AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON APRIL 22, 2003

REGISTRATION NO. 333-85568

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 2

TO

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

THE WILLIAMS COMPANIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE	4922	73-0569878
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

ONE WILLIAMS CENTER
TULSA, OKLAHOMA 74172
(918) 573-2000
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

JAMES J. BENDER, ESQ.
ONE WILLIAMS CENTER
TULSA, OKLAHOMA 74172
(918) 573-2000
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

COPIES TO:

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable following the effectiveness of this registration statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] ________

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

CALCULATION OF REGISTRATION FEE

PROPOSED MAXIMUM PROPOSED MAXIMUM TITLE OF EACH CLASS OF AMOUNT TO BE OFFERING PRICE PER AGGREGATE OFFERING AMOUNT OF SECURITIES TO BE REGISTERED REGISTERED NOTE(1) PRICE(1) REGISTRATION

FEE(2)

Title	Amount	Price	Aggregate	Fee(2)
8.125% Notes due March 15, 2012	$650,000,000	100%	$650,000,000	$59,800
8.750% Notes due March 15, 2032	$850,000,000	100%	$850,000,000	$78,200
Total	$1,500,000,000		$1,500,000,000	$138,000

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) promulgated under the Securities Act of 1933, as amended.

(2) Fee previously paid.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

THE INFORMATION CONTAINED IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT EXCHANGE THE OUTSTANDING SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THE NEW SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THE NEW SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED APRIL 22, 2003.

THE WILLIAMS COMPANIES, INC.

OFFER TO EXCHANGE
UP TO $650,000,000
OF
8.125% NOTES DUE MARCH 15, 2012,
THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933

FOR ANY AND ALL OUTSTANDING
8.125% NOTES DUE MARCH 15, 2012
AND
UP TO $850,000,000
OF
8.750% NOTES DUE MARCH 15, 2032,
THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933

FOR ANY AND ALL OUTSTANDING
8.750% NOTES DUE MARCH 15, 2032

THE NEW SECURITIES ISSUED BY WILLIAMS:

- The terms of the new 8.125% notes and the new 8.750% notes are substantially the same in all material respects as the terms of the outstanding 8.125% notes and the outstanding 8.750% notes, respectively, except that the transfer restrictions, registration rights and additional interest provisions relating to the outstanding 8.125% notes and the outstanding 8.750% notes do not apply to the new 8.125% notes and the new 8.750% notes. We will issue up to $650.0 million aggregate principal amount of new 8.125% notes and up to $850.0 million aggregate principal amount of new 8.750% notes.

THE EXCHANGE OFFER:

- Expiration: 5:00 p.m., New York City time, on May --, 2003, unless we extend the expiration date.

- Conditions: The exchange offer is not conditioned upon any aggregate principal amount of outstanding 8.125% notes or outstanding 8.750% notes being tendered.

- Tendered Securities: All outstanding 8.125% notes and outstanding 8.750% notes that are validly tendered and not validly withdrawn will be exchanged for an equal principal amount of new 8.125% notes or new 8.750% notes that are registered under the Securities Act of 1933. If you fail to tender your outstanding 8.125% notes and outstanding 8.750% notes, you will continue to hold unregistered securities, and your ability to transfer them could be adversely affected. The outstanding 8.125% notes and the outstanding 8.750% notes currently bear interest at a rate equal to 8.625% and 9.250%, respectively, pursuant to the terms of the Registration Rights Agreement, which provides for such increase in the interest rate payable on the outstanding notes until the completion of the exchange offer. Upon the completion of the exchange offer, outstanding notes eligible for tender in the exchange offer and not validly tendered for exchange and the new 8.125% notes and the new 8.750% notes to be issued in the exchange offer will bear interest at a rate equal to 8.125% and 8.750%, respectively.

- Withdrawal: Tenders of outstanding 8.125% notes and outstanding 8.750% notes may be withdrawn at any time prior to the expiration of the exchange offer.

- Tax Consequences: The exchange of outstanding 8.125% notes or outstanding 8.750% notes for new 8.125% notes or new 8.750% notes, respectively, will not be a taxable event for U.S. federal income tax purposes.

- Trading: Neither the new 8.125% notes nor the new 8.750% notes will be listed on any securities exchange.

SEE THE SECTION ENTITLED "RISK FACTORS" THAT BEGINS ON PAGE 14 FOR A DISCUSSION OF THE RISKS THAT YOU SHOULD CONSIDER PRIOR TO TENDERING YOUR OUTSTANDING 8.125% NOTES OR 8.750% NOTES FOR EXCHANGE.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is April --, 2003

The information contained in this prospectus was obtained from us and other sources believed by us to be reliable. This prospectus also incorporates important business and financial information about us that is not included in or delivered with this prospectus. The documents containing this information are listed under the section entitled "Where You Can Find More Information." We will provide a copy of any and all of these documents to you by first-class mail, without charge, upon written or oral request. ANY REQUEST FOR DOCUMENTS SHOULD BE MADE BY MAY --, 2003 TO ENSURE TIMELY DELIVERY OF THE DOCUMENTS PRIOR TO THE EXPIRATION DATE OF THE EXCHANGE OFFER. Requests for documents should be directed to:

The Williams Companies, Inc.
One Williams Center
Tulsa, Oklahoma 74172
Attention: Corporate Secretary
Telephone: (918) 573-2000

You should rely only on the information contained in this prospectus or any supplement and any information incorporated by reference in this prospectus or any supplement. We have not authorized anyone to provide you with any information that is different. If you receive any unauthorized information, you must not rely on it. You should disregard anything we said in an earlier document that is inconsistent with what is in or incorporated by reference in this prospectus.

You should not assume that the information in this prospectus or any supplement is current as of any date other than the date on the front page of this prospectus. This prospectus is not an offer to sell nor is it seeking an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

None of Williams, the trustee under the indenture or the exchange agent is making any recommendation to you as to whether or not you should tender your outstanding 8.125% notes or your outstanding 8.750% notes in connection with this exchange offer, and no one has been authorized by any of them to make any such recommendation. You must make your own decision as to whether to tender your outstanding 8.125% notes or your outstanding 8.750% notes and, if so, the principal amount of securities to tender.

You should read this document and the letter of transmittal carefully before making a decision to tender your outstanding 8.125% notes or your outstanding 8.750% notes.

We include cross references in the prospectus to captions in these materials where you can find further related discussions. The following table of contents tells you where to find these captions.

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PROSPECTUS SUMMARY

This summary highlights selected information from this prospectus to help you understand our business, the new 8.125% notes and the new 8.750% notes. It likely does not contain all the information that is important to you or that you should consider in making an investment decision. To understand all of the terms of the exchange offer and to attain a more complete understanding of our business and financial situation, you should read carefully this entire prospectus and should consider consulting with your own legal and tax advisors. References in this prospectus to "Williams," "we," "us" or "our" refer to The Williams Companies, Inc.

GENERAL

We are an energy company originally incorporated under the laws of the state of Nevada in 1949 and reincorporated under the laws of the state of Delaware in 1987. We were founded in 1908 when two Williams brothers began a construction company in Fort Smith, Arkansas. Today, we primarily find, produce, gather, process and transport natural gas. Our operations serve the Northwest, California, Rocky Mountains, Gulf Coast and Eastern Seaboard markets.

In 2002, we faced many challenges including credit issues following the deterioration of our energy industry sector in the wake of the Enron bankruptcy and the assumption of payment obligations and performance on guarantees associated with our former telecommunications subsidiary, Williams Communications Group, Inc. (WCG). With the deterioration of the energy industry, the credit rating agencies' requirements for investment grade companies became more stringent. In response to those requirements, we announced plans on December 19, 2001, to strengthen our balance sheet in an effort to maintain our investment grade ratings. Those plans, including revisions throughout the year due to changing market conditions, included reducing capital expenditures, eliminating certain credit ratings triggers from our loan agreements, cost reductions including a reduction of quarterly dividends paid on our common stock, and asset sales to generate proceeds to be used to reduce outstanding debt. Despite our balance sheet strengthening efforts, we lost our investment grade ratings in July 2002. With the loss of our investment grade ratings our business changed significantly, especially our Energy Marketing & Trading business. Some counterparties were unwilling to extend credit and required cash, letters of credit, or other collateral. By mid-year we faced a liquidity crisis. Concurrently, our credit facility banks were unwilling to extend our $2.2 billion 364 day unsecured credit facility. We quickly worked with our banks and other parties to obtain secured credit facilities. In 2002, we also sold a significant amount of assets to meet our liquidity gap. Following this liquidity crisis, we continued to pursue cost reducing measures including a downsizing of our work force. We also settled substantially all issues between us and WCG through WCG's chapter 11 reorganization.

To meet future debt obligations and liquidity needs and focus on creating future shareholder value, on February 20, 2003, we reiterated our strategy to become a smaller integrated natural gas company focusing on key growth markets within our Gas Pipeline, Exploration & Production, and Midstream Gas & Liquids segments. In conjunction with the strategy announcement and to help meet future debt obligations and future liquidity needs, we also announced plans to sell more assets including Texas Gas Transmission Corporation, our general and limited partner interest in Williams Energy Partners L.P., and certain assets within our Midstream Gas & Liquids and Exploration & Production business segments, and explained that we are attempting to further limit our exposure to losses in the Energy Marketing & Trading segment. We also expect further work force reductions in 2003.

We will need to complete further cost reductions and asset sales and the realization of our strategy in order to meet our liquidity needs and to satisfy our loan covenants regarding minimum levels of liquidity. See the Management's Discussion and Analysis of Financial Condition and Results of Operations -- Financial Condition and Liquidity section of our annual report on Form 10-K for the fiscal year ending December 31, 2002 filed on March 19, 2003 incorporated herein by reference for further details regarding the liquidity issues we are facing. See also the Risk Factors on page 14 of this prospectus for a discussion

of factors that could adversely affect our business, operating results, and financial condition as well as adversely affect the value of an investment in our securities.

Our ongoing business segments include Gas Pipeline, Exploration & Production, Midstream Gas & Liquids, and Energy Marketing & Trading. At year-end 2002, our business segments also included Williams Energy Partners L.P. and Petroleum Services. Subject to completion of asset sales, those business segments will likely be eliminated in the future. See Part I -- Item 1. Business -- Business Segments of our annual report on Form 10-K for the fiscal year ending December 31, 2002 for a more detailed description of assets owned and services provided by each our business segments.

RECENT DEVELOPMENTS

ASSET SALES AND COST REDUCTIONS

Since December 2001, we have continued to work on strengthening our balance sheet through a number of efforts including asset sales and cost reductions. We have completed the sale of, or announced our intention to sell, the following:

Gas Pipeline

- March 27, 2002 -- We sold our Kern River interstate natural gas pipeline business to a unit of Mid-American Energy Holdings Company for $450 million in cash and the assumption of $510 million in debt. In conjunction with the sale, MEHC Investment, Inc., a wholly-owned subsidiary of Mid-American Energy Holdings Company, and a member of the Berkshire Hathaway family of companies, agreed to acquire 1,466,667 shares of our 9 7/8 percent cumulative convertible preferred stock at $187.50 per share for a total of $275 million. Each share of convertible preferred stock is convertible into ten shares of our common stock.

- August 16, 2002 -- We completed the sale of our general partner interest in Northern Border Partners, L.P. for $12 million to a unit of Calgary-based TransCanada.

- September 5, 2002 -- We sold our Cove Point liquefied natural gas facility and 87 mile pipeline for $217 million in cash before certain adjustments to a subsidiary of Dominion Resources.

- October 29, 2002 -- We sold our ownership interest in the Canadian and United States segments of the Alliance pipeline to Enbridge Inc. and Fort Chicago Energy Partners L.P. for approximately $173 million cash.

- November 15, 2002 -- We sold our Central interstate natural gas pipeline to Southern Star Central Corp for $380 million in cash and the assumption of $175 million in debt.

- April 14, 2003 -- We announced the sale of Texas Gas Transmission Corporation to Loews Pipeline Holding Corp., a unit of Loews Corporation, for $1.045 billion, which includes $795 million in cash to be paid to us and $250 million in debt that will remain at Texas Gas.

Exploration & Production

- March 29, 2002 -- We completed a $73 million sale of selected exploration and production properties in the Wind River basin.

- July 31, 2002 -- We sold our Jonah Field natural gas production properties in Wyoming for $350 million to EnCana Oil & Gas (USA) Inc. In addition, we completed the sale of the vast majority of our natural gas production properties in the Anadarko Basin to Chesapeake Exploration Limited Partnership for approximately $37.5 million. These sales of exploration and production properties generated $326 million in net cash proceeds.

- April 9, 2003 -- We announced the sale of certain natural gas exploration and production properties in Kansas, Colorado and New Mexico for $400 million to XTO Energy Inc. of Fort Worth Texas.

The sale is expected to close in June 2003 and will result in an estimated pre-tax gain to us of between $80 million and $100 million.

