the Confidentiality Agreement do not apply to that information; provided further, that "Confidential Information" as defined in the Confidentiality Agreement shall not include (a) confidential information with respect to matters relating to any Ancillary Agreement (which shall be subject to the confidentiality provisions contained in such Ancillary Agreement) or (b) the existence of this Agreement or any of the Ancillary Agreements. For the avoidance of doubt, if the Confidentiality Agreement was executed by an Affiliate of a party to this Agreement, then such party hereby agrees to be bound by and to comply with the terms and conditions of such Confidentiality Agreement applicable to such Affiliate and such party shall be a beneficiary of the rights under such Confidentiality Agreement that are for the benefit of such Affiliate. If, for any reason, this Agreement is terminated prior to the Closing Date, the Confidentiality Agreement shall nonetheless continue in full force and effect in accordance with its terms.

Section 6.5 Consents and Filings.

(a) Each of the parties shall use all reasonable best efforts to take, or cause to be taken, all appropriate action to do, or cause to be done, all things necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the transactions contemplated by this Agreement and the Transaction Documents as promptly as practicable, including to (i) obtain from Governmental Authorities all consents, Approvals, qualifications and orders as are necessary for the consummation of the transactions contemplated by this Agreement and the Transaction Documents and (ii) promptly (and in no event later than 10 Business Days after the date hereof) make all necessary filings, and thereafter make any other required submissions, with respect to this Agreement required under the HSR Act, the Exon-Florio Provision or any other applicable Law. The Buyer and the Seller shall each pay 50% of all filing fees under the HSR Act by all parties.

(b) Without limiting the generality of the parties' undertaking pursuant to Section 6.5(a), the Buyer agrees to use its reasonable best efforts and to take any and all steps necessary to avoid or eliminate each and every impediment under any antitrust, competition or trade regulation Law that may be asserted by any Governmental Authority or any other party so as to enable the parties hereto to expeditiously close the transactions contemplated by this Agreement and the Transaction Documents as promptly as practicable and in no event later than the Termination Date, including proposing, negotiating, committing to and effecting, by consent decree, hold separate orders or otherwise, the sale, divesture or disposition of its assets, properties or businesses or of the assets, properties or businesses to be acquired by it pursuant hereto as are required to be divested in order to avoid any injunction (or to effect the dissolution thereof), temporary restraining order or other order or decision in any suit or proceeding, which would otherwise have the effect of materially delaying or preventing the consummation of such transactions. In addition, the Buyer shall use its best efforts to defend through litigation on the merits any claim asserted in court by any party in order to avoid entry of, or to have vacated or terminated, any decree, order or judgment (whether temporary, preliminary or permanent) that would prevent the Closing by the Termination Date. No party shall be required to take any action or agree to take any action contemplated by this Section 6.5(b) that is not conditioned on the Closing of the transactions contemplated by this Agreement.

(c) Each of the parties shall promptly notify the other parties of any communication it or any of its Affiliates receives from any Governmental Authority relating to the matters that are the subject of this Agreement and permit the other parties to review in advance any proposed communication by such party to any Governmental Authority. No party to this Agreement shall agree to participate in any meeting with any Governmental Authority in respect of any such filings, investigation or other inquiry unless it consults with the other parties in advance and, to the extent permitted by such Governmental Authority, gives the other parties the opportunity to attend and participate at such meeting. Subject to the Confidentiality Agreement, the parties will coordinate and cooperate fully with each other in exchanging such information and providing such assistance as the other parties may reasonably request in connection with the foregoing and in seeking early termination of any applicable waiting periods, including under the HSR Act and the Exon-Florio Provision. Subject to the Confidentiality Agreement, the parties will provide each other with copies of all correspondence, filings or communications between them or any of their Representatives, on the one hand, and any Governmental Authority or members of its staff, on the other hand, with respect to this Agreement and the transactions contemplated hereby.

(d) Each of the parties shall use its commercially reasonable efforts to obtain CFIUS Approval. The parties shall: (i) as soon as is reasonably possible, engage in the pre-notice consultation process with the Committee on Foreign Investment in the United States and its constituent agencies ("CFIUS") and jointly make the draft filing with CFIUS contemplated under 31 C.F.R. Section 800.401(f) with respect to the transactions contemplated hereby; (ii) as promptly as practicable and, after CFIUS notification that the draft filing meets all requirements of 31 C.F.R. Section 800.402 of the regulations and is, accordingly, complete, jointly file with CFIUS a voluntary notice as contemplated by 31 C.F.R. Section 800.401(a); (iii) in accordance with and subject to the limitations contained in 31 C.F.R. Sections 800.402, 800.403(a)(3), 800.509 and 800.701, provide any available information requested by a Governmental Authority in connection with such notice; and (iv) agree to actions or restrictions relating to the transactions contemplated by this Agreement, and such other undertakings (for instance, governance, reporting or monitoring obligations) to be imposed on the Buyer lawfully requested by a Governmental Authority in connection with such filings as a condition of the CFIUS Approval. With respect to clause (iii) of this

Section 6.5(d), each of the parties shall use its commercially reasonable efforts to provide the requested information within the timeframe required by the applicable regulations; provided, however, that if it is not practicable to provide such requested information within that timeframe, notwithstanding the exercise of commercially reasonable efforts, the parties jointly shall request extensions of time for the submission of information to the extent permitted in order to effectuate the continued review of the transactions contemplated by this Agreement without rejection by a Governmental Authority with respect to the Exon-Florio Provision.

Section 6.6 Public Announcements. The parties shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement or the transactions contemplated hereby, and none of the parties shall issue any press release or make any public statement prior to obtaining the other parties' written approval, which approval shall not be unreasonably withheld, conditioned or delayed, except that no such approval shall be necessary to the extent disclosure may be required by applicable Law or any listing agreement of any party hereto; provided, however, that each party and its respective Affiliates may make statements that are consistent with statements made in previous press releases, public disclosures or public statements made by any of the parties after the date of this Agreement in compliance with this Section 6.6.

Section 6.7 Directors' and Officers' Indemnification; Release.

(a) The Seller maintains directors' and officers' liability insurance covering acts or omissions occurring at or prior to the Closing and will continue to maintain such insurance with respect to those Persons who are currently covered by such insurance on the same terms and scope with respect to the coverage and amount of insurance as may be provided to the directors and officers of the general partner of the Seller Parent from time to time for six years after the Closing ("D&O Insurance"). The Buyer agrees that all rights to indemnification or exculpation now existing in favor of the directors, managers, officers and agents of the Company, as provided in the limited liability company agreement of the Company, shall survive the Closing and shall continue in full force and effect for a period of not less than six years and that the Company will perform the obligations to provide such indemnity and exculpation after the Closing; provided, however, that all rights to indemnification and exculpation in respect of any Action arising out of or relating to matters existing or occurring at or prior to the Closing Date and asserted or made within such six-year period shall continue until the final disposition of such Action. From and after the Closing Date for such six-year period, the Buyer shall not, and shall cause each of its Subsidiaries and Affiliates (including the Company) not to, amend, repeal or otherwise modify the indemnification provisions of the applicable certificate of formation, limited liability company agreement or other similar governing documents as in effect at the Closing in any manner that would adversely affect the rights thereunder of individuals who at the Closing were directors, managers, officers or agents of the Company. The Buyer and each of its Subsidiaries and Affiliates (including the Company) shall provide all reasonable cooperation requested by any Person insured under the D&O Insurance necessary to permit the insured Person to pursue a D&O Insurance recovery or claim.

(b) Without limiting Section 6.7(a) or any rights of any director, manager, officer, or agent of the Company or its predecessors (each, a "Company Indemnified Party") pursuant to any indemnification agreement, from and after the Closing Date, in the event of any threatened or actual claim, action, suit, proceeding or investigation (a "Claim"), whether civil, criminal or administrative, based in whole or in part on, or arising in whole or in part out of, or pertaining to (i) the fact that the Company Indemnified Party is or was a director (including in a capacity as a member of any board committee) or officer of the Company or its predecessors or (ii) this Agreement or any Ancillary Agreements or any of the transactions contemplated hereby or thereby, whether in any case asserted or arising before or after the Closing Date, the Buyer shall indemnify and hold harmless, as and to the fullest extent permitted by Law, each such Company Indemnified Party against any losses, claims, damages, liabilities, costs, expenses not covered by D&O Insurance (including attorneys' fees and expenses in advance of the final disposition of any claim, suit, proceeding or investigation to each Company Indemnified Party to the fullest extent permitted by Law upon receipt of any undertaking required by applicable Law), judgments, fines and amounts paid in settlement of or in connection with any such threatened or actual Claim. The Buyer shall not settle, compromise or consent to the entry of any judgment in any threatened or actual Claim for which indemnification would reasonably be expected to be sought by a Company Indemnified Party hereunder, unless (i) such settlement, compromise or consent includes an unconditional release of such Company Indemnified Party from all liability arising out of such Claim, (ii) the Buyer agrees to provide for indemnification of such Company Indemnified Party

from any and all liability arising out of such Claim or (iii) such Company Indemnified Party otherwise consents in writing to such settlement, compromise or consent. The Buyer shall cooperate with any Company Indemnified Party in the defense of any matter for which such Company Indemnified Party could seek indemnification hereunder. The Buyer's obligations under this Section 6.7(b) shall continue in full force and effect for a period of six years from the Closing Date; provided, however, that all rights to indemnification in respect of any Claim asserted or made within such period shall continue until the final disposition of such Claim.

(c) The Buyer covenants, for itself and its Affiliates, successors and assigns, that it and they shall not institute any Action before any Governmental Authority against any of the current Company Indemnified Parties, in their capacity as such, with respect to any Liabilities or Actions of any nature or description (consequential, compensatory, punitive or otherwise).

(d) In the event the Buyer, the Company or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then and in either such case, the Buyer shall make proper provision so that the successors and assigns of the Buyer or the Company, as the case may be, shall assume the obligations set forth in this Section 6.7.

(e) The provisions of this Section 6.7 shall survive the consummation of the Closing and continue for the periods specified herein. This Section 6.7 is intended to benefit the Company Indemnified Parties and any other Person or entity (and their respective heirs, successors and assigns) referenced in this Section 6.7 or indemnified hereunder, each of whom may enforce the provisions of this Section 6.7 (whether or not parties to this Agreement). Each of the Persons referenced in the immediately preceding sentence are intended to be third-party beneficiaries of this Section 6.7.

Section 6.8 Use of Names. The Seller is not conveying ownership rights or granting the Buyer, any Affiliate of the Buyer or the Company a license to use any of the trade names, trademarks, service marks, logos or domain names of the Seller or any Affiliate of the Seller (including the names "Williams," "Williams Partners," "Williams Olefins," "Williams Hub," "Williams Energy," "Williams Energy Companies," "We Make Energy Happen!" or any trade name, trademark, service mark, logo or domain name incorporating the names "Williams," "Williams Partners," "Williams Olefins," "Williams Hub," "Williams Energy," "Williams Energy Companies," or "We Make Energy Happen!") and, after the Closing Date, the Buyer shall not permit the Company or any Affiliate of the Company to use, except as permitted under the following sentence, in any manner or the names or marks of the Seller or any Affiliate of the Seller or any word that is similar in sound or appearance to such names or marks. As promptly as practicable, and in any event no later than six months after the Closing Date, the Buyer shall take all necessary action to cause the corporate name of the Company to be changed to a name that does not include the word "Williams" and shall remove all identifying markings from the Company Assets which contain the name "Williams" or any other form thereof. In the event the Buyer or any Affiliate of the Buyer violates any of its obligations under this Section 6.8, the Seller may proceed against it in law or in equity for such damages or other relief as a court may deem appropriate. The Buyer acknowledges that a violation of this Section 6.8 may cause the Seller and its Affiliates irreparable harm, which may not be adequately compensated for by money damages. The Buyer therefore agrees that, in the event of any actual or threatened violation of this Section 6.8, the Seller shall be entitled, in addition to other remedies that it may have, to a temporary restraining order and to preliminary and final injunctive relief against the Buyer or any applicable Affiliate of the Buyer to prevent any violations of this Section 6.8.

Section 6.9 Financing.

(a) Obligations of the Buyer and the Buyer Parent.

(i) The Buyer Parent shall use its reasonable best efforts to arrange the Financing on the terms and conditions described in the Financing Commitments (including any flex provisions applicable thereto) and/or Replacement Financing, including using reasonable best efforts to (A) negotiate definitive documentation for and consummate the Financing contemplated by the Financing Commitments or a Replacement

Financing at or prior to the Closing on the terms and conditions contemplated by the Financing Commitments or on other terms that are in the aggregate not materially less favorable, taken as a whole, to the Buyer and (B) enforce its rights under the Financing Commitments in the event of a breach by the Financing Sources, including (1) analyzing in good faith potential litigation Actions and (2) initiating and pursuing all valid Actions necessary to enforce such rights; provided that in no event shall the Buyer Parent or any of its Affiliates have any obligation to institute any Action against any Financing Source in connection with the obligations set forth in this Section 6.9. In the event any portion of the Financing becomes unavailable on the terms and conditions (including the flex provisions) contemplated in the Financing Commitments, the Buyer Parent shall use its reasonable best efforts to arrange to obtain an Alternative Financing. The Buyer and the Buyer Parent shall refrain from taking, directly or indirectly, any action that would reasonably be expected to result in a failure of any of the conditions to funding, or investing in, as applicable, contained in the Financing Commitments or in any definitive agreement related to the Financing (except that such obligation shall not be breached in respect of any condition where the failure is a result of the Seller's or any Company's failure to furnish the information described in Section 6.9(c)); provided, that the Buyer Parent may terminate or reduce the Financing Commitments if (prior to such termination or reduction) the Buyer Parent enters into a Replacement Financing and promptly provides a true, correct and complete copy of any Financing Commitment for such Replacement Financing to the Seller. The Buyer Parent shall have the right from time to time to amend, supplement or otherwise modify, or waive any of its rights under, the Financing Commitments; provided, that any such amendment, supplement or other modification to or waiver of any provision of the Financing Commitments that amends the Financing shall not, without the prior written consent of the Seller, (A) reduce the aggregate amount of the Financing available on the Closing Date (including due to the reduction of the length of the commitment thereunder), from that contemplated in the Financing Commitments (unless any such reduction is replaced with a Replacement Financing) or (B) impose any new or additional condition (other than the requirement of the funding of any Replacement Financing), or otherwise amend, modify or expand any condition, to the receipt of any portion of the Financing in a manner that would be reasonably expected to prevent, impede or delay the consummation of the acquisition contemplated by Section 2.1 of this Agreement and the other transactions contemplated by this Agreement.

(ii) The Buyer Parent shall keep the Seller informed on a reasonably current basis and in reasonable detail with respect to the material status of its efforts to arrange the Financing. Without limiting the generality of the foregoing, the Buyer Parent shall notify the Seller promptly, and in any event within two Business Days after it becomes aware thereof, (A) of any termination of the Financing Commitments or any material definitive agreement related to the Financing, (B) of any breach or default by any party to any Financing Commitments or definitive agreements related to the Financing, (C) of the receipt by the Buyer Parent of any written notice or other communication (other than negotiations of the definitive agreements with respect to the Financing) from any Financing Source with respect to any breach, default, termination or repudiation by any Financing Source party to any Financing Commitment or any definitive agreement related to the Financing or (D) if the Buyer Parent becomes aware, including, for the avoidance of doubt, because the Buyer Parent believes that one or more conditions to the closing of the Financing will not be satisfied at or prior to Closing, that any portion of the Financing contemplated by the Financing Commitments may not be available on the terms described therein. In addition, the Buyer Parent promptly will provide the Seller with copies of all executed definitive agreements with respect to the Financing (provided, that any fee letters that, in accordance with customary practice, are confidential by their terms, and that do not affect the conditionality or amount of the Financing, may be redacted so as not to disclose such terms that are so confidential).

(iii) For purposes of this Agreement, references to "Financing" shall include (A) any Alternative Financing required to be obtained in the circumstances provided in this Section 6.9(a) and (B) any Replacement Financing obtained in replacement of any portion of the Financing, and references to "Financing Commitments" shall include such documents as related to such Alternative Financing and Replacement Financing, as applicable.

(b) No Condition. The Buyer acknowledges and agrees that its obligation to consummate the transactions contemplated by this Agreement and the Ancillary Agreements is not conditioned upon any Financing being made available to the Buyer or the Buyer Parent.

(c) Obligations of the Seller and the Company. Prior to the Closing, the Seller and the Company shall, at the Buyer's sole expense, use reasonable best efforts to cooperate with the Buyer Parent as necessary in connection with the arrangement of the Financing or any other financing of the Buyer Parent in connection with the transactions contemplated hereby as may be customary and reasonably requested by the Buyer Parent, including using reasonable best efforts to do the following:

(i) commenting on (and to the extent reasonably requested by the Buyer Parent and reasonably available to the Seller or the Company, providing information and materials to be used in the preparation of) customary confidential information memoranda or similar offering documents (including prospectuses and prospectus supplements) for the Financing or any other financing of the Buyer Parent in connection with the transactions contemplated hereby, customary rating agency presentations and lender presentations;

(ii) furnishing the Buyer Parent (for filing with the Securities and Exchange Commission, if required, and to be included in any prospectus or prospectus supplement or offering memorandum) and the Financing Sources as promptly as practicable with financial and other pertinent information regarding the Company as may be reasonably requested by the Buyer Parent (and reasonably available to the Company), including: (A) unqualified audited financial statements of the Company for each of the two fiscal years ending more than 90 days prior to the Closing Date, which have already been provided pursuant to Section 4.6; (B) unaudited financial statements for any quarterly interim period or periods of the Company ending more than 45 days prior to the Closing Date, together with unaudited financial statements for the corresponding period of the prior year (all of which shall have been reviewed by the independent accountants for the Company); and (C) all other financial data regarding the Company reasonably required (and reasonably available to the Company) to permit the Buyer Parent to prepare customary pro forma financial statements, and in the case of clauses (A) and (B) meeting the requirements of Rule 3-05 of Regulation S-X under the Securities Act;

(iii) to the extent requested in writing at least ten Business Days prior to the Closing Date, furnishing to the Buyer Parent, for distribution to the Financing Sources, information reasonably required by any Financing Source for compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act of 2001;

(iv) cooperating reasonably with the due diligence of the Financing Sources or any underwriters of any other financing of the Buyer Parent in connection with the transactions contemplated hereby, to the extent customary and reasonable and to the extent not unreasonably interfering with the ongoing operations of the Company

(v) providing customary authorization letters to the Financing Sources authorizing the distribution of information to prospective lenders (subject to reasonable confidentiality provisions) and, with respect to any public-side version of such information, confirming that such version consists exclusively of information and documentation that does not contain information that is (A) of a type that would not be publicly available (or could be derived from publicly available information) if the Company were a reporting company under the Securities Exchange Act of 1934 and (B) material with respect to the Company or its securities for purposes of foreign, federal and state securities Laws; and

(vi) executing and delivering (or obtaining from its advisors), customary certificates, accounting consent or comfort letters and other similar items reasonably requested by the Buyer Parent, including, in any case, the consent of the Company's independent accountants to the inclusion of their audit reports with respect to the financial statements furnished pursuant to Section 6.9(c)(ii) and the applicable audited annual financial statements of the Company in any registration statement of the Buyer Parent filed with the Securities and Exchange Commission, if any, relating to any financing and causing such independent accountants to provide customary comfort letters (including "negative assurance" comfort, if appropriate) in connection with any offering to the applicable underwriters, initial purchasers or placement agents.

(d) The Company hereby consents to the use of its logos in connection with the Financing; provided, that such logos are used in a manner that is not intended to and would not reasonably be likely to harm or disparage the Company or any member of the Seller Group.

(e) Notwithstanding the foregoing, (i) nothing shall require such cooperation as described in Section 6.9 to the extent it would unreasonably interfere with the business or operations of the Company or the Seller Group and (ii) neither the Company nor the Seller shall be required to, or be required to commit to, (A) take any action that exposes the Company to any liability in connection with the Financing and that is not contingent upon the consummation of the Closing or enter into or execute any agreement or document that exposes the Company to any liability in connection with the Financing, (B) take any corporate action (including any board approvals) in connection with the Financing, (C) take any action that would result in any officer, director or other Representative of the Company or the Seller Group incurring any personal liability with respect to any matters relating to the Financing, (D) deliver or cause the delivery of any legal opinions or any certificate as to solvency or any other certificate necessary for the Financing or, except as expressly provided in Section 6.9(c), accountants' cold comfort letters or reliance letters or (E) deliver or cause the delivery of any financial information in a form not customarily prepared by the Company with respect to such period. All Confidential Information (as defined in the Confidentiality Agreement) provided by the Company or any of its Representatives pursuant to this Section 6.9 shall be kept confidential in accordance with the Confidentiality Agreement, except that the Buyer Parent shall be permitted to disclose such information in accordance with the Financing Commitments. The Company shall be permitted a reasonable period to comment on those portions of any confidential information memorandum or other marketing document circulated to potential financing sources that contain or are based upon any such non-public or other confidential information; provided that the Company shall communicate in writing its comments, if any, to the Buyer Parent and its counsel within a reasonable period of time under the circumstances. Neither the Company nor any member of the Seller Group shall be required to bear any cost or expense, pay any commitment or other similar fee or make any other payment or incur any other liability or prior to the Closing provide or agree to provide any indemnity in connection with the Financing or any of the foregoing matters described in this Section 6.9.

(f) The Buyer shall reimburse the Seller and the Company for their reasonable out-of-pocket fees and expenses incurred pursuant to this Section 6.9 and shall indemnify and hold harmless the Seller, the Company, its Subsidiaries and its Representatives from and against any and all liabilities, losses, damages, claims, costs, expenses, interest, awards, judgments and penalties incurred or suffered by them in connection with any actions taken pursuant to this Section 6.9; provided, that the Buyer shall not have any obligation to indemnify and hold harmless any such party or Person to the extent that any such damages suffered or incurred arose from gross negligence or willful misconduct of the Company or the Seller or from disclosure provided by the Company that is determined to have contained a material misstatement or omission.

(g) In no event shall the Buyer Parent or any of its Affiliates prohibit or seek to prohibit any bank or investment bank or other potential provider of debt or equity financing, including the Financing Sources, from providing financing or financial advisory services to any Person in connection with a transaction relating to the Company, its Affiliates or its Subsidiaries or in connection with the transaction contemplated by this Agreement, the Ancillary Agreements or the other transactions contemplated hereby.

(h) Notwithstanding anything to the contrary, the condition set forth in Section 8.3(a), as it applies to the Company's obligations under this Section 6.9, shall be deemed satisfied unless (i) the Company or the Seller shall have breached its obligations under this Section 6.9 in a manner that would give rise to a failure of the condition set forth in Section 8.3(a), (ii) the Buyer shall have provided written notice to the Company of such breach and (iii) such breach is not cured by the earlier of the 10th Business Day after the giving of such written notice and the Termination Date or is not capable of being cured by the Termination Date.

Section 6.10 Employee and Related Matters.

(a) As of the Closing Date and for a period of at least 12 months following the Closing Date (the "Benefits Continuation Period"), the Buyer shall cause each of the Business Employees to be offered employment by the Company or its Affiliates, on terms and conditions that, at minimum, will include (i) the same or

more favorable annual base salaries and incentive compensation opportunities (other than equity-based compensation to the extent applicable) as the Business Employee received immediately prior to the Closing Date and (ii) other compensation and employee benefits that are substantially comparable to or more favorable than those received by similarly situated employees of the Buyer and its Affiliates. Business Employees who accept such offers of employment from the Company or any of its Affiliates are referred to herein as “Continuing Employees.” The Seller shall cause all Continuing Employees to be terminated by the Seller’s Affiliate (the “Current Employer”) as of the Closing Date, and the Buyer shall cause all Continuing Employees to become new employees of the Company, the Buyer or any respective Affiliate thereof (the “Post-Closing Employer”), as applicable, as of the Closing Date, and such employment by the Post-Closing Employer shall be deemed for all purposes to have occurred with no interruption or break in service. The Seller shall pay or cause to be paid any accrued paid time off owed to the Continuing Employees as of the Closing Date. Notwithstanding the foregoing, the Buyer shall cause the Company or its Affiliates to extend as of the Closing Date only conditional offers of employment to all of the Business Employees who, as of the Closing Date, are on leave of absence status including pursuant to military leave or other types of leave that provide a legal right of reemployment upon termination or expiration of such leave (each, a “Leave Employee”), and such offers shall be conditioned as follows: (x) if the Current Employer, in consultation with the Buyer, determines that a Leave Employee is able to return to work in accordance with applicable Law at the end of such leave and within one year of the Closing Date (or such longer period as may be required by applicable Law), the Buyer shall thereupon cause the Company or an Affiliate thereof, as applicable, to convert the conditional offer of employment to an offer of immediate employment subject to the provisions of this Section 6.10, and (y) if any such Leave Employee is not able to return to work within one year of the Closing Date (or such longer period as may be required by applicable Law), as determined by the Current Employer in consultation with the Buyer, the Seller shall be solely responsible for any compensation, employee benefits or other obligations, if any, with respect to such Leave Employee.

(b) Subject to a Continuing Employee’s execution and nonrevocation of a release of claims in favor of the Company, the Buyer and their respective Affiliates, the Buyer shall provide or cause to be provided to each Continuing Employee who experiences an Involuntary Termination (as defined below) during the Benefits Continuation Period a cash severance payment equal to the greater of (i) the amount of the Continuing Employee’s annual base salary for the period that begins on the date of the Continuing Employee’s Involuntary Termination and ends on the last day of the Benefits Continuation Period and (ii) the amount that the Continuing Employee would have received under Section 3.1 of the Williams Companies, Inc. Severance Pay Plan if he or she remained employed by the Current Employer through the date of the Involuntary Termination. Any severance payment paid under this Section 6.10(b) shall be made in a single lump sum cash payment to the Continuing Employee within the 60-day period immediately following the Continuing Employee’s Involuntary Termination and may be conditioned upon the Continuing Employee’s execution of a release of claims prepared by the Post-Closing Employer. For purposes of this paragraph, an “Involuntary Termination” means a termination of a Continuing Employee’s service relationship by the Post-Closing Employer or any of its Affiliates or successors without cause during the Benefits Continuation Period; provided, however, that in no event shall a Continuing Employee be deemed to have incurred an Involuntary Termination if the termination of the Continuing Employee’s services does not also constitute a “separation from service” within the meaning of Section 409A of the Code and the regulations promulgated thereunder.

