

WILLIAMS COMPANIES INC

Form 424B2

December 14, 2012

Table of Contents

CALCULATION OF REGISTRATION FEE

Title of each class of securities offered	Amount to be registered	Maximum offering price per security	Maximum aggregate offering price	Amount of registration fee(1)
3.700% Senior Notes due 2023	\$850,000,000	99.975%	\$847,637,000	\$115,618

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933.

Table of Contents

**Filed Pursuant to Rule 424(b)(2)
Registration 333-181644**

PROSPECTUS SUPPLEMENT

(To Prospectus dated May 24, 2012)

\$850,000,000

3.700% Senior Notes due 2023

We are offering \$850,000,000 aggregate principal amount of our 3.700% senior notes due 2023. The notes will pay interest semi-annually in cash in arrears on January 15 and July 15 of each year, beginning on July 15, 2013. The notes are being issued in connection with our proposed investment (the Investment) in certain limited partner and general partner interests in Access Midstream Partners, L.P. If the Investment has not closed by May 15, 2013, we will be required to redeem the notes, in whole but not in part, at a redemption price equal to 101% of the aggregate principal amount of the notes, plus accrued and unpaid interest on the notes to the redemption date. The notes may also be redeemed at our option, in whole but not in part, at any time prior to May 15, 2013, at a redemption price equal to 101% of the aggregate principal amount of the notes, plus accrued and unpaid interest on the notes to the redemption date, if, in our judgment, the Investment will not be consummated on or prior to May 15, 2013 on substantially the terms described in this prospectus supplement. The net proceeds of this offering will not be deposited into an escrow account pending any such redemption of the notes. See Description of the Notes Special Mandatory Redemption. We may redeem some or all of the notes at any time or from time to time prior to October 15, 2022 at a specified make-whole premium. We also have the option, at any time on or after October 15, 2022 (which is the date that is three months prior to the maturity date of the notes), to redeem the notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest thereon to the redemption date. See Description of the Notes Optional Redemption.

The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our other senior indebtedness and senior to all of our future indebtedness that is expressly subordinated in right of payment to the notes.

Investing in our notes involves risks. Please read Risk Factors beginning on page S-7 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying base prospectus. Any representation to the contrary is a criminal offense.

Edgar Filing: WILLIAMS COMPANIES INC - Form 424B2

	Per Note	Total
Public offering price(1)	99.722%	\$ 847,637,000
Underwriting discount and commissions	0.650%	\$ 5,525,000
Proceeds to The Williams Companies, Inc. (before expenses)	99.072%	\$ 842,112,000

(1) Plus accrued interest from December 18, 2012, if settlement occurs after that date.
 The underwriters expect to deliver the notes on or about December 18, 2012, through the book-entry facilities of The Depository Trust Company, including its participants the Euroclear System and Clearstream Banking, S.A.

Joint Book-Running Managers

UBS Investment Bank

Barclays
Co-Managers

Citigroup

BOSC, Inc.
Mizuho Securities

DNB Markets
SMBC Nikko **TD Securities**
 Prospectus Supplement dated December 13, 2012

Mitsubishi UFJ Securities
US Bancorp

Table of Contents

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of the notes. The second part is the accompanying base prospectus, which gives more general information, some of which may not apply to this offering of the notes. Generally, when we refer only to the prospectus, we are referring to both parts combined. If the information about the offering of the notes varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that is also incorporated by reference into this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. Please read **Where You Can Find More Information** on page S-58 of this prospectus supplement.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying base prospectus and any free writing prospectus relating to this offering of the notes. Neither we nor the underwriters have authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We are offering to sell the notes, and seeking offers to buy the notes, only in jurisdictions where offers and sales are permitted. You should not assume that the information contained in this prospectus supplement, the accompanying base prospectus or any free writing prospectus is accurate as of any date other than the dates shown in these documents or that any information we have incorporated by reference herein is accurate as of any date other than the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since such dates.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

<u>FORWARD-LOOKING STATEMENTS</u>	Page
<u>CERTAIN DEFINITIONS</u>	S-iii
<u>SUMMARY</u>	S-v
<u>RISK FACTORS</u>	S-1
<u>USE OF PROCEEDS</u>	S-7
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	S-30
<u>CAPITALIZATION</u>	S-30
<u>DESCRIPTION OF THE NOTES</u>	S-31
<u>DESCRIPTION OF OTHER INDEBTEDNESS</u>	S-33
<u>CERTAIN MATERIAL FEDERAL INCOME TAX CONSIDERATIONS</u>	S-47
<u>UNDERWRITING</u>	S-50
<u>LEGAL MATTERS</u>	S-55
<u>EXPERTS</u>	S-57
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-57
<u>INCORPORATION BY REFERENCE</u>	S-58

