

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 \*  
**HILL RALPH A**

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 E&P**

**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		12,023	A	\$ 36.5
Common Stock	02/25/2008		F		3,894	D	\$ 36.5
Common Stock <sup>(2)</sup>	02/26/2008		S		8,129	D	\$ 36.2
Common Stock					26,712	I	
							By Trust <sup>(3)</sup>

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 Security (Instr. 3 and 4)	Amount or Number of Shares
					V	(A)	(D)	Date Exercisable	Expiration Date		
Restricted Stock Units	\$ 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		15,132		02/25/2011	02/25/2011	Common Stock	15,132
Restricted Stock Units <sup>(4)</sup>	\$ 36.5	02/25/2008		A		30,264		02/25/2011	02/25/2011	Common Stock	30,264
Employee Options (Right to Buy)	\$ 36.5	02/25/2008		A		12,862		02/25/2009	02/25/2018	Common Stock	12,862
Employee Options (Right to Buy)	\$ 36.5	02/25/2008		A		12,862		02/25/2010	02/25/2018	Common Stock	12,862
Employee Options (Right to Buy)	\$ 36.5	02/25/2008		A		12,863		02/25/2011	02/25/2018	Common Stock	12,863

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HILL RALPH A ONE WILLIAMS CENTER TULSA, OK 74172			Sr. Vice President E&P	

## Signatures

Cher S. Lawrence, Attorney-in-Fact for Ralph  
A. Hill

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 3,894 shares were withheld for taxes.

(2) Represents shares sold pursuant to a 10b5-1 plan entered into by Reporting Person and Broker on August 23, 2007.

(3) 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

(4) 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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