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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): November 3, 2004

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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240-14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 2.02. Results of Operations and Financial Condition.

On November 4, 2004, Williams issued a press release announcing its financial results for the quarter ended September 30, 2004. A copy of the press release and its two accompanying reconciliation schedules are furnished as a part of this current report on Form 8-K as Exhibit 99.1, Exhibit 99.2, and Exhibit 99.3, and are incorporated herein in their entirety by reference.

The press release discloses certain financial measures, EBITDA and recurring earnings and recurring segment profit, that are non-GAAP financial measures as defined under the rules of the Securities and Exchange Commission. EBITDA represents the sum of net income (loss), net interest expense, income taxes, depreciation and amortization of intangible assets, less income (loss) from discontinued operations. Recurring earnings and recurring segment profit provide investors meaningful insight into the Company's results from ongoing operations. The press release is accompanied by a reconciliation of these non-GAAP financial measures to their nearest GAAP financial measures. Management uses these financial measures because they are widely accepted financial indicators used by investors to compare company performance. In addition, management believes that these measures provide investors an enhanced perspective of the operating performance of the Company's assets and the cash that the business is generating. Neither EBITDA nor recurring earnings and recurring segment profit are intended to represent cash flows for the period, nor are they presented as an alternative to net income or cash flow from operations. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with United States generally accepted accounting principles.

Certain financial information in the press release is also shown including Power mark-to-market adjustments. The press release is accompanied by a reconciliation of these non-GAAP financial measures to their nearest GAAP financial measures. Previously the Company did not qualify for hedge accounting with respect to its Power segment as a result of the Company's stated intent to exit the Power business. The Company ceased efforts to market the sale of Power during the third quarter 2004, and now qualifies for hedge accounting. Hedge accounting reduces earnings volatility associated with Power's portfolio of certain derivative hedging instruments. Prior to the adoption of hedge accounting, these derivative hedging instruments were accounted for on a mark-to-market basis with the change in fair value recognized in earnings each period. Management uses the mark-to-market adjustments to better reflect Power's results on a basis that is more consistent with Power's portfolio cash flows and to aid investor understanding. The adjustments reverse forward unrealized mark-to-market gains or losses from derivatives and add realized gains or losses from derivatives for which mark-to-market income has been previously recognized, with the effect that the resulting adjusted segment profit is presented as if mark-to-market accounting had never been applied to designated hedges or other derivatives. The measure is limited by the fact that it does not reflect potential unrealized future losses or gains on derivative contracts. However, management compensates for this limitation since reported earnings do reflect unrealized gains and losses of derivative contracts. Overall, management believes the mark-to-market adjustments provide an alternative measure that more closely matches realized cash flows for the Power segment.

This Report on Form 8-K is being furnished pursuant to Item 2.02, Results of Operations and Financial Condition. 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 filing under the Securities Act of 1933, as amended.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On November 3, 2004, Williams announced that Phillip D. Wright, Senior Vice President, will assume responsibility for the Gas Pipelines segment effective January 3, 2005. Williams also announced that J. Douglas Whisenant, Senior Vice President for the Gas Pipelines will retire effective January 3, 2005. Mr. Wright has held various positions with Williams since 1989, most recently Senior Vice President and Chief Restructuring Officer. The press release announcing the organizational changes is furnished as Exhibit 99.4.

Item 7.01. Regulation FD Disclosure.

The Williams Companies, Inc. ("Williams") wishes to disclose for Regulation FD purposes its slide presentation, filed herewith as Exhibit 99.5, to be utilized during a public conference call and webcast on the morning of November 4, 2004.

The slide presentation discloses certain financial measures, EBITDA and recurring earnings and recurring segment profit, that are non-GAAP financial measures as defined under the rules of the Securities and Exchange Commission. EBITDA represents the sum of net income (loss), net interest expense, income taxes, depreciation and amortization of intangible assets, less income (loss) from discontinued operations. Recurring earnings and recurring segment profit provide investors meaningful insight into the Company's results from ongoing operations. The slide presentation includes a reconciliation of these non-GAAP financial measures to their nearest GAAP financial measures. Management uses these financial measures because they are widely accepted financial indicators used by investors to compare company performance. In addition, management believes that these measures provide investors an enhanced perspective of the operating performance of the Company's assets and the cash that the business is generating. Neither EBITDA nor recurring earnings and recurring segment profit are intended to represent cash flows for the period, nor are they presented as an alternative to net income or cash flow from operations. They should not be considered in isolation or as substitutes for a measure of performance prepared in accordance with United States generally accepted accounting principles.

Certain financial information in the slide presentation is also shown including Power mark-to-market adjustments. The slide presentation includes reconciliations of these non-GAAP financial measures to their nearest GAAP financial measures. Previously the Company did not qualify for hedge accounting with respect to its Power segment as a result of the Company's stated intent to exit the Power business. The Company ceased efforts to market the sale of Power during the third quarter 2004, and now qualifies for hedge accounting. Hedge accounting reduces earnings volatility associated with Power's portfolio of certain derivative hedging instruments. Prior to the adoption of hedge accounting, these derivative hedging instruments were accounted for on a mark-to-market basis with the change in fair value recognized in earnings each period. Management uses the mark-to-market adjustments to better reflect Power's results on a basis that is more consistent with Power's portfolio cash flows and to aid investor understanding. The adjustments reverse forward unrealized mark-to-market gains or losses from derivatives and add realized gains or losses from derivatives for which mark-to-market income has been previously recognized, with the effect that the resulting adjusted segment profit is presented as if mark-to-market accounting had never been applied to designated hedges or other derivatives. The measure is limited by the fact that it does not reflect potential unrealized future losses or gains on derivative contracts. However, management compensates for this limitation since reported earnings do reflect unrealized gains and losses of derivative contracts. Overall, management believes the mark-to-market adjustments provide an alternative measure that more closely matches realized cash flows for the Power segment.

Item 9.01. Financial Statements and Exhibits.

(a) None
(b) None
(c) Exhibits

Exhibit 99.1	Copy of Williams' press release dated November 4, 2004, publicly announcing its third quarter 2004 financial results.
Exhibit 99.2	Copy of Williams' Reconciliation of Income (Loss) from Continuing Operations to Recurring Earnings.
Exhibit 99.3	Copy of Williams' Reconciliation of Income (Loss) from Continuing Operations to Recurring Earnings after Mark-to-Market Adjustments.
Exhibit 99.4	Copy of Williams' press release dated November 3, 2004, announcing organizational changes.
Exhibit 99.5	Copy of Williams' slide presentation to be utilized during the November 4, 2004, public conference call and webcast.

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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: November 4, 2004		/s/ Donald R. Chappel
	Name:	Donald R. Chappel
	Title:	Senior Vice President and Chief Financial Officer

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
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EXHIBIT 99.1

NewsRelease

NYSE: WMB

Date: Nov. 4, 2004

Williams Reports Third-Quarter 2004 Results

- *Company Reduces debt by $1.6 Billion Since Second Quarter*
- *Businesses Report Increased Segment Profit and Operating Cash Flow vs. 2003 Quarter*
- *Power Adopted Hedge Accounting Oct. 1*
- *Cash Flow Forecasts Remain Robust*

TULSA, Okla. — Williams (NYSE:WMB) today announced third-quarter 2004 unaudited net income of $98.6 million, or 19 cents per share on a diluted basis, compared with net income of $106.3 million, or 20 cents per share, for third-quarter 2003.

Year-to-date, the company reported net income of $90.3 million, or 17 cents per share on a diluted basis, compared with a loss of $438.5 million, or a loss of 89 cents per share, for the first nine months of 2003. Results for the period in 2003 were reduced by an after-tax charge of $761.3 million, or $1.45 per share, to primarily reflect the cumulative effect of adopting the mandated accounting standard for contracts involved in energy trading and risk management activities.

For third-quarter 2004, the company reported income from continuing operations of $16.1 million, or 3 cents per share on a diluted basis, compared with income of $20.0 million, or 4 cents per share, on a restated basis for the same period in 2003. Approximately $155 million in pre-tax charges for premiums, as well as related fees and expenses, associated with the early retirement of debt were included in results for the 2004 quarter. With regard to unrealized mark-to-market gains or losses from the Power business, the 2004 quarter included the pre-tax benefit of $187 million vs. a loss of $54 million in the 2003 quarter.

For the first nine months of the year, Williams reported a loss from continuing operations of $3.4 million, or 1 cent per share on a diluted basis, compared with income of $90.6 million, or 12 cents per share, on a restated basis for the same period in 2003. The decline primarily reflects the impact of early debt retirement costs of approximately $252 million incurred in 2004 and lower overall gains on asset sales. These factors were partially offset by the favorable impact of continued strong performance in Midstream Gas & Liquids and significantly reduced interest expense. With regard to the pre-tax benefit of unrealized mark-to-market gains from the Power business, the 2004 period included $304 million vs. $185 million in the 2003 period.

The company reported income from discontinued operations of $82.5 million, or 16 cents per share on a diluted basis in third-quarter 2004, compared with income of $86.3 million, or 16 cents per share, on a restated basis for the same period last year. Results for 2004 include a $189.8 million pre-tax gain on the sale of the

Canadian Straddle plants, partially offset by a $134.4 million pre-tax loss accrual associated with previously disclosed Quality Bank litigation related to the company's former operations in Alaska. The current period also reflects certain Canadian tax benefits realized from the sale of the straddle plants.

For the first nine months of the year, income from discontinued operations was $93.7 million, or 18 cents per share on a diluted basis, compared with $232.2 million, or 44 cents per share, on a restated basis for the same period in 2003. Results for 2003 included significant gains from the sales of assets.

Recurring Results

Recurring income from continuing operations — which excludes items of income or loss that the company characterizes as unrepresentative of its ongoing operations — was $135.7 million, or 26 cents per share, for the third quarter of 2004. In last year's third quarter, there was a recurring loss from continuing operations of $400,000 on a restated basis.

For the first nine months of the year, recurring income from continuing operations was $192.5 million, or 37 cents per share, compared with a recurring loss of $55.6 million, or 10 cents per share, for the first nine months of 2003 on a restated basis.

A reconciliation of the company's income from continuing operations — a generally accepted accounting principles measure — to its recurring results accompanies this news release.

Recurring Results Adjusted for Residual Effect of Mark-to-Market Accounting

With the company's September decision to retain the Power business, the unit now qualifies for and has elected to apply hedge accounting on a prospective basis beginning Oct. 1, 2004, for certain qualifying derivative contracts. Not all of Power's derivative contracts will qualify for hedge accounting.

Prior to the adoption of hedge accounting, Power has accounted for its derivatives portfolio, which includes economic hedges on underlying tolling and other structured non-derivative contracts, on a mark-to-market basis. As a result, changes in fair value of its derivative portfolio over this time period have been recognized in earnings.

As a result of applying hedge accounting Oct. 1, Power's future results associated with contracts in the derivative portfolio should be less volatile. However, the residual mark-to-market effects will negatively impact reported results in future periods, also resulting in a difference between reported results and cash flows for several years. The expected cash flows and economic value of Power's portfolio will not be affected by the accounting impact on future segment results.

To provide an added level of disclosure and transparency, Williams is providing a new analysis of recurring earnings adjusted for all of Power's mark-to-market effects.

Recurring income from continuing operations — after adjusting for the mark-to-market impact to reflect income as though mark-to-market accounting had never been applied to Power's designated hedges and other derivatives — was $49 million, or 9 cents per share, for the third quarter of 2004. In last year's third quarter, recurring income from continuing operations was $5 million, or 1 cent per share, after adjusting for the impact of mark-to-market accounting.

For the first nine months of the year, recurring income from continuing operations — after adjusting for the mark-to-market impact to reflect income as though mark-to-market accounting had never been applied to Power's designated hedges and other derivatives — was $140 million, or 27 cents per share, compared with a recurring loss of $174 million, or a loss of 33 cents per share, for the first nine months of 2003 after adjusting for the impact of mark-to-market accounting.

A reconciliation of the company's income from continuing operations on a recurring basis to its recurring results that have been adjusted for the impact of mark-to-market accounting accompanies this news release.

CEO Perspective

"These results follow a two-year process that fundamentally transformed our company," said Steve Malcolm, chairman, president and chief executive officer.

"We're definitely ahead of schedule on our turnaround. We've strengthened our balance sheet, completed our asset sales, established an appropriate level of liquidity and taken the steps to drive down our costs in a sustainable fashion.

"Our decisiveness and discipline is apparent in our financial results. Our quarterly numbers are pointed in the right direction. Cash from operations is up. Segment profit is up. And we've significantly reduced our debt and interest expense.

"Going forward, we will continue to use cash flow from operations as one of the key indicators of our overall financial performance and ability to provide resources for growth. This is important because our reported results will be impacted by the residual effect of mark-to-market accounting in the Power business."

Update on Debt and Cash

To date, Williams has reduced its debt by more than $1.6 billion since the close of the second quarter. During the third quarter, Williams reduced long-term debt by approximately $816 million, primarily from the early repurchase of $793 million in senior notes that were due in 2010. Subsequent to the close of the third quarter, Williams in October reduced debt by an additional $827 million by completing an exchange offer for the company's FELINE PACS.

Through the first three quarters of 2004, Williams reduced its debt by approximately $3 billion through scheduled maturities and early debt retirements. At Sept. 30, Williams' total long-term debt was approximately $8.9 billion. After considering the FELINE PACS retirement in October, the balance was further reduced to approximately $8.1 billion.

At Sept. 30, Williams had cash and cash equivalents of approximately $977 million. In addition to cash, Williams' overall liquidity is supported by available capacity of approximately $840 million through revolving credit facilities, which are used primarily for issuing letters of credit and for liquidity.

Net cash provided by operating activities for the first nine months of the year was $1.1 billion, including $22.6 million from discontinued operations. For the same period in 2003, net cash provided by operating activities was $694.8 million, including $127.6 million from discontinued operations.

