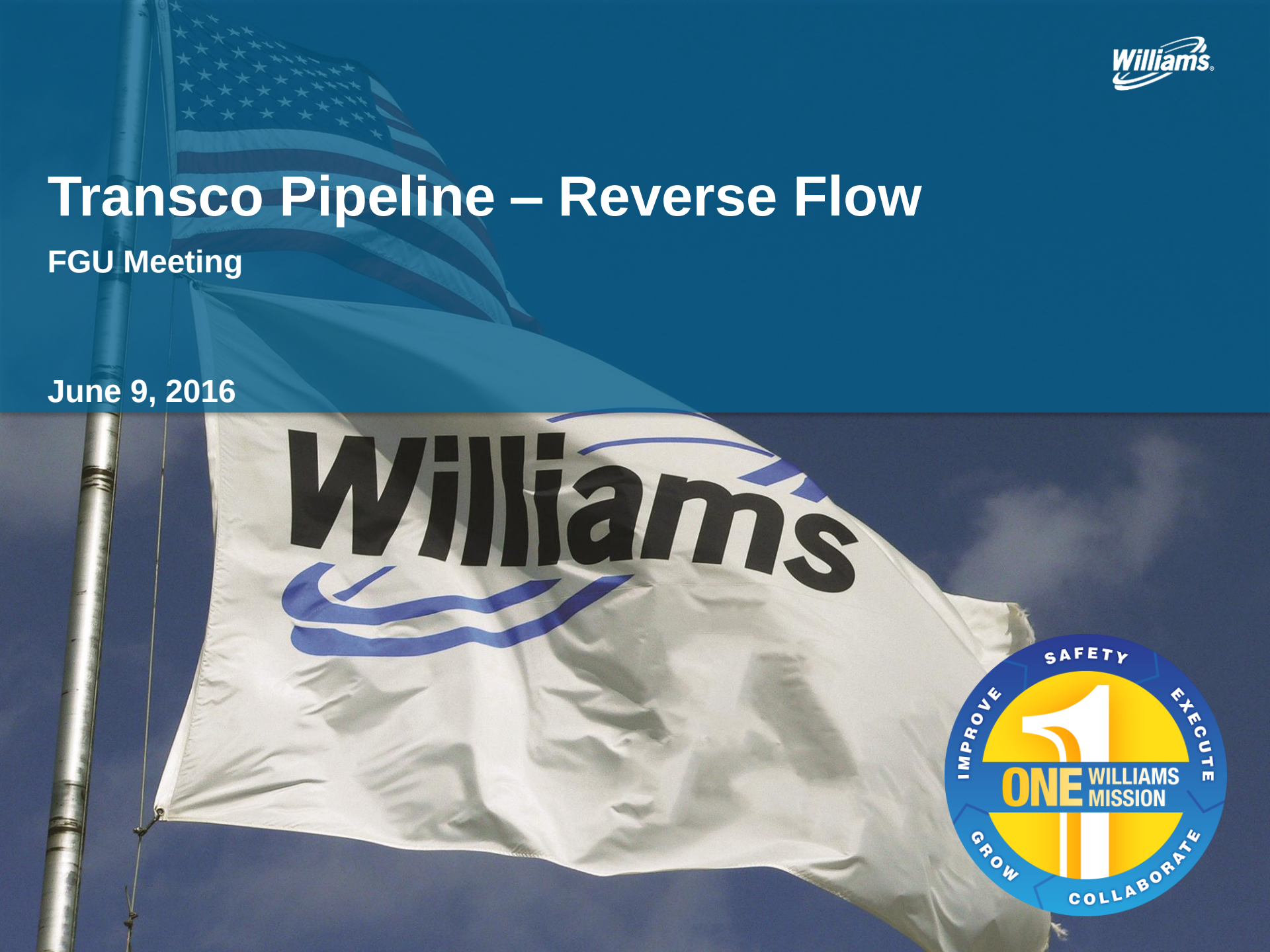
Transco Pipeline – Reverse Flow

FGU Meeting

June 9, 2016



Forward-Looking Statements – WPZ 2016

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 (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements relate to anticipated financial performance, management's plans and objectives for future operations, business prospects, outcome of regulatory proceedings, market conditions and other matters. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995.