Prospectus dated May 24, 2012

<u>ABOUT THIS PROSPECTUS</u>	Page
<u>ABOUT THE WILLIAMS COMPANIES, INC.</u>	1
<u>RISK FACTORS</u>	2
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	2
<u>INCORPORATION BY REFERENCE</u>	2
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	3
<u>USE OF PROCEEDS</u>	4
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	6
<u>ADOPTION OF ACCOUNTING STANDARDS UPDATES ON COMPREHENSIVE INCOME (Unaudited)</u>	6
<u>DESCRIPTION OF DEBT SECURITIES</u>	7
<u>DESCRIPTION OF CAPITAL STOCK</u>	8
<u>DESCRIPTION OF PURCHASE CONTRACTS</u>	16
<u>DESCRIPTION OF WARRANTS</u>	21
<u>DESCRIPTION OF UNITS</u>	22
<u>SELLING SECURITYHOLDERS</u>	23
<u>LEGAL MATTERS</u>	23
<u>EXPERTS</u>	23

Table of Contents

FORWARD-LOOKING STATEMENTS

Certain matters discussed in this prospectus supplement and the documents incorporated herein by reference, excluding historical information, include 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 prospectus supplement 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, assumes, intends, might, goals, objectives, targets, planned, potential, projects, scheduled, will, guidance, outlook, strategy, and 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:

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;

the levels of dividends to stockholders;

seasonality of certain business components; and

prices of natural gas, natural gas liquids and crude oil and demand.

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 prospectus supplement or in the documents incorporated herein by reference. You should carefully consider the risk factors discussed below in addition to the other information in this prospectus supplement and in the documents incorporated herein by reference. If any of the following risks were actually to occur, our business, results of operations and financial condition could be materially adversely affected. 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 have sufficient cash to enable us to pay current and expected levels of dividends;

availability of supplies, market demand, volatility of prices and the availability and cost of capital;

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 our customers and suppliers);

the strength and financial resources of our competitors;

ability to acquire new businesses and assets and integrate those operations and assets into our existing businesses, as well as expand our facilities;

development of alternative energy sources;

the impact of operational and development hazards;

S-iii

Table of Contents

costs of, changes in, or the results of laws, government regulations (including safety and climate change regulation and changes in natural gas production from exploration and production areas that we serve), environmental liabilities, litigation and rate proceedings;

our costs and funding obligations for defined benefit pension plans and other postretirement benefit plans;

changes in maintenance and construction costs;

changes in the current geopolitical situation;

our exposure to the credit risks of our customers and counterparties;

risks related to strategy and financing, including restrictions stemming from our debt agreements, future changes in our credit ratings and the availability and cost of credit;

risks associated with future weather conditions;

our ability to operate and control entities that we partially own in a manner beneficial to us;

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 or incorporated into this prospectus supplement. Such changes in our intentions may also cause our results to differ. We may change our intentions, at any time and without notice, based upon changes in such factors, our assumptions, or otherwise.

Because forward-looking statements involve risks and uncertainties, we caution that there are important factors, in addition to those listed above, that may cause actual results to differ materially from those contained in the forward-looking statements. These factors include the risks set forth under the caption "Risk Factors" in this prospectus supplement.

Table of Contents

CERTAIN DEFINITIONS

As used in this prospectus supplement, unless the context otherwise requires or indicates:

Northwest Pipeline refers to Northwest Pipeline GP.

Partially Owned Entities refers to the entities in which we do not own a 100 percent ownership interest, including principally Discovery Producer Services LLC, Gulfstream Natural Gas System, L.L.C., Laurel Mountain Midstream, LLC, Aux Sable Liquid Products L.P., and Overland Pass Pipeline Company LLC.

Pipeline Entities refers to Williams wholly- and partially-owned regulated pipeline entities, including principally Northwest Pipeline, Transco, Gulfstream Natural Gas System, L.L.C., Discovery Producer Services LLC, Overland Pass Pipeline Company LLC, and Black Marlin Pipeline LLC.

Transco refers to Transcontinental Gas Pipe Line Company, LLC.

Williams Partners and *WPZ* refer to Williams Partners L.P.

Williams, we, our, us and like terms refer to The Williams Companies, Inc. and its subsidiaries.

In addition, our industry uses many terms and acronyms that may not be familiar to you. To assist you in reading this prospectus supplement, we have provided below definitions of some of these terms.

