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): September 3, 2008

The Williams Companies, Inc.

(Exact name of registrant as specified in its charter)

Delaware	1-4174	73-0569878
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

One Williams Center, Tulsa, Oklahoma	74172
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 918/573-2000

Not Applicable
(Former name or former address, if changed since last report)

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

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

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

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

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

Item 7.01. Regulation FD Disclosure.

The Williams Companies, Inc. (“Williams”) wishes to disclose for Regulation FD purposes its slide presentation, furnished herewith as Exhibit 99.1, to be utilized during the 2008 Lehman Brothers CEO Energy/Power Conference on the morning of September 3, 2008. The slide presentation is being furnished pursuant to Item 7.01, Regulation FD Disclosure. The information furnished is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, is not subject to the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

(a) None

(b) None

(c) None

(d) Exhibits

Exhibit 99.1	Copy of Williams’ slide presentation to be utilized during the September 3, 2008, 2008 Lehman Brothers CEO Energy/Power Conference.

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: September 3, 2008

/s/ La Fleur C. Browne

Name: La Fleur C. Browne
Title: Assistant General Counsel and Corporate Secretary

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
Exhibit 99.1	Copy of Williams' slide presentation to be utilized during the September 3, 2008, 2008 Lehman Brothers CEO Energy/Power Conference.

Williams
100 Years of Ingenuity

Lehman Brothers 2008 CEO Energy/Power Conference

Steve Malcolm

Chairman, President & CEO

September 3, 2008

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" within the meaning of the 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 businesses are subject to complex government regulations that are subject to changes in the regulations themselves or in their interpretation or implementation;
- 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;
- Our risk measurement and hedging activities might not prevent losses;
- Natural gas and 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;
- 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 our business;
- Despite our restructuring efforts, we may not maintain investment grade ratings;
- Institutional knowledge represented by our former employees now employed by our outsourcing service provider might not be adequately preserved;
- Failure of the outsourcing relationship might negatively impact our ability to conduct our business;

Forward Looking Statements (cont.)

- Our ability to receive services from outsourcing provider locations outside the United States might be impacted by cultural differences, political instability, or unanticipated regulatory requirements in jurisdictions outside the United States;
- 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 natural gas transmission and midstream businesses;
- Our drilling, production, gathering, processing and transporting activities involve numerous risks that might result in accidents and other operating risks and costs;
- Compliance with the Pipeline Improvement Act may result in unanticipated costs and consequences;
- Estimating reserves and future net revenues involves uncertainties and negative revisions to reserve estimates and oil and gas price declines may lead to impairment of oil and gas assets;
- The threat of terrorist activities and the potential for continued military and other actions;
- The historic drilling success rate of our exploration and production business is no guarantee of future performance; and
- Our assets and operations can be affected by weather and other phenomena.

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.

Investors are urged to closely consider the disclosures and risk factors in our annual report on Form 10-K filed with the Securities and Exchange Commission on February 26, 2008, and our quarterly reports on Form 10-Q available from our offices or from our website at www.williams.com.

Oil and Gas Reserves and Resource Potential Disclaimer

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves. We have used certain terms in this presentation such as “probable” reserves and “possible” reserves and "unrisked theoretical resource estimates" that the SEC's guidelines strictly prohibit us from including in filings with the SEC. The SEC defines proved reserves as estimated hydrocarbon quantities that geological and engineering data demonstrate with reasonable certainty to be recoverable in the future from known reservoirs under the assumed economic conditions. Probable and possible reserves are estimates of potential reserves that are made using accepted geological and engineering analytical techniques, but which are estimated with reduced levels of certainty than for proved reserves. Generally under such techniques, probable reserve estimates are more than 50% certain and possible reserve estimates are less than 50% but more than 10% certain. Unrisked theoretical resource estimates are even less certain than those for possible reserves and are not risk adjusted. Unrisked theoretical resource estimates include (i) an estimate of hydrocarbon quantities for new areas for which we do not have sufficient information to date to classify the resources as probable or even possible reserves and (ii) the amount by which we have reduced our probable and possible reserves for existing areas to take into account the reduced level of certainty of recovery of the resources. Unlike probable and possible reserves, unrisked theoretical resource estimates do not take into account the uncertainty of resource recovery and, therefore, are not indicative of the expected future recovery and should not be relied upon.

Reference to “Resource Potential” includes proved, probable and possible reserves as well as unrisked theoretical resource estimates that might never be recoverable and are contingent on exploration success, technical improvements in drilling access, commerciality and other factors.

Investors are urged to closely consider the disclosures and risk factors in our annual report on Form 10-K filed with the Securities and Exchange Commission on Feb. 26, 2008, and our quarterly reports on Form 10-Q available from our offices or from our website at www.williams.com.

Prime Position

Williams – The Premier Natural Gas Investment

Williams 100 Years of Ingenuity

- **Pure-play natural gas company**
  - Strong and growing demand for natural gas well into the future
  - Cleaner-burning natural gas is the 'fuel of choice'
  - Key role in expanding infrastructure, growing production
- **Track record of disciplined execution**
  - Consistent strong earnings growth
  - Commitment to pulling value creation levers
  - General partner of two MLPs
- **World-class assets well-positioned throughout North America**
  - E&P – vast, growing reserves, low-cost producer
  - Large-scale Midstream assets
  - Premier interstate pipelines
- **Excellent visibility around growth**
  - Clear line of sight to abundant opportunities
  - Prime position to capitalize on our competitive advantages
- **Our portfolio of assets has natural hedge**
  - Creates value, mitigates risks
  - More consistent performance in variable commodity price environments

Track Record of Disciplined Execution

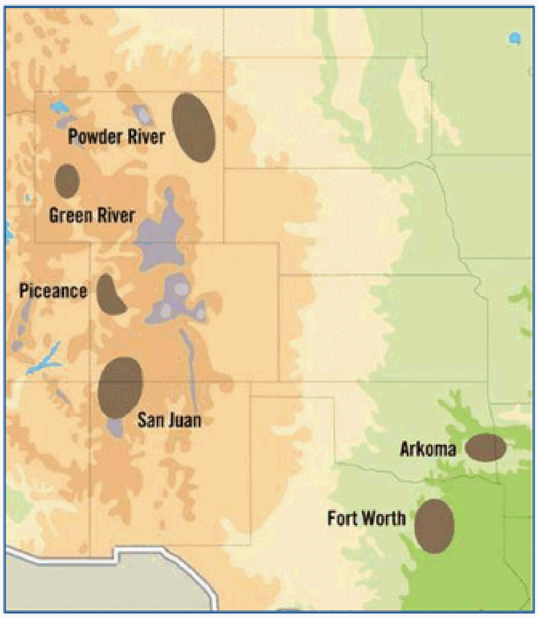
- Achieving strong earnings and outlook
- Performing well in a variety of commodity markets
- Growing production, adding to reserves
- Capturing opportunities – strategic bolt-on acquisitions
- Successfully managing basis differentials
- General partner and L.P. unitholder in two MLPs
- Completed $1 billion share repurchase

