CHAPPEL DONALD R

Form 4

March 02, 2010

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

2005

0.5

January 31, Expires:

OMB APPROVAL

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may continue.

See Instruction

Check this box

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading CHAPPEL DONALD R Issuer Symbol WILLIAMS COMPANIES INC (Check all applicable) [WMB] (Last) (First) (Middle) 3. Date of Earliest Transaction Director 10% Owner Other (specify X_ Officer (give title (Month/Day/Year) below) ONE WILLIAMS CENTER 02/26/2010 Sr. Vice President & CFO (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person

TULSA, OK 74172

(City)	(State)	(Zip) Tabl	e I - Non-I	Derivative (Secur	ities Acqu	iired, Disposed of	, or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	4. Securit on(A) or Dis (Instr. 3,	sposed	of (D)	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)
Common Stock (1)	02/26/2010		Code V M	Amount 19,069	(D)	Price \$ 21.54	161,596	D	
Common Stock	02/26/2010		F	6,136	D	\$ 21.54	155,460	D	

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)	5. Number of or 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		19,069	02/26/2010	02/26/2010	Common Stock	19,069
Restricted Stock Units (2)	\$ 0	02/26/2010		J		38,139	02/26/2010	02/26/2010	Common Stock	38,139

Reporting Owners

Reporting Owner Name / Address		Relationships	

Director 10% Owner Officer Other

CHAPPEL DONALD R ONE WILLIAMS CENTER TULSA, OK 74172

Sr. Vice President & CFO

Signatures

Cher S. Lawrence, Attorney-in-Fact for Mr. Donald R.
Chappel

**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.
- 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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