

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>MALCOLM STEVEN J</u>			2. Issuer Name and Ticker or Trading Symbol <u>WILLIAMS COMPANIES INC [WMB]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) President & CEO			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <u>03/03/2006</u>			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person			
<u>ONE WILLIAMS CENTER</u>			4. If Amendment, Date of Original Filed (Month/Day/Year)						
(Street)	<u>TULSA</u>	<u>OK</u>	<u>74172</u>						
(City)	(State)	(Zip)							

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Deferred Stock ⁽¹⁾	\$21.67	03/03/2006		A		110,000		03/03/2009	03/03/2009	Common Stock	110,000	\$21.67	484,758	D	
Employee Options (Right to Buy)	\$21.67	03/03/2006		A		83,333		03/03/2007	03/03/2016	Common Stock	83,333	\$21.67	1,648,894	D	
Employee Options (Right to Buy)	\$21.67	03/03/2006		A		83,333		03/03/2008	03/03/2016	Common Stock	83,333	\$21.67	1,732,227	D	
Employee Options (Right to Buy)	\$21.67	03/03/2006		A		83,334		03/03/2009	03/03/2016	Common Stock	83,334	\$21.67	1,815,561	D	

Explanation of Responses:

1. Vesting subject to applicable grant agreement and compensation committee certification that the Company has met the three year performance measure. The committee has established the specific performance measure as an improvement in the Company's Economic Value Added over the three year period.

Remarks:

Cher S. Lawrence, Attorney-in-Fact for Steven J. Malcolm 03/07/2006

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.