BENDER JAMES J

Form 4

February 28, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

OMB APPROVAL

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subject to Section 16. Form 4 or Form 5

obligations

may continue.

See Instruction

if no longer

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).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person *

(First)

ONE WILLIAMS CENTER

BENDER JAMES J

2. Issuer Name and Ticker or Trading

Symbol

WILLIAMS COMPANIES INC

[WMB]

(Month/Day/Year) 02/26/2007

(Middle)

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

3. Date of Earliest Transaction

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

Director 10% Owner X_ Officer (give title Other (specify

below) below) Sr. Vice President & GC

6. Individual or Joint/Group Filing(Check

Applicable Line)

X 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 2A. Deemed (Month/Day/Year)

Execution Date, if (Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned Following

6. Ownership Form: Direct (T) (Instr. 4)

7. Nature of Indirect (D) or Indirect Beneficial Ownership (Instr. 4)

Reported (A) Transaction(s) (Instr. 3 and 4) 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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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of **Transaction**Derivative Code 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) (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	11,442	02/26/2010	02/26/2010	Common Stock	11,442
Restricted Stock Units (1)	\$ 28.3	02/26/2007		A	22,883	02/26/2010	02/26/2010	Common Stock	22,883
Employee Options (Right to Buy)	\$ 28.3	02/26/2007		A	9,690	02/26/2008	02/26/2017	Common Stock	9,690
Employee Options (Right to Buy)	\$ 28.3	02/26/2007		A	9,690	02/26/2009	02/26/2017	Common Stock	9,690
Employee Options (Right to Buy)	\$ 28.3	02/26/2007		A	9,690	02/26/2010	02/26/2017	Common Stock	9,690

Reporting Owners

Director 10% Owner Officer Other

BENDER JAMES J

ONE WILLIAMS CENTER Sr. Vice President & GC

TULSA, OK 74172

Signatures

Cher S. Lawrence, Attorney-in-Fact for James J.
Bender
02/28/2007

**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.

Reporting Owners 2

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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. 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.