British Thermal Units (Btu): When used in terms of volumes, Btu is used to refer to the amount of natural gas required to raise the temperature of one pound of water by one degree Fahrenheit at one atmospheric pressure.

FERC: Federal Energy Regulatory Commission.

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

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

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

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

Throughput: The volume of product transported or passing through a pipeline, plant, terminal or other facility.

S-v

Table of Contents

SUMMARY

*This summary highlights information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying base prospectus. It does not contain all of the information that you should consider before making an investment decision. You should read the entire prospectus supplement, the accompanying base prospectus and the documents incorporated by reference for a more complete understanding of this offering of the notes. Please read *Risk Factors* beginning on page S-7 of this prospectus supplement for information regarding risks you should consider before investing in the notes.*

The Williams Companies, Inc.

We are primarily an energy infrastructure company focused on connecting North America's hydrocarbon resource plays to growing markets for natural gas, NGLs, and olefins. Our operations span from the deepwater Gulf of Mexico to the Canadian oil sands.

Our interstate gas pipeline and domestic midstream interests are largely held through our significant investment in Williams Partners, one of the largest energy master limited partnerships. We own the general partner interest and, as of November 30, 2012, a 68.1 percent limited-partner interest in WPZ. We also own a Canadian midstream business, which processes oil sands off-gas.

Recent Developments

Investment in Equity Interests of Access Midstream Partners, L.P.

On December 11, 2012, we announced that we had entered into:

- (1) a purchase agreement dated December 11, 2012 with certain entities managed by Global Infrastructure Management, L.L.C. to acquire from such entities 34,538,061 subordinated limited partnership units (Subordinated Units) of Access Midstream Partners, L.P. (ACMP) and 50 percent of the outstanding equity interests in Access Midstream Ventures, L.L.C., the sole member of the general partner of ACMP (Access GP), which in turn holds all of ACMP's incentive distribution rights and a 2.0 percent general partner interest in ACMP (together, the GIP I Purchase); and
- (2) a subscription agreement dated December 11, 2012 with ACMP, Access GP and GIP II Hawk Holdings Partnership, L.P. (together with certain other affiliates of Global Infrastructure Investors II, LLC, GIP II) whereby we and GIP II have each agreed to purchase approximately 5.9 million Convertible Class B Units (Class B Units) and approximately 5.6 million Subordinated Class C Units (Class C Units). ACMP also will issue and sell to Access GP a number of general partnership units sufficient to maintain Access GP's 2.0 percent general partner interest in ACMP. In addition, if ACMP does not consummate a public offering of its common units prior to the closing of the ACMP Subscription (an ACMP Equity Offering), we and GIP II have each agreed to purchase up to approximately \$230 million of additional Class C Units (and associated general partnership units sufficient to maintain Access GP's 2.0 percent general partner interest in ACMP). If ACMP consummates an ACMP Equity Offering but the net proceeds thereof are less than currently anticipated, we and GIP II have each agreed to purchase up to approximately \$230 million of additional ACMP common units (and associated general partnership units sufficient to maintain Access GP's 2.0 percent general partner interest in ACMP) such that ACMP has received sufficient funding to consummate the CMO Acquisition described below. These subscription transactions are referred to collectively as the ACMP Subscription, and together with the GIP I Purchase, the Investment.

Upon consummation of the Investment, we will own an indirect 50 percent interest in Access GP, which owns the 2.0 percent general partner interest and the incentive distribution rights in ACMP, and an approximate

Table of Contents

25 percent limited partner interest in ACMP (based on current assumptions as to the capital raising activities of ACMP). ACMP is a publicly traded master limited partnership listed on the New York Stock Exchange (NYSE) that owns, operates, develops and acquires natural gas gathering systems and other midstream energy assets. ACMP is principally focused on natural gas gathering, the first segment of midstream energy infrastructure that connects natural gas produced at the wellhead to third-party takeaway pipelines.

The consideration for the GIP I Purchase is approximately \$1.823 billion, subject to adjustment for distributions in respect of any quarter on or after October 1, 2012, and our portion of the consideration for the ACMP Subscription will be between \$350 million and \$580 million depending upon certain capital raising activities of ACMP in connection with its acquisition from affiliates of Chesapeake Energy Corporation of 100 percent of the outstanding equity interests of Chesapeake Midstream Operating, L.L.C. (CMO) for consideration of approximately \$2.2 billion, subject to adjustments for working capital, inventory, certain cash, transaction expenses, indebtedness and certain adjusted revenues and expenditures from October 1, 2012 through the closing date (the CMO Acquisition). CMO and its subsidiaries own midstream gas gathering, processing and related assets in the Eagle Ford, Haynesville, Marcellus, Niobrara and Utica basins. It is anticipated that ACMP will finance the CMO Acquisition with the proceeds it receives from the ACMP Subscription, together with some combination of bridge financing, borrowings under its revolving credit facility, cash on hand, or the net proceeds of one or more capital markets offerings of its debt or equity securities.

