HILL RALPH A Form 4 March 02, 2010

FORM 4

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

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

(Last)

(City)

(First) (Middle)

(Zip)

ONE WILLIAMS CENTER

(Street)

(State)

TULSA, OK 74172

2. Issuer Name and Ticker or Trading

Symbol

WILLIAMS COMPANIES INC [WMB]

3. Date of Earliest Transaction

(Month/Day/Year) 02/26/2010

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

OMB APPROVAL

OMB Number:

3235-0287

Expires:

January 31, 2005

Estimated average burden hours per

response...

0.5

	(Check	all applicable)
Direction D	cer (give ti	10% Owner tle Other (specification) President E&P
6. Individu	al or Join	nt/Group Filing(Check
Applicable	Line)	
X Form f	iled by On	e Reporting Person
Form fi	led by Mo	re than One Reporting
Person	•	1 6

5. Relationship of Reporting Person(s) to

Issuer

Table I Non Derivative Securities Acquired Disposed of or Reposicially Owned

(City)	(State)	Table 1 - 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. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)				5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)			
Common Stock (1)	02/26/2010		M	17,162	A	\$ 21.54	31,657	D		
Common Stock	02/26/2010		F	5,579	D	\$ 21.54	26,078	D		
Common Stock	03/01/2010		S	400	D	\$ 21.62	25,678	D		
Common Stock	03/01/2010		S	800	D	\$ 21.63	24,878	D		
Common Stock	03/01/2010		S	300	D	\$ 21.64	24,578	D		

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Common Stock	03/01/2010	S	500	D	\$ 21.66	24,078	D	
Common Stock	03/01/2010	S	1,000	D	\$ 21.67	23,078	D	
Common Stock	03/01/2010	S	2,450	D	\$ 21.68	20,628	D	
Common Stock	03/01/2010	S	2,952	D	\$ 21.69	17,676	D	
Common Stock	03/01/2010	S	1,181	D	\$ 21.7	16,495	D	
Common Stock	03/01/2010	S	2,000	D	\$ 21.71	14,495	D	
Common Stock						27,954	I	By employee stock plan (2)

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

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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. Transactic Code (Instr. 8)	orDeri Secu Acq or D (D)	nrities uired (A) isposed of r. 3, 4,	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units (1)	\$ 0	02/26/2010		M		17,162	02/26/2010	02/26/2010	Common Stock	17,162
Restricted Stock Units (3)	\$ 0	02/26/2010		J		34,325	02/26/2010	02/26/2010	Common Stock	34,325

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

03/02/2010

**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, in a transaction exempt under Rules 16b-3(d) and 16b-6(b), of shares of common stock awarded under The Williams Companies, Inc. 2007 Incentive Plan of which a portion of the shares were withheld for taxes.
- (2) Represents total shares of the Company's common stock held in The Investment Plus Plan.

The performance-based Restricted Stock Units grant was cancelled since vesting was subject to the applicable grant agreement and compensation committee certification that the Company met the three year performance measure. The specific performance measure was based on a improvement in the Company's Economic Value Added over the three year period and such measure was not met.

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.

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