(c) For purposes of eligibility to participate, vesting in benefits and, with regard to vacation accrual and severance entitlement, benefit accrual, under Post-Closing Benefit Plans (as defined below) provided by the Post-Closing Employer to the Continuing Employees, the Buyer shall cause the Post-Closing Employer to provide that the Continuing Employees will be credited with their years of service with their Current Employer and any predecessors thereof to the extent service with the Post-Closing Employer and any predecessors thereof is taken into account under the welfare, retirement and other employee benefit or compensation plans, programs or arrangements of the Post-Closing Employer (the “Post-Closing Benefit Plans”); provided, however, that such service need not be recognized for purposes of benefit accrual under any defined benefit plan or to the extent that such recognition would result in any duplication of benefits for the same period of service. The eligibility of any Continuing Employee to participate in any Post-Closing Benefit Plans shall not be subject to any exclusions for any pre-existing conditions, waiting period or actively-at-work requirements if such conditions or requirements would not have applied under similar benefit plans and programs of the Continuing Employee’s Current Employer. The

Buyer shall cause the Post-Closing Employer to provide that all individuals eligible to participate in any plan or arrangement contemplated above shall be immediately eligible to participate in the similar Post-Closing Benefit Plan (or the same plan or arrangement if still maintained). The Buyer shall cause the Post-Closing Employer to provide that amounts paid before the Closing by Continuing Employees under any health plans of the Current Employer shall, after the Closing, be taken into account in applying deductible and out-of-pocket limits applicable under the Post-Closing Benefit Plans to the same extent as if such amounts had been paid under such health plans of the Post-Closing Employer. The Buyer shall cause the Post-Closing Employer's flexible spending account plans to implement the 2017 elections made by the Business Employees hired by the Company or its Affiliates under the Current Employer's flexible spending account plans and shall cause the Post-Closing Employer to assume liability for reimbursement claims for the Business Employees with respect to calendar year 2017 that are submitted for reimbursement on or after the Closing Date. The Current Employer shall provide the Buyer with such data as may be reasonably necessary for the Buyer to implement such Business Employee elections, and all claims for reimbursement shall be subject to the terms of the Buyer's flexible spending account plans.

(d) The Buyer agrees to pay each Continuing Employee his/her annual incentive program payment to the extent earned for the calendar year ending December 31, 2017 under the 2017 annual incentive program of the Seller and its Affiliates calculated at target and prorated as of the Closing Date. The parties agree that any such annual incentive program payment will be reflected in the Closing Net Working Capital. Such payments shall be made to the Continuing Employees no later than March 15, 2018. If such payment is not made by the Buyer to the Continuing Employees in full, including to the extent the Buyer determines that one or more Continuing Employees has not earned the payment, prior to March 15, 2018, the Buyer shall pay to the Seller the amount reflected in the Closing Net Working Capital with respect to such annual incentive program by April 15, 2018. The Seller shall cause the Current Employer to provide the Buyer with such data as may be reasonably necessary for the Buyer to administer such payments.

(e) The Seller shall assign to the Buyer the loans made by the Seller or any of its Affiliates to any Continuing Employee that are outstanding as of the Closing Date, which, as of the date hereof, are described on Schedule 6.10(e) of the Disclosure Schedules. The Buyer shall allow Continuing Employees to continue to make payments on such loans via payroll deduction in accordance with the promissory notes applicable to such loans. The Seller shall cause the Current Employer to provide the Buyer with such data as may be reasonably necessary for the Buyer to administer such loans.

(f) Neither the Company nor any of its Affiliates shall, at any time prior to 90 days after the Closing Date, effectuate a "mass layoff," as that term is defined under WARN, affecting in whole or in part any facility, site of employment, operating unit or Continuing Employee that would give rise to Liability for the Current Employer under WARN.

(g) The Seller and its Affiliates shall retain and satisfy any Liability arising on or prior to the Closing Date under Title IV of ERISA for any Employee Plan that is or has been maintained or contributed to by the Company or any ERISA Affiliate, or with respect to which the Company or any ERISA Affiliate has or had any obligation to contribute, to the extent permissible under applicable Law. The term "ERISA Affiliate" means any Person that could be treated as a single employer along with the Company pursuant to Section 414(c), (m) or (o) of the Code.

(h) No provisions of this Agreement shall be construed as a guarantee of continued employment of any Business Employee, a prohibition on the right to terminate any Business Employee or an amendment or modification of any Employee Plans.

Section 6.11 Intercompany Accounts. On or prior to the Closing Date, all intercompany accounts between any member of the Seller Group, on the one hand, and the Company, on the other hand, shall be settled, repaid or otherwise eliminated, with the respective parties having no further Liability thereunder (including with respect to Liabilities arising at or prior to the Closing), except (a) obligations under those contracts set forth in Schedule 6.11 of the Disclosure Schedules (but not accounts related to those contracts), and (b) for rights, remedies, claims and obligations under this Agreement and the Ancillary Agreements. For purposes of clarification, the

contracts set forth in Schedule 6.11 of the Disclosure Schedules (the “Intercompany Agreements”) shall survive the Closing.

Section 6.12 Release of Guarantees. The parties hereto agree to cooperate and use their reasonable best efforts to obtain the release of the members of the Seller Group that are a party to each of the guarantees, surety bonds, performance bonds, bid bonds and other similar agreements listed in Schedule 6.12 of the Disclosure Schedules (the “Guarantees”). In the event any of the Guarantees are not released prior to or at the Closing, the Seller will leave in place such Guarantees for 90 days, and the Buyer will provide the Seller at the Closing with a guarantee in form and substance reasonably acceptable to the Seller from the Buyer Parent whereby the Buyer agrees to indemnify, defend and hold harmless the Seller Group from and against any and all payments required to be made under, and costs and expenses incurred in connection with, such Guarantees by the Seller Group until such Guarantee is released.

Section 6.13 Insurance.

(a) From and after the Closing Date, the Seller shall, to the extent that any events or circumstances affecting the Business, the Company or the Company Assets that occur or commence prior to the Closing (other than matters covered by the Indemnification Agreements) give rise to a claim under the Applicable Policies: (i) to the fullest extent permitted by the terms of such Applicable Policies, tender and diligently pursue such claim on behalf of the Company; (ii) reasonably cooperate with the Company in the resolution of such claim; and (iii) be responsible for any deductible or retention with respect to such claim as provided in the following sentence; provided, for purposes of clarification, at no time shall the Seller be responsible for lost revenues or profits during any “waiting period” associated with a business interruption claim. The proceeds of any such insurance claim shall be allocated (x) to the Seller to the extent of the reasonable costs incurred by the Company with respect to such claim at or prior to the Closing plus any amounts with respect to such claim reflected as liabilities in the Closing Net Working Capital less the amount of any applicable deductible or retention and (y) to the Buyer to the extent of the reasonable costs incurred by the Company with respect to such claim after the Closing. The Company will obtain Seller’s consent before incurring such costs, which consent shall not be unreasonably withheld. Furthermore, the foregoing will not be construed to constitute a requirement that the Seller shall continue any Williams Insurance Policies (as defined below) in effect at the Closing. Except as described above in this Section 6.13 or as set forth in the Indemnification Agreements, from and after the Closing Date, the Company shall cease to be insured by the policies or agreements for insurance and interests in insurance pools and programs, in each case, including self-insurance and insurance from Affiliates held by The Williams Companies, Inc. or any of its Affiliates (the “Williams Insurance Policies”), and neither the Buyer nor its Affiliates (including, after the Closing, the Company) shall have any access, right, title or interest to or in any Williams Insurance Policy (including to any claims and rights to make claims or any rights to proceeds) to cover any assets of the Company or any Liability arising from the operation of the business of the Company on or after the Closing Date. The Williams Companies, Inc. or any of its Affiliates may amend any Williams Insurance Policies in the manner it deems appropriate to give effect to this Section 6.13. From and after the Closing, the Buyer shall be responsible for securing all insurance it considers appropriate for its operation of the Company. Except as otherwise set forth in this Section 6.13, the Buyer further covenants and agrees not to, and to cause its Affiliates and Subsidiaries not to, seek to assert or to exercise any rights or claims of the Company under or in respect of any past or current Williams Insurance Policy under which the Company or its business is an additional insured.

(b) The Buyer shall enter into a binder agreement with respect to the RWI Policy concurrently with the execution of this Agreement. The Buyer shall provide to the Seller (i) a copy of the binder agreement with respect to the RWI Policy promptly after the Buyer’s entrance into such binder agreement and (ii) a copy of the RWI Policy promptly upon the effectiveness thereof.

Section 6.14 Electronic Copy of Data Room. The Seller shall deliver or cause to be delivered to the Buyer an electronic copy of all the documents posted to the Data Room prior to the date hereof. Delivery of such electronic copy is for informational purposes only and shall not be deemed to expand the limited warranties of the Seller, the Company or the Buyer set forth herein.

Section 6.15 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

Section 6.16 Transfer Consents. If any Transfer Consent with respect to a Williams ROW is not obtained prior to Closing, then, notwithstanding anything in this Agreement to the contrary, the Company shall retain all right, title and interest in and to such Williams ROW, and such Williams ROW shall not be conveyed to the Seller Group at or prior to the Closing. If the Company's right, title and interest in and to any Williams ROW is not conveyed to the Seller Group at or prior to the Closing due to a failure to obtain a Transfer Consent, after the Closing, the Seller shall use reasonable efforts, and the Buyer shall, and shall cause the Company to, cooperate reasonably (at the Seller's expense) with the Seller Group to obtain such Transfer Consent. Upon receipt by the Seller of the Transfer Consent relating thereto, the Seller shall so notify the Buyer, and, within 10 Business Days after the Buyer's receipt of such notice, the Company shall convey, transfer, assign or deliver to the designated member of the Seller Group, retroactive to the Closing Date, on an exclusive basis and at no charge or cost to the Seller Group, and without adjustment to the Purchase Price, and the Seller shall accept from the Company, the Company's right, title and interest in and to such Williams ROW. As between the Seller Group, on the one hand, and the Buyer and the Company, on the other hand, with respect to any Williams ROW for which a Transfer Consent has not been obtained by the Closing, each of the Buyer and the Company shall, and shall cause its Affiliates to, on an exclusive basis and at no charge or cost to the Seller Group, and without adjustment to the Purchase Price, hold such Williams ROW for the benefit of the designated member of the Seller Group, effective as of the Closing Date, and the designated member of the Seller Group shall for all purposes be treated as owner of such interest. Notwithstanding the foregoing, the Seller shall reimburse the Company for reasonable, out-of-pocket costs incurred by the Company as a result of the Company's ownership of the Williams ROWs.

Section 6.17 RWI Policy.

(a) The Buyer shall execute and enter into the RWI Policy at or prior to the Closing, which such policy shall be in the form set forth in Exhibit D hereto and include the subrogation, claim for contribution and other provisions that are in Exhibit D hereto.

(b) The Buyer agrees that after the Closing it will:

- (i) comply with the terms of any post-Closing deliverables set out in the RWI Policy;
- (ii) not agree to any amendment, variation or waiver of the RWI Policy (or do anything which has a similar effect) which may cause actual and material prejudice to the Seller without the Seller's prior written consent; and
- (iii) not terminate the RWI Policy or do anything which causes any right under the RWI Policy not to have full force and effect.

Section 6.18 Real Property Issues. The Seller and the Company shall obtain customary servitudes for industrial properties and estoppel certificates, or take such other actions, as required to resolve the issues described in items four and five of Schedule 4.19 of the Disclosure Schedules and do not impose any material monetary liability on the Company after the Closing without Buyer's consent (which consent shall not be unreasonably withheld); provided, that if such issues have not been resolved prior to the Closing, the Seller shall reimburse the Buyer and the Company for all related expenses incurred after the Closing in pursuit of resolving such issues.

**ARTICLE VII
TAX MATTERS**

Section 7.1 Tax Treatment. The parties agree that the transactions contemplated hereby will be treated for U.S. federal income Tax purposes and applicable state income Tax purposes as a taxable sale by the Seller and a purchase by the Buyer of the assets of the Company.

Section 7.2 Tax Returns.

(a) With respect to any Tax Return covering a taxable period ending on or before the Closing Date with respect to the Company, the Seller shall cause such Tax Return to be prepared, cause to be included in such Tax Return all Tax items required to be included therein, cause such Tax Return to be filed timely with the appropriate Governmental Authority and be responsible for the timely payment (and entitled to any refund) of all Taxes due with respect to the period covered by such Tax Return.

(b) With respect to any Tax Return covering a taxable period beginning on or before the Closing Date and ending after the Closing Date with respect to the Company, the Buyer shall cause such Tax Return to be prepared, cause to be included in such Tax Return all Tax items required to be included therein, furnish a copy of such Tax Return to the Seller, cause such Tax Return to be filed timely with the appropriate Governmental Authority, and be responsible for the timely payment of all Taxes due with respect to the period covered by such Tax Return (but shall have a right to recover the amount of Company Taxes attributable to the portion of the taxable period occurring on or before the Closing Date pursuant to Section 7.5). The Seller shall provide the Buyer with reasonable access to the books and records of the Seller pertaining to the Company as required to prepare such Tax Returns.

(c) With regard to any Tax Return for which the Buyer is responsible under Section 7.2(b) with respect to the Company, the Buyer shall use commercially reasonable efforts to cause such Tax Return to be prepared in accordance with past Tax accounting practices used with respect to the Tax Returns in question (unless such past practices are no longer permissible under the applicable Law), and to the extent any items are not covered by past practices, in accordance with reasonable Tax accounting practices selected by the filing party with respect to such Tax Return under this Agreement with the consent (not to be unreasonably withheld or delayed) of the non-filing party.

Section 7.3 Tax Allocation. The Purchase Price and applicable liabilities shall be allocated among the assets of the Company for U.S. federal and applicable state and local income Tax purposes in a manner consistent with Section 1060 of the Code and the Treasury Regulations promulgated thereunder. Within 90 days of final determination of the Net Adjustment Amount, the Buyer shall deliver to the Seller a schedule allocating the Purchase Price and the applicable liabilities of the Company among the assets of the Company (the "Tax Allocation"). The Seller shall provide the Buyer with reasonable access to the books and records of the Seller pertaining to the Company as required to prepare such allocation. The Buyer and the Seller shall file all applicable Tax Returns (including IRS Form 8594) in a manner consistent with the Tax Allocation as finalized under this Section 7.3, and neither the Seller nor the Buyer shall take any position inconsistent with such allocation on any Tax Return, audit, examination, investigation or similar proceeding, unless required to do so by Law. Notwithstanding the preceding sentence, if the Seller objects in writing to the Tax Allocation within 30 days of receiving such Tax Allocation, the Seller and the Buyer shall cooperate in good faith to resolve their differences; provided, that if, after 30 days from the date that the Seller provided its written objections, the Seller and the Buyer are unable to resolve their differences and mutually agree on the appropriate allocation each party shall be permitted to take an independent position with respect to the purchase price allocation on its applicable Tax Returns (including IRS Form 8594) or in connection with any audit, examination, investigation or similar proceeding related thereto.

Section 7.4 Liability for Taxes. The Buyer shall be responsible for any sales, use, value added, transfer or similar Taxes due with respect to the transactions contemplated by this Agreement and the Ancillary Agreements and shall file all necessary documents (including all Tax Returns) with respect to all such amounts in a timely manner. The parties will cooperate in good faith to minimize any such Taxes that may be due, including by filing for any applicable exemptions or relief that may be available.

Section 7.5 Tax Indemnity.

(a) The Seller shall be liable for, and shall indemnify and hold the Buyer Indemnified Persons harmless from, any Taxes, together with any reasonable costs, expenses, losses or damages, including reasonable expenses of investigation and attorneys' and accountants' fees and expenses, arising out of or incident to the determination, assessment or collection of such Taxes (i) imposed on or incurred by or with respect to the Company with respect to any period or portion thereof prior to and including the Closing Date or (ii) attributable to a breach by the Seller of any representation, warranty or covenant with respect to Taxes in this Agreement (collectively "Company Taxes"); provided, however, that the maximum aggregate amount of Taxes that may be recovered from the Seller by the Buyer Indemnified Persons pursuant to Section 7.5 shall be an amount equal to the Indemnity Cap less the amount of all indemnifiable Losses recovered by the Buyer Indemnified Persons pursuant to Section 9.2(a) and (b).

(b) The Buyer shall be liable for, and shall indemnify and hold the Seller Indemnified Persons harmless from, any Taxes, together with any reasonable costs, expenses, losses or damages, including reasonable expenses of investigation and attorneys' and accountants' fees and expenses, arising out of or incident to the determination, assessment or collection of such Taxes (i) imposed on or incurred by or with respect to the Company with respect to the period (or portions of periods) after the Closing Date, or (ii) attributable to a breach by the Buyer of any covenant with respect to Taxes in this Agreement.

(c) Whenever it is necessary for purposes of this Article VII to determine the amount of any Taxes imposed on or incurred by or with respect to the Company for a taxable period beginning before and ending after the Closing Date which is allocable to the period prior to and including the Closing Date, the determination shall be made, in the case of property or ad valorem taxes or franchise taxes (which are measured by, or based solely upon capital, debt or a combination of capital and debt), on a per diem basis and, in the case of other Taxes, by assuming that such pre-Closing Date period constitutes a separate taxable period applicable to the Company and by taking into account the actual taxable events occurring during such period (except that exemptions, allowances and deductions for a taxable period beginning before and ending after the Closing Date that are calculated on an annual or periodic basis, such as the deduction for depreciation, shall be apportioned to the period prior to and including the Closing Date ratably on a per diem basis). Additionally, any calculation of a Tax amount due from one party to the other under this Article VII shall take into consideration the extent to which such Tax amount is included in Net Working Capital (Closing or Estimated, as applicable).

(d) If the Buyer or any of its Affiliates receives a refund of any Taxes that the Seller is responsible for hereunder, or if the Seller or any of its Affiliates receives a refund of any Taxes that the Buyer is responsible for hereunder, the party receiving such refund shall, within 90 days after receipt of such refund, remit it to the party that has responsibility for such Taxes hereunder. The parties shall cooperate in order to take all necessary steps to claim any such refund.

(e) In order for an Indemnified Person to be entitled to any indemnification provided for under this Article VII, such Indemnified Person shall, promptly upon its discovery of facts giving rise to a claim for indemnity under the provisions of this Article VII or, in the case of its receipt of written notice of a claim by a Governmental Authority that may give rise to such a claim for indemnity (which claim by a Governmental Authority has not been resolved by prior proceedings), give notice thereof in writing to the Indemnifying Person against which indemnity is sought that includes (i) the specific details of and specific basis under this Agreement for its claim and (ii) a formal demand for indemnification under this Agreement that includes (A) the amount or method of computation of the amount of such claim to the extent known, (B) each individual item of Loss included in the amount so stated, to the extent known and (C) the date on which such item was paid or properly accrued, to the extent applicable, and shall provide any other information with respect thereto as the Indemnifying Person may reasonably request. The failure of an Indemnified Person to provide notice of a claim for indemnity under this Article VII shall not relieve the Indemnifying Person of its indemnity obligations under this Article VII, except and only to the extent that the Indemnifying Person is prejudiced by such failure.

(f) The Seller shall have the right, at the sole expense of the Seller, to control any audit or examination by any Governmental Authority, initiate any claim for refund, and contest, resolve and defend against any assessment, notice of deficiency, or other adjustment or proposed adjustment relating to any Company Taxes (a

“Company Tax Contest”) by giving the Buyer written notice of its intent to contest a claim by any Government Authority within 30 days of receipt of notice of such claim provided by the Buyer to the Seller; provided, however, that the Seller and the Buyer, as applicable, shall (i) keep the party not in control of any such Company Tax Contest (the “non-controlling party”) reasonably informed and consult in good faith with such party with respect to any issue relating to such Company Tax Contest, (ii) provide the non-controlling party with copies of all correspondence, notices and other written material received from any Governmental Authority with respect to such Company Tax Contest and shall otherwise keep such party reasonably apprised of any material development with respect to such Company Tax Contest, (iii) provide the non-controlling party with a copy of, and an opportunity to review and comment on, all submissions made to a Governmental Authority in connection with such Company Tax Contest, (iv) afford the non-controlling party and its counsel the opportunity to be present at, and to participate in, conferences with the Governmental Authority in respect of such claim by such Governmental Authority or refund proceeding and (v) not agree to a settlement or compromise of such Company Tax Contest without the prior written consent of the non-controlling party (not to be unreasonably withheld, conditioned or delayed). If the Seller does not assume the defense of claim by a Governmental Authority as provided in this Section 7.5(f), the Buyer shall have the right to defend against such claim with the counsel of the Buyer’s choosing; provided that the Seller may at any time admit its obligation to indemnify the Buyer in respect of and assume the defense of such claim by a Governmental Authority prior to settlement or the final determination thereof. The Buyer shall not agree to any settlement of a claim of any Governmental Authority without the prior written consent of the Seller, which consent shall not be unreasonably withheld, conditioned or delayed.

(g) In the case of a claim for indemnification under this Article VII that is not based on a Company Tax Contest, the Indemnifying Person shall have 30 days from its receipt of notice of such claim from the Indemnified Person (i) to cure the Losses complained of, (ii) admit its obligation to provide indemnification with respect to such Losses or (iii) dispute such claim for indemnification.

(h) Each party agrees to notify the other party promptly upon learning of any Company Tax Contest or claim described in Section 7.5(g) and cooperate with such other party with respect to any such Company Tax Contest or claim, as and to the extent reasonably requested by the applicable party, and shall furnish or cause to be furnished to the applicable party, upon request, as promptly as practicable and at the requesting party’s expense, such information and assistance relating to such Company Tax Contest or claim (including access to books and records) as are reasonably necessary for the preparation for such Company Tax Contest or claim; provided, however, that the failure to give prompt notice with respect to a claim for indemnification under the provisions of this Article VII (due to a Company Tax Contest or claim under Section 7.5(g)) will not affect the rights or obligations of the other party except and only to the extent that, as a result of such failure, the other party was materially prejudiced.

Section 7.6 Treatment of Post-Closing Payments. Following the Closing, any payments made pursuant to the Indemnification Agreements, Article IX or any other provision of this Agreement shall be treated by the parties hereto, for federal income Tax purposes and other applicable Tax purposes, as an adjustment to the Purchase Price.

ARTICLE VIII CONDITIONS TO CLOSING

Section 8.1 General Conditions. The respective obligations of each party to consummate the transactions contemplated by this Agreement and the Ancillary Agreements shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions, any of which may, to the extent permitted by applicable Law, be waived in writing by any party in its sole discretion (provided, that such waiver shall only be effective as to the obligations of such party):

(a) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent), including any Law that may be administered by OFAC or the U.S. Department of Commerce’s Bureau of Industry and Security (“BIS”), that is then in effect and that enjoins, restrains, makes illegal or otherwise prohibits the consummation of the transactions contemplated by this Agreement or any Ancillary Agreement.

(b) Any waiting period (and any extension thereof) under the HSR Act applicable to the transactions contemplated by this Agreement and the Ancillary Agreements shall have expired or shall have been terminated.

(c) CFIUS Approval shall have been obtained.

Section 8.2 Conditions to Obligations of the Seller and the Company. The obligations of the Seller and the Company to consummate the transactions contemplated by this Agreement and the Ancillary Agreements shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions, any of which may be waived in writing by the Seller in its sole discretion:

(a) The representations and warranties of the Buyer contained in Article V (other than the Buyer Fundamental Representations) shall be true and correct both when made and as of the Closing Date, or in the case of representations and warranties that are made as of a specified date, such representations and warranties shall be true and correct as of such specified date, except where the failure to be so true and correct (without giving effect to any limitation or qualification as to “materiality” (including the word “material”) or “Material Adverse Effect” set forth therein) would not, individually or in the aggregate, reasonably be expected to have a Buyer Material Adverse Effect. The Buyer Fundamental Representations shall be true and correct (without giving effect to any limitation or qualification as to “materiality” (including the word “material”) set forth therein, other than the term “Buyer Material Adverse Effect,” which will be given full effect) in all material respects both when made and as of the Closing Date, or in the case of representations and warranties that are made as of a specified date, as of such specified date. The Buyer and the Buyer Parent shall have performed in all material respects all obligations and agreements and complied in all material respects with all covenants and conditions required by this Agreement to be performed or complied with by them prior to or at the Closing except where such failure to perform or comply has been cured prior to the Closing. The Seller shall have received from the Buyer a certificate to the effect set forth in the preceding sentences, signed by a duly authorized officer thereof.

(b) The Seller shall have received guarantees from the Buyer for the benefit of the Seller and its Affiliates as required pursuant to Section 6.12, signed by each party thereto other than the Seller.

(c) The Buyer shall have made the deliveries to the Seller required under Section 2.2(b).

Section 8.3 Conditions to Obligations of the Buyer. The obligations of the Buyer to consummate the transactions contemplated by this Agreement and the Ancillary Agreements shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions, any of which may be waived in writing by the Buyer in its sole discretion:

(a) The representations and warranties of the Seller contained in Article III and Article IV (other than the Seller Fundamental Representations and the representations and warranties set forth in Section 3.6 and Section 4.9) shall be true and correct both when made and as of the Closing Date, or in the case of representations and warranties that are made as of a specified date, such representations and warranties shall be true and correct as of such specified date, except where the failure to be so true and correct (without giving effect to any limitation or qualification as to “materiality” (including the word “material”) or “Material Adverse Effect” set forth therein) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or a Seller Material Adverse Effect. The Seller Fundamental Representations shall be true and correct (without giving effect to any limitation or qualification as to “materiality” (including the word “material”) set forth therein, other than the terms “Seller Material Adverse Effect” and “Material Adverse Effect,” which will be given full effect) in all material respects both when made and as of the Closing Date, or in the case of representations and warranties that are made as of a specified date, as of such specified date. The representations and warranties of the Seller set forth in Section 3.6 and Section 4.9 shall have been true and correct as of the date hereof, except where the failure to be so true and correct (without giving effect to any limitation or qualification as to “materiality” (including the word “material”) or “Material Adverse Effect” set forth therein) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or a Seller Material Adverse Effect. The Seller, the Seller Parent and the Company shall have performed in all material respects all obligations and agreements and complied in all material

respects with all covenants and conditions required by this Agreement to be performed or complied with by them prior to or at the Closing except where such failure to perform or comply has been cured prior to the Closing. The Buyer shall have received from the Seller a certificate to the effect set forth in the preceding sentences, signed by a duly authorized officer thereof.

(b) Since the date of the Balance Sheet, there shall not have occurred and be continuing a Seller Material Adverse Effect or Material Adverse Effect.

(c) The Seller shall have made the deliveries to the Buyer required under Section 2.2(c).

(d) The Plant shall be continuously producing specification ethylene suitable for delivery to the pipeline (i) for the seven consecutive days prior to the Closing or (ii) if the Plant is not continuously producing specification ethylene during the seven consecutive days prior to the Closing due to issues upstream or downstream of the Plant, for the seven consecutive days prior to the Plant not continuously producing specification ethylene due to those issues.

Section 8.4 Frustration of Closing Conditions. No party may rely on the failure of any condition set forth in this Article VIII to be satisfied if such failure was caused by such party's failure to use efforts to cause the Closing to occur as required by Section 6.5.

ARTICLE IX INDEMNIFICATION

Section 9.1 Survival.

(a) The representations and warranties set forth in (i) Section 3.1 (Organization), Section 3.2 (Authority), Section 3.3(a)(i) (No Conflict with Organization Documents), Section 3.4 (Interests), Section 3.5 (Brokers), Section 4.1 (Organization and Qualification), Section 4.2 (Authority), Section 4.3(a)(i) (No Conflict with Organization Documents), Section 4.4 (Capitalization), Section 4.5 (Subsidiaries), Section 4.18 (Brokers) and Section 11.23(a) (Seller Parent Authority) (the "Seller Fundamental Representations"), and (i) Section 5.1 (Organization and Qualification), Section 5.2 (Authority), Section 5.3(a)(i) (No Conflict with Organization Documents), Section 5.7 (Brokers) and Section 11.22(a) (Buyer Parent Authority) (the "Buyer Fundamental Representations") and the right of an Indemnified Person to assert any claim for indemnification related thereto pursuant to this Article IX shall survive the Closing indefinitely.

(b) The representations and warranties set forth in Section 4.15 (Taxes) and the right of an Indemnified Person to assert any claim for indemnification pursuant to Article VII shall survive the Closing for a period of 90 days following the expiration of the applicable statute of limitations (including any extensions thereof) with respect to the fact or matter in question.