All statements, other than statements of historical facts, included in this document 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:

- *The status, expected timing and expected outcome of the proposed ETC Merger;*
- *Events which may occur subsequent to the proposed ETC Merger including events which directly impact our business;*
- *Expected levels of cash distributions with respect to general partner interests, incentive distribution rights and 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;*
- *Financial condition and liquidity;*
- *Business strategy;*
- *Cash flow from operations or results of operations;*
- *Seasonality of certain business components;*
- *Natural gas, natural gas liquids, and olefins prices, supply, and demand; and*
- *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 document. 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:

- *The timing and likelihood of completion of the proposed ETC Merger, including the satisfaction of conditions to the completion of the proposed ETC Merger;*
- *Energy Transfer's plans for us, as well as the other master limited partnerships it currently controls, following the completion of the proposed ETC Merger;*
- *Disruption from the proposed ETC Merger making it more difficult to maintain business and operational relationships;*
- *Whether we have sufficient cash from operations to enable us to pay current and expected levels of cash distributions, if any, following the establishment of cash reserves and payment of fees and expenses, including payments to our general partner;*
- *Availability of supplies, market demand and volatility of prices;*

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Forward-Looking Statements continued

- ***Inflation, interest rates, fluctuation in foreign exchange 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 execute investment opportunities;***
- ***Our ability to acquire new businesses and assets and successfully integrate those operations and assets into our existing businesses as well as successfully expand our facilities;***
- ***Development of alternative energy sources;***
- ***The impact of operational and developmental hazards and unforeseen interruptions;***
- ***Costs of, changes in, or the results of laws, government regulations (including safety and environmental regulations), environmental liabilities, litigation, and rate proceedings;***
- ***Williams' costs and funding obligations for defined benefit pension plans and other postretirement benefit plans;***
- ***Our allocated 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;***
- ***Acts of terrorism, including cybersecurity threats and related disruptions; and***
- ***Additional risks described in our filings with the Securities and Exchange Commission (the "SEC").***

Given the uncertainties and risk factors that could cause our actual results to differ materially from those contained in any forward-looking statement, we caution investors not to unduly rely on our forward-looking statements. We disclaim any obligations to and do not intend to update the above list or to 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 document. 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 the risk factors referred to below in addition to the other information in this document. If any of the risks to which we are subject 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 26, 2016 and in Part II, Item 1A. Risk Factors in our Quarterly Reports on Form 10-Q available from our office or from our website at www.williams.com.