Exploration & Production

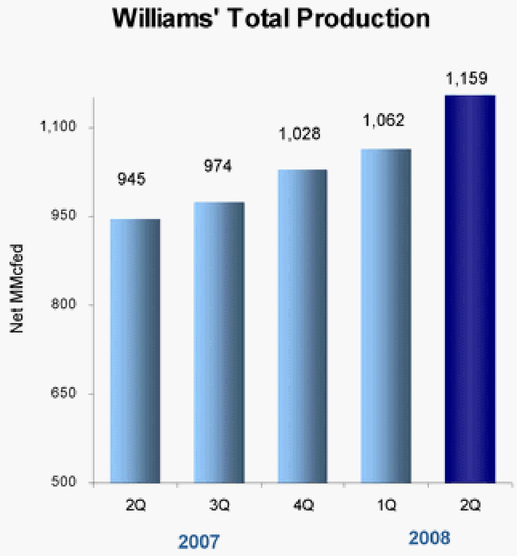
Exploration & Production

Unique Drilling Portfolio

- Strategy is to rapidly develop our significant drilling inventory while adding new resource potential opportunities
- Focused North American unconventional natural gas portfolio of large well-defined resources
- Long-term, low-risk, high-return drilling portfolio
- Strong organic production growth
- R/P ratio of 12.4 years
- Drilled 1,590 wells in 2007, 99% success rate



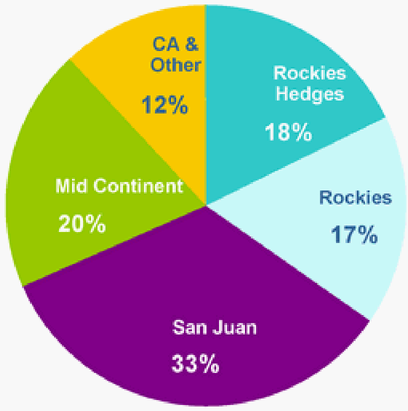
Production Highlights



- **Piceance Valley** up 26% over one year ago, at 626 MMcfed, 18 rigs currently operating.
- **Piceance Highlands** up 32% over one year ago, at 33 MMcfed, 8 rigs currently operating.
- **Powder River** up 41% over one year ago, at 234 MMcfed.
- **Ft. Worth** up 25% over one year ago, at 40 MMcfed, 4 rigs operating.
- **San Juan** up 2% over one year ago, at 150 MMcfed

83% Production Not At Rockies Prices
Midstream's Rockies Short Position Further Reduces Exposure

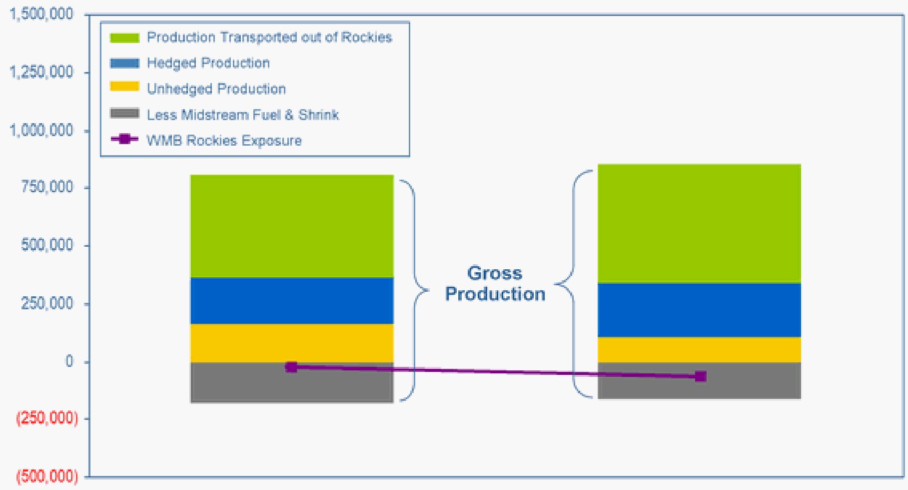
2Q '08 Sales Points



- Total Domestic 2Q Production of 1,110 MMcfed
  - 35% (384 MMcfed) at Rockies prices before hedging
  - 65% (726 MMcfed) produced or transported to other price points
  - Rockies hedges of ~200 MMcfed
- 384 MMcfed total less 200 MMcfed hedged = **184 MMcfed or 17% priced in Rockies**
- Midstream consumed ~**145MMcfed** as fuel & shrink further reducing WMB's Rockies natural gas exposure
- **Net position basically flat~39MMcfed**

Rockies Basis Exposure – Minimal through 2010

2nd quarter '08 guidance



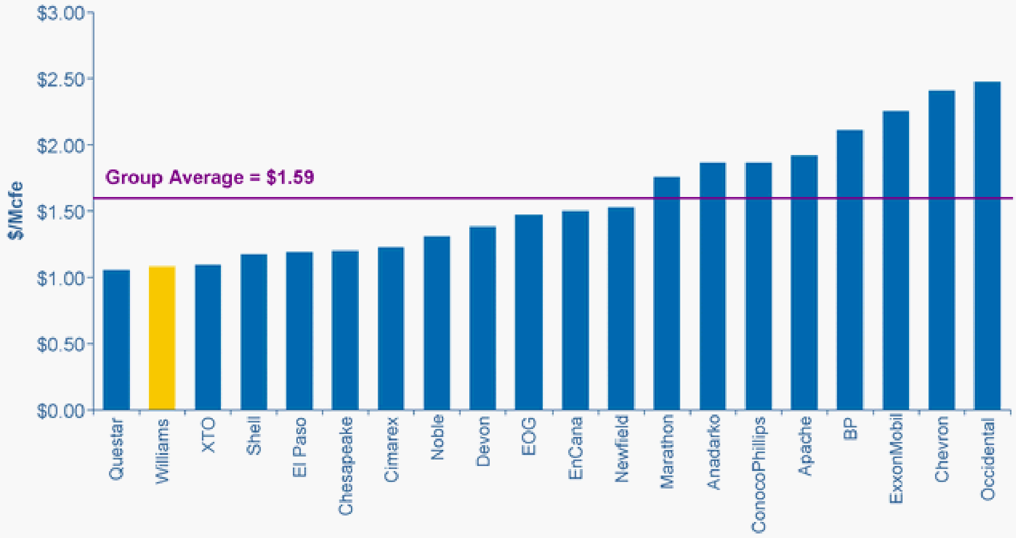
Williams has balanced Rockies position in 2010