(c) All other representations and warranties of the Seller set forth in Article III and Article IV and the Buyer set forth in Article V and the right of an Indemnified Person to assert a claim for indemnification related thereto pursuant to this Article IX shall survive the Closing until the date that is 12 months following the Closing Date.

(d) The covenants and agreements of the parties contained in Article VI and the right of an Indemnified Person to assert a claim for indemnification related thereto pursuant to this Article IX shall survive the Closing until the date that is 12 months following the Closing Date, except for those covenants and agreements that by their terms contemplate performance in whole or in part after the Closing, which shall survive for a period of 12 months following the date by which such performance was due.

(e) The survival periods set forth in Section 9.1(a), (b), (c) and (d) are in lieu of, and the parties expressly waive, any otherwise applicable statute of limitations, whether arising at law or in equity. Any claim for breach of representation or warranty hereunder shall be deemed to have accrued as of the Closing. After

the survival period of a representation, warranty, covenant or agreement set forth in Section 9.1(a), (b), (c) and (d) has expired, no claim for breach of any representation, warranty, covenant or agreement shall or may be brought on the basis of that representation, warranty, covenant or agreement by any Person; provided, that (i) a claim presented in writing for indemnification in accordance with Section 9.4 on the basis of that representation and warranty prior to its termination and expiration shall not be affected in any way by that termination and expiration, and (ii) a claim against the RWI Policy of which the Buyer gives the Seller notice in accordance with Section 9.4 given on the basis of that representation and warranty prior to its termination and expiration shall not be affected in any way by that termination and expiration.

Section 9.2 Indemnification of the Buyer. Subject to the limitations set forth in this Agreement, from and after the Closing, the Seller shall indemnify, defend and hold the Buyer, its Affiliates (which, for the avoidance of doubt, includes the Company after the Closing) and its and their respective Representatives (the “Buyer Indemnified Persons”) harmless from and against any and all Losses suffered, sustained, paid, imposed on or incurred by the Buyer Indemnified Persons as a result of or arising out of:

(a) the inaccuracy or breach of any representation or warranty made by the Seller in Article III or Article IV or by Seller Parent in Section 11.23(a) as though such representation or warranty was made on and as of the date hereof and the Closing Date (except for such representations and warranties that are made as of a specific date or period, which shall be made as of such date or period);

(b) any non-fulfillment or breach by the Seller or Seller Parent of any covenant or agreement made by the Seller or Seller Parent under Article VI of this Agreement; or

(c) the transfer of any Williams ROW, the ownership of any Williams ROW by the Company after the Closing Date or the operation of any pipelines or other assets situated therein.

Section 9.3 Indemnification of the Seller. Subject to the limitations set forth in this Agreement, from and after the Closing, the Buyer shall indemnify, defend and hold the Seller, its Affiliates and its and their respective Representatives (the “Seller Indemnified Persons”) harmless from and against any and all Losses suffered, sustained, paid, imposed on or incurred by the Seller Indemnified Persons as a result of or arising out of:

(a) the inaccuracy or breach of any representation or warranty made by the Buyer in Article V or by Buyer Parent in Section 11.22(a) as though such representation or warranty was made on and as of the date hereof and the Closing Date (except for such representations and warranties that are made as of a specific date or period, which shall be made as of such date or period); or

(b) any non-fulfillment or breach by the Buyer or the Buyer Parent of any covenant or agreement made by the Buyer or Buyer Parent under Article VI of this Agreement.

Section 9.4 Demands. In order for a Buyer Indemnified Person or Seller Indemnified Person (the “Indemnified Person”) to be entitled to any indemnification provided for under this Agreement, such Indemnified Person shall, promptly upon its discovery of facts giving rise to a claim for indemnity under the provisions of this Agreement or its receipt of written notice of a Third Party Claim, give notice thereof in writing to the Person against which indemnity is sought (the “Indemnifying Person”) that includes (a) the specific details of and specific basis under this Agreement for its claim and (b) a formal demand for indemnification under this Agreement that includes (i) the amount or method of computation of the amount of such claim to the extent known, (ii) each individual item of Loss included in the amount so stated, to the extent known, and (iii) the date on which such item was paid or properly accrued, to the extent applicable, and shall provide any other information with respect thereto as the Indemnifying Person may reasonably request. In the case of a claim for indemnification based on an Action by a third Person against the Indemnified Person (a “Third Party Claim”), the Indemnified Person shall submit with such notice to the Indemnifying Person reasonable details with respect to the matter as to which it claims to be entitled to indemnity under the provisions of this Agreement. The failure of an Indemnified Person to provide notice of a Third Party Claim shall not relieve the Indemnifying Person of its indemnity obligations under this Article IX, except to the extent such failure results in insufficient time to permit the Indemnifying Person or its counsel to effectively

defend against a Third Party Claim and to make a timely response thereto or otherwise prejudices the Indemnifying Person. In the case of a claim for indemnification that is not based on a Third Party Claim, the Indemnifying Person shall have 30 days from its receipt of notice of such claim for the Indemnified Person to (x) cure the Losses complained of, (y) admit its obligation to provide indemnification with respect to such Losses or (z) dispute such claim for indemnification. The failure of an Indemnified Person to provide notice of a claim for indemnity under the provisions of this Agreement shall not relieve the Indemnifying Person of its indemnity obligations under this Article IX, except and only to the extent that the Indemnifying Person is prejudiced by such failure.

Section 9.5 Right to Contest and Defend.

(a) The Indemnifying Person shall be entitled, at its cost and expense, upon admitting its obligation to indemnify the Indemnified Person, to contest and defend by all appropriate actions any Third Party Claim; provided, that notice of the intention to so contest shall be delivered by the Indemnifying Person to the Indemnified Person within 30 days from the date of receipt by the Indemnifying Person of notice by the Indemnified Person of the assertion of the Third Party Claim. Any such contest may be conducted in the name and on behalf of the Indemnifying Person or the Indemnified Person as may be appropriate. Such contest shall be conducted by counsel employed by the Indemnifying Person, but the Indemnified Person shall have the right but not the obligation, to participate in such Action and to be represented by counsel of its own choosing at its sole cost and expense. If the Indemnifying Person assumes the defense of a Third Party Claim, the Indemnifying Person shall have full control of such defense and Action, including any compromise or settlement thereof; provided, that the Indemnifying Person shall not agree to a compromise or settlement that does not include a complete release of the Indemnified Person from all Liability with respect to such Third Party Claim or that imposes any liability on the Indemnified Person without the consent of the Indemnified Person, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) If the Indemnifying Person does not assume the defense of a Third Party Claim as provided in Section 9.5(a), the Indemnified Person shall have the right to defend against such Third Party Claim with the counsel of the Indemnified Person's choosing; provided, that the Indemnifying Person may at any time admit its obligation to indemnify the Indemnified Person and assume the defense of such Third Party Claim prior to settlement or the final determination thereof. The Indemnified Person shall not agree to any settlement of a Third Party Claim without the prior written consent of the Indemnifying Person, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) In the event that and for so long as a Person or its Affiliates are contesting or defending against Third Party Claims relating to the Company, the Company's assets or the Business, the other Person shall (and, in the case of the Buyer, shall cause the Company to) cooperate with such contesting or defending Person and its counsel in the contest or defense, make available their personnel, and provide such testimony and access to their books and records as shall be reasonably requested in connection therewith, with any and all third-party costs associated therewith at the sole cost and expense of such contesting or defending Person.

Section 9.6 Cooperation. If requested by the Indemnifying Person, the Indemnified Person agrees to cooperate with the Indemnifying Person and its counsel in contesting any Third Party Claim that the Indemnifying Person elects to contest or, if appropriate, in making any counterclaim against the Person asserting the Third Party Claim, or any cross-complaint against any Person, and the Indemnifying Person will reimburse the Indemnified Person for any expenses incurred by it in so cooperating.

Section 9.7 Right to Participate. The Indemnified Person agrees to afford the Indemnifying Person and its counsel the opportunity to be present at, and to participate in, conferences with all Persons, including Governmental Authorities, asserting any Third Party Claim against the Indemnified Person or conferences with representatives of or counsel for such Persons.

Section 9.8 Limitations on Indemnification.

(a) Basket Amount.

(i) A Buyer Indemnified Person shall not be entitled to make a claim for indemnification under Section 9.2(a) unless and until the aggregate amount of indemnifiable Losses that may be recovered thereunder from the Seller equals or exceeds \$10,500,000 (the “Basket Amount”), in which case the Seller shall be liable only for the Losses in excess of the Basket Amount; provided, however, that no Losses may be claimed by any Buyer Indemnified Person or shall be reimbursable by the Seller or shall be included in calculating the aggregate Losses for purposes of this Section 9.8(a)(i) other than Losses in excess of \$200,000 (the “Minimum Loss Amount”) resulting from any single claim or aggregated claims arising out of similar facts, events or circumstances; provided, further, that the foregoing provisions of this Section 9.8(a)(i) will not apply to or otherwise be comprised of any Losses relating to the breach of any Seller Fundamental Representation or the indemnification obligations under Article VII.

(ii) Except for Losses relating to the Seller’s obligations under Section 6.10(g), Section 6.13 and Section 6.18, no Losses may be claimed by any Buyer Indemnified Person or shall be reimbursable by the Seller or shall be included in calculating the aggregate Losses for any claim for indemnification under Section 9.2(b) other than Losses in excess of the Minimum Loss Amount resulting from any single claim or aggregated claims arising out of similar facts, events or circumstances.

(b) Maximum Liability. Except for Losses relating to breaches of the Seller Fundamental Representations and the Seller’s obligations under Section 6.10(g), Section 6.13 and Section 6.18, the maximum amount the Buyer Indemnified Persons will be entitled to recover (i) for all indemnity claims under Section 9.2(a) shall be \$10,500,000 (the “Indemnity Cap”) and (ii) for all indemnity claims under Section 9.2(b) shall be \$10,500,000. The maximum amount the Buyer Indemnified Persons shall be entitled to recover for breaches of the Seller Fundamental Representations shall be the Purchase Price. With respect to Losses arising from a breach of the Seller Fundamental Representations, after (i) the Losses the Buyer Indemnified Persons are entitled to recover for all indemnity claims under Section 9.2(a) exceed the Indemnity Cap and (ii) coverage under the RWI Policy has been reasonably exhausted or is otherwise unavailable, the Buyer Indemnified Persons shall be entitled to recover such Losses from the Seller. In no event shall a Buyer Indemnified Person be entitled to recover from the Seller for claims pursuant to Section 9.2(a) for breach of the Seller Fundamental Representations until all coverage for such claims under the RWI Policy with respect to the applicable claim has been reasonably exhausted or is otherwise unavailable. The maximum amount the Seller Indemnified Persons shall be entitled to recover for all indemnity claims under Section 9.3 shall be the Purchase Price.

(c) Qualifications. Notwithstanding anything in this Agreement to the contrary, for purposes of the indemnification obligations under this Article IX, the representations and warranties set forth in Article III and Article IV of this Agreement and the covenants set forth in Article VI of this Agreement will be considered without regard to any “material,” “Material Adverse Effect” or similar non-monetary qualifications (other than Knowledge qualifications) contained therein for purposes of determining the amount of Losses suffered, sustained, paid, imposed on or incurred as a result of or arising out of a breach of those representations and warranties or covenants, but not for purposes of determining whether a breach of those representations and warranties or covenants has occurred.

(d) Punitive or Exemplary Losses. Neither the Buyer, on the one hand, nor the Seller, on the other hand, will be liable under this Agreement for any punitive or exemplary damages suffered or incurred by the other Person, except to the extent such punitive or exemplary damages are included in any Third Party Claim against an Indemnified Person for which such Indemnified Person is entitled to indemnification under this Agreement.

(e) Indemnification Agreements. To the extent any Indemnified Person is entitled to indemnification for any Losses under the terms of both this Article IX and either Indemnification Agreement, such Indemnified Person shall bring such claims under the applicable Indemnification Agreement and not under this Article IX.

(f) Other Limitations.

(i) The indemnification obligations of an Indemnifying Person will be reduced to the extent that the applicable Losses have been included in the calculation of the Closing Net Working Capital or any adjustment to the Purchase Price pursuant to Section 2.3, including through reserves and accruals included in the Closing Net Working Capital.

(ii) In no event shall an Indemnified Person be entitled to recover the same Losses more than once under this Agreement.

Section 9.9 Tax Matters. Anything in this Article IX to the contrary notwithstanding (except for the specific reference to Tax matters in Section 9.1), the rights and obligations of the parties with respect to indemnification for any Company Taxes shall be governed by Article VII.

Section 9.10 Sole Remedy. Should the Closing occur, the Seller, on behalf of itself and the Seller Indemnified Persons, and the Buyer, on behalf of itself and the Buyer Indemnified Persons, acknowledge and agree that their sole and exclusive remedy with respect to any claims for any breach of a representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in Article VII or this Article IX. Effective as of the Closing, except as specifically set forth in this Agreement, the Buyer, on behalf of itself and the other Buyer Indemnified Persons, waives any rights and claims any Buyer Indemnified Person may have against the Seller, the Seller Parent, their Affiliates and Representatives, regardless of the Law or legal theory under which such liability or obligation may be sought to be imposed, whether at law, in equity, contract, tort or otherwise, relating to the Company and/or the transactions contemplated hereby. Effective as of the Closing, except as specifically set forth in this Agreement, the Seller, on behalf of itself and the other Seller Indemnified Persons, waives any rights and claims any Seller Indemnified Person may have against the Buyer, the Buyer Parent, their Affiliates and Representatives, regardless of the Law or legal theory under which such liability or obligation may be sought to be imposed, whether at law, in equity, contract, tort or otherwise, relating to the Company and/or the transactions contemplated hereby. The rights and claims waived by the Buyer, on behalf of itself and the other Buyer Indemnified Persons, and the Seller, on behalf of itself and the other Seller Indemnified Persons, include to the fullest extent permitted under applicable Law, claims for contribution or other rights of recovery arising out of or relating to any Law (including, *inter alia*, any Environmental Law), claims for breach of contract, for breach (negligent or otherwise) of a representation or warranty, and claims for breach of duty. Notwithstanding anything in this Section 9.10, none of the preceding provisions of this Section 9.10 apply to or limit any Person's rights or obligations (i) under Section 2.3 or Article XI, (ii) to seek any equitable relief to which such Person may be entitled under Section 11.13, (iii) under the Transaction Documents, or (iv) with respect to any claims for Fraud.

Section 9.11 No Right of Setoff. The Buyer for itself and for its Subsidiaries, Affiliates, successors and assigns hereby unconditionally and irrevocably waives any rights of setoff, netting, offset, recoupment or similar rights that the Buyer or any of its Subsidiaries, Affiliates, successors and assigns has or may have with respect to the payments under any Transaction Document or any other payments to be made by the Buyer pursuant to this Agreement or any other document or instrument delivered by the Buyer in connection herewith. The Seller for itself and for its Subsidiaries, Affiliates, successors and assigns hereby unconditionally and irrevocably waives any rights of set-off, netting, offset, recoupment, or similar rights that the Seller or any of its Subsidiaries, Affiliates, successors and assigns has or may have with respect to the payments under any Transaction Document or any other payments to be made by the Seller pursuant to this Agreement or any other document or instrument delivered by the Seller in connection herewith.

Section 9.12 Buyer's Knowledge. The representations, warranties and covenants of the Seller and the Company, and the Buyer Indemnified Persons' right to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Buyer (including by any of its Representatives), by reason of the fact that the Buyer or any of its Representatives knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Buyer's waiver of any condition set forth in Section 8.3.

Section 9.13 No Right to Contribution. The Seller shall not make any claim for contribution from the Company or any of its Subsidiaries or any of their respective officers, directors, managers or employees with respect to any indemnity claims arising under or in connection with this Agreement to the extent that any Buyer Indemnified Person is entitled to indemnification hereunder for such claim, and the Seller hereby waives any such right of contribution from the Company, any of its Subsidiaries and any of their respective officers, directors, managers or employees it has or may have in the future. The Seller further agrees not to make, directly or indirectly, and hereby waives, any claim for indemnification against the Company or its Subsidiaries by reason of the fact that the Seller or any of its Affiliates or Representatives was a member, manager, officer, employee or agent of the Company (whether such claim is pursuant to any Law, organizational document, contract or otherwise) with respect to any claim brought by a Buyer Indemnified Person against the Seller or any Affiliate or Representative thereof (whether such claim is pursuant to this Agreement or otherwise).

ARTICLE X TERMINATION

Section 10.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of the Buyer and the Seller;

(b) (i) by the Seller, if the Seller is not in material breach of its obligations under this Agreement and the Buyer breaches or fails to perform in any respect any of its representations, warranties or covenants contained in this Agreement and such breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 8.2, (B) cannot be or has not been cured within 30 days following delivery of written notice of such breach or failure to perform and (C) has not been waived by the Seller (provided, that the failure to deliver the full consideration payable pursuant to Article II at the Closing as required hereunder shall not be subject to cure hereunder unless otherwise agreed to in writing by the Seller) or (i) by the Buyer, if the Buyer is not in material breach of its obligations under this Agreement and the Seller or the Company breaches or fails to perform in any respect any of its representations, warranties or covenants contained in this Agreement and such breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 8.3, (B) cannot be or has not been cured within 30 days following delivery of written notice of such breach or failure to perform and (C) has not been waived by the Buyer;

(c) by either the Seller or the Buyer if the Closing shall not have occurred by December 22, 2017 (the "Termination Date"); provided, that the right to terminate this Agreement under this Section 10.1(c) shall not be available if the failure of the party so requesting termination to fulfill any obligation under this Agreement shall have been the cause of the failure of the Closing to occur on or prior to such date; or

(d) by either the Seller or the Buyer in the event that any Governmental Authority shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree or ruling or other action shall have become final and nonappealable; provided, that the party so requesting termination shall have complied with Section 6.5.

The party seeking to terminate this Agreement pursuant to this Section 10.1 (other than Section 10.1(a)) shall give prompt written notice of such termination to the other parties.

Section 10.2 Effect of Termination. In the event of termination of this Agreement as provided in Section 10.1, this Agreement shall forthwith become void and there shall be no Liability on the part of any party, except (i) for the provisions of Section 3.5, Section 4.18 and Section 5.7 relating to broker's fees and finder's fees, Section 6.3 relating to no hire and no solicitation, Section 6.4 relating to confidentiality, Section 6.6 relating to public announcements, this Section 10.2 and Article XI and (ii) that nothing herein shall relieve any party from Liability for Fraud or for any breach of this Agreement or any agreement made as of the date hereof or subsequent thereto pursuant to this Agreement.

**ARTICLE XI
GENERAL PROVISIONS**

Section 11.1 Fees and Expenses. Except as otherwise provided herein, all fees and expenses incurred in connection with or related to this Agreement and the Ancillary Agreements and the transactions contemplated hereby and thereby shall be paid by the party incurring such fees or expenses, whether or not such transactions are consummated. In the event of termination of this Agreement, the obligation of each party to pay its own expenses will be subject to any rights of such party arising from a breach of this Agreement by any other party.

Section 11.2 Amendment and Modification. This Agreement may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto, signed on behalf of each party; provided that, notwithstanding anything to the contrary contained in this Agreement, Section 10.2, this Section 11.2, Section 11.7, Section 11.8, Section 11.9, Section 11.12, Section 11.13, Section 11.16 and Section 11.21 may not be amended, modified, waived or terminated in a manner that materially and adversely affects any Financing Source without the prior written consent of such Financing Source.

Section 11.3 Waiver; Extension. At any time prior to the Closing, the Seller, on the one hand, and on behalf of itself and the Company, and the Buyer, on the other hand, may (i) extend the time for performance of any of the obligations or other acts of the other party contained herein, (ii) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document, certificate or writing delivered by such party pursuant hereto or (iii) waive compliance by the other party with any of the agreements or conditions contained herein. Any agreement on the part of any party to any such extension or waiver shall be valid only if set forth in a written agreement executed and delivered by a duly authorized officer or representative on behalf of such party. No failure or delay of any party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Any agreement on the part of any party to any such waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer or representative on behalf of such party.

Section 11.4 Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (i) on the date of delivery if delivered personally, or if by facsimile or e-mail, upon written confirmation of receipt by facsimile, e-mail or otherwise or (ii) on the first Business Day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier. All notices hereunder shall be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing to the other parties by the party to receive such notice:

- (a) if to the Seller, the Seller Parent or, prior to the Closing, the Company, to:

Williams Partners L.P.
One Williams Center, Suite 4900
Tulsa, Oklahoma 74172-0172
Attention: William C. Lawson
Facsimile: (918) 573-3111
E-mail: bill.lawson@williams.com

with copies (which shall not constitute notice) to:

Williams Partners L.P.
One Williams Center, Suite 4700
Tulsa, Oklahoma 74172-0172
Attention: Mary Frances Edmonds

Facsimile: (918) 573-4503
E-mail: mary.edmonds@williams.com

Gibson, Dunn & Crutcher LLP
1801 California Street, Suite 4200
Denver, Colorado 80202
Attention: Steven K. Talley
Facsimile: (303) 313-2840
E-mail: stalley@gibsondunn.com

Kean Miller LLP
400 Convention St., Suite 700
P.O. Box 3513 (70821-3513)
Baton Rouge, Louisiana 70802
Attention: G. Blane Clark Jr.
Facsimile: (225) 215-4014
E-mail: blane.clark@keanmiller.com

(b) if to the Buyer, the Buyer Parent or, after the Closing, the Company, to:

NOVA Chemicals Inc.
c/o NOVA Chemicals Corporation
1000, 7th Avenue S.W. Calgary AB T2P 5L5
Attention: Chief Financial Officer
Email: Julie.Beck@novachem.com

with copies (which shall not constitute notice) to:

NOVA Chemicals Inc.
c/o NOVA Chemicals Corporation
1000, 7th Avenue S.W. Calgary AB T2P 5L5
Attention: Vice President and General Counsel
Email: Legal.Notices@novachem.com

Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, California 94105-2669
Attention: Brett Cooper
Facsimile: (415) 773-5759
E-mail: bcooper@orrick.com

Section 11.5 Interpretation. When a reference is made in this Agreement to a Section, Article, Exhibit or Schedule, such reference shall be to a Section, Article, Exhibit or Schedule of this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement or in any Exhibit or Schedule are for convenience of reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein shall have the meaning as defined in this Agreement. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth herein. The word “including” and words of similar import when used in this Agreement will mean “including, without limitation,” unless otherwise specified. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision in this Agreement. The term “or” is not exclusive. The word “will” shall be construed to have the same meaning and effect as the word “shall.” References to days mean calendar days unless otherwise specified.

Section 11.6 Entire Agreement. This Agreement (including the Exhibits and Schedules hereto), the Transaction Documents and the Confidentiality Agreement constitute the entire agreement, and supersede all prior written agreements, arrangements, communications and understandings and all prior and contemporaneous oral agreements, arrangements, communications and understandings among the parties with respect to the subject matter hereof and thereof. Neither this Agreement nor any Transaction Document shall be deemed to contain or imply any restriction, covenant, representation, warranty, agreement or undertaking of any party with respect to the transactions contemplated hereby or thereby other than those expressly set forth herein or therein or in any document required to be delivered hereunder or thereunder, including any implied covenants regarding non-competition or non-solicitation, and none shall be deemed to exist or be inferred with respect to the subject matter hereof. Notwithstanding any oral agreement or course of conduct of the parties or their Representatives to the contrary, no party to this Agreement shall be under any legal obligation to enter into or complete the transactions contemplated hereby unless and until this Agreement shall have been executed and delivered by each of the parties.

Section 11.7 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any Person (including any Business Employee or any beneficiary or dependent thereof) other than the parties and their respective successors and permitted assigns any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement, except with respect to the provisions of Section 6.7(a), which shall inure to the benefit of the Persons benefiting therefrom that are intended to be third-party beneficiaries thereof, except that (a) each Financing Source is an express third-party beneficiary of, and shall be entitled to rely on and enforce, Section 10.2, Section 11.2, this Section 11.7, Section 11.8, Section 11.9, Section 11.12, Section 11.13, Section 11.16 and Section 11.21 and (b) the Persons entitled to indemnification under Article IX are express third-party beneficiaries of, and shall be entitled to rely on and enforce, Article IX.

Section 11.8 Governing Law. This Agreement and all disputes or controversies arising out of or relating to this Agreement or the transactions contemplated hereby shall be governed by, and construed in accordance with, the internal Laws of the State of Delaware, without regard to the Laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of Delaware; provided, that all disputes or controversies arising out of or relating to the Financing or any Financing Commitment or the transactions contemplated thereby, and all claims against any Financing Source, shall be governed by the internal Laws of the State of New York, without regard to the Laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of New York.

Section 11.9 Submission to Jurisdiction. Each of the parties irrevocably agrees that any Action arising out of or relating to this Agreement and any of the agreements delivered in connection herewith or the transactions contemplated hereby or thereby brought by any party or its successors or assigns against any other party shall be brought and determined in the Court of Chancery of the State of Delaware, provided that if such jurisdiction is not then available in the Court of Chancery of the State of Delaware, then any such Action may be brought in any federal court located in the State of Delaware or any other Delaware state court. Each of the parties hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and with respect to its property, generally and unconditionally, with regard to any such Action arising out of or relating to this Agreement and any of the agreements delivered herewith and the transactions contemplated hereby or thereby. Each of the parties agrees not to commence any Action relating hereto or thereto except in the courts described above in Delaware, other than Actions in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any such court in Delaware as described herein. Each of the parties further agrees that notice as provided herein shall constitute sufficient service of process, and the parties further waive any argument that such service is insufficient. Each of the parties hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion or as a defense, counterclaim or otherwise, in any Action arising out of or relating to this Agreement and any of the agreements delivered herewith or the transactions contemplated hereby or thereby, any claim (a) that it is not personally subject to the jurisdiction of the courts in Delaware as described herein for any reason, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (c) that (i) the Action in any such court is brought in an inconvenient forum, (ii) the venue of such Action is improper or (iii) this Agreement or any of the agreements delivered herewith, or the subject matter hereof,

may not be enforced in or by such courts. Each of the parties further agrees that this Section 11.9 replaces and supersedes the forum-selection provision in the Confidentiality Agreement, and any forum-selection clause of the Confidentiality Agreement is hereby amended and replaced with this Section 11.9. Notwithstanding anything to the contrary herein, with respect to any dispute or Action with respect to or relating to any Financing, any Alternative Financing, any Replacement Financing, any Financing Commitment or Section 11.21 of this Agreement (and any Action for enforcement of any judgment in respect thereof) the parties hereto, for themselves and in respect of their Affiliates and their respective Representatives and property (w) submit to the exclusive jurisdiction of the courts of the State of New York or federal courts of the United States of America, in each case, sitting in the Borough of Manhattan, and any appellate court from any thereof (the courts described in this clause (w), the “Applicable Courts”), and agree that all claims in respect of any such litigation may be heard and determined only in the Applicable Courts, (x) waive, to the fullest extent they may legally do so, any objection which they may now or hereafter have to the laying of venue of any proceeding in any Applicable Court, (y) waive, to the fullest extent permitted by Law, the defense of an inconvenient forum to the maintenance of such proceeding in any Applicable Court and (z) agree that a final judgment in any such proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or any other manner provided by Law.