Business Segment Performance

Williams' primary businesses — Exploration & Production, Midstream Gas & Liquids, Gas Pipeline and Power — reported combined segment profit of $433.2 million in the third quarter of 2004.

A year ago in the third quarter, these businesses reported combined segment profit of $314.8 million on a restated basis.

For the first nine months of 2004, the four major businesses reported combined segment profit of $1.03 billion vs. $1.24 billion for the same period last year on a restated basis.

Exploration & Production

Exploration & Production, which includes natural gas production and development in the U.S. Rocky Mountains, San Juan basin and Midcontinent, reported third-quarter 2004 segment profit of $70.1 million.

In the third quarter a year ago, the business reported segment profit of $58.8 million. Third-quarter 2004 results increased primarily due to the benefit of higher production volumes and higher net realized average prices for production sold. These factors were partially offset by higher operating costs.

For the first nine months of 2004, Exploration & Production reported segment profit of $164.9 million vs. $351.3 million for the same period last year. The decrease in segment profit is due primarily to the absence of $95 million in gains on the sales of assets in 2003, $25 million in lower income on derivative instruments that did not qualify for hedge accounting, decreased net realized average prices and an increase in operating expenses.

Average daily production volumes have increased 18 percent since the beginning of 2004. In the third quarter of 2004, average daily production from domestic and international interests was approximately 582 million cubic feet of gas equivalent, compared with 494 million cubic feet of gas equivalent at the beginning of 2004.

In the Piceance basin where drilling activity has increased throughout the year, average daily production continues to rise. In the third quarter, average daily production was 242 million cubic feet of gas equivalent. This was an increase of 15 percent vs. the average daily production of 210 million cubic feet of gas equivalent in second quarter 2004. Piceance production has increased 53 percent since the fourth quarter of 2003, when average daily production was 158 million cubic feet of gas equivalent. Williams has also added drilling rigs in the San Juan, Arkoma and Powder River basins.

For the full year, Williams continues to expect $235 million to $260 million in segment profit from Exploration & Production.

Midstream Gas & Liquids

Midstream, which provides gathering, processing, natural gas liquids fractionation and storage services, reported third-quarter 2004 segment profit of $105 million.

In the third quarter a year ago, Midstream reported segment profit of $77.3 million on a restated basis. The increase in segment profit from the 2004 third quarter vs. the 2003 third quarter reflects the benefit of significantly higher natural gas liquids margins and olefins fractionation margins, largely a result of 40 percent higher natural gas liquids sales prices and 36 percent higher average prices for olefins products. These factors were partially offset by the impact of Hurricane Ivan and a $16.5 million adjustment to correct how the company recognized second-quarter 2004 revenues for the services provided at the Devils Tower facilities. However, actual and forecasted cash flows from Devils Tower are unaffected by the adjustment.

For the first nine months of 2004, Midstream reported segment profit of $312.1 million vs. a restated $247.3 million for the same period last year.

The increase in segment profit for the first nine months is primarily due to the benefit of higher natural gas liquids and olefins production margins and lower general and administrative expenses.

In September, certain Midstream operations in the Gulf Coast, both onshore and offshore, were interrupted by Hurricane Ivan. Williams' Mobile Bay gas processing plant and Canyon Station and Devils Tower platforms were in the path of the hurricane and incurred differing levels of damage. The temporary shut-down of these facilities and reduced product flows resulted in lower segment profit of approximately $5 million in the third quarter.

As previously reported, Midstream's primary operations in the Gulf returned to service by the first week of October, with the exception of the Devils Tower platform. Devils Tower, a spar that Williams owns at Mississippi Canyon block 773, has since returned to service, receiving oil and gas production again on Oct. 28.

For the full year, Williams now expects $435 million to $485 million in segment profit from Midstream. The company previously expected $325 million to $375 million in segment profit from Midstream at the end of the second quarter. The increase in guidance is based on strong performance this quarter and favorable natural gas liquids margin expectations.

Gas Pipeline

Gas Pipeline, which provides natural gas transportation and storage services primarily in the Northwest and along the Eastern Seaboard, reported third-quarter 2004 segment profit of $148.8 million.

In the third quarter a year ago, Gas Pipeline reported segment profit of $141.5 million on a restated basis. The increase in segment profit in third-quarter 2004 reflects earnings from an expansion project placed into service after the third quarter of 2003 and higher equity earnings from Williams' investment in the Gulfstream system, partially offset by lower short-term firm revenues and the absence of income in 2003 resulting from a reduction in accrued liabilities.

For the first nine months of 2004, Gas Pipeline reported segment profit of $429 million vs. a restated $407.3 million for the same period last year. The increase for the period in 2004 is due primarily to the absence of a $25.5 million charge in 2003 to write-off certain capitalized software development costs, along with higher equity earnings and higher revenues.

In August, Transco filed an application with the Federal Energy Regulatory Commission to construct and operate an expansion project in central New Jersey. The 3.5-mile project is designed to provide an additional 105,000 dekatherms per day of capacity beginning in November 2005.

On Sept. 7, Williams' jointly owned Gulfstream pipeline set a peak delivery record of more than 1,000,000 dekatherms for the day, utilizing nearly all of its currently certified capacity.

In western Washington, Williams plans to permanently replace 360,000 dekatherms per day of capacity in 2006 on the Northwest system that was idled in December 2003. In the third quarter, Williams began the design, environmental and permitting work for the replacement project. A 111-mile segment of the system restored 131,000 dekatherms per day of service on a temporary basis during the second quarter.

For the full year, Williams now expects $550 million to $570 million in segment profit from Gas Pipeline. The company previously expected $540 million to $570 million in segment profit from Gas Pipeline.

Power

Power, which manages more than 7,700 megawatts of power through long-term contracts, reported third-quarter 2004 segment profit of $109.3 million. This includes the benefit of $187 million in forward unrealized mark-to-market gains.

In the third quarter a year ago, Power reported segment profit of $37.2 million, which included a forward unrealized mark-to-market loss of $54 million and a realized gain of $126.8 million based on the terms of an agreement to terminate a derivative contract. The increase in segment profit in third-quarter 2004 is due primarily to an increase in forward unrealized mark-to-market gains on power and natural gas derivative contracts from an increase in forward natural gas prices in third quarter 2004. In the same period in 2003, forward unrealized mark-to-market gains declined from a decrease in forward natural gas prices. Also contributing to the 2004 increase were lower costs resulting from a reduced level of business activity associated with previous efforts to exit the business.

For the first nine months of 2004, Power reported a segment profit of $121.1 million vs. segment profit of $236.1 million for the same period last year, which included a $188 million gain on the sale of an energy contract and the previously mentioned $126.8 million gain. The 2004 period includes forward unrealized mark-to-market gains of $304 million vs. $185 million in 2003.

In the third quarter 2004, Power generated approximately $310 million in cash flow from operations, largely from the return of margin deposits. For the first nine months of 2004, Power has generated approximately $510 million in cash flow from operations.

In September 2004, Williams announced its decision to continue operating the Power business and cease efforts to exit the business. As a result, Power will focus on realizing expected cash flows, managing forward commodity risk and providing functions that support Williams' natural gas businesses.

For the full year, Williams now expects break-even to $100 million in segment profit from Power. The company previously expected break-even to $150 million in segment profit from Power.

Other

In the Other segment, the company reported third-quarter 2004 segment profit of $2.4 million. In the third quarter a year ago, Other reported segment profit of $4.1 million.

For the first nine months of 2004, Other reported a segment loss of $20.6 million vs. a segment loss of $42.8 million for the same period last year. The segment losses for both 2004 and 2003 are largely the result of impairment charges associated with an investment in a Texas pipeline project.

Earnings Guidance

Williams now expects consolidated segment profit of $1.175 billion to $1.375 billion for the year. The company previously expected consolidated segment profit of $1.1 billion to $1.4 billion for the year.

For the full year, Williams now expects recurring earnings of 34 cents to 44 cents per share. The company previously expected recurring earnings of 20 cents to 40 cents per share.

On a recurring basis adjusted for the residual effect of mark-to-market accounting, Williams expects earnings of 26 cents to 36 cents per share for the full year.

The company has increased its expectations with regard to cash flow from operations. Williams now expects to generate $1.25 billion to $1.45 billion in cash flow from operations for the year. The company previously expected to generate $1.1 billion to $1.3 billion in cash flow from operations in 2004.

In 2005, Williams now expects consolidated segment profit of $1.05 billion to $1.35 billion. The company previously expected consolidated segment profit of $1.3 billion to $1.6 billion for 2005. The decrease stems from the residual effect of mark-to-market accounting in the Power business.

In 2005, the company continues to expect cash flow from operations of $1.3 to $1.6 billion.

In 2006, Williams now expects consolidated segment profit of $1.2 billion to $1.5 billion. The company previously expected consolidated segment profit of $1.4 billion to $1.7 billion for 2005. The decrease stems from the residual effect of mark-to-market accounting in the Power business, partially offset by increases in other business units.

In 2006, the company now expects cash flow from operations of $1.45 to $1.75 billion. The company previously expected to generate $1.4 billion to $1.7 billion in cash flow from operations in 2006.

Analyst Call

Williams' management will discuss the company's third-quarter 2004 financial results and outlook during an analyst presentation to be webcast live beginning at 10 a.m. Eastern today.

Participants are encouraged to access the presentation and corresponding slides via www.williams.com. A limited number of phone lines also will be available at (888) 578-6632. International callers should dial (719) 955-1564. Callers should dial in at least 10 minutes prior to the start of the discussion.

The webcast replay — audio and slides -will be available at www.williams.com later today. Audio-only replays of the presentation will be available at approximately 2 p.m. Eastern today through midnight Eastern on Nov. 11. To access the replay, dial (888) 203-1112. International callers should dial (719) 457-0820. The replay confirmation code is 959001.

Form 10-Q

The company is filing its Form 10-Q today with the Securities and Exchange Commission. The document will be available on both the SEC and Williams' websites.

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 available at www.williams.com.

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Williams' reports, filings, and other public announcements might contain or incorporate by reference statements that do not directly or exclusively relate to historical facts. Such statements are "forward-looking statements" within the meaning of Private Securities Litigation Reform Act of 1995. You typically can identify forward-looking statements by the use of forward-looking words, such as "anticipate," believe," "could," "continue," "estimate," "expect," "forecast," "may," "plan," "potential," "project," "schedule," "will," and other similar words. These statements are based on our intentions, beliefs, and assumptions about future events and are subject to risks, uncertainties, and other factors. Actual results could differ materially from those contemplated by the forward-looking statements. In addition to any assumptions and other factors referred to specifically in connection with such statements, other factors could cause our *actual results to differ materially from the results expressed or implied in any forward-looking statements. Those factors include, among others: changes in general economic conditions and changes in the industries in which Williams conducts business; changes in federal or state laws and regulations to which Williams is subject, including tax, environmental and employment laws and regulations; the cost and outcomes of legal and administrative claims proceedings, investigations, or inquiries; the results of financing efforts, including our ability to obtain financing on favorable terms, which can be affected by various factors, including our credit ratings and general economic conditions; the level of creditworthiness of counterparties to our transactions; the amount of collateral required to be posted from time to time in our transactions; the effect of changes in accounting policies; the ability to control costs; the ability of each business unit to successfully implement key systems, such as order entry systems and service delivery systems; the impact of future federal and state regulations of business activities, including allowed rates of return, the pace of deregulation in retail natural gas and electricity markets, and the resolution of other regulatory matters; changes in environmental and other laws and regulations to which Williams and its subsidiaries are subject or other external factors over which we have no control; changes in foreign economies, currencies, laws and regulations, and political climates, especially in Canada, Argentina, Brazil, and Venezuela, where Williams has direct investments; the timing and extent of changes in commodity prices, interest rates, and foreign currency exchange rates; the weather and other natural phenomena; the ability of Williams to develop or access expanded markets and product offerings as well as their ability to maintain existing markets; the ability of Williams and its subsidiaries to obtain governmental and regulatory approval of various expansion projects; future utilization of pipeline capacity, which can depend on energy prices, competition from other pipelines and alternative fuels, the general level of natural gas and petroleum product demand, decisions by customers not to renew expiring natural gas transportation contracts; the accuracy of estimated hydrocarbon reserves and seismic data; and global and domestic economic repercussions from terrorist activities and the government's response to such terrorist activities. In light of these risks, uncertainties, and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time that we ha ve described. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

Exhibit 99.2

Reconciliation of Income (Loss) from Continuing Operations to Recurring Earnings

(UNAUDITED)

