# 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 23, 2011**

# 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**

Check the appropriate box below if the Form 8-K 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))

## Item 8.01. Other Events

On June 23, 2011, the Williams Companies, Inc. (the “Company”) announced that it has made a proposal to the Special Committee of the Board of Directors of Southern Union Company (“Southern Union”) to acquire all of Southern Union’s outstanding common stock for $39 per share in cash.

Attached hereto as Exhibit 99.1 and incorporated herein by reference is the press release issued by the Company regarding the acquisition proposal.

Attached hereto as Exhibit 99.2 and incorporated herein by reference is a letter addressed to the Company from Barclays Bank PLC and Citigroup Global Markets Inc. regarding the potential financing of the Company’s proposed acquisition of Southern Union.

## Item 9.01. Financial Statements and Exhibits

(d) *Exhibits.*

| Exhibit No. | Description |
|---|---|
| 99.1 | Press Release, dated June 23, 2011, announcing proposal to acquire Southern Union Company. |
| 99.2 | Letter, dated June 23, 2011, from Barclays Bank PLC and Citigroup Global Markets Inc. |

## SIGNATURE

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.

By: /s/ La Fleur C. Browne
La Fleur C. Browne
Assistant General Counsel and Corporate Secretary

DATED: June 23, 2011

## EXHIBIT INDEX

| Exhibit No. | Description |
|---|---|
| 99.1 | Press Release, dated June 23, 2011, announcing proposal to acquire Southern Union Company. |
| 99.2 | Letter, dated June 23, 2011, from Barclays Bank PLC and Citigroup Global Markets Inc. |

**Exhibit 99.1**

# News Release

Williams (NYSE: WMB)
One Williams Center
Tulsa, OK 74172
800-Williams
www.williams.com

**DATE:** June 23, 2011

**MEDIA CONTACTS:**

| | |
|---|---|
| Julie Gentz | Joele Frank / Andrew Siegel |
| Williams | Joele Frank, Wilkinson Brimmer Katcher |
| (918) 573-3053 | (212) 355-4449 |

**INVESTOR CONTACTS:**

| | | | |
|---|---|---|---|
| Travis Campbell | Sharna Reingold | David Sullivan | Tom Gardiner |
| Williams | Williams | Williams | Georgeson, Inc. |
| (918) 573-2944 | (918) 573-2078 | (918) 573-9360 | (212) 440-9872 |

**Williams Proposes to Acquire Southern Union for $39.00 per Share in Cash**

- *Williams' All-Cash Proposal Provides 38% Premium to Undisturbed Stock Price; 18% Premium and Streamlined Transaction Structure Compared to Proposed Energy Transfer Transaction*
- *Combination Would Create Energy Powerhouse and Enhance Williams' Position as a Leading Provider of Natural Gas and NGL Infrastructure Services in Key Basins and Premier Markets*
- *Williams Expects Combined Company to Yield Additional Cash Flow, to Enhance High-Dividend Strategy and to Maintain Investment-Grade Credit Metrics*
- *Williams Plans to Contribute Substantial Portion of Assets to Williams Partners L.P.*
- *WPX Energy IPO and Spinoff Remain on Track*

TULSA, Okla. – Williams (NYSE: WMB) today announced that it has proposed to acquire all of the outstanding shares of Southern Union Company (NYSE: SUG) for $39.00 per share in cash, for a total enterprise value of $8.7 billion. Williams conveyed the all-cash, premium proposal via a letter to the Special Committee of Southern Union's Board of Directors.

Williams' all-cash proposal represents a premium of 18% over the nominal purchase price in Southern Union's proposed transaction with Energy Transfer Equity, L.P. (NYSE: ETE) ("Energy Transfer"), announced on June 16, 2011, in which Southern Union shareholders would receive optionally redeemable Series B MLP partnership units of Energy Transfer with a stated value of $33.00 per share. The Williams proposal also represents a premium of 38% over Southern Union's closing share price the day prior to the Energy Transfer announcement.

The Williams proposal is not subject to any financing contingency. Barclays Capital and Citi are acting as financial advisors to Williams and have informed the Company that they are highly confident in Williams' ability to finance the all-cash purchase price.

