
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 25, 2004

The Williams Companies, Inc.

(Exact name of registrant as specified in its charter)

Delaware	1-4174	73-0569878
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
One Williams Center, Tulsa, Oklahoma		74172
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: 918/573-2000

Not Applicable
(Former name or former address, if changed since last report)

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Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

- a) None
- b) None
- c) Exhibits

Exhibit 99.1 Copy of The Williams Companies' ("Williams") press release dated February 25, 2004, publicly reporting the matters discussed herein, furnished pursuant to Item 9.

Item 9. Regulation FD Disclosure.

On February 25, 2004, Williams issued a press release publicly reporting that it has reached agreement on terms to settle with two California utilities resolving outstanding disputes, including refund liability, related to natural gas and power markets in 2000 and 2001. A copy of the press release is furnished as Exhibit 99.1 to this report.

Pursuant to the requirements of the Securities Exchange Act of 1934, Williams has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE WILLIAMS COMPANIES, INC.

Date: February 26, 2004

/s/ Brian K. Shore

Name: Brian K. Shore

Title: Secretary

INDEX TO EXHIBITS

**EXHIBIT
NUMBER**

DESCRIPTION

99.1	Copy of Williams' press release dated February 25, 2004, publicly reporting the matters discussed herein.
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NYSE: WMB

Date: Feb. 25, 2004

Williams and California Utilities Reach Agreement on Settlement Terms

TULSA, Okla. – Williams (NYSE:WMB) today announced it has reached agreement on terms to settle with two California utilities resolving outstanding disputes, including refund liability, related to natural gas and power markets in 2000 and 2001.

The expected earnings impact of the settlement with Pacific Gas and Electric Company and Southern California Edison Company was reflected in Williams' fourth-quarter 2003 financial results.

Upon the filing of definitive agreements, the settlement will be subject to approval by the Federal Energy Regulatory Commission, the California Public Utilities Commission and U.S. Bankruptcy Court (PG&E).

About Williams (NYSE:WMB)

Williams, through its subsidiaries, primarily finds, produces, gathers, processes and transports natural gas. Williams' gas wells, pipelines and midstream facilities are concentrated in the Northwest, Rocky Mountains, Gulf Coast and Eastern Seaboard. More information is available at www.williams.com.

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Portions of this document may constitute "forward-looking statements" as defined by federal law. Although the company believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance on the "safe harbor" protections provided under the Private Securities Reform Act of 1995. Additional information about issues that could lead to material changes in performance is contained in the company's annual reports filed with the Securities and Exchange Commission.