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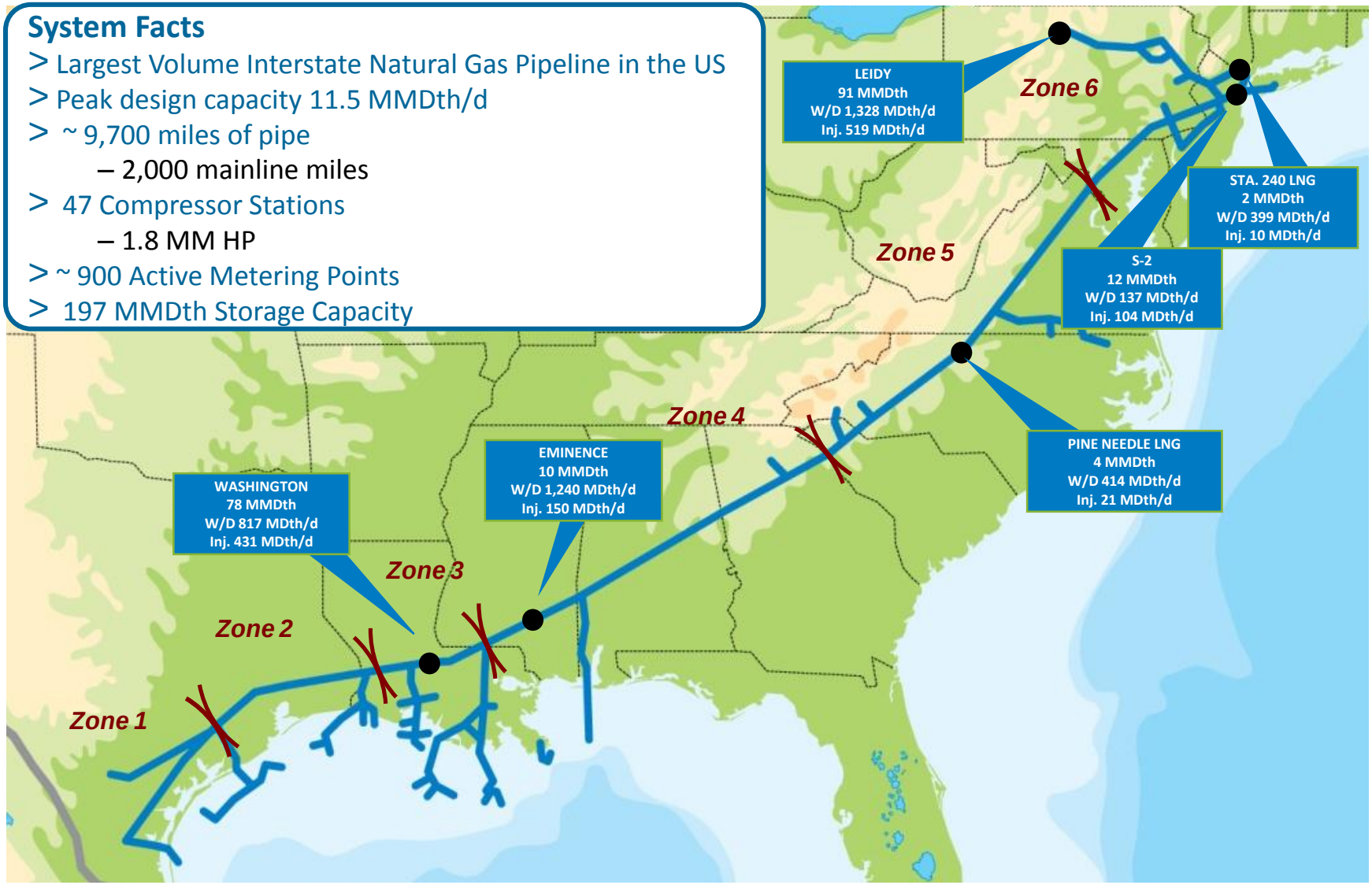
Transco System Overview

System Facts

- > Largest Volume Interstate Natural Gas Pipeline in the US
- > Peak design capacity 11.5 MMDth/d
- > ~ 9,700 miles of pipe
  - – 2,000 mainline miles
- > 47 Compressor Stations
  - – 1.8 MM HP
- > ~ 900 Active Metering Points
- > 197 MMDth Storage Capacity



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System Dynamics

- Shale Drilling, especially, within the Mid-Continent and Marcellus regions has dramatically altered the traditional flows on Transco's System.
- Marcellus supplies on the Leidy Line continue to increase
  - Interconnect capacity / flowing volumes have increased dramatically over the last several years
  - Multiple expansions from this relatively new supply region continue at a rapid rate
- Marcellus supplies showing up other places as well…
  - Interconnects
- Mobile Bay volumes flow southward on a regular basis
  - Steady volumes from Mid-Continent shales provide supply reliability at Station 85
- Supply from Transco's traditional Production Area has declined in recent years; however, signs are pointing to a change
  - Eagle Ford shale, etc.
- All of this relatively inexpensive supply has caused a rebirth in pipeline transmission construction and will continue to fundamentally change the way Gas flows throughout the United States and North American, in general

