

WILLIAMS COMPANIES INC
Form 4
March 07, 2006

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 *
BENDER JAMES J

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)
03/03/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. Vice President & GC

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	03/03/2006		G	2,000 D <u>1</u> 52,674		D	
Common Stock	03/03/2006		G	2,000 A <u>1</u> 5,000		I	By Minor Children ⁽²⁾
Common Stock	03/06/2006		G	1,000 D <u>1</u> 51,674		D	
Common Stock	03/06/2006		G	1,000 A <u>1</u> 6,000		I	By Minor Children ⁽²⁾

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 Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Deferred Stock	\$ 21.67	03/03/2006		A		10,458		03/03/2009	03/03/2009	Common Stock	10,458
Deferred Stock ⁽³⁾	\$ 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
BENDER JAMES J ONE WILLIAMS CENTER TULSA, OK 74172			Sr. Vice President & GC	

Signatures

Cher S. Lawrence, Attorney-in-Fact for James J.
Bender

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).
- (1) N/A
 - (2) Represents shares held in custodial accounts for reporting persons children titled James J. Bender as custodian for Victoria G. Bender, James J. Bender as custodian for Elizabeth H. Bender and James J. Bender as custodian for Jonathan J. Bender.
Vesting subject to applicable grant agreement and compensation committee certification that the Company has met the three year
 - (3) 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.