"Williams' proposal is compelling for both Southern Union and Williams investors," said Alan Armstrong, Williams' President and Chief Executive Officer. "Our proposal provides significantly greater value to all Southern Union shareholders than they would receive from Energy Transfer and a path to realize such premium value that is more transparent, more expedient and more certain.

"We are confident the combination will further strengthen our ability to deliver value and growth from an extraordinary suite of energy-infrastructure assets," Mr. Armstrong said. "The two asset portfolios are complementary and strategically positioned in growing supply areas, including key shale basins, and end-use markets. The combination would enhance Williams' position as a North American leader in services that are vital to connect new supplies of natural gas in growing resource plays to markets that are anxious to enjoy the benefits of affordable, clean natural gas. Additionally, based on publicly available information, we expect to realize cost savings of more than $50 million annually and to immediately increase cash flows in support of Williams' high-dividend strategy.

"We are confident the Special Committee of Southern Union's Board of Directors and Southern Union shareholders will find our significantly higher value, all-cash proposal superior to the proposed Energy Transfer transaction," Mr. Armstrong added. "We look forward to working closely with Southern Union to quickly reach an agreement on a transaction."

Williams announced plans earlier in 2011 to separate its exploration and production business in a two-step process. The initial public offering of WPX Energy is on track for the third quarter of 2011, with the subsequent tax-free spinoff to Williams shareholders expected to be completed no later than the first quarter of 2012. This process is designed to create two, independent, pure-play companies that are better positioned for growth and appeal to distinct groups of investors. The company noted that the proposal to acquire Southern Union has no impact on the timing of the separation transaction.

The text of the letter Williams delivered today to the Special Committee of the Southern Union Board of Directors follows:

June 23, 2011

The Special Committee of the Board of Directors of Southern Union

cc: Mr. George Lindemann, Chairman and Chief Executive Officer

cc: Mr. Eric Herschmann, Vice Chairman, President and Chief Operating Officer

cc: Ms. Monica Gaudiosi, Senior Vice President and General Counsel

Gentlemen:

We are pleased to submit a proposal to acquire 100% of the issued and outstanding common stock of Southern Union (the “Company”) at a purchase price of $39.00 per share, payable in cash, which represents a total enterprise value of approximately $8.7 billion. Our proposal represents a premium of 18% over the nominal purchase price of $33.00 per share in your proposed transaction with Energy Transfer and a premium of 38% over Southern Union’s closing share price of $28.26 per share on June 15, 2011, the last trading day prior to the announcement of the Energy Transfer transaction.

As evidenced by my past discussions with Mr. Lindemann and Mr. Herschmann about a potential combination, we have spent significant time and effort studying your company and the potential benefits of an acquisition of the Company by Williams. We view Southern Union’s businesses as an attractive suite of stable assets that have long-term growth opportunities. The combination of Williams and Southern Union would create a premier pipeline operator with nearly 30,000 miles of regulated pipelines and a more diverse cash flow stream than either company currently enjoys.

Our all-cash proposal is superior to that of your proposed transaction with Energy Transfer in that it offers substantially greater value to all Southern Union shareholders and a clearer and more expedient path to value realization with less risk and uncertainty than the proposed sale to Energy Transfer.

Our proposal is not subject to any financing contingency. We have engaged Barclays Capital and Citi as financial advisors and financing sources for the transaction, and they have informed us that they are highly confident in our ability to finance the all-cash purchase price.

We have also engaged Cravath, Swaine & Moore LLP and Gibson, Dunn & Crutcher LLP as our legal advisors in connection with this transaction. We and our counsel have reviewed the terms of your merger agreement with Energy Transfer, and we are confident that we can expeditiously reach a definitive agreement with you on substantially similar terms, modified as necessary to accommodate our all-cash proposal. We have also reviewed the regulatory approvals required for a combination of our businesses. We have developed a comprehensive plan for securing all necessary regulatory approvals and would be pleased to discuss this plan with you at your earliest convenience. We expect we will be in a position to consummate the proposed transaction on a timeline consistent with the proposed Energy Transfer transaction.