During the subordination period, as defined in the ACMP partnership agreement, the Subordinated Units are not entitled to receive any distributions until the ACMP common units have received the minimum quarterly distribution, as set forth in the ACMP partnership agreement, plus any arrearages from prior quarters. The Subordinated Units convert to common units following the termination of the subordination period, which ends once ACMP meets any of the financial tests specified in its partnership agreement. Similar to the Subordinated Units, the Class C units also are not entitled to receive quarterly distributions until the common units have received the minimum quarterly distribution. The Class B Units are entitled to receive quarterly distributions with the common units but in the form of additional Class B Units instead of cash. The Class B Units and the Class C Units are convertible, at the option of the holder or ACMP, into common units on the day after the record date for the distribution to common units for the fiscal quarters ending December 31, 2014 and December 31, 2013, respectively.

The Investment will be funded through a combination of the net proceeds of this offering, the Common Stock Offering described below and, if necessary, borrowings under our revolving credit facility or the Bridge Facility described below. We may also elect to fund a portion of the consideration using cash on hand. This offering is not conditioned upon the completion of the Investment or the completion of the Common Stock Offering; however, in the event the Investment has not closed by May 15, 2013, we will be required to redeem the notes at a redemption price equal to 101% of the aggregate principal amount of such notes, plus accrued and unpaid interest to the redemption date. The notes may also be redeemed at our option prior to May 15, 2013, at a redemption price equal to 101% of the aggregate principal amount of the notes, plus accrued and unpaid interest on the notes to the redemption date, if, in our judgment, the Investment will not be consummated on or prior to May 15, 2013 on substantially the terms described in this prospectus supplement. See Description of the Notes Special Mandatory Redemption and Description of the Notes Optional Redemption.

On December 12, 2012, we priced an offering of 46,500,000 shares of our common stock at a price to the public of \$31.00 per share (the Common Stock Offering). The Common Stock Offering is scheduled to close on December 18, 2012. The net proceeds of the Common Stock Offering are expected to be approximately \$1.398 billion, which will be used to fund part of the consideration for the Investment.

We have obtained a backup financing commitment for an up to \$2.5 billion bridge facility (the Bridge Facility) from affiliates of certain of the underwriters of this offering to fund the payment of the consideration

Table of Contents

for the Investment, if necessary. Pursuant to such commitment, the amount available for borrowing under the Bridge Facility will be reduced by the amount of any net proceeds received by us from this offering and the Common Stock Offering. See Description of Other Indebtedness Bridge Facility for a description of the terms and conditions of the Bridge Facility.

The agreements governing the Investment include customary representations, warranties, covenants and indemnities. These agreements also contain certain termination rights for the parties, including if the closing of the transactions contemplated by the agreements does not occur by January 31, 2013, subject to possible extension by the parties. The agreements are subject to customary closing conditions and also require that, either before or contemporaneously with the Investment, ACMP close the CMO Acquisition.

The closing of the Investment and the CMO Acquisition are anticipated to occur in December 2012. For earnings per share, we expect the Investment will be slightly dilutive in 2013 and accretive beginning in 2014.

Support for Northeast-to-Gulf-Coast NGL Pipeline Project in Initial Development.

Separate from the Investment and CMO Acquisition, Chesapeake Energy Corporation has affirmed to us its intention to support our development of a proposed NGL pipeline that would connect liquids-rich Marcellus and Utica producing areas in the Northeast to large, diverse markets in the Gulf Coast. We are developing this project as a large-scale industry solution to support the long-term success of producers in these important shale-producing areas of the Northeast United States.

Geismar Drop-Down

On November 5, 2012, we completed the sale to WPZ of our 83.3 percent interest and operatorship of an olefins production facility located in Geismar, Louisiana, along with a refinery grade propylene splitter and pipelines in the Gulf region for total consideration valued at approximately \$2.4 billion, comprised of 42,778,812 common units of WPZ, \$25 million in cash and an increase in the capital account of WPZ's general partner to allow us to maintain our 2.0 percent general partner interest in WPZ (the Geismar Drop-Down). The Geismar facility is a light-end NGL cracker with current volumes of 39,000 barrels per day of ethane and 3,000 barrels per day of propane and annual production of 1.35 billion pounds of ethylene. We anticipate that upon the completion of an expansion currently underway and scheduled for completion by late 2013, the facility's annual ethylene production capacity will grow by 600 million pounds to 1.95 billion pounds. As part of the Geismar Drop-Down, we have agreed to temporarily waive \$16 million per quarter of distributions we would have otherwise been entitled to receive pursuant to our general partner incentive distribution rights until the later of December 31, 2013 or 30 days following substantial completion of the expansion referred to above.