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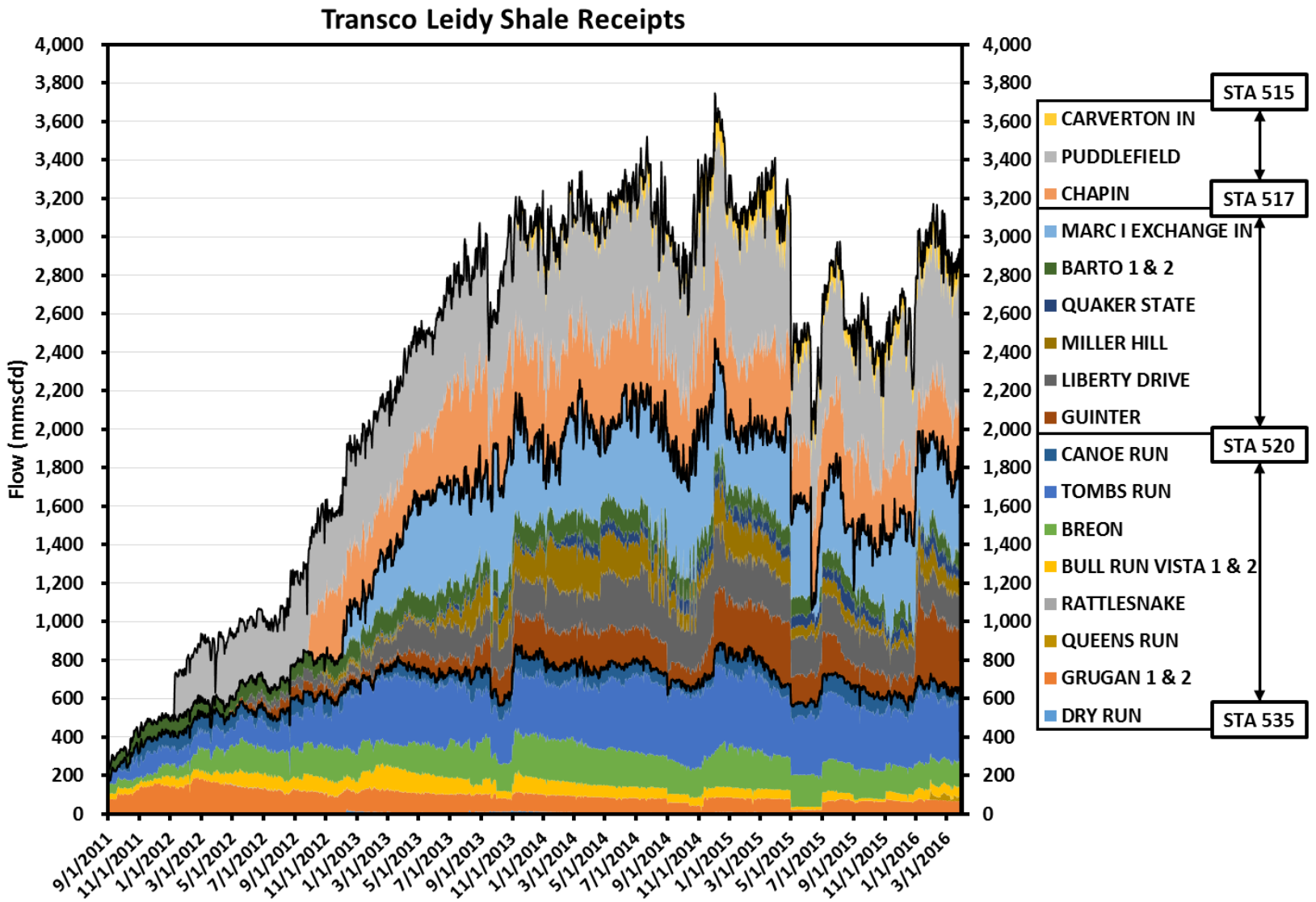
Leidy Receipts