Our proposal is subject to completion of confirmatory due diligence, which we will be able to finalize quickly given our industry expertise. We are prepared to negotiate definitive documentation simultaneously with our due diligence efforts, which would enable us to be in a position to execute definitive documentation within two weeks. Consistent with that timetable, our proposed purchase price is premised on Southern Union terminating the Energy Transfer transaction within the 40-day window established by your merger agreement with Energy Transfer for the lower breakup fee.

Our Board of Directors has unanimously approved this proposal.

This letter does not constitute any legally binding obligation, liability or commitment on the part of Williams regarding the proposed transaction. Other than any confidentiality agreement we may enter into with you, there will be no legally binding agreement between us regarding the proposed transaction unless and until a definitive purchase agreement has been executed by Southern Union and Williams.

We are eager to finalize our confirmatory due diligence and the definitive documentation relating to the proposed transaction. We look forward to hearing from you soon.

Very truly yours,

/s/ Alan Armstrong

Alan Armstrong

President and Chief Executive Officer of Williams

Barclays Capital and Citi are serving as financial advisors to Williams and Cravath, Swaine & Moore LLP and Gibson, Dunn & Crutcher LLP are serving as its legal advisors.

**About Williams (NYSE: WMB)**

Williams is an integrated natural gas company focused on exploration and production, midstream gathering and processing, and interstate natural gas transportation primarily in the Rocky Mountains, Gulf Coast, Pacific Northwest, Eastern Seaboard and the Marcellus Shale in Pennsylvania. Most of the company's interstate gas pipeline and midstream assets are held through its 75-percent ownership interest (including the general-partner interest) in Williams Partners L.P. (NYSE: WPZ), a leading diversified master limited partnership. More information is available at www.williams.com. Go to http://www.b2i.us/irpass.asp?BzID=630&to=ea&s=0 to join our e-mail list.

# # #

*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.*

**Exhibit 99.2**

| CITIGROUP GLOBAL MARKETS INC. | BARCLAYS CAPITAL |
|---|---|
| 388 GREENWICH STREET | 745 SEVENTH AVENUE |
| NEW YORK, NEW YORK 10013 | NEW YORK, NEW YORK 10019 |

June 23, 2011

The Williams Companies, Inc.
One Williams Center
Tulsa, Oklahoma 74172
Attention: Donald R. Chappel, Senior Vice President and Chief Financial Officer

Ladies and Gentlemen:

You have advised Citigroup Global Markets Inc. ("**CGMI**") and Barclays Capital, the investment banking division of Barclays Bank PLC ("**Barclays Capital**"), that The Williams Companies, Inc., a Delaware corporation (the "**Acquiror**"), intends to submit a bid to acquire, directly or indirectly, 100% of the capital stock of Southern Union Company (the "**Company**") pursuant to the terms and conditions of that certain non-binding offer letter (the "Offer Letter", a copy of which is attached hereto as Exhibit A (the "**Acquisition**"). It is our understanding that the Acquiror intends initially to finance the Acquisition and the repayment of certain existing indebtedness of the Company with senior unsecured credit facilities (the "**Senior Credit Facilities**"), which will allow you to complete the Acquisition and to pay fees and expenses associated therewith. For purposes of this letter, "**Citi**" means CGMI, Citibank, N.A., Citicorp USA, Inc., Citicorp North America, Inc. and/or any of their affiliates as may be appropriate to consummate the transactions contemplated hereby.

In forming our below-expressed view about underwriting and syndicating the Senior Credit Facilities, pursuant to your request, we have reviewed certain information regarding the Acquiror and the Company that you have provided to us and certain publicly available information. We have assumed and relied, without assuming any responsibility for independent verification, upon the accuracy and completeness of all the financial and other information reviewed by us for the purpose of this letter. With respect to financial forecasts and projections, we have assumed that such financial forecasts and projections have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the Acquiror.

