

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report: April 22, 2003

(Date of earliest event reported)

The Williams Companies, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

1-4174

73-0569878

(State or Other
Jurisdiction of
Incorporation)

(Commission File Number)

(IRS 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)

Item 5. Other Events

The Williams Companies, Inc. ("Williams") is filing with the Securities & Exchange Commission pro forma financial information reflecting its Texas Gas pipeline system and its Williams Energy Partners segment as discontinued operations to supplement Williams previously issued consolidated financial statements included in Williams' Annual Report on Form 10-K for the year ended December 31, 2002.

Item 7. Financial Statements and Exhibits

The Company files the following exhibits as part of this report:

Exhibit 99.1 Pro forma Financial Information presenting Williams Energy Partners and Texas Gas Transmission Corporation as discontinued operations

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

The Williams Companies, Inc.

Date: April 22, 2003

/s/ Brian K. Shore

Name: Brian K. Shore
Title: Corporate Secretary

INDEX TO EXHIBITS

Exhibit
Number
Description

- - - - -
- - - - -

Exhibit
99.1 Pro
forma
Financial
Information
presenting
Williams
Energy
Partners
and Texas
Gas
Transmission
Corporation
as
discontinued
operations

PRO FORMA FINANCIAL INFORMATION PRESENTING WILLIAMS ENERGY PARTNERS
AND TEXAS GAS TRANSMISSION CORPORATION AS DISCONTINUED
OPERATIONS

As previously announced on February 20, 2003, Williams reported it intended to offer for sale its general partner and limited partner interests in Williams Energy Partners and its 5,800-mile Texas Gas pipeline system. In April 2003, Williams' Board of Directors approved resolutions that authorized management to execute and deliver, in the name of the sellers, agreements for the sales of the above mentioned businesses. The following unaudited pro forma financial information is included to supplement Williams' previously issued consolidated financial statements included in Williams' Annual Report on Form 10-K for the year ended December 31, 2002, to present the operations of Williams Energy Partners and Texas Gas as discontinued operations. The impact to consolidated revenues as reported in Williams' Annual Report on Form 10-K as a result of this reclassification was a decrease of \$659.5 million, \$600.3 million and \$622 million for the years ended December 31, 2002, 2001 and 2000, respectively. The combined net income impact of these operations previously included in income (loss) from continuing operations was \$78.7 million, \$102.5 million and \$120.3 million for the years ended December 31, 2002, 2001 and 2000, respectively. The unaudited pro forma consolidated statement of operations does not reflect any potential gain or loss related to the expected sales. Consistent with Williams' previously issued consolidated financial statements, other assets and/or businesses are also reported as discontinued operations, those being Kern River natural gas pipeline system, Central natural gas pipeline system, soda ash mining operations, Mid-America and Seminole Pipelines, Midsouth refinery and related assets, Williams travel centers, bio-energy facilities and Williams Communications Group, Inc.

For comparative purposes, income (loss) from continuing operations as reported in Williams' Form 10-K was a loss of \$501.5 million for the year ended December 31, 2002 and income of \$802.7 million and \$820.4 million for the years ended December 31, 2001 and 2000, respectively. Additionally, the reported loss from discontinued operations was \$253.2 million, \$1,280.4 million and \$296.1 million for the years ended December 31, 2002, 2001 and 2000, respectively.

The unaudited pro forma financial information on the following pages should be read in conjunction with the historical financial statements and notes thereto included in the Williams Annual Report on Form 10-K for the year ended December 31, 2002 and other information filed with the Securities and Exchange Commission.

82.3	-----	
-	-----	

Total segment costs and expenses		
4,230.7		
4,224.0		
4,110.7	-----	
-	-----	
General corporate expenses		
142.8	124.3	
97.2	-----	
-	-----	
Operating income (loss):		
Energy		
Marketing & Trading		
(471.7)		
1,294.6	968.2	
Gas Pipeline		
470.7	398.3	
467.1		
Exploration & Production		
516.8	219.5	
75.8		
Midstream Gas & Liquids		
171.7	185.9	
282.0		
Petroleum Services	48.1	
145.8	39.5	
Other (17.4)		
(2.9)	(6.0)	
General corporate expenses		
(142.8)		
(124.3)		
(97.2)	-----	
-	-----	