Midstream Gas & Liquids

- July 22, 2002 -- We announced our intention to sell our natural gas processing and liquids extraction operations in western Canada.

- July 29, 2002 -- We sold our Kansas Hugoton natural gas gathering system to FrontStreet Hugoton LLC, an affiliate of FrontStreet Partners, LLC and GE Structured Finance Group for $77 million in cash.

- August 1, 2002 -- We announced a series of transactions including the sale for approximately $1.2 billion of 98 percent of Mapletree LLC and 98 percent of E-Oaktree, LLC to Enterprise Products Partners, L.P. Mapletree owns the Mid-America Pipeline, a 7,226-mile natural gas liquids pipeline system. E-Oaktree owns 80 percent of the Seminole Pipeline, a 1,281-mile natural gas liquids pipeline system. The sale generated $1.15 billion in net cash proceeds.

- August 20, 2002 -- We announced our intention to sell our ownership interest in an olefins plant in Geismar, Louisiana and an associated ethylene pipeline system in Louisiana.

- February 20, 2003 -- We announced our intention to sell selected assets within the Midstream Gas & Liquids segment.

Energy Marketing & Trading

- February 4, 2003 -- We announced the sale of our 170-megawatt power facility in Worthington, Indiana, to Hoosier Energy and terminated our power load serving full-requirements contract with Hoosier Energy for cash totaling $67 million.

- March 20, 2003 -- We announced the sale of a full-requirements power agreement with Jackson Electric Membership Corporation to Progress Energy for cash totaling $188 million. The sale is expected to close on May 30, 2003.

Petroleum Services

- April 11, 2002 -- We transferred the Williams Pipe Line System to Williams Energy Partners in exchange for $674 million cash and 7,830,924 Class B units of limited partnership interests in Williams Energy Partners.

- June 18, 2002 -- We announced plans to sell our Memphis and Alaska refineries and related petroleum assets. On March 4, 2003, we sold our Memphis, Tennessee refinery and other related operations to Premcor Inc. for approximately $455 million in cash.

- February 20, 2003 -- We announced a definitive agreement to sell our equity interest in Williams Bio-Energy L.L.C. for approximately $75 million to a new company formed by Morgan Stanley Capital Partners. Williams Bio-Energy owns and operates an ethanol production plant in Pekin, Illinois, holds 78.4 percent interest in another ethanol plant in Aurora, Nebraska, and has various agreements to market ethanol from third-party plants.

- February 27, 2003 -- We sold our retail travel center operations for approximately $190 million in cash before debt repayments to Pilot Travel Centers LLC.

Williams Energy Partners

- April 21, 2003 -- We announced the sale of our 54.6 percent ownership interest in Williams Energy Partners L.P. in a $1.1 billion transaction. The buyer, a newly formed entity owned equally by Madison Dearborn Partners, LLC and Carlyle/Riverstone Global Energy and Power Fund II, L.P., has agreed to pay approximately $512 million in cash to us. The sale also will have the effect of

removing $570 million of the partnership's debt from our consolidated balance sheet. The sale is scheduled to close in May 2003, subject to standard closing conditions. We expect to recognize a pre-tax gain of at least $285 million to $300 million, which will be reported in discontinued operations.

Other

- March 22, 2002 -- We announced our intention to sell our interest in a soda ash and sodium bicarbonate mining operation.

- September 19, 2002 -- We sold our 26.85 percent equity interest in AB Mazeikiu Nafta, the Lithuania oil refining and transportation complex, to YUKOS Oil Company for $85 million.

- In an effort to further reduce costs, we have reduced the total number of employees from approximately 12,400 at the end of 2001 to approximately 6,500 in April, 2003. The reduction in work force was carried out in part through an enhanced-benefit early retirement program that concluded during the second quarter of 2002 and reductions associated with asset sales.

- Going forward, we intend to focus on our natural gas businesses including natural gas transportation through our interstate natural gas pipelines, natural gas exploration and production, and natural gas gathering and processing in key growth markets.

IMPROVING OUR FINANCIAL POSITION

In addition to asset sales, we have taken other steps to improve our financial position. On January 14, 2002, we completed the sale of $1.1 billion of publicly traded units, known as FELINE PACS initially consisting of Income PACS, which include a senior debt security and an equity purchase contract. These units trade on the New York Stock Exchange under the ticker symbol WMB PrI. The net proceeds of the offering were used to fund our capital program, repay commercial paper and other short-term debt and for general corporate purposes.

On March 19, 2002, we closed a two-part debt transaction totaling $1.5 billion that included $850 million of 30-year notes with an interest rate of 8.75 percent and $650 million of 10-year notes with an interest rate of 8.125 percent. Proceeds were used to repay outstanding short-term debt, provide working capital and for general corporate purposes. These are the notes to which the exchange offer made by this prospectus relates.

On August 1, 2002, we announced a series of transactions that resolved then-current liquidity issues and strengthened our finances. We entered into agreements for $1.1 billion of credit through an amended $700 million secured revolving credit facility and a new $400 million secured letter of credit facility. We also entered into a $900 million senior secured credit agreement with a group of investors led by Lehman Brothers Inc. and a Berkshire Hathaway affiliate. The execution of these new credit facilities in conjunction with the asset sales announced on August 1, 2002, addressed our mid-year liquidity crisis. See Note 11 to our Notes to Consolidated Financial Statements in our annual report on Form 10-K for the fiscal year ending December 31, 2002 for more information on the credit facilities.

On March 4, 2003, Northwest Pipeline Corporation completed a $175 million debt offering of senior notes due 2010. Northwest Pipeline Corporation intends to use the proceeds for general corporate purposes, including the funding of capital expenditures.

ADDRESSING ENERGY MARKETING AND TRADING ISSUES

We have also spent considerable effort addressing concerns of the Federal Energy Regulatory Commission (FERC), the Commodity Futures Trading Commission (CFTC), the Securities and Exchange Commission (SEC), the Department of Justice (DOJ), and state regulatory bodies and attorneys general regarding energy trading practices. On July 26, 2002, we announced an agreement in principle with the state of California and other parties, including the states of Washington and Oregon, on

a settlement regarding certain outstanding litigation and claims against us, including the state's claims for refunds at issue before the FERC. On November 11, 2002, we announced that we had agreed to restructure our long-term energy contracts with the state of California as part of the settlement. All necessary approvals were obtained, and the settlement was closed on December 31, 2002, although court approvals are still pending with respect to certain private plaintiffs. The settlement resolved most of the outstanding litigation and civil claims filed against us related to our participation in the natural gas and power markets in the western United States during 2000 and 2001. The FERC ruled on March 26, 2003 that refunds are due to the State of California utilities, but that such refunds will be offset by amounts that remain due to sellers. The March 26, 2003 order also established the formula for deriving the refund, which amended the formula from the FERC's previous pronouncements to account for a change in the gas price determination. While the effect of the changes remains uncertain, due to the settlement, it only relates to the refunds to the utilities.

Due to continuing market declines and the overall energy marketing and trading environment in the post-Enron world, we announced on June 10, 2002, that we were reducing our financial commitment to that part of our business as a realistic response to industry upheavals. Consistent with the effort in 2002, Energy Marketing & Trading reduced its number of employees from approximately 1,000 at December 31, 2001 to approximately 410 at December 31, 2002. As of February 25, 2003, the number of Energy Marketing & Trading employees was approximately 330.

RESOLUTION OF WILLIAMS COMMUNICATIONS GROUP ISSUES

In 2002, we settled substantially all claims and disputes between us and our former telecommunications subsidiary, WCG as part of WCG's chapter 11 reorganization. Prior to the commencement of WCG's chapter 11 on April 22, 2002, we held various claims against WCG and its subsidiaries in an aggregate amount of approximately $2.3 billion as a consequence of certain guarantees, services provided, and other financial accommodations, including the following:

- Prior to the 2001 spinoff of WCG, we had provided various administrative services to WCG for which we were owed approximately $106 million.

- Prior to the 2001 spinoff of WCG, we also provided indirect credit support for $1.4 billion of WCG's structured notes through a commitment to make available proceeds of an equity issuance in the event any one of the following were to occur: (1) a WCG default; (2) downgrading of our senior unsecured debt by any of our credit rating agencies to below investment grade if our common stock closing price remained below $30.22 for ten consecutive trading days while such downgrade is in effect; or (3) proceeds from WCG's refinancing or remarketing of the structured notes prior to March 2004 produced proceeds of less than $1.4 billion. On March 5, 2002, we received the requisite approvals on our consent solicitation to amend the terms of the WCG structured notes. The amendment, among other things, eliminated acceleration of the notes due to a WCG bankruptcy or our credit rating downgrade. The amendment also affirmed our obligations for all payments related to the WCG structured notes, which are due March 2004, and allows us to fund such payments from any available sources. In July 2002, we concluded an exchange offer pursuant to which we exchanged substantially all of the WCG structured notes for a series of our notes due March 2004. With the exception of the March and September 2002 interest payments, totaling $115 million, WCG remained indirectly obligated to reimburse us for any payments we are required to make in connection with the WCG structured notes.

- In September 2001, we provided additional financing to WCG through a sale/leaseback transaction pursuant to which WCG sold to us the Williams Technology Center (Technology Center), related real estate and certain ancillary assets including corporate aircraft for $276 million in cash and WCG leased the foregoing property back from us for periods ranging from three to ten years. The Technology Center is a 15-story office building located in Tulsa, Oklahoma that WCG utilizes as its headquarters.

- On March 8, 2002, we received a lease obligation notice letter from WCG relating to the asset defeasance program (ADP) that was entered into while WCG was still one of our subsidiaries. Under the ADP, we were obligated to pay $754 million related to WCG's purchase of certain telecommunications facilities that WCG had been leasing. We paid the $754 million on March 29, 2002, and in return received an unsecured claim against WCG for the amount paid.

- On April 22, 2002, WCG filed for chapter 11 bankruptcy protection. Through a negotiated settlement, we sold our claims against WCG including the $754 million claim associated with the ADP, the $1.4 billion claim associated with the WCG structured notes and a $106 million administrative services claim to Leucadia National Corporation (Leucadia) for $180 million in cash and received releases from WCG and its affiliates and insiders. In addition, the order confirming WCG's chapter 11 plan permanently enjoins all of WCG's creditors from asserting direct or derivative claims against us. As part of the settlement, we also sold the Technology Center to WCG in exchange for two promissory notes with face amounts totaling $174.4 million secured by a mortgage on the Technology Center. We no longer own any interest in WCG or its post-bankruptcy successor, WilTel Communications Group, Inc. (WilTel) and all prior WCG obligations to us have been extinguished as a result of the chapter 11 bankruptcy. We remain committed on certain pre-spinoff parental guarantees with a carrying value at December 31, 2002 of $48 million. Further, the September 2001 sale leaseback transaction involving the Technology Center was terminated as part of the bankruptcy process. The sale leaseback transaction involving WilTel's two corporate aircraft continues in effect until WilTel refinances that transaction. At that time, the proceeds of the refinancing are to be paid to us in partial satisfaction of one of the notes mentioned above. The settlement was closed into escrow on October 15, 2002, and finalized on December 2, 2002, and we received $180 million. See Note 2 of the Notes to Consolidated Financial Statements in our annual report on Form 10-K for the year ended December 31, 2002 for more information on our settlement with WCG.

SUMMARY OF THE EXCHANGE OFFER

You are entitled to exchange in the exchange offer your outstanding 8.125% notes for new 8.125% notes with substantially identical terms, and your outstanding 8.750% notes for new 8.750% notes with substantially identical terms. You should read the discussion under the heading "Description of the New Securities" beginning on page 33 for further information regarding the new 8.125% notes and the new 8.750% notes.

We summarize the terms of the exchange offer below. You should read the discussion under the heading "The Exchange Offer" beginning on page 24 for further information regarding the exchange offer and resale of the new 8.125% notes and the new 8.750% notes.

