

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): July 26, 2002

The Williams Companies, Inc.

(Exact name of registrant as specified in its charter)

Delaware ----- (State or other jurisdiction of incorporation)	1-4174 ----- (Commission File Number)	73-0569878 ----- (I.R.S. Employer Identification No.)
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One Williams Center, Tulsa, Oklahoma ----- (Address of principal executive offices)	74172 ----- (Zip Code)
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Registrant's telephone number, including area code: 918/573-2000

Not Applicable

(Former name or former address, if changed since last report)

Item 9. Regulation FD Disclosure.

The Williams Companies, Inc. wishes to disclose for Regulation FD purposes its press release dated July 26, 2002, filed herewith as Exhibit 99.

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: July 26, 2002

/s/ Suzanne H. Costin

Name: Suzanne H. Costin
Title: Corporate Secretary

INDEX TO EXHIBITS

EXHIBIT NUMBER -----	DESCRIPTION -----
99	Copy of Williams' press release dated July 26, 2002.

[GRAPHIC OMITTED]

JULY 26, 2002

WILLIAMS REACHES AGREEMENT IN PRINCIPLE FOR NEW
CALIFORNIA POWER CONTRACTS AND RESOLUTION OF ALL STATE
CLAIMS AGAINST THE COMPANY

TULSA, OKLA. -- Williams (NYSE:WMB) today announced that it has reached an agreement in principle with the state of California and other parties including Washington and Oregon on a global settlement that is expected to result in a new long-term energy contract between Williams and California.

Additionally, the agreement resolves all of California's outstanding litigation and claims against Williams, including the state's claims for refunds that are at issue at the Federal Energy Regulatory Commission. The settlement is subject to final documentation.

The following parties have been actively involved in the settlement discussions and will be working to implement the agreements during the next few weeks: representatives of the California Department of Water Resources; the California attorney general (on its own behalf and on behalf of Oregon, Washington and California municipalities that had brought actions against Williams); the California Public Utilities Commission; the Electricity Oversight Board, and representatives for civil litigants.

Williams intends to work with California to present the terms of the settlement for the new long-term energy contracts to FERC Judge Curtis Wagner at the Aug. 5-6 settlement conference in its long-term contract complaint proceedings. Williams also intends to work toward finalizing agreements necessary to resolve the remaining litigation, including civil actions, as a part of the global settlement.

"By working together, we have designed a global settlement that will benefit all parties and bring closure to issues that have created uncertainty around Williams in the market," said Steve Malcolm, chairman, president and CEO of Williams.

"The new long-term contracts will ensure that California consumers will have power under more flexible terms and Williams will continue to benefit from long-term power sales in the California market," Malcolm added.

About Williams (NYSE: WMB)

Williams moves, manages and markets a variety of energy products, including natural gas, liquid hydrocarbons, petroleum and electricity. Based in Tulsa, Okla., Williams' operations span the energy value chain from wellhead to burner tip. Company 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.

CONTACT INFORMATION:

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