Principal Executive Offices and Internet Address

Our principal executive offices are located at One Williams Center, Tulsa, Oklahoma 74172-0172, and our telephone number is (918) 573-2000. Our website is located at <http://www.williams.com>. We make our periodic reports and other information filed with or furnished to the SEC available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this prospectus supplement or the accompanying base prospectus and does not constitute a part of this prospectus supplement or the accompanying base prospectus.

Underwriting and Conflicts

Some of the underwriters and their affiliates have engaged, and may in the future engage, in commercial banking, investment banking or financial advisory transactions with us and our affiliates, in the ordinary course

Table of Contents

of their business. For example, UBS Securities LLC is acting as a financial advisor to us in connection with the Investment and certain underwriters and their affiliates, including UBS Securities LLC and UBS Loan Finance LLC, Barclays Bank PLC and Citigroup Global Markets Inc., are expected to act as arrangers and lenders for the Bridge Facility. In addition, Citigroup Global Markets Inc., Barclays Capital Inc., UBS Securities LLC, BOSCO, Inc., DNB Markets, Inc., Mitsubishi UFJ Securities (USA) Inc., Mizuho Securities USA Inc., SMBC Nikko Capital Markets Limited and TD Securities (USA) LLC are serving as underwriters for the Common Stock Offering. Such underwriters and their affiliates have received customary compensation and expense reimbursement for these commercial banking, investment banking or financial advisory transactions. In addition, Citigroup Global Markets Inc. is acting as financial advisor to Global Infrastructure Partners in connection with the Investment and is acting as a financial advisor to ACMP in connection with the CMO Acquisition. Please read Underwriting Relationships / FINRA Conduct Rules in this prospectus supplement.

Table of Contents

THE OFFERING

Issuer	The Williams Companies, Inc.
Notes Offered	\$850,000,000 aggregate principal amount of our 3.700% senior notes due 2023.
Maturity	The notes will mature on January 15, 2023.
Interest	The interest rate on the notes shall be 3.700%.
Interest Payment Dates	Interest on the notes will be payable semi-annually in arrears on January 15 and July 15 beginning on July 15, 2013, and will be payable to holders of record at the close of business on the January 1 or July 1 immediately preceding the interest payment date (whether or not a business day).
Optional Redemption	We may redeem the notes, in whole or in part, at our option at any time or from time to time prior to October 15, 2022, at the applicable make-whole redemption price described in this prospectus supplement. We also have the option, at any time on or after October 15, 2022, to redeem the notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest thereon to the redemption date. See Description of the Notes Optional Redemption.
Special Mandatory Redemption	If the Investment has not closed by May 15, 2013, we will be required to redeem the notes, in whole but not in part, at a redemption price equal to 101% of the aggregate principal amount of the notes, plus accrued and unpaid interest to the redemption date. The notes may also be redeemed at our option, in whole but not in part, at any time prior to May 15, 2013, at a redemption price equal to 101% of the aggregate principal amount of the notes, plus accrued and unpaid interest on the notes to the redemption date, if, in our judgment, the Investment will not be consummated on or prior to May 15, 2013 on substantially the terms described in this prospectus supplement. The net proceeds of this offering will not be deposited into an escrow account pending any special mandatory redemption of the notes. See Description of the Notes Special Mandatory Redemption.
Ranking	The notes will be our senior unsecured obligations. Your right to payment under the notes will be equal in right of payment with all of our existing and future senior unsecured indebtedness. The notes will be effectively subordinated to all of our future secured indebtedness and will be structurally subordinated to all existing and future indebtedness and other obligations of our subsidiaries, including trade payables. The notes will rank senior to all of our future subordinated indebtedness.

Table of Contents

Certain Covenants

We will issue the notes under a supplemental indenture to a base indenture, which we refer to collectively as the indenture, each to be dated as of December 18, 2012, between us and The Bank of New York Mellon Trust Company, N.A., as trustee. The indenture will contain limitations on, among other things:

the incurrence of liens on assets to secure debt; and

certain mergers or consolidations and transfers of assets.

These covenants are subject to exceptions. See Description of the Notes Certain Covenants.

