
UNITED STATES
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):

June 13, 2006

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure.

On June 13, 2006, The Williams Companies, Inc. ("Williams") announced that it had reached an agreement in principle to settle class-action shareholder litigation filed on behalf of purchasers of Williams securities between July 24, 2000, and July 22, 2002. Under the terms of the agreement, Williams will pay \$290 million to plaintiffs, subject to court approval. The settlement will be funded through a combination of insurance proceeds and cash on hand. Of the total settlement, Williams expects to pay approximately \$145 million to \$220 million in cash to fund the settlement, while it expects the balance to be funded by its insurers. Williams plans to record a second-quarter, pre-tax charge in the same dollar range as its expected cash outlay. Williams and the plaintiffs plan to file definitive settlement agreements in early August with the U.S. District Court for the Northern District of Oklahoma. The settlement would be funded within 30 days of the court's preliminary approval of the agreement, which could occur as soon as mid-August. Williams and various other parties to the agreements do not admit to any liability by the company, its directors or officers. In addition, there were no findings of any violation of federal securities laws. The agreement discussed above is exclusive of Williams' litigation with plaintiffs representing a class of Williams Communications securities purchasers. That suit is pending in U.S. District Court for the Northern District of Oklahoma.

A copy of Williams' press release publicly reporting the settlement is furnished herewith as Exhibit 99.1 and is incorporated herein.

The press release is being furnished pursuant to Item 7.01, Regulation FD Disclosure. The information furnished is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, is not subject to the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

- (a) None
- (b) None
- (c) Exhibits:

Exhibit 99.1 Copy of Williams' press release dated June 13, 2006, publicly reporting the settlement as discussed herein.

SIGNATURES

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.

June 13, 2006

By: *William H. Gault*

Name: William H. Gault

Title: Assistant Secretary

Exhibit Index

Exhibit No.	Description
99.1	Copy of Williams' press release dated June 13, 2006, publicly reporting the settlement as discussed herein.

NYSE: WMB

Date: June 13, 2006

Williams Reaches Agreement to Settle Shareholder Litigation

TULSA, Okla. – Williams (NYSE:WMB) today announced that it has reached an agreement in principle to settle class-action shareholder litigation filed on behalf of purchasers of Williams securities between July 24, 2000, and July 22, 2002.

Under the terms of the agreement, Williams will pay \$290 million to plaintiffs, subject to court approval. The settlement will be funded through a combination of insurance proceeds and cash on hand, and will not have a material effect on the company's liquidity position. Of the total settlement, Williams expects to pay approximately \$145 million to \$220 million in cash to fund the settlement, while it expects the balance to be funded by its insurers.

Williams plans to record a second-quarter, pre-tax charge in the same dollar range as its expected cash outlay. On an after-tax basis, the charge is estimated to be approximately \$98 million to \$148 million, or 16 cents to 24 cents per diluted share. The exact amount of the charge within the aforementioned range is subject to final determination and timing of certain insurer coverage allocations. The company considers the charge a non-recurring item.

Williams noted that it chose to settle this litigation as part of the company's efforts to resolve legacy issues and move forward with its plans for profitable growth.

Williams and the plaintiffs plan to file definitive settlement agreements in early August with the U.S. District Court for the Northern District of Oklahoma. The settlement would be funded within 30 days of the court's preliminary approval of the agreement, which could occur as soon as mid-August.

Williams and various other parties to the agreements do not admit to any liability by the company, its directors or officers. In addition, there were no findings of any violation of federal securities laws.

Today's agreement is exclusive of the company's litigation with plaintiffs representing a class of Williams Communications securities purchasers. That suit is pending in U.S. District Court for the Northern District of Oklahoma.

About Williams (NYSE:WMB)

Williams, through its subsidiaries, primarily finds, produces, gathers, processes and transports natural gas. The company also manages a wholesale power business. Williams' operations are concentrated in the Pacific Northwest, Rocky Mountains, Gulf Coast, Southern California and Eastern Seaboard. More information is 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.