Section 11.10 Disclosure Generally. Notwithstanding anything to the contrary contained in the Disclosure Schedules or in this Agreement, the information and disclosures contained in any Disclosure Schedule shall be deemed to be disclosed and incorporated by reference in any other Disclosure Schedules as though fully set forth in such Disclosure Schedule for which applicability of such information and disclosure is reasonably apparent on its face. The fact that any item of information is disclosed in any Disclosure Schedule shall not be construed to mean that such information is required to be disclosed by this Agreement. Such information and the dollar thresholds set forth herein shall not be used as a basis for interpreting the terms “material” “Material Adverse Effect” or other similar terms in this Agreement.

Section 11.11 Personal Liability. Except as expressly set forth in Section 11.22 and Section 11.23, this Agreement shall not create or be deemed to create or permit any personal liability or obligation on the part of any direct or indirect member of the Seller or the Buyer or any officer, director, employee, Representative or investor of any party hereto.

Section 11.12 Assignment; Successors. Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law or otherwise, by any party without the prior written consent of the other parties, and any such assignment without such prior written consent shall be null and void; provided, however, that no assignment shall limit the assignor’s obligations hereunder. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 11.13 Enforcement. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each of the parties shall be entitled to specific performance of the terms hereof, including seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the Court of Chancery of the State of Delaware, provided, that if jurisdiction is not then available in the Court of Chancery of the State of Delaware, then in any federal court located in the State of Delaware or any other Delaware state court, this being in addition to any other remedy to which such party is entitled at law or in equity. Each of the parties hereby further waives (a) any defense in any Action for specific performance that a remedy at law would be adequate and (b) any requirement under any Law to post security as a prerequisite to obtaining equitable relief. Notwithstanding anything herein to the contrary, the Seller and the Company expressly agree that in no event shall the Seller, the Company or any of their respective Representatives or Affiliates be entitled to seek the remedy of specific performance of this Agreement, any Financing, any Alternative Financing, any Replacement Financing or any Financing Commitment against any Financing Source; provided that nothing herein to the contrary shall prohibit the Buyer from enforcing its rights directly against any Financing Source under any Financing, any Alternative Financing, any Replacement Financing or any Financing Commitment or causing any Financing Source to fund (including by seeking specific performance

thereunder) pursuant to any Financing, any Alternative Financing, any Replacement Financing or any Financing Commitment.

Section 11.14 Currency. All references to “dollars” or “\$” in this Agreement or any Ancillary Agreement refer to United States dollars, which is the currency used for all purposes in this Agreement and any Ancillary Agreement.

Section 11.15 Severability. If any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any party, such holding or action shall be strictly construed and shall not affect the validity or effect of any other provision hereof, as long as the remaining provisions, taken together, are sufficient to carry out the overall intentions of the parties as evidenced hereby.

Section 11.16 Waiver of Jury Trial. **EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (INCLUDING ANY ACTION INVOLVING ANY FINANCING SOURCE ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE FINANCING, ANY FINANCING COMMITMENT, ANY ALTERNATIVE FINANCING, ANY REPLACEMENT FINANCING OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY).**

Section 11.17 Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

Section 11.18 .pdf Signature. This Agreement may be executed by .pdf signature, and a .pdf signature shall constitute an original for all purposes.

Section 11.19 Legal Representation.

(a) The Buyer, on behalf of itself and its Affiliates (including, after the Closing, the Company) acknowledges and agrees that Kean Miller LLP (“Kean Miller”), Andrews Kurth Kenyon LLP (“Andrews Kurth”) and Gibson Dunn have acted as counsel for the Seller and/or for the Company in connection with this Agreement, the Ancillary Agreements and the transactions contemplated hereby and thereby (the “Acquisition Engagement”), and in connection with the Acquisition Engagement, Kean Miller, Andrews Kurth and Gibson Dunn have not acted as counsel for any other Person, including the Buyer.

(b) Only the Seller, the Company and their respective Affiliates shall be considered clients of Kean Miller, Andrews Kurth and Gibson Dunn in the Acquisition Engagement. The Buyer, on behalf of itself and its Affiliates (including, after the Closing, the Company) acknowledges and agrees that all confidential communications between the Seller, the Company and their respective Affiliates, on the one hand, and Kean Miller, Andrews Kurth and/or Gibson Dunn, on the other hand, in the course of the Acquisition Engagement, and any attendant attorney-client privilege, attorney work product protection and expectation of client confidentiality applicable thereto, shall be deemed to belong solely to the Seller and its Affiliates (other than the Company), and not the Company, and shall not pass to or be claimed, held or used by the Buyer or the Company (or, after the Closing, the Company) upon or after the Closing. Accordingly, the Buyer shall not have access to any such communications, or to the files of Kean Miller, Andrews Kurth and/or Gibson Dunn relating to the Acquisition Engagement, whether or not the Closing occurs. Without limiting the generality of the foregoing, upon and after the Closing, (i) to the extent that files of Kean Miller, Andrews Kurth and Gibson Dunn in respect of the Acquisition Engagement constitute property of the client, only the Seller and its Affiliates shall hold such property rights and (ii) Kean Miller, Andrews Kurth and Gibson Dunn shall have no duty whatsoever to reveal or disclose any such attorney-client communications or files to the Company or the Buyer by reason of any attorney-client relationship between Kean Miller, Andrews Kurth or

Gibson Dunn and the Company or otherwise; provided, however, that notwithstanding the foregoing, Kean Miller, Andrews Kurth and Gibson Dunn shall not disclose any such attorney-client communications or files to any third parties (other than Representatives of the Seller and its Affiliates; provided that such Representatives are instructed to maintain the confidence of such attorney-client communications). The Buyer, on behalf of itself and its Affiliates (including, after the Closing, the Company) irrevocably waives any right it may have to discover or obtain information or documentation relating to the Acquisition Engagement, to the extent that such information or documentation was subject to an attorney-client privilege, work product protection or other expectation of confidentiality owed to the Seller and/or its Affiliates. If and to the extent that, at any time subsequent to the Closing, the Buyer or any of its Affiliates (including, after the Closing, the Company) shall have the right to assert or waive any attorney-client privilege with respect to the Acquisition Engagement and any matters that are the subject of an Indemnification Agreement, the Buyer, on behalf of itself and its Affiliates (including, after the Closing, the Company) shall be entitled to waive such privilege only with the prior written consent of the Seller (such consent not to be unreasonably withheld).

(c) The Buyer, on behalf of itself and its Affiliates (including, after the Closing, the Company) acknowledges and agrees that Kean Miller, Andrews Kurth and Gibson Dunn have acted as counsel for the Seller, the Company and certain of their respective Affiliates for several years and that the Seller reasonably anticipates that Kean Miller, Andrews Kurth and Gibson Dunn will continue to represent the Seller and/or its Affiliates (other than, after the Closing, the Company) in future matters, related to the Acquisition Engagement, the Indemnification Agreements and other matters unrelated to the Company. Accordingly, the Buyer, on behalf of itself and its Affiliates (including, after the Closing, the Company) expressly (i) consents to Kean Miller's, Andrews Kurth's and Gibson Dunn's representation of the Seller and/or its Affiliates and/or any of their respective agents (if any of the foregoing Persons so desire) in any matter relating to the Acquisition Engagement, including any post-Closing matter relating to the Acquisition Engagement in which the interests of the Buyer and the Company, on the one hand, and the Seller or any of its Affiliates, on the other hand, are adverse, and whether or not such matter is one in which Kean Miller, Andrews Kurth and/or Gibson Dunn may have previously advised the Seller, the Company or any of their respective Affiliates and (ii) consents to the disclosure by Kean Miller, Andrews Kurth and Gibson Dunn to the Seller or its Affiliates of any information learned by Kean Miller, Andrews Kurth and/or Gibson Dunn in the course of their representation of the Seller, the Company or any of their respective Affiliates with respect to the Acquisition Engagement, whether or not such information is subject to attorney-client privilege, attorney work product protection or Kean Miller's, Andrews Kurth's and/or Gibson Dunn's duty of confidentiality.

(d) From and after the Closing, except as set forth in the Indemnification Agreements, the Company shall cease to have any attorney-client relationship with Kean Miller, Andrews Kurth and Gibson Dunn, unless and to the extent Kean Miller, Andrews Kurth and/or Gibson Dunn are expressly engaged in writing by the Company to represent the Company after the Closing and either (i) such engagement involves no conflict of interest with respect to the Seller and/or any of its Affiliates or (ii) the Seller and/or any such Affiliate, as applicable, consent in writing to such engagement. Any such representation of the Company by Kean Miller, Andrews Kurth or Gibson Dunn after the Closing shall not affect the foregoing provisions hereof.

(e) Each of the parties to this Agreement consents to the arrangements in this Section 11.19 and waives any actual or potential conflict of interest that may be involved in connection with any representation by Kean Miller, Andrews Kurth or Gibson Dunn permitted hereunder with respect to the Acquisition Engagement and the Indemnification Agreements.

Section 11.20 No Presumption Against Drafting Party. Each of the Buyer, the Seller and the Company acknowledges that each party to this Agreement has been represented by legal counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of Law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the drafting party has no application and is expressly waived.

Section 11.21 Financing Sources. Subject to the rights of the parties to the Financing, any Alternative Financing, any Replacement Financing and any Financing Commitment, neither the Seller nor the Company nor any of their respective Affiliates, solely in their respective capacities as parties to this Agreement, shall have any rights

or claims against any Financing Source, solely in their respective capacities as arrangers, lenders, initial purchasers or comparable capacity with respect to a debt financing, and the Financing Sources, solely in their respective capacities as arrangers, lenders, initial purchasers or comparable capacity with respect to a debt financing shall not have any rights or claims against the Company, the Seller or any of their Affiliates, in connection with this Agreement or any Financing, any Alternative Financing, any Replacement Financing or any Financing Commitment, whether at law or equity, in contract, in tort or otherwise.

Section 11.22 Buyer Parent Guarantee.

(a) The Buyer Parent represents and warrants that it is a corporation validly existing and in good standing under the Laws of the Province of New Brunswick, Canada, and has the authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby, which actions have been duly and validly authorized by all necessary corporate action by the Buyer Parent. No other corporate proceedings on the part of the Buyer Parent or any of its Affiliates are necessary to authorize the execution, delivery or performance of this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Buyer Parent and, assuming due execution and delivery by each of the other parties hereto, constitutes the legal, valid and binding obligation of the Buyer Parent, enforceable against the Buyer Parent in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether considered in a proceeding in equity or at law).

(b) The Buyer Parent, as primary obligor and not merely as surety, hereby absolutely, unconditionally and irrevocably guarantees the full and timely payment and performance of all Liabilities (including indemnities, fees and Liabilities in respect of equitable relief) of the Buyer incurred under, arising out of or in connection with this Agreement, the Indemnification Agreements and the Transition Services Agreement, as from time to time amended, modified or supplemented in accordance with their terms (such liabilities, the "Buyer Parent Guaranteed Obligations"). This is a guarantee of payment and performance, and not of collectability. This guarantee is a continuing guarantee and may not be revoked by the Buyer Parent. The obligations of the Buyer Parent under this Section 11.22 are absolute and unconditional in respect of satisfying the Buyer Parent Guaranteed Obligations and shall be enforceable against the Buyer Parent to the same extent as if the Buyer Parent were the primary obligor (and not merely a surety) under this Agreement, the Indemnification Agreements and the Transition Services Agreement.

(c) The Buyer Parent hereby waives as to itself promptness, diligence, notice of the acceptance of this guarantee and of the Buyer Parent Guaranteed Obligations, presentment, demand for payment, notice of non-performance, default, dishonor and protest, notice of any Buyer Parent Guaranteed Obligations incurred, all defenses which may be available by virtue of any valuation, stay, moratorium Law or other similar Law now or hereafter in effect, and all suretyship defenses (it being understood that nothing in this sentence shall be deemed a waiver by the Buyer Parent of the obligation of any other party to deliver any notice expressly required by the terms of this Agreement, the Indemnification Agreements or the Transition Services Agreement). The Buyer Parent agrees that its obligations under this Section 11.22 shall not be discharged except by complete performance or payment of the Buyer Parent Guaranteed Obligations and that its obligations under this Section 11.22 shall not be limited, impaired, released or discharged, in whole or in part, or otherwise affected by, and the Buyer Parent irrevocably waives, to the fullest extent permitted by law, any defenses to its obligations under this Section 11.22 arising under law or equity from, (i) the failure or delay on the part of the Seller to assert any claim or demand or to enforce any right or remedy against the Buyer; (ii) any change in the time, place or manner of payment of any of the Buyer Parent Guaranteed Obligations or any waiver, compromise, consolidation or other amendment or modification of any of the terms or provisions of this Agreement, the Indemnification Agreements or the Transition Services Agreement made in accordance with the terms thereof or any agreement evidencing, securing or otherwise executed in connection with any of the Buyer Parent Guaranteed Obligations; (iii) any change in the corporate existence, structure or ownership of the Buyer Parent, the Buyer or any other Person interested in the transactions contemplated by this Agreement, the Indemnification Agreements or the Transition Services Agreement; (iv) the adequacy of any other means the Seller may have of obtaining payment related to any of the Buyer Parent Guaranteed Obligations, including pursuant to this Section 11.22; (v) any insolvency, bankruptcy, reorganization,

arrangement or other similar proceeding affecting the Buyer or the Buyer Parent or their respective assets or any resulting release or discharge of any Buyer Parent Guaranteed Obligations; (vi) the existence of any claim, setoff or other rights which the Buyer Parent may have at any time against the Buyer, any of the Buyer's Subsidiaries or any other third party, whether in connection herewith or any unrelated transactions; (vii) the invalidity or unenforceability of this Agreement, the Indemnification Agreements or the Transition Services Agreement (or any provision of this Agreement, the Indemnification Agreements or the Transition Services Agreement) against the Buyer; (viii) any provision of applicable Law purporting to prohibit the payment by the Buyer of any of the Buyer Parent Guaranteed Obligations; (ix) any lack or inadequacy of consideration with respect to the Buyer Parent Guaranteed Obligations or the obligations of the Buyer Parent under this Section 11.22; (x) any lack of capacity, power or authority of the Buyer to enter into this Agreement, the Indemnification Agreements or the Transition Services Agreement or to incur any of the Buyer Parent Guaranteed Obligations; or (xi) any other act, omission or delay of any kind by the Buyer, the Buyer Parent, or any other Person, or any other setoff, defense, counterclaim or other circumstance whatsoever (in any case, whether based on contract, tort or any other theory), with respect to this Agreement, the Indemnification Agreements or the Transition Services Agreement, the transactions contemplated thereby or the Seller Parent Guaranteed Obligations which might, but for the provisions of this paragraph, constitute a legal or equitable discharge or defense of the Buyer Parent's obligations under this Section 11.22 or of the Buyer Parent Guaranteed Obligations (other than the complete performance or payment of the Buyer Parent Guaranteed Obligations).

(d) If at any time payment under this Agreement, the Indemnification Agreements or the Transition Services Agreement is rescinded or must be otherwise restored or returned by the Seller for any reason whatsoever, including on account of a judicial, arbitral or administrative order relating to the Buyer or the Buyer Parent, the Buyer Parent obligations hereunder with respect to such payment shall be reinstated upon such restoration or return being made by the Seller, all as though such payment had not been made.

(e) The Buyer Parent acknowledges that it will receive substantial direct and indirect benefits from the transactions contemplated by this Agreement, the Indemnification Agreements and the Transition Services Agreement.

(f) The Buyer Parent shall not make any claim for contribution from the Company or any of its Subsidiaries or any of their respective officers, directors, managers or employees with respect to any Buyer Parent Guaranteed Obligations, and the Buyer Parent hereby waives any such right of contribution from the Company, any of its Subsidiaries and any of their respective officers, directors, managers or employees it has or may have in the future.

(g) The Buyer Parent hereby expressly acknowledges and agrees to be bound by the following provisions of this Agreement: Section 5.4 (Financing), Section 6.9 (Financing), Section 11.2 (Amendment and Modification), Section 11.3 (Waiver; Extension), Section 11.4 (Notices), Section 11.5 (Interpretation), Section 11.6 (Entire Agreement), Section 11.7 (Parties in Interest), Section 11.8 (Governing Law), Section 11.9 (Submission to Jurisdiction), Section 11.11 (Personal Liability), Section 11.12 (Assignment; Successors), Section 11.13 (Enforcement), Section 11.14 (Currency), Section 11.15 (Severability), Section 11.16 (Waiver of Jury Trial), Section 11.17 (Counterparts), Section 11.18 (.pdf Signature), Section 11.19 (Legal Representation), Section 11.20 (No Presumption Against Drafting Party) and Section 11.22 (Buyer Parent Guarantee).

Section 11.23 Seller Parent Guarantee.

(a) The Seller Parent represents and warrants that it is a limited partnership validly existing and in good standing under the Laws of Delaware, and has the authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby, which actions have been duly and validly authorized by all necessary limited partnership action by the Seller Parent. No other corporate proceedings on the part of the Seller Parent or any of its Affiliates are necessary to authorize the execution, delivery or performance of this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Seller Parent and, assuming due execution and delivery by each of the other parties hereto, constitutes the legal, valid and binding obligation of the Seller Parent, enforceable against the Seller

Parent in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether considered in a proceeding in equity or at law).

(b) The Seller Parent, as primary obligor and not merely as surety, hereby absolutely, unconditionally and irrevocably guarantees the full and timely payment and performance of all Liabilities (including indemnities, fees and Liabilities in respect of equitable relief) of the Seller incurred under, arising out of or in connection with this Agreement, as from time to time amended, modified or supplemented in accordance with its terms (such liabilities, the "Seller Parent Guaranteed Obligations"). This is a guarantee of payment and performance, and not of collectability. This guarantee is a continuing guarantee and may not be revoked by the Seller Parent. The obligations of the Seller Parent under this Section 11.23 are absolute and unconditional in respect of satisfying the Seller Parent Guaranteed Obligations and shall be enforceable against the Seller Parent to the same extent as if the Seller Parent were the primary obligor (and not merely a surety) under this Agreement.

(c) The Seller Parent hereby waives as to itself promptness, diligence, notice of the acceptance of this guarantee and of the Seller Parent Guaranteed Obligations, presentment, demand for payment, notice of non-performance, default, dishonor and protest, notice of any Seller Parent Guaranteed Obligations incurred, all defenses which may be available by virtue of any valuation, stay, moratorium Law or other similar Law now or hereafter in effect, and all suretyship defenses (it being understood that nothing in this sentence shall be deemed a waiver by the Seller Parent of the obligation of any other party to deliver any notice expressly required by the terms of this Agreement). The Seller Parent agrees that its obligations under this Section 11.23 shall not be discharged except by complete performance or payment of the Seller Parent Guaranteed Obligations and that its obligations under this Section 11.23 shall not be limited, impaired, released or discharged, in whole or in part, or otherwise affected by, and the Seller Parent irrevocably waives, to the fullest extent permitted by law, any defenses to its obligations under this Section 11.23 arising under law or equity from, (i) the failure or delay on the part of the Buyer to assert any claim or demand or to enforce any right or remedy against the Seller; (ii) any change in the time, place or manner of payment of any of the Seller Parent Guaranteed Obligations or any waiver, compromise, consolidation or other amendment or modification of any of the terms or provisions of this Agreement made in accordance with the terms thereof or any agreement evidencing, securing or otherwise executed in connection with any of the Seller Parent Guaranteed Obligations; (iii) any change in the corporate existence, structure or ownership of the Seller Parent, the Seller or any other Person interested in the transactions contemplated by this Agreement; (iv) the adequacy of any other means the Buyer may have of obtaining payment related to any of the Seller Parent Guaranteed Obligations, including pursuant to this Section 11.23; (v) any insolvency, bankruptcy, reorganization, arrangement or other similar proceeding affecting the Seller or the Seller Parent or their respective assets or any resulting release or discharge of any Seller Parent Guaranteed Obligations; (vi) the existence of any claim, setoff or other rights which the Seller Parent may have at any time against the Seller, any of the Seller's Subsidiaries or any other third party, whether in connection herewith or any unrelated transactions; (vii) the invalidity or unenforceability of this Agreement or the Transition Services Agreement (or any provision of this Agreement) against the Seller; (viii) any provision of applicable Law purporting to prohibit the payment by the Seller of any of the Seller Parent Guaranteed Obligations; (ix) any lack or inadequacy of consideration with respect to the Seller Parent Guaranteed Obligations or the obligations of the Seller Parent under this Section 11.23; (x) any lack of capacity, power or authority of the Seller to enter into this Agreement or to incur any of the Seller Parent Guaranteed Obligations; or (xi) any other act, omission or delay of any kind by the Seller, the Seller Parent, or any other Person, or any other setoff, defense, counterclaim or other circumstance whatsoever (in any case, whether based on contract, tort or any other theory), with respect to this Agreement, the transactions contemplated thereby or the Seller Parent Guaranteed Obligations which might, but for the provisions of this paragraph, constitute a legal or equitable discharge or defense of the Seller Parent's obligations under this Section 11.23 or of the Seller Parent Guaranteed Obligations (other than the complete performance or payment of the Seller Parent Guaranteed Obligations).

(d) If at any time payment under this Agreement is rescinded or must be otherwise restored or returned by the Buyer for any reason whatsoever, including on account of a judicial, arbitral or administrative order relating to the Seller or the Seller Parent, the Seller Parent's obligations hereunder with respect to such payment shall be reinstated upon such restoration or return being made by the Buyer, all as though such payment had not been made.

(e) The Seller Parent acknowledges that it will receive substantial direct and indirect benefits from the transactions contemplated by this Agreement.

(f) The Seller Parent shall not make any claim for contribution from the Company or any of its Subsidiaries or any of their respective officers, directors, managers or employees with respect to any Seller Parent Guaranteed Obligations, and the Seller Parent hereby waives any such right of contribution from the Company, any of its Subsidiaries and any of their respective officers, directors, managers or employees it has or may have in the future. The Seller Parent further agrees not to make, directly or indirectly, and hereby waives, any claim for indemnification against the Company or its Subsidiaries by reason of the fact that the Seller Parent or any of its Affiliates or Representatives was a member, manager, officer, employee or agent of the Company (whether such claim is pursuant to any Law, organizational document, contract or otherwise) with respect to any claim brought or demand made by the Buyer against the Seller Parent or under this Section 11.23.

(g) The Seller Parent hereby expressly acknowledges and agrees to be bound by the following provisions of this Agreement: Section 11.2 (Amendment and Modification), Section 11.3 (Waiver; Extension), Section 11.4 (Notices), Section 11.5 (Interpretation), Section 11.6 (Entire Agreement), Section 11.7 (Parties in Interest), Section 11.8 (Governing Law), Section 11.9 (Submission to Jurisdiction), Section 11.11 (Personal Liability), Section 11.12 (Assignment; Successors), Section 11.13 (Enforcement), Section 11.14 (Currency), Section 11.15 (Severability), Section 11.16 (Waiver of Jury Trial), Section 11.17 (Counterparts), Section 11.18 (.pdf Signature), Section 11.19 (Legal Representation), Section 11.20 (No Presumption Against Drafting Party) and Section 11.23 (Seller Parent Guarantee).

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

WILLIAMS FIELD SERVICES GROUP, LLC

By: /s/ Rory L. Miller
Name: Rory L. Miller
Title: Senior Vice President - Atlantic - Gulf

WILLIAMS PARTNERS L.P.

By: WPZ GP LLC, its general partner

By: /s/ Alan S. Armstrong
Name: Alan S. Armstrong
Title: Chief Executive Officer

WILLIAMS OLEFINS, L.L.C.

By: /s/ John R. Dearborn, Jr.
Name: John R. Dearborn, Jr.
Title: Senior Vice President - NGL & Petchem

NOVA CHEMICALS INC.

By: /s/ Todd Karran
Name: Todd Karran
Title: President

NOVA CHEMICALS CORPORATION

By: /s/ Todd Karran
Name: Todd Karran
Title: President and CEO

[Signature Page to Membership Interest Purchase Agreement]

Exhibit A

Sample Net Working Capital Calculation

[Attached.]

Exhibit B-1

Form of Claim Indemnification Agreement

[*Attached.*]

Exhibit B-2

Form of Indemnification Agreement

[Attached.]

Exhibit C

Form of Transition Services Agreement

[*Attached.*]

Exhibit D

Form of RWI Policy

[*Attached.*]

Exhibit E

Ethane Supply Agreement – Base Volume

[*Attached.*]

Exhibit F

Ethane Supply Agreement – Swing Volume

[*Attached.*]

Exhibit G-1

Form of the Buyer's Secretary Certificate

[*Attached.*]

Exhibit G-2

Form of the Buyer's Officer Certificate

[Attached.]

Exhibit G-3

Form of Assignment of Interests

[*Attached.*]

Exhibit G-4

Form of the Seller's Secretary Certificate

[Attached.]

Exhibit G-5

Form of the Seller's Officer Certificate

[*Attached.*]

Exhibit H

Title Commitments and Surveys

[*Attached.*]

Exhibit I

Williams ROWs

[Attached.]

Williams Partners L.P.
Computation of Ratio of Earnings to Fixed Charges

	Six Months Ended June 30, 2017
	(Millions)
Earnings:	
Income (loss) before income taxes	\$ 1,012
Less: Equity earnings	(232)
Income (loss) before income taxes and equity earnings	780
Add:	
Fixed charges:	
Interest incurred	435
Rental expense representative of interest factor	5
Total fixed charges	440
Distributed income of equity-method investees	404
Less:	
Interest capitalized	(16)
Total earnings as adjusted	\$ 1,608
Fixed charges	\$ 440
Ratio of earnings to fixed charges	3.65

CERTIFICATIONS

I, Alan S. Armstrong, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Williams Partners L.P.;
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: August 3, 2017

/s/ Alan S. Armstrong

Alan S. Armstrong

Chief Executive Officer of WPZ GP LLC, general partner
of Williams Partners L.P.
(Principal Executive Officer)

CERTIFICATIONS

I, Donald R. Chappel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Williams Partners L.P.;
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: August 3, 2017

/s/ Donald R. Chappel

Donald R. Chappel
Chief Financial Officer of WPZ GP LLC,
general partner of Williams Partners L.P.
(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 Williams Partners L.P. (the "Partnership") on Form 10-Q for the period ending June 30, 2017, 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 WPZ GP LLC (the "Company"), the general partner of the Partnership, 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 Partnership.

/s/ Alan S. Armstrong

Alan S. Armstrong

President and Chief Executive Officer

August 3, 2017

/s/ Donald R. Chappel

Donald R. Chappel

Chief Financial Officer

August 3, 2017

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.

