

WILLIAMS COMPANIES INC  
Form 4  
March 07, 2006

**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 \*  
**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)

3. Date of Earliest Transaction (Month/Day/Year)  
**03/03/2006**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**Subsidiary Sr. Vice President**

**ONE WILLIAMS CENTER**

(Street)

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

**TULSA, OK 74172**

(City) (State) (Zip)

**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.

**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 Derivative Security	(Month/Day/Year)	(Instr. 8)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
			Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code V				
Deferred Stock	\$ 21.67	03/03/2006	A	10,458	03/03/2009	03/03/2009	Common Stock	10,458
Deferred Stock <sup>(1)</sup>	\$ 21.67	03/03/2006	A	20,916	03/03/2009	03/03/2009	Common Stock	20,916
Employee Options (Right to Buy)	\$ 21.67	03/03/2006	A	8,045	03/03/2007	03/03/2016	Common Stock	8,045
Employee Options (Right to Buy)	\$ 21.67	03/03/2006	A	8,045	03/03/2008	03/03/2016	Common Stock	8,045
Employee Options (Right to Buy)	\$ 21.67	03/03/2006	A	8,046	03/03/2009	03/03/2016	Common Stock	8,046

## Reporting Owners

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

## Signatures

Cher S. Lawrence, Attorney-in-Fact for William E. Hobbs  
 03/07/2006  
 \*\*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 committee has established the specific performance measure as 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.