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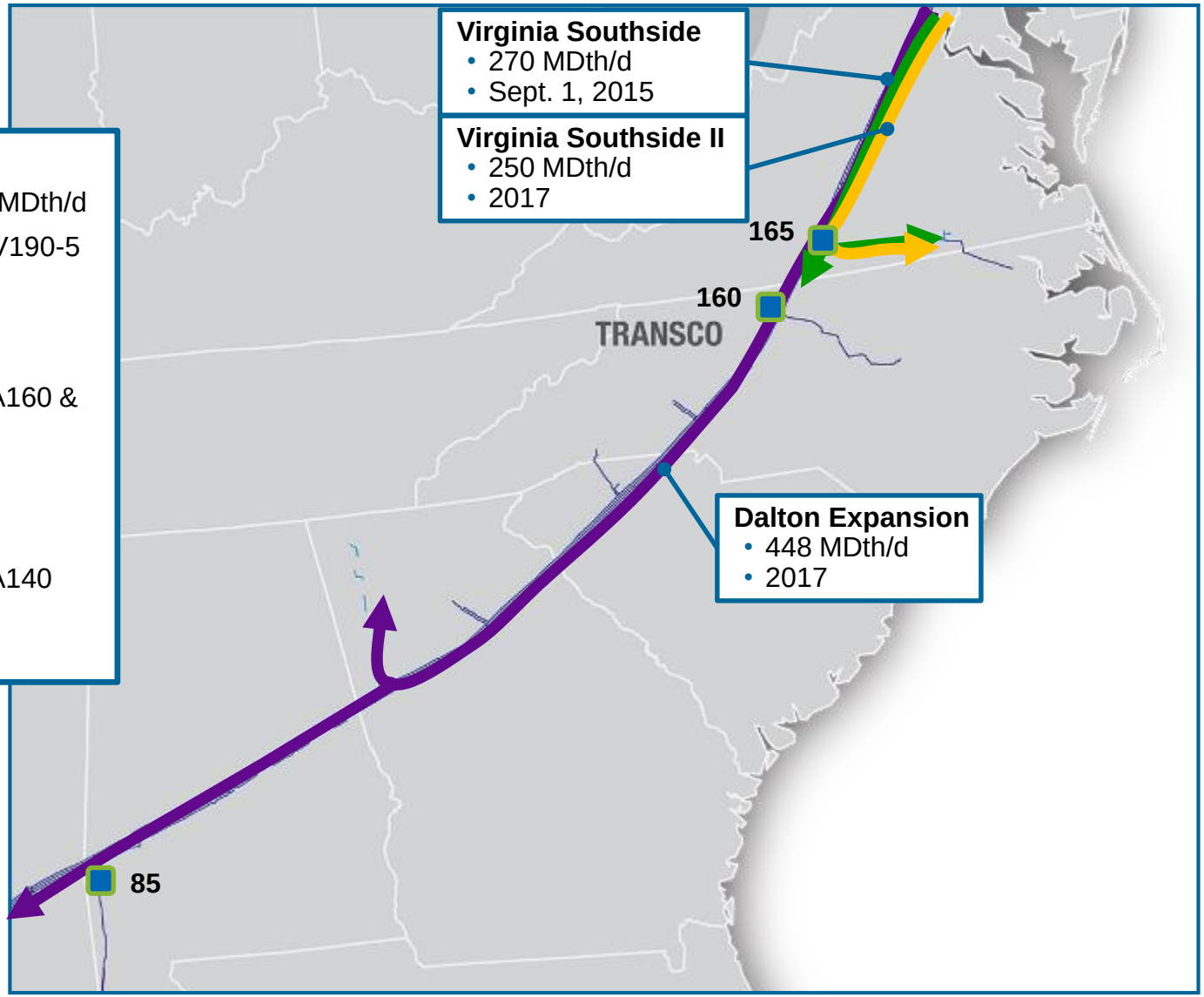
Expansion Projects & Odorization

- **Virginia Southside**
  - September 2015, +270 MDth/d
  - Odorization back to MLV190-5
- **Dalton**
  - 2017, +448 MDth/d
  - Odorization back to STA160 & includes SVL
- **Virginia Southside II**
  - Q4 2017, +250 MDth/d
  - Odorization back to STA140 including Tryon Lateral