	2003					2004				
(Dollars in millions, except for per-share amounts)	**1st Qtr ***	**2nd Qtr ***	**3rd Qtr ***	**4th Qtr ***	**Year ***	**1st Qtr ***	**2nd Qtr***	**3rd Qtr**	**4th Qtr**	**Year**
Income (loss) from continuing operations(1)	($43.1)	$ 113.7	$ 20.0	($62.4)	$ 28.2	($1.5)	($18.0)	$ 16.1	$0.0	($3.4)
Preferred stock dividends	6.8	22.7	—	—	29.5	—	—	—	—	—
Income (loss) from continuing operations available to common stockholders	($49.9)	$ 91.0	$ 20.0	($62.4)	($1.3)	($1.5)	($18.0)	$ 16.1	$0.0	($3.4)
Income (loss) from continuing operations — diluted earnings per share	($0.10)	$ 0.17	$ 0.04	($0.12)	($0.01)	$ —	($0.03)	$ 0.03	#DIV/0!	($0.01)
Nonrecurring items:										
Power										
Accelerated compensation expense associated with workforce reductions	11.8	—	—	—	11.8	—	—	—	—	—
Severance accrual	—	0.6	—	—	0.6	—	—	—	—	—
Impairment of investment in Aux Sable	—	8.5	5.6	—	14.1	—	—	—	—	—
Loss accrual for regulatory issues(2)	—	20.0	—	—	20.0	—	—	—	—	—
Prior period item correction(3)	(13.7)	(93.1)	(1.0)	(9.0)	(116.8)	—	—	—	—	—
Gain on sale of Jackson EMC power contracts	—	(175.0)	(13.0)	—	(188.0)	—	—	—	—	—
Gain on sale of crude contracts and pipeline	—	(7.1)	—	—	(7.1)	—	—	—	—	—
Gain on sale of eSpeed stock	—	—	(13.5)	—	(13.5)	—	—	—	—	—
Impairment of goodwill(2)	—	—	—	45.0	45.0	—	—	—	—	—
Hazelton impairment	—	—	—	44.1	44.1	—	—	—	—	—
California rate refund and other accrual adjustments(4)	—	—	—	33.3	33.3	—	—	—	—	—
Total Power nonrecurring items	(1.9)	(246.1)	(21.9)	113.4	(156.5)	—	—	—	—	—
Gas Pipeline										
Write-off of Oneline information system project	—	25.5	—	0.1	25.6	—	—	—	—	—
Severance accrual	—	0.9	—	—	0.9	—	—			—
Write-off of previously-capitalized costs — idled segment of Northwest's pipeline	—	—	—	—	—	—	9.0			9.0
Total Gas Pipeline nonrecurring items	—	26.4	—	0.1	26.5	—	9.0	—	—	9.0
Exploration & Production										
Gain on sale of certain E&P properties	—	(91.5)	—	—	(91.5)	—	—	—	—	—
Loss provision related to an ownership dispute	—	—	—	—	—	—	11.3	—	—	11.3
Total Exploration & Production nonrecurring items	—	(91.5)	—	—	(91.5)	—	11.3	—	—	11.3
Midstream Gas & Liquids										
La Maquina depreciable life adjustment	—	—	4.2	—	4.2	—	—	6.4	—	6.4
Gain on sale of West Texas LPG Pipeline, L.P.	—	—	(11.0)	—	(11.0)	—	—	—	—	—
Gain on sale of wholesale propane	—	—	—	(16.2)	(16.2)	—	—	—		—
Devil's Tower revenue correction	—	—	—	—	—	—	(16.5)	16.5		—
Total Midstream Gas & Liquids nonrecurring items	—	—	(6.8)	(16.2)	(23.0)	—	(16.5)	22.9	—	6.4
Other										
Impairment of Longhorn and Aspen project(5)	—	49.6	—	—	49.6	—	10.8	—	—	10.8
Gain on sale of butane blending inventory	—	—	(9.2)	—	(9.2)	—	—			—
Longhorn recapitalization fee	—	—	—	—	—	6.5	—	—	—	6.5
Total Other nonrecurring items	—	49.6	(9.2)	—	40.4	6.5	10.8	—	—	17.3
Nonrecurring items included in segment profit (loss)	(1.9)	(261.6)	(37.9)	97.3	(204.1)	6.5	14.6	22.9	—	44.0
Nonrecurring items below segment profit (loss)										
Convertible preferred stock dividends(2)(Preferred stock dividends — Corporate)	—	13.8	—	—	13.8	—	—	—	—	—
Impairment of cost-based investments(6) (Investing income (loss) -Various)	—	19.1	2.3	—	21.4	—	—	15.7	—	15.7
Severance accrual (General corporate expenses)	—	3.0	—	—	3.0	—	—	—	—	—
Impairment of Algar Telecom investment (Investing income (loss) — Other)	12.0	—	1.2	—	13.2	—	—	—	—	—
Write-off of capitalized debt expense (Interest accrued — Corporate)	—	14.5	—	—	14.5	—	3.8	—	—	3.8
Premiums, fees and expenses related to the debt repurchase and debt tender offer (Other income (expense) — net — Corporate and Exploration & Production)	—	—	—	66.8	66.8	—	96.7	155.1	—	251.8
Loss provision related to an ownership dispute — interest component (Interest accrued — Exploration & Production)	—	—	—	—	—	—	1.9	—		1.9
	12.0	50.4	3.5	66.8	132.7	—	102.4	170.8	—	273.2
Total nonrecurring items	10.1	(211.2)	(34.4)	164.1	(71.4)	6.5	117.0	193.7	—	317.2
Tax effect for above items	3.9	(108.7)	(14.0)	43.4	(75.5)	2.5	44.8	74.1	—	121.3
Recurring income (loss) from continuing operations available to common stockholders	($43.7)	($11.5)	($0.4)	$ 58.3	$ 2.8	$ 2.5	$ 54.2	$ 135.7	$0.0	$ 192.5
Recurring diluted earnings per common share	($0.08)	($0.02)	$ —	$ 0.11	$ 0.01	$ —	$ 0.10	$ 0.26	#DIV/0!	$ 0.37
Weighted-average shares — diluted (thousands)	517,652	534,839	524,711	518,502	518,137	525,752	521,698	529,525	0	521,438

(1) Includes $126.8 million positive valuation adjustment associated with agreement to terminate contract with Allegheny in second quarter 2003.

(2) No tax benefit.

(3) Power recognized $116.8 million of revenue in 2003 from a correction of the accounting treatment previously applied to certain third party derivative contracts during 2002 and 2001.

(4) For $5.6 million, no tax benefit.

(5) For $20.2 million, no tax benefit in 2nd Qtr 2003.

(6) For $21.4 million in 2003, no tax benefit.

* Amounts have been restated from 2nd quarter 2004 to reflect the transfer of our equity method investment in Aux Sable from our Midstream segment to our Power segment.

Note: The sum of earnings (loss) per share for the quarters may not equal the total earnings (loss) per share for the year due to changes in the weighted-average number of common shares outstanding.

Exhibit 99.3

Reconciliation of Income (Loss) from Continuing Operations to Recurring Earnings after MTM Adjustments

$ millions & $ per share	**2004**			**2003**		
	1Q	**2Q**	**3Q**	**1Q**	**2Q**	**3Q**
Income (loss) from continuing operations available to common stockholders	$ (1)	$ (18)	$ 16	$ (50)	$ 91	$ 20
Total nonrecurring items (net of tax effect)	$ 4	$ 72	$ 120	$ 6	$ (103)	$ (20)
Recurring income from continuing operations available to common shareholders	$ 3	$ 54	$ 136	$ (44)	$ (12)	$ (0)
Recurring diluted earnings per common share	*$ —*	*$ 0.10*	*$ 0.26*	*$ (0.08)*	*$ (0.02)*	*$ (0.00)*
*Mark-to-Market (MTM) adjustments for Power:						
Reverse forward unrealized MTM gains/losses	(23)	(69)	(187)	40	(232)	54
Add realized gains/losses from MTM previously recognized	137	10	45	(55)	45	(45)
Total MTM adjustments	114	(59)	(142)	(15)	(187)	9
Tax effect of total MTM adjustments	44	(23)	(55)	(6)	(73)	4
After tax MTM adjustments	70	(36)	(87)	(9)	(114)	5
Recurring income from continuing operations available to common shareholders after MTM adjustments	$ 73	$ 18	$ 49	$ (53)	$ (126)	$ 5
Recurring diluted earnings per share after MTM adjustments	*$ 0.14*	*$ 0.03*	*$ 0.09*	*$ (0.10)*	*$ (0.24)*	*$ 0.01*
Weighted average shares — diluted (thousands)	525,752	521,698	529,525	517,652	534,839	524,711

* *Adjustments have been made to reverse estimated forward unrealized MTM gains/losses and add estimated realized gains/losses from MTM previously recognized, i.e. assumes MTM accounting had never been applied to designated hedges and other derivatives.*

EXHIBIT 99.4

NewsRelease

NYSE:WMB

Date: Nov. 3, 2004

Williams Names Successor for Gas Pipeline Business

TULSA, Okla. — Steve Malcolm, chairman, president and chief executive officer of Williams (NYSE:WMB) today announced that Phillip D. Wright will become senior vice president of the company's natural gas pipeline business, effective Jan. 3. Wright will succeed J. Douglas Whisenant, 58, who is retiring.

"Phil has been one of the major players in Williams' transformation. He led our company-wide asset sales that garnered more than $9 billion in total value, a critical component of our restructuring. He is an effective leader who clearly understands the importance of Gas Pipeline's role in Williams' future," Malcolm said.

Wright, 49, joined Williams in 1989 after 13 years with Conoco. Since October 2002, Wright has served as Williams' chief restructuring officer.

Among Wright's other leadership roles at Williams are his service as chairman of Williams Energy Partners L.P., which the company formed in 2001, and chief executive officer of the unit that included exploration and production, midstream and petroleum businesses.

Wright earned a bachelor's degree in civil engineering from Oklahoma State University in 1976. He is a former chairman of the executive committee of the Association of Oil Pipelines and currently serves on the board of directors for Stand in the Gap, a Tulsa-based ministry to aid economically disadvantaged individuals.

Whisenant is a 26-year veteran of Williams. He led the entire Gas Pipeline business for three years, beginning in 2001. Prior to that, he led the company's gas pipelines in the western United States for nine years.

"Doug provided the leadership to keep Gas Pipeline focused on improving efficiency while maintaining safe, reliable operations, even as we sold three pipelines as part of our efforts to reduce debt and hone in on the best assets for our new Williams," Malcolm said.

Williams' Transco and Northwest pipeline systems operate more than 14,000 miles of interstate natural gas pipelines. The company also owns a 50-percent interest in the 581-mile Gulfstream pipeline that serves Florida. These pipelines deliver approximately 12 percent of the natural gas that is used in the United States.

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 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.

EXHIBIT 99.5

Williams

Williams Analyst Conference Call
3rd Quarter 2004

November 4, 2004

Forward Looking Statements

Our reports, filings, and other public announcements might contain or incorporate by reference statements that do not directly or exclusively relate to historical facts. Such statements are "forward-looking statements" with in the meaning of Private Securities Litigation Reform Act of 1995. You typically can identify forward-looking statements by the use of forward-looking words, such as "anticipate," believe," "could," "continue," "estimate," "expect," "forecast," "may," "plan," "potential," "project," "schedule," "will," and other similar words. These statements are based on our intentions, beliefs, and assumptions about future events and are subject to risks, uncertainties, and other factors. Actual results could differ materially from those contemplated by the forward-looking statements. In addition to any assumptions and other factors referred to specifically in connection with such statements, other factors could cause our actual results to differ materially from the results expressed or implied in any forward-looking statements. Those factors include, among others:

- Our ability to divest successfully certain assets and our ability to identify and achieve cost savings measures, which may be dependent on factors outside of our control;
- Our ability to timely divest our wholesale power and energy trading business which may be dependent on factors outside of our control;
- Recent developments affecting the wholesale power and energy trading industry sector that have reduced market activity and liquidity;
- Because we no longer maintain investment grade credit ratings, our counterparties might require us to provide increasing amounts of credit support;
- Electricity, natural gas liquids and gas prices are volatile and this volatility could adversely affect our financial results, cash flows, access to capital and ability to maintain existing businesses;
- We might not be able to successfully manage the risks associated with selling and marketing products in the wholesale energy markets;
- Our risk measurement and hedging activities might not prevent losses;
- Our operating results might fluctuate on a seasonal and quarterly basis;
- Risks related to laws of other countries, taxes, economic conditions, fluctuations in currency rates, political conditions and policies of foreign governments;
- Legal proceedings and governmental investigations related to the energy marketing and trading business;
- Our businesses are subject to complex government regulations that are subject to changes in the regulations themselves or in their interpretation or implementation;
- Our ability to gain adequate, reliable and affordable access to transmission and distribution assets due to the FERC and regional regulation of wholesale market transactions for electricity and gas;
- The different regional power markets in which we compete or will compete in the future have changing regulatory structures;
- Our gas sales, transmission and storage operations are subject to government regulations and rate proceedings that could have an adverse impact on our ability to recover the costs of operating our pipeline facilities;
- We could be held liable for the environmental condition of any of our assets, which could include losses or costs of compliance that exceed our current expectations;
- Environmental regulation and liability relating to our business will be subject to environmental legislation in all jurisdictions in which it operates, and such legislation may be subject to change;
- Potential changes in accounting standards that might cause us to revise our financial disclosure in the future, which might change the way analysts measure our business or financial performance;
- The continued availability of natural gas reserves to our U.S. and Canadian natural gas transmission and midstream businesses;
- Our gathering, processing and transporting activities involve numerous risks that might result in accidents and other operating risks and costs;
- The threat of terrorist activities and the potential for continued military and other actions; and
- The historic drilling success rate of our exploration and production business is no guarantee of future performance.

