

Rainey Craig L
Form 4
February 24, 2012

FORM 4

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

OMB APPROVAL

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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 *
Rainey Craig L

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)
02/23/2012

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
SVP & General Counsel

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 ⁽¹⁾	02/23/2012		M		12,591	A	\$ 29.06
Common Stock	02/23/2012		F		4,035	D	\$ 29.06
Common Stock ⁽¹⁾	02/23/2012		M		11,260	A	\$ 29.06
Common Stock	02/23/2012		F		3,443	D	\$ 29.06

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 Security (Instr. 3 and 4)	8. Amount or Number of Shares	
					V (A) (D)	Date Exercisable	Expiration Date	Title	
Restricted Stock Units ⁽²⁾	\$ 0	02/23/2012		A	5,553	02/23/2012	02/23/2012	Common Stock	5,553
Restricted Stock Units ⁽¹⁾	\$ 0	02/23/2012		M	12,591	02/23/2012	02/23/2012	Common Stock	12,591
Restricted Stock Units ⁽¹⁾	\$ 0	02/23/2012		M	11,260	02/23/2012	02/23/2012	Common Stock	11,260

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Rainey Craig L
ONE WILLIAMS CENTER
TULSA, OK 74172

SVP & General Counsel

Signatures

Cher S. Lawrence, Attorney-in-Fact for Mr. Craig L. Rainey

02/24/2012

**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) 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.
- (2) Represents restricted stock units acquired pursuant to the 2009 performance-based RSU grant agreement resulting from the performance of defined relative and absolute Total Shareholder Return ("TSR") metrics, as certified by the compensation committee.

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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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