

WILLIAMS COMPANIES INC  
Form 4  
February 28, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
MALCOLM STEVEN J

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)  
02/26/2007

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
President & CEO

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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Code V Amount (D) Price   |  |                                   |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(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 | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3)                                  | Price of<br>Derivative<br>Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4, and<br>5) | Date<br>Exercisable | Expiration<br>Date | Title           | Amount<br>Number<br>Shares |
|---|------------------------------------|------------------|------------|---|---------------------|--------------------|-----------------|----------------------------|
|   |                                    |                  | Code       | V (A) (D)   |                     |                    |                 |                            |
| Restricted<br>Stock<br>Units <sup>(1)</sup> | \$ 28.3                            | 02/26/2007       | A          | 100,000   | 02/26/2010          | 02/26/2010         | Common<br>Stock | 100,000                    |
| Employee<br>Options<br>(Right to<br>Buy)    | \$ 28.3                            | 02/26/2007       | A          | 66,667  | 02/26/2008          | 02/26/2017         | Common<br>Stock | 66,667                     |
| Employee<br>Options<br>(Right to<br>Buy)    | \$ 28.3                            | 02/26/2007       | A          | 66,667  | 02/26/2009          | 02/26/2017         | Common<br>Stock | 66,667                     |
| Employee<br>Options<br>(Right to<br>Buy)    | \$ 28.3                            | 02/26/2007       | A          | 66,666  | 02/26/2010          | 02/26/2017         | Common<br>Stock | 66,666                     |

## Reporting Owners

| Reporting Owner Name / Address                             | Relationships |           |                 |       |
|--|---------------|-----------|-----------------|-------|
|  | Director      | 10% Owner | Officer         | Other |
| MALCOLM STEVEN J<br>ONE WILLIAMS CENTER<br>TULSA, OK 74172 | X             |           | President & CEO |       |

## Signatures

Cher S. Lawrence, Attorney-in-Fact for Steven J. Malcolm  
 02/28/2007  
 \*\*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).  
 Vesting subject to applicable grant agreement and compensation committee certification that the Company has met the three year (1) 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. 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.