

WILLIAMS COMPANIES INC
 Form 4
 February 07, 2007

FORM 4

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

OMB APPROVAL

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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 *
HOBBS WILLIAM E

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)
02/05/2007

____ 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 Indirect Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	02/05/2007		M		18,334 A \$ 9.93	18,334	D
Common Stock ⁽¹⁾	02/05/2007		S		18,334 D \$ 26.91	0	D
Common Stock ⁽²⁾	02/05/2007		M		11,666 A \$ 27.36	11,666	D
Common Stock ⁽²⁾	02/05/2007		F		3,974 D \$ 27.36	7,692	D
Common Stock ⁽¹⁾	02/06/2007		S		800 D \$ 27.53	6,892	D

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Common Stock <u>(1)</u>	02/06/2007	S	400	D	\$ 27.52	6,492	D	
Common Stock <u>(1)</u>	02/06/2007	S	300	D	\$ 27.5	6,192	D	
Common Stock <u>(1)</u>	02/06/2007	S	400	D	\$ 27.49	5,792	D	
Common Stock <u>(1)</u>	02/06/2007	S	700	D	\$ 27.48	5,092	D	
Common Stock <u>(1)</u>	02/06/2007	S	400	D	\$ 27.47	4,692	D	
Common Stock <u>(1)</u>	02/06/2007	S	700	D	\$ 27.45	3,992	D	
Common Stock <u>(1)</u>	02/06/2007	S	900	D	\$ 27.44	3,092	D	
Common Stock <u>(1)</u>	02/06/2007	S	700	D	\$ 27.43	2,392	D	
Common Stock <u>(1)</u>	02/06/2007	S	1,100	D	\$ 27.42	1,292	D	
Common Stock <u>(1)</u>	02/06/2007	S	400	D	\$ 27.39	892	D	
Common Stock <u>(1)</u>	02/06/2007	S	792	D	\$ 27.38	100	D	
Common Stock	02/06/2007	S	100	D	\$ 27.35	0	D	
Common Stock						4,902	I	By Trust <u>(3)</u>

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

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(9-02)

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 Securities (Instr. 3 and 4)
				Code	V (A) (D)		Title

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					Date Exercisable	Expiration Date		Amount or Number of Shares
Employee Stock Options (Right to Buy)	\$ 9.93	02/05/2007	M	18,334	02/05/2005	02/05/2014	Common Stock	18,334
Restricted Stock ⁽²⁾	\$ 27.36	02/05/2007	M	11,666	02/05/2007	02/05/2007	Common Stock	11,666

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HOBBS WILLIAM E ONE WILLIAMS CENTER TULSA, OK 74172			Subsidiary Sr. Vice President	

Signatures

Cher S. Lawrence, Attorney-in-Fact for William E. Hobbs	02/07/2007
<u> </u> **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).
- (1) Represents shares sold pursuant to a 10(b)5-1 Sales Plan entered into between Reporting Person and Broker on March 14, 2006.
Payout of a Restricted Stock Award (formerly referred to as Deferred Stock) in transaction exempt under Rules 16b-3(d) and 16b-6(b) of
- (2) 11,666 shares of common stock awarded under The Williams Companies, Inc. 2002 Incentive Plan of which 3,974 shares were withheld for taxes.
- (3) Represents total shares of the Company's common stock held in The Investment Plus Plan.
- (4) 1-for-1

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