In light of these risks, uncertainties, and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time that we have described. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

3Q04 Review

Steve Malcolm, Chairman, President & CEO

Headlines

Williams

- Results show discipline
  - Stronger balance sheet, moving towards growth
  - Debt reduction efforts ahead of schedule
    - 3Q 2003 $13.0 billion
    - 3Q 2004 $ 8.9 billion
  - Year to date CFFO from continuing operations almost double
    - 3Q 2003 $567 million
    - 3Q 2004 $1.1 billion
  - Debt to total book capitalization significantly reduced
    - 3Q 2003 75.6%
    - 3Q 2004 69.1%
  - Using capital with discipline to complete announced projects
  - Focus shifting from turnaround to growth, value creation

Headlines for the Quarter

- Williams delivers strong 3Q performance
  - Exploration & Production production volumes continue to increase
  - Midstream has another outstanding quarter, despite Hurricane Ivan
  - Gas Pipeline steady performance
  - Power continues positive cash flows
  - Consolidated strong cash flows continue

Headlines

- Williams ceases efforts to sell Power business
  - Natural gas businesses continue as focal point for strategy, investment
  - Company has greater financial strength, lower Power liquidity requirements
  - Adoption of hedge accounting expected to reduce earnings volatility
  - Residual impact of MTM will depress future reported earnings; cash flow guidance positive and unaffected
  - Hedges in place to significantly cover power contract obligations through 2010
  - Decision strengthens position to continue optimization of power contracts beyond 2010
  - Will continue focus on hallmarks of Power's recent success
    - Risk reduction
    - Cash generation
    - Continue meeting contractual commitments

Headlines

- Williams poised for growth, value-creation
  - Natural gas businesses provide growth opportunities
  - Investments today preserve, enhance competitive position and create value
    - Drilling activity, production levels both increase
    - Deepwater Gulf and West infrastructure prime for incremental business
    - Gulfstream expansion nearly complete
    - Power pursuing contracts to reduce future risk
  - Scale and scope of investments in primary gas businesses could ramp up in 2005 – 2007
  - Focused on disciplined growth that creates EVA and shareholder value

The Road Ahead

Williams

2004 | 2005 | 2006 | 2007 & beyond

CORE BUSINESSES

Exploration & Production
- Accelerate Piceance drilling
- Powder River permits and dewatering
- Continue production growth

Midstream
- Complete deepwater projects
- Complete asset sales
- Enhance competitive position- consider MLP
- Capture our share of new deepwater production

Gas Pipeline
- Complete announced expansion projects
- Northwest testing and return to service
- Northwest capacity replacement
- Expansions
- Rate cases

→ **Disciplined Growth**

Power
- Continue to reduce risk, generate cash, meet commitments
- Spark spreads improve

→ **Risk Reduction**

Corporate
- Early debt retirement
- New credit facilities
- Cost reductions
- Examine dividend level
- Support growth

→ **Solid Financial Footing**

Financial Results & 2004 Outlook

Don Chappel, CFO

Financial Results

Williams

Dollars in millions (except per share amounts)

	3rd Quarter 2004	3rd Quarter 2003	YTD 2004	YTD 2003
Income (Loss) from Continuing Ops.*	$16	$20	($3)	$91
Income (Loss) from Discont. Ops.*	83	86	93	232
Effect of Accounting Change	-	-	-	(761)
Net Income/(Loss)*	$99	$106	$90	($438)
Net Income/(Loss) Share*	$0.19	$0.20	$0.17	($0.89)
Recurring. Inc./(Loss) from Cont. Ops Avail to Common Shareholders**	$136	($0)	$193	($56)
Rcr. Inc./(Loss) from Cont. Ops /Share**	$0.26	($0.00)	$0.37	($0.10)

* *Includes certain gains on asset sales and impairments in 2003 and has been restated primarily for discontinued operations (See Notes 2 & 4 of the current 10Q).*

** *A schedule reconciling income (loss) from continuing operations to recurring income from continuing operations is available on Williams' Web site at www.williams.com and at the end of this presentation.*

Recurring Income from Cont. Operations

Dollars in millions

	3rd Quarter		YTD	
	2004	2003	2004	2003
Income/(Loss) from Cont. Ops.	**$16**	**$20**	**($3)**	**$91**
Gains on Sale of Assets	-	(47)	-	(320)
Impairments/Losses/Write-offs	16	9	39	158
Income (Expense) Related to Prior Periods	17	(1)	11	(108)
Debt Retirement Expenses	155	-	252	-
Other - Net	6	5	15	33
Less: Income Tax Provision	74	(14)	121	(119)
Recurring Income from Cont. Ops.	**$136**	**($0)**	**$193**	**($27)**
Preferred Dividend	-	-	-	(29)
Rec. Inc./(Loss) from Cont. Ops. Avail. to Com.	**$136**	**($0)**	**$193**	**($56)**
Recurring Income/(Loss) from Cont. Ops/Share	**$0.26**	**($0.00)**	**$0.37**	**($0.10)**

A more detailed schedule reconciling income (loss) from continuing operations to recurring income from continuing operations is available on Williams' Web site at www.williams.com and at the end of this presentation.

Mark to Market Adjustments

Williams.

Dollars in millions, except for per-share amounts

	3rd Quarter 2004	3rd Quarter 2003	YTD 2004	YTD 2003
Recurring income from continuing operations available to common shareholders	$ 136	$ (0)	$ 193	$ (56)
Recurring diluted earnings per common share	*$ 0.26*	*$ (0.00)*	*$ 0.37*	*$ (0.10)*
Mark-to-Market (MTM) adjustments for Power:[1]				
Reverse forward unrealized MTM gains/losses	(187)	54	(279)	(138)
Add realized gains/losses from MTM previously recognized	45	(45)	192	(55)
Total MTM adjustments	(142)	9	(87)	(193)
Tax effect of total MTM adjustments (at 39%)	(55)	4	(34)	(75)
After tax MTM adjustments	(87)	5	(53)	(118)
Recurring income from cont. operations avail. to common shareholders after MTM adjustments	$ 49	$ 5	$ 140	$ (174)
Recurring diluted earnings per share after MTM adjustments	*$ 0.09*	*$ 0.01*	*$ 0.27*	*$ (0.33)*

(1) Adjustments have been made to reverse estimated forward unrealized MTM gains/losses and add estimated realized gains/losses from MTM previously recognized, i.e. assumes MTM accounting had never been applied to designated hedges and other derivatives.

Note: 2Q recurring income has been reduced by $10.5 mm (pretax) for Devil's Tower to reflect the third quarter change from recognizing revenues on the fixed fee received over a defined term to a units-of-production method that recognizes revenues as volumes are delivered for the life of the reserves.

A more detailed schedule reconciling income (loss) from continuing operations to recurring income from continuing operations after MTM adjustments is available on Williams' Web site at www.williams.com.

Net Income Components

Williams

Dollars in millions (except per share amounts)

	3rd Quarter 2004	3rd Quarter 2003	YTD 2004	YTD 2003
Segment Profit*	**$436**	**$319**	**$1,006**	**$1,199**
Net Interest Expense	(196)	(265)	(657)	(1,000)
Debt Retirement Expense	(155)	-	(252)	-
Other Income (Expense) - Net	(21)	(11)	(58)	28
Income from Cont. Ops. Before Tax*	64	43	39	227
Provision for Income Tax	48	23	42	136
Income/(Loss) from Continuing Ops.*	**$16**	**$20**	**($3)**	**$91**
Income from Discontinued Ops.	83	86	93	232
Effect of Accounting Change	-	-	-	(761)
Net Income/(Loss)*	**$99**	**$106**	**$90**	**($438)**

* *Includes certain gains on asset sales and impairments in 2003 and has been restated primarily for discontinued operations (See Notes 2 & 4 of the current 10Q).*

Third Quarter Segment Profit

Dollars in millions

	Reported		Recurring	
	3Q04	3Q03	3Q04	3Q03
Gas Pipeline	$149	$142	$149	$142
Exploration & Production	70	59	70	59
Midstream Gas & Liquids	105	77	128	70
Power[(1)]	109	37	109	15
Other	3	4	3	(5)
Segment Profit[(2)]	**$436**	**$319**	**$459**	**$281**

(1) Power includes unrealized MTM loss of ($54) million in 3Q03 and unrealized MTM gain of $187 million in 3Q04.
(2) Reported segment profit includes certain gains on asset sales and impairments in 2003 and has been restated primarily for discontinued operations (See Notes 2 & 4 of the current 10Q).
A more detailed schedule reconciling income (loss) from continuing operations to recurring income from continuing operations is available on Williams' Web site at www.williams.com and at the end of this presentation.

YTD Segment Profit

Williams

Dollars in millions	**Reported**		**Recurring**	
	2004	**2003**	**2004**	**2003**
Gas Pipeline	$429	$407	$438	$434
Exploration & Production[1]	165	351	176	260
Midstream Gas & Liquids	312	247	318	240
Power[2]	121	236	121	(34)
Other	(21)	(42)	(3)	(2)
Segment Profit[3]	**$1,006**	**$1,199**	**$1,050**	**$898**

(1) E&P YTD reported results include $11 million loss provision related to prior periods.
(2) Power 2003 reported results include $108 million income for prior period item correction. Power also includes unrealized MTM gains of $185 million in 2003 and $279 million in 2004.
(3) Reported segment profit includes certain gains on asset sales and impairments in 2003 and has been restated primarily for discontinued operations (See Notes 2 & 4 of the current 10Q).
A more detailed schedule reconciling income (loss) from continuing operations to recurring income from continuing operations is available on Williams' Web site at www.williams.com and at the end of this presentation.

Major Changes in Recurring Segment Profit

Williams

Dollars in millions	**Recurring Segment Profit 3Q2003**	**$281**
	Power	94
	- Higher unrealized MTM gains +$242 million	
	- Lower gains on contract suspension -$126 million	
	- Lower realized margins and SG&A -$22 million	
	Midstream	57
	- Higher NGL margins +$45 million	
	- Improved olefins results +$17 million	
	- Impact of Hurricane Ivan -$5 million	
	Gas Pipeline	7
	- Evergreen/Gulfstream earnings +$15 million	
	- Depreciation adjustment +$4 million	
	- 2003 Excess royalties reversal -$7 million	
	- Lower short term firm revenues -$5 million	
	Exploration & Production	11
	- Higher production volumes +$10 million	
	- Higher net realized price +$6 million	
	- Higher operating costs -$5 million	
	Other	9
	Recurring Segment Profit 3Q2004	**$459**

Cash Information

Dollars in millions	**3Q04**	**YTD04**
Beginning Cash *	**$1,030**	**$2,318**
Cash Flow from Continuing Operations	462	1,065
Cash Flow from Discontinued Operations	11	23
Asset Sales	618	1,013
Restricted Investments (LC Collateral)	-	380
Debt Retirements	(816)	(3,036)
Capital Expenditures/Investments	(209)	(540)
Debt Premiums/Issuance Costs	(140)	(240)
Other-Net	21	(5)
Ending Cash @ 9/30/04*	**$977**	**$977**
Change in Cash	**($53)**	**($1,341)**
Restricted Cash (not included above)	**$93**	**$93**

** Includes cash for discontinued operations of $2.5 million at 12/31/03 and $0 million at 9/30/04*

Debt Balance

Williams

Dollars in millions

		Avg. Cost
Debt Balance @ 12/31/03 *	**$11,978**	**7.7%**
Scheduled Debt Retirements & Amortization	(801)	
Tendered Debt Retirements	(1,964)	
Open Market Purchases	(269)	
Debt Balance @ 9/30/04	**$8,944**	**7.3%**
FELINE PACS Exchange	**(827)**	
Estimated Debt Balance @ 10/22/04	**$8,117**	**7.3%**
Total Debt Reduction @ 10/22/04	**($3,861)**	
Fixed Rate Debt @ 9/30/04	**$8,355**	**7.5%**
Variable Rate Debt @ 9/30/04	**$589**	**4.1%**

** Debt is long-term debt due within 1 year plus long-term debt plus notes payable; includes FELINE PACS*

2004 Forecast
EBITDA Reconciliation

Williams

Dollars in millions	Nov. 4 Guidance	*Aug. 5 Guidance*
Net Income	**$25 – $160**	***$115 – $275***
Income from Disc. Operations	(50) – (100)	*(160) – (185)*
Net Interest	810 – 860	*820 – 860*
DD&A	660 – 710	*650 – 700*
Prov. (Benefit) for Income Taxes	0 – 80	*(5) – 125*
Other/Rounding	5 – 40	*(70) – 25*
EBITDA	**$1,450 – $1,750**	***$1,350 – $1,800***
Early Debt Retirement Fees	300 – 250	*250 – 200*
EBITDA Excl. Early Debt Fees	**$1,750 – $2,000**	***$1,600 – $2,000***

Consolidated
2004 Segment Profit Guidance

Dollars in millions	2004 Forecast
Gas Pipeline	$550 – 570 *540 – 570*
Exploration & Production	235 – 260
Midstream	435 – 485 *325 – 375*
Other/Rounding	(45) – (40) *0 – 45*
	$1,175 – 1,275 *$1,100 – 1,250*
Power	0 – 100 *0 – 150*
Total	$1,175 – 1,375 *$1,100 – 1,400*

Consolidated
2004 Forecast Guidance

Dollars in millions, except per-share amounts	Nov. 4 Guidance	*Aug. 5 Guidance*
Segment profit	**$1,175 - $1,375**	***$1,100 - $1,400***
Net Interest Expense	(810) – (860)	*(820) – (860)*
Early Debt Retirement Costs	(300) – (250)	*(250) – (200)*
Other (Primarily General Corp. Costs)	(90) – (125)	*(80) – (125)*
Pretax Income (Loss)	($25) - $140	*($50) - $215*
Provision (Benefit) for Income Tax	0 – (80)	*5 – (125)*
Income / (Loss) from Continuing Ops	(25) – 60	*(45) – 90*
Income from Discontinued Ops	50 – 100	*160 – 185*
Net Income (Loss) – Reported	**$25 – $160**	***$115 - $275***
Diluted EPS – Reported	**$0.05 - $0.30**	***$0.22 – $0.52***
Net Income – Recurring *	**$183 – $238**	***$107 - $212***
Diluted EPS – Recurring *	**$0.34 - $0.44**	***$0.20 - $0.40***
Diluted EPS- Recurring After MTM Adjustments	**$0.26 - $0.36**	