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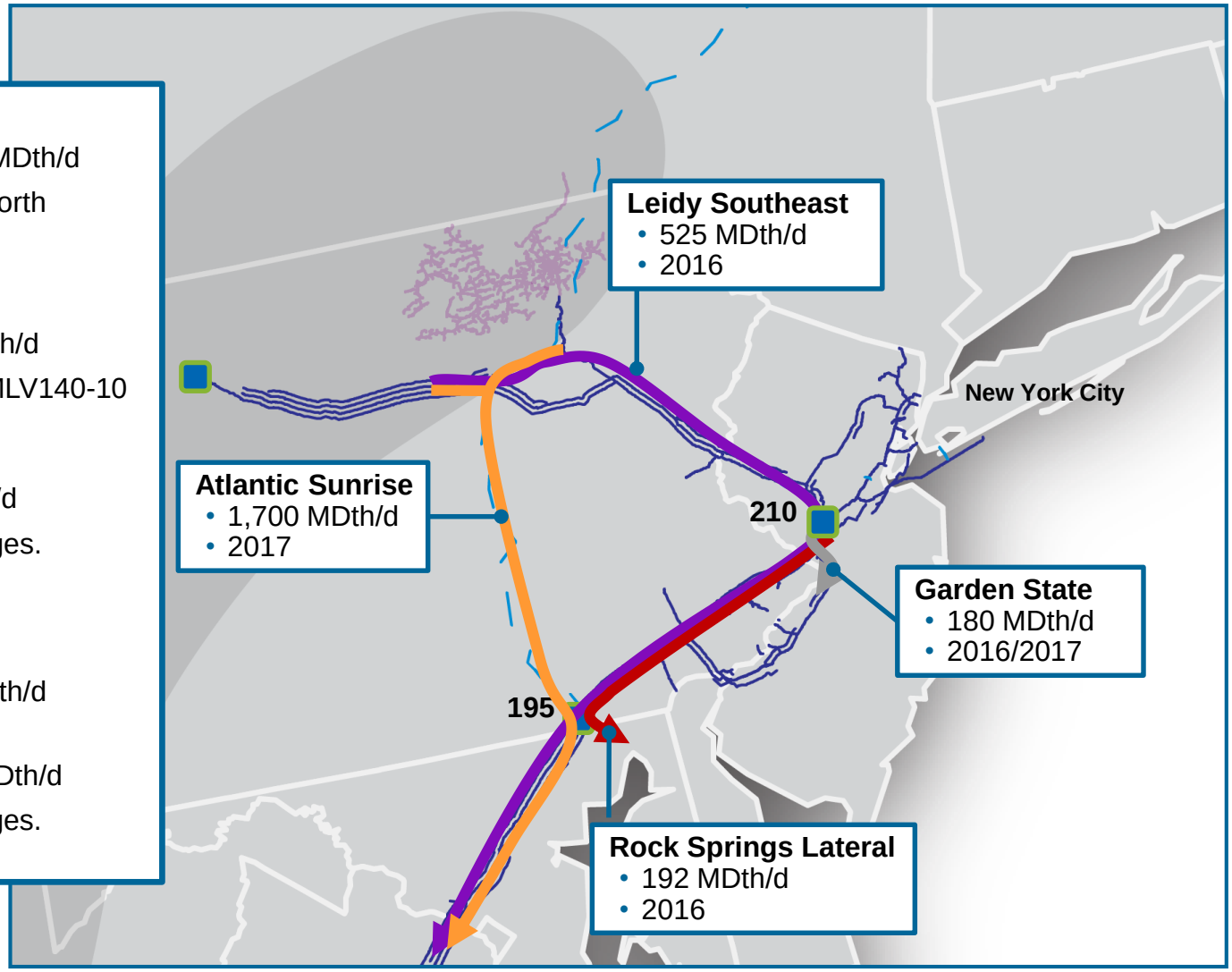
Expansion Projects & Odorization

- **Leidy Southeast**
  - January 2016, +525 MDth/d
  - Odorization back to north STA165
- **Atlantic Sunrise**
  - H2 2017, +1,700 MDth/d
  - Odorization back to MLV140-10
- **Rock Springs**
  - Q3 2016, +192 MDth/d
  - No Odorization changes.
- **Garden State**
  - Phase I
    - Q4 2016, +20 MDth/d
  - Phase II
    - Q3 2017, +160 MDth/d
  - No Odorization changes.