Use of Proceeds

The net proceeds from this offering of notes will be approximately \$841.6 million after deducting the estimated underwriting discount and commissions and offering expenses payable by us. We intend to use the net proceeds of this offering, together with the net proceeds of the Common Stock Offering and, if necessary, borrowings under our revolving credit facility or the Bridge Facility, to fund the consideration for the Investment. We may also elect to fund a portion of the consideration using cash on hand. See Use of Proceeds.

Form and Denomination

The notes will be represented by one or more global notes. The global notes will be deposited with the trustee, as custodian for The Depository Trust Company (DTC).

Ownership of beneficial interests in the global notes will be shown on, and transfers of such interests will be effected only through, records maintained in book-entry form by DTC and its direct and indirect participants, including the depositories for Clearstream Banking Luxembourg, or Euroclear Bank S.A./N.V., as operator of the Euroclear System.

The notes will be issued in minimum denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof.

Absence of Public Trading Market

The notes will be a new issue of securities for which there is currently no market. We do not intend to apply for the notes to be listed on any securities exchange or to arrange for any quotation system to quote them. Accordingly, there can be no assurance that a liquid market for the notes will develop or be maintained. See Risk Factors in this prospectus supplement.

Governing Law

The notes and the indenture will be governed by the laws of the State of New York.

Trustee

The Bank of New York Mellon Trust Company, N.A.

Risk Factors

See Risk Factors beginning on page S-7 and the other information included in, or incorporated by reference into, this prospectus supplement and the accompanying base prospectus for a discussion of certain factors you should carefully consider before deciding to invest in the notes.

S-6

Table of Contents

RISK FACTORS

*Before you invest in the notes, you should carefully consider the risk factors set forth below, together with all of the other information included in this prospectus supplement, the accompanying base prospectus and the documents incorporated herein by reference in evaluating an investment in the notes. If any of the risks discussed below or in the foregoing documents were actually to occur, our business, prospects, financial condition, results of operations, cash flows and, in some cases, our reputation, could be materially adversely affected. In that case, we might not be able to pay interest on, or the principal of, the notes. In any such case, you may lose all or part of your original investment and not realize any return that you may have expected thereon. See *Certain Definitions* for definitions of certain terms used in this section.*

Risks Related to the Notes

Our indebtedness could impair our financial condition and our ability to fulfill our debt obligations, including our obligations under the notes.

As of September 30, 2012, we had outstanding indebtedness of \$9.5 billion, representing approximately 61% of our total book capitalization (\$10.4 billion and 58% after giving effect to the transactions described in the first sentence under *Capitalization* in this prospectus supplement).

Our debt service obligations and restrictive covenants in our \$900 million five-year senior unsecured revolving credit facility agreement, the expected terms of the Bridge Facility, the indenture governing the notes and the other indentures governing our existing senior unsecured notes could have important consequences to you. For example, they could:

make it more difficult for us to satisfy our obligations with respect to the notes and our other indebtedness, which could in turn result in an event of default on such other indebtedness or the notes;

impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes;

diminish our ability to withstand a continued or future downturn in our business or the economy generally;

require us to dedicate a substantial portion of our cash flow from operations to debt service payments, thereby reducing the availability of cash for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes;

limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and

place us at a competitive disadvantage compared to our competitors that have proportionately less debt.

Our ability to repay, extend or refinance our existing debt obligations, to make payments of interest on, and the principal of, the notes, and to obtain future credit will depend primarily on our operating performance, which will be affected by general economic, financial, competitive, legislative, regulatory, business and other factors, many of which are beyond our control. Our ability to refinance existing debt obligations or obtain future credit will also depend upon the current conditions in the credit markets and the availability of credit generally. If we are unable to meet our debt service obligations, we could be forced to restructure or refinance our indebtedness, seek additional equity capital or sell assets. We may be unable to obtain financing or sell assets on satisfactory terms, or at all.

We are not prohibited under the indenture that will govern the notes or the indentures that govern our existing senior unsecured notes from incurring additional indebtedness in addition to the notes. Our incurrence of

Table of Contents

significant additional indebtedness would exacerbate the negative consequences mentioned above, and could adversely affect our ability to pay the interest on, and principal of, the notes.

We have a holding company structure in which our subsidiaries conduct our operations and own our operating assets, which may affect our ability to make payments on the notes.

We have a holding company structure, and our subsidiaries conduct all of our operations and own all of our operating assets. We have no significant assets other than the ownership interests in these subsidiaries. As a result, our ability to make required payments on the notes depends on the performance of our subsidiaries and their ability to distribute funds to us. The ability of our subsidiaries to make distributions to us may be restricted by, among other things, applicable state partnership and limited liability company laws and other laws and regulations. If we are unable to obtain the funds necessary to pay the principal amount at maturity of the notes or to repurchase the notes upon the occurrence of a change of control, we may be required to adopt one or more alternatives, such as a refinancing of the notes. We cannot assure you that we would be able to refinance the notes.