** Excludes early debt retirement costs, gains and losses on assets sales and impairments*

Business Unit Results

Exploration & Production

Ralph Hill, Senior Vice President

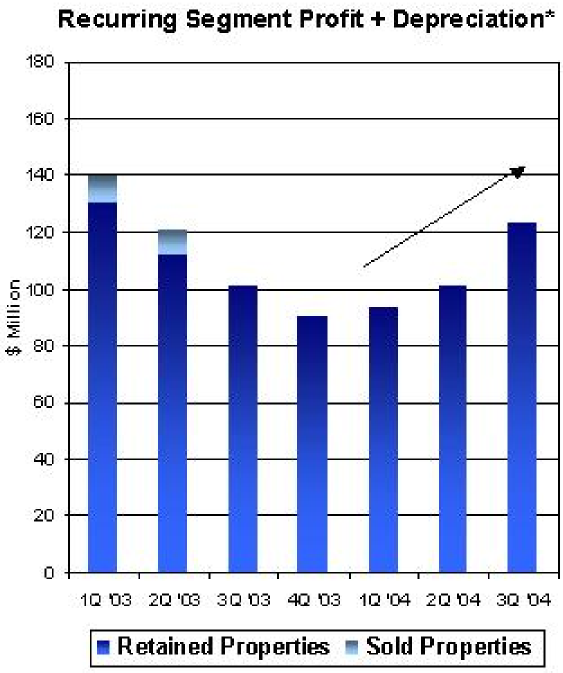
Exploration & Production
Segment Profit

Dollars in millions	3rd Quarter 2004	3rd Quarter 2003	YTD 2004	YTD 2003
Segment Profit	**$70**	**$59**	**$165**	**$351**
Non recurring:				
Ownership issue	-	-	11	-
Gain on sale of assets	-	-	-	(91)
Recurring Segment Profit	**$70**	**$59**	**$176**	**$260**

- 3Q04 to 3Q03 increase includes
  - $10 million due to higher production volumes net of associated costs
  - $6 million due to higher realized gas price net of higher direct taxes
  - ($5) million due to higher costs for insurance, legal fees and other
- Base business sequential quarter improved
  - Volumes increased by 5%
  - Recurring profit increased 27%
- $58mm negative hedge impact in 3rd quarter, $159mm negative hedge impact year to date

Exploration & Production
Third Quarter Accomplishments

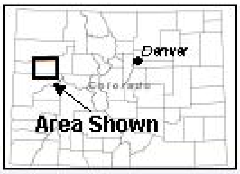
- Piceance volumes up 15% from last quarter
- Big George volumes up 10% to 68 MMcfd
- Add'l Powder River permits received, WMB up to 424
- Piceance Trail Ridge area flows to sales in October
- Piceance Ryan Gulch area drilling commences
- San Juan program on track
- Expanded firm takeaway capacity
- Overall production has grown 18% since beginning of year

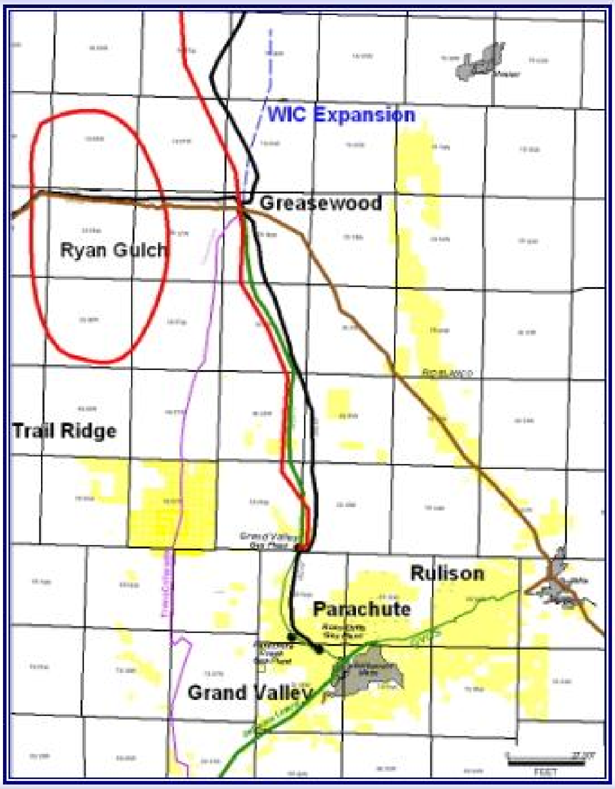


Exploration & Production

Piceance area – Ryan Gulch

- Ryan Gulch is north of existing Piceance production, and adjacent to a major pipeline hub
- Entered area through farm-in
- Spud first well in 3rd Quarter
- Commitment to drill 3 wells in '05, increasing in following years
- 15,000 net acres





Exploration & Production
2005-06 Guidance Reconciliation

Williams

Dollars in millions

	2005		2006	
	Capital	**Segment Profit**	**Capital**	**Segment Profit**
Production/price	$-	$5	$-	$-
Increased industry costs	35	(12)	45	(12)
Total change to base	$35	($7)	$45	($12)
	8%	1%	9%	2%
New Projects:				
Add'l Piceance, Trail Ridge & Ryan Gulch	70	25	60	30
Total Change	$105	$18	$105	$18

Exploration & Production
Year-Over-Year Performance

Williams

Dollars in millions	2004		2005		2006
Segment profit	$235 - 260		$400 - 475		$450 - 525
Midpoint of range	$247		$437		$487
Incremental increase		+$190		+$50	
Price impact		+$98		($29)	
Volumes (including new projects)		+$92		+$79	
Production (MMcfe/d)	525 - 550		600 - 700		700 - 800
Yearly growth		+21%		+15%	

Exploration & Production
2004-2006 Guidance

Dollars in millions	2004	2005	2006
Segment profit	\$235 - 260	\$400 - 475 *\$375*	\$450 - 525 *\$425*
Annual DD&A	\$160 - 180	\$220 - 250 *\$195 - 225*	\$250 - 290 *\$230 - 260*
Capital spending	\$400 - 450	\$500 - 575 *\$400 - 450*	\$525 - 625 *\$450 - 500*
Production (MMcfe/d)	525 - 550	600 - 700	700 - 800
Hedged Volume (MMcfe/d)	418	286	298
Hedged Price (NYMEX)	\$4.04	\$4.44	\$4.39

Note:
- If guidance has changed, previous guidance from 8/5/04 is shown in italics directly below.
- Economic impact of hedges may be different from the volume hedged due primarily to fuel and shrink and direct taxes

Midstream

Alan Armstrong, Senior Vice President

Midstream
Segment Profit

Dollars in millions	3rd Quarter 2004	3rd Quarter 2003	YTD 2004	YTD 2003
Segment Profit	**$105**	**$77**	**$312**	**$247**
Non recurring:				
Depreciable Life Adjustment	6	4	6	4
Gain on Asset Sales	-	(11)	-	(11)
Rev. Recognition Adjust. to 2Q	17	-	-	-
Recurring Segment Profit	**$128**	**$70**	**$318**	**$240**

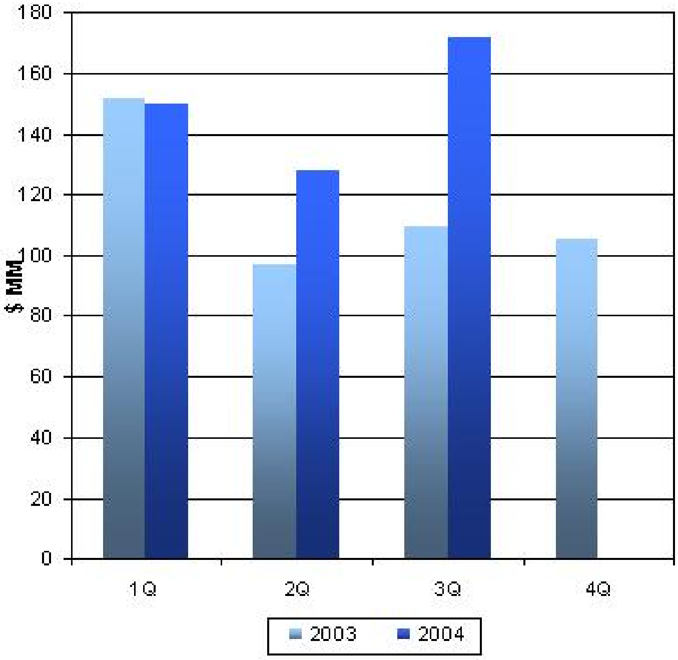
3Q04 vs. 3Q03 increase includes

- $45 million due to higher NGL Margins
- $17 million due to better performance in Olefins
- ($5) million negative impact of Hurricane Ivan

Midstream
Third Quarter Accomplishments

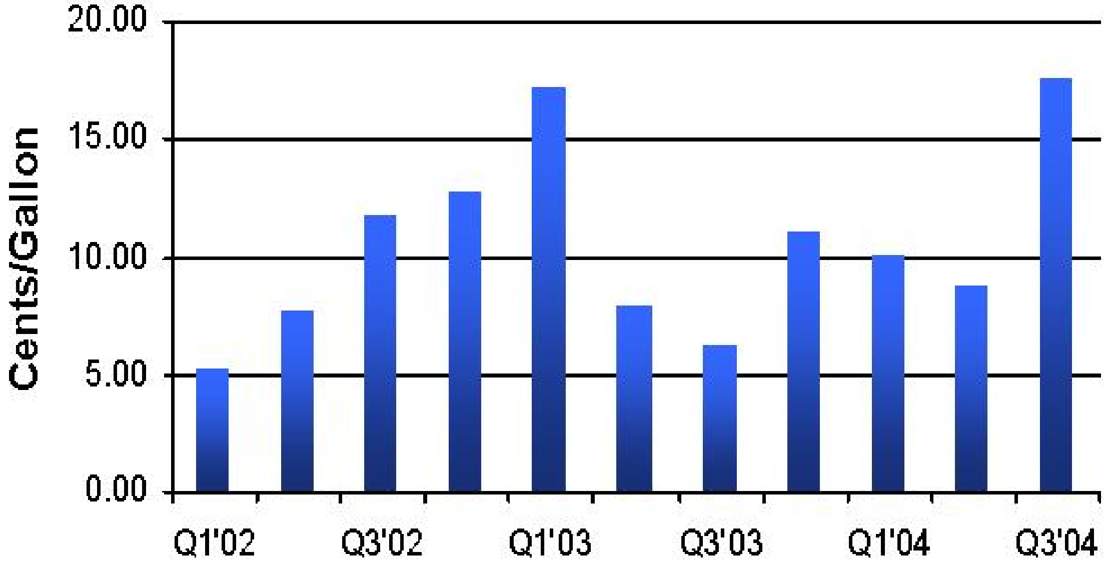
- Near record margins
- Hurricane Ivan repair progress
- Closed Canadian straddle plants sale, $190 million in 3Q
- PSA signed for Ethylene Distribution System, $28 million cash in 4Q
- Completed negotiations of Gulf Liquids dispute
  - $85 million cash in 4Q
  - $95-100 million gain in 4Q

Recurring Segment Profit + Depreciation*



** Excludes gains/losses/impairments*

Midstream
Domestic NGL Actual Average Net Margin by Qtr.



Note: Based on actual realized prices, contractual obligations, shrink, fuel, actual equity liquids percentages, etc.

Midstream
2004-2006 Guidance

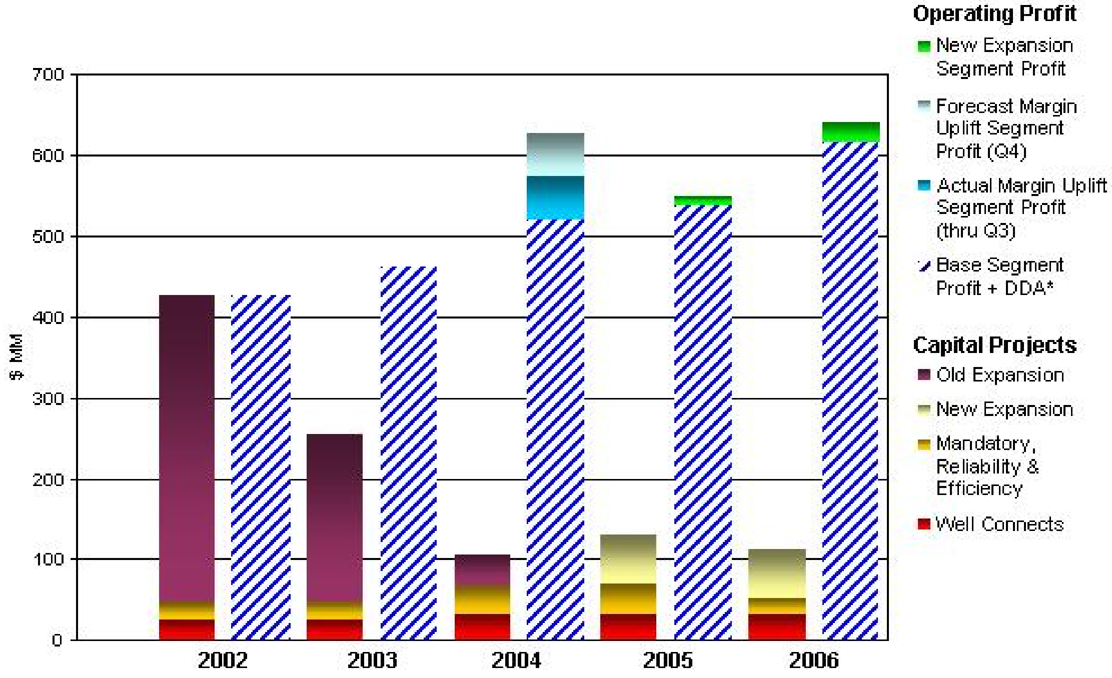
Dollars in millions	2004	2005	2006
Segment Profit	$435-485 *$325-375*	$310-410 *$300-400*	$400-500 *$350-450*
Annual DD&A	$175-185 *$170-180*	$180-190 *$175-185*	$185-195 *$175-185*
Capital Spending	$95-105 *$90-110*	$120-140 *$60-80*	$110-130 *$50-70*
Capital Spending Increase			
New Well Connects:		$10	$10
New Expansion:		$40	$45
Efficiency:		$10	$5

Note:

- *Both current & previous guidance excludes results & gains associated with Canada straddle plants that are now included in Discontinued Operations.*
- *If guidance has changed, previous guidance from 8/5/04 is shown in italics directly below*

Midstream
Segment Profit + DDA & Capital Spending

Dollars in Millions



** Segment Profit is Recurring & Restated; 2004-2006 segment profit + DDA reflects midpoint of ranges, Capital Spending reflects midpoint of ranges.*

Gas Pipeline

Doug Whisenant, Senior Vice President

Gas Pipeline
Segment Profit

Williams

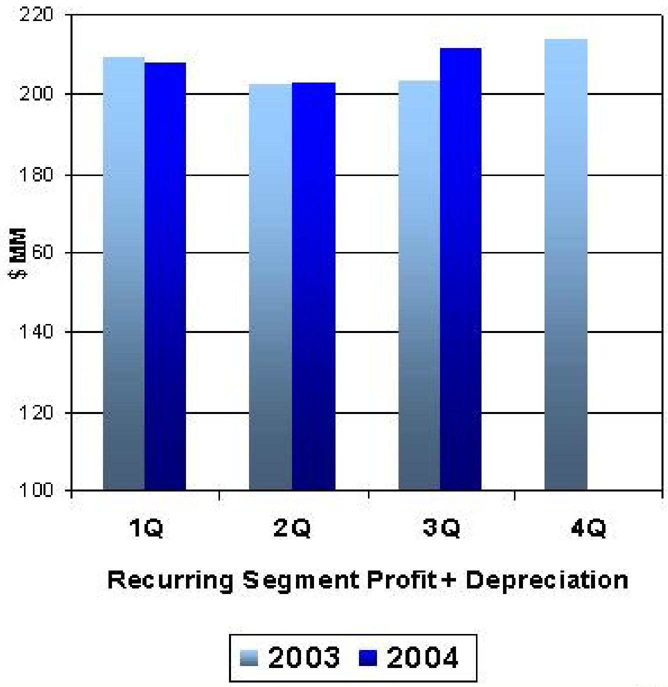
Dollars in millions	3rd Quarter 2004	3rd Quarter 2003	YTD 2004	YTD 2003
Segment profit	**$149**	**$142**	**$429**	**$407**
Includes:				
Write-off software project	-	-	-	26
Write-off of previously capitalized cost for idled segment	-	-	9	
Recurring Segment Profit	**$149**	**$142**	**$438**	**$434**

3Q04 vs. 3Q03 increase includes

- $10 million for Evergreen incremental project
- $5 million due to increased Gulfstream earnings
- $4 million depreciation adjustment
- $4 million improvement compared to 2003 T&E imbalance write-off
- ($5) million lower short-term firm sales
- ($7) million 2003 excess royalties reversal
- ($2) million due to IT revenue sharing

Gas Pipeline
Third Quarter Accomplishments

- Gulfstream
  - Peak day delivery record set 9/7/04
  - Phase II construction began 7/21/04
- Central New Jersey expansion project filed with FERC
- Leidy to Long Island expansion; binding 100 MDtd, 20-year term
- Began design, environmental and permitting work for 26" Replacement
- Everett Delta Lateral construction completed



Gas Pipeline
2004-2006 Guidance

Dollars in millions	2004	2005	2006
Segment profit[1]	$550 - 570 *$540 - 570*	$525 - 575	$525 - 575
Annual DD&A[2]	$265 - 275 *$270-280*	$280 - 290	$290 - 300
Capital spending	$260 - 300 *$280 - 320*	$370 - 420 *$350 - 400*	$475 - 550 *$450 - 520*

Note:
1) Reported income and includes $9 million non-recurring charge in 2Q '04
2) Includes $10 million favorable adjustments in 2004
- If guidance has changed, previous guidance from 8/5/04 is shown in italics directly below

Gas Pipeline
2004-2006 Capital Spending Detail

Williams

Dollars in millions	2004	2005	2006
Normal Maintenance	$135 - 150 *140 - 155*	$220 - 235 *195 - 215*	$180 - 210 *140 - 150*
Clean Air Act	60 - 70 *70 - 75*	80 - 90 *90 - 100*	30 - 45
NWP 26" Restore/Replace	35 - 40 *35 - 45*	50 - 65 *45 - 55*	255 - 275 *260 - 300*
Expansion	30 - 40 *35 - 45*	20 - 30	10 - 20 *20 - 30*
Total	$260 - 300 *$280 - 320*	$370 - 420 *$350 - 400*	$475 - 550 *$450 - 520*

Note:
- Includes Pipeline Safety expenditures as detailed in the 10-Q/10-K
- Amounts include AFUDC
- If guidance has changed, previous guidance from 8/5/04 is shown in italics directly below

Power

Bill Hobbs, Senior Vice President

Key Messages

- Portfolio continues to generate positive cash flows
- Market conditions continue to slowly rebound
  - Improving market liquidity
  - Spark spreads are stabilizing
  - Favorable political messages from California and FERC
- Cash management continues to improve
- New risk reducing contracts
- Favorable California PUC decision
- Adoption of hedge accounting
  - Lowers earnings volatility
  - Residual MTM impact lowers future reported earnings
  - Segment profit after MTM adjustments unchanged
  - No effect on cash flow guidance

Power
Segment Profit

Dollars in millions	3rd Quarter 2004	3rd Quarter 2003	YTD 2004	YTD 2003
Gross Margin	$131	$60	$202	$198
SG&A	(20)	(26)	(56)	(107)
Op. Exp. & Other Inc / (Exp)	(3)	4	(25)	150
Equity Earnings (Losses)	1	(1)	0	(5)
Segment Profit	**$109**	**$37**	**$121**	**$236**
Includes:				
Aux Sable Impairment	-	6	-	14
Regulatory Settlement	-	-	-	20
Prior period correction*	-	(1)	-	(108)
Gains on sale of assets/contracts	-	(27)	-	(208)
Reduction in force costs	-	-	-	12
Recurring Segment Profit	**$109**	**$15**	**$121**	**($34)**

** 2003 amounts reflect corrections as disclosed in 2003 10-K*

Power
Segment Profit to Cash Flow

	Power	Legacy	Other	3Q Total	YTD 2004
Gross Margin	$161	($30)		$131	$202
SG&A	(20)			(20)	(56)
Oper Exp & Other Inc / (Exp)			(2)	(2)	(25)
Segment Profit	$141	($30)	($2)	$109	$121
MTM Adjustments:					
Reverse Forward Unrealized MTM Gains / Losses	(168)	(19)		(187)	(279)
Add Realized Gains / Losses from MTM previously recognized	56	(11)		45	192
Segment Profit after MTM Adjustments	$29	($60)	($2)	($33)	$34
Total Working Capital and Other			343	343	476
Power Segment CFFO	$29	($60)	$341	$310	$510
Est. Working Capital Recv'd for Other BU's			(186)	(186)	(312)
Power Segment Standalone CFFO	$29	($60)	$155	$124	$198

Power Segment
Undiscounted Cash Flows Variance Analysis

Williams

Dollars in millions

Combined Power Portfolio				
Actual Q3'04 v. Forecast Q3'04	**3Q04 A**	**3Q04 F**	**YTD'04 A**	**YTD'04 F**
Tolling Demand Payment Obligations	($126)	($125)	($313)	($307)
Resale of Tolling	29	25	105	102
Full Requirements	4	0	14	1
Long-term Physical Forward Power Sales	18	12	66	62
OTC Hedges	44	57	117	140
Merchant Cash Flows	80	93	121	124
Total Cash Flows	**$49**	**$62**	**$110**	**$122**
Legacy Portfolio and Other Working Capital	281	37	456	32
Direct SG&A	(13)	(14)	(35)	(41)
Indirect SG&A	(7)	(6)	(21)	(18)
Estimated Cash Flows After SG&A	**$310**	**$79**	**$510**	**$95**

Note: Q3 2004 forecast estimated as of 6/30/04.

Power
Segment Profit after MTM Adjust. Forecast

Williams

Dollars in millions

Combined Power Portfolio *Estimated as of 9/30/04*	3Q04 A	YTD 2004 A	4Q04 F	2004 A+F	2005 F	2006 F
Net Revenues	$257	$515	$41	$556	$310	$351
Tolling Demand Payment Obligations	(126)	(313)	(84)	(397)	(397)	(401)
Gross Margin	$131	$202	($43)	$159	($87)	($50)
SG&A & Other	(22)	(81)	(31)	(112)	(67)	(65)
Segment Profit	$109	$121	($74)	$47	($154)	($115)
MTM Adjustments: [1]						
Reverse Forward Unrealized MTM Gains / Losses	(187)	(279)		(279)		
Add Realized Gains / Losses from MTM Previously Recognized	45	192		192		
Add Expected Realization of Prior Period MTM Gains / Losses:						
Designated Hedges			83	83	347	285
All Other Derivatives			(63)	(63)	(93)	(16)
Segment Profit after MTM Adjustment	($33)	$34	($54)	($20)	$100	$154

[1] *Schedule of expected realization of MTM gains/losses previously recognized is included in the Appendix.*

Power

2004-2006 Guidance

Dollars in millions	2004	2005	2006
Previous Segment Profit Guidance	$0 - $150	$50 - $150	$50 - $200
Current Forecast:			
Segment Profit after MTM Adjustment	**(20)**	**100**	**154**
MTM Adjustments	67	(254)	(269)
Segment Profit	$47	($154)	($115)
Revised Segment Profit Guidance	**$0 - $100**	**($200) – ($100)**	**($200) – ($50)**
Cash Flow from Operations	**$150 - $350**	**$50 - $150**	**$50 - $200**
Capital Expenditures	**$0**	**$0**	**$0**

Summary

- Portfolio continues to generate positive cash flows
- Managing business to maximize cash flows, reduce risk and honor commitments
- Accounting change does not impact cash flow guidance or economic value
- Continued focus on greater reporting transparency
- Next Power Tutorial on November 18

Financial Overview & 3-Year Outlook

Don Chappel

Consolidated
2004 - 2006 Outlook

Dollars in millions	2004	2005	2006
Segment Profit:			
Prior Guidance	$1,100 – 1,400	$1,300 – 1,600	$1,400 – 1,700
Power Changes	(50)	(250)	(250)
Other BU Changes	125 - 25	0	50
New Guidance	**1,175 – 1,375**	**1,050 – 1,350**	**1,200 – 1,500**
After MTM Adjust.	**1,225 – 1,425**	**1,300 – 1,600**	**1,450 – 1,750**
DD&A	**660 - 710** *650 - 700*	**700 - 775** *650 - 750*	**750 - 850** *700 - 800*
Cash Flow from Ops.	**1,250 – 1,450** *1,000 – 1,300*	**1,300 – 1,600**	**1,450 – 1,750** *1,400 – 1,700*
Capital Expenditures	**775 - 875**	**1,000 – 1,200** *800 – 1,000*	**1,150 – 1,350** *900 – 1,100*

Note: If guidance has changed, previous guidance from 8/5/04 is shown in italics directly below

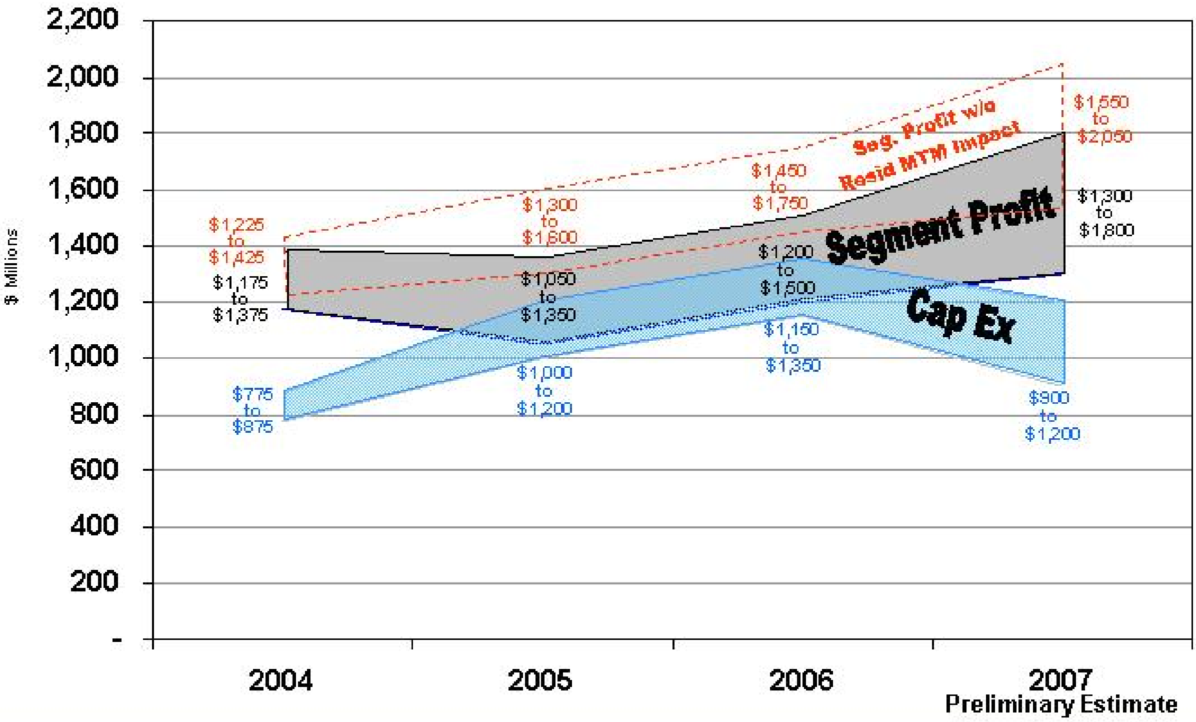
Consolidated
2004-2006 Capital Exp. By Business

