

WRIGHT PHILLIP D
Form 4
March 02, 2010

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 *
WRIGHT PHILLIP D

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)
02/26/2010

____ 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---------------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock ⁽¹⁾ | 02/26/2010 | | M | | 13,349 | A | \$ 21.54 |
| Common Stock | 02/26/2010 | | F | | 3,616 | D | \$ 21.54 |
| Common Stock | | | | | | | 15,857 |
| | | | | | | 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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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 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 | 13,349 | 02/26/2010 | 02/26/2010 | Common Stock | 13,349 |
| Restricted Stock Units ⁽³⁾ | \$ 0 | 02/26/2010 | | J | 26,697 | 02/26/2010 | 02/26/2010 | Common Stock | 26,697 |

Reporting Owners

| Reporting Owner Name / Address | Relationships |
|--|----------------------------------|
| | Director 10% Owner Officer Other |
| WRIGHT PHILLIP D ONE WILLIAMS CENTER TULSA, OK 74172 | Subsidiary Sr. Vice President |

Signatures

Cher S. Lawrence, Attorney-in-Fact for Mr. Phillip D. Wright
 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).
- (1) 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.
- (3) 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.

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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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