Our subsidiaries are not prohibited from incurring indebtedness by their organizational documents, which may affect our ability to pay interest on, and the principal of, the notes.

Our subsidiaries are not prohibited by the terms of their respective organizational documents from incurring indebtedness. If they were to incur significant amounts of indebtedness, such occurrence may inhibit their ability to make distributions to us. An inability by our subsidiaries to make distributions to us would materially and adversely affect our ability to pay interest on, and the principal of, the notes because we expect distributions we receive from our subsidiaries to represent a significant portion of the cash we use to pay interest on, and the principal of, the notes.

The notes will be structurally subordinated to liabilities and indebtedness of our subsidiaries and effectively subordinated to any of our secured indebtedness to the extent of the assets securing such indebtedness.

We currently have no secured indebtedness outstanding, but holders of any secured indebtedness that we may incur in the future would have claims with respect to our assets constituting collateral for such indebtedness that are effectively prior to your claims under the notes. In the event of a default on such secured indebtedness or our bankruptcy, liquidation or reorganization, those assets would be available to satisfy obligations with respect to the indebtedness secured thereby before any payment could be made on the notes. Accordingly, any such secured indebtedness would effectively be senior to the notes to the extent of the value of the collateral securing the indebtedness. While the indenture governing the notes places some limitations on our ability to create liens, there are significant exceptions to these limitations that will allow us to secure some kinds of indebtedness without equally and ratably securing the notes. To the extent the value of the collateral is not sufficient to satisfy the secured indebtedness, the holders of that indebtedness would be entitled to share with the holders of the notes and the holders of other claims against us with respect to our other assets. Holders of the notes will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. As a result, holders of notes may receive less, ratably, than holders of secured indebtedness.

In addition, the notes are not guaranteed by our subsidiaries and our subsidiaries are generally not prohibited under the indenture from incurring additional indebtedness (in particular, WPZ and its subsidiaries collectively had approximately \$8.1 billion of indebtedness outstanding as of September 30, 2012 and are likely to incur additional indebtedness in the future). As a result, holders of the notes will be structurally subordinated to claims of third party creditors, including holders of indebtedness, of these subsidiaries. Claims of those other creditors,

Table of Contents

including trade creditors, secured creditors, governmental authorities, and holders of indebtedness or guarantees issued by the subsidiaries, will generally have priority as to the assets of the subsidiaries over claims by the holders of the notes. As a result, rights of payment of holders of our indebtedness, including the holders of the notes, will be structurally subordinated to all those claims of creditors of our subsidiaries.

If the Investment has not closed by May 15, 2013, we will be required to redeem the notes and you may not obtain your expected return on the notes.

Our ability to close the Investment is subject to various closing conditions, many of which are beyond our control. Therefore we may not be able to close the Investment. If the closing of the Investment has not occurred before May 15, 2013, we will be required to redeem all of the notes at a redemption price equal to 101% of the aggregate principal amount of the notes, plus accrued and unpaid interest on the notes to the redemption date. If for any reason we believe that the Investment will not close before the deadline for special mandatory redemption, we have the option to redeem the notes earlier on the same terms. If we redeem the notes pursuant to these redemption provisions, you may not obtain your expected return on the notes and may not be able to reinvest the proceeds from such redemption in an investment that results in a comparable return. In addition, as a result of the special redemption provisions of the notes, the trading prices of the notes may not reflect the financial results of our business or macroeconomic factors. Your decision to invest in the notes is made at the time of the offering of the notes. You will have no rights under the special mandatory redemption provisions as long as the Investment closes by May 15, 2013, nor will you have any right to require us to repurchase your notes if, between the closing of the notes offering and the closing of the Investment, we experience any changes (including any material changes) in our business or financial condition, or if the terms of the Investment or the related transactions change, including in material respects.

We will not deposit the net proceeds of this offering into an escrow account, and we may not be able to raise the funds necessary to finance the special mandatory redemption required under certain circumstances by the indenture governing the notes.

If the Investment has not closed before May 15, 2013, we will be required to redeem all of the notes offered hereby. We will not deposit the net proceeds of this offering into an escrow account pending the closing of the Investment for the purpose of redeeming the notes offered hereby if the Investment does not close. We cannot assure you that we will have sufficient funds available when needed to finance the special mandatory redemption of the notes. Any failure to redeem any of the notes pursuant to the special mandatory redemption provisions would constitute a default under the indenture governing the notes.

An active trading market may not develop for our notes.

Prior to this offering, there was no market for the notes. We have been informed by the underwriters that they intend to make a market in the notes after this offering is completed. However, none of the underwriters is obligated to make a market in the notes and, even if the underwriters commence market making, they may cease their market-making at any time. In addition, the liquidity of the trading market in the notes and the market price quoted for the notes may be adversely affected by changes in the overall market for debt securities and by changes in our financial performance or prospects or in the financial performance or prospects of companies in our industry. As a result, an active trading market may not develop or be maintained for our notes. If an active market does not develop or is not maintained, the market price and liquidity of our notes may be adversely affected.

Table of Contents

Risks Related to Our Business

The long-term financial condition of our natural gas transportation and midstream businesses is dependent on the continued availability of natural gas supplies in the supply basins that we access, demand for those supplies in our traditional markets and the prices of and market demand for natural gas.

The development of the additional natural gas reserves that are essential for our natural gas transportation and midstream businesses to thrive requires significant capital expenditures by others for exploration and development drilling and the installation of production, gathering, storage, transportation and other facilities that permit natural gas to be produced and delivered to our pipeline systems. Low prices for natural gas, regulatory limitations, including environmental regulations, or the lack of available capital for these projects could adversely affect the development and production of additional reserves, as well as gathering, storage, pipeline transportation and import and export of natural gas supplies, adversely impacting our ability to fill the capacities of our gathering, transportation and processing facilities.

Production from existing wells and natural gas supply basins with access to our pipeline and gathering systems will also naturally decline over time. The amount of natural gas reserves underlying these wells may also be less than anticipated, and the rate at which production from these reserves declines may be greater than anticipated. Additionally, the competition for natural gas supplies to serve other markets could reduce the amount of natural gas supply for our customers. Accordingly, to maintain or increase the contracted capacity or the volume of natural gas transported on or gathered through our pipeline systems and cash flows associated with the gathering and transportation of natural gas, our customers must compete with others to obtain adequate supplies of natural gas. In addition, if natural gas prices in the supply basins connected to our pipeline systems are higher than prices in other natural gas producing regions, our ability to compete with other transporters may be negatively impacted on a short-term basis, as well as with respect to our long-term recontracting activities. If new supplies of natural gas are not obtained to replace the natural decline in volumes from existing supply areas, if natural gas supplies are diverted to serve other markets, if development in new supply basins where we do not have significant gathering or pipeline systems reduces demand for our services, or if environmental regulators restrict new natural gas drilling, the overall volume of natural gas transported, gathered and stored on our systems would decline, which could have a material adverse effect on our business, financial condition and results of operations, and our ability to pay interest on, and the principal of, the notes. In addition, new LNG import facilities built near our markets could result in less demand for our gathering and transportation facilities.

Significant prolonged changes in natural gas prices could affect supply and demand and cause a reduction in or termination of the long-term transportation and storage contracts or throughput on the gas pipeline systems.

Higher natural gas prices over the long term could result in a decline in the demand for natural gas and, therefore, in long-term transportation and storage contracts or throughput on our gas pipeline systems. Also, lower natural gas prices over the long term could result in a decline in the production of natural gas resulting in reduced contracts or throughput on the gas pipeline systems. As a result, significant prolonged changes in natural gas prices could have a material adverse effect on our gas pipeline business, financial condition, results of operations and cash flows, and on our ability to pay interest on, and the principal of, the notes.

Prices for NGLs, natural gas, oil and other commodities are volatile and this volatility could adversely affect our financial results, cash flows, access to capital and ability to maintain existing businesses.

Our revenues, operating results, future rate of growth and the value of certain components of our businesses depend primarily upon the prices of NGLs, natural gas, oil or other commodities, and the differences between prices of these commodities. Price volatility can impact both the amount we receive for our products and services and the volume of products and services we sell. Prices affect the amount of cash flow available for capital

Table of Contents

expenditures and our ability to borrow money or raise additional capital. Any of the foregoing can also have an adverse effect on our business, results of operations, financial condition and cash flows and our ability to pay interest on, and the principal of, the notes.

The markets for NGLs, natural gas, oil and other commodities are likely to continue to be volatile. Wide fluctuations in prices might result from relatively minor changes in the supply of and demand for these commodities, market uncertainty and other factors that are beyond our control, including:

worldwide and domestic supplies of and demand for natural gas, NGLs, oil, petroleum, and related commodities;

turmoil in the Middle East and other producing regions;