

WILLIAMS COMPANIES INC
Form 4
February 27, 2008

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
WRIGHT PHILLIP D

2. Issuer Name and Ticker or Trading Symbol
WILLIAMS COMPANIES INC [WMB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
ONE WILLIAMS CENTER

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/25/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Subsidiary Sr. Vice President

TULSA, OK 74172

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially 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. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock ⁽¹⁾ | 02/25/2008 | | M | | 12,023 | A | \$ 36.5 |
| Common Stock | 02/25/2008 | | F | | 3,222 | D | \$ 36.5 |
| Common Stock | | | | | | | 15,152 |
| | | | | | | I | By trust ⁽²⁾ |

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

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SEC 1474 (9-02)

number.

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Security (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|--|--------|--|-----------------|---|----------------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | | |
| Restricted Stock Units ⁽¹⁾ | \$ 36.5 | 02/25/2008 | | M | | 12,023 | 02/25/2008 | 02/25/2008 | Common Stock | 12,023 |
| Restricted Stock Units | \$ 36.5 | 02/25/2008 | | A | | 11,946 | 02/25/2011 | 02/25/2011 | Common Stock | 11,946 |
| Restricted Stock Units ⁽³⁾ | \$ 36.5 | 02/25/2008 | | A | | 23,893 | 02/25/2011 | 02/25/2011 | Common Stock | 23,893 |
| Employee Options (Right to Buy) | \$ 36.5 | 02/25/2008 | | A | | 10,154 | 02/25/2009 | 02/25/2018 | Common Stock | 10,154 |
| Employee Options (Right to Buy) | \$ 36.5 | 02/25/2008 | | A | | 10,154 | 02/25/2010 | 02/25/2018 | Common Stock | 10,154 |
| Employee Options (Right to Buy) | \$ 36.5 | 02/25/2008 | | A | | 10,155 | 02/25/2011 | 02/25/2018 | Common Stock | 10,155 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| WRIGHT PHILLIP D ONE WILLIAMS CENTER TULSA, OK 74172 | | | Subsidiary Sr. Vice President | |

Signatures

Cher S. Lawrence, Attorney-in-Fact for Phillip D.
Wright

02/27/2008

__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 Restricted Stock Units (formerly referred to as Deferred Stock) in transaction exempt under Rules 16b-3(d) and 16b-6(b) of
(1) 12,023 shares of common stock awarded under The Williams Companies, Inc. 2002 Incentive Plan of which 3,222 shares were withheld for taxes.
(2) Represents total shares of the Company's common stock held in the Investment Plus Plan.
Vesting subject to applicable grant agreement and compensation committee certification that the Company has met the three year
(3) performance measure. The specific performance measure will be an improvement in the Company's Economic Value Added over the three year period.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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