WILLIAMS COMPANIES INC

Form 4

February 26, 2007

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

January 31, Expires: 2005 Estimated average

OMB APPROVAL

Form 4 or Form 5 obligations may continue.

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

response...

burden hours per

30(h) of the Investment Company Act of 1940 See Instruction 1(b).

0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

HOBBS WILLIAM E

Symbol WILLIAMS COMPANIES INC

[WMB]

(Check all applicable)

(Last)

(First) (Middle) 3. Date of Earliest Transaction

Director 10% Owner

(Street)

(Month/Day/Year)

_X__ Officer (give title _ Other (specify below)

ONE WILLIAMS CENTER

02/22/2007

Subsidiary Sr. Vice President 6. Individual or Joint/Group Filing(Check

4. If Amendment, Date Original

Applicable Line)

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

TULSA, OK 74172

(City)	(State)	(Zip) Tabl	le I - Non-I	Derivative :	Secur	ities Acqu	aired, Disposed o	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securit or(A) or Dis (Instr. 3,	sposed	of (D)	5. Amount of Securities Beneficially Owned Following Reported	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code V	Amount	or (D)	Price	Transaction(s) (Instr. 3 and 4)		
Common Stock (1)	02/22/2007		M	11,944	A	\$ 28.01	11,944	D	
Common Stock (1)	02/22/2007		F	3,835	D	\$ 28.01	8,109	D	
Common Stock (2)	02/26/2007		S	8,109	D	\$ 28	0	D	
Common Stock							4,902	I	By company plan (3)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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5. Number of 6. Date Exercisable and

SEC 1474 (9-02)

7. Title and Amount of

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Derivative Security (Instr. 3)	Conversion or Exercise Price of Derivative Security	(Month/Day/Year)	Execution Date, if any (Month/Day/Year)	Transaction Code (Instr. 8)	securities 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		*		Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Stock (1)	\$ 28.01	02/22/2007		M		11,944	02/22/2007	02/22/2007	Common Stock	11,944

Reporting Owners

Reporting Owner Name / Address Relationships

3. Transaction Date 3A. Deemed

Director 10% Owner Officer Other

HOBBS WILLIAM E ONE WILLIAMS CENTER TULSA. OK 74172

Subsidiary Sr. Vice President

Signatures

1. Title of

Cher S. Lawrence, Attorney-in-Fact for William E. Hobbs

02/26/2007

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
 - Payout of a Restricted Stock Award (formerly referred to as Deferred Stock) in transaction excempt under Rules 16b-3(d) and 16b-6(b) of
- (1) 11,944 shares of common stock awarded under The Williams Companies, Inc. 2002 Incentive Plan of which 3,835 shares were withheld for taxes.
- (2) Represents shares sold pursuant to a 10b5-1 plan entered into by Reporting Person and Broker on March 14, 2006.
- (3) Represents total shares of the Company's common stock held in The Investment Plus Plan.
- (4) 1-for-1

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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