** All values are undiscounted*
** International E&P volumes are not included*
** Projected E&P volumes are reduced for fuel & shrink and production taxes*
** WPZ volumes are not included (expected Fuel & Shrink for WPZ is ~ 40K/day for 2008 and ~ 40K/day for 2009)*
** Hedges are presented in terms of notional quantity*

Leader in Operating Costs

Williams. 100 Years of Ingenuity

Top 20 U.S. Gas Producers – 2007 Production Cost*



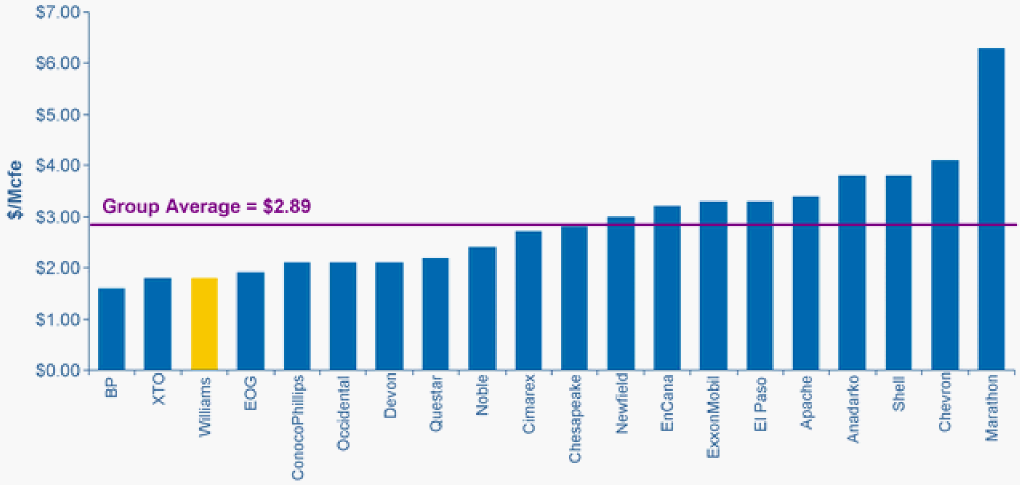
* Production Cost defined as costs incurred to operate and maintain wells and related equipment and facilities, including property taxes applicable to proved properties, and severance taxes

Source: Publicly reported data from EvaluateEnergy.com

Exploration & Production

Leader in F&D Costs

Top 20 U.S. Gas Producers – 3 Year Average
Finding and Developing Costs (Fully Loaded)



Williams Consistently Remains in Top Quartile for F&D Costs

Source: Publicly reported data from EvaluateEnergy.com

Cash Margin Analysis

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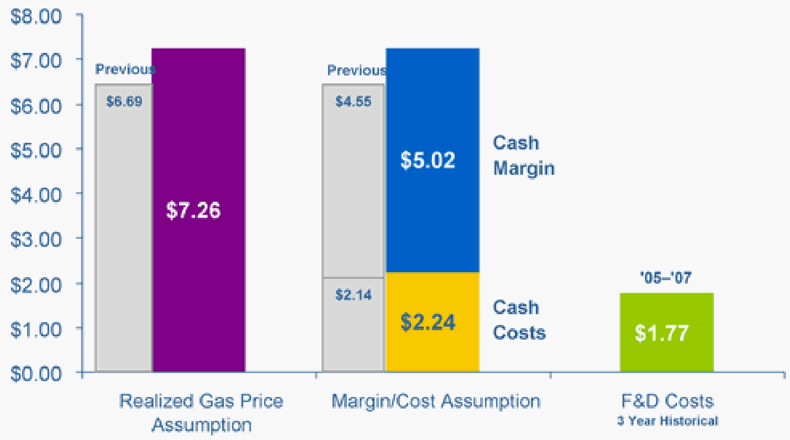
2nd quarter '08 guidance

2 Year Average (2008–2009)



Reflective of Core Basins

- $7.26 is after hedging and includes average basin market price of $7.53 before hedging
- Cash costs include LOE, G&A, taxes and gathering
- F&D costs include capital and exploration costs/proved reserves ('05–'07 average)

2007 3P Reserves Update

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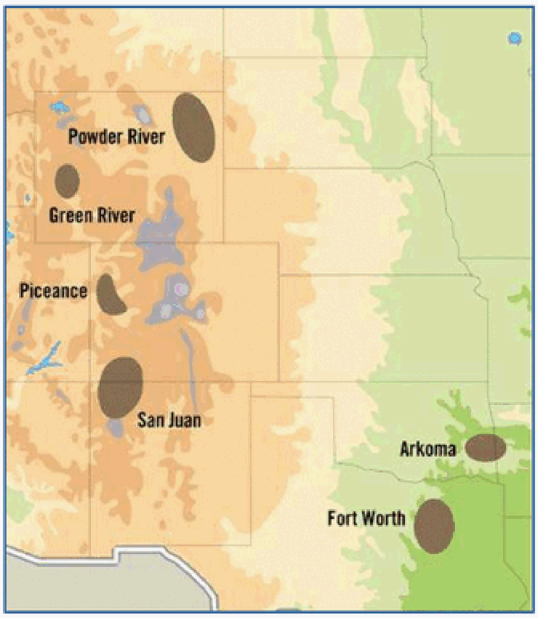