Williams

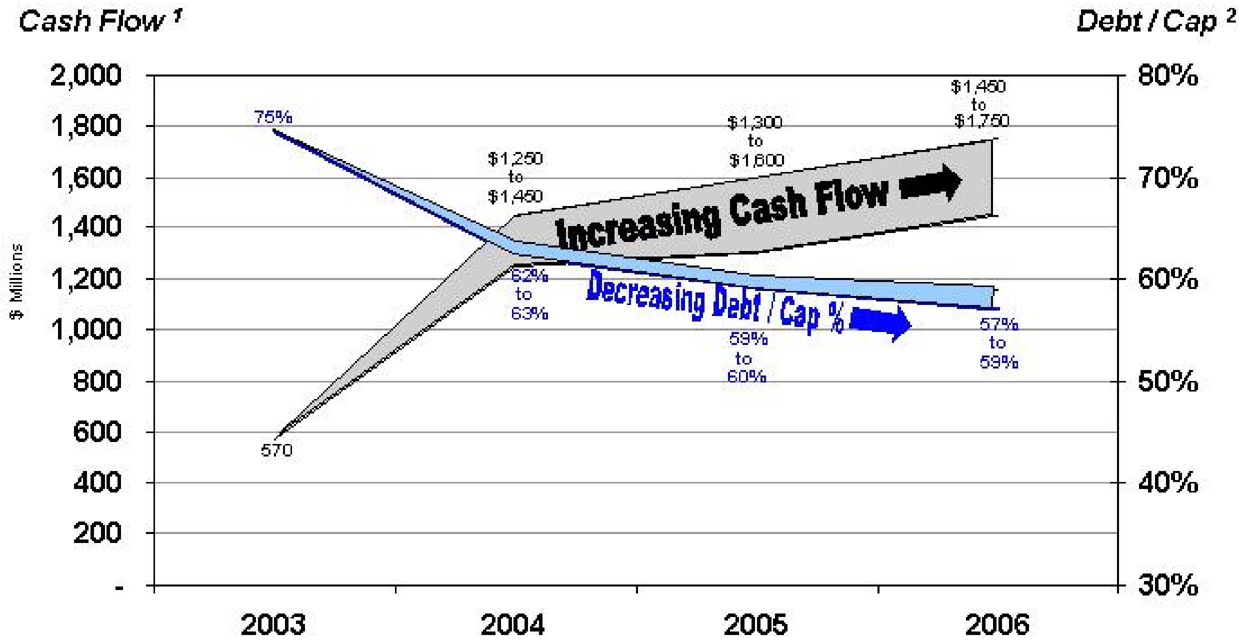
Dollars in millions	2004	2005	2006
Exploration & Production	**$400 - 450**	**$500 - 575** *400 - 450*	**$525 - 625** *450 - 500*
Midstream	**95 - 105** *90 - 110*	**120 - 140** *60 - 80*	**110 - 130** *50 - 70*
Gas Pipeline	**260 - 300** *280 - 320*	**370 - 420** *350 - 400*	**475 - 550** *450 - 520*
Power	-	-	-
Other/Corporate	**10 - 30**	**10 - 30**	**10 - 30**
Total	**$775 - 875**	**$1,000 - 1,200** *$800 – 1,000*	**$1,150 - 1,350** *$900 – 1,100*

Notes:
- Sum of ranges for each business line does not necessarily match total range
- If guidance has changed, previous guidance from 8/5/04 is shown in italics directly below

Consolidated Guidance Trends



Consolidated
Progress as Promised



[1] Cash Flow from Continuing Operations (CFFO)
[2] Debt to Capitalization = Total Debt / (Total Debt + Equity)

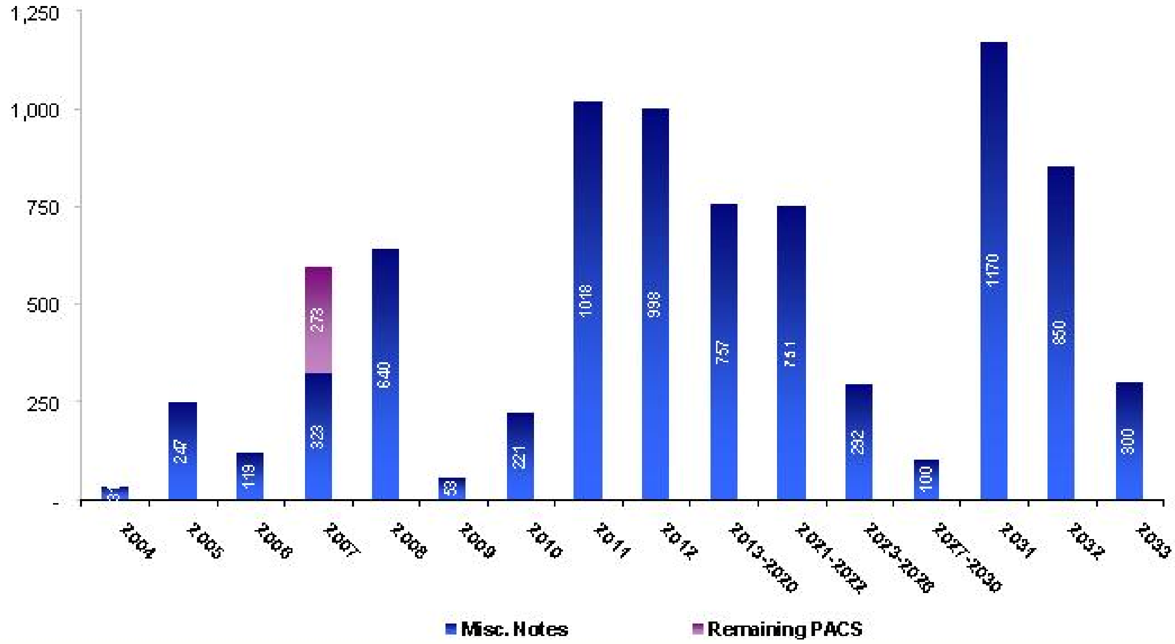
Consolidated

FELINE PACS Update

- Received tenders to exchange $827 million
  - Issued 33.1 million common shares on Oct. 22
  - Paid cash of $49 million; expect pre-tax charge of $25 million in 4Q04
- First remarketing for remaining $273 million debt scheduled for Nov. 16
  - Williams may choose to purchase some of the notes
- Remaining units exchanged into common on Feb. 16, 2005

Consolidated
Scheduled Debt Maturities

Dollars in millions



Consolidated

Financial Strategy/Key Points

- Drive/enable sustainable growth in EVA®/ shareholder value
- Maintain a cash/liquidity cushion of $1.0 billion plus
- Continue to steadily improve credit ratios/ratings; ultimately achieving investment grade ratios
- Reduce risk in Power segment
- Increase focus and disciplined EVA® -based investments in natural gas businesses
- Consider dividend policy
- Combination of growth in operating cash flows and reduction in interest costs drives value creation

Summary

Steve Malcolm

The Road Ahead

Williams

2004 | 2005 | 2006 | 2007 & beyond

CORE BUSINESSES

Exploration & Production
- Accelerate Piceance drilling
- Powder River permits and dewatering
- Continue production growth

Midstream
- Complete deepwater projects
- Complete asset sales
- Enhance competitive position- consider MLP
- Capture our share of new deepwater production

Gas Pipeline
- Complete announced expansion projects
- Northwest testing and return to service
- Northwest capacity replacement
- Expansions
- Rate cases

Disciplined Growth

Power
- Continue to reduce risk, generate cash, meet commitments
- Spark spreads improve

Risk Reduction

Corporate
- Early debt retirement
- New credit facilities
- Cost reductions
- Examine dividend level
- Support growth

Solid Financial Footing

Summary

Williams

- 3rd quarter results strong
- Restructuring nears the finish line
- Asset sales program essentially completed
- Adequate liquidity continues
- Pursuing growth opportunities
- Retaining Power and continuing strategy to
  - Reduce risk
  - Generate cash
  - Meet contractual commitments

Scorecard Update

Williams

Initiate & Stabilize → Execute Restructuring → Emerge

Measures of Success

- ✓ Avoid bankruptcy
- ✓ Address liquidity crisis
- ✓ Restore customer and supplier confidence

- ✓ Complete asset sales
- ✓ Rationalize cost structure
- ✓ Manage liquidity
- ✓ De-lever
- ✓ Restore confidence of and gain access to capital markets

- ✓ Position company for integrated natural gas growth
- ✓ Optimize capital structure
- ✓ Capitalize on strategic position

Williams

Williams

Non-GAAP Reconciliations

Non-GAAP Reconciliation Schedule

Reconciliation of Income (Loss) from Continuing Operations to Recurring Earnings

[illegible]

Non-GAAP Reconciliation Schedule

Williams

Reconciliation of Segment Profit (Loss) to Recurring Segment Profit (Loss)
(UNAUDITED)

(Dollars in millions)	2003 1st Qtr [1]	2003 2nd Qtr [2]	2003 3rd Qtr [2]	2004 1st Qtr [1]	2004 2nd Qtr [2]	2004 3rd Qtr
Segment profit (loss):						
Power[1]	$ (137.0)	$ 335.9	$ 37.2	$ (32.0)	$ 43.8	$ 109.3
Gas Pipeline	150.3	115.5	141.5	147.4	132.8	148.8
Exploration & Production	113.8	178.7	58.8	51.5	43.3	70.1
Midstream Gas & Liquids	112.8	57.2	77.3	107.6	99.5	105.0
Other	4.8	(51.7)	4.1	(8.7)	(14.3)	2.4
Total segment profit	$ 244.7	$ 635.6	$ 318.9	$ 265.8	$ 305.1	$ 435.6
Nonrecurring adjustments:						
Power	$ (1.9)	$ (246.1)	$ (21.9)	$ -	$ -	$ -
Gas Pipeline	-	26.4	-	-	9.0	-
Exploration & Production	-	(91.5)	-	-	11.3	-
Midstream Gas & Liquids	-	-	(6.8)	-	(16.5)	22.9
Other	-	49.6	(9.2)	6.5	10.8	-
Total segment nonrecurring adjustments	$ (1.9)	$ (261.6)	$ (37.9)	$ 6.5	$ 14.6	$ 22.9
Recurring segment profit (loss):						
Power	$ (138.9)	$ 89.8	$ 15.3	$ (32.0)	$ 43.8	$ 109.3
Gas Pipeline	150.3	141.9	141.5	147.4	141.8	148.8
Exploration & Production	113.8	87.2	58.8	51.5	54.6	70.1
Midstream Gas & Liquids	112.8	57.2	70.5	107.6	83.0	127.9
Other	4.8	(2.1)	(5.1)	(2.2)	(3.5)	2.4
Total recurring segment profit	$ 242.8	$ 374.0	$ 281.0	$ 272.3	$ 319.7	$ 458.5

Note: Segment profit (loss) includes equity earnings (losses) and certain income (loss) from investments reported in investing income (loss) in the Consolidated Statement of Operations. Equity earnings (losses) are from investments accounted for under the equity method. Income (loss) from investments results from the management of investments in certain equity instruments.

(1) Power's segment profit includes the effect of intercompany interest rate swaps entered into with the corporate parent.
(2) Amounts have been restated from 2nd quarter 2004 to reflect the transfer of our equity method investment in Aux Sable from our Midstream segment to our

Non-GAAP Reconciliation Schedule

Williams.

Dollars in millions except for per share amounts

	2004 1Q	2004 2Q	2004 3Q	2003 1Q	2003 2Q	2003 3Q
Recurring income from continuing operations available to common shareholders	$ 3	$ 54	$ 136	$ (44)	$ (12)	$ (0)
Recurring diluted earnings per common share	*$ 0.00*	*$ 0.10*	*$ 0.26*	*$ (0.08)*	*$ (0.02)*	*$ (0.00)*
Mark-to-Market (MTM) adjustments for Power:*						
Reverse forward unrealized MTM gains/losses	(23)	(69)	(187)	40	(232)	54
Add realized gains/losses from MTM previously recognized	137	10	45	(55)	45	(45)
Total MTM adjustments	114	(59)	(142)	(15)	(187)	9
Tax effect of total MTM adjustments (at 39%)	44	(23)	(55)	(6)	(73)	4
After tax MTM adjustments	70	(36)	(87)	(9)	(114)	5
Recurring income from cont. operations avail. to common shareholders after MTM adjust.	$ 73	$ 18	$ 49	$ (53)	$ (126)	$ 5
Recurring diluted earnings per share after MTM adjustments	*$ 0.14*	*$ 0.03*	*$ 0.09*	*$ (0.10)*	*$ (0.24)*	*$ 0.01*
weighted average shares - diluted (thousands)	525,752	521,698	529,525	517,652	534,839	524,711

** Adjustments have been made to reverse estimated forward unrealized MTM gains/losses and add estimated realized gains/losses from MTM previously recognized, i.e. assumes MTM accounting had never been applied to designated hedges and other derivatives.*

3Q 2004 EBITDA Reconciliation

Williams

	Dollars in millions
Net Income*	**$99**
Income from Disc. Operations	(83)
Net Interest Expense	196
DD&A	167
Provision for Income Taxes	48
EBITDA*	**$427**

** Includes gains and impairments on asset sales and prior period adjustments*

2004 YTD EBITDA Reconciliation

Williams

	Dollars in millions
Net Income*	**$90**
Income from Disc. Operations	(93)
Net Interest Expense	657
DD&A	495
Provision for Income Taxes	42
EBITDA*	**$1,191**

* Includes gains and impairments on asset sales and prior period adjustments

3Q 2004 Segment Contributions

Williams.