CGMI and Barclays Capital are pleased to inform you, based upon current market conditions and our present understanding of the Acquisition as at the date hereof, and subject to the terms and conditions of this letter and assuming that CGMI and Barclays Capital were to be appointed the joint bookrunners and joint lead arrangers of the Senior Credit Facilities, that Citi and Barclays Capital are highly confident of their ability jointly to underwrite and syndicate the Senior Credit Facilities. Actual underwriting of the Senior Credit Facilities would occur pursuant to separate written agreements acceptable to Citi and Barclays Capital in their sole discretion and would be subject to, among other things, (a) final agreement on the pricing, terms and conditions for the financing referred to above given the then prevailing market conditions; (b) the receipt of audited financial statements for December 31, 2010 and the most recently available quarterly financial statements for the Company, in all respects satisfactory to Citi and Barclays Capital; (c) satisfactory completion of Citi's and Barclays Capital's customary due diligence review; (d) the execution and delivery of customary final documentation for the Senior Credit Facilities, including, but not limited to, a commitment letter, a credit agreement and related documentation, each in form and substance satisfactory to Citi, Barclays Capital and their counsel; (e) receipt of any necessary governmental, contractual, regulatory, board of directors or security holders' consents or approvals in connection with the Acquisition and the related financing; (f) the consummation of the Acquisition on terms and conditions and pursuant to documentation satisfactory to Citi and Barclays Capital and (g) the receipt of all required credit and other internal approvals and Citi and Barclays Capital acting in a leading capacity in the proposed financing.

It should be noted that Citi's and Barclays Capital's expression of their confidence in their ability to underwrite and syndicate the Senior Credit Facilities (and any subsequent written agreement to underwrite and syndicate the Senior Credit Facilities) is further contingent upon (i) there not having occurred any material adverse change in the business, condition (financial or otherwise), operations, performance, properties or prospects of (A) the Acquiror or the Acquiror and its subsidiaries, taken as a whole or (B) the Company or the Company and its subsidiaries, taken as a whole, in each case since December 31, 2010; (ii) there not having occurred any circumstance, change or condition (including the continuation of any existing condition) in loan syndication, financial, banking or capital markets that, in Citi's and Barclays Capital's judgment, could make it inadvisable or impractical to proceed with the Acquisition or any portion of the financing thereof; and (iii) there not having occurred any material adverse change in the legal or regulatory environment of (A) the Acquiror or the Acquiror and its subsidiaries, taken as a whole or (B) the Company or the Company and its subsidiaries, taken as a whole, in each case since December 31, 2010.

This letter is not intended to be, and shall not constitute, a commitment or undertaking by Citi or Barclays Capital to provide or arrange or commit to provide or arrange any portion of the financing for the Acquisition, including financing under the Senior Credit Facilities. By accepting delivery of this letter, the Acquiror acknowledges that Citi and Barclays Capital may provide financing, equity capital, financial advisory and/or other services to parties whose interests may conflict with the Acquiror's interests and agrees that this letter is for the Acquiror's confidential use only and that neither its existence nor its terms may be disclosed by it to any person other than its officers, directors, employees, accountants, attorneys and other advisors, agents and representatives (the "**Acquiror Representatives**"), and then only on a confidential and "need to know" basis; provided, however, that the Acquiror may disclose this letter (i) on a confidential, "need to know" and non-reliance basis to the directors, officers, employees, accountants, attorneys and other professional advisors of the Company in connection with their consideration of the Acquisition; and (ii) in any filings with the Securities and Exchange Commission and other applicable regulatory authorities and stock exchanges. Notwithstanding any other provision in this letter, Citi and Barclays Capital hereby confirm that the Acquiror and the Acquiror Representatives shall not be restricted from disclosing the U.S. tax treatment or U.S. tax structure of the transactions contemplated hereby. As you will appreciate, this letter is not intended to create any legal relationship between us or between Citi and Barclays Capital (and/or their respective affiliates) and any other person whatsoever and we do not assume a duty of care or any liability to any person in respect of the issuance of this letter.

Neither Citi nor Barclays Capital shall have any liability (whether in contract, tort or otherwise) to the Acquiror, the Company, the Company's stockholders or any other person, including, without limitation, any of the Acquiror's or the Company's respective security holders or creditors, for or in connection with the delivery of this letter. In addition, neither Citi nor Barclays Capital shall be responsible under any theory of liability for any special, indirect, consequential or punitive damages (including, without limitation, any loss of profits, business or anticipated savings).

This letter will be construed in accordance with the law of the State of New York.

We appreciate this opportunity to work with you on this important financing.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.

By: /s/ Michael J. Casey
Name: Michael J. Casey
Title: Director

BARCLAYS BANK PLC

By: /s/ Ann E. Sutton
Name: Ann E. Sutton
Title: Director