Powder River

0.4 Tcfe Proved
1.3 Tcfe Prob/Poss
234 MMcfe/d*

Piceance

2.8 Tcfe Proved
5.8 Tcfe Prob/Poss
659 MMcfe/d*

San Juan

0.6 Tcfe Proved
0.4 Tcfe Prob/Poss
150 MMcfe/d*

Green River/Int'l

0.3 Tcfe Proved
0.7 Tcfe Prob/Poss
62 MMcfe/d*

Mid-Continent

0.2 Tcfe Proved
0.4 Tcfe Prob/Poss
54 MMcfe/d*

Total

4.3 Tcfe Proved
8.6 Tcfe Prob/Poss
12.9 Tcfe 3P Reserves
1,159 MMcfe/d*

* Production for 2Q '08

Other Areas of Interest

Williams. 100 Years of Ingenuity

- Focus will remain on tight sands, shale, and coal bed methane
- Opportunities remain in existing basins
- 18 member Exploration staff pursuing other resource plays
- Dedicated A&D staff pursuing disciplined acquisitions
- Current Activity
  - Paradox
  - Uinta
  - Piceance Deep
  - Caney Shale
  - Other

Key Points – Value Creation Continues

- On track for record year for segment profit and production
- 3P reserves of 12.9 Tcf
- Strategy is to rapidly develop our premier drilling inventory while adding new resource potential opportunities
- An industry leader in production growth, reserves replacement, production costs and finding costs
- Long-term repeatable drilling inventory of significant proved undeveloped, probables and possibles
- Long history of high drilling success, cost efficiencies
- Short cycle time investments, fast cash returns
- Experienced and talented work force
- Very favorable long term organic growth outlook
- Pursuit and evaluation of new resource opportunities continues

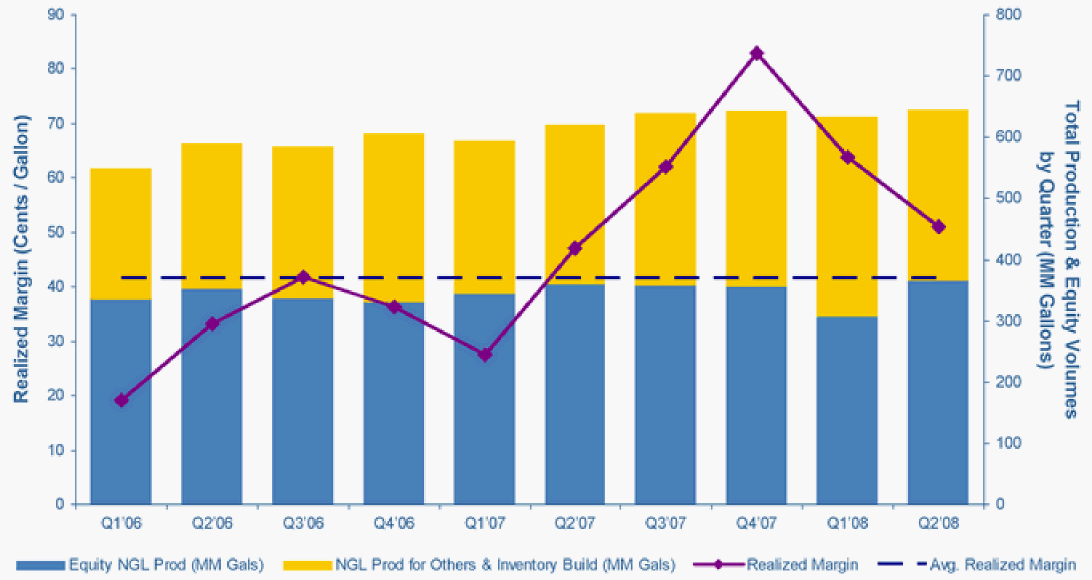
Midstream

Midstream Assets in Hotspots

Williams
100 Years of Ingenuity

Sources: Cambridge Energy Research Associates and Canadian Association of Petroleum Producers

Historical NGL Margins



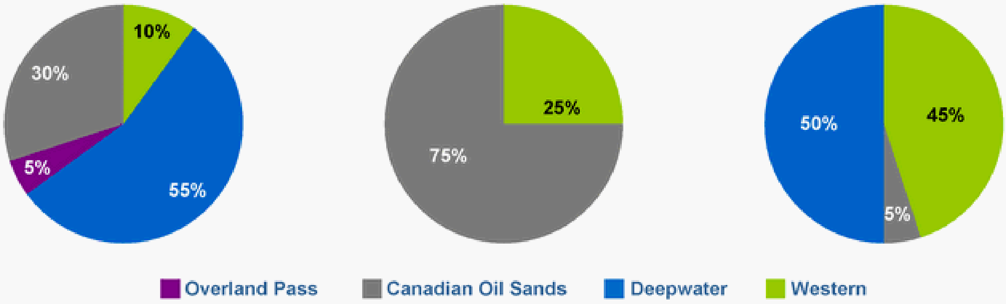
Note: Actual realized margins, does not include Discovery volumes. Three year average of 42 cpg is calculated for the period 3Q05-2Q08.

Significant Progress on Growth Projects

2nd quarter '08 guidance

Dollars in Millions

In Development/Proposal (through 2012) Spending $3,000 – 4,000	Under Negotiation (through 2012) Spending $1,200 – 1,400	In Guidance (through 2012) Spending $1,500 – 1,600



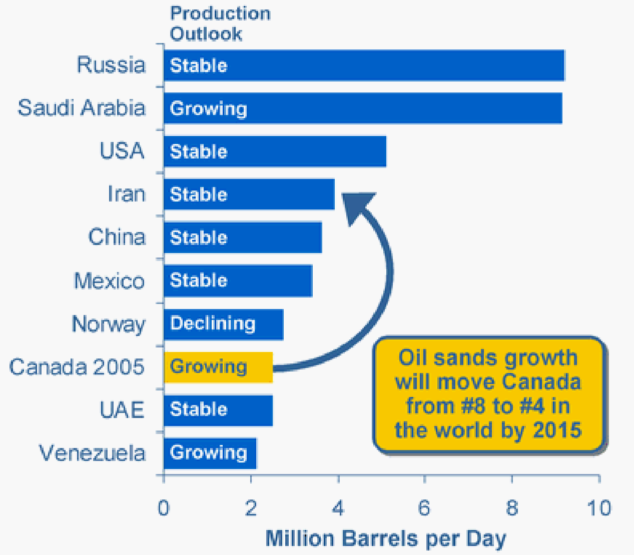
Major Growth Projects Included in Guidance					
Project (In-Service Date)	Pre-2008	2008	2009	Post-2009	Seg Profit*
Deep Water (4Q '08 – 4Q '09)	$385	$245	$180	--	$100 - 115
Western (3Q '09 – 4Q '10)	35	275	195	65	95 - 135
Canadian Oil Sands (4Q '09)	--	10	40	--	5 - 10

