

HOBBS WILLIAM E  
Form 4  
February 28, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
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)  
02/26/2007

\_\_\_\_ Director  
 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) |     |       |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
|                                 |                                      |  |                                | (A) or (D)  | Code  | V  | Amount                            | (D) | Price |

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

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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 Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D)<br>(Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title        | Amount or Number of Shares |
|---------------------------------------|------------------------------|------------------|------------|---|------|---|-----|-----|------------------|-----------------|--------------|----------------------------|
| Restricted Stock Units                | \$ 28.3                      | 02/26/2007       | A          | 9,535   |      |   |     |     | 02/26/2010       | 02/26/2010      | Common Stock | 9,535                      |
| Restricted Stock Units <sup>(1)</sup> | \$ 28.3                      | 02/26/2007       | A          | 19,069  |      |   |     |     | 02/26/2010       | 02/26/2010      | Common Stock | 19,069                     |
| Employee Options (Right to Buy)       | \$ 28.3                      | 02/26/2007       | A          | 8,075   |      |   |     |     | 02/26/2008       | 02/26/2017      | Common Stock | 8,075                      |
| Employee Options (Right to Buy)       | \$ 28.3                      | 02/26/2007       | A          | 8,075   |      |   |     |     | 02/26/2009       | 02/26/2017      | Common Stock | 8,075                      |
| Employee Options (Right to Buy)       | \$ 28.3                      | 02/26/2007       | A          | 8,075   |      |   |     |     | 02/26/2010       | 02/26/2017      | Common Stock | 8,075                      |

## Reporting Owners

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

## Signatures

Cher S. Lawrence, Attorney-in-Fact for William E. Hobbs  
 \_\_\_\_\_  
 \*\*Signature of Reporting Person

02/28/2007  
 \_\_\_\_\_  
 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 performance measure. The specific performance measure will be an improvement in the Company's Economic Value Added over the three year period.

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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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