Securities to be Exchanged....	On March 19, 2002, we issued $650.0 million aggregate principal amount of outstanding 8.125% Notes due March 15, 2012 and $850.0 million aggregate principal amount of outstanding 8.750% Notes due March 15, 2032 to initial purchasers in transactions exempt from the registration requirements of the Securities Act of 1933.
	The outstanding 8.125% notes and the outstanding 8.750% notes currently bear interest at a rate equal to 8.625% and 9.250%, respectively, pursuant to the terms of the Registration Rights Agreement, which provides for such increase in the interest rate payable on the outstanding notes until the completion of the exchange offer. Upon the completion of the exchange offer, outstanding notes eligible for tender in the exchange offer and not validly tendered for exchange and the new 8.125% notes and the new 8.750% notes to be issued in the exchange offer will bear interest at a rate equal to 8.125% and 8.750%, respectively.
	The terms of the new 8.125% notes and the new 8.750% notes are substantially the same in all material respects as the terms of the outstanding 8.125% notes and the outstanding 8.750% notes, except that (1) the new 8.125% notes and the new 8.750% notes will be freely transferable by the holders except as otherwise provided in this prospectus; (2) holders of the new 8.125% notes and the new 8.750% notes will have no registration rights; and (3) neither the new 8.125% notes nor the new 8.750% notes will contain provisions for an increase in their stated interest rate.
The Exchange Offer............	We are offering to exchange up to $650.0 million aggregate principal amount of new 8.125% notes for up to $650.0 million aggregate principal amount of outstanding 8.125% notes. We are offering to exchange up to $850.0 million aggregate principal amount of new 8.750% notes for up to $850.0 million aggregate principal amount of outstanding 8.750% notes. Outstanding 8.125% notes and outstanding 8.750% notes may be exchanged only in integral multiples of $1,000. The new 8.125% notes and the new 8.750% notes will evidence the same debt as the outstanding 8.125% notes and the outstanding 8.750% notes, respectively, and the new 8.125% notes and the new 8.750% notes will be governed by the same indenture as the outstanding 8.125% notes and the outstanding 8.750% notes, respectively.
Resale.........................	We believe that the new 8.125% notes and the new 8.750% notes issued in the exchange offer may be offered for resale, resold and

otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

- the new 8.125% notes and the new 8.750% notes are being acquired in the ordinary course of your business;

- you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in the distribution of the new 8.125% notes and the new 8.750% notes issued to you in the exchange offer; and

- you are not an "affiliate" of ours.

If any of these conditions is not satisfied and you transfer any new 8.125% notes or new 8.750% notes issued to you in the exchange offer without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration for your new 8.125% notes and new 8.750% notes, you may incur liability under the Securities Act. We do not assume or indemnify you against any of those liabilities.

Each broker-dealer that is issued new 8.125% notes or new 8.750% notes in the exchange offer for its own account in exchange for outstanding 8.125% notes or outstanding 8.750% notes which were acquired by that broker-dealer as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the new 8.125% notes or the new 8.750% notes. A broker-dealer may use this prospectus for an offer to resell, resale or other transfer of the new 8.125% notes or the new 8.750% notes issued to it in the exchange offer.

Record Date.................. The record date for the exchange offer is May --, 2003. Only registered holders of outstanding 8.125% notes and outstanding 8.750% notes on the record date will receive materials relating to the exchange offer.

Expiration Date.............. The exchange offer will expire at 5:00 p.m., New York City time, on May --, 2003, or such later date and time to which we extend it.

Withdrawal of Tenders......... You may withdraw your tender of outstanding 8.125% notes or outstanding 8.750% notes at any time prior to 5:00 p.m., New York City time, on the expiration date. To withdraw, the exchange agent must receive a notice of withdrawal at its address indicated under "The Exchange Offer -- Exchange Agent" before 5:00 p.m., New York City time, on the expiration date. We will return to you, without charge, promptly after the expiration or termination of the exchange offer any outstanding 8.125% notes or outstanding 8.750% notes that you tendered but that were not accepted for exchange.

Conditions to the Exchange Offer........................ We will not be required to accept outstanding 8.125% notes or outstanding 8.750% notes for exchange if various conditions are not satisfied or waived by us. The exchange offer is not

conditioned upon any minimum aggregate principal amount of outstanding 8.125% notes or outstanding 8.750% notes being tendered. Please read the section "The Exchange Offer -- Conditions to the Exchange Offer" on page 31 for more information regarding the conditions to the exchange offer.

Procedures for Tendering Outstanding Securities........ If your outstanding 8.125% notes or outstanding 8.750% notes are held through The Depository Trust Company and you wish to participate in the exchange offer, you may do so through the automated tender offer program of DTC. By participating in the exchange offer, you will agree to be bound by the letter of transmittal that we are providing with this prospectus as though you had signed the letter of transmittal. By signing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

- any new 8.125% notes or new 8.750% notes that you receive will be acquired in the ordinary course of your business;

- you have no arrangement or understanding with any person or entity to participate in the distribution of the new 8.125% notes or the new 8.750% notes;

- if you are not a broker-dealer, you are not engaged in and do not intend to engage in the distribution of the new 8.125% notes or the new 8.750% notes;

- if you are a broker-dealer that will receive new 8.125% notes or new 8.750% notes for your own account in exchange for outstanding 8.125% notes or outstanding 8.750% notes that were acquired as a result of market-making activities, you will deliver a prospectus, as required by law, in connection with any resale of the new 8.125% notes or new 8.750% notes; and

- you are not our "affiliate," as defined in Rule 405 of the Securities Act, or, if you are our affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act.

We will accept for exchange any and all outstanding 8.125% notes or outstanding 8.750% notes which are properly tendered (and not withdrawn) in the exchange offer prior to the expiration date. The new 8.125% notes and the new 8.750% notes issued pursuant to the exchange offer will be delivered promptly following the expiration date. See "The Exchange Offer -- Acceptance of Outstanding Securities for Exchange."

Effect of Not Tendering....... Outstanding 8.125% notes and outstanding 8.750% notes that are not tendered or that are tendered but not accepted will, following the completion of the exchange offer, remain outstanding and will continue to be subject to the currently applicable transfer restrictions. Following the completion of the exchange offer, we will have no obligation to exchange new 8.125% notes and new 8.750% notes for outstanding 8.125% notes and outstanding 8.750% notes or to provide for the registration of those outstanding securities under the Securities Act.

Upon the completion of the exchange offer, outstanding notes eligible for tender in the exchange offer and not validly tendered for exchange will bear interest at a rate equal to 8.125% and 8.750%, respectively.

The trading market for outstanding 8.125% notes and outstanding 8.750% notes not exchanged in the exchange offer may be significantly more limited than it is at present. Therefore, if your outstanding 8.125% notes or outstanding 8.750% notes are not tendered and accepted in the exchange offer, it may become more difficult for you to sell or transfer your unexchanged securities.

Special Procedures for Beneficial Owners............. If you are the beneficial owner of book-entry interests and your name does not appear on a security position listing of DTC as the holder of those book-entry interests or you own a beneficial interest in outstanding 8.125% notes or outstanding 8.750% notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender that book-entry interest of outstanding 8.125% notes or outstanding 8.750% notes in the exchange offer, you should contact the registered holder promptly and instruct the registered holder to tender on your behalf.

Guaranteed Delivery Procedures.................... If you wish to tender your outstanding 8.125% notes or outstanding 8.750% notes and cannot comply, prior to the expiration date, with the applicable procedures under the automated tender offer program of DTC, you must tender your outstanding 8.125% notes or outstanding 8.750% notes according to the guaranteed delivery procedures described in "The Exchange Offer -- Procedures for Tendering Outstanding Securities -- Guaranteed Delivery" beginning on page 29.

Registration Rights Agreement..................... We sold the outstanding 8.125% notes and the outstanding 8.750% notes on March 19, 2002 in transactions exempt from the registration requirements of the Securities Act. In connection with these sales, we entered into a registration rights agreement with the initial purchasers which grants the holders of the outstanding 8.125% notes and the outstanding 8.750% notes exchange registration rights. This exchange offer satisfies those rights, which terminate upon consummation of this exchange offer. You will not be entitled to any exchange or registration rights with respect to the new 8.125% notes or the new 8.750% notes.

U.S. Federal Income Tax Considerations................ The exchange of outstanding 8.125% notes for new 8.125% notes or of outstanding 8.750% notes for new 8.750% notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. See "Material United States Federal Income Tax Considerations."

Use of Proceeds.............. We will not receive any cash proceeds from the issuance of the new 8.125% notes or the new 8.750% notes.

Exchange Agent................	We have appointed JPMorgan Chase Bank as the exchange agent for the exchange offer. The mailing address and telephone number of the exchange agent are Corporate Trust Services, 2001 Bryan Street, 9th floor, Dallas, Texas 75201, Attention: Frank Ivins, phone: (214) 468-6464. See "The Exchange Offer -- Exchange Agent."

SUMMARY OF THE TERMS OF THE NEW SECURITIES

NEW 8.125% NOTES:

New 8.125% Notes Offered......	Up to $650.0 million principal amount of our 8.125% notes due March 15, 2012.
Interest Rate.................	8.125% per year.
Interest Payment Dates........	March 15 and September 15 of each year, beginning September 15, 2003. Holders of new 8.125% notes will receive interest from March 15, 2003.
Use of Proceeds...............	We will not receive any cash proceeds from the exchange offer.
Ranking.......................	The new 8.125% notes will be senior unsecured obligations of Williams that will rank equally with all of our other outstanding senior unsecured and unsubordinated indebtedness.
Optional Redemption...........	We may redeem some or all of the new 8.125% notes at any time at the redemption price described in this prospectus, plus accrued and unpaid interest, if any, to the redemption date, as described in "Description of the New Securities -- Terms and Conditions."
Optional Exchange.............	Holders of outstanding 8.125% notes may opt not to tender their outstanding 8.125% notes in the exchange offer. Therefore, it is possible that not all new 8.125% notes offered by this prospectus will be issued.
Covenants.....................	We will issue the new 8.125% notes under an indenture between us and JPMorgan Chase Bank (formerly Bank One Trust Company, N.A.), as trustee. The indenture contains covenants that, among other things, limit our ability to: - create liens; and - consolidate, merge or sell material assets. These covenants, which are identical to the covenants applicable to the outstanding 8.125% notes, are subject to a number of important limitations and exceptions. See "Description of the New Securities -- Covenants" for a more comprehensive description of the covenants contained in the indenture.

NEW 8.750% NOTES:

New 8.750% Notes Offered......	Up to $850.0 million principal amount of our 8.750% notes due March 15, 2032.
Interest Rate.................	8.750% per year.

Interest Payment Dates........ March 15 and September 15 of each year, beginning September 15, 2003. Holders of new 8.750% notes will receive interest from March 15, 2003.

Use of Proceeds............... We will not receive any cash proceeds from the exchange offer.

Ranking....................... The new 8.750% notes will be senior unsecured obligations of Williams that will rank equally with all of our other outstanding senior unsecured and unsubordinated indebtedness.

Optional Redemption........... We may redeem some or all of the new 8.750% notes at any time at the redemption price described in this prospectus, plus accrued and unpaid interest, if any, to the redemption date, as described in "Description of the New Securities -- Terms and Conditions."

Optional Exchange............. Holders of outstanding 8.750% notes may opt not to tender their outstanding 8.750% notes in the exchange offer. Therefore, it is possible that not all new 8.750% notes offered by this prospectus will be issued.

Covenants..................... We will issue the new 8.750% notes under an indenture between us and JPMorgan Chase Bank (formerly Bank One Trust Company, N.A.), as trustee. The indenture contains covenants that, among other things, limit our ability to:

- create liens; and

- consolidate, merge or sell material assets.

These covenants, which are identical to the covenants applicable to the outstanding 8.750% notes, are subject to a number of important limitations and exceptions. See "Description of the New Securities -- Covenants" for a more comprehensive description of the covenants contained in the indenture.

RISK FACTORS

See "Risk Factors" beginning on page 14 for a discussion of factors that should be considered by holders of outstanding 8.125% notes and outstanding 8.750% notes before tendering their securities in the exchange offer.

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDEND REQUIREMENTS

The following table presents our consolidated ratio of earnings to combined fixed charges and preferred stock dividend requirements for the periods shown.

YEAR ENDED DECEMBER 31,

2002	2001*	2000*	1999*	1998*
(a)	2.76	2.88		

1.64
1.41

- ---------------

*Certain amounts within the calculation of the ratio of earnings to fixed charges and preferred dividend requirements have been restated or reclassified due to certain activities of Williams which are now reported as discontinued operations as described in Note 1 of Notes to Consolidated Financial Statements included in Item 8 of Williams' Annual Report on Form 10-K incorporated herein by reference.

(a)Earnings were inadequate to cover combined fixed charges and preferred stock dividend requirements by $656.3 million for the year ended December 31, 2002.

For purposes of computing these ratios, earnings means income (loss) from continuing operations before:

- income taxes;
- extraordinary gain (loss);
- minority interest in income (loss) and preferred returns of consolidated subsidiaries;
- interest expense, net of interest capitalized;
- interest expense of 50-percent-owned companies;
- that portion of rental expense that we believe to represent an interest factor;
- pretax effect of dividends on preferred stock of Williams;
- adjustment to equity earnings to exclude equity investments with losses; and
- adjustment to equity earnings to reflect actual distributions from equity investments.

Fixed charges means the sum of the following:

- interest expense;
- that portion of rental expense that we believe to represent an interest factor;
- pretax effect of dividends on preferred stock of Williams;
- pretax effect of dividends on preferred stock and other preferred returns of consolidated subsidiaries; and
- interest expense of 50-percent-owned companies.

RISK FACTORS

In addition to the other information contained in or incorporated by reference into this prospectus, you should carefully consider the following risk factors in deciding whether to exchange your outstanding 8.125% notes or outstanding 8.750% notes in the exchange offer.