**Document and Entity
Information - shares**

**6 Months Ended
Jun. 30, 2017 Jul. 31, 2017**

[Entity Information \[Line Items\]](#)

<u>Entity Registrant Name</u>	Williams Partners L.P.	
<u>Entity Central Index Key</u>	0001483096	
<u>Document Type</u>	10-Q	
<u>Document Period End Date</u>	Jun. 30, 2017	
<u>Amendment Flag</u>	false	
<u>Document Fiscal Year Focus</u>	2017	
<u>Document Fiscal Period Focus</u>	Q2	
<u>Current Fiscal Year End Date</u>	--12-31	
<u>Entity Filer Category</u>	Large Accelerated Filer	
<u>Entity Partnership Units Outstanding</u>		955,810,689
<u>Common Class B [Member]</u>		
<u>Entity Information [Line Items]</u>		
<u>Entity Partnership Units Outstanding</u>		17,317,675

Consolidated Statement of Comprehensive Income (Loss) (Unaudited) - USD (\$) shares in Thousands, \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30,	Jun. 30,	Jun. 30,	Jun. 30,
	2017	2016	2017	2016

Revenues:

<u>Service revenues</u>	\$ 1,277	\$ 1,210	\$ 2,533	\$ 2,436
<u>Product sales</u>	642	530	1,369	958
<u>Total revenues</u>	1,919	1,740	3,902	3,394

Costs and expenses:

<u>Product costs</u>	537	403	1,116	720
<u>Operating and maintenance expenses</u>	384	386	745	768
<u>Depreciation and amortization expenses</u>	423	432	856	867
<u>Selling, general, and administrative expenses</u>	154	139	310	320
<u>Impairment of certain assets</u>	2	396	3	402
<u>Other (income) expense – net</u>	7	24	10	48
<u>Total costs and expenses</u>	1,507	1,780	3,040	3,125
<u>Operating income (loss)</u>	412	(40)	862	269
<u>Equity earnings (losses)</u>	125	101	232	198
<u>Impairment of equity-method investments (Note 10)</u>	0	0	0	(112)
<u>Other investing income (loss) – net (Note 5)</u>	2	1	273	1
<u>Interest incurred</u>	(214)	(239)	(435)	(479)
<u>Interest capitalized</u>	9	8	16	19
<u>Other income (expense) – net</u>	15	12	64	27
<u>Income (loss) before income taxes</u>	349	(157)	1,012	(77)
<u>Provision (benefit) for income taxes</u>	1	(80)	4	(79)
<u>Net income (loss)</u>	348	(77)	1,008	2
<u>Less: Net income (loss) attributable to noncontrolling interests</u>	28	13	54	42
<u>Net income (loss) attributable to controlling interests</u>	320	(90)	954	(40)

Allocation of net income (loss) for calculation of earnings per common unit:

<u>Net income (loss) attributable to controlling interests</u>	320	(90)	954	(40)
<u>Allocation of net income (loss) to general partner</u>	0	207	0	409
<u>Allocation of net income (loss) to Class B units</u>	6	(8)	17	(12)
<u>Allocation of net income (loss) to common units</u>	\$ 314	\$ (289)	\$ 937	\$ (437)

Basic earnings (loss) per common unit:

<u>Net income (loss) per common unit</u>	\$ 0.33	\$ (0.49)	\$ 1.00	\$ (0.74)
<u>Weighted-average number of common units outstanding (thousands)</u>	955,636	588,607	937,889	588,585

Diluted earnings (loss) per common unit:

<u>Net income (loss) per common unit</u>	\$ 0.33	\$ (0.49)	\$ 1.00	\$ (0.74)
<u>Weighted-average number of common units outstanding (thousands)</u>	955,986	588,607	938,217	588,585
<u>Cash distributions per common unit</u>	\$ 0.60	\$ 0.85	\$ 1.20	\$ 1.70

Other comprehensive income (loss):

<u>Net unrealized gain (loss) from derivative instruments</u>	\$ 0	\$ 0	\$ 4	\$ 0
<u>Reclassifications into earnings of net derivative instruments (gain) loss</u>	(1)	0	(2)	0
<u>Foreign currency translation adjustments</u>	0	5	0	77
<u>Other comprehensive income (loss)</u>	(1)	5	2	77
<u>Comprehensive income (loss)</u>	347	(72)	1,010	79
<u>Less: Comprehensive income attributable to noncontrolling interests</u>	28	13	54	42
<u>Comprehensive income (loss) attributable to controlling interests</u>	\$ 319	\$ (85)	\$ 956	\$ 37

Consolidated Balance Sheet
(Unaudited) - USD (\$)
\$ in Millions

	Jun. 30,	Dec. 31,
	2017	2016
Current assets:		
<u>Cash and cash equivalents</u>	\$ 1,908	\$ 145
<u>Trade accounts and other receivables (net of allowance of \$6 at June 30, 2017 and \$6 at December 31, 2016)</u>	688	926
<u>Inventories</u>	150	138
<u>Assets held for sale (Note 3)</u>	1,004	24
<u>Other current assets and deferred charges</u>	191	181
<u>Total current assets</u>	3,941	1,414
<u>Investments</u>	6,675	6,701
<u>Property, plant, and equipment, at cost</u>	38,253	38,247
<u>Accumulated depreciation and amortization</u>	(10,581)	(10,226)
<u>Property, plant, and equipment – net</u>	27,672	28,021
<u>Intangible assets – net of accumulated amortization</u>	9,480	9,662
<u>Regulatory assets, deferred charges, and other</u>	450	467
<u>Total assets</u>	48,218	46,265
Accounts payable:		
<u>Trade</u>	711	589
<u>Affiliate</u>	130	109
<u>Accrued interest</u>	223	258
<u>Asset retirement obligations</u>	64	61
<u>Liabilities held for sale (Note 3)</u>	36	0
<u>Other accrued liabilities</u>	735	804
<u>Commercial paper</u>	0	93
<u>Long-term debt due within one year</u>	1,951	785
<u>Total current liabilities</u>	3,850	2,699
<u>Long-term debt</u>	16,614	17,685
<u>Asset retirement obligations</u>	824	798
<u>Deferred income tax liabilities</u>	19	20
<u>Regulatory liabilities, deferred income, and other</u>	1,972	1,860
<u>Contingent liabilities (Note 11)</u>		
Partners' equity:		
<u>Common units (955,793,504 and 607,064,550 units outstanding at June 30, 2017 and December 31, 2016, respectively)</u>	22,445	18,300
<u>Class B units (17,317,675 and 16,690,016 units outstanding at June 30, 2017 and December 31, 2016, respectively)</u>	786	769
<u>General partner</u>	0	2,385
<u>Accumulated other comprehensive income (loss)</u>	1	(1)
<u>Total partners' equity</u>	23,232	21,453
<u>Noncontrolling interests in consolidated subsidiaries</u>	1,707	1,750
<u>Total equity</u>	24,939	23,203
<u>Total liabilities and equity</u>	\$ 48,218	\$ 46,265

**Consolidated Balance Sheet
(Unaudited) (Parenthetical) -
USD (\$)
\$ in Millions**

Jun. 30, 2017 Dec. 31, 2016

Statement of Financial Position [Abstract]

Allowance for trade accounts and other receivables \$ 6 \$ 6

Equity:

Common units outstanding 955,793,504 607,064,550

Class B units outstanding 17,317,675 16,690,016

**Consolidated Statement of
Changes in Equity
(Unaudited) - 6 months
ended Jun. 30, 2017 - USD
(\$)
\$ in Millions**

	Total	General Partner [Member]	Common Units Limited Partners	Class B Units Limited Partners	Total Partners' Equity	AOCI Attributable to Parent [Member]	Noncontrolling Interest [Member]
<u>Beginning balance at Dec. 31, 2016</u>	\$ 23,203	\$ 2,385	\$ 18,300	\$ 769	\$ 21,453	\$ (1)	\$ 1,750
<u>Net income (loss)</u>	1,008	0	937	17	954	0	54
<u>Other comprehensive income (loss)</u>	2	0	0	0	2	2	0
<u>Conversion to noneconomic general partner interest (Note 1)</u>	0	(2,385)	2,385	0	0	0	0
<u>Distributions to The Williams Companies, Inc. - net</u>	(8)	0	(8)	0	(8)	0	0
<u>Sale of common units (Note 9)</u>	2,212	0	2,212	0	2,212	0	0
<u>Distributions to limited partners</u>	(1,385)	0	(1,385)	0	(1,385)	0	0
<u>Contributions from noncontrolling interests</u>	10	0	0	0	0	0	10
<u>Distributions to noncontrolling interests</u>	(108)	0	0	0	0	0	(108)
<u>Other</u>	5	0	4	0	4	0	1
<u>Net increase (decrease) in equity</u>	1,736	(2,385)	4,145	17	1,779	2	(43)
<u>Ending balance at Jun. 30, 2017</u>	\$ 24,939	\$ 0	\$ 22,445	\$ 786	\$ 23,232	\$ 1	\$ 1,707

**Consolidated Statement of
Cash Flows (Unaudited) -
USD (\$)
\$ in Millions**

6 Months Ended

Jun. 30, 2017 Jun. 30, 2016

OPERATING ACTIVITIES:

<u>Net income (loss)</u>	\$ 1,008	\$ 2
<u>Adjustments to reconcile to net cash provided (used) by operating activities:</u>		
<u>Depreciation and amortization</u>	856	867
<u>Provision (benefit) for deferred income taxes</u>	(1)	(80)
<u>Net (gain) loss on disposition of equity-method investments</u>	(269)	0
<u>Impairment of equity-method investments</u>	0	112
<u>Impairment of and net (gain) loss on sale of assets and businesses</u>	(6)	405
<u>Amortization of stock-based awards</u>	4	14
<u>Cash provided (used) by changes in current assets and liabilities:</u>		
<u>Accounts and notes receivable</u>	194	297
<u>Inventories</u>	(30)	0
<u>Other current assets and deferred charges</u>	(14)	(20)
<u>Accounts payable</u>	35	25
<u>Accrued liabilities</u>	(100)	58
<u>Affiliate accounts receivable and payable – net</u>	21	(44)
<u>Other, including changes in noncurrent assets and liabilities</u>	(191)	30
<u>Net cash provided (used) by operating activities</u>	1,507	1,666

FINANCING ACTIVITIES:

<u>Proceeds from (payments of) commercial paper – net</u>	(93)	(304)
<u>Proceeds from long-term debt</u>	1,698	2,938
<u>Payments of long-term debt</u>	(1,535)	(2,201)
<u>Proceeds from sales of common units</u>	2,184	0
<u>Contributions from general partner</u>	0	6
<u>Distributions paid</u>	(1,357)	(1,231)
<u>Distributions to noncontrolling interests</u>	(108)	(45)
<u>Contributions from noncontrolling interests</u>	10	22
<u>Distributions to The Williams Companies, Inc. – net</u>	(8)	0
<u>Payments for debt issuance costs</u>	(13)	(8)
<u>Contribution to Gulfstream for repayment of debt</u>	0	(148)
<u>Other – net</u>	(23)	(1)
<u>Net cash provided (used) by financing activities</u>	755	(972)

INVESTING ACTIVITIES:

<u>Capital expenditures (1)</u>	(1,049)	(981)
<u>Dispositions - net</u>	(14)	7
<u>Proceeds from dispositions of equity-method investments</u>	200	0
<u>Purchases of and contributions to equity-method investments</u>	(79)	(122)
<u>Distributions from unconsolidated affiliates in excess of cumulative earnings</u>	258	261
<u>Other – net</u>	185	153
<u>Net cash provided (used) by investing activities</u>	(499)	(682)

<u>Increase (decrease) in cash and cash equivalents</u>	1,763	12
<u>Cash and cash equivalents held for sale</u>	0	(7)
<u>Cash and cash equivalents at beginning of year</u>	145	96
<u>Cash and cash equivalents at end of period</u>	1,908	101
<u>(1) Increases to property, plant, and equipment</u>	(1,155)	(983)
<u>Changes in related accounts payable and accrued liabilities</u>	106	2
<u>Capital expenditures</u>	\$ (1,049)	\$ (981)

**General, Description of
Business, and Basis of
Presentation**

6 Months Ended

Jun. 30, 2017

**Organization, Consolidation
and Presentation of
Financial Statements
[Abstract]**

**General, Description of
Business, and Basis of
Presentation [Text Block]**

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 the consolidated financial statements and notes thereto for the year ended December 31, 2016, in Exhibit 99.1 of our Form 8-K dated May 25, 2017. 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 the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Unless the context clearly indicates otherwise, references in this report to “we,” “our,” “us,” or like terms refer to Williams Partners L.P. and its subsidiaries. Unless the context clearly indicates otherwise, references to “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.

We are a Delaware limited partnership whose common units are listed and traded on the New York Stock Exchange. WPZ GP LLC, a Delaware limited liability company wholly owned by The Williams Companies, Inc. (Williams), serves as our general partner. Our operations are located in the United States.

Financial Repositioning

In January 2017, we announced agreements with Williams, wherein Williams permanently waived the general partner’s incentive distribution rights (IDRs) and converted its 2 percent general partner interest in us to a noneconomic interest in exchange for 289 million newly issued common units. Pursuant to this agreement, Williams also purchased approximately 277 thousand common units for \$10 million. Additionally, Williams purchased approximately 59 million common units at a price of \$36.08586 per unit in a private placement transaction. According to the terms of this agreement, concurrent with our quarterly distributions in February 2017 and May 2017, Williams paid additional consideration totaling \$56 million to us for these units. Following these transactions and as of June 30, 2017, Williams owns a 74 percent limited partner interest in us.

Description of Business

Effective January 1, 2017, we implemented organizational changes, consistent with the manner in which our chief operating decision maker evaluates performance and allocates resources. Operations previously reported within the Central segment are now generally managed and presented within the West segment. Certain businesses previously reported within our NGL & Petchem Services segment are now managed and presented within the West, Atlantic-Gulf, and Northeast G&P segments. As a result, beginning with the reporting of first quarter 2017, our

operations are organized into the following reportable segments: Northeast G&P, Atlantic-Gulf, West, and NGL & Petchem Services. Certain other corporate activities are included in Other. Prior period segment disclosures have been recast for these segment changes.

Northeast G&P is comprised of our midstream gathering and processing businesses in the Marcellus Shale region primarily in Pennsylvania, New York, and West Virginia and the Utica Shale region of eastern Ohio, as well as a 66 percent interest in Cardinal Gas Services, L.L.C. (Cardinal) (a consolidated entity), a 62 percent equity-method investment in Utica East Ohio Midstream, LLC (UEOM), a 69 percent equity-method investment in Laurel Mountain Midstream, LLC (Laurel Mountain), a 58 percent equity-method investment in Caiman Energy II, LLC (Caiman II), and Appalachia Midstream Services, LLC, which owns equity-method investments with an approximate average 66 percent interest in multiple gathering systems in the Marcellus Shale (Appalachia Midstream Investments).

Atlantic-Gulf is comprised of our interstate natural gas pipeline, Transcontinental Gas Pipe Line Company, LLC (Transco), and significant 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 entity), which is a proprietary floating production system, and various petrochemical and feedstock pipelines in the Gulf Coast region, as well as a 50 percent equity-method investment in Gulfstream Natural Gas System, L.L.C. (Gulfstream), a 41 percent interest in Constitution Pipeline Company, LLC (Constitution) (a consolidated entity), which is under development, and a 60 percent equity-method investment in Discovery Producer Services LLC (Discovery).

West is comprised of our interstate natural gas pipeline, Northwest Pipeline LLC (Northwest Pipeline), and our gathering, processing, and treating operations in New Mexico, Colorado, and Wyoming, as well as the Barnett Shale region of north-central Texas, the Eagle Ford Shale region of south Texas, the Haynesville Shale region of northwest Louisiana, and the Mid-Continent region which includes the Anadarko, Arkoma, Delaware, and Permian basins. This segment also includes our NGL and natural gas marketing business, 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, LLC (OPPL), as well as our previously owned 50 percent equity-method investment in the Delaware basin gas gathering system (DBJV) in the Mid-Continent region (see Note 5 – Investing Activities).

NGL & Petchem Services is comprised of previously owned operations, including our 88.5 percent undivided interest in an olefins production facility in Geismar, Louisiana, which was sold in July 2017 (see Note 3 – Assets Held for Sale), and our refinery grade propylene splitter in the Gulf region, which we sold in June 2017. This segment also includes our previously owned Canadian assets which included an oil sands offgas processing plant located near Fort McMurray, Alberta, and a natural gas liquid (NGL)/olefin fractionation facility at Redwater, Alberta. In September 2016, these Canadian operations were sold.

Basis of Presentation

Significant risks and uncertainties

We may monetize assets that are not core to our strategy which could result in impairments of certain equity-method investments, property, plant, and equipment, and intangible assets. Such impairments could potentially be caused by indications of fair value implied through the monetization process or, in the case of asset dispositions that are part of a broader asset group, the impact of the loss of future estimated cash flows.

Accounting standards issued and adopted

Effective January 1, 2017, we adopted Accounting Standards Update (ASU) 2016-09 “Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting” (ASU 2016-09). Among other changes, ASU 2016-09 requires entities to classify as a financing activity, on the statement of cash flows, cash paid by an employer to a taxing authority when directly withholding shares from an employee’s award to satisfy the employer’s

statutory tax withholding obligation. This guidance must be applied retrospectively and we have adjusted operating and financing activities on the Consolidated Statement of Cash Flows for the periods presented.

Accounting standards issued but not yet adopted

In January 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2017-04 “Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment” (ASU 2017-04). ASU 2017-04 modifies the concept of goodwill impairment to represent the amount by which a reporting unit’s carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. Under ASU 2017-04, entities will no longer be required to determine the implied fair value of goodwill by assigning the fair value of a reporting unit to its individual assets and liabilities as if that reporting unit had been acquired in a business combination. ASU 2017-04 is effective for goodwill impairment testing for interim and annual periods beginning after December 15, 2019, and requires a prospective transition. Early adoption is permitted for interim and annual goodwill impairment tests performed after January 1, 2017, and we plan to adopt ASU 2017-04 in 2017. Our West reportable segment has \$47 million of goodwill included in *Intangible assets - net of accumulated amortization* in the Consolidated Balance Sheet.

In August 2016, the FASB issued ASU 2016-15 “Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments” (ASU 2016-15). ASU 2016-15 provides specific guidance on eight cash flow classification issues, including debt prepayment or debt extinguishment costs and distributions received from equity method investees, to reduce diversity in practice. ASU 2016-15 is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted. ASU 2016-15 requires a retrospective transition. We do not expect ASU 2016-15 to have a material impact on our consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13 “Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” (ASU 2016-13). ASU 2016-13 changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans, and other instruments, entities will be required to use a new forward-looking “expected loss” model that generally will result in the earlier recognition of allowances for losses. The guidance also requires increased disclosures. ASU 2016-13 is effective for interim and annual periods beginning after December 15, 2019. Early adoption is permitted. ASU 2016-13 requires varying transition methods for the different categories of amendments. Although we do not expect ASU 2016-13 to have a significant impact, it will impact our trade receivables as the related allowance for credit losses will be recognized earlier under the expected loss model.

In February 2016, the FASB issued ASU 2016-02 “Leases (Topic 842)” (ASU 2016-02). ASU 2016-02 establishes a comprehensive new lease accounting model. ASU 2016-02 clarifies the definition of a lease, requires a dual approach to lease classification similar to current lease classifications, and causes lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018. Early adoption is permitted. ASU 2016-02 requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements. We are in the process of reviewing contracts to identify leases, as well as evaluating the applicability of ASU 2016-02 to contracts involving easements/rights-of-way.

In May 2014, the FASB issued ASU 2014-09 establishing Accounting Standards Codification (ASC) Topic 606, “Revenue from Contracts with Customers” (ASC 606). ASC 606 establishes a comprehensive new revenue recognition model designed to depict the transfer of goods or services to a customer in an amount that reflects the consideration the entity expects to be entitled to receive in exchange for those goods or services and requires significantly enhanced revenue disclosures. In August 2015, the FASB issued ASU 2015-14 “Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date” (ASU 2015-14). Per ASU 2015-14, the standard is effective for interim and annual reporting periods beginning after December 15, 2017. ASC 606 allows

either full retrospective or modified retrospective transition and early adoption is permitted for annual periods beginning after December 15, 2016.

We continue to evaluate the impact ASC 606 may have on our financial statements. For each revenue contract type, we conducted a formal contract review process to evaluate the impact, if any, that ASC 606 may have. As a result of that process, we expect our revenues will increase associated with accounting for noncash consideration, which exists primarily in certain of our gas processing contracts where we receive commodities as full or partial consideration for services provided. We also expect the increase in revenues will be offset by a similar increase in costs when the commodities received are subsequently monetized. We continue to evaluate the application of accounting for noncash consideration as it relates to certain other contracts where we receive or retain commodities as part of the service arrangement. We also continue to evaluate contracts with a significant financing component, which may exist in situations where the timing of the consideration we receive varies significantly from the timing of when we provide the service. As such, we are unable to determine the potential impact upon the amount and timing of revenue recognition. We continue to develop and evaluate disclosures required under the new standard, with a particular focus on the scope of contracts subject to disclosure of remaining performance obligations. Additionally, we have identified possible financial system and internal control changes necessary for adoption. We currently anticipate utilizing a modified retrospective transition upon the adoption of ASC 606 as of January 1, 2018.

Public Unit Exchange

On May 12, 2015, we entered into an agreement for a unit-for-stock transaction whereby Williams would have acquired all of our publicly held outstanding common units in exchange for shares of Williams' common stock (WPZ Public Unit Exchange).

On September 28, 2015, we entered into a Termination Agreement and Release (Termination Agreement), terminating the WPZ Public Unit Exchange. Under the terms of the Termination Agreement, Williams was required to pay us a \$428 million termination fee, which settled through a reduction of quarterly incentive distributions payable to Williams (such reduction not to exceed \$209 million per quarter). Our November 2015, February 2016, and May 2016 distributions to Williams were reduced by \$209 million, \$209 million, and \$10 million, respectively, related to this termination fee.

Variable Interest Entities

**6 Months Ended
Jun. 30, 2017**

[Variable Interest Entity
Disclosures \[Abstract\]](#)

[Variable Interest Entities
\[Textblock\]](#)

Note 2 – Variable Interest Entities

As of June 30, 2017, we consolidate the following variable interest entities (VIEs):

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 which 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.

Constitution

We own a 41 percent interest in Constitution, a subsidiary that, due to shipper fixed-payment commitments under its long-term firm transportation contracts, is a VIE. We are the primary beneficiary because we have the power to direct the activities that most significantly impact Constitution's economic performance. We, as construction manager for Constitution, are responsible for constructing the proposed pipeline connecting our gathering system in Susquehanna County, Pennsylvania, to the Iroquois Gas Transmission and the Tennessee Gas Pipeline systems. The total remaining cost of the project is estimated to be approximately \$691 million, which we expect will be funded with capital contributions from us and the other equity partners on a proportional basis.

In December 2014, Constitution received approval from the Federal Energy Regulatory Commission (FERC) to construct and operate its proposed pipeline. However, in April 2016, the New York State Department of Environmental Conservation (NYSDEC) denied a necessary water quality certification for the New York portion of the pipeline. We remain steadfastly committed to the project, and in May 2016, Constitution appealed the NYSDEC's denial of the certification. We also filed an action in federal court seeking a declaration that the State of New York's authority to exercise permitting jurisdiction over certain other environmental matters is preempted by federal law, but that lawsuit was dismissed without prejudice as the court determined that Constitution had not yet suffered any injury in fact. The oral argument before the Second Circuit Court of Appeals regarding the NYSDEC's denial of Constitution's application for water quality certification under Section 401 of the Clean Water Act was held on November 16, 2016. We anticipate that the Second Circuit Court of Appeals' decision on our appeal will be issued soon. In light of the NYSDEC's denial of the water quality certification and the actions taken to challenge the decision, the anticipated target in-service date has been revised to as early as the first half of 2019, which assumes the timely receipt of a Notice to Proceed from the FERC. An unfavorable resolution could result in the impairment of a significant portion of the capitalized project costs, which total \$381 million on a consolidated basis at June 30, 2017, and are included within *Property, plant, and equipment, at cost* in the Consolidated Balance Sheet. Beginning in April 2016, we discontinued capitalization of development costs related to this project. It is also possible that we could incur certain supplier-related costs in the event of a prolonged delay or termination of the project.

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. We expect to fund future expansion activity with capital contributions from us and the other equity partner on a proportional basis.

Jackalope

We own a 50 percent interest in Jackalope Gas Gathering Services, L.L.C. (Jackalope), a subsidiary that provides gathering and processing services for the Powder River basin 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 Jackalope's economic performance. We expect to fund future expansion activity with capital contributions from us and the other equity partner on a proportional basis.

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

	June 30, 2017	December 31, 2016	Classification
(Millions)			
Assets (liabilities):			
Cash and cash equivalents	\$ 39	\$ 82	<i>Cash and cash equivalents</i>
Accounts receivable	89	91	<i>Trade accounts and other receivables</i>
Prepaid assets	2	3	<i>Other current assets and deferred charges</i>
Property, plant, and equipment – net	2,957	3,024	<i>Property, plant, and equipment – net</i>
Intangible assets – net	1,411	1,431	<i>Intangible assets – net of accumulated amortization</i>
Accounts payable	(18)	(44)	<i>Accounts payable – trade</i>
Accrued liabilities	(4)	(3)	<i>Other accrued liabilities</i>
Current deferred revenue	(59)	(63)	<i>Other accrued liabilities</i>
Noncurrent asset retirement obligations	(102)	(99)	<i>Asset retirement obligations</i>
Noncurrent deferred revenue associated with customer advance payments	(319)	(324)	<i>Regulatory liabilities, deferred income, and other</i>

Assets Held for Sale

**6 Months Ended
Jun. 30, 2017**

[Discontinued Operations and Disposal Groups](#)

[\[Abstract\]](#)

[Assets Held for Sale \[Table
Text Block\]](#)

Note 3 – Assets Held for Sale

On July 6, 2017, we completed the sale of Williams Olefins, L.L.C., a wholly owned subsidiary which owned our interest in the Geismar, Louisiana, olefins plant (Geismar Interest) for \$2.084 billion in cash, subject to a working capital adjustment. Upon closing of the sale, we entered into a long-term supply and transportation agreement with the purchaser to provide feedstock to the plant via our Bayou Ethane pipeline system. As a result of this sale, we expect to record a gain of approximately \$1.1 billion in the third quarter of 2017.

The assets and liabilities of the Geismar olefins plant are presented as held for sale within the NGL & Petchem Services segment as of June 30, 2017. The following table presents the carrying amounts of the major classes of assets and liabilities included as part of the Geismar disposal group, which are presented within *Assets held for sale* and *Liabilities held for sale* in the Consolidated Balance Sheet. Also included in *Assets held for sale* in the Consolidated Balance Sheet are \$4 million of assets held for sale within the West segment unrelated to the Geismar Interest and at December 31, 2016, were previously included in *Other current assets and deferred charges*.

	Carrying Amount
	June 30, 2017
	(Millions)
Assets:	
Current assets	\$ 72
Property, plant, and equipment – net	903
Other noncurrent assets	25
	<u>\$ 1,000</u>
Liabilities:	
Current liabilities	\$ 35
Noncurrent liabilities	1
	<u>\$ 36</u>

The following table presents the results of operations for the Geismar disposal group.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Millions)			
Income (loss) before income taxes of the disposal group	\$ 2	\$ 30	\$ 25	\$ 48

**Allocation of Net Income
(Loss) and Distributions**

**6 Months Ended
Jun. 30, 2017**

[Equity \[Abstract\]](#)

[Allocation of Net Income
\(Loss\) and Distributions](#)

Note 4 – Allocation of Net Income (Loss) and Distributions

The components of *Net income (loss)* within *Equity* are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
(Millions)				
Net income (loss) allocated to common limited partners' equity (1)	\$ 314	\$ (281)	\$ 937	\$ (238)
Net income (loss) allocated to Class B limited partners' equity	6	(8)	17	(7)
Net income (loss) allocated to general partner's equity (1) (2)	—	199	—	205
Net income (loss) attributable to noncontrolling interests	28	13	54	42
Net income (loss)	<u>\$ 348</u>	<u>\$ (77)</u>	<u>\$1,008</u>	<u>\$ 2</u>

- (1) *Net income (loss)* allocated to equity accounts above considers distributions paid to partners during the current reporting period, while *Net income (loss)* allocated within the Consolidated Statement of Comprehensive Income (Loss) considers distributions declared for the current reporting period, but paid in the subsequent period. The differences between *Net income (loss)* allocated to equity accounts and *Net income (loss)* allocated within the Consolidated Statement of Comprehensive Income (Loss) for the six months ended June 30, 2016, are primarily due to the timing of the waiver of IDRs associated with the Termination Agreement. (See Note 1 – General, Description of Business, and Basis of Presentation.)
- (2) As part of the first quarter 2017 Financial Repositioning (see Note 1 – General, Description of Business, and Basis of Presentation), our general partner interest in us was converted to a noneconomic interest and therefore no longer receives an allocation of net income.

Common Units

The Board of Directors of our general partner declared a cash distribution of \$0.60 per common unit on July 24, 2017, to be paid on August 11, 2017, to unitholders of record at the close of business on August 4, 2017.

Class B Units

The Class B units are not entitled to cash distributions. Instead, prior to conversion into common units, the Class B units receive quarterly distributions of additional paid-in-kind Class B units. Effective February 10, 2015, each Class B unit became convertible at the election of either us or the holders of such Class B unit into a common unit on a one-for-one basis. The Board of Directors of our general partner has authorized the issuance of 266,078 Class B units associated with the second-quarter distribution, to be issued on August 11, 2017.

Investing Activities

6 Months Ended
Jun. 30, 2017

[Equity Method Investments and Joint Ventures](#)

[\[Abstract\]](#)

[Investing Activities \[Text
Block\]](#)

Note 5 – Investing Activities

Acquisition of Additional Interests in Appalachia Midstream Investments

During the first quarter of 2017, we exchanged all of our 50 percent interest in DBJV for an increased interest in two natural gas gathering systems that are part of the Appalachia Midstream Investments and \$155 million in cash. This transaction was recorded based on our estimate of the fair value of the interests received as we have more insight to this value as we operate the underlying assets. Following this exchange, we have an approximate average 66 percent interest in the Appalachia Midstream Investments. We continue to account for this investment under the equity-method due to the significant participatory rights of our partners such that we do not exercise control. We also sold all of our interest in Ranch Westex JV LLC for \$45 million. These transactions resulted in a total gain of \$269 million reflected in *Other investing income (loss) – net* in the Consolidated Statement of Comprehensive Income (Loss).

The fair value of the increased interests in the Appalachia Midstream Investments received as consideration was estimated to be \$1.1 billion using an income approach based on expected cash flows and an appropriate discount rate (a Level 3 measurement within the fair value hierarchy). The determination of estimated future cash flows involved significant assumptions regarding gathering volumes, rates, and related capital spending. A 9.5 percent discount rate was utilized and reflected our estimate of the cost of capital as impacted by market conditions and risks associated with the underlying business.

Impairments

The six months ended June 30, 2016, includes other-than-temporary impairment charges of \$59 million and \$50 million related to certain equity-method investments in DBJV and Laurel Mountain, respectively (see Note 10 – Fair Value Measurements and Guarantees).

Summarized Results of Operations for Certain Equity-Method Investments

The table below presents aggregated selected income statement data for our investments in Discovery, Gulfstream, and Appalachia Midstream Investments, which were considered significant as of June 30, 2016, in accordance with Regulation S-X 4-08(g).

	Six Months Ended	
	June 30,	
	2017	2016
	(Millions)	
Gross revenue	\$ 502	\$ 422
Operating income	300	244
Net income	269	204

Other Income and Expenses

6 Months Ended
Jun. 30, 2017

[Other Income and Expenses](#)

[\[Abstract\]](#)

[Other income and expenses](#)

[\[Textblock\]](#)

Note 6 – Other Income and Expenses

The following table presents certain gains or losses reflected in *Other (income) expense – net* within *Costs and expenses* in our Consolidated Statement of Comprehensive Income (Loss):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
(Millions)				
Atlantic-Gulf				
Amortization of regulatory assets associated with asset retirement obligations	\$ 9	\$ 9	\$ 17	\$ 17
West				
Gains on contract settlements and terminations	(2)	—	(15)	—
NGL & Petchem Services				
Gain on sale of RGP Splitter	(12)	—	(12)	—
Net foreign currency exchange (gains) losses (1)	—	—	—	11

- (1) Primarily relates to gains and losses incurred on foreign currency transactions and the remeasurement of U.S. dollar denominated current assets and liabilities within our former Canadian operations.

Additional Items

Certain additional items included in the Consolidated Statement of Comprehensive Income (Loss) are as follows:

- *Service revenues* were reduced by \$15 million for the six months ended June 30, 2016, related to potential refunds associated with a ruling received in certain rate case litigation within the Atlantic-Gulf segment.
- *Selling, general, and administrative expenses* and *Operating and maintenance expenses* for the three and six months ended June 30, 2017 and 2016 includes severance and other related costs. The six months ended June 30, 2016, includes \$25 million in severance and other related costs associated with an approximate 10 percent reduction in workforce in the first quarter of 2016. The amounts by segment are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
(Millions)				
Northeast G&P	\$ —	\$ —	\$ —	\$ 3
Atlantic-Gulf	—	—	—	8
West	—	—	—	10
NGL & Petchem Services	—	—	—	4
Other	4	—	13	—

- *Other income (expense) – net below Operating income (loss)* includes \$19 million and \$37 million for the three and six months ended June 30, 2017, respectively, and \$13 million and \$29 million for the three and six months ended June 30, 2016, respectively, for allowance for equity funds used during construction within the Atlantic-Gulf segment.
- *Other income (expense) – net below Operating income (loss)* for the six months ended June 30, 2017, includes a net gain of \$30 million associated with the February 2017 early retirement of \$750 million of 6.125 percent senior unsecured notes that were due in 2022. (See Note 8 – Debt and Banking Arrangements.) The net gain within the Other segment reflects \$53 million of unamortized premium, partially offset by \$23 million in premiums paid.

**Provision (Benefit) for
Income Taxes**

**6 Months Ended
Jun. 30, 2017**

[Income Tax Disclosure](#)

[\[Abstract\]](#)

[Provision \(Benefit\) for Income
Taxes \[Text Block\]](#)

Note 7 – Provision (Benefit) for Income Taxes

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Millions)			
Current:				
State	\$ 1	\$ 1	\$ 5	\$ 1
Deferred:				
State	—	(6)	(1)	(4)
Foreign	—	(75)	—	(76)
	—	(81)	(1)	(80)
Provision (benefit) for income taxes	<u>\$ 1</u>	<u>\$ (80)</u>	<u>\$ 4</u>	<u>\$ (79)</u>

The effective income tax rates for the total provision for the three and six months ended June 30, 2017, are less than the federal statutory rate due to income not subject to U.S. federal tax, partially offset by the effect of Texas franchise tax.

The effective income tax rates for the three and six months ended June 30, 2016, are greater than the federal statutory rate due to the tax effect of a \$341 million impairment associated with our Canadian operations (see Note 10 – Fair Value Measurements and Guarantees) and Texas franchise tax, partially offset by income not subject to U.S. federal tax.

Note 8 – Debt and Banking Arrangements

Long-Term Debt

Issuances and retirements

On July 6, 2017, we repaid our \$850 million variable interest rate term loan that was due December 2018 using proceeds from the sale of our Geismar Interest. This term loan is classified as long-term in the accompanying Consolidated Balance Sheet.

On June 5, 2017, we issued \$1.45 billion of 3.75 percent senior unsecured notes due 2027. We used the proceeds for general partnership purposes, primarily the July 3, 2017 repayment of \$1.4 billion of 4.875 percent senior unsecured notes that were due in 2023. These senior notes are classified as current in the accompanying Consolidated Balance Sheet due to our intent to repay the notes with current assets.

On April 3, 2017, Northwest Pipeline issued \$250 million of 4.0 percent senior unsecured notes due 2027 to investors in a private debt placement. Northwest Pipeline used the net proceeds to retire \$185 million of 5.95 percent senior unsecured notes that matured on April 15, 2017, and for general corporate purposes. As part of the issuance, Northwest Pipeline entered into a registration rights agreement with the initial purchasers of the unsecured notes. Northwest Pipeline is obligated to file and consummate a registration statement for an offer to exchange the notes for a new issue of substantially identical notes registered under the Securities Act of 1933, as amended, within 365 days from closing and to use commercially reasonable efforts to complete the exchange offer. Northwest Pipeline is required to provide a shelf registration statement to cover resales of the notes under certain circumstances. If Northwest Pipeline fails to fulfill these obligations, additional interest will accrue on the affected securities. The rate of additional interest will be 0.25 percent per annum on the principal amount of the affected securities for the first 90-day period immediately following the occurrence of a registration default, increasing by an additional 0.25 percent per annum with respect to each subsequent 90-day period thereafter, up to a maximum amount for all such registration defaults of 0.5 percent annually. Following the cure of any registration defaults, the accrual of additional interest will cease.

On February 23, 2017, using proceeds received from the Financial Repositioning (see Note 1 – General, Description of Business, and Basis of Presentation), we early retired \$750 million of 6.125 percent senior unsecured notes that were due in 2022.

We retired \$600 million of 7.25 percent senior unsecured notes that matured on February 1, 2017.

Commercial Paper Program

As of June 30, 2017, no *Commercial paper* was outstanding under our \$3 billion commercial paper program.

Credit Facilities

	June 30, 2017	
	Stated Capacity	Outstanding
	(Millions)	
Long-term credit facility (1)	\$ 3,500	\$ —
Letters of credit under certain bilateral bank agreements		1

(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.

Partners' Capital

**6 Months Ended
Jun. 30, 2017**

[Partners' Capital \[Abstract\]](#)

[Partners' Capital](#)

Note 9 – Partners' Capital

Financial Repositioning

See Note 1 – General, Description of Business, and Basis of Presentation for information regarding units that were issued during the first quarter of 2017 related to the Financial Repositioning.

Distribution Reinvestment Program

The May 2017 distribution resulted in 311,279 common units issued to the public at a discounted average price of \$39.69 per unit associated with the reinvested distributions of \$12 million.

The February 2017 distribution resulted in 395,395 common units issued to the public at a discounted average price of \$39.76 per unit associated with the reinvested distributions of \$16 million.

**Fair Value Measurements
and Guarantees**

**6 Months Ended
Jun. 30, 2017**

[Fair Value Disclosures](#)

[\[Abstract\]](#)

[Fair Value Measurements and
Guarantees \[Text Block\]](#)

Note 10 – Fair Value Measurements and Guarantees

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

	<u>Fair Value Measurements Using</u>				
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
(Millions)					
Assets (liabilities) at June 30, 2017:					
Measured on a recurring basis:					
ARO Trust investments	\$ 119	\$ 119	\$ 119	\$ —	\$ —
Energy derivatives assets designated as hedging instruments	5	5	5	—	—
Energy derivatives assets not designated as hedging instruments	3	3	2	—	1
Energy derivatives liabilities designated as hedging instruments	(1)	(1)	—	(1)	—
Energy derivatives liabilities not designated as hedging instruments	(6)	(6)	(2)	—	(4)
Additional disclosures:					
Other receivables	6	6	6	—	—
Long-term debt, including current portion	(18,565)	(19,700)	—	(19,700)	—
Assets (liabilities) at December 31, 2016:					
Measured on a recurring basis:					
ARO Trust investments	\$ 96	\$ 96	\$ 96	\$ —	\$ —
Energy derivatives assets designated as hedging instruments	2	2	—	2	—
Energy derivatives assets not designated as hedging instruments	1	1	—	—	1
Energy derivatives liabilities not designated as hedging instruments	(6)	(6)	—	—	(6)

Additional disclosures:

Other receivables	15	15	15	—	—
Long-term debt, including current portion	(18,470)	(18,907)	—	(18,907)	—

Fair Value Methods

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

Assets and liabilities 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, is classified as available-for-sale, and is reported in *Regulatory assets, deferred charges, and other* in the Consolidated Balance Sheet. Both realized and unrealized gains and losses are ultimately recorded as regulatory assets or liabilities.

Energy derivatives: Energy derivatives include commodity based exchange-traded contracts and over-the-counter contracts, which consist of physical forwards, futures, and swaps that are measured at fair value on a recurring basis. The fair value amounts are presented on a gross basis and do not reflect the netting of asset and liability positions permitted under the terms of our master netting arrangements. Further, the amounts do not include cash held on deposit in margin accounts that we have received or remitted to collateralize certain derivative positions. Energy derivatives assets are reported in *Other current assets and deferred charges* and *Regulatory assets, deferred charges, and other* in the Consolidated Balance Sheet. Energy derivatives liabilities are reported in *Other accrued liabilities* and *Regulatory liabilities, deferred income, and other* in the Consolidated Balance Sheet.

Reclassifications of fair value between Level 1, Level 2, and Level 3 of the fair value hierarchy, if applicable, are made at the end of each quarter. No transfers between Level 1 and Level 2 occurred during the six months ended June 30, 2017 or 2016.

Additional fair value disclosures

Other receivables: Other receivables consist of margin deposits, which are reported in *Other current assets and deferred charges* in the Consolidated Balance Sheet. The disclosed fair value of our margin deposits is considered to approximate the carrying value generally due to the short-term nature of these items.

Long-term debt, including current portion: The disclosed fair value of our long-term debt is determined 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.

Nonrecurring fair value measurements

The following table presents impairments of assets and investments associated with certain nonrecurring fair value measurements within Level 3 of the fair value hierarchy.

Classification	Segment	Date of Measurement	Fair Value	Impairments	
				2017	2016
				Six Months Ended June 30,	
				(Millions)	

Canadian operations (1)	<i>Assets held for sale</i>	NGL & Petchem Services	June 30, 2016	\$ 924	\$ 341
Certain gathering operations (2)	<i>Property, plant, and equipment – net</i>	West	June 30, 2016	18	48
Level 3 fair value measurements of certain assets					389
Other impairments and write-downs (3)				\$ 3	13
Impairment of certain assets				\$ 3	\$ 402

Equity-method investments (4)	<i>Investments</i>	West and Northeast G&P	March 31, 2016	\$ 1,294	\$ 109
Other equity-method investment	<i>Investments</i>	West	March 31, 2016	—	3
Impairment of equity-method investments					\$ 112

- (1) Relates to our Canadian operations. We designated these operations as held for sale as of June 30, 2016. As a result, we measured the fair value of the disposal group, resulting in an impairment charge. The estimated fair value was determined by a market approach based primarily on inputs received in the marketing process and reflected our estimate of the potential assumed proceeds. We disposed of our Canadian operations through a sale during the third quarter of 2016.
- (2) Relates to certain gathering assets within the Mid-Continent region. The estimated fair value was determined by a market approach based on our analysis of observable inputs in the principal market.
- (3) Reflects multiple individually insignificant impairments and write-downs of other certain assets that may no longer be in use or are surplus in nature for which the fair value was determined to be zero or an insignificant salvage value.
- (4) Relates to West's previously owned interest in DBJV and Northeast G&P's current equity-method investment in Laurel Mountain. Our carrying values in these equity-method investments had been written down to fair value at December 31, 2015. Our first-quarter 2016 analysis reflected higher discount rates for both of these equity-method investments, along with lower natural gas prices for Laurel Mountain. We estimated the fair value of these equity-method investments using an income approach based on expected future cash flows and appropriate discount rates. The determination of estimated future cash flows involved significant assumptions regarding gathering volumes and related capital spending. Discount rates utilized ranged from 13.0 percent to 13.3 percent and reflected increases in our estimated cost of capital, revised estimates of expected future cash flows, and risks associated with the underlying businesses.

Guarantees

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.

Contingent Liabilities

6 Months Ended
Jun. 30, 2017

[Commitments and Contingencies Disclosure](#)

[\[Abstract\]](#)

[Contingent Liabilities](#)

Note 11 – Contingent Liabilities

Environmental Matters

We are a participant in certain environmental activities in various stages including assessment studies, cleanup operations, and 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), and 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 June 30, 2017, we have accrued liabilities totaling \$16 million for these matters, as discussed below. Our accrual reflects the most likely costs of cleanup, which are generally based on completed assessment studies, preliminary results of studies, or our experience with other similar cleanup operations. Certain assessment studies are still in process for which the ultimate outcome may yield significantly different estimates of most likely costs. Any incremental amount in excess of amounts currently accrued cannot be reasonably estimated at this time due to uncertainty about the actual number of contaminated sites ultimately identified, the actual amount and extent of contamination discovered, and the final cleanup standards mandated by the EPA and other governmental authorities.

The EPA and various state regulatory agencies routinely promulgate and propose new rules, and issue updated guidance to existing rules. More recent rules and rulemakings include, but are not limited to, rules for reciprocating internal combustion engine maximum achievable control technology, new air quality standards for one hour nitrogen dioxide emissions, and volatile organic compound and methane new source performance standards impacting design and operation of storage vessels, pressure valves, and compressors. On October 1, 2015, the EPA issued its new rule regarding National Ambient Air Quality Standards for ground-level ozone, setting a new standard of 70 parts per billion. We are monitoring the rule's implementation and evaluating potential impacts to our operations. For these and other new regulations, we are unable to estimate the costs of asset additions or modifications necessary to comply due to uncertainty created by the various legal challenges to these regulations and the need for further specific regulatory guidance.

Our interstate gas pipelines are involved in remediation 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 June 30, 2017, we have accrued liabilities of \$8 million for these costs. We expect that these costs will be recoverable through rates.

We also accrue environmental remediation costs for natural gas underground storage facilities, primarily related to soil and groundwater contamination. At June 30, 2017, we have accrued liabilities totaling \$8 million for these costs.

Geismar Incident

On June 13, 2013, an explosion and fire occurred at our Geismar olefins plant and rendered the facility temporarily inoperable (Geismar Incident). As a result, there were two fatalities and numerous individuals (including employees and contractors) reported injuries. We are addressing the following contingent liabilities in connection with the Geismar Incident.

On October 21, 2013, the EPA issued an Inspection Report pursuant to the Clean Air Act's Risk Management Program following its inspection of the facility on June 24 through June 28, 2013. The report notes the EPA's preliminary determinations about the facility's documentation regarding process safety, process hazard analysis, as well as operating procedures, employee training, and other matters. On June 16, 2014, we received a request for information related to the Geismar Incident from the EPA under Section 114 of the Clean Air Act to which we responded on August 13, 2014. The EPA could issue penalties pertaining to final determinations. Multiple lawsuits, including class actions for alleged offsite impacts, property damage, customer claims, and personal injury, have been filed against us. The first two trials, for nine plaintiffs claiming personal injury, were held in Louisiana state court in Iberville Parish, Louisiana in September and November 2016. The juries returned adverse verdicts against Williams, our subsidiary Williams Olefins, LLC, and other defendants. To date, we have settled those cases as well as settled or agreed in principle to settle numerous other personal injury claims, and such aggregate amount greater than our \$2 million retention (deductible) value has been or will be recovered from our insurers. We believe these settlements to date substantially resolve any material exposure to such claims arising from the Geismar Incident. We believe that any additional losses arising from our alleged liability will be immaterial to our expected future annual results of operations, liquidity, and financial position and will be substantially covered by our general liability insurance policy, which has an aggregate limit of \$610 million applicable to this event.

Royalty Matters

Certain of our customers, including one major customer, 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 and Oklahoma based on allegations that we improperly participated with that major customer in causing the alleged royalty underpayments. We believe that the claims asserted are subject to indemnity obligations owed to us by that major customer. Due to the preliminary status of the cases, we are unable to estimate a range of potential loss at this time.

Unitholder Litigation

On March 7, 2016, a purported unitholder of us filed a putative class action on behalf of certain purchasers of our units in U.S. District Court in Oklahoma. The action names as defendants, us, Williams, Williams Partners GP LLC, Alan S. Armstrong, and Donald R. Chappel and alleges violations of certain federal securities laws for failure to disclose Energy Transfer Equity, L.P.'s intention to pursue a purchase of Williams conditioned on Williams not closing the WPZ Public Unit Exchange when announcing the WPZ Public Unit Exchange. The complaint seeks, among other things, damages and an award of costs and attorneys' fees. The plaintiff filed an amended complaint on August 31, 2016. On October 17, 2016, we requested the court dismiss the action, and on March 8, 2017, the court dismissed the complaint with prejudice. On April 7, 2017, the plaintiff filed a notice of appeal. We cannot reasonably estimate a range of potential loss at this time.

Other

In addition to the foregoing, various other proceedings are pending against us which are incidental to our operations.

Summary

We have disclosed 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.

Segment Disclosures

6 Months Ended
Jun. 30, 2017

[Segment Reporting](#)

[\[Abstract\]](#)

[Segment Disclosures \[Text Block\]](#)

Note 12 – Segment Disclosures

Our reportable segments are Northeast G&P, Atlantic-Gulf, West, and NGL & Petchem Services. (See Note 1 – General, Description of Business, and Basis of Presentation.) Certain other corporate activities are included in Other.

Performance Measurement

We evaluate segment operating performance based upon *Modified EBITDA* (earnings before interest, taxes, depreciation, and amortization). 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 revenues primarily represent the sale of NGLs from our natural gas processing plants to our marketing business.

We define *Modified EBITDA* as follows:

- Net income (loss) before:
 - Provision (benefit) for income taxes;
 - Interest incurred, net of interest capitalized;
 - Equity earnings (losses);
 - Impairment of equity-method investments;
 - Other investing income (loss) – net;
 - Impairment of goodwill;
 - 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.

The following table reflects the reconciliation of *Segment revenues* to *Total revenues* as reported in the Consolidated Statement of Comprehensive Income (Loss).

	Northeast G&P	Atlantic- Gulf	West	NGL & Petchem Services	Eliminations	Total
	(Millions)					
Three Months Ended June 30, 2017						
Segment revenues:						
Service revenues						
External	\$ 206	\$ 540	\$ 527	\$ 4	\$ —	\$ 1,277
Internal	11	7	—	—	(18)	—
Total service revenues	217	547	527	4	(18)	1,277
Product sales						

External	43	75	369	155	—	642
Internal	9	50	66	2	(127)	—
Total product sales	52	125	435	157	(127)	642
Total revenues	\$ 269	\$ 672	\$ 962	\$ 161	\$ (145)	\$ 1,919

Three Months Ended June 30, 2016

Segment revenues:

Service revenues						
External	\$ 207	\$ 452	\$ 528	\$ 23	\$ —	\$ 1,210
Internal	9	6	—	—	(15)	—
Total service revenues	216	458	528	23	(15)	1,210
Product sales						
External	28	63	272	167	—	530
Internal	6	42	34	6	(88)	—
Total product sales	34	105	306	173	(88)	530
Total revenues	\$ 250	\$ 563	\$ 834	\$ 196	\$ (103)	\$ 1,740

Six Months Ended June 30, 2017

Segment revenues:

Service revenues						
External	\$ 414	\$ 1,067	\$ 1,045	\$ 7	\$ —	\$ 2,533
Internal	20	16	—	—	(36)	—
Total service revenues	434	1,083	1,045	7	(36)	2,533
Product sales						
External	103	144	774	348	—	1,369
Internal	17	115	117	8	(257)	—
Total product sales	120	259	891	356	(257)	1,369
Total revenues	\$ 554	\$ 1,342	\$ 1,936	\$ 363	\$ (293)	\$ 3,902

Six Months Ended June 30, 2016

Segment revenues:

Service revenues						
External	\$ 423	\$ 923	\$ 1,059	\$ 31	\$ —	\$ 2,436
Internal	12	13	—	—	(25)	—
Total service revenues	435	936	1,059	31	(25)	2,436
Product sales						
External	46	99	483	330	—	958
Internal	11	75	65	11	(162)	—
Total product sales	57	174	548	341	(162)	958
Total revenues	\$ 492	\$ 1,110	\$ 1,607	\$ 372	\$ (187)	\$ 3,394

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

Three Months Ended June 30,		Six Months Ended June 30,	
2017	2016	2017	2016
(Millions)			

Modified EBITDA by segment:

Northeast G&P	\$ 247	\$ 222	\$ 473	\$ 442
Atlantic-Gulf	454	360	904	742
West	356	312	741	639
NGL & Petchem Services	30	(290)	81	(264)
Other	(11)	—	9	—
	<u>1,076</u>	<u>604</u>	<u>2,208</u>	<u>1,559</u>
Accretion expense associated with asset retirement obligations for nonregulated operations	(11)	(9)	(17)	(16)
Depreciation and amortization expenses	(423)	(432)	(856)	(867)
Equity earnings (losses)	125	101	232	198
Impairment of equity-method investments	—	—	—	(112)
Other investing income (loss) – net	2	1	273	1
Proportional Modified EBITDA of equity-method investments	(215)	(191)	(409)	(380)
Interest expense	(205)	(231)	(419)	(460)
(Provision) benefit for income taxes	(1)	80	(4)	79
Net income (loss)	<u>\$ 348</u>	<u>\$ (77)</u>	<u>\$ 1,008</u>	<u>\$ 2</u>

The following table reflects *Total assets* by reportable segment.

	Total Assets	
	June 30, 2017	December 31, 2016
	(Millions)	
Northeast G&P	\$ 14,429	\$ 13,436
Atlantic-Gulf	14,532	14,176
West	17,062	18,479
NGL & Petchem Services	1,020	1,112
Other	1,787	161
Eliminations (1)	(612)	(1,099)
Total	<u>\$ 48,218</u>	<u>\$ 46,265</u>

(1) Eliminations primarily relate to the intercompany accounts and notes receivable generated by our cash management program.

**Variable Interest Entities
(Tables)**

**6 Months Ended
Jun. 30, 2017**

[Variable Interest Entity
Disclosures \[Abstract\]
Schedule of Variable Interest
Entities \[Table Text Block\]](#)

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

	June 30, 2017	December 31, 2016	Classification
(Millions)			
Assets (liabilities):			
Cash and cash equivalents	\$ 39	\$ 82	<i>Cash and cash equivalents</i>
Accounts receivable	89	91	<i>Trade accounts and other receivables</i>
Prepaid assets	2	3	<i>Other current assets and deferred charges</i>
Property, plant, and equipment – net	2,957	3,024	<i>Property, plant, and equipment – net</i>
Intangible assets – net	1,411	1,431	<i>Intangible assets – net of accumulated amortization</i>
Accounts payable	(18)	(44)	<i>Accounts payable – trade</i>
Accrued liabilities	(4)	(3)	<i>Other accrued liabilities</i>
Current deferred revenue	(59)	(63)	<i>Other accrued liabilities</i>
Noncurrent asset retirement obligations	(102)	(99)	<i>Asset retirement obligations</i>
Noncurrent deferred revenue associated with customer advance payments	(319)	(324)	<i>Regulatory liabilities, deferred income, and other</i>

Assets Held for Sale (Tables)

**6 Months Ended
Jun. 30, 2017**

[Discontinued Operations and Disposal Groups](#)

[\[Abstract\]](#)

[Schedule of Disposal Groups](#)

[Income Statement Disclosures](#)

[\[Table Text Block\]](#)

The assets and liabilities of the Geismar olefins plant are presented as held for sale within the NGL & Petchem Services segment as of June 30, 2017. The following table presents the carrying amounts of the major classes of assets and liabilities included as part of the Geismar disposal group, which are presented within *Assets held for sale* and *Liabilities held for sale* in the Consolidated Balance Sheet. Also included in *Assets held for sale* in the Consolidated Balance Sheet are \$4 million of assets held for sale within the West segment unrelated to the Geismar Interest and at December 31, 2016, were previously included in *Other current assets and deferred charges*.

	Carrying Amount June 30, 2017 (Millions)
Assets:	
Current assets	\$ 72
Property, plant, and equipment – net	903
Other noncurrent assets	25
	<u>\$ 1,000</u>
Liabilities:	
Current liabilities	\$ 35
Noncurrent liabilities	1
	<u>\$ 36</u>

[Results of Operations of
Disposal Group \[Table Text
Block\]](#)

The following table presents the results of operations for the Geismar disposal group.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Millions)			
Income (loss) before income taxes of the disposal group	\$ 2	\$ 30	\$ 25	\$ 48

**Allocation of Net Income
(Loss) and Distributions
(Tables)**

**6 Months Ended
Jun. 30, 2017**

Equity [Abstract]

**Allocation of net income (loss)
among our general partner,
limited partners, and
noncontrolling interests**

The components of *Net income (loss)* within *Equity* are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Millions)			
Net income (loss) allocated to common limited partners' equity (1)	\$ 314	\$ (281)	\$ 937	\$ (238)
Net income (loss) allocated to Class B limited partners' equity	6	(8)	17	(7)
Net income (loss) allocated to general partner's equity (1) (2)	—	199	—	205
Net income (loss) attributable to noncontrolling interests	28	13	54	42
Net income (loss)	<u>\$ 348</u>	<u>\$ (77)</u>	<u>\$1,008</u>	<u>\$ 2</u>

- _____
- (1) *Net income (loss)* allocated to equity accounts above considers distributions paid to partners during the current reporting period, while *Net income (loss)* allocated within the Consolidated Statement of Comprehensive Income (Loss) considers distributions declared for the current reporting period, but paid in the subsequent period. The differences between *Net income (loss)* allocated to equity accounts and *Net income (loss)* allocated within the Consolidated Statement of Comprehensive Income (Loss) for the six months ended June 30, 2016, are primarily due to the timing of the waiver of IDRs associated with the Termination Agreement. (See Note 1 – General, Description of Business, and Basis of Presentation.)
 - (2) As part of the first quarter 2017 Financial Repositioning (see Note 1 – General, Description of Business, and Basis of Presentation), our general partner interest in us was converted to a noneconomic interest and therefore no longer receives an allocation of net income.

Investing Activities (Tables)

**6 Months Ended
Jun. 30, 2017**

[Equity Method Investments and
Joint Ventures \[Abstract\]](#)

[Equity Method Investment
Summarized Financial Position And
Results Of Operations \[Table Text
Block\]](#)

The table below presents aggregated selected income statement data for our investments in Discovery, Gulfstream, and Appalachia Midstream Investments, which were considered significant as of June 30, 2016, in accordance with Regulation S-X 4-08(g).

	Six Months Ended	
	June 30,	
	2017	2016
	(Millions)	
Gross revenue	\$ 502	\$ 422
Operating income	300	244
Net income	269	204

**Other Income and Expenses
(Tables)**

**6 Months Ended
Jun. 30, 2017**

[Other Income and Expenses](#)

[\[Abstract\]](#)

[Other Income and Expenses](#)

[\[Table Text Block\]](#)

The following table presents certain gains or losses reflected in *Other (income) expense – net* within *Costs and expenses* in our Consolidated Statement of Comprehensive Income (Loss):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
(Millions)				
Atlantic-Gulf				
Amortization of regulatory assets associated with asset retirement obligations	\$ 9	\$ 9	\$ 17	\$ 17
West				
Gains on contract settlements and terminations	(2)	—	(15)	—
NGL & Petchem Services				
Gain on sale of RGP Splitter	(12)	—	(12)	—
Net foreign currency exchange (gains) losses (1)	—	—	—	11

- (1) Primarily relates to gains and losses incurred on foreign currency transactions and the remeasurement of U.S. dollar denominated current assets and liabilities within our former Canadian operations.

[Severance and Other Related Costs](#) [\[Table Text Block\]](#)

The amounts by segment are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
(Millions)				
Northeast G&P	\$ —	\$ —	\$ —	\$ 3
Atlantic-Gulf	—	—	—	8
West	—	—	—	10
NGL & Petchem Services	—	—	—	4
Other	4	—	13	—

**Provision (Benefit) for
Income Taxes (Tables)**

**6 Months Ended
Jun. 30, 2017**

[Income Tax Disclosure \[Abstract\]](#)

[Provision \(benefit\) for income taxes \[Table Text Block\]](#)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
(Millions)				
Current:				
State	\$ 1	\$ 1	\$ 5	\$ 1
Deferred:				
State	—	(6)	(1)	(4)
Foreign	—	(75)	—	(76)
	—	(81)	(1)	(80)
Provision (benefit) for income taxes	\$ 1	\$ (80)	\$ 4	\$ (79)

**Debt and Banking
Arrangements (Tables)**

**6 Months Ended
Jun. 30, 2017**

[Debt Disclosure \[Abstract\]](#)
[Schedule of Line of Credit
Facilities \[Table Text Block\]](#)

Credit Facilities

	June 30, 2017	
	Stated Capacity	Outstanding
	(Millions)	
Long-term credit facility (1)	\$ 3,500	\$ —
Letters of credit under certain bilateral bank agreements		1

(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.

**Fair Value Measurements
and Guarantees (Tables)**

**6 Months Ended
Jun. 30, 2017**

[Fair Value Disclosures](#)

[\[Abstract\]](#)

[Schedule of Fair Value, Assets
and Liabilities Measured on
Recurring Basis \[Table Text
Block\]](#)

The following table presents, by level within the fair value hierarchy, certain of our financial assets and liabilities. The carrying values of cash and cash equivalents, accounts receivable, commercial paper, and accounts payable 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 June 30, 2017:					
Measured on a recurring basis:					
ARO Trust investments	\$ 119	\$ 119	\$ 119	\$ —	\$ —
Energy derivatives assets designated as hedging instruments	5	5	5	—	—
Energy derivatives assets not designated as hedging instruments	3	3	2	—	1
Energy derivatives liabilities designated as hedging instruments	(1)	(1)	—	(1)	—
Energy derivatives liabilities not designated as hedging instruments	(6)	(6)	(2)	—	(4)
Additional disclosures:					
Other receivables	6	6	6	—	—
Long-term debt, including current portion	(18,565)	(19,700)	—	(19,700)	—
Assets (liabilities) at December 31, 2016:					
Measured on a recurring basis:					
ARO Trust investments	\$ 96	\$ 96	\$ 96	\$ —	\$ —
Energy derivatives assets designated as hedging instruments	2	2	—	2	—
Energy derivatives assets not designated as hedging instruments	1	1	—	—	1
Energy derivatives liabilities not designated as hedging instruments	(6)	(6)	—	—	(6)
Additional disclosures:					

Other receivables	15	15	15	—	—
Long-term debt, including current portion	(18,470)	(18,907)	—	(18,907)	—

[Fair Value Measurements, Nonrecurring \[Table Text Block\]](#)

Nonrecurring fair value measurements

The following table presents impairments of assets and investments associated with certain nonrecurring fair value measurements within Level 3 of the fair value hierarchy.

	Classification	Segment	Date of Measurement	Fair Value	Impairments		
					2017	2016	
(Millions)							
Canadian operations (1)	<i>Assets held for sale</i>	NGL & Petchem Services	June 30, 2016	\$ 924		\$ 341	
Certain gathering operations (2)	<i>Property, plant, and equipment – net</i>	West	June 30, 2016	18		48	
Level 3 fair value measurements of certain assets						389	
Other impairments and write-downs (3)						\$ 3	13
Impairment of certain assets						\$ 3	\$ 402
Equity-method investments (4)	<i>Investments</i>	West and Northeast G&P	March 31, 2016	\$ 1,294		\$ 109	
Other equity-method investment	<i>Investments</i>	West	March 31, 2016	—		3	
Impairment of equity-method investments						\$ 112	

(1) Relates to our Canadian operations. We designated these operations as held for sale as of June 30, 2016. As a result, we measured the fair value of the disposal group, resulting in an impairment charge. The estimated fair value was determined by a market approach based primarily on inputs received in the marketing process and reflected our estimate of the potential assumed proceeds. We disposed of our Canadian operations through a sale during the third quarter of 2016.

(2) Relates to certain gathering assets within the Mid-Continent region. The estimated fair value was determined by a market approach based on our analysis of observable inputs in the principal market.

(3) Reflects multiple individually insignificant impairments and write-downs of other certain assets that may no longer be in use or are surplus in nature for which the fair value was determined to be zero or an insignificant salvage value.

(4) Relates to West's previously owned interest in DBJV and Northeast G&P's current equity-method investment in Laurel Mountain. Our carrying values in these equity-method investments had been written down to fair value at December 31, 2015. Our first-quarter 2016 analysis reflected higher discount rates for both of these equity-method investments,

along with lower natural gas prices for Laurel Mountain. We estimated the fair value of these equity-method investments using an income approach based on expected future cash flows and appropriate discount rates. The determination of estimated future cash flows involved significant assumptions regarding gathering volumes and related capital spending. Discount rates utilized ranged from 13.0 percent to 13.3 percent and reflected increases in our estimated cost of capital, revised estimates of expected future cash flows, and risks associated with the underlying businesses.

Segment Disclosures (Tables)

**6 Months Ended
Jun. 30, 2017**

[Segment Reporting \[Abstract\]](#)
[Reconciliation of revenues from segment to consolidated \[Table Text Block\]](#)

The following table reflects the reconciliation of *Segment revenues* to *Total revenues* as reported in the Consolidated Statement of Comprehensive Income (Loss).

	Northeast G&P	Atlantic- Gulf	West	NGL & Petchem Services	Eliminations	Total
(Millions)						
Three Months Ended June 30, 2017						
Segment revenues:						
Service revenues						
External	\$ 206	\$ 540	\$ 527	\$ 4	\$ —	\$1,277
Internal	11	7	—	—	(18)	—
Total service revenues	217	547	527	4	(18)	1,277
Product sales						
External	43	75	369	155	—	642
Internal	9	50	66	2	(127)	—
Total product sales	52	125	435	157	(127)	642
Total revenues	\$ 269	\$ 672	\$ 962	\$ 161	\$ (145)	\$1,919
Three Months Ended June 30, 2016						
Segment revenues:						
Service revenues						
External	\$ 207	\$ 452	\$ 528	\$ 23	\$ —	\$1,210
Internal	9	6	—	—	(15)	—
Total service revenues	216	458	528	23	(15)	1,210
Product sales						
External	28	63	272	167	—	530
Internal	6	42	34	6	(88)	—
Total product sales	34	105	306	173	(88)	530
Total revenues	\$ 250	\$ 563	\$ 834	\$ 196	\$ (103)	\$1,740
Six Months Ended June 30, 2017						
Segment revenues:						
Service revenues						
External	\$ 414	\$ 1,067	\$1,045	\$ 7	\$ —	\$2,533
Internal	20	16	—	—	(36)	—
Total service revenues	434	1,083	1,045	7	(36)	2,533
Product sales						
External	103	144	774	348	—	1,369
Internal	17	115	117	8	(257)	—
Total product sales	120	259	891	356	(257)	1,369
Total revenues	\$ 554	\$ 1,342	\$1,936	\$ 363	\$ (293)	\$3,902
Six Months Ended June 30, 2016						
Segment revenues:						

Service revenues										
External	\$	423	\$	923	\$1,059	\$	31	\$	—	\$2,436
Internal		12		13	—		—		(25)	—
Total service revenues		435		936	1,059		31		(25)	2,436
Product sales										
External		46		99	483		330		—	958
Internal		11		75	65		11		(162)	—
Total product sales		57		174	548		341		(162)	958
Total revenues	\$	492	\$	1,110	\$1,607	\$	372	\$	(187)	\$3,394

[Reconciliation of Modified EBITDA to Net Income \(Loss\) \[Table Text Block\]](#)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
(Millions)				
Modified EBITDA by segment:				
Northeast G&P	\$ 247	\$ 222	\$ 473	\$ 442
Atlantic-Gulf	454	360	904	742
West	356	312	741	639
NGL & Petchem Services	30	(290)	81	(264)
Other	(11)	—	9	—
	1,076	604	2,208	1,559
Accretion expense associated with asset retirement obligations for nonregulated operations	(11)	(9)	(17)	(16)
Depreciation and amortization expenses	(423)	(432)	(856)	(867)
Equity earnings (losses)	125	101	232	198
Impairment of equity-method investments	—	—	—	(112)
Other investing income (loss) – net	2	1	273	1
Proportional Modified EBITDA of equity-method investments	(215)	(191)	(409)	(380)
Interest expense	(205)	(231)	(419)	(460)
(Provision) benefit for income taxes	(1)	80	(4)	79
Net income (loss)	\$ 348	\$ (77)	\$1,008	\$ 2

[Reconciliation of Assets from Segment to Consolidated \[Table Text Block\]](#)

The following table reflects *Total assets* by reportable segment.

	Total Assets	
	June 30, 2017	December 31, 2016
(Millions)		
Northeast G&P	\$ 14,429	\$ 13,436
Atlantic-Gulf	14,532	14,176
West	17,062	18,479
NGL & Petchem Services	1,020	1,112
Other	1,787	161

Eliminations (1)	(612)	(1,099)
Total	<u>\$ 48,218</u>	<u>\$ 46,265</u>

(1) Eliminations primarily relate to the intercompany accounts and notes receivable generated by our cash management program.

General, Description of Business, and Basis of Presentation (Details) - USD (\$) \$ / shares in Units, shares in Thousands, \$ in Millions	1 Months Ended				6 Months Ended						
	Jan. 09, 2017	Sep. 28, 2015	Feb. 03, 2017	Jan. 31, 2017	May 31, 2016	Feb. 29, 2016	Nov. 30, 2015	Jun. 30, 2017	Jun. 30, 2016	May 31, 2017	Dec. 31, 2016
<u>Subsidiary of Limited Liability Company or Limited Partnership [Line Items]</u> <u>Proceeds from sales of common units</u>								\$ 2,184	\$ 0		
<u>Shares Issued, Price Per Share</u>										\$	39.69
<u>WPZ Merger Public Unit Exchange [Member]</u> <u>Subsidiary of Limited Liability Company or Limited Partnership [Line Items]</u> <u>Termination Fee</u>		\$ 428									
<u>Maximum Reduction Of Quarterly Incentive Distributions</u>		\$ 209									
<u>Reduction in incentive distribution rights payment</u>				\$ 10	\$ 209	\$ 209					
<u>Financial Repositioning [Member] The Williams Companies, Inc. [Member]</u> <u>Subsidiary of Limited Liability Company or Limited Partnership [Line Items]</u> <u>Parent, general partner ownership percentage</u>				2.00%							
<u>Partners' Capital Account, Units, Sale of Units</u>	277			289,000							
<u>Proceeds from sales of common units</u>	\$ 10							\$ 56			
<u>Partners' Capital Account, Units, Sold in Private Placement</u>			59,000								
<u>Shares Issued, Price Per Share</u>			\$	36.08586							
<u>Parent, limited partner ownership percentage</u>								74.00%			
<u>Delaware Basin Gas Gathering System [Member]</u> <u>Schedule of Equity Method Investments [Line Items]</u>											

Equity Method Investment, Ownership Percentage	50.00%
Northeast G And P [Member] Cardinal Gas Services LLC [Member]	
Subsidiary of Limited Liability Company or Limited Partnership [Line Items]	
Variable Interest Entity Ownership Percentage	66.00%
Northeast G And P [Member] Appalachia Midstream Services, LLC [Member]	
Subsidiary of Limited Liability Company or Limited Partnership [Line Items]	
Subsidiary, ownership percentage	66.00%
Northeast G And P [Member] Utica East Ohio Midstream, LLC [Member]	
Schedule of Equity Method Investments [Line Items]	
Equity Method Investment, Ownership Percentage	62.00%
Northeast G And P [Member] Laurel Mountain Midstream, LLC [Member]	
Schedule of Equity Method Investments [Line Items]	
Equity Method Investment, Ownership Percentage	69.00%
Northeast G And P [Member] Caiman Energy II, LLC [Member]	
Schedule of Equity Method Investments [Line Items]	
Equity Method Investment, Ownership Percentage	58.00%
Atlantic Gulf [Member] Gulfstar One [Member]	
Subsidiary of Limited Liability Company or Limited Partnership [Line Items]	
Variable Interest Entity Ownership Percentage	51.00%
Atlantic Gulf [Member] Constitution Pipeline Company LLC [Member]	

Subsidiary of Limited Liability Company or Limited Partnership [Line Items]

Variable Interest Entity Ownership Percentage 41.00%

Atlantic Gulf [Member] | Gulfstream Natural Gas System, L.L.C. [Member]

Schedule of Equity Method Investments [Line Items]

Equity Method Investment, Ownership Percentage 50.00%

Atlantic Gulf [Member] | Discovery Producer Services LLC [Member]

Schedule of Equity Method Investments [Line Items]

Equity Method Investment, Ownership Percentage 60.00%

NGL And Petchem Services [Member] | Geismar [Member]

Subsidiary of Limited Liability Company or Limited Partnership [Line Items]

Subsidiary, ownership percentage West [Member] 88.50%

Subsidiary of Limited Liability Company or Limited Partnership [Line Items]

Goodwill \$ 47

West [Member] | Conway Fractionator [Member]

Subsidiary of Limited Liability Company or Limited Partnership [Line Items]

Subsidiary, ownership percentage West [Member] | Delaware Basin Gas Gathering System [Member] 50.00%

Schedule of Equity Method Investments [Line Items]

Equity Method Investment, Ownership Percentage 50.00%

West [Member] | Overland Pass Pipeline Company LLC [Member]

Schedule of Equity Method Investments [Line Items]

Equity Method Investment,
Ownership Percentage

50.00%

Variable Interest Entities (Details) - Variable Interest Entity, Primary Beneficiary [Member] - USD (\$) \$ in Millions	6 Months Ended	
	Jun. 30, 2017	Dec. 31, 2016
<u>Cash and Cash Equivalents [Member]</u> Variable Interest Entity, Consolidated, Carrying Amount, Assets and Liabilities, Net [Abstract]		
<u>Variable Interest Entity, Consolidated, Carrying Amount, Assets</u> <u>Accounts Receivable [Member]</u>	\$ 39	\$ 82
Variable Interest Entity, Consolidated, Carrying Amount, Assets and Liabilities, Net [Abstract]		
<u>Variable Interest Entity, Consolidated, Carrying Amount, Assets</u> <u>Prepaid Assets [Member]</u>	89	91
Variable Interest Entity, Consolidated, Carrying Amount, Assets and Liabilities, Net [Abstract]		
<u>Variable Interest Entity, Consolidated, Carrying Amount, Assets</u> <u>Property Plant And Equipment, net [Member]</u>	2	3
Variable Interest Entity, Consolidated, Carrying Amount, Assets and Liabilities, Net [Abstract]		
<u>Variable Interest Entity, Consolidated, Carrying Amount, Assets</u> <u>Intangible assets, net [Member]</u>	2,957	3,024
Variable Interest Entity, Consolidated, Carrying Amount, Assets and Liabilities, Net [Abstract]		
<u>Variable Interest Entity, Consolidated, Carrying Amount, Assets</u> <u>Accounts payable [Member]</u>	1,411	1,431
Variable Interest Entity, Consolidated, Carrying Amount, Assets and Liabilities, Net [Abstract]		
<u>Variable Interest Entity, Consolidated, Carrying Amount, Liabilities</u> <u>Accrued liabilities [Member]</u>	(18)	(44)
Variable Interest Entity, Consolidated, Carrying Amount, Assets and Liabilities, Net [Abstract]		
<u>Variable Interest Entity, Consolidated, Carrying Amount, Liabilities</u> <u>Current deferred revenue [Member]</u>	(4)	(3)
Variable Interest Entity, Consolidated, Carrying Amount, Assets and Liabilities, Net [Abstract]		
<u>Variable Interest Entity, Consolidated, Carrying Amount, Liabilities</u> <u>Noncurrent Asset Retirement Obligation Costs [Member]</u>	(59)	(63)
Variable Interest Entity, Consolidated, Carrying Amount, Assets and Liabilities, Net [Abstract]		
<u>Variable Interest Entity, Consolidated, Carrying Amount, Liabilities</u> <u>Noncurrent deferred revenue associated with customer advance payments [Member]</u>	(102)	(99)
Variable Interest Entity, Consolidated, Carrying Amount, Assets and Liabilities, Net [Abstract]		
<u>Variable Interest Entity, Consolidated, Carrying Amount, Liabilities</u>	\$ (319)	\$ (324)

<u>Gulfstar One [Member]</u>	
<u>Variable Interest Entity [Line Items]</u>	
<u>Variable Interest Entity Ownership Percentage</u>	51.00%
<u>Constitution Pipeline Company LLC [Member]</u>	
<u>Variable Interest Entity [Line Items]</u>	
<u>Variable Interest Entity Ownership Percentage</u>	41.00%
<u>Constitution Pipeline Company LLC [Member] Estimated Remaining Construction Costs For Variable Interest Entity [Member]</u>	
<u>Variable Interest Entity [Line Items]</u>	
<u>Other commitment</u>	\$ 691
<u>Constitution Pipeline Company LLC [Member] Property Plant And Equipment, net [Member]</u>	
<u>Variable Interest Entity [Line Items]</u>	
<u>Capitalized Project Development Costs</u>	\$ 381
<u>Cardinal Gas Services LLC [Member]</u>	
<u>Variable Interest Entity [Line Items]</u>	
<u>Variable Interest Entity Ownership Percentage</u>	66.00%
<u>Jackalope Gas Gathering Services LLC [Member]</u>	
<u>Variable Interest Entity [Line Items]</u>	
<u>Variable Interest Entity Ownership Percentage</u>	50.00%

Assets Held for Sale (Details) - USD (\$) \$ in Millions	3 Months Ended			6 Months Ended			
	Sep. 30, 2017	Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016	Jul. 06, 2017	Dec. 31, 2016
<u>Income Statement and Additional Disclosures by Disposal Groups [Line Items]</u>							
<u>Disposal Group, Including Discontinued Operation, Liabilities, Current</u>		\$ 36		\$ 36			\$ 0
<u>West [Member]</u>							
<u>Income Statement and Additional Disclosures by Disposal Groups [Line Items]</u>							
<u>Assets Held-for-sale, Not Part of Disposal Group</u>		4		4			
<u>Williams Olefins, L.L.C. [Member]</u>							
<u>Income Statement and Additional Disclosures by Disposal Groups [Line Items]</u>							
<u>Disposal Group, Including Discontinued Operation, Other Assets, Current</u>		72		72			
<u>Disposal Group, Including Discontinued Operation, Property, Plant and Equipment</u>		903		903			
<u>Disposal Group, Including Discontinued Operation, Other Assets, Noncurrent</u>		25		25			
<u>Disposal Group, Including Discontinued Operation, Assets</u>		1,000		1,000			
<u>Disposal Group, Including Discontinued Operation, Other Liabilities, Current</u>		35		35			
<u>Disposal Group, Including Discontinued Operation, Liabilities, Noncurrent</u>		1		1			
<u>Disposal Group, Including Discontinued Operation, Liabilities, Current</u>		36		36			
<u>Income (Loss) from Individually Significant Component Disposed of Attributable to Parent, before Income Tax [Abstract]</u>							
<u>Income (loss) before income taxes of disposal group</u>		\$ 2	\$ 30	\$ 25	\$ 48		
<u>Williams Olefins, L.L.C. [Member] Subsequent Event [Member]</u>							
<u>Income Statement and Additional Disclosures by Disposal Groups [Line Items]</u>							
<u>Disposal Group, Consideration</u>						\$	
						2,084	
<u>Gain (Loss) on Disposition of Business</u>	\$	1,100					

Allocation of Net Income (Loss) and Distributions (Details) - USD (\$) \$/ shares in Units, \$ in Millions	3 Months Ended		6 Months Ended		7 Months Ended
	Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016	Jul. 24, 2017
<u>Components of net income (loss):</u>					
<u>Net income (loss) allocated to common limited partners' equity</u>	\$ 314	\$ (281)	\$ 937	\$ (238)	[1]
<u>Net income (loss) allocated to Class B limited partners' equity</u>	6	(8)	17	(7)	
<u>Net income (loss) allocated to general partner's equity</u>	0	[2] 199	0	[2] 205	[1]
<u>Net income (loss) attributable to noncontrolling interests</u>	28	13	54	42	
<u>Net income (loss)</u>	\$ 348	\$ (77)	\$ 1,008	\$ 2	
<u>Distributions Made to Members or Limited Partners [Abstract]</u>					
<u>Per Unit Distribution (Declared)</u>	\$ 0.60	\$ 0.85	\$ 1.20	\$ 1.70	
<u>Subsequent Event [Member]</u>					
<u>Distributions Made to Members or Limited Partners [Abstract]</u>					
<u>Payment Date</u>					Aug. 11, 2017
<u>Per Unit Distribution (Declared)</u>					\$ 0.60
<u>Class B Units Issued In Lieu Of Cash Distributions</u>					266,078

[1] Net income (loss) allocated to equity accounts above considers distributions paid to partners during the current reporting period, while Net income (loss) allocated within the Consolidated Statement of Comprehensive Income (Loss) considers distributions declared for the current reporting period, but paid in the subsequent period. The differences between Net income (loss) allocated to equity accounts and Net income (loss) allocated within the Consolidated Statement of Comprehensive Income (Loss) for the six months ended June 30, 2016, are primarily due to the timing of the waiver of IDRs associated with the Termination Agreement. (See Note 1 – General, Description of Business, and Basis of Presentation.)

[2] As part of the first quarter 2017 Financial Repositioning (see Note 1 – General, Description of Business, and Basis of Presentation), our general partner interest in us was converted to a noneconomic interest and therefore no longer receives an allocation of net income.

Investing Activities (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended		Dec. 31, 2016
	Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016	
<u>Schedule of Equity Method Investments [Line Items]</u>					
<u>Proceeds from Sale of Equity Method Investments</u>			\$ 200	\$ 0	
<u>Gain on sale of an equity-method investment interest</u>			269	0	
<u>Impairment of equity-method investments</u>	\$ 0	\$ 0	0	112	
<u>Delaware Basin Gas Gathering System [Member]</u>					
<u>Schedule of Equity Method Investments [Line Items]</u>					
<u>Proceeds from Sale of Equity Method Investments</u>			155		
<u>Gain on sale of an equity-method investment interest</u>			\$ 269		
<u>Impairment of equity-method investments</u>				59	
<u>Equity Method Investment, Ownership Percentage</u>	50.00%		50.00%		
<u>Appalachia Midstream Services, LLC [Member]</u>					
<u>Schedule of Equity Method Investments [Line Items]</u>					
<u>Equity Method Investment, Ownership Percentage</u>	66.00%		66.00%		
<u>Ranch Westex JV LLC [Member]</u>					
<u>Schedule of Equity Method Investments [Line Items]</u>					
<u>Proceeds from Sale of Equity Method Investments</u>			\$ 45		
<u>Laurel Mountain Midstream, LLC [Member]</u>					
<u>Schedule of Equity Method Investments [Line Items]</u>					
<u>Impairment of equity-method investments</u>				\$ 50	
<u>Northeast G And P [Member] Laurel Mountain Midstream, LLC [Member]</u>					
<u>Schedule of Equity Method Investments [Line Items]</u>					
<u>Equity Method Investment, Ownership Percentage</u>	69.00%		69.00%		
<u>West [Member] Delaware Basin Gas Gathering System [Member]</u>					
<u>Schedule of Equity Method Investments [Line Items]</u>					
<u>Equity Method Investment, Ownership Percentage</u>					50.00%
<u>Appalachia Midstream Services, LLC [Member]</u>					
<u>Schedule of Equity Method Investments [Line Items]</u>					
<u>Investments, Fair Value Disclosure</u>	\$ 1,100		\$ 1,100		
<u>Fair Value Inputs, Discount Rate</u>			9.50%		

**Investing Activities
Summarized Financial
Information (Details) - USD
(\$)
\$ in Millions**

6 Months Ended

Jun. 30, 2017 Jun. 30, 2016

Equity Method Investment, Summarized Financial Information [Abstract]

<u>Gross revenue</u>	\$ 502	\$ 422
<u>Operating income</u>	300	244
<u>Net income</u>	\$ 269	\$ 204

Other Income and Expenses (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended		
	Feb. 23, 2017	Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
Segment Reporting Information [Line Items]					
<u>Debt Instrument, Unamortized Discount (Premium), Net</u>	\$ 30				
<u>Unamortized Loan Commitment and Origination Fees and</u>					
<u>Unamortized Discounts or Premiums</u>	53				
<u>Debt Instrument, Unamortized Premium</u>	23				
<u>Other income (expense) - net [Member] Atlantic-Gulf [Member]</u>					
Segment Reporting Information [Line Items]					
<u>Amortization of regulatory assets associated with asset retirement</u>					
<u>obligations</u>		\$ 9	\$ 9	\$ 17	\$ 17
<u>Other income (expense) - net [Member] West [Member]</u>					
Segment Reporting Information [Line Items]					
<u>Gain (Loss) on Contract Termination</u>		(2)	0	(15)	0
<u>Other income (expense) - net [Member] NGL & Petchem Services</u>					
<u>[Member]</u>					
Segment Reporting Information [Line Items]					
<u>Gain (Loss) on Disposition of Assets</u>		(12)	0	(12)	0
<u>Net foreign currency exchange (gains) losses (1)</u>	[1]	0	0	0	\$ 11
<u>Selling, general, and administrative expenses and Operating and</u>					
<u>maintenance expenses [Member]</u>					
Segment Reporting Information [Line Items]					
<u>Approximate percentage of workforce reductions</u>					10.00%
<u>Severance and other related costs</u>					\$ 25
<u>Selling, general, and administrative expenses and Operating and</u>					
<u>maintenance expenses [Member] Northeast G&P [Member]</u>					
Segment Reporting Information [Line Items]					
<u>Severance and other related costs</u>		0	0	0	3
<u>Selling, general, and administrative expenses and Operating and</u>					
<u>maintenance expenses [Member] Atlantic-Gulf [Member]</u>					
Segment Reporting Information [Line Items]					
<u>Severance and other related costs</u>		0	0	0	8
<u>Selling, general, and administrative expenses and Operating and</u>					
<u>maintenance expenses [Member] West [Member]</u>					
Segment Reporting Information [Line Items]					
<u>Severance and other related costs</u>		0	0	0	10
<u>Selling, general, and administrative expenses and Operating and</u>					
<u>maintenance expenses [Member] NGL & Petchem Services</u>					
<u>[Member]</u>					
Segment Reporting Information [Line Items]					
<u>Severance and other related costs</u>		0	0	0	4

Selling, general, and administrative expenses and Operating and maintenance expenses [Member] | Other [Member]

Segment Reporting Information [Line Items]

Severance and other related costs 4 0 13 0

Service revenues [Member] | Atlantic-Gulf [Member]

Segment Reporting Information [Line Items]

Revenue adjustment associated with litigation 15

Other income (expense) - net [Member] | Atlantic-Gulf [Member]

Segment Reporting Information [Line Items]

Allowance for funds used during construction, capitalized cost of equity \$ 19 \$ 13 \$ 37 \$ 29

6.125% Senior Unsecured Notes due 2022 [Member] | Williams

Partners L.P. [Member]

Segment Reporting Information [Line Items]

Long-term debt retired \$ 750

Long-term debt interest rate 6.125%

[1] Primarily relates to gains and losses incurred on foreign currency transactions and the remeasurement of U.S. dollar denominated current assets and liabilities within our former Canadian operations.

Provision (Benefit) for Income Taxes (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
<u>Current:</u>				
<u>State</u>	\$ 1	\$ 1	\$ 5	\$ 1
<u>Deferred:</u>				
<u>State</u>	0	(6)	(1)	(4)
<u>Foreign</u>	0	(75)	0	(76)
<u>Total</u>	0	(81)	(1)	(80)
<u>Provision (benefit) for income taxes</u>	\$ 1	\$ (80)	\$ 4	(79)
<u>Canadian Operations [Member]</u>				
<u>Income Tax Contingency [Line Items]</u>				
<u>Disposal Group, Not Discontinued Operation, Loss (Gain) on</u>				\$ 341
<u>Write-down</u>				

**Debt and Banking
Arrangements Long-term
Debt Issuances and
Retirements (Details 1) -
USD (\$)
\$ in Millions**

**Jul. Jul. Apr. Feb. Feb. Jun. Apr.
06, 03, 15, 23, 01, 05, 03,
2017 2017 2017 2017 2017 2017 2017**

[Northwest Pipeline LLC \[Member\] | 4% Senior Unsecured Notes Due 2027 \[Member\]](#)

[Debt Instrument \[Line Items\]](#)

[Long-term debt face amount](#) \$ 250

[Long-term debt interest rate](#) 4.00%

[Additional interest rate accrued for default of registration rights agreements first period](#) 0.25%

[Additional interest rate accrued for default of registration rights agreements each subsequent period](#) 0.25%

[Maximum additional interest rate accrued for default of registration rights agreements all periods](#) 0.50%

[Northwest Pipeline LLC \[Member\] | 5.95% Senior Unsecured Notes due 2017 \[Member\]](#)

[Debt Instrument \[Line Items\]](#)

[Long-term debt interest rate](#) 5.95%

[Long-term debt retired](#) \$ 185

[Williams Partners L.P. \[Member\] | 3.75% Senior Notes Due 2027 \[Member\]](#)

[Debt Instrument \[Line Items\]](#)

[Long-term debt face amount](#) \$ 1,450

[Long-term debt interest rate](#) 3.75%

[Williams Partners L.P. \[Member\] | 6.125% Senior Unsecured Notes due 2022 \[Member\]](#)

[Debt Instrument \[Line Items\]](#)

[Long-term debt interest rate](#) 6.125%

[Long-term debt retired](#) \$ 750

[Williams Partners L.P. \[Member\] | 7.25% Senior Unsecured Notes due 2017 \[Member\]](#)

[Debt Instrument \[Line Items\]](#)

[Long-term debt interest rate](#) 7.25%

[Long-term debt retired](#) \$ 600

[Subsequent Event \[Member\] | Williams Partners L.P. \[Member\] | Variable Interest Term Loan due 2018 \[Member\]](#)

[Debt Instrument \[Line Items\]](#)

[Long-term debt retired](#) \$ 850

Subsequent Event [Member] | Williams Partners L.P.
[Member] | 4.875% Senior Unsecured Notes due 2023
[Member]

Debt Instrument [Line Items]

Long-term debt interest rate 4.875%

Long-term debt retired \$ 1,400

**Debt and Banking
Arrangements Credit
Facilities and Commercial
Paper (Details 2) - USD (\$)
\$ in Millions**

	Jun. 30, 2017	Dec. 31, 2016
<u>Credit Facility and Commercial Paper [Line Items]</u>		
<u>Commercial paper, outstanding</u>	\$ 0	\$ 93
<u>Williams Partners L.P. [Member]</u>		
<u>Credit Facility and Commercial Paper [Line Items]</u>		
<u>Credit facility, capacity</u>	[1]3,500	
<u>Credit facility, loans outstanding</u>	[1]0	
<u>Williams Partners L.P. [Member] Commercial Paper [Member]</u>		
<u>Credit Facility and Commercial Paper [Line Items]</u>		
<u>Commercial paper, outstanding</u>	0	
<u>Credit facility, capacity</u>	3,000	
<u>Williams Partners L.P. [Member] Letters Of Credit Under Certain Bilateral Bank Agreements [Member]</u>		
<u>Credit Facility and Commercial Paper [Line Items]</u>		
<u>Credit facility, letters of credit outstanding</u>	\$ 1	

[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.

Partners' Capital (Details) - USD (\$) \$ / shares in Units, \$ in Millions	1 Months Ended		6 Months Ended	
	May 31, 2017	Feb. 28, 2017	Jun. 30, 2017	Jun. 30, 2016
<u>Business Acquisition [Line Items]</u>				
<u>Shares Issued, Price Per Share</u>	\$ 39.69			
<u>Proceeds from sales of common units</u>			\$ 2,184	\$ 0
<u>Dividend Reinvestment Program [Member]</u>				
<u>Business Acquisition [Line Items]</u>				
<u>Shares Issued, Price Per Share</u>		\$ 39.76		
<u>Partners' Capital Account, Units, Sold in Private Placement</u>	311,279	395,395		
<u>Proceeds from sales of common units</u>	\$ 12	\$ 16		

**Fair Value Measurements
Recurring Measurements
and Additional (Details) -
USD (\$)
\$ in Millions**

**Jun. 30, Dec. 31, Jun. 30,
2017 2016 2016**

Additional disclosures:

<u>Fair Value, Level 1 to Level 2 Transfers, Amount</u>	\$ 0	\$ 0
<u>Fair Value, Level 2 to Level 1 Transfers, Amount</u>	0	\$ 0

Carrying Amount [Member]

Additional disclosures:

<u>Other receivables</u>	6	\$ 15
<u>Long-term debt, including current portion</u>	(18,565)	(18,470)

Fair Value [Member]

Additional disclosures:

<u>Other receivables</u>	6	15
<u>Long-term debt, including current portion</u>	(19,700)	(18,907)

Level 1 [Member]

Additional disclosures:

<u>Other receivables</u>	6	15
<u>Long-term debt, including current portion</u>	0	0

Level 2 [Member]

Additional disclosures:

<u>Other receivables</u>	0	0
<u>Long-term debt, including current portion</u>	(19,700)	(18,907)

Level 3 [Member]

Additional disclosures:

<u>Other receivables</u>	0	0
<u>Long-term debt, including current portion</u>	0	0

Fair Value, Measurements, Recurring [Member] | Carrying Amount [Member]

Measured on a recurring basis:

<u>ARO Trust investments</u>	119	96
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Fair Value, Measurements, Recurring [Member] | Carrying Amount [Member] |

Designated as Hedging Instrument [Member]

Measured on a recurring basis:

<u>Energy derivatives assets</u>	5	2
<u>Energy derivatives liabilities</u>	(1)	

Fair Value, Measurements, Recurring [Member] | Carrying Amount [Member] | Not
Designated as Hedging Instrument [Member]

Measured on a recurring basis:

<u>Energy derivatives assets</u>	3	1
<u>Energy derivatives liabilities</u>	(6)	(6)

Fair Value, Measurements, Recurring [Member] | Fair Value [Member]

Measured on a recurring basis:

<u>ARO Trust investments</u>	119	96
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Fair Value, Measurements, Recurring [Member] Fair Value [Member] Designated as Hedging Instrument [Member]		
<u>Measured on a recurring basis:</u>		
Energy derivatives assets	5	2
Energy derivatives liabilities	(1)	
Fair Value, Measurements, Recurring [Member] Fair Value [Member] Not Designated as Hedging Instrument [Member]		
<u>Measured on a recurring basis:</u>		
Energy derivatives assets	3	1
Energy derivatives liabilities	(6)	(6)
Fair Value, Measurements, Recurring [Member] Level 1 [Member]		
<u>Measured on a recurring basis:</u>		
ARO Trust investments	119	96
Fair Value, Measurements, Recurring [Member] Level 1 [Member] Designated as Hedging Instrument [Member]		
<u>Measured on a recurring basis:</u>		
Energy derivatives assets	5	0
Energy derivatives liabilities	0	
Fair Value, Measurements, Recurring [Member] Level 1 [Member] Not Designated as Hedging Instrument [Member]		
<u>Measured on a recurring basis:</u>		
Energy derivatives assets	2	0
Energy derivatives liabilities	(2)	0
Fair Value, Measurements, Recurring [Member] Level 2 [Member]		
<u>Measured on a recurring basis:</u>		
ARO Trust investments	0	0
Fair Value, Measurements, Recurring [Member] Level 2 [Member] Designated as Hedging Instrument [Member]		
<u>Measured on a recurring basis:</u>		
Energy derivatives assets	0	2
Energy derivatives liabilities	(1)	
Fair Value, Measurements, Recurring [Member] Level 2 [Member] Not Designated as Hedging Instrument [Member]		
<u>Measured on a recurring basis:</u>		
Energy derivatives assets	0	0
Energy derivatives liabilities	0	0
Fair Value, Measurements, Recurring [Member] Level 3 [Member]		
<u>Measured on a recurring basis:</u>		
ARO Trust investments	0	0
Fair Value, Measurements, Recurring [Member] Level 3 [Member] Designated as Hedging Instrument [Member]		
<u>Measured on a recurring basis:</u>		
Energy derivatives assets	0	0
Energy derivatives liabilities	0	

Fair Value, Measurements, Recurring [Member] | Level 3 [Member] | Not Designated as Hedging Instrument [Member]

Measured on a recurring basis:

Energy derivatives assets

1 1

Energy derivatives liabilities

\$ (4) \$ (6)

Fair Value Measurements Nonrecurring Measurements (Details) - USD (\$) \$ in Millions	3 Months Ended			6 Months Ended	
	Jun. 30, 2017	Jun. 30, 2016	Mar. 31, 2016	Jun. 30, 2017	Jun. 30, 2016
Fair Value Assets Measured On Nonrecurring Basis [Abstract]					
Impairment of equity-method investments	\$ 0	\$ 0		\$ 0	\$ 112
Impairment of certain assets	\$ 2	396		3	402
Delaware Basin Gas Gathering System [Member]					
Fair Value Assets Measured On Nonrecurring Basis [Abstract]					
Impairment of equity-method investments					59
Canadian Operations [Member]					
Fair Value Assets Measured On Nonrecurring Basis [Abstract]					
Disposal Group, Not Discontinued Operation, Loss (Gain) on writedown					341
Impairment Of Certain Assets [Member]					
Fair Value Assets Measured On Nonrecurring Basis [Abstract]					
Impairment of certain assets				3	402
Fair Value, Measurements, Nonrecurring [Member] Impairment Of Certain Assets [Member]					
Fair Value Assets Measured On Nonrecurring Basis [Abstract]					
Impairment of certain assets	[1]			\$ 3	13
Fair Value, Measurements, Nonrecurring [Member] Impairment Of Equity-Method Investments [Member]					
Fair Value Assets Measured On Nonrecurring Basis [Abstract]					
Impairment of equity-method investments					112
Fair Value, Measurements, Nonrecurring [Member] Level 3 [Member] Property Plant And Equipment, net [Member] West [Member]					
Fair Value Assets Measured On Nonrecurring Basis [Abstract]					
Fair Value of Property, Plant, and Equipment	[2]	18			18
Fair Value, Measurements, Nonrecurring [Member] Level 3 [Member] Assets Held For Sale [Member] NGL And Petchem Services [Member] Canadian Operations [Member]					
Fair Value Assets Measured On Nonrecurring Basis [Abstract]					
Assets held for sale, Long-Lived, Fair Value Disclosure	[3]	924			924
Fair Value, Measurements, Nonrecurring [Member] Level 3 [Member] Investments [Member] WestAndNortheastGP [Member]					
Fair Value Assets Measured On Nonrecurring Basis [Abstract]					
Fair value of investment	[4]			\$ 1,294	
Fair Value, Measurements, Nonrecurring [Member] Level 3 [Member] Investments [Member] WestAndNortheastGP [Member] Minimum [Member]					
Fair Value Assets Measured On Nonrecurring Basis [Abstract]					
Discount rate				13.00%	

[Fair Value, Measurements, Nonrecurring \[Member\] | Level 3 \[Member\] | Investments \[Member\] | WestAndNortheastGP \[Member\] | Maximum \[Member\]](#)

[Fair Value Assets Measured On Nonrecurring Basis \[Abstract\]](#)

[Discount rate](#) 13.30%

[Fair Value, Measurements, Nonrecurring \[Member\] | Level 3 \[Member\] | Investments \[Member\] | West \[Member\]](#)

[Fair Value Assets Measured On Nonrecurring Basis \[Abstract\]](#)

[Fair value of investment](#) \$ 0

[Fair Value, Measurements, Nonrecurring \[Member\] | Level 3 \[Member\] | Impairment Of Certain Assets \[Member\]](#)

[Fair Value Assets Measured On Nonrecurring Basis \[Abstract\]](#)

[Impairment of certain assets](#) \$ 389

[Fair Value, Measurements, Nonrecurring \[Member\] | Level 3 \[Member\] | Impairment Of Certain Assets \[Member\] | NGL And Petchem Services \[Member\] | Canadian Operations \[Member\]](#)

[Fair Value Assets Measured On Nonrecurring Basis \[Abstract\]](#)

[Disposal Group, Not Discontinued Operation, Loss \(Gain\) on writedown](#) [3] 341

[Fair Value, Measurements, Nonrecurring \[Member\] | Level 3 \[Member\] | Impairment Of Certain Assets \[Member\] | West \[Member\]](#)

[Fair Value Assets Measured On Nonrecurring Basis \[Abstract\]](#)

[Impairment of certain assets](#) [2] \$ 48

[Fair Value, Measurements, Nonrecurring \[Member\] | Level 3 \[Member\] | Impairment Of Equity-Method Investments \[Member\] | WestAndNortheastGP \[Member\]](#)

[Fair Value Assets Measured On Nonrecurring Basis \[Abstract\]](#)

[Impairment of equity-method investments](#) [4] 109

[Fair Value, Measurements, Nonrecurring \[Member\] | Level 3 \[Member\] | Impairment Of Equity-Method Investments \[Member\] | West \[Member\]](#)

[Fair Value Assets Measured On Nonrecurring Basis \[Abstract\]](#)

[Impairment of equity-method investments](#) \$ 3

[1] Reflects multiple individually insignificant impairments and write-downs of other certain assets that may no longer be in use or are surplus in nature for which the fair value was determined to be zero or an insignificant salvage value.

[2] Relates to certain gathering assets within the Mid-Continent region. The estimated fair value was determined by a market approach based on our analysis of observable inputs in the principal market.

[3] Relates to our Canadian operations. We designated these operations as held for sale as of June 30, 2016. As a result, we measured the fair value of the disposal group, resulting in an impairment charge. The estimated fair value was determined by a market approach based primarily on inputs received in the marketing process and reflected our estimate of the potential assumed proceeds. We disposed of our Canadian operations through a sale during the third quarter of 2016.

[4] Relates to West's previously owned interest in DBJV and Northeast G&P's current equity-method investment in Laurel Mountain. Our carrying values in these equity-method investments had been written down to fair value at December 31, 2015. Our first-quarter 2016 analysis reflected higher discount rates for both of these equity-method investments, along with lower natural gas prices for Laurel Mountain. We

estimated the fair value of these equity-method investments using an income approach based on expected future cash flows and appropriate discount rates. The determination of estimated future cash flows involved significant assumptions regarding gathering volumes and related capital spending. Discount rates utilized ranged from 13.0 percent to 13.3 percent and reflected increases in our estimated cost of capital, revised estimates of expected future cash flows, and risks associated with the underlying businesses.

**Contingent Liabilities
(Details)
\$ in Millions**

**Jun. 30,
2017
USD (\$)**

Contingent Liabilities [Line Items]

Accrued environmental loss liabilities

\$ 16

Gas Pipeline [Member]

Contingent Liabilities [Line Items]

Accrued environmental loss liabilities

8

Natural Gas Underground Storage Facilities [Member]

Contingent Liabilities [Line Items]

Accrued environmental loss liabilities

8

NGL And Petchem Services [Member] | General Liability Coverage [Member] | Geismar Incident [Member]

Contingent Liabilities [Line Items]

Insurance deductibles

2

Aggregate limit of insurance

\$ 610

Segment Disclosures Reconciliation of Segment Revenues to Consolidated (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30,	Jun. 30,	Jun. 30,	Jun. 30,
	2017	2016	2017	2016
<u>Segment revenues [Line Items]</u>				
<u>Service revenues</u>	\$ 1,277	\$ 1,210	\$ 2,533	\$ 2,436
<u>Product sales</u>	642	530	1,369	958
<u>Total revenues</u>	1,919	1,740	3,902	3,394
<u>Northeast G&P [Member]</u>				
<u>Segment revenues [Line Items]</u>				
<u>Service revenues</u>	206	207	414	423
<u>Product sales</u>	43	28	103	46
<u>Atlantic-Gulf [Member]</u>				
<u>Segment revenues [Line Items]</u>				
<u>Service revenues</u>	540	452	1,067	923
<u>Product sales</u>	75	63	144	99
<u>West [Member]</u>				
<u>Segment revenues [Line Items]</u>				
<u>Service revenues</u>	527	528	1,045	1,059
<u>Product sales</u>	369	272	774	483
<u>NGL & Petchem Services [Member]</u>				
<u>Segment revenues [Line Items]</u>				
<u>Service revenues</u>	4	23	7	31
<u>Product sales</u>	155	167	348	330
<u>Intersegment Eliminations [Member]</u>				
<u>Segment revenues [Line Items]</u>				
<u>Service revenues</u>	(18)	(15)	(36)	(25)
<u>Product sales</u>	(127)	(88)	(257)	(162)
<u>Total revenues</u>	(145)	(103)	(293)	(187)
<u>Intersegment Eliminations [Member] Northeast G&P [Member]</u>				
<u>Segment revenues [Line Items]</u>				
<u>Service revenues</u>	(11)	(9)	(20)	(12)
<u>Product sales</u>	(9)	(6)	(17)	(11)
<u>Intersegment Eliminations [Member] Atlantic-Gulf [Member]</u>				
<u>Segment revenues [Line Items]</u>				
<u>Service revenues</u>	(7)	(6)	(16)	(13)
<u>Product sales</u>	(50)	(42)	(115)	(75)
<u>Intersegment Eliminations [Member] West [Member]</u>				
<u>Segment revenues [Line Items]</u>				
<u>Service revenues</u>	0	0	0	0
<u>Product sales</u>	(66)	(34)	(117)	(65)

Intersegment Eliminations [Member] | NGL & Petchem

Services [Member]

Segment revenues [Line Items]

<u>Service revenues</u>	0	0	0	0
<u>Product sales</u>	(2)	(6)	(8)	(11)

Operating Segments [Member] | Northeast G&P [Member]

Segment revenues [Line Items]

<u>Service revenues</u>	217	216	434	435
<u>Product sales</u>	52	34	120	57
<u>Total revenues</u>	269	250	554	492

Operating Segments [Member] | Atlantic-Gulf [Member]

Segment revenues [Line Items]

<u>Service revenues</u>	547	458	1,083	936
<u>Product sales</u>	125	105	259	174
<u>Total revenues</u>	672	563	1,342	1,110

Operating Segments [Member] | West [Member]

Segment revenues [Line Items]

<u>Service revenues</u>	527	528	1,045	1,059
<u>Product sales</u>	435	306	891	548
<u>Total revenues</u>	962	834	1,936	1,607

Operating Segments [Member] | NGL & Petchem Services [Member]

Segment revenues [Line Items]

<u>Service revenues</u>	4	23	7	31
<u>Product sales</u>	157	173	356	341
<u>Total revenues</u>	\$ 161	\$ 196	\$ 363	\$ 372

Segment Disclosures Reconciliation of Segment Modified EBITDA to Consolidated Net Income (Details) - USD (\$) \$ in Millions	3 Months Ended		6 Months Ended	
	Jun. 30, 2017	Jun. 30, 2016	Jun. 30, 2017	Jun. 30, 2016
<u>Reconciliation of Modified EBITDA to net income (loss):</u>				
<u>Modified EBITDA Earnings (Loss)</u>	\$ 1,076	\$ 604	\$ 2,208	\$ 1,559
<u>Asset Retirement Obligation Accretion Expense For Nonregulated Operations</u>	(11)	(9)	(17)	(16)
<u>Depreciation and amortization expenses</u>	(423)	(432)	(856)	(867)
<u>Equity earnings (losses)</u>	125	101	232	198
<u>Impairment of equity-method investments</u>	0	0	0	(112)
<u>Other investing income (loss) - net</u>	2	1	273	1
<u>Proportional Modified EBITDA of Equity-Method Investments</u>	(215)	(191)	(409)	(380)
<u>Interest Expense</u>	(205)	(231)	(419)	(460)
<u>(Provision) benefit for income taxes</u>	(1)	80	(4)	79
<u>Net income (loss)</u>	348	(77)	1,008	2
<u>Operating Segments [Member] Northeast G&P [Member]</u>				
<u>Reconciliation of Modified EBITDA to net income (loss):</u>				
<u>Modified EBITDA Earnings (Loss)</u>	247	222	473	442
<u>Operating Segments [Member] Atlantic Gulf [Member]</u>				
<u>Reconciliation of Modified EBITDA to net income (loss):</u>				
<u>Modified EBITDA Earnings (Loss)</u>	454	360	904	742
<u>Operating Segments [Member] West [Member]</u>				
<u>Reconciliation of Modified EBITDA to net income (loss):</u>				
<u>Modified EBITDA Earnings (Loss)</u>	356	312	741	639
<u>Operating Segments [Member] NGL And Petchem Services [Member]</u>				
<u>Reconciliation of Modified EBITDA to net income (loss):</u>				
<u>Modified EBITDA Earnings (Loss)</u>	30	(290)	81	(264)
<u>Other [Member] Other [Member]</u>				
<u>Reconciliation of Modified EBITDA to net income (loss):</u>				
<u>Modified EBITDA Earnings (Loss)</u>	\$ (11)	\$ 0	\$ 9	\$ 0

**Segment Disclosures
Reconciliation of Segment
Assets to Consolidated
(Details) - USD (\$)
\$ in Millions**

	Jun. 30, 2017	Dec. 31, 2016
<u>Segment Reporting, Asset Reconciling Item [Line Items]</u>		
<u>Total assets</u>	\$ 48,218	\$ 46,265
<u>Northeast G&P [Member]</u>		
<u>Segment Reporting, Asset Reconciling Item [Line Items]</u>		
<u>Total assets</u>	14,429	13,436
<u>Atlantic-Gulf [Member]</u>		
<u>Segment Reporting, Asset Reconciling Item [Line Items]</u>		
<u>Total assets</u>	14,532	14,176
<u>West [Member]</u>		
<u>Segment Reporting, Asset Reconciling Item [Line Items]</u>		
<u>Total assets</u>	17,062	18,479
<u>NGL & Petchem Services [Member]</u>		
<u>Segment Reporting, Asset Reconciling Item [Line Items]</u>		
<u>Total assets</u>	1,020	1,112
<u>Other corporate assets [Member]</u>		
<u>Segment Reporting, Asset Reconciling Item [Line Items]</u>		
<u>Total assets</u>	1,787	161
<u>Eliminations [Member]</u>		
<u>Segment Reporting, Asset Reconciling Item [Line Items]</u>		
<u>Total assets</u>	[1] \$ (612)	\$ (1,099)

[1] Eliminations primarily relate to the intercompany accounts and notes receivable generated by our cash management program.