* Estimated Segment Profit generated in first full calendar year of operation

New Basin G&P Opportunity With Upgrader Offgas Production

Williams. 100 Years of Ingenuity

Canadian Oil Sands Are One of the Fastest Growing Basins in the World



Source: EIA & CAPP

Midstream's Canadian Oil Sands Strategy

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Deploy Midstream's Large Scale Reliability Strategy and Become the Leading Provider of Offgas Liquids Extraction Services to the Oil Sands Upgraders

- Build on the foundation of our current assets at Fort McMurray and Redwater
- Leverage our experience with offgas processing at Suncor and our associated fractionation, NGL and olefins marketing experience in the U.S. and Canada to attract other upgraders to our services
- Develop a mix of fee-based and commodity-exposed projects to reduce margin risk on the downside while retaining some upside
- Utilize proven and cost-effective construction methods
- Build the organizational capability to effectively manage the large project flow from conception through start-up and on-going operation

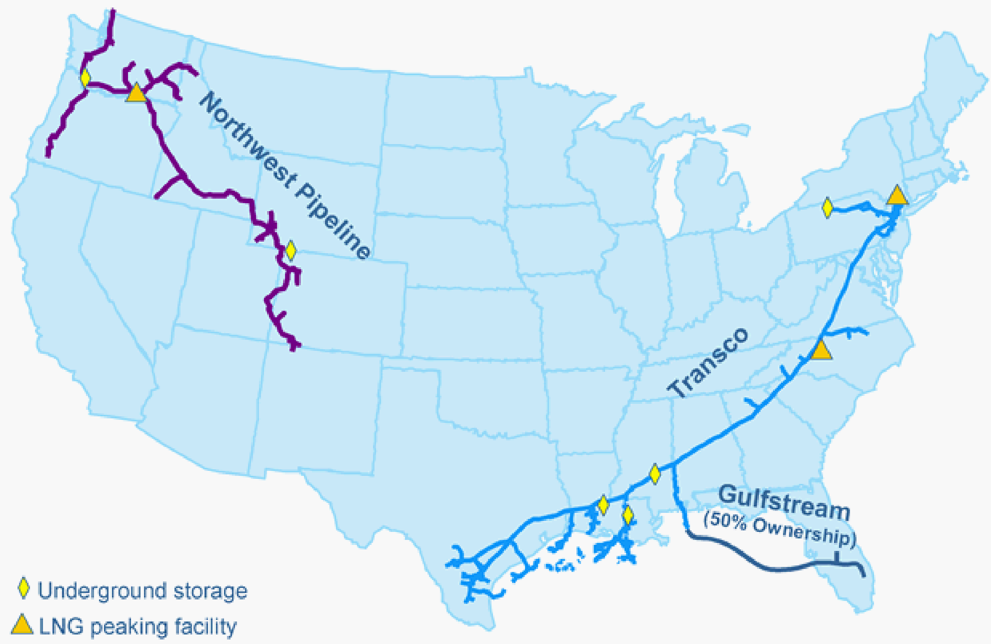
Midstream

Key Points

- Midstream once again was tremendous cash flow generator
- Continues to generate high returns
- Strategy continues to yield unique competitive advantage
- Well positioned for growth
  - Deepwater expansions progress
  - Western opportunities abound
  - Canadian Oil Sands off-gas: unrivaled position creates significant possibilities

Gas Pipeline

Quality Assets Serving Growing Markets



Gas Pipeline Expansions

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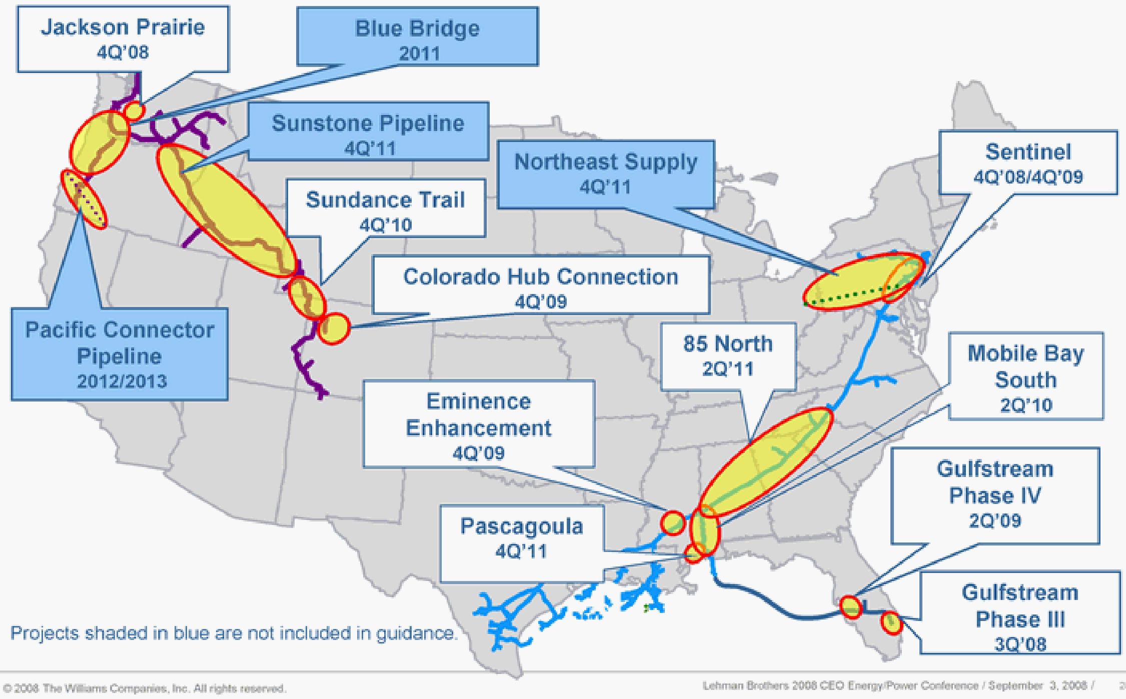

Projects shaded in blue are not included in guidance.

