



**Financial Highlights and Operating Statistics**  
(UNAUDITED)

Final

March 31, 2006

## Reconciliation of Income from Continuing Operations to Recurring Earnings (Loss)

(UNAUDITED)

	2005					2006
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr
<b>Income from continuing operations available to common stockholders</b>	<u>\$202.2</u>	<u>\$40.7</u>	<u>\$5.7</u>	<u>\$68.8</u>	<u>\$317.4</u>	<u>\$131.1</u>
<b>Income from continuing operations - diluted earnings (loss) per common share</b>	<u>\$0.34</u>	<u>\$0.07</u>	<u>\$0.01</u>	<u>\$0.11</u>	<u>\$0.53</u>	<u>\$0.22</u>
<b>Nonrecurring items:</b>						
<u>Exploration &amp; Production</u>						
Gain on sale of E&P properties	(7.9)	-	(21.7)	-	(29.6)	-
Loss provision related to an ownership dispute	0.3	-	-	-	0.3	-
<i>Total Exploration &amp; Production nonrecurring items</i>	<u>(7.6)</u>	<u>-</u>	<u>(21.7)</u>	<u>-</u>	<u>(29.3)</u>	<u>-</u>
<u>Gas Pipeline</u>						
Prior period liability corrections - TGPL	(13.1)	(4.6)	-	-	(17.7)	-
Prior period pension adjustment - TGPL	-	(17.1)	-	-	(17.1)	-
Income from favorable ruling on FERC appeal (1999 Fuel Tracker)	-	-	(14.2)	-	(14.2)	-
Prior period inventory corrections - TGPL	-	-	-	27.5	27.5	-
Accrual of contingent refund obligation - TGPL	-	-	-	9.8	9.8	-
Reversal of litigation contingency due to favorable ruling - TGPL	-	-	-	-	-	(2.0)
<i>Total Gas Pipeline nonrecurring items</i>	<u>(13.1)</u>	<u>(21.7)</u>	<u>(14.2)</u>	<u>37.3</u>	<u>(11.7)</u>	<u>(2.0)</u>
<u>Midstream Gas &amp; Liquids</u>						
Settlement of an international contract dispute	-	-	-	-	-	(6.3)
<i>Total Midstream Gas &amp; Liquids nonrecurring items</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6.3)</u>
<u>Power</u>						
Accrual for a regulatory settlement <sup>(1)</sup>	4.6	-	-	-	4.6	-
Accrual for litigation contingencies <sup>(1)</sup>	-	13.1	0.4	68.7	82.2	-
Impairment of Aux Sable	-	-	-	23.0	23.0	-
Prior period correction	6.8	-	-	-	6.8	-
<i>Total Power nonrecurring items</i>	<u>11.4</u>	<u>13.1</u>	<u>0.4</u>	<u>91.7</u>	<u>116.6</u>	<u>-</u>
<u>Other</u>						
Impairment of Longhorn	-	49.1	-	38.1	87.2	-
Write-off of capitalized project development costs	-	4.0	-	-	4.0	-
Gain on sale of real property	-	-	-	(9.0)	(9.0)	-
<i>Total Other nonrecurring items</i>	<u>-</u>	<u>53.1</u>	<u>-</u>	<u>29.1</u>	<u>82.2</u>	<u>-</u>
Nonrecurring items included in segment profit (loss)	<u>(9.3)</u>	<u>44.5</u>	<u>(35.5)</u>	<u>158.1</u>	<u>157.8</u>	<u>(8.3)</u>
<u>Nonrecurring items below segment profit (loss)</u>						
<i>Gain on sale of remaining interests in Seminole Pipeline and MAPL (Investing income / loss - Midstream)</i>	<u>-</u>	<u>(8.6)</u>	<u>-</u>	<u>-</u>	<u>(8.6)</u>	<u>-</u>
<i>Loss provision related to an ownership dispute - interest component (Interest accrued - Exploration &amp; Production)</i>	<u>2.7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2.7</u>	<u>-</u>
<i>Directors and officers insurance policy adjustment (General corporate expenses - Corporate)</i>	<u>-</u>	<u>-</u>	<u>13.8</u>	<u>-</u>	<u>13.8</u>	<u>-</u>
<i>Loss provision related to ERISA litigation settlement (Other income (expense) - net - Corporate)</i>	<u>-</u>	<u>-</u>	<u>5.0</u>	<u>-</u>	<u>5.0</u>	<u>-</u>
<i>Legal fees associated with shareholder litigation (General corporate expenses - Corporate)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9.4</u>	<u>9.4</u>	<u>1.2</u>
<i>Reversal of interest accrual related to reversal of litigation contingency noted above (Other interest expense - Gas Pipeline - TGPL)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5.0)</u>
<i>Premium and fees related to convertible debt conversion - (Other income (expense) - net - Corporate)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27.0</u>
<i>Gain on sale of Algar/Triangulo shares (Investing income / loss - Other)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6.7)</u>
	<u>2.7</u>	<u>(8.6)</u>	<u>18.8</u>	<u>9.4</u>	<u>22.3</u>	<u>16.5</u>
<b>Total nonrecurring items</b>	<u>(6.6)</u>	<u>35.9</u>	<u>(16.7)</u>	<u>167.5</u>	<u>180.1</u>	<u>8.2</u>
Tax effect for above items <sup>(1)</sup>	(2.8)	10.7	(6.4)	48.0	49.5	3.4
Adjustment for nonrecurring excess deferred tax benefit	-	-	-	(20.2)	(20.2)	-
<b>Recurring income (loss) from continuing operations available to common stockholders</b>	<u>\$198.4</u>	<u>\$65.9</u>	<u>(\$4.6)</u>	<u>\$168.1</u>	<u>\$427.8</u>	<u>\$135.9</u>
<b>Recurring diluted earnings (loss) per common share</b>	<u>\$0.33</u>	<u>\$0.11</u>	<u>(\$0.01)</u>	<u>\$0.28</u>	<u>\$0.72</u>	<u>\$0.23</u>
<b>Weighted-average shares - diluted (thousands)</b>	599,422	578,902	580,735	609,106	605,847	607,073

<sup>(1)</sup>No tax effect on \$0.6 million of the accrual for a regulatory settlement in 1st quarter 2005 and \$8 million and \$42 million of the accrual for litigation contingencies in 2nd quarter 2005 and 4th quarter 2005, respectively. The tax rate applied to Midstream's international contract dispute settlement in 1st quarter 2006 is 34%.

Note: The sum of earnings (loss) per share for the quarters may not equal the total earnings (loss) per share for the year due to changes in the weighted-average number of common shares outstanding.

## Consolidated Statement of Operations

(UNAUDITED)

	2005					2006
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr
<i>(Dollars in millions, except per-share amounts)</i>						
Revenues	\$ 2,954.0	\$ 2,871.2	\$ 3,082.3	\$ 3,676.1	\$ 12,583.6	\$ 3,027.5
Segment costs and expenses:						
Costs and operating expenses	2,390.3	2,491.6	2,826.2	3,162.9	10,871.0	2,588.7
Selling, general and administrative expenses	73.5	62.7	90.6	98.6	325.4	71.0
Other (income) expense - net	(1.8)	21.9	(21.4)	62.5	61.2	(22.3)
Total segment costs and expenses	<u>2,462.0</u>	<u>2,576.2</u>	<u>2,895.4</u>	<u>3,324.0</u>	<u>11,257.6</u>	<u>2,637.4</u>
Equity earnings	17.7	9.8	17.6	20.5	65.6	22.2
Loss from investments	-	(48.4)	-	(60.7)	(109.1)	-
<b>Total segment profit</b>	<u><b>509.7</b></u>	<u><b>256.4</b></u>	<u><b>204.5</b></u>	<u><b>311.9</b></u>	<u><b>1,282.5</b></u>	<u><b>412.3</b></u>
Reclass equity earnings	(17.7)	(9.8)	(17.6)	(20.5)	(65.6)	(22.2)
Reclass loss from investments	-	48.4	-	60.7	109.1	-
General corporate expenses	(28.0)	(35.5)	(42.8)	(48.6)	(154.9)	(31.8)
Operating income	464.0	259.5	144.1	303.5	1,171.1	358.3
Interest accrued	(164.7)	(164.6)	(166.0)	(176.4)	(671.7)	(162.8)
Interest capitalized	1.1	1.4	1.8	2.9	7.2	3.0
Investing income (loss)	31.0	(17.2)	31.1	(21.2)	23.7	46.9
Early debt retirement costs	-	-	-	(0.4)	(0.4)	(27.0)
Minority interest in income of consolidated subsidiaries	(5.2)	(4.8)	(6.8)	(8.9)	(25.7)	(7.1)
Other income (expense) - net	5.5	8.1	(1.1)	14.6	27.1	8.1
Income from continuing operations before income taxes and cumulative effect of change in accounting principle	331.7	82.4	3.1	114.1	531.3	219.4
Provision (benefit) for income taxes	<u>129.5</u>	<u>41.7</u>	<u>(2.6)</u>	<u>45.3</u>	<u>213.9</u>	<u>88.3</u>
<b>Income from continuing operations</b>	<b>202.2</b>	<b>40.7</b>	<b>5.7</b>	<b>68.8</b>	<b>317.4</b>	<b>131.1</b>
Income (loss) from discontinued operations	<u>(1.1)</u>	<u>0.6</u>	<u>(1.3)</u>	<u>(0.3)</u>	<u>(2.1)</u>	<u>0.8</u>
Income before cumulative effect of change in accounting principle	201.1	41.3	4.4	68.5	315.3	131.9
Cumulative effect of change in accounting principle	-	-	-	(1.7)	(1.7)	-
<b>Net income</b>	<u><b>\$ 201.1</b></u>	<u><b>\$ 41.3</b></u>	<u><b>\$ 4.4</b></u>	<u><b>\$ 66.8</b></u>	<u><b>\$ 313.6</b></u>	<u><b>\$ 131.9</b></u>
Diluted earnings per common share:						
<b>Income from continuing operations</b>	<b>\$ 0.34</b>	<b>\$ 0.07</b>	<b>\$ 0.01</b>	<b>\$ 0.11</b>	<b>\$ 0.53</b>	<b>\$ 0.22</b>
Income (loss) from discontinued operations	-	-	-	-	-	-
Income before cumulative effect of change in accounting principle	<b>0.34</b>	<b>0.07</b>	<b>0.01</b>	<b>0.11</b>	<b>0.53</b>	<b>0.22</b>
Cumulative effect of change in accounting principle	-	-	-	-	-	-
<b>Net income</b>	<u><b>\$ 0.34</b></u>	<u><b>\$ 0.07</b></u>	<u><b>\$ 0.01</b></u>	<u><b>\$ 0.11</b></u>	<u><b>\$ 0.53</b></u>	<u><b>\$ 0.22</b></u>
Weighted-average number of shares used in computation (thousands)	599,422	578,902	580,735	609,106	605,847	607,073
Common shares outstanding at end of period (thousands)	570,501	571,502	572,922	573,592	573,592	595,007
Market price per common share (end of period)	\$ 18.81	\$ 19.00	\$ 25.05	\$ 23.17	\$ 23.17	\$ 21.39
Common dividends per share	\$ 0.05	\$ 0.05	\$ 0.075	\$ 0.075	\$ 0.25	\$ 0.075
Note:	The sum of earnings (loss) per share for the quarters may not equal the total earnings (loss) per share for the year due to changes in the weighted-average number of common shares outstanding.					

## Reconciliation of Segment Profit to Recurring Segment Profit

(UNAUDITED)

(Dollars in millions)	2005					2006
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr
<b>Segment profit (loss):</b>						
Exploration & Production	\$ 103.7	\$ 118.3	\$ 158.8	\$ 206.4	\$ 587.2	\$ 147.6
Gas Pipeline	167.4	164.5	161.1	92.8	585.8	134.7
Midstream Gas & Liquids	128.6	109.1	121.1	112.4	471.2	151.5
Power	114.1	(75.0)	(226.4)	(69.4)	(256.7)	(22.5)
Other	(4.1)	(60.5)	(10.1)	(30.3)	(105.0)	1.0
<b>Total segment profit</b>	<b>\$ 509.7</b>	<b>\$ 256.4</b>	<b>\$ 204.5</b>	<b>\$ 311.9</b>	<b>\$ 1,282.5</b>	<b>\$ 412.3</b>
<b>Nonrecurring adjustments:</b>						
Exploration & Production	\$ (7.6)	\$ -	\$ (21.7)	\$ -	\$ (29.3)	\$ -
Gas Pipeline	(13.1)	(21.7)	(14.2)	37.3	(11.7)	(2.0)
Midstream Gas & Liquids	-	-	-	-	-	(6.3)
Power	11.4	13.1	0.4	91.7	116.6	-
Other	-	53.1	-	29.1	82.2	-
<b>Total segment nonrecurring adjustments</b>	<b>\$ (9.3)</b>	<b>\$ 44.5</b>	<b>\$ (35.5)</b>	<b>\$ 158.1</b>	<b>\$ 157.8</b>	<b>\$ (8.3)</b>
<b>Recurring segment profit (loss):</b>						
Exploration & Production	96.1	118.3	137.1	206.4	557.9	147.6
Gas Pipeline	154.3	142.8	146.9	130.1	574.1	132.7
Midstream Gas & Liquids	128.6	109.1	121.1	112.4	471.2	145.2
Power	125.5	(61.9)	(226.0)	22.3	(140.1)	(22.5)
Other	(4.1)	(7.4)	(10.1)	(1.2)	(22.8)	1.0
<b>Total recurring segment profit</b>	<b>\$ 500.4</b>	<b>\$ 300.9</b>	<b>\$ 169.0</b>	<b>\$ 470.0</b>	<b>\$ 1,440.3</b>	<b>\$ 404.0</b>

Note: Segment profit (loss) includes equity earnings (loss) and certain income (loss) from investments reported in Investing income (loss) in the Consolidated Statement of Income. Equity earnings (loss) results from investments accounted for under the equity method. Income (loss) from investments results from the management of certain equity investments.

## Exploration & Production

(UNAUDITED)

(Dollars in millions)	2005					2006
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr
<b>Revenues:</b>						
Production	\$ 210.2	\$ 234.8	\$ 283.0	\$ 344.4	\$ 1,072.4	\$ 286.8
Gas management	28.2	32.6	32.1	52.0	144.9	41.2
Net nonqualified hedge derivative income (loss)	(0.1)	0.6	(15.9)	9.8	(5.6)	12.8
International	10.8	11.6	16.3	14.7	53.4	16.0
Other	(0.1)	1.9	2.9	(0.7)	4.0	(0.8)
Total revenues	249.0	281.5	318.4	420.2	1,269.1	356.0
<b>Segment costs and expenses:</b>						
Depreciation, depletion and amortization (including International)	58.5	59.5	66.4	69.6	254.0	73.1
Lease and other operating expenses *	23.8	23.9	28.5	29.0	105.2	30.1
Operating taxes	21.1	23.9	26.7	29.4	101.1	31.8
Exploration expenses *	0.9	1.1	1.5	4.1	7.6	4.4
Gathering Expense	5.6	6.0	5.0	8.1	24.7	6.4
Selling, general and administrative expenses (including International)	17.0	17.7	20.3	24.6	79.6	21.5
Gas management expenses	28.2	32.6	32.1	52.0	144.9	41.2
Other (income) expense - net	(9.6)	(1.2)	(19.8)	(0.7)	(31.3)	5.5
International (excluding DD&A and SG&A)	3.3	3.3	4.7	3.6	14.9	(0.6)
Total segment costs and expenses	148.8	166.8	165.4	219.7	700.7	213.4
Equity earnings - International	3.5	3.6	5.8	5.9	18.8	5.0
<b>Reported segment profit</b>	<b>103.7</b>	<b>118.3</b>	<b>158.8</b>	<b>206.4</b>	<b>587.2</b>	<b>147.6</b>
Nonrecurring adjustments	(7.6)	-	(21.7)	-	(29.3)	-
<b>Recurring segment profit, pre-tax</b>	<b>\$ 96.1</b>	<b>\$ 118.3</b>	<b>\$ 137.1</b>	<b>\$ 206.4</b>	<b>\$ 557.9</b>	<b>\$ 147.6</b>
* Amounts have been reclassified to the current classifications.						

### Operating statistics

#### Domestic:

Total domestic net volumes (Bcfe)	51.1	55.0	57.9	59.5	223.5	59.5
Net domestic volumes per day (MMcfe/d)	568	604	629	646	612	661
Net domestic realized price (\$/Mcf) (1)	\$ 4.001	\$ 4.164	\$ 4.801	\$ 5.655	\$ 4.688	\$ 4.712
Production taxes per Mcfe	\$ 0.413	\$ 0.435	\$ 0.462	\$ 0.493	\$ 0.452	\$ 0.534
Lease and other operating expense per Mcfe	\$ 0.466	\$ 0.436	\$ 0.492	\$ 0.486	\$ 0.471	\$ 0.505

(1) Net realized price is calculated the following way: production revenues (including hedging activities and incremental margins related to gas management activities) divided by net volumes.

#### International:

Total volumes including Equity Investee (Bcfe)	5.3	5.5	6.1	6.0	22.9	6.0
Volumes per day (MMcfe/d)	59	61	67	65	63	67
Volumes net to Williams (after minority interest) (Bcfe)	4.1	4.3	4.8	4.8	18.0	4.7
Volumes net to Williams per day (MMcfe/d)	46	48	53	51	49	53

#### Total Domestic and International:

Volumes net to Williams (after minority interest) (Bcfe)	55.3	59.3	62.7	64.2	241.5	64.2
Volumes net to Williams per day (MMcfe/d)	614	652	682	697	662	714

## Gas Pipeline

(UNAUDITED)

(Dollars in millions)	2005					2006
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr
<b>Revenues:</b>						
Northwest Pipeline	\$ 80.3	\$ 78.9	\$ 79.6	\$ 82.7	\$ 321.5	\$ 79.6
Transcontinental Gas Pipe Line	254.9	278.1	266.0	292.0	1,091.0	254.3
Other	0.1	-	0.2	-	0.3	0.1
<b>Total revenues</b>	<b>335.3</b>	<b>357.0</b>	<b>345.8</b>	<b>374.7</b>	<b>1,412.8</b>	<b>334.0</b>
<b>Segment costs and expenses:</b>						
Costs and operating expenses	160.4	193.3	177.6	250.7	782.0	177.2
Selling, general and administrative expenses	18.6	6.8	23.6	35.1	84.1	31.0
Other (income) expense - net	0.3	0.3	0.5	3.4	4.5	(1.4)
<b>Total segment costs and expenses</b>	<b>179.3</b>	<b>200.4</b>	<b>201.7</b>	<b>289.2</b>	<b>870.6</b>	<b>206.8</b>
Equity earnings	11.4	7.9	17.0	7.3	43.6	7.5
Income (loss) from investments	-	-	-	-	-	-
<b>Reported segment profit:</b>						
Northwest Pipeline	39.7	36.5	39.1	37.2	152.5	33.3
Transcontinental Gas Pipe Line	117.9	121.8	107.0	50.1	396.8	95.8
Other	9.8	6.2	15.0	5.5	36.5	5.6
<b>Total reported segment profit</b>	<b>167.4</b>	<b>164.5</b>	<b>161.1</b>	<b>92.8</b>	<b>585.8</b>	<b>134.7</b>
<b>Nonrecurring adjustments:</b>						
Northwest Pipeline	-	-	-	-	-	-
Transcontinental Gas Pipe Line	(13.1)	(21.7)	(14.2)	37.3	(11.7)	(2.0)
Other	-	-	-	-	-	-
<b>Total nonrecurring adjustments</b>	<b>(13.1)</b>	<b>(21.7)</b>	<b>(14.2)</b>	<b>37.3</b>	<b>(11.7)</b>	<b>(2.0)</b>
<b>Recurring segment profit:</b>						
Northwest Pipeline	39.7	36.5	39.1	37.2	152.5	33.3
Transcontinental Gas Pipe Line	104.8	100.1	92.8	87.4	385.1	93.8
Other	9.8	6.2	15.0	5.5	36.5	5.6
<b>Total recurring segment profit, pre-tax</b>	<b>\$ 154.3</b>	<b>\$ 142.8</b>	<b>\$ 146.9</b>	<b>\$ 130.1</b>	<b>\$ 574.1</b>	<b>\$ 132.7</b>
<b>Operating statistics</b>						
<b>Northwest Pipeline</b>						
Throughput (TBtu)	181.2	146.2	152.9	192.6	672.9	179.7
Average daily transportation volumes (TBtu)	2.0	1.6	1.7	2.1	1.9	2.0
Average daily firm reserved capacity (TBtu)	2.5	2.5	2.5	2.5	2.5	2.5
<b>Transcontinental Gas Pipe Line</b>						
Throughput (TBtu)	537.7	427.9	453.6	466.6	1,885.8	502.8
Average daily transportation volumes (TBtu)	6.0	4.7	4.9	5.1	5.2	5.6
Average daily firm reserved capacity (TBtu)	6.9	6.5	6.4	6.8	6.7	7.0

## Midstream Gas & Liquids

(UNAUDITED)

(Dollars in millions)	2005					2006
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr
<b>Revenues:</b>						
Gathering	\$ 70.6	\$ 74.2	\$ 74.0	\$ 75.8	\$ 294.6	\$ 76.8
Processing	23.5	24.3	25.5	22.9	96.2	24.9
Venezuela fee revenue	36.5	37.8	40.4	38.8	153.5	38.9
NGL sales from gas processing	285.1	247.0	244.2	259.0	1,035.3	263.7
Production handling and transportation	18.6	20.4	14.7	20.6	74.3	37.2
Olefins sales (Incl Gulf and Canada)	146.6	114.2	121.4	185.3	567.5	148.9
Trading/marketing sales	588.0	574.4	522.0	578.1	2,262.5	709.0
Other revenues	23.7	33.2	31.7	39.1	127.7	34.4
	<u>1,192.6</u>	<u>1,125.5</u>	<u>1,073.9</u>	<u>1,219.6</u>	<u>4,611.6</u>	<u>1,333.8</u>
Intrasegment eliminations	(385.6)	(345.4)	(319.2)	(328.7)	(1,378.9)	(354.4)
Total revenues	<u>807.0</u>	<u>780.1</u>	<u>754.7</u>	<u>890.9</u>	<u>3,232.7</u>	<u>979.4</u>
<b>Segment costs and expenses:</b>						
NGL cost of goods sold	225.1	202.4	189.6	218.3	835.4	199.9
Olefins cost of goods sold	118.7	104.0	102.2	163.5	488.4	132.8
Trading/marketing cost of goods sold	584.0	574.7	510.1	575.8	2,244.6	716.7
Venezuela operating costs	16.1	16.0	17.4	17.6	67.1	16.8
Operating costs	101.6	101.5	112.8	113.9	429.8	120.6
<b>Other</b>						
Selling, general and administrative expenses	22.9	21.0	23.1	29.3	96.3	23.3
Other (income) expense - net	2.6	1.7	0.8	(1.7)	3.4	(17.9)
Intrasegment eliminations	(385.5)	(345.5)	(319.2)	(328.7)	(1,378.9)	(354.4)
Total segment costs and expenses	<u>685.5</u>	<u>675.8</u>	<u>636.8</u>	<u>788.0</u>	<u>2,786.1</u>	<u>837.8</u>
Equity earnings (losses)	7.1	4.1	3.2	9.2	23.6	9.9
Income (loss) from investments	-	0.7	-	0.3	1.0	-
<b>Reported segment profit</b>	<u>128.6</u>	<u>109.1</u>	<u>121.1</u>	<u>112.4</u>	<u>471.2</u>	<u>151.5</u>
Nonrecurring adjustments	-	-	-	-	-	(6.3)
<b>Recurring segment profit, pre-tax</b>	<u>\$ 128.6</u>	<u>\$ 109.1</u>	<u>\$ 121.1</u>	<u>\$ 112.4</u>	<u>\$ 471.2</u>	<u>\$ 145.2</u>
<b>Operating statistics</b>						
Gathering volumes (TBtu)	315.5	323.6	310.3	303.9	1,253.3	296.9
Gathering margins (\$/MMBtu)	\$ 0.224	\$ 0.2292	\$ 0.2386	\$ 0.2496	\$ 0.2351	\$ 0.259
Processing volumes (TBtu)	181.0	184.5	190.3	165.6	721.4	191.8
Processing rate (\$/MMBtu)	\$ 0.130	\$ 0.1316	\$ 0.1342	\$ 0.1381	\$ 0.1334	\$ 0.130
NGL equity sales (million gallons)	398.7	338.3	276.4	255.8	1,269.2	333.7
NGL margin (\$/gallon)	\$ 0.150	\$ 0.1318	\$ 0.1976	\$ 0.1565	\$ 0.1569	\$ 0.190
Olefins sales (Ethylene & Propylene) (million lbs)	266.5	265.6	258.1	275.9	1,066.1	259.2

## Power

(UNAUDITED)

(Dollars in millions)	2005					2006
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr
<b>Revenues:</b>						
Natural gas & power	\$ 2,066.3	\$ 1,998.6	\$ 2,244.3	\$ 2,787.0	\$ 9,096.2	\$ 2,053.3
Crude & refined products	(1.1)	(0.2)	(1.6)	0.1	(2.8)	-
Other	(0.3)	1.0	0.2	(0.4)	0.5	(0.1)
<b>Total revenues</b>	<b>2,064.9</b>	<b>1,999.4</b>	<b>2,242.9</b>	<b>2,786.7</b>	<b>\$ 9,093.9</b>	<b>2,053.2</b>
<b>Segment costs and expenses:</b>						
Costs and operating expenses	1,930.3	2,041.1	2,450.9	2,750.2	9,172.5	2,082.1
Selling, general and administrative expenses	16.0	16.9	21.1	10.5	64.5	(4.5)
Other (income) expense - net	5.6	17.3	(1.7)	95.5	116.7	(2.1)
<b>Total segment costs and expenses</b>	<b>1,951.9</b>	<b>2,075.3</b>	<b>2,470.3</b>	<b>2,856.2</b>	<b>9,353.7</b>	<b>2,075.5</b>
Equity Earnings	1.1	0.9	1.0	0.1	3.1	(0.2)
<b>Reported segment profit (loss)</b>	<b>114.1</b>	<b>(75.0)</b>	<b>(226.4)</b>	<b>(69.4)</b>	<b>(256.7)</b>	<b>(22.5)</b>
Nonrecurring adjustments	11.4	13.1	0.4	91.7	116.6	-
<b>Recurring segment profit (loss), pre-tax</b>	<b>\$ 125.5</b>	<b>\$ (61.9)</b>	<b>\$ (226.0)</b>	<b>\$ 22.3</b>	<b>\$ (140.1)</b>	<b>\$ (22.5)</b>

### Operating statistics

#### Volumes

<b>Natural gas (Bcfd)</b>						
Sales to third parties	1.7	1.8	1.7	1.7	1.7	1.7
Sales to other segments	0.6	0.4	0.3	0.3	0.4	0.4
For use in tolling agreements and by owned generation	0.2	0.2	0.3	0.1	0.2	0.1
<b>Total managed</b>	<b>2.5</b>	<b>2.4</b>	<b>2.3</b>	<b>2.1</b>	<b>2.3</b>	<b>2.2</b>
<b>Crude &amp; refined products (MBPD)</b>						
Power (GWh)	14,832	15,906	21,690	14,559	66,987	11,505

### Additional statistics

#### Value at risk

	Quarter ended 3/31/2006 (in Millions)
One day VaR - 95% confidence level	\$ 3.8MM
Trading	\$ 6.0MM
Non-Trading	\$ 9.2MM
Aggregate Earnings VaR	

#### Power Portfolio (Megawatts)

	Quarter Ended	
	3/31/2006	3/31/2005
Owned	207	207
Contracted	9,616	9,012
<b>Total</b>	<b>9,823</b>	<b>9,219</b>

#### Net Credit Exposure (in Millions)

	Investment	Total
	Grade	
Gas and electric utilities	\$ 192.2	\$ 194.5
Energy marketers and traders	387.0	781.0
Financial institutions	298.1	298.1
Other	20.7	20.7
	<u>\$ 898.0</u>	<u>\$ 1,294.3</u>
Credit Reserves		(25.5)
<b>Net Credit Exposure from Derivative Contracts</b>		<u>\$ 1,268.8</u>

#### Credit Support (in Millions)

<b>As of March 31, 2006</b>	
Prepays	\$9
Margins	\$0
Adequate Assurance	\$27

#### Fair Value Of Mark-to-Market Derivatives (in Millions)

##### Period the value of mark-to-market derivatives is expected to be realized:

1-12 months	\$ 12.9
13-36 months	(1.0)
37-60 months	1.0
61-120 months	-
121+ months	-
<b>Total Fair Value</b>	<b>12.9</b>
Non-Trading MTM Derivatives and SFAS 133 Hedges	331.9
Non-Power Business Unit Hedges	26.0
<b>Total Net Derivative Assets and Liabilities</b>	<b>\$ 370.8</b>

## Capital Expenditures and Investments

(UNAUDITED)

(Dollars in millions)	2005					2006
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr
<b>Capital expenditures:</b>						
Exploration & Production	\$ 158.6	\$ 182.8	\$ 211.1	\$ 230.8	\$ 783.3	\$ 310.3
Gas Pipeline:						
Northwest Pipeline	12.0	29.6	43.2	52.2	137.0	40.3
Transcontinental Gas Pipe Line	35.7	55.0	80.7	83.1	254.5	46.4
Other	-	-	-	2.2	2.2	-
Total	<u>47.7</u>	<u>84.6</u>	<u>123.9</u>	<u>137.5</u>	<u>393.7</u>	<u>86.7</u>
Midstream Gas & Liquids	16.3	25.5	32.7	40.7	115.2	70.7
Power	1.0	0.7	0.4	0.1	2.2	0.6
Other	(0.7) *	0.1	1.2	4.0	4.6	-
Total	<u>\$ 222.9</u>	<u>\$ 293.7</u>	<u>\$ 369.3</u>	<u>\$ 413.1</u>	<u>\$ 1,299.0</u>	<u>\$ 468.3</u>
<b>Purchase of investments:</b>						
Exploration & Production	\$ 6.3	\$ -	\$ 0.3	\$ -	\$ 6.6	\$ -
Midstream Gas & Liquids	-	35.0	11.5	-	46.5	(3.4)
Other	20.0	20.6	4.5	17.9	63.0	13.1
Total	<u>\$ 26.3</u>	<u>\$ 55.6</u>	<u>\$ 16.3</u>	<u>\$ 17.9</u>	<u>\$ 116.1</u>	<u>\$ 9.7</u>
<b>Summary:</b>						
Exploration & Production	\$ 164.9	\$ 182.8	\$ 211.4	\$ 230.8	\$ 789.9	\$ 310.3
Gas Pipeline	47.7	84.6	123.9	137.5	393.7	86.7
Midstream Gas & Liquids	16.3	60.5	44.2	40.7	161.7	67.3
Power	1.0	0.7	0.4	0.1	2.2	0.6
Other	19.3	20.7	5.7	21.9	67.6	13.1
Total	<u>\$ 249.2</u>	<u>\$ 349.3</u>	<u>\$ 385.6</u>	<u>\$ 431.0</u>	<u>\$ 1,415.1</u>	<u>\$ 478.0</u>
<b>Cumulative summary:</b>						
Exploration & Production	\$ 164.9	\$ 347.7	\$ 559.1	\$ 789.9	\$ 789.9	\$ 310.3
Gas Pipeline	47.7	132.3	256.2	393.7	393.7	86.7
Midstream Gas & Liquids	16.3	76.8	121.0	161.7	161.7	67.3
Power	1.0	1.7	2.1	2.2	2.2	0.6
Other	19.3	40.0	45.7	67.6	67.6	13.1
Total	<u>\$ 249.2</u>	<u>\$ 598.5</u>	<u>\$ 984.1</u>	<u>\$ 1,415.1</u>	<u>\$ 1,415.1</u>	<u>\$ 478.0</u>

\* Reflects the transfer of property from the corporate parent to various segments.

## Depreciation, Depletion and Amortization and Other Selected Financial Data

(UNAUDITED)

<i>(Dollars in millions)</i>	2005					2006
	<i>1st Qtr</i>	<i>2nd Qtr</i>	<i>3rd Qtr</i>	<i>4th Qtr</i>	<i>Year</i>	<i>1st Qtr</i>
<b>Depreciation, depletion and amortization:</b>						
Exploration & Production	\$ 58.6	\$ 59.4	\$ 66.4	\$ 69.8	\$ 254.2	\$ 73.0
Gas Pipeline:						
Northwest Pipeline	17.3	17.0	17.9	18.4	70.6	18.5
Transcontinental Gas Pipe Line	49.4	48.6	49.3	49.4	196.7	50.0
Total	66.7	65.6	67.2	67.8	267.3	68.5
Midstream Gas & Liquids	46.0	46.4	49.5	50.1	192.0	49.4
Power	3.9	3.7	3.6	3.7	14.9	3.2
Other	3.0	3.0	2.9	2.7	11.6	2.9
<b>Total</b>	<b>\$ 178.2</b>	<b>\$ 178.1</b>	<b>\$ 189.6</b>	<b>\$ 194.1</b>	<b>\$ 740.0</b>	<b>\$ 197.0</b>
<b>Other selected financial data:</b>						
Cash and cash equivalents	\$ 1,210.0	\$ 1,297.2	\$ 1,360.5	\$ 1,597.2	\$ 1,597.2	\$ 1,115.0
Total assets	\$ 26,434.1	\$ 26,399.7	\$ 33,655.8	\$ 29,442.6	\$ 29,442.6	\$ 26,029.0
Capital structure:						
Debt						
Current	\$ 99.5	\$ 98.6	\$ 122.4	\$ 122.6	\$ 122.6	\$ 175.7
Noncurrent	\$ 7,650.4	\$ 7,645.7	\$ 7,598.7	\$ 7,590.5	\$ 7,590.5	\$ 7,252.8
Stockholders' equity	\$ 5,261.1	\$ 5,353.6	\$ 5,154.4	\$ 5,427.5	\$ 5,427.5	\$ 5,925.5
Debt to debt-plus-equity ratio	59.6%	59.1%	60.0%	58.7%	58.7%	55.6%