Dollars in millions

	Gas Pipeline	E&P	Midstream	Power	Corp/Other	Total
Segment Profit (Loss)	$149	$70	$105	$109	$2	**$436**
DD&A	63	52	44	5	3	**167**
Segment Profit before DDA	**$212**	**$122**	**$149**	**$114**	**$5**	**$602**
General Corporate Expense						**(24)**
Investing Income*						**(7)**
Other Income						**(145)**
TOTAL						**$427**

** Excluding equity earnings and income (loss) from investments contained in segment profit*

Consolidated
2004 Forecast Segment Contribution

	Gas Pipeline	E&P	Midstream	Power	Corp/Other	Total
Segment Profit (Loss)	550 - 570 540 - 570	235 - 260	435 - 485 325 - 375	0 - 100 0 - 150	(45) – (40) 0 - 45	1,175 - 1,375 1,100 – 1,400
DD&A	265 - 275 270 - 280	160 - 180	175 - 185 170 - 180	20 - 25	40 - 45 30 - 35	660 - 710 650 - 700
Segment Profit before DDA	815 - 845 810 - 850	395 - 440	610 - 670 495 - 555	20 - 125 20 - 175	(5) – 5 30 - 80	1,835 - 2,085 1,750 – 2,100
General Corporate Expense						(125) - (110) (130) – (110)
Investing Income						0 - 50
Other/Rounding						40 - (25) (20) – (40)
TOTAL						1,750 - 2,000 1,600 – 2,000

Consolidated
2004 Forecast Guidance

Dollars in millions, except per-share amounts

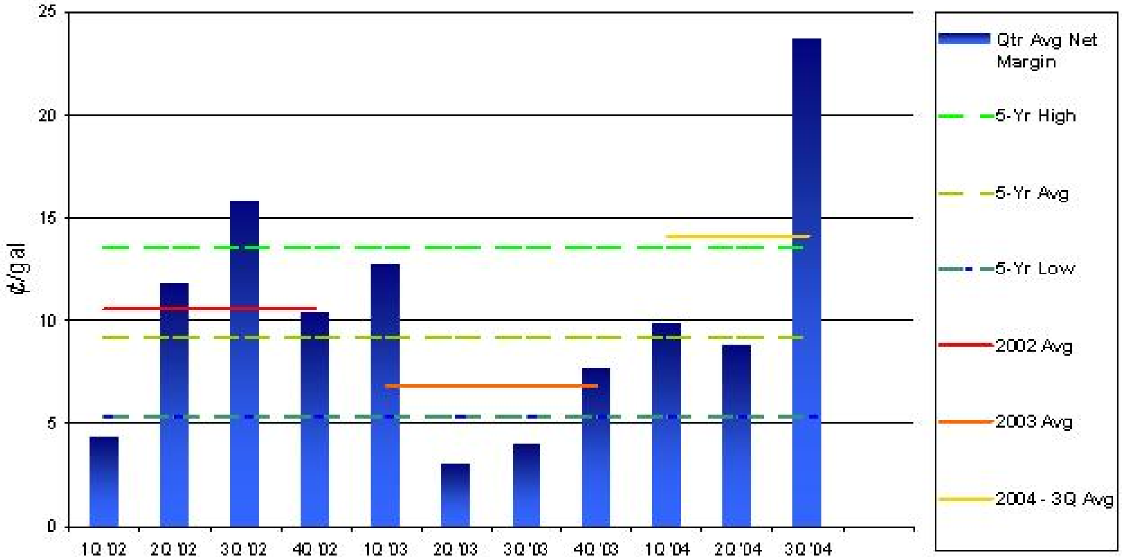
Net Income / (Loss) Reported	**$25 – $160**
Less: Discontinued Operations	(50) – (100)
Net Income / (Loss) Continuing Ops Reported	**($25) – $60**
Adjustments:	
Early Debt Retirement Costs (Pretax)	300 – 250
Other Non-Recurring Items (Pretax)	41
Total Non-Recurring Pretax	341 – 291
Less Taxes @ 39%	(133) – (113)
Total Non-Recurring After Tax	208 – 178
Recurring Net Income	**$183 – $238**
Recurring EPS	**$0.34 - $0.44**
Mark-to-Market Adjustment	(68)
Less Taxes @ 39%	26
Mark-to-Market Adjust. After Tax	(41)
Recurring Net Income After MTM Adjustments	**$142 – $197**
Recurring EPS After MTM Adjustments	**$0.26 - $0.36**

Appendix

Exploration & Production
Net Realized Price Calculation

	Unhedged	3Q04 Hedge
Market Price:		
NYMEX	$6.00 - $7.00	$4.03
Basis Differential	(0.65 - 0.85)	(0.42)
Net Basin Market price	$5.35 - $6.15	$3.61
Net Basin Market price	$5.35 - $6.15	$3.61
Fuel & Shrink/Gathering/ Transportation	(0.80 - 1.00)	(0.80 - 1.00)
Net Price	$4.55 - $5.15	$2.61 - $2.81
Quarter Volume Totals	(qtr vols) x (% unhedged)	(qtr volumes) x (% hedged)
Net Gas revenue	=(unhedged volumes x net price)	=(hedged volumes x net hedge price)

Midstream
Domestic NGL Quarterly Average Net Margins



Note: Computed using NGL prices FOB plant tailgate less shrinkage costs, transportation and fractionation. Average is weighted using Williams' equity liquids percentages by region: 50% Rockies, 35% Gulf Coast and 15% San Juan.

Enterprise Risk Management

Williams

Dollars in millions	As of 9/30/04 E&P	Midstream	Power	Corp./ Other	Total	12/31/03 Total
Margins & Ad. Assur.	$19	$2	$133	-	$154	$527
Prepayments	-	5	32	-	37	151
Subtotal	**$19**	**$7**	**$165**	**$ -**	**$191**	**$678**
Letters of Credit	429	184	204	114	931	378
Total as of 9/30/04	**$448**	**$191**	**$369**	**$114**	**$1,122**	**$1,056**
Total as of 6/30/04	**$489**	**$157**	**$424**	**$43**	**$1,113**	
Change	**($41)**	**$34**	**($55)**	**$71**	**$9**	

Enterprise Risk Management

Dollars in millions

- Margin volatility (99% confidence interval)
  - Incremental liquidity requirement

	9/30/04	12/31/03
– 30 days	($118)	($185)
– 180 days	($234)	($309)
– 360 days	($336)	($390)

Assumption: The margin numbers above consist of only the forward marginable position values, starting from November 2004.

Enterprise Risk Management

Estimated dollars in millions

Sensitivities Analysis

	WMB[1] Natural Gas (Per MMBtu)	Power[2] West Spark Spread Power Price (Per MWh)	Midstream[3] Processing Margin NGL Price (Per Gallon)
Price Increase	**$0.10**	**$5.00**	**$0.01**
2004	($2)	$0-5	$3-5
2005	($2)	$5-10	$10-15
2006	$6	$5-15	$10-15

1 *Assumes a correlated movement in prices across all commodities, including spreads.*

2 *Assumes a non-correlated change in West power prices only, no change in power volatility, full extrinsic value not included. Heat rate and position change associated with Spark Spread increase is consistent across all months. Cash flow ranges are not linear.*

3 *Assumes a non-correlated change in NGL processing spread (i.e. change in NGL price only). Midstream figures for 2004 does not include price sensitivity on Canadian assets based on the assumption the Canadian assets would be sold in 2004.*

Future Hedge Realization

Williams

Dollars in millions (estimated as of 9/30/04)

	Designated Hedges[1]
2004	$83
2005	347
2006	285
2007	127
2008 & Beyond	137
Total	$979

[1]Represents the fair value and expected future realization of those derivatives which qualify for hedge accounting under SFAS 133. Future changes in fair value will be reported in OCI on the balance sheet, and then re-classified into earnings in the period in which the hedged transaction, or underlying, affects earnings.

Power

Derivative Net Asset Reconciliation

Williams

Dollars in millions

	Balance at 9/30/04
Power - Fair Value of Designated FAS 133 Hedges[1]	$979
Power - Other Derivatives	(134)
E&P - Fair Value of Designated FAS 133 Hedges	(612)
Corporate	12
Net Derivative Assets Per Balance Sheet	**$244**

[1]Represents the fair value of those derivatives which qualify for hedge accounting under SFAS 133. Future changes in fair value will be reported in OCI on the balance sheet, and then re-classified into earnings in the period in which the hedged transaction, or underlying, affects earnings.

Power
Total Undiscounted Cash Flows

Williams

Combined Power Portfolio *Estimated as of 9/30/04*	**Q1 A**	**Q2 A**	**Q3 A**	**2004 A+ F**	**2005 F**	**2006 F**
Tolling Demand Payment Obligations	($88)	($99)	($126)	($397)	($397)	($401)
Resale of Tolling	41	35	29	144	124	103
Full Requirements	(1)	11	4	18	24	9
Long-term Physical Forward Power Sales	27	21	18	78	65	47
OTC Hedges	36	37	44	167	106	142
Estimated Hedged Tolling Revenues	7	34	80	130	177	278
Subtotal	$22	$39	$49	$140	$99	$178
Merchant Cash Flows	0	0	0	4	34	46
Est. Combined Power Portfolio Cash Flows	$22	$39	$49	$144	$133	$224
Forecasted Direct SG&A	(8)	(14)	(13)	(64)	(50)	(47)
Forecasted Indirect SG&A	(8)	(6)	(7)	(15)	(17)	(18)
Subtotal	$6	$19	$29	$65	$66	$159
Legacy Portfolio and Other Working Capital	81	94	281	364	137	115
Estimated Cash Flows After SG&A	$87	$113	$310	$429	$203	$274

Note: Actual cash flows realized may differ materially from those shown.

Power

West - Total Undiscounted Cash Flows

Dollars in millions

West Power Portfolio *Estimated as of 9/30/04*	**Q1 A**	**Q2 A**	**Q3 A**	**2004 A+F**	**2005 F**	**2006 F**
Tolling Demand Payment Obligations	($39)	($39)	($38)	($154)	($154)	($155)
Resale of Tolling	41	35	29	144	124	103
Long-term Physical Forward Power Sales	29	24	19	93	63	47
OTC Hedges	15	24	33	97	80	106
Tolling Cash Flows Associated With Hedges	12	26	51	94	97	175
Subtotal	$58	$70	$94	$274	$210	$276
Merchant Cash Flows	0	0	0	4	22	4
Estimated Cash Flows	$58	$70	$94	$278	$232	$281

Note: Actual cash flows realized may differ materially from those shown.

Power
Central - Total Undiscounted Cash Flows

Dollars in millions

Mid-Continent Power Portfolio *Estimated as of 9/30/04*	**Q1 A**	**Q2 A**	**Q3 A**	**2004 A+F**	**2005 F**	**2006F**
Tolling Demand Payment Obligations	($13)	($22)	($41)	($87)	($88)	($89)
Long-term Physical Forward Power Sales	(2)	(3)	(1)	(15)	2	0
OTC Hedges	1	9	10	33	(9)	(9)
Tolling Cash Flows Associated With Hedges	(3)	1	1	(1)	19	18
Subtotal	($17)	($15)	($31)	($70)	($76)	($80)
Merchant Cash Flows	0	0	0	0	7	28
Estimated Cash Flows	($17)	($15)	($32)	($70)	($69)	($52)

Note: Actual cash flows realized may differ materially from those shown.

East - Total Undiscounted Cash Flows

Dollars in millions

East Power Portfolio *Estimated as of 9/30/04*	Q1 A	Q2 A	Q3 A	2004 A+F	2005 F	2006 F
Tolling Demand Payment Obligations	($36)	($39)	($47)	($156)	($155)	($157)
Full Requirements	(1)	11	4	18	24	9
OTC Hedges	19	4	1	37	36	46
Tolling Cash Flows Associated With Hedges	(1)	7	28	37	61	85
Subtotal	($19)	($17)	($14)	($64)	($34)	($17)
Merchant Cash Flows	0	0	0	0	5	14
Estimated Cash Flows	($19)	($17)	($14)	($64)	($28)	($3)

Note: Actual cash flows realized may differ materially from those shown.

Consolidated
Effective Tax Rates

Dollars in millions

	Combined		Continuing Ops.		Discontinued Ops.	
Third Quarter 2004						
Federal	$46	35%	$23	35%	$23	35%
State	19	15%	16	25%	3	5%
Foreign	(41)	(31%)	2	3%	(43)	(65%)
Other	8	6%	7	11%	0	0%
Tax Provision	**$32**	**25%**	**$48**	**74%**	**(17)**	**(25%)**
Year to Date 2005						
Federal	$42	35%	$14	35%	$28	35%
State	15	12%	12	31%	3	4%
Foreign	(36)	(30%)	7	18%	(44)	(54%)
Other	9	8%	9	23%	0	0%
Tax Provision	**$30**	**25%**	**$42**	**107%**	**(13)**	**(15%)**

	2004	2005	2006
Effective Tax Rate Guidance*	**See above**	**39%**	**39%**
Cash Tax Rate Guidance	**3-5%**	**3-5%**	**4-8%**

-An additional $25 million income tax expense is forecast in 2005 & 2006

-Note: If guidance has changed, previous guidance from 8/5/04 is shown in italics directly below

Consolidated Drivers

Dollars in millions	Segment Profit Low	Segment Profit High	CFFO Low		CFFO High
2003	1,370	1,370	770		770
Interest savings	-	-	400		425
Gains on Asset Sales	(337)	(337)	-		-
Impairments	220	220	-		-
Midstream	125	175	-		-
Power	(150)	(50)	-		-
Other	(53)	(3)	80	*	255
2004	**1,175**	**1,375**	**1,250**		**1,450**
Interest savings	-	-	200		270
Power	(225)	(275)	-		-
E&P improvements	165	215	185		235
Other	(65)	35	(335)	*	(355)
2005	**1,050**	**1,350**	**1,300**		**1,600**
Interest savings	-	-	10		30
Power	50	150	-		-
E&P improvements	50	75	75		90
Other	50	(75)	65		30
2006	**1,200**	**1,500**	**1,450**		**1,750**

* Primarily represents margins received in 2004 but not in 2005