

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 \*  
**CHAPPEL DONALD R**

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)  
**Sr. Vice President & CFO**

**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 <sup>(1)</sup>	02/25/2008		M		16,647	A	\$ 36.5
Common Stock	02/25/2008		F		5,339	D	\$ 36.5

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

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SEC 1474  
 (9-02)

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**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			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	
Restricted Stock Units <sup>(1)</sup>	\$ 36.5	02/25/2008		D			16,647	02/25/2008	02/25/2008	Common Stock	16
Restricted Stock Units	\$ 36.5	02/25/2008		A			19,911	02/25/2011	02/25/2011	Common Stock	19
Restricted Stock Units <sup>(2)</sup>	\$ 36.5	02/25/2008		A			39,822	02/25/2011	02/25/2011	Common Stock	39
Employee Options (Right to Buy)	\$ 36.5	02/25/2008		A			16,924	02/25/2009	02/25/2018	Common Stock	16
Employee Options (Right to Buy)	\$ 36.5	02/25/2008		A			16,924	02/25/2010	02/25/2018	Common Stock	16
Employee Options (Right to Buy)	\$ 36.5	02/25/2008		A			16,924	02/25/2011	02/25/2018	Common Stock	16

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director    10% Owner    Officer    Other

CHAPPEL DONALD R  
 ONE WILLIAMS CENTER  
 TULSA, OK 74172

Sr. Vice President & CFO

## Signatures

Cher S. Lawrence, Attorney-in-Fact for Donald R. Chappel

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) 16,647 shares of common stock awarded under The Williams Companies, Inc. 2002 Incentive Plan of which 5,339 shares were withheld for taxes.

Vesting subject to applicable grant agreement and compensation committee certification that the Company has met the three year

(2) 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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