



## Williams' success leads to takeover

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TULSA — One of the few energy-related financial success stories over the past year propelled Tulsa-based Williams Cos. Inc. near the top of Oklahoma Inc., but also made it an irresistible target for Dallas-based Energy Transfer Equity LP.

Both developments were led largely by the growth of Williams' 10,000-mile Transco natural gas pipeline system, which daily moves natural gas between the Texas Gulf Coast, through Georgia and into New England.

The companies in September said Energy Transfer had agreed to buy Williams for \$37.7 billion, well less than the \$48 billion offer Williams rejected in June.

The combined company will boast more than 100,000 miles of oil and natural gas pipelines throughout the country. The deal would give the company an enterprise value of \$149 billion, making it the fifth-largest energy company in the world.

No layoffs planned

As part of the deal, Williams has scrapped its \$13.8 billion plans to merge with its affiliate Williams Partners LP. The Energy Transfer merger would retain Williams Partners as a separate company headquartered in Tulsa. Energy Transfer has said it would keep a "meaningful presence" in Tulsa.

Williams and Williams Partners have about 7,000 employees throughout the country, including 1,000 in Tulsa and 600 in Oklahoma City. After the merger deal was announced, Williams told regulators it does not expect widespread layoffs.

"We don't expect the large majority of Williams employed to be impacted by potential severance," Williams said in its filings with the Securities and Exchange Commission.

The deal still faces regulatory and shareholder approval and already faces at least one shareholder lawsuit claiming the deal undervalues the Tulsa company.

"I doubt the merger would be unwound, but I think there's a possibility that ultimately Energy Transfer would have to step up to the plate and offer more stock or more cash for the deal," said Fred Russell, CEO of Tulsa-based Fredric E. Russell Investment Management Co. "There are a lot of big firms holding 1 to 2 percent in Williams. They could make things tough on Energy Transfer."



Williams Cos. Inc. CEO Alan Armstrong stands in his office on top the Williams Center in downtown Tulsa. [PHOTO BY ADAM WILMOTH, THE OKLAHOMAN ARCHIVES]