Total operating income	575.4	
2,116.9		
1,729.4	-----	
-	-----	
Interest accrued		
(1,174.5)		
(692.6)		
(620.7)		
Interest capitalized		
27.9	37.0	
32.3	Interest rate swap loss	
(124.2)		
--	--	
Investing income (loss)		
(112.9)		
(172.4)	83.9	
Minority interest in income and preferred returns of consolidated subsidiaries		
(41.8)	(71.7)	

(56.8) Other
income
(expense) -
net 24.2 26.2
(.6) -----

Income (loss)
from
continuing
operations
before income
taxes (825.9)
1,243.4
1,167.5
Provision
(benefit) for
income taxes
(245.7) 543.2
467.4 -----

Income (loss)
from
continuing
operations
(580.2) 700.2
700.1 Loss
from
discontinued
operations
(174.5)
(1,177.9)
(175.8) -----

Net income
(loss)
(754.7)
(477.7) 524.3
Preferred
stock
dividends
90.1 -- -- --

- Income
(loss)
applicable to
common stock
\$ (844.8) \$
(477.7) \$
524.3

=====
=====
=====

Basic
earnings
(loss) per
common share:
Income (loss)
from
continuing
operations \$
(1.29) \$ 1.41
\$ 1.58 Loss
from
discontinued
operations
(.34) (2.37)
(.40) -----

----- Net
income (loss)
\$ (1.63) \$
(.96) \$ 1.18
=====

=====
=====
=====

Diluted
earnings

(loss) per	
common share:	
Income (loss)	
from	
continuing	
operations \$	
(1.29) \$ 1.40	
\$ 1.56 Loss	
from	
discontinued	
operations	
(.34) (2.35)	
(.39) -----	

----- Net	
income (loss)	
\$ (1.63) \$	
(.95) \$ 1.17	
=====	
=====	
=====	

*Includes consumer excise taxes of \$10.8 million, \$33.4 million and \$95.6 million in 2002, 2001 and 2000, respectively.

THE WILLIAMS COMPANIES, INC.
 PRO FORMA CONSOLIDATED BALANCE SHEET
 (UNAUDITED)

(Dollars in
 millions,
 except per-
 share
 amounts)
 December 31,

 ----- 2002
 2001 -----

ASSETS
 Current
 assets: Cash
 and cash
 equivalents \$
 1,652.2 \$
 1,243.6
 Restricted
 cash 102.8 --
 Accounts and
 notes
 receivable,
 less
 allowance of
 \$112.2
 (\$252.1 in
 2001) 2,459.9
 2,706.4
 Inventories
 427.3 522.6
 Energy risk
 management
 and trading
 assets
 5,276.5
 6,401.1
 Margin
 deposits
 804.8 171.4
 Assets of
 discontinued
 operations
 1,155.0 915.4
 Deferred
 income taxes
 569.2 440.6
 Other current
 assets and
 deferred
 charges 438.4
 423.9 -----

 Total current
 assets
 12,886.1
 12,825.0
 Restricted
 cash 188.3 --
 Investments
 1,475.3
 1,554.9
 Property,
 plant and
 equipment -
 net 12,725.9
 12,396.8
 Energy risk
 management
 and trading

assets	
3,578.7	
4,030.4	
Goodwill	
1,060.2	
1,119.0	
Assets of	
discontinued	
operations	
2,222.4	
5,792.2	
Receivables	
from Williams	
Communications	
Group, Inc.	
(less	
allowance of	
\$103.2 in	
2001) 120.3	
137.2 Other	
assets and	
deferred	
charges 731.3	
758.7 -----	
-- -----	
Total assets	
\$34,988.5	
\$38,614.2	
=====	
=====	
LIABILITIES	
AND	
STOCKHOLDERS'	
EQUITY	
Current	
liabilities:	
Notes payable	
\$ 934.8 \$	
1,424.5	
Accounts	
payable	
2,000.0	
2,532.5	
Accrued	
liabilities	
1,416.7	
1,604.5	
Liabilities	
of	
discontinued	
operations	
466.9 762.3	
Energy risk	
management	
and trading	
liabilities	
5,359.6	
5,412.7	
Guarantees	
and payment	
obligations	
related to	
Williams	
Communications	
Group, Inc.	
47.7 645.6	
Long-term	
debt due	
within one	
year 1,082.8	
999.4 -----	
-- -----	
Total current	
liabilities	
11,308.5	
13,381.5	
Long-term	
debt 11,076.7	
8,303.0	
Deferred	
income taxes	