RISKS AFFECTING OUR STRATEGY AND FINANCING NEEDS

OUR STRATEGY TO STRENGTHEN OUR BALANCE SHEET AND IMPROVE LIQUIDITY DEPENDS ON OUR ABILITY TO DIVEST SUCCESSFULLY CERTAIN ASSETS.

On February 20, 2003, we announced our intention to sell an additional $2.25 billion in assets, properties and investments. At December 31, 2002, we had debt obligations of $3.8 billion (including certain contractual fees and deferred interest related to underlying debt) that will mature between now and March 2004. Because our cash flow from operations will be insufficient alone to repay all such debt and our access to capital markets is limited, in part as a result of the loss of our investment grade ratings, we will depend on our sales of assets to generate sufficient net cash proceeds to enable the payment of our maturing obligations.

Our secured credit facilities limit our ability to sell certain assets and require generally that one-half of all net proceeds from asset sales be applied (a) to repayment of certain long-term debt, (b) to cash collateralization of designated letters of credit, and (c) to reduction of the lender commitments under the secured facilities. The timing of and the net cash proceeds realized from such sales are dependent on locating and successfully negotiating sales with prospective buyers, regulatory approvals, industry conditions, and lender consents. If the realized cash proceeds are insufficient or are materially delayed, we might not have sufficient funds on hand to pay maturing indebtedness or to implement our strategy.

RECENT DEVELOPMENTS AFFECTING THE WHOLESALE POWER AND ENERGY TRADING INDUSTRY SECTOR HAVE REDUCED MARKET ACTIVITY AND LIQUIDITY AND MIGHT CONTINUE TO ADVERSELY AFFECT OUR RESULTS OF OPERATIONS.

As a result of the 2000-2001 energy crisis in California, the resulting collapse in energy merchant credit, the recent volatility in natural gas prices, the Enron Corporation bankruptcy filing, and investigations by governmental authorities into energy trading activities and increased litigation related to such inquiries, companies generally in the regulated and so-called unregulated utility businesses have been adversely affected.

These market factors have led to industry-wide downturns that have resulted in some companies being forced to exit from the energy trading markets, leading to a reduction in the number of trading partners and in market liquidity and announcements by us, other energy suppliers and gas pipeline companies of plans to sell large numbers of assets in order to boost liquidity and strengthen their balance sheets. Proposed and completed sales by other energy suppliers and gas pipeline companies could increase the supply of the type of assets we are attempting to sell and potentially lead either to our failing to execute such asset sales or our obtaining lower prices on completed asset sales. If either of these developments were to occur, our ability to realize our strategy of improving our liquidity and reducing our indebtedness through asset sales could be significantly hampered.

BECAUSE WE NO LONGER MAINTAIN INVESTMENT GRADE CREDIT RATINGS, OUR COUNTERPARTIES MIGHT REQUIRE US TO PROVIDE INCREASING AMOUNTS OF CREDIT SUPPORT WHICH WOULD RAISE OUR COST OF DOING BUSINESS.

Our transactions in each of our businesses, especially in our Energy Marketing & Trading business, will require greater credit assurances, both to be given from, and received by, us to satisfy credit support requirements. Additionally, certain market disruptions or a further downgrade of our credit rating might

further increase our cost of borrowing or further impair our ability to access one or any of the capital markets. Such disruptions could include:

- further economic downturns;
- capital market conditions generally;
- market prices for electricity and natural gas;
- terrorist attacks or threatened attacks on our facilities or those of other energy companies; or
- the overall health of the energy industry, including the bankruptcy of energy companies.

RISKS RELATED TO OUR BUSINESS

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.

Our revenues, operating results, profitability, future rate of growth and the carrying value of our electricity and gas businesses depend primarily upon the prices we receive for natural gas and other commodities. Prices also affect the amount of cash flow available for capital expenditures and our ability to borrow money or raise additional capital.

Historically, the markets for these commodities have been volatile and they are likely to continue to be volatile. Wide fluctuations in prices might result from relatively minor changes in the supply of and demand for these commodities, market uncertainty and other factors that are beyond our control, including:

- worldwide and domestic supplies of electricity, natural gas, petroleum and related commodities;
- weather conditions;
- the level of consumer demand;
- the price and availability of alternative fuels;
- the availability of pipeline capacity;
- the price and level of foreign imports;
- domestic and foreign governmental regulations and taxes;
- the overall economic environment; and

- the credit in the markets where products are bought and sold.

These factors and the volatility of the energy markets make it extremely difficult to predict future electricity and gas price movements with any certainty. Further, electricity and gas prices do not necessarily move in tandem.

WE MIGHT NOT BE ABLE TO SUCCESSFULLY MANAGE THE RISKS ASSOCIATED WITH SELLING AND MARKETING PRODUCTS IN THE WHOLESALE ENERGY MARKETS.

Our trading portfolios consist of wholesale contracts to buy and sell commodities, including contracts for electricity, natural gas, natural gas liquids and other commodities that are settled by the delivery of the commodity or cash throughout the United States. If the values of these contracts change in a direction or manner that we do not anticipate or cannot manage, we could realize material losses from our trading activities. In the past, certain marketing and trading companies have experienced severe financial problems due to price volatility in the energy commodity markets. In certain instances this volatility has caused companies to be unable to deliver energy commodities that they had guaranteed under contract. In such event, we might incur additional losses to the extent of amounts, if any, already paid to, or received from, counterparties. In addition, in our businesses, we often extend credit to our counterparties. Despite

performing credit analysis prior to extending credit, we are exposed to the risk that we might not be able to collect amounts owed to us. If the counterparty to such a financing transaction fails to perform and any collateral we have secured is inadequate, we will lose money.

If we are unable to perform under our energy agreements, we could be required to pay damages. These damages generally would be based on the difference between the market price to acquire replacement energy or energy services and the relevant contract price. Depending on price volatility in the wholesale energy markets, such damages could be significant.

OUR RISK MEASUREMENT AND HEDGING ACTIVITIES MIGHT NOT PREVENT LOSSES.

Although we have risk management systems in place that use various methodologies to quantify risk, these systems might not always be followed or might not always work as planned. Further, such risk measurement systems do not in themselves manage risk, and adverse changes in energy commodity market prices, volatility, adverse correlation of commodity prices, the liquidity of markets, and changes in interest rates might still adversely affect our earnings and cash flows and our balance sheet under applicable accounting rules, even if risks have been identified.

To lower our financial exposure related to commodity price and market fluctuations, we have entered into contracts to hedge certain risks associated with our assets and operations, including our long-term tolling agreements. In these hedging activities, we have used fixed-price, forward, physical purchase and sales contracts, futures, financial swaps and option contracts traded in the over-the-counter markets or on exchanges, as well as long-term structured transactions when feasible. Substantial declines in market liquidity, however, as well as deterioration of our credit and termination of existing positions (due for example to credit concerns) have greatly limited our ability to hedge identified risks and have caused previously hedged positions to become unhedged. To the extent we have unhedged positions, fluctuating commodity prices could cause our net revenues and net income to be volatile.

OUR OPERATING RESULTS MIGHT FLUCTUATE ON A SEASONAL AND QUARTERLY BASIS.

Revenues from our businesses, including gas transmission and the sale of electric power, can have seasonal characteristics. In many parts of the country, demand for power peaks during the hot summer months, with market prices also peaking at that time. In other areas, demand for power peaks during the winter. In addition, demand for gas and other fuels peaks during the winter. As a result, our overall operating results in the future might fluctuate substantially on a seasonal basis. The pattern of this fluctuation might change depending on the nature and location of our facilities and pipeline systems and the terms of our power sale agreements and gas transmission arrangements.

OUR INVESTMENTS AND PROJECTS LOCATED OUTSIDE OF THE UNITED STATES EXPOSE US TO RISKS RELATED TO LAWS OF OTHER COUNTRIES, TAXES, ECONOMIC CONDITIONS, FLUCTUATIONS IN CURRENCY RATES, POLITICAL CONDITIONS AND POLICIES OF FOREIGN GOVERNMENTS. THESE RISKS MIGHT DELAY OR REDUCE OUR REALIZATION OF VALUE FROM OUR INTERNATIONAL PROJECTS.

We currently own and might acquire and/or dispose of material energy-related investments and projects outside the United States. The economic and political conditions in certain countries where we have interests or in which we might explore development, acquisition or investment opportunities present risks of delays in construction and interruption of business, as well as risks of war, expropriation, nationalization, renegotiation, trade sanctions or nullification of existing contracts and changes in law or tax policy, that are greater than in the United States. The uncertainty of the legal environment in certain foreign countries in which we develop or acquire projects or make investments could make it more difficult to obtain non-recourse project or other financing on suitable terms, could adversely affect the ability of certain customers to honor their obligations with respect to such projects or investments and could impair our ability to enforce our rights under agreements relating to such projects or investments.

Operations in foreign countries also can present currency exchange rate and convertibility, inflation and repatriation risk. In certain conditions under which we develop or acquire projects, or make

investments, economic and monetary conditions and other factors could affect our ability to convert our earnings denominated in foreign currencies. In addition, risk from fluctuations in currency exchange rates can arise when our foreign subsidiaries expend or borrow funds in one type of currency but receive revenue in another. In such cases, an adverse change in exchange rates can reduce our ability to meet expenses, including debt service obligations. Foreign currency risk can also arise when the revenues received by our foreign subsidiaries are not in U.S. dollars. In such cases, a strengthening of the U.S. dollar could reduce the amount of cash and income we receive from these foreign subsidiaries. While we believe we have hedges and contracts in place to mitigate our most significant foreign currency exchange risks, our hedges might not be sufficient or we might have some exposures that are not hedged which could result in losses or volatility in our revenues.

RISKS RELATED TO LEGAL PROCEEDINGS AND GOVERNMENTAL INVESTIGATIONS

WE MIGHT BE ADVERSELY AFFECTED BY GOVERNMENTAL INVESTIGATIONS RELATED TO PRICING INFORMATION THAT WE PROVIDED TO MARKET PUBLICATIONS.

On October 25, 2002, we disclosed that inaccurate pricing information had been provided to energy industry trade publications. This disclosure came as a result of an internal review conducted in conjunction with requests for information made by the FERC and the CFTC on energy trading practices. We had separately commenced a review of our historical survey publication data after another market participant announced in September 2002 that certain of its employees had provided inaccurate pricing data to publications. Later we received a subpoena from the San Francisco office of the U.S. Attorney relating to a federal grand jury inquiry regarding the same matters. We cannot predict the outcome of this investigation or whether this investigation will lead to additional legal proceedings against us, civil or criminal fines or penalties, or other regulatory action, including legislation, which might be materially adverse to the operation of our trading business and our trading revenues and net income or increase our operating costs in other ways.

WE MIGHT BE ADVERSELY AFFECTED BY GOVERNMENTAL INVESTIGATIONS AND ANY RELATED LEGAL PROCEEDINGS RELATED TO THE ALLEGED CONDUCTING OF "ROUNDTRIP" TRADES BY OUR ENERGY TRADING BUSINESS.

Public and regulatory scrutiny of the energy industry and of the capital markets has resulted in increased regulation being either proposed or implemented. In particular, the activities of Enron Corporation and other energy traders in allegedly using "roundtrip" trades which involve the prearrangement of simultaneously executed and offsetting buy and sell trades for the purpose of increasing reported revenues or trading volumes, or influencing prices and which lack a legitimate business purpose, have resulted in increased public and regulatory scrutiny. To date, we have responded to requests for information from the FERC and the SEC, related to an investigation of "roundtrip" energy transactions from January 2000 through 2002. We also have received and are responding to subpoenas and supplemental requests for information regarding gas and power trading activities, which involve the same issues and time period covered by the requests from the Commodity Futures Trading Commission (CFTC).

Such inquiries are ongoing and continue to adversely affect the energy trading business as a whole. We might see these adverse effects continue as a result of the uncertainty of these ongoing inquiries or additional inquiries by other federal or state regulatory agencies. In addition, we cannot predict the outcome of any of these inquiries, including the grand jury inquiry, or whether these inquiries will lead to additional legal proceedings against us, civil or criminal fines or penalties, or other regulatory action, including legislation, which might be materially adverse to the operation of our trading business and our trading revenues and net income or increase our operating costs in other ways.

WE MIGHT BE ADVERSELY AFFECTED BY OTHER LEGAL PROCEEDINGS AND GOVERNMENTAL INVESTIGATIONS RELATED TO THE ENERGY MARKETING AND TRADING BUSINESS.

Electricity and natural gas markets in California and elsewhere will continue to be subject to numerous and far-reaching federal and state proceedings and investigations because of allegations that wholesale price increases resulted from the exercise of market power and collusion of the power generators and sellers such as Energy Marketing & Trading. Discussions by governmental authorities and representatives in California and other states have ranged from threats of re-regulation to suspension of plans to move forward towards deregulation. The outcomes of these proceedings and investigations might create corporate liability for Williams, directly or indirectly affect our creditworthiness and ability to perform our contractual obligations as well as other market participants' creditworthiness and their ability to perform their contractual obligations.