Growth Projects

2nd quarter '08 guidance

In Guidance
~$750 Million

Proposed
~$3.3 Billion

Projects – In Guidance	Pre-2008	2008	2009	Post 2009	Segment Profit*
Sentinel (Ph 1-4Q '08 & Ph 2- 4Q '09)	$25	$50-60	$80-90	$1-5	$21
Gulfstream III & IV (3Q '08 & 2Q '09)	38	90-110	5-10	-	46
85 North (2Q '11)	-	5-10	35-45	180-190	37
Other	4	36-65	68-100	80-110	50

* Estimated Segment Profit generated first year of operation

Stable, Substantial Free Cash Flow

Williams. 100 Years of Ingenuity

- Driven by:
  - Long-term contracts with high credit quality customers
  - Supply access
  - Premium growth markets

…and robust outlook for value growth

Key Points

- New pipeline infrastructure is critical
- Premier pipelines
- Stable, substantial cash flow
- Large and diverse supply
- Close proximity to LNG terminals
- Premium high growth
- Excellent investment opportunities

Summary

Williams – The Premier Natural Gas Investment

- **Pure-play natural gas company**
  - Strong and growing demand for natural gas well into the future
  - Cleaner-burning natural gas is the ‘fuel of choice’
  - Key role in expanding infrastructure, growing production
- **Track record of disciplined execution**
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Q & A

Appendix

2008-09 Hedge Update

Williams 100 Years of Ingenuity

2nd quarter '08 guidance

	3Q–4Q 2008	2009
Legacy Fixed Price at the Basin		
Volume (MMcf/d)	70	106
Average Price ($/Mcf)	$3.98	$3.67
At the Basin Collars		
Rockies		
Volume (MMcf/d)	160	150
Average Price ($/Mcf)	$6.08–$9.04	$6.11–$9.04
San Juan		
Volume (MMcf/d)	220	245
Average Price ($/Mcf)	$6.37–$9.00	$6.58–$9.62
Mid-Continent		
Volume (MMcf/d)	80	85
Average Price ($/Mcf)	$7.02–$9.77	$7.06–$9.76

Note: The only remaining legacy fixed price hedges are in 2010 of 70MMcfd @ $3.73

Midstream

NGL Forward Sales Update

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2nd quarter '08 guidance

2008 Collars	1Q	2Q	3Q	4Q
Ethane				
Volume (mmgal)	54.2	69.9	66.8	66.8
Average Price ($/gal)	$.97 – 1.09	$.88 – .99	$.82 – .93	$.80 – .93
Average Realized Price ($/gal)	$1.00	$0.96		
Propane+				
Volume (mmgal)	33.6	44.7	27.1	27.1
Average Price ($/gal)	$1.67 – 1.86	$1.58 – 1.72	$1.54 – 1.69	$1.54 – 1.69
Average Realized Price ($/gal)	$1.78	$1.77		
Total Volumes (mmgal)	87.8	114.6	93.9	93.9
Estimated NGL Margins* ($/gal)	$.49 - .61	$.41 - .52	$.31 - .41	$.30 - .40
Realized NGL Margin ($/gal)	$0.61	$0.52		

* At Midpoint of Natural Gas Commodity Price Assumptions. Assumed gas price is a weighted average of guidance ranges by area, including WPZ gas hedge price.

Note: Executed hedges, total WMB equity, including WPZ. The composite hedged barrel is ~65% ethane and 35% propane+; the historical composite NGL barrel is ~50% ethane and 50% propane+. Margins assume Keep-Whole contracts, exclusive of fuel.

Consolidated

2008–09 Cash Flow Guidance

2nd quarter '08 guidance

Dollars in millions	2008	2009
Beginning Unrestricted Cash and Equivalents	$1,234	$575
CFFO [1]	3,125 - 3,500	2,900 - 3,600
Capital Expenditures	(3,200) - (3,550)	(2,725) - (3,125)
Operating Free Cash Flow	(75) - (50)	175 - 475
Asset Sales - Peru	148	-
Net Proceeds from WMZ IPO (incl. shoe)	333	-
Dividends [2]	(250)	(250)
Minority Interest Payments [2]	(140) - (120)	(150) - (130)
Share Repurchases [3]	(474)	-
Other / Rounding	(101) - 54	25 - 105
Total Change in Cash	(559) - (359)	(200) - 200
Ending Unrestricted Cash and Equivalents	$675 - 875	$375 - 775
Potential Future Capital Projects [4]	(100) - (300)	(200) - (500)
Additional Share or Debt Repurchases [4]	TBD	TBD
Additional Drop-down Proceeds [4]	TBD	TBD
Ending Unrestricted Cash and Equivalents	$ 575	$175 - 275

Notes:

[1] Cash flow from continuing operations.

[2] Calculated based upon current minority interest levels.

[3] Balance of $1 Billion share repurchase program. Note $526 million was repurchased in 2007 with an additional $474 million repurchased through 7/31/08.

[4] Potential additional value-adding investments, share or debt repurchases, and drop-downs.

Non-GAAP Reconciliations

Non-GAAP Disclaimer

This presentation includes certain financial measures, EBITDA, recurring earnings, operating free cash flow 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. Operating free cash flow is defined as cash flow from continuing operations less capital expenditures, before dividend, minority interest or principal payments and financing transactions. Recurring earnings exclude items of income or loss that the company characterizes as unrepresentative of its ongoing operations. Recurring earnings and recurring segment profit provide investors meaningful insight into the Company's results from ongoing operations. This presentation 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, operating free cash flow 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 this presentation is also shown including Gas Marketing Services mark-to-market adjustments. This presentation is accompanied by a reconciliation of these non-GAAP financial measures to their nearest GAAP financial measures. Management uses the mark-to-market adjustments to better reflect Gas Marketing's results on a basis that is more consistent with Gas Marketing'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 derivative assets and liabilities 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 Gas Marketing segment but does not substitute for actual cash flows. We also apply the mark-to-market adjustment and the recurring adjustments to present a measure referred to as recurring income from continuing operations after mark-to-market adjustments.