3,353.6
 3,689.9
 Liabilities
 and minority
 interests of
 discontinued
 operations
 1,254.7
 1,485.5
 Energy risk
 management
 and trading
 liabilities
 1,863.5
 2,757.6
 Guarantees
 and payment
 obligations
 related to
 Williams
 Communications
 Group, Inc. -
 - 1,120.0
 Other
 liabilities
 and deferred
 income 998.8
 785.3
 Contingent
 liabilities
 and
 commitments
 Minority
 interests in
 consolidated
 subsidiaries
 83.7 71.0
 Preferred
 interests in
 consolidated
 subsidiaries
 -- 976.4
 Stockholders'
 equity:
 Preferred
 stock, \$1 per
 share par
 value, 30
 million
 shares
 authorized,
 1.5 million
 issued in
 2002, none in
 2001 271.3 --
 Common stock,
 \$1 per share
 par value,
 960 million
 shares
 authorized,
 519.9 million
 issued in
 2002, 518.9
 million
 issued in
 2001 519.9
 518.9 Capital
 in excess of
 par value
 5,177.2
 5,085.1
 Retained
 earnings
 (deficit)
 (884.3) 199.6
 Accumulated
 other
 comprehensive
 income 33.8
 345.1 Other

(30.3) (65.0)

5,087.6
6,083.7 Less
treasury
stock (at
cost), 3.2
million
shares of
common stock
in 2002 and
3.4 million
in 2001

(38.6) (39.7)

----- Total
stockholders'
equity

5,049.0
6,044.0 -----

- Total
liabilities
and
stockholders'
equity

\$34,988.5
\$38,614.2

=====
=====

THE WILLIAMS COMPANIES, INC.
PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

(Millions) Years Ended December			
31, - -----			

2002 2001 2000 --			

OPERATING			
ACTIVITIES:			
Income (loss)			
from continuing			
operations \$			
(580.2) \$ 700.2 \$			
700.1 Adjustments			
to reconcile to			
cash provided			
(used) by			
operations:			
Depreciation,			
depletion and			
amortization			
702.2 548.5 445.3			
Provision			
(benefit) for			
deferred income			
taxes (172.9)			
335.2 349.9			
Payments of			
guarantees and			
payment			
obligations			
related to			
Williams			
Communications			
Group, Inc.			
(753.9) -- --			
Provision for			
loss on property			
and other assets			
455.2 157.4 57.3			
Net gain on			
dispositions of			
assets (190.4)			
(91.1) (7.8)			
Provision for			
uncollectible			
accounts:			
Williams			
Communications			
Group, Inc. 268.7			
188.0 -- Other			
9.9 13.6 3.4			
Accrual for			
interest included			
in RMT note			
payable 32.2 -- -			
- Amortization of			
deferred set-up			
fee and fixed			
rate interest on			
RMT note payable			
110.9 -- --			
Minority interest			
in income and			
preferred returns			
of consolidated			
subsidiaries 41.8			
71.7 56.8 Tax			
benefit received			
and amortization			
of stock-based			
awards 32.3 48.4			
36.7 Cash			

provided (used)
 by changes in
 current assets
 and liabilities:
 Restricted cash
 (4.0) -- --
 Accounts and
 notes receivable
 227.7 338.8
 (1,520.2)
 Inventories 73.4
 285.5 (291.5)
 Margin deposits
 (633.4) 559.5
 (671.7) Other
 current assets
 and deferred
 charges (339.3)
 128.7 12.1
 Accounts payable
 (614.3) (456.2)
 1,271.8 Accrued
 liabilities
 (242.0) 241.8
 277.0 Changes in
 current energy
 risk management
 and trading
 assets and
 liabilities
 1,071.4 (742.9)
 (218.8) Changes
 in noncurrent
 energy risk
 management and
 trading assets
 and liabilities
 (442.4) (806.1)
 (485.2) Changes
 in noncurrent
 restricted cash
 (104.2) -- --
 Other, including
 changes in
 noncurrent assets
 and liabilities
 67.4 (22.0) 105.3

 ----- Net cash
 provided (used)
 by operating
 activities of
 continuing
 operations
 (983.9) 1,499.0
 120.5 Net cash
 provided by
 operating
 activities of
 discontinued
 operations 441.7
 352.0 463.3 -----

 ----- Net cash
 provided (used)
 by operating
 activities
 (542.2) 1,851.0
 583.8 ----- --

FINANCING
 ACTIVITIES:
 Proceeds from
 notes payable
 913.0 1,830.0
 2,190.4 Payments
 of notes payable
 (2,024.4)
 (2,631.4) (723.9)
 Proceeds from
 long-term debt

3,481.5	3,377.1
984.6	Payments of
	long-term debt
(2,538.1)	
(1,654.9)	(701.9)
	Proceeds from
	issuance of
	common stock
5.2	
1,388.5	64.1
	Proceeds from
	issuance of
	preferred stock
271.3	-- --
	Dividends paid
(230.8)	(341.0)
(265.8)	Net
	proceeds from
	issuance of
	preferred
	interests of
	consolidated
	subsidiaries
--	--
95.3	546.8
	Retirement of
	preferred
	interest in
	consolidated
	subsidiary
(135.0)	-- --
	Redemption of
	Williams
	obligated
	mandatorily
	redeemable
	preferred
	securities of
	Trust holding
	only Williams
	indentures
--	--
(194.0)	--
	Payments/dividends
	to minority and
	preferred
	interests
(48.0)	
(50.3)	(35.7)
	Changes in
	restricted cash
(182.1)	-- --
	Payments for debt
	issuance costs
(186.3)	(44.8)
(3.9)	Changes in
	cash overdrafts
28.4	(28.8)
(31.9)	Other -
net	(8.4) (.1)
(.1)	-----

	Net cash provided
	(used) by
	financing
	activities of
	continuing
	operations
(653.7)	1,745.6
2,022.7	Net cash
	provided by
	financing
	activities of
	discontinued
	operations
526.6	
1,584.4	1,728.3

	Net cash
	provided (used)
	by financing
	activities
(127.1)	3,330.0
3,751.0	-----

Continued on the next page

THE WILLIAMS COMPANIES, INC.
 PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS--(Continued)
 (UNAUDITED)

(Millions) Years
 Ended December 31, -

 --- 2002 2001 2000 -

----- INVESTING
 ACTIVITIES:

Property, plant and
 equipment: Capital
 expenditures

\$(1,742.3)

\$(1,483.0)

\$(1,034.5) Proceeds
 from dispositions

549.2 28.5 28.5

Acquisitions of
 businesses

(primarily property,
 plant and

equipment), net of

cash acquired --

(1,291.6) (726.4)

Purchases of

investments/advances
 to affiliates

(308.7) (568.3)

(181.9) Proceeds

from sales of

businesses 2,300.4

163.7 -- Proceeds

from dispositions of
 investments and

other assets 273.0

243.9 47.0 Proceeds

received on advances

to affiliates 75.0

95.0 -- Proceeds

received on sale of

claims against

Williams

Communications

Group, Inc. 180.0 --

-- Purchase of

assets subsequently

leased to seller --

(276.0) -- Other -

net 34.9 24.6 .7 ---

--- Net cash

provided (used) by
 investing activities

of continuing

operations 1,361.5

(3,063.2) (1,866.6)

Net cash used by

investing activities

of discontinued

operations (257.3)

(1,930.9) (2,339.1)

----- Net cash

provided (used) by
 investing activities

1,104.2 (4,994.1)

(4,205.7) -----

Cash of discontinued
 operations at

spinoff -- (96.5) --

----- Increase in

cash and cash

equivalents 434.9

90.4	129.1	Cash and cash equivalents at beginning of year
1,301.1	1,210.7	
1,081.6	-----	---
-----	-----	Cash and cash equivalents at end of year*
\$1,736.0	\$1,301.1	
\$1,210.7	-----	--
-----	-----	

*Includes cash and cash equivalents of discontinued operations of \$83.8 million, \$57.5 million and \$247.2 million for 2002, 2001 and 2000, respectively.