RISKS RELATED TO THE REGULATION OF OUR BUSINESSES

OUR BUSINESSES ARE SUBJECT TO COMPLEX GOVERNMENT REGULATIONS. THE OPERATION OF OUR BUSINESSES MIGHT BE ADVERSELY AFFECTED BY CHANGES IN THESE REGULATIONS OR IN THEIR INTERPRETATION OR IMPLEMENTATION.

Existing regulations might be revised or reinterpreted, new laws and regulations might be adopted or become applicable to us or our facilities, and future changes in laws and regulations might have a detrimental effect on our business. Certain restructured markets have recently experienced supply problems and price volatility. These supply problems and volatility have been the subject of a significant amount of press coverage, much of which has been critical of the restructuring initiatives. In some of these markets, including California, proposals have been made by governmental agencies and other interested parties to re-regulate areas of these markets which have previously been deregulated. We cannot assure you that other proposals to re-regulate will not be made or that legislative or other attention to the electric power restructuring process will not cause the deregulation process to be delayed or reversed. If the current trend towards competitive restructuring of the wholesale and retail power markets is reversed, discontinued or delayed, our business models might be inaccurate and we might face difficulty in accessing capital to refinance our debt and funding for operating and generating revenues in accordance with our current business plans.

For example, in 2000, the FERC issued Order 637, which sets forth revisions to its policies governing the regulation of interstate natural gas pipelines that it finds necessary to adjust its current regulatory model to the needs of evolving markets. The FERC, however, determined that any fundamental changes to its regulatory policy will be considered after further study and evaluation of the evolving marketplace. Order 637 revised the FERC's pricing policy to waive through September 30, 2002 the maximum price ceilings for short-term releases of capacity of less than one year and to permit pipelines to file proposals to implement seasonal rates for short-term services and term-differentiated rates. Certain parties requested rehearing of Order 637 and eventually appealed certain issues to the District of Columbia Circuit Court of Appeals. The D.C. Circuit remanded as to certain issues, and on October 31, 2002, the FERC issued its order on remand. Rehearing requests for that order are now pending with the FERC. Given the extent of the FERC's regulatory power, we cannot give any assurance regarding the likely regulations under which we will operate our natural gas transmission and storage business in the future or the effect of regulation on our financial position and results of operations.

The FERC has proposed to broaden its regulations that restrict relations between our jurisdictional natural gas companies, or "jurisdictional companies," and our marketing affiliates. In addition, the proposed rules would limit communications between each of our jurisdictional companies and all of our other companies engaged in energy activities. The rulemaking is pending at the FERC and the precise scope and effect of the rule is unclear. If adopted as proposed, the rule could adversely affect our ability to coordinate and manage our energy activities.

OUR REVENUES MIGHT DECREASE IF WE ARE UNABLE 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.

We depend on transmission and distribution facilities owned and operated by utilities and other energy companies to deliver the electricity and natural gas we buy and sell in the wholesale market. If transmission is disrupted, if capacity is inadequate, or if credit requirements or rates of such utilities or energy companies are increased, our ability to sell and deliver products might be hindered. The FERC has issued power transmission regulations that require wholesale electric transmission services to be offered on an open-access, non-discriminatory basis. Although these regulations are designed to encourage competition in wholesale market transactions for electricity, some companies have failed to provide fair and equal access to their transmission systems or have not provided sufficient transmission capacity to enable other companies to transmit electric power. We cannot predict whether and to what extent the industry will comply with these initiatives, or whether the regulations will fully accomplish the FERC'S objectives.

In addition, the independent system operators who oversee the transmission systems in regional power markets, such as California, have in the past been authorized to impose, and might continue to impose, price limitations and other mechanisms to address volatility in the power markets. These types of price limitations and other mechanisms might adversely impact the profitability of our wholesale power marketing and trading. Given the extreme volatility and lack of meaningful long-term price history in many of these markets and the imposition of price limitations by regulators, independent system operators or other marker operators, we can offer no assurance that we will be able to operate profitably in all wholesale power markets.

THE DIFFERENT REGIONAL POWER MARKETS IN WHICH WE COMPETE OR WILL COMPETE IN THE FUTURE HAVE CHANGING REGULATORY STRUCTURES, WHICH COULD AFFECT OUR GROWTH AND PERFORMANCE IN THESE REGIONS.

Our results are likely to be affected by differences in the market and transmission regulatory structures in various regional power markets. Problems or delays that might arise in the formation and operation of new regional transmission organizations (RTOs) might restrict our ability to sell power produced by our generating capacity to certain markets if there is insufficient transmission capacity otherwise available. The rules governing the various regional power markets might also change from time to time which could affect our costs or revenues. Because it remains unclear which companies will be participating in the various regional power markets, or how RTOs will develop or what regions they will cover, we are unable to assess fully the impact that these power markets might have on our business.

Problems that might arise in the formation and operation of new RTOs might result in delayed or disputed collection of revenues. The rules governing the various regional power markets might also change from time to time which could affect our costs or revenues. Because it remains unclear which companies will be participating in the various regional power markets, or how RTOs will develop or what regions they will cover, we are unable to assess fully the impact that these power markets might have on our business.

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 interstate gas sales, transmission, and storage operations conducted through our Gas Pipelines business are subject to the FERC's rules and regulations in accordance with the Natural Gas Act of 1938 and the Natural Gas Policy Act of 1978. The FERC's regulatory authority extends to:

- transportation and sale for resale of natural gas in interstate commerce;

- rates and charges;

- construction;

- acquisition, extension or abandonment of services or facilities;

- accounts and records;

- depreciation and amortization policies; and

- operating terms and conditions of service.

The FERC has taken certain actions to strengthen market forces in the natural gas pipeline industry that has led to increased competition throughout the industry. In a number of key markets, interstate pipelines are now facing competitive pressure from other major pipeline systems, enabling local distribution companies and end users to choose a transmission provider based on economic and other considerations.

RISKS RELATED TO ENVIRONMENTAL MATTERS

WE COULD INCUR MATERIAL LOSSES IF WE ARE HELD LIABLE FOR THE ENVIRONMENTAL CONDITION OF ANY OF OUR ASSETS.

We are generally responsible for all on-site liabilities associated with the environmental condition of our facilities and assets, which we have acquired or developed, regardless of when the liabilities arose and whether they are known or unknown. In addition, in connection with certain acquisitions and sales of assets, we might obtain, or be required to provide, indemnification against certain environmental liabilities. If we incur a material liability, or the other party to a transaction fails to meet its indemnification obligations to us, we could suffer material losses.

ENVIRONMENTAL REGULATION AND LIABILITY RELATING TO OUR BUSINESS WILL BE SUBJECT TO ENVIRONMENTAL LEGISLATION IN ALL JURISDICTIONS IN WHICH IT OPERATES, AND ANY CHANGES IN SUCH LEGISLATION COULD NEGATIVELY AFFECT OUR RESULTS OF OPERATIONS.

Our operations are subject to extensive environmental regulation pursuant to a variety of federal, provincial, state and municipal laws and regulations. Such environmental legislation imposes, among other things, restrictions, liabilities and obligations in connection with the generation, handling, use, storage, transportation, treatment and disposal of hazardous substances and waste and in connection with spills, releases and emissions of various substances into the environment. Environmental legislation also requires that our facilities, sites and other properties associated with our operations be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Existing environmental regulations could also be revised or reinterpreted, new laws and regulations could be adopted or become applicable to us or our facilities, and future changes in environmental laws and regulations could occur. The federal government and several states recently have proposed increased environmental regulation of many industrial activities, including increased regulation of air quality, water quality and solid waste management.

Compliance with environmental legislation will require significant expenditures, including expenditures for compliance with the Clean Air Act and similar legislation, for clean up costs and damages arising out of contaminated properties, and for failure to comply with environmental legislation and regulations which might result in the imposition of fines and penalties. The steps we take to bring certain of our facilities into compliance could be prohibitively expensive, and we might be required to shut down or alter the operation of those facilities, which might cause us to incur losses.

Further, our regulatory rate structure and our contracts with clients might not necessarily allow us to recover capital costs we incur to comply with new

environmental regulations. Also, we might not be able to obtain or maintain from time to time all required environmental regulatory approvals for certain development projects. If there is a delay in obtaining any required environmental regulatory approvals or if we fail to obtain and comply with them, the operation of our facilities could be prevented or become subject to additional costs. Should we fail to comply with all applicable environmental laws, we might be subject to penalties and fines imposed against us by regulatory authorities. Although we do not expect that the costs of complying with current environmental legislation will have a material adverse effect on our

financial condition or results of operations, no assurance can be made that the costs of complying with environmental legislation in the future will not have such an effect.

Our wholly-owned subsidiary, Williams Energy Services, LLC, also retained some potential environmental exposure from its sale, in April of 2002, of Williams Pipe Line Company, LLC to Williams Energy Partners L.P. Included in the terms of this transaction were various indemnities given by Williams Energy Services, LLC to Williams Energy Partners L.P. The indemnities serve to protect Williams Energy Partners from "Damages" that it sustains or incurs from the pre-closing matters (including environmental liabilities and obligations pursuant to the standards established by applicable environmental laws in effect on April 11, 2002) specified in the sales agreement (the Contribution Agreement) and from breaches of Williams Energy Services, LLC's representations, warranties or covenants. The term "Damages" includes losses, costs, expenses, fines, penalties, fees, liabilities and obligations. The parties agreed that Williams Energy Services, LLC's indemnity obligations under the Contribution Agreement would be limited to a maximum aggregate amount of $125 million. The indemnities would survive the sale of Williams Pipe Line Company, LLC to another entity.

RISKS RELATING TO ACCOUNTING POLICY

POTENTIAL CHANGES IN ACCOUNTING STANDARDS MIGHT CAUSE US TO REVISE OUR FINANCIAL DISCLOSURE IN THE FUTURE, WHICH MIGHT CHANGE THE WAY ANALYSTS MEASURE OUR BUSINESS OR FINANCIAL PERFORMANCE.

Recently discovered accounting irregularities in various industries have forced regulators and legislators to take a renewed look at accounting practices, financial disclosures, companies' relationships with their independent auditors and retirement plan practices. Because it is still unclear what laws or regulations will develop, we cannot predict the ultimate impact of any future changes in accounting regulations or practices in general with respect to public companies or the energy industry or in our operations specifically.

In addition, the Financial Accounting Standards Board (FASB) or the SEC could enact new accounting standards that might impact how we are required to record revenues, expenses, assets and liabilities. For instance, Statement of Financial Accounting Standards (SFAS) No. 143, "Accounting for Asset Retirement Obligations," implemented on January 1, 2003, requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate can be made. See Note 1 to our Consolidated Financial Statements in our annual report on Form 10-K for the fiscal year ending December 31, 2002 for further details.

In October 2002, the FASB's Emerging Issues Task Force (EITF) reached consensus on Issue No. 02-03 deliberations and rescinded Issue No. 98-10. As a result, all energy trading contracts that do not meet the definition of a derivative under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," will be reported on an accrual basis.

We will initially apply the consensus effective January 1, 2003, and expect to record a reduction to net income of approximately $750 million to $800 million on an after-tax basis which will be reported as a cumulative effect of a change in accounting principle.

The accounting for Energy Marketing & Trading's energy-related contracts, which include contracts such as transportation, storage, load serving and tolling agreements, requires us to assess whether certain of these contracts are executory service arrangements or leases pursuant to SFAS No. 13, "Accounting for Leases." On March 20, 2003, the EITF continued discussion on Issue No. 01-8, "Determining Whether an Arrangement Contains a Lease," and directed the working group considering this issue to further address certain matters, including transition. The most current report of the working group indicates the working group supports a prospective transition of this issue, where the consensus would be applied to arrangements consummated or substantively modified after the date of the final consensus.

Our preliminary review indicates that certain of our tolling agreements could be considered to be leases under the model currently being discussed by the EITF. Accordingly, if the EITF did not adopt a

prospective transition and applied the consensus to existing arrangements there would be a significant negative impact to Williams' financial position and results of operations.

RISKS RELATING TO OUR INDUSTRY

THE LONG-TERM FINANCIAL CONDITION OF OUR U.S. AND CANADIAN NATURAL GAS TRANSMISSION AND MIDSTREAM BUSINESSES ARE DEPENDENT ON THE CONTINUED AVAILABILITY OF NATURAL GAS RESERVES.

The development of additional natural gas reserves requires significant capital expenditures by others for exploration and development drilling and the installation of production, gathering, storage, transportation and other facilities that permit natural gas to be produced and delivered to our pipeline systems. Low prices for natural gas, regulatory limitations, or the lack of available capital for these projects could adversely affect the development of additional reserves and production, gathering, storage and pipeline transmission and import and export of natural gas supplies. Additional natural gas reserves might not be developed in commercial quantities and in sufficient amounts to fill the capacities of our gathering and processing pipeline facilities.