Non-GAAP Reconciliation Schedule

Williams. 100 Years of Ingenuity

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

(Dollars in millions, except per-share amounts)	2007 1st Qtr	2007 2nd Qtr	2007 3rd Qtr	2007 4th Qtr	2007 Year	2008 1st Qtr	2008 2nd Qtr	2008 Year
Income from continuing operations available to common stockholders	$ 170	$ 243	$ 228	$ 206	$ 847	$ 416	$ 419	$ 835
Income from continuing operations - diluted earnings per common share	$ 0.28	$ 0.40	$ 0.38	$ 0.34	$ 1.40	$ 0.70	$ 0.70	$ 1.40
Nonrecurring items:								
Exploration & Production								
Accrual for royalty litigation contingency	$ -	$ -	$ -	$ 4	$ 4	$ -	$ -	$ -
Gain on sale of Peru interests	-	-	-	-	-	(118)	(28)	(146)
Reserve for receivables from bankrupt counterparty	-	-	-	-	-	-	3	3
Total Exploration & Production nonrecurring items	-	-	-	4	4	(118)	(25)	(143)
Gas Pipeline								
Change in estimate related to a regulatory liability - NWP	-	(17)	-	-	(17)	-	-	-
Payments received for terminated firm transportation agreement - NWP	-	(6)	(12)	-	(18)	-	-	-
Gain on sale of excess inventory gas - TGPL	-	-	-	-	-	-	(9)	(9)
Total Gas Pipeline nonrecurring items	-	(23)	(12)	-	(35)	-	(9)	(9)
Midstream Gas & Liquids								
Reversal of a maintenance accrual	(8)	-	-	-	(8)	-	-	-
Income from a favorable litigation outcome	-	-	-	(12)	(12)	-	-	-
Reserve for international receivables	-	-	-	9	9	-	-	-
Impairment of Carbonate Trend pipeline	-	-	-	10	10	-	-	-
Involuntary conversion gain related to Ignacio gas processing plant	-	-	-	-	-	-	(3)	(3)
Reserve for receivables from bankrupt counterparty	-	-	-	-	-	-	1	1
Total Midstream Gas & Liquids nonrecurring items	(8)	-	-	7	(1)	-	(2)	(2)
Gas Marketing Services								
Accrual for litigation contingencies	-	-	-	20	20	-	-	-
Total Gas Marketing Services nonrecurring items	-	-	-	20	20	-	-	-
Nonrecurring items included in segment profit (loss)	(8)	(23)	(12)	31	(12)	(118)	(36)	(154)
Nonrecurring items below segment profit (loss)								
Early debt retirement costs (Corporate)	-	-	-	19	19	-	-	-
Interest related to Gulf Liquids litigation contingency (Interest accrued - Midstream)	1	1	1	-	3	-	-	-
Interest income related to contract termination gain noted above (Investing income - Gas Pipeline - NWP)	-	-	(2)	-	(2)	-	-	-
Interest related to royalty litigation contingency noted above (Interest accrued - E&P)	-	-	-	1	1	-	-	-
Rounding	-	1	(1)	-	-	-	-	-
	1	2	(2)	20	21	-	-	-
Total nonrecurring items	(7)	(21)	(14)	51	9	(118)	(36)	(154)
Tax effect for above items [1] [2]	(3)	1	(5)	13	6	(45)	(14)	(59)
Adjustment for nonrecurring tax-related items [3]	-	-	-	23	23	-	-	-
Recurring income from continuing operations available to common stockholders	$ 166	$ 221	$ 219	$ 267	$ 873	$ 343	$ 397	$ 740
Recurring diluted earnings per common share	$ 0.27	$ 0.36	$ 0.36	$ 0.44	$ 1.44	$ 0.57	$ 0.67	$ 1.24
Weighted-average shares - diluted (thousands)	611,470	613,172	610,651	604,245	609,866	598,627	596,187	597,404

(1) The tax rate applied to nonrecurring items for 2nd quarter 2007 has been adjusted to reverse the effect of certain previous adjustments for nondeductible expenses associated with securities litigation and related costs, as these expenses are now considered deductible based on an IRS ruling.

(2) The tax rate applied to nonrecurring items 4th quarter 2007 has been adjusted to reverse the effect of early debt retirement costs considered deductible in 2004 as these expenses are now considered nondeductible.

(3) The 4th quarter of 2007 includes an adjustment for an income tax contingency.

Non-GAAP Reconciliation Schedule

Williams. 100 Years of Ingenuity

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

(UNAUDITED)

(Dollars in millions, except per-share amounts)	2006 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
Income (loss) from continuing operations available to common stockholders	$233	(59)	$113	$60	$347
Income (loss) from continuing operations - diluted earnings (loss) per common share	$0.39	($0.10)	$0.19	$0.10	$0.57
Nonrecurring items:					
Exploration & Production					
Accrual for royalty litigation contingency	$ -	$ -	$ -	$ -	$ -
Total Exploration & Production nonrecurring items	-	-	-	-	-
Gas Pipeline					
Reversal of litigation contingency due to favorable ruling - TGPL	(2)	-	-	-	(2)
Change in estimate related to a regulatory liability - NWP	-	-	-	-	-
Payments received for terminated firm transportation agreement - NWP	-	-	-	-	-
Total Gas Pipeline nonrecurring items	(2)	-	-	-	(2)
Midstream Gas & Liquids					
Reversal of a maintenance accrual	-	-	-	-	-
Income from a favorable litigation outcome	-	-	-	-	-
Reserve for international receivables	-	-	-	-	-
Impairment of Carbonate Trend pipeline	-	-	-	-	-
Gains on sales of NGL inventories	-	-	(9)	-	(9)
Adjustment of accounts payable accrual	-	-	11	-	11
Losses on asset retirements, abandonments and write-downs	-	-	5	-	5
Accrual for Gulf Liquids litigation contingency	-	68	2	2	72
Settlement of an international contract dispute (a)	(6)	-	-	-	(6)
Rounding	-	-	-	-	(1)
Total Midstream Gas & Liquids nonrecurring items	(6)	68	10	2	74
Gas Marketing Services					
Accrual for litigation contingencies	-	-	-	-	-
Total Gas Marketing Services nonrecurring items	-	-	-	-	-
Nonrecurring items included in segment profit (loss)	(8)	68	10	2	72
Nonrecurring items below segment profit (loss)					
Impairment of cost-based investment - Petrowayu (Investing income / loss - Exploration & Production) (b)	-	-	-	16	16
Securities litigation settlement and related costs (b)	1	161	3	2	167
Reversal of interest accrual related to reversal of litigation contingency noted above (Interest accrued - Gas Pipeline - TGPL)	(3)	-	-	-	(3)
Early debt retirement costs (Corporate and Exploration & Production) (c)	27	4	-	-	31
Gain on sale of Algar/Triangle shares (Investing income / loss - Other)	(7)	-	-	-	(7)
Interest related to Gulf Liquids litigation contingency (Interest accrued - Midstream)	-	20	1	1	22
Interest income related to contract termination gain noted above (Investing income - Gas Pipeline - NWP)	-	-	-	-	-
Interest related to royalty litigation contingency (Interest accrued - E&P)	-	-	-	-	-
Rounding	-	-	-	1	1
	18	185	4	20	226
Total nonrecurring items	8	253	14	22	298
Tax effect for above items (a)(b)(c)	3	93	5	2	103
Adjustment for nonrecurring tax-related items (d)	-	-	-	(18)	(18)
Recurring income from continuing operations available to common stockholders	$237	$117	$122	$163	$539
Recurring diluted earnings per common share	$0.39	$0.20	$0.20	$0.27	$0.89
Weighted-average shares - diluted (thousands)	607,073	593,561	609,062	616,252	604,127

