June 26, 2015

Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
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RE: File Reference No. 2015-250, Proposed Accounting Standards Update, Revenue from Contracts with Customers (Topic 606), Identifying Performance Obligations and Licensing

The Williams Companies, Inc. ("Williams") appreciates the opportunity to provide our comments to the Financial Accounting Standards Board ("Board") on the Proposed Accounting Standards Update regarding identifying performance obligations and licensing related to Revenue from Contracts with Customers. Williams is a public company which, through its subsidiaries, gathers, processes and transports natural gas.

We support allowing entities, as a practical expedient, the option of accounting for a series of distinct goods or services as a single performance obligation when the goods or services are substantially the same and have the same pattern of transfer to the customer. An entity’s election to use this optional practical expedient should be disclosed.

We also fully support the proposed amendment specifying an entity is not required to identify goods or services that are immaterial in the context of the contract. Without such an amendment, entities may identify significantly more promised goods or services than those identified under current revenue guidance. The amendment allows an entity to bring further clarity to the significant promised goods or services within the contract rather than diluting the true nature of the promised goods or services with numerous immaterial items. This proposed amendment also more closely aligns the new revenue standard with the inconsequential or perfunctory guidance from the Securities and Exchange Commission.

We support permitting an election to account for shipping and handling as a fulfillment activity when the shipping and handling activities are performed after a customer has obtained control of the goods. Permitting entities to treat shipping and handling as a fulfillment activity should reduce the cost and complexity of implementing the new revenue standard for contracts with those activities.
We agree with the revisions to paragraph 606-10-25-21 as the related examples better articulate the separately identifiable principle and further align the indication factors to that principle. We encourage the Board to consider adding industry specific illustrations, including those reflective of the energy industry midstream sector.

We appreciate the opportunity to comment on this matter. We would be happy to provide any additional information you may require or discuss our comments further.

Sincerely,

Ted Timmermans
Vice President Controller and Chief Accounting Officer
The Williams Companies, Inc.