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Key Points

Flow Discussion – System Changes

- Transco's mainline from the Station 210 pool in New Jersey to locations in Pennsylvania, Maryland, Virginia, North Carolina, and South Carolina will become bi-directional as well as from the Station 65 pool in Louisiana to South Texas.
- Facility modifications will be added at certain compressor stations to make the stations bi-directional.
- Transco was traditionally fully odorized north of Philadelphia
  - Post Dalton, Virginia Southside II, and Atlantic Sunrise, between Station 140 and Station 200, the meter station odorization rates will be controlled and varied based on odorant levels detected in the inlet gas stream.
  - Mainline meter station odorization facilities will require modifications and/or additional facilities to monitor and adjust for varying levels of odorant in the inlet gas stream.
- Null points on the system, indicating the intersection of northbound flow and southbound flow, will vary in location depending on the load profile and season.

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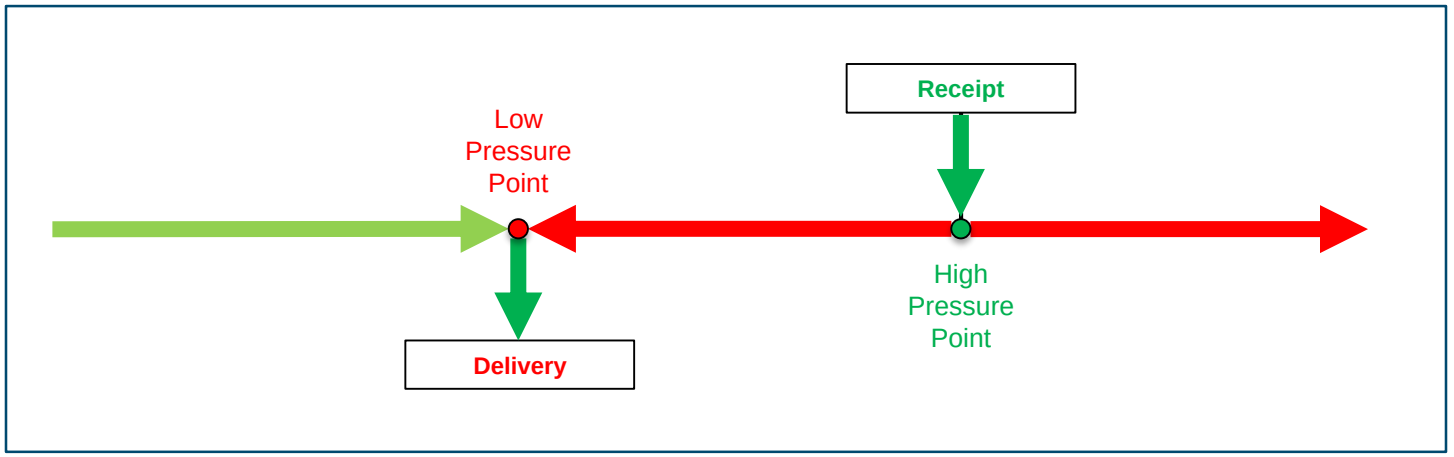
Null Points in Pipes

- A *Null Point* can basically be defined as a location where there is neither forward flow nor back flow, i.e., net throughput equals zero.
- Null Points form at either a point of highest pressure or lowest pressure.
  - Receipt points can create high pressure Null Points.
  - Delivery points can create low pressure Null Points.
- Null Points are not a new concept. Pipelines have been working with them and controlling them for many years. However, what is new is that Null Points are now forming in non-traditional areas.



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Null Points

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  - Gas Quality
    - Since Transco has traditionally used Area Chromatographs, Null Points within an Area Chromatograph's zone can be problematic.
      - How do we go about assigning the right gas quality to a meter station or set of meter stations?
      - How do we determine where the Null Point is at any given time?
    - There are solutions to these issues and Transco is working very diligently to ensure the correct assumptions are applied throughout its system
  - Odorization
    - As Null Points move around, how do we ensure that Odorization stays consistent and within acceptable limits
    - Working with individual customers to ensure we are all on the same page and working towards a solution that works best for everyone. Each situation can be somewhat unique.
  - Historical Pressures
    - As the system morphs from uni-directional to multi-directional, historical operating pressures may change as well.
      - Locations that were once just downstream of compressor stations may now be just upstream of a compressor station.
  - Fuel
  - Maximum Allowable Operating Pressure (MAOP)

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