(a) [illegible]

(b) [illegible]

(c) [illegible]

Note: [illegible]

Non-GAAP Reconciliation Schedule – Recurring Segment Profit

Williams. 100 Years of Ingenuity

Reconciliation of Segment Profit to Recurring Segment Profit
(UNAUDITED)

	2007					2008		
(Dollars in millions)	*1st Qtr*	*2nd Qtr*	*3rd Qtr*	*4th Qtr*	*Year*	*1st Qtr*	*2nd Qtr*	*Year*
Segment profit (loss):								
Exploration & Production	$ 188	$ 209	$ 169	$ 190	$ 756	$ 430	$ 496	$ 926
Gas Pipeline	150	180	183	160	673	180	179	359
Midstream Gas & Liquids	154	251	300	367	1,072	261	295	556
Gas Marketing Services	(30)	(63)	(67)	(177)	(337)	21	(46)	(25)
Other	-	-	-	(1)	(1)	1	(1)	-
Total segment profit	**$ 462**	**$ 577**	**$ 585**	**$ 539**	**$ 2,163**	**$ 893**	**$ 923**	**$ 1,816**
Nonrecurring adjustments:								
Exploration & Production	$ -	$ -	$ -	$ 4	$ 4	$ (118)	$ (25)	$ (143)
Gas Pipeline	-	(23)	(12)	-	(35)	-	(9)	(9)
Midstream Gas & Liquids	(8)	-	-	7	(1)	-	(2)	(2)
Gas Marketing Services	-	-	-	20	20	-	-	-
Other	-	-	-	-	-	-	-	-
Total segment nonrecurring adjustments	**$ (8)**	**$ (23)**	**$ (12)**	**$ 31**	**$ (12)**	**$ (118)**	**$ (36)**	**$ (154)**
Recurring segment profit (loss):								
Exploration & Production	$ 188	$ 209	$ 169	$ 194	$ 760	$ 312	$ 471	$ 783
Gas Pipeline	150	157	171	160	638	180	170	350
Midstream Gas & Liquids	146	251	300	374	1,071	261	293	554
Gas Marketing Services	(30)	(63)	(67)	(157)	(317)	21	(46)	(25)
Other	-	-	-	(1)	(1)	1	(1)	-
Total recurring segment profit	**$ 454**	**$ 554**	**$ 573**	**$ 570**	**$ 2,151**	**$ 775**	**$ 887**	**$ 1,662**

Note: Segment profit (loss) includes equity earnings reported in Investing income in the Consolidated Statement of Income.
Equity earnings results from investments accounted for under the equity method.

Non-GAAP Reconciliation Schedule – EPS after MTM adjustment

Williams. 100 Years of Ingenuity

Dollars in millions except per share amounts

	2nd Quarter 2008	2nd Quarter 2007	2nd Quarter 2006	YTD 2008	YTD 2007	YTD 2006
Recurring income from cont. ops available to common shareholders	**$ 397**	**$ 221**	**$ 118**	**$ 740**	**$ 387**	**$ 255**
Recurring diluted earnings per common share	**$ 0.67**	**$ 0.36**	**$ 0.20**	**$ 1.24**	**$ 0.63**	**$ 0.43**
Mark-to-Market (MTM) adjustments:	15	70	86	12	108	92
Tax effect of MTM adjustments	(6)	(27)	(33)	(5)	(41)	(35)
After tax MTM adjustments	9	43	53	7	67	57
Recurring income from cont. ops available to common shareholders after MTM adjust.	**$ 406**	**$ 264**	**$ 171**	**$ 747**	**$ 454**	**$ 312**
Recurring diluted earnings per share after MTM adj.	**$ 0.68**	**$ 0.43**	**$ 0.29**	**$ 1.25**	**$ 0.74**	**$ 0.52**
weighted average shares - diluted (thousands)	596,187	613,172	613,172	597,404	612,325	598,634

EBITDA Reconciliation

Williams. 100 Years of Ingenuity

Dollars in millions	2Q '08	YTD '08
Net Income	$ 437	$ 937
Income from Discontinued Operations	(18)	(102)
Net Interest Expense	149	306
DD&A from Continuing Operations	318	620
Provision for Income Taxes	268	531
EBITDA	$ 1,154	$2,292

2Q 2008 Segment Contribution

Williams. 100 Years of Ingenuity

Dollars in Millions

	E&P	Midstream	Gas Pipeline	Gas Marketing	Other	Total
Segment Profit	$496	$ 295	$ 179	$ (46)	$ (1)	**$ 923**
DD&A	180	55	80	-	3	**$ 318**
Segment Profit before DDA	**$676**	**$ 350**	**$ 259**	**$ (46)**	**$ 2**	**$1,241**
General Corporate Expenses						**(42)**
Investing Income*						**18**
Other Income						**(63)**
TOTAL						**$1,154**

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

2008 YTD Segment Contribution

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Dollars in Millions

	E&P	Midstream	Gas Pipeline	Gas Marketing	Other	Total
Segment Profit	$ 926	$ 556	$ 359	$ (25)	$ -	**$1,816**
DD&A	345	110	157	1	7	**$ 620**
Segment Profit before DDA	**$1,271**	**$ 666**	**$ 516**	**$ (24)**	**$ 7**	**$2,436**
General Corporate Expenses						**(84)**
Investing Income*						**37**
Other Income						**(97)**
TOTAL						**$2,292**

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

The Williams Companies, Inc.