OUR GATHERING, PROCESSING AND TRANSPORTING ACTIVITIES INVOLVE NUMEROUS RISKS THAT MIGHT RESULT IN ACCIDENTS AND OTHER OPERATING RISKS AND COSTS.

There are inherent in our gas gathering, processing and transporting properties a variety of hazards and operating risks, such as leaks, explosions and mechanical problems that could cause substantial financial losses. In addition, these risks could result in loss of human life, significant damage to property, environmental pollution, impairment of our operations and substantial losses to us. In accordance with customary industry practice, we maintain insurance against some, but not all, of these risks and losses. The occurrence of any of these events not fully covered by insurance could have a material adverse effect on our financial position and results of operations. The location of pipelines near populated areas, including residential areas, commercial business centers and industrial sites, could increase the level of damages resulting from these risks.

RISKS ARISING FROM THE EXCHANGE OFFER

THE TRADING MARKET FOR OUTSTANDING 8.125% NOTES AND OUTSTANDING 8.750% NOTES NOT EXCHANGED IN THE EXCHANGE OFFER MAY BE SIGNIFICANTLY MORE LIMITED THAN IT IS AT PRESENT.

To the extent that outstanding 8.125% notes and outstanding 8.750% notes are tendered and accepted for exchange pursuant to the exchange offer, the trading market for outstanding 8.125% notes and outstanding 8.750% notes that remain outstanding may be significantly more limited than it is at present. The outstanding 8.125% notes and the outstanding 8.750% notes have not been registered under the Securities Act and are subject to customary transfer restrictions. In addition, a debt security with a smaller outstanding principal amount available for trading (a smaller "float") may command a lower price than would a comparable debt security with a larger float. Therefore, the market price for outstanding 8.125% notes and outstanding 8.750% notes that are not tendered and accepted for exchange pursuant to the exchange offer may be affected adversely to the extent that the principal amount of the outstanding 8.125% notes and outstanding 8.750% notes exchanged pursuant to the exchange offer reduces the float. A reduced float may also make the trading prices of outstanding 8.125% notes and outstanding 8.750% notes that are not exchanged in the exchange offer more volatile.

RISK RELATING TO THE NEW SECURITIES AND THE OUTSTANDING SECURITIES

WE DEPEND ON PAYMENTS FROM OUR SUBSIDIARIES, AND CLAIMS OF NOTE HOLDERS RANK JUNIOR TO THOSE OF CREDITORS OF OUR SUBSIDIARIES.

We are a holding company and we conduct substantially all of our operations through our subsidiaries. We perform management, legal, financial, tax, consulting, administrative and other services for our subsidiaries. Our principal sources of cash are from external financings by our subsidiaries, dividends and

advances from our subsidiaries, investments, payments by our subsidiaries for services rendered, and interest payments from our subsidiaries on cash advances. The amount of dividends available to us from our subsidiaries largely depends upon each subsidiary's earnings and operating capital requirements. The terms of some of our subsidiaries' borrowing arrangements limit the transfer of funds to us. In addition, the ability of our subsidiaries to make any payments to us will depend on our subsidiaries' earnings, business and tax considerations and legal restrictions.

As a result of our holding company structure, the outstanding and the new 8.125% notes and the outstanding and the new 8.750% notes will effectively rank junior to all existing and future debt, trade payables and other liabilities of our subsidiaries. Any right of Williams and our creditors to participate in the assets of any of our subsidiaries upon any liquidation or reorganization of any such subsidiary will be subject to the prior claims of that subsidiary's creditors, including trade creditors, except to the extent that we may ourselves be a creditor of such a subsidiary.

THE COVENANTS CONTAINED IN OUR INDENTURE GENERALLY DO NOT LIMIT OUR ABILITY TO ENGAGE IN TRANSACTIONS THAT COULD ADVERSELY AFFECT OUR OPERATIONS.

Except for the covenant limiting liens contained in our indenture, neither our indenture nor the outstanding or the new notes contains any covenants or other provisions designed to afford holders of the outstanding or the new 8.125% notes and the outstanding or the new 8.750% notes protection in the event of a highly leveraged transaction involving us or any restrictions on the amount of additional indebtedness that we may issue. If we were to engage in a highly leveraged transaction or substantially increase our outstanding indebtedness, it could negatively affect our operations in a number of ways, including:

- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow for other general corporate purposes;

- limit our ability to fund future working capital, capital expenditures, acquisitions, investments, restructurings and other general corporate requirements;

- limit our ability to obtain additional financing; and

- limit our flexibility in responding to changes in our business and the energy industry.

In addition, we would be required to repay any additional indebtedness as it matured. We might not have sufficient funds or might be unable to arrange for additional financing to repay any additional debt as it became due.

OTHER RISKS

RECENT TERRORIST ACTIVITIES AND THE POTENTIAL FOR MILITARY AND OTHER ACTIONS COULD ADVERSELY AFFECT OUR BUSINESS.

The continued threat of terrorism and the impact of retaliatory military and other action by the United States and its allies might lead to increased political, economic and financial market instability and volatility in prices for natural gas, which could affect the market for our gas operations. In addition, future acts of terrorism could be directed against companies operating in the United States, and it has been reported that terrorists might be targeting domestic energy facilities. While we are taking steps that we believe are appropriate to increase the security of our energy assets, there is no assurance that we can completely secure our assets or to completely protect them against a terrorist attack. These developments have subjected our operations to increased risks and, depending on their ultimate magnitude, could have a material adverse effect on our business. In particular, we might experience increased capital or operating costs to implement increased security for our energy assets.

The insurance industry has also been disrupted by these events. As a result, the availability of insurance covering risks that we and our competitors typically insure against might decrease. In addition, the insurance that we are able to obtain might have higher deductibles, higher premiums and more restrictive policy terms.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the new 8.125% notes or the new 8.750% notes in exchange for the outstanding 8.125% notes or the outstanding 8.750% notes, respectively. We are making this exchange solely to satisfy our obligations under a registration rights agreement. In consideration for issuing the new 8.125% notes and the new 8.750% notes, we will receive outstanding 8.125% notes and outstanding 8.750% notes in aggregate principal amounts equal to the aggregate principal amounts of the new 8.125% notes and the new 8.750% notes, respectively.

THE EXCHANGE OFFER

EXCHANGE TERMS

An aggregate of $650.0 million principal amount of outstanding 8.125% notes and an aggregate of $850.0 million principal amount of outstanding 8.750% notes are currently issued and outstanding. The maximum principal amount of new 8.125% notes that will be issued in exchange for outstanding 8.125% notes is $650.0 million, and the maximum principal amount of new 8.750% notes that will be issued in exchange for outstanding 8.750% notes is $850.0 million. The terms of the new 8.125% notes and the new 8.750% notes and the outstanding 8.125% notes and the outstanding 8.750% notes, respectively, are substantially the same in all material respects, except that the transfer restrictions, registration rights and additional interest provisions relating to the outstanding 8.125% notes and the outstanding 8.750% notes do not apply to the new 8.125% notes and the new 8.750% notes.

The new 8.125% notes will bear interest at a rate of 8.125% per year, payable semiannually on March 15 and September 15 of each year, beginning September 15, 2003. The new 8.750% notes will bear interest at the rate of 8.750% per year, payable semiannually on March 15 and September 15 of each year, beginning September 15, 2003. Holders of new 8.125% notes and new 8.750% notes will receive interest accrued from March 15, 2003, the date of the last payment of interest on the outstanding 8.125% notes and the outstanding 8.750% notes. In order to exchange your outstanding 8.125% notes or outstanding 8.750% notes for new 8.125% notes or new 8.750% notes in the exchange offer, you will be required to make the following representations:

- any new 8.125% notes or new 8.750% notes will be acquired in the ordinary course of your business;

- you have no arrangement with any person to participate in the distribution of the new 8.125% notes or new 8.750% notes; and

- you are not our "affiliate," as defined in Rule 405 of the Securities Act, or if you are our affiliate, you will comply with the applicable registration and prospectus delivery requirements of the Securities Act.

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept for exchange any outstanding 8.125% notes and outstanding 8.750% notes properly tendered in the exchange offer, and the exchange agent will deliver the new 8.125% notes and new 8.750% notes promptly after the expiration date (as defined below) of the exchange offer. We expressly reserve the right to delay acceptance of any of the tendered outstanding 8.125% notes or outstanding 8.750% notes not already accepted if any condition set forth below under "-- Conditions to the Exchange Offer" has not been satisfied or waived by us.

If you tender your outstanding 8.125% notes or outstanding 8.750% notes, you will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of the outstanding 8.125% notes and outstanding 8.750% notes. We will pay all charges, expenses and transfer taxes in connection with the exchange offer, other than certain taxes described below under "-- Transfer Taxes."

You may tender some or all of your outstanding 8.125% notes or outstanding 8.750% notes in connection with this exchange offer. However, outstanding 8.125% notes and outstanding 8.750% notes may only be tendered in integral multiples of $1,000.

EXPIRATION DATE; EXTENSIONS; TERMINATION; AMENDMENTS

The exchange offer will expire at 5:00 p.m., New York City time, on May --, 2003, the "expiration date," unless extended by us. We expressly reserve the right to extend the exchange offer on a daily basis or for such period or periods as we may determine in our sole discretion from time to time by giving oral, confirmed in writing, or written notice to the exchange agent and by making a public announcement by press release to the Dow Jones News Service prior to 9:00 a.m., New York City time, on the first business

day following the previously scheduled expiration date. During any extension of the exchange offer, all outstanding 8.125% notes and outstanding 8.750% notes previously tendered, not validly withdrawn and not accepted for exchange will remain subject to the exchange offer and may be accepted for exchange by us.

To the extent we are legally permitted to do so, we expressly reserve the absolute right, in our sole discretion, to:

- waive any condition to the exchange offer; and

- amend any of the terms of the exchange offer.

Any waiver or amendment to the exchange offer will apply to all outstanding 8.125% notes and outstanding 8.750% notes tendered, regardless of when or in what order the outstanding 8.125% notes and outstanding 8.750% notes were tendered. If we make a material change in the terms of the exchange offer or if we waive a material condition of the exchange offer, we will disseminate additional exchange offer materials. If the amendment or waiver is made less than ten business days before the expiration of the exchange offer, we will extend the exchange offer so that holders of outstanding 8.125% notes and outstanding 8.750% notes have at least ten business days to tender or withdraw.

We expressly reserve the right, in our sole discretion, to terminate the exchange offer if any of the conditions set forth under "-- Conditions to the Exchange Offer" exists. Any such termination will be followed promptly by a public announcement. In the event we terminate the exchange offer, we will give immediate notice to the exchange agent, and all outstanding 8.125% notes and outstanding 8.750% notes previously tendered and not accepted for payment will be returned promptly to the tendering holders.

In the event that the exchange offer is withdrawn or otherwise not completed, new 8.125% notes and new 8.750% notes will not be given to holders of outstanding 8.125% notes and outstanding 8.750% notes who have tendered their outstanding 8.125% notes and outstanding 8.750% notes.

RESALE OF NEW SECURITIES

Based on interpretations of the SEC staff set forth in no action letters issued to third parties, we believe that new 8.125% notes and new 8.750% notes issued under the exchange offer in exchange for outstanding 8.125% notes and outstanding 8.750% notes, respectively, may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, if:

- you are not our "affiliate" within the meaning of Rule 405 under the Securities Act;

- you are acquiring new 8.125% notes or new 8.750% notes in the ordinary course of your business; and

- you do not intend to participate in the distribution of the new 8.125% notes or new 8.750% notes.

If you tender outstanding 8.125% notes or outstanding 8.750% notes in the exchange offer with the intention of participating in any manner in a distribution of the new 8.125% notes or new 8.750% notes:

- you cannot rely on those interpretations by the SEC staff; and

- you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction and that secondary resale transaction must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K.

Unless an exemption from registration is otherwise available, any security holder intending to distribute new 8.125% notes and new 8.750% notes will need to rely on an effective registration statement under the Securities Act containing the selling security holder's information required by Item 507 of Regulation S-K under the Securities Act. This prospectus may be used for an offer to resell, a resale or other transfer of new 8.125% notes and new 8.750% notes only as specifically set forth in this prospectus. Broker-dealers may participate in the exchange offer only if they acquired their outstanding 8.125% notes

or outstanding 8.750% notes as a result of market-making activities or other trading activities. Each broker-dealer that receives new 8.125% notes or new 8.750% notes for its own account in exchange for outstanding 8.125% notes or outstanding 8.750% notes, where such outstanding 8.125% notes or outstanding 8.750% notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the new 8.125% notes or new 8.750% notes. We have agreed to allow such broker-dealers and other persons, if any, subject to similar prospectus delivery requirements, to use this prospectus in connection with the resale of new 8.125% notes and new 8.750% notes. Please read the section captioned "Plan of Distribution" for more details regarding the transfer of new 8.125% notes and new 8.750% notes.

ACCEPTANCE OF OUTSTANDING SECURITIES FOR EXCHANGE

If the conditions specified below under "-- Conditions to the Exchange Offer" have been satisfied or waived on or prior to the expiration date of the exchange offer, we will accept for exchange outstanding 8.125% notes and outstanding 8.750% notes validly tendered pursuant to the exchange offer, or defectively tendered, if such defect has been waived by us, and not withdrawn prior to the expiration date of the exchange offer. We will not accept outstanding 8.125% notes or outstanding 8.750% notes for exchange subsequent to the expiration date of the exchange offer. Tenders of outstanding 8.125% notes and outstanding 8.750% notes will be accepted only in principal amounts equal to $1,000 or integral multiples thereof.

We expressly reserve the right, in our sole discretion, to:

- delay acceptance for exchange of outstanding 8.125% notes and outstanding 8.750% notes tendered under the exchange offer, subject to Rule 14e-1 under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders promptly after the termination or withdrawal of a tender offer; or

- terminate the exchange offer and not accept for exchange any outstanding 8.125% notes or outstanding 8.750% notes not theretofore accepted for exchange, in whole or in part, if any of the conditions set forth below under "-- Conditions to the Exchange Offer" has not been satisfied or waived by us or in order to comply with any applicable law. In all cases, new 8.125% notes and new 8.750% notes will be issued only after timely receipt by the exchange agent of certificates representing outstanding 8.125% notes or outstanding 8.750% notes, or confirmation of book-entry transfer, a properly completed and duly executed letter of transmittal, or a manually signed facsimile thereof, or an agent's message in lieu thereof, and any other required documents. For purposes of the exchange offer, we will be deemed to have accepted for exchange validly tendered outstanding 8.125% notes and outstanding 8.750% notes, or defectively tendered outstanding 8.125% notes and outstanding 8.750% notes with respect to which we have waived such defect, if, as and when we give oral, confirmed in writing, or written notice to the exchange agent. Promptly after the expiration date, we will deposit the new 8.125% notes and the new 8.750% notes with the exchange agent, who will act as agent for the tendering holders for the purpose of receiving the new 8.125% notes and new 8.750% notes and transmitting them to the holders. The exchange agent will deliver the new 8.125% notes and new 8.750% notes to holders of outstanding 8.125% notes and outstanding 8.750% notes accepted for exchange after the exchange agent receives the new 8.125% notes and new 8.750% notes.

If for any reason, we delay acceptance for exchange of validly tendered outstanding 8.125% notes or outstanding 8.750% notes or we are unable to accept for exchange validly tendered outstanding 8.125% notes or outstanding 8.750% notes, then the exchange agent may, nevertheless, on our behalf, retain tendered outstanding 8.125% notes and outstanding 8.750% notes, without prejudice to our rights described under "-- Expiration Date; Extensions; Termination; Amendments," "-- Withdrawal of Tenders" and "-- Conditions to the Exchange Offer," subject to Rule 14e-1 under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders thereof promptly after the termination or withdrawal of a tender offer.

If any tendered outstanding 8.125% notes or outstanding 8.750% notes are not accepted for exchange for any reason, including if certificates are submitted evidencing more tendered outstanding 8.125% notes or outstanding 8.750% notes than those that are outstanding, certificates evidencing outstanding 8.125% notes or outstanding 8.750% notes that are not accepted for exchange will be returned, without expense, to the tendering holder, or, in the case of outstanding 8.125% notes or outstanding 8.750% notes tendered by book-entry transfer into the exchange agent's account at a book-entry transfer facility under the procedure set forth under "-- Procedures for Tendering Outstanding Securities -- Book-Entry Transfer," such outstanding 8.125% notes and outstanding 8.750% notes will be credited to the account maintained at such book-entry transfer facility from which such outstanding 8.125% notes or outstanding 8.750% notes were delivered, unless otherwise required by such holder under "Special Delivery Instructions" in the letter of transmittal, promptly following the expiration date or the termination or withdrawal of the exchange offer.

Tendering holders of outstanding 8.125% notes and outstanding 8.750% notes exchanged in the exchange offer will not be obligated to pay brokerage commissions or transfer taxes with respect to the exchange of their outstanding 8.125% notes or outstanding 8.750% notes other than as described in "-- Transfer Taxes" or in Instruction 9 to the letter of transmittal. We will pay all other charges and expenses in connection with the exchange offer.

PROCEDURES FOR TENDERING OUTSTANDING SECURITIES

Any beneficial owner whose outstanding 8.125% notes or outstanding 8.750% notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee or held through a book-entry transfer facility and who wishes to tender outstanding 8.125% notes or outstanding 8.750% notes should contact such registered holder promptly and instruct such registered holder to tender outstanding 8.125% notes or outstanding 8.750% notes on such beneficial owner's behalf.

Tender of Outstanding Securities Held Through DTC. The exchange agent and DTC have confirmed that the exchange offer is eligible for the DTC automated tender offer program. Accordingly, DTC participants may electronically transmit their acceptance of the exchange offer by causing DTC to transfer outstanding 8.125% notes or outstanding 8.750% notes to the exchange agent in accordance with DTC's automated tender offer program procedures for transfer. DTC will then send an agent's message to the exchange agent.

The term "agent's message" means a message transmitted by DTC, received by the exchange agent and forming part of the book-entry confirmation, which states that DTC has received an express acknowledgment from the participant in DTC tendering outstanding 8.125% notes or outstanding 8.750% notes that are the subject of that book-entry confirmation that the participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce such agreement against such participant. In the case of an agent's message relating to guaranteed delivery, the term means a message transmitted by DTC and received by the exchange agent, which states that DTC has received an express acknowledgment from the participant in DTC tendering outstanding 8.125% notes or outstanding 8.750% notes that they have received and agree to be bound by the notice of guaranteed delivery.

Tender of Outstanding Securities Held in Physical Form. For a holder to validly tender outstanding 8.125% notes or outstanding 8.750% notes held in physical form:

- the exchange agent must receive at its address set forth in this prospectus a properly completed and validly executed letter of transmittal, or a manually signed facsimile thereof, together with any signature guarantees and any other documents required by the instructions to the letter of transmittal; and

- the exchange agent must receive certificates for tendered outstanding 8.125% notes or outstanding 8.750% notes at such address.

LETTERS OF TRANSMITTAL AND OUTSTANDING 8.125% NOTES AND OUTSTANDING 8.750% NOTES SHOULD BE SENT ONLY TO THE EXCHANGE AGENT AND NOT TO US OR TO ANY BOOK-ENTRY TRANSFER FACILITY.

THE METHOD OF DELIVERY OF OUTSTANDING 8.125% NOTES, OUTSTANDING 8.750% NOTES, LETTERS OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS TO THE EXCHANGE AGENT IS AT THE ELECTION AND RISK OF THE HOLDER TENDERING OUTSTANDING 8.125% NOTES AND OUTSTANDING 8.750% NOTES. DELIVERY OF SUCH DOCUMENTS WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE EXCHANGE AGENT. IF SUCH DELIVERY IS BY MAIL, WE SUGGEST THAT THE HOLDER USE PROPERLY INSURED, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, AND THAT THE MAILING BE MADE SUFFICIENTLY IN ADVANCE OF THE EXPIRATION DATE OF THE EXCHANGE OFFER TO PERMIT DELIVERY TO THE EXCHANGE AGENT PRIOR TO SUCH DATE. NO ALTERNATIVE, CONDITIONAL OR CONTINGENT TENDERS OF OUTSTANDING 8.125% NOTES OR OUTSTANDING 8.750% NOTES WILL BE ACCEPTED.

Signature Guarantees. Signatures on the letter of transmittal must be guaranteed by an eligible institution unless:

- the letter of transmittal is signed by the registered holder of the outstanding 8.125% notes or outstanding 8.750% notes tendered therewith, or by a participant in one of the book-entry transfer facilities whose name appears on a security position listing it as the owner of those outstanding 8.125% notes or outstanding 8.750% notes, or if any outstanding 8.125% notes or outstanding 8.750% notes for principal amounts not tendered are to be issued directly to the holder, or, if tendered by a participant in one of the book-entry transfer facilities, any outstanding 8.125% notes or outstanding 8.750% notes for principal amounts not tendered or not accepted for exchange are to be credited to the participant's account at the book-entry transfer facility, and neither the "Special Issuance Instructions" nor the "Special Delivery Instructions" box on the letter of transmittal has been completed, or

- the outstanding 8.125% notes or outstanding 8.750% notes are tendered for the account of an eligible institution.

An eligible institution is a firm that is a participant in the Security Transfer Agents Medallion Program or the Stock Exchanges Medallion Program, which is generally a member of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office in the United States.

Book-Entry Transfer. The exchange agent will seek to establish a new account or utilize an outstanding account with respect to the outstanding 8.125% notes and outstanding 8.750% notes at DTC promptly after the date of this prospectus. Any financial institution that is a participant in the book-entry transfer facility system and whose name appears on a security position listing it as the owner of the outstanding 8.125% notes or outstanding 8.750% notes may make book-entry delivery of outstanding 8.125% notes or outstanding 8.750% notes by causing the book-entry transfer facility to transfer such outstanding 8.125% notes or outstanding 8.750% notes into the exchange agent's account. HOWEVER, ALTHOUGH DELIVERY OF OUTSTANDING 8.125% NOTES AND OUTSTANDING 8.750% NOTES MAY BE EFFECTED THROUGH BOOK-ENTRY TRANSFER INTO THE EXCHANGE AGENT'S ACCOUNT AT A BOOK-ENTRY TRANSFER FACILITY, A PROPERLY COMPLETED AND VALIDLY EXECUTED LETTER OF TRANSMITTAL, OR A MANUALLY SIGNED FACSIMILE THEREOF, OR AN AGENT'S MESSAGE IN LIEU THEREOF, MUST BE RECEIVED BY THE EXCHANGE AGENT AT ITS ADDRESS SET FORTH IN THIS PROSPECTUS ON OR PRIOR TO THE EXPIRATION DATE OF THE EXCHANGE OFFER, OR ELSE THE GUARANTEED DELIVERY PROCEDURES DESCRIBED BELOW MUST BE COMPLIED WITH. The confirmation of a book-entry transfer of outstanding 8.125% notes or outstanding 8.750% notes into the exchange agent's account at a book-entry transfer facility is referred to in this prospectus as a "book-entry confirmation." DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH THAT BOOK-ENTRY TRANSFER FACILITY'S PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE EXCHANGE AGENT.

Guaranteed Delivery. If you wish to tender your outstanding 8.125% notes or outstanding 8.750% notes and:

- certificates representing your outstanding 8.125% notes or outstanding 8.750% notes are not lost but are not immediately available;

- time will not permit your letter of transmittal, certificates representing your outstanding 8.125% notes or outstanding 8.750% notes and all other required documents to reach the exchange agent on or prior to the expiration date of the exchange offer; or

- the procedures for book-entry transfer cannot be completed on or prior to the expiration date of the exchange offer,

then, you may tender if both of the following are complied with:

- your tender is made by or through an eligible institution; and

- on or prior to the expiration date of the exchange offer, the exchange agent has received from the eligible institution a properly completed and validly executed notice of guaranteed delivery, by manually signed facsimile transmission, mail or hand delivery, in substantially the form provided with this prospectus or an agent's message relating thereto.

The notice of guaranteed delivery must:

- set forth your name and address, the registered number(s) of your outstanding 8.125% notes or outstanding 8.750% notes and the principal amount of outstanding 8.125% notes or outstanding 8.750% notes tendered;

- state that the tender is being made thereby; and

- guarantee that, within three New York Stock Exchange trading days after the expiration date of the exchange offer, the letter of transmittal or facsimile thereof properly completed and validly executed, together with certificates representing the outstanding 8.125% notes or outstanding 8.750% notes, or a book-entry confirmation, and any other documents required by the letter of transmittal and the instructions thereto, will be deposited by the eligible institution with the exchange agent.

The exchange agent must receive the properly completed and validly executed letter of transmittal or facsimile thereof with any required signature guarantees, together with certificates for all outstanding 8.125% notes or outstanding 8.750% notes in proper form for transfer, or a book-entry confirmation, and any other required documents, within three New York Stock Exchange trading days after the date of the notice of guaranteed delivery.

Other Matters. New 8.125% notes and new 8.750% notes will be issued in exchange for outstanding 8.125% notes and outstanding 8.750% notes accepted for exchange only after timely receipt by the exchange agent of:

- certificates for (or a timely book-entry confirmation with respect to) your outstanding 8.125% notes or outstanding 8.750% notes, a properly completed and duly executed letter of transmittal or facsimile thereof with any required signature guarantees, or, in the case of a book-entry transfer, an agent's message; and

- any other documents required by the letter of transmittal.

All questions as to the form of all documents and the validity, including time of receipt, and acceptance of all tenders of outstanding 8.125% notes or outstanding 8.750% notes will be determined by us, in our sole discretion, the determination of which shall be final and binding. ALTERNATIVE, CONDITIONAL OR CONTINGENT TENDERS OF OUTSTANDING 8.125% NOTES OR OUTSTANDING 8.750% NOTES WILL NOT BE CONSIDERED VALID. We reserve the absolute right to reject any or all tenders of outstanding 8.125% notes and outstanding 8.750% notes that are not in proper form or the acceptance of which, in our opinion, would be unlawful. We also reserve the right to waive any defects, irregularities or conditions of tender as to particular outstanding 8.125% notes or outstanding 8.750% notes.

Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding.

Any defect or irregularity in connection with tenders of outstanding 8.125% notes or outstanding 8.750% notes must be cured within the time we determine, unless waived by us. Tenders of outstanding 8.125% notes and outstanding 8.750% notes will not be deemed to have been made until all defects and irregularities have been waived by us or cured. Neither we, the exchange agent nor any other person will be under any duty to give notice of any defects or irregularities in tenders of outstanding 8.125% notes or outstanding 8.750% notes, or will incur any liability to holders for failure to give any such notice.

By signing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

- any new 8.125% notes or new 8.750% notes that you receive will be acquired in the ordinary course of your business;

- you have no arrangement or understanding with any person or entity to participate in the distribution of the new 8.125% notes or new 8.750% notes;

- if you are not a broker-dealer, you are not engaged in and do not intend to engage in the distribution of the new 8.125% notes or new 8.750% notes;

- if you are a broker-dealer that will receive new 8.125% notes or new 8.750% notes for your own account in exchange for outstanding 8.125% notes or outstanding 8.750% notes that were acquired as a result of market-making activities, you will deliver a prospectus, as required by law, in connection with any resale of those new 8.125% notes or new 8.750% notes; and

- you are not our "affiliate," as defined in Rule 405 of the Securities Act, or, if you are an affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act.

WITHDRAWAL OF TENDERS

Except as otherwise provided in this prospectus, you may withdraw your tender of outstanding 8.125% notes or outstanding 8.750% notes at any time prior to 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective:

- the exchange agent must receive a written notice of withdrawal at its address set forth below under "-- Exchange Agent," or

- you must comply with the appropriate procedures of DTC's automated tender offer program system.

Any notice of withdrawal must:

- specify the name of the person who tendered the outstanding 8.125% notes or outstanding 8.750% notes to be withdrawn; and

- identify the outstanding 8.125% notes or outstanding 8.750% notes to be withdrawn, including the principal amount of the outstanding 8.125% notes or outstanding 8.750% notes.

If outstanding 8.125% notes or outstanding 8.750% notes have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn outstanding 8.125% notes or outstanding 8.750% notes and otherwise comply with the procedures of DTC.

We will determine all questions as to the validity, form, eligibility and time of receipt of notice of withdrawal, and our determination shall be final and binding on all parties. We will deem any outstanding 8.125% notes or outstanding 8.750% notes so withdrawn not to have been validly tendered for exchange for purposes of the exchange offer.

Any outstanding 8.125% notes or outstanding 8.750% notes that have been tendered for exchange but that are not exchanged for any reason will be returned to their holder without cost to the holder or, in the

case of outstanding 8.125% notes or outstanding 8.750% notes tendered by book-entry transfer into the exchange agent's account at DTC according to the procedures described above, such outstanding 8.125% notes or outstanding 8.750% notes will be credited to an account maintained with DTC for the outstanding 8.125% notes or outstanding 8.750% notes. This return or crediting will take place as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. You may retender properly withdrawn outstanding 8.125% notes or outstanding 8.750% notes by following one of the procedures described under "-- Procedures for Tendering Outstanding Securities" at any time on or prior to the expiration date.

CONDITIONS TO THE EXCHANGE OFFER

We will not be required to accept for exchange, or exchange any new 8.125% notes for, any outstanding 8.125% notes tendered, nor will we be required to accept for exchange, or exchange any new 8.750% notes for, any outstanding 8.750% notes tendered, and we may terminate, extend or amend the exchange offer and may, subject to Rule 14e-1 under the Exchange Act, which requires that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders thereof promptly after the termination or withdrawal of a tender offer, postpone the acceptance for exchange of outstanding 8.125% notes and outstanding 8.750% notes so tendered if, on or prior to the expiration date of the exchange offer, the following shall have occurred:

- we have determined that the offering and sales under the registration statement, the filing of such registration statement or the maintenance of its effectiveness would require disclosure of or would interfere in any material respect with any material financing, merger, offering or other transaction involving us or would otherwise require disclosure of nonpublic information that could materially and adversely affect us;

- we have determined that the exchange offer would violate any applicable law or interpretation of the staff of the SEC; or

- any legal action has been instituted or threatened that would impair our ability to proceed with the exchange offer.

The conditions to the exchange offer are for our sole benefit and may be asserted by us in our sole discretion or may be waived by us, in whole or in part, in our sole discretion, whether or not any other condition of the exchange offer also is waived. We have not made a decision as to what circumstances would lead us to waive any condition, and any waiver would depend on circumstances prevailing at the time of that waiver. Any determination by us concerning the events described in this section shall be final and binding upon all persons.

ALTHOUGH WE HAVE NO PRESENT PLANS OR ARRANGEMENTS TO DO SO, WE RESERVE THE RIGHT TO AMEND, AT ANY TIME, THE TERMS OF THE EXCHANGE OFFER. WE WILL GIVE HOLDERS NOTICE OF ANY AMENDMENTS IF REQUIRED BY APPLICABLE LAW.

CONSEQUENCES OF FAILURE TO EXCHANGE

If you do not exchange your outstanding 8.125% notes for new 8.125% notes or exchange your outstanding 8.750% notes for new 8.750% notes in the exchange offer, your outstanding 8.125% notes and outstanding 8.750% notes will remain outstanding and will continue to be subject to the currently applicable restrictions on transfer:

- as set forth in the legend printed on the outstanding 8.125% notes and the outstanding 8.750% notes as a consequence of the issuance of the outstanding 8.125% notes or outstanding 8.750% notes pursuant to the exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws; and

- otherwise set forth in the offering memorandum distributed in connection with the private offerings of the outstanding 8.125% notes and outstanding 8.750% notes.

In general, you may not offer or sell the outstanding 8.125% notes or outstanding 8.750% notes unless they are registered under the Securities Act, or unless the offer or sale is exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the outstanding 8.125% notes or outstanding 8.750% notes under the Securities Act. Based on interpretations of the SEC staff, you may offer for resale, resell or otherwise transfer new 8.125% notes and new 8.750% notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that (1) you are not our "affiliate" within the meaning of Rule 405 under the Securities Act, (2) you acquired the new 8.125% notes or new 8.750% notes in the ordinary course of your business and (3) you have no arrangement or understanding with respect to the distribution of the new 8.125% notes or new 8.750% notes to be acquired in the exchange offer. If you tender outstanding 8.125% notes or outstanding 8.750% notes in the exchange offer for the purpose of participating in a distribution of the new 8.125% notes or new 8.750% notes:

- you cannot rely on the applicable interpretations of the SEC; and

- you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction and that secondary resale transaction must be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K.

The trading market for outstanding 8.125% notes and outstanding 8.750% notes not exchanged in the exchange offer may be significantly more limited than it is at present. Therefore, if your outstanding 8.125% notes and outstanding 8.750% notes are not tendered and accepted in the exchange offer, it may become more difficult for you to sell or transfer your unexchanged securities. See "Risk Factors -- Risks Arising from the Exchange Offer."

EXCHANGE AGENT

JPMorgan Chase Bank has been appointed as exchange agent for the exchange offer. You should direct questions and requests for assistance, requests for additional copies of this prospectus, the letter of transmittal or any other documents to the exchange agent. You should send certificates for outstanding 8.125% notes, outstanding 8.750% notes, letters of transmittal and any other required documents to the exchange agent addressed as follows:

JPMorgan Chase Bank

Corporate Trust Services

2001 Bryan Street

9th floor

Dallas, Texas 75201

Attention: Frank Ivins

TRANSFER TAXES

We will pay all transfer taxes applicable to the transfer and exchange of outstanding 8.125% notes and outstanding 8.750% notes pursuant to the exchange offer. If, however:

- delivery of the new 8.125% notes or new 8.750% notes and/or certificates for outstanding 8.125% notes or outstanding 8.750% notes for principal amounts not exchanged, are to be made to any person other than the record holder of the outstanding 8.125% notes or outstanding 8.750% notes tendered;

- tendered certificates for outstanding 8.125% notes or outstanding 8.750% notes are recorded in the name of any person other than the person signing any letter of transmittal; or

- a transfer tax is imposed for any reason other than the transfer and exchange of outstanding 8.125% notes or outstanding 8.750% notes to us or our order,

then the amount of any such transfer taxes, whether imposed on the record holder or any other person, will be payable by the tendering holder prior to the issuance of the new 8.125% notes or new 8.750% notes.

DESCRIPTION OF THE NEW SECURITIES

We will issue the new 8.125% notes and the new 8.750% notes under an indenture dated as of November 10, 1997, as amended by a seventh supplemental indenture between us and JPMorgan Chase Bank (formerly Bank One Trust Company, N.A.), as trustee. The outstanding 8.125% notes and the outstanding 8.750% notes were also issued under this indenture and supplemental indenture. The terms of the outstanding 8.125% notes and the outstanding 8.750% notes are identical in all material respects to the terms of the new 8.125% notes and the new 8.750% notes, respectively, except that the outstanding 8.125% notes and the outstanding 8.750% notes contain terms with respect to transfer restrictions (and therefore are not freely tradeable).

The terms of the new 8.125% notes and the new 8.750% notes include those set forth in the indenture and those made a part of the indenture by reference to the Trust Indenture Act of 1939. The following description is a summary of the material provisions of the new 8.125% notes, the new 8.750% notes and the indenture. It does not restate the indenture in its entirety. We urge you to read the indenture and the seventh supplemental indenture because those documents, and not this description, define your rights as holders of the new 8.125% notes and the new 8.750% notes. Copies of the indenture and the seventh supplemental indenture are available at the offices of the trustee and have been filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part.

TERMS AND CONDITIONS

The new 8.125% notes will mature on March 15, 2012.

The new 8.750% notes will mature on March 15, 2032.

Interest will be payable semi-annually on March 15 and September 15 of each year, beginning September 15, 2003, to the person in whose names the new 8.125% notes or the new 8.750% notes are registered at the close of business on the preceding March 1 and September 1, respectively, subject to certain exceptions. Holders of new 8.125% notes and new 8.750% notes will receive interest from March 15, 2003, the date of the last payment of interest on the outstanding 8.125% notes and the outstanding 8.750% notes. Interest on the new 8.125% notes and the new 8.750% notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

The new 8.125% notes and the new 8.750% notes will be our unsecured and unsubordinated obligations ranking equally with our other outstanding unsecured and unsubordinated indebtedness.

The new 8.125% notes and the new 8.750% notes will be redeemable, in whole or in part, at any time, at our option, at a redemption price equal to the greater of:

- 100% of the principal amount of the new 8.125% notes or the new 8.750% notes then outstanding to be redeemed, or

- the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, as defined below, plus 37.5 basis points, plus accrued interest thereon to the date of redemption.

We will mail notice of redemption at least 30 days but not more than 60 days before the applicable redemption date to each holder of the new 8.125% notes or new 8.750% notes to be redeemed.

Upon the payment of the redemption price, plus accrued and unpaid interest, if any, to the date of redemption, interest will cease to accrue on and after the applicable redemption date on the new 8.125% notes and the new 8.750% notes or portions thereof called for redemption.

There is no provision for a sinking fund applicable to the notes.

We may, from time to time, without the consent of the existing holders of the relevant series of notes, issue additional notes under the indenture having the same ranking and the same interest rate, maturity and other terms as the notes of such series in all respects except the issue date, the issue price and the initial interest payment date. Any additional notes will, together with the applicable notes, constitute a single series of notes under the indenture.

COVENANTS

Liens. The indenture refers to any of our instruments securing indebtedness, such as a mortgage, pledge, lien, security interest or encumbrance on any of our property, as a "mortgage." The indenture further provides that, subject to certain exceptions, we will not, nor will we permit any subsidiary to, issue, assume or guarantee any indebtedness secured by a mortgage unless we provide equal and proportionate security for the senior debt securities, including the new 8.125% notes and the new 8.750% notes, we issue under the indenture. Among these exceptions are:

- certain purchase money mortgages;

- certain preexisting mortgages on any property acquired or constructed by us or a subsidiary;

- certain mortgages created within one year after completion of such acquisition or construction;

- certain mortgages created on any contract for the sale of products or services related to the operation or use of any property acquired or constructed within one year after completion of such acquisition or construction;

- mortgages on property of a subsidiary existing at the time it became our subsidiary; and

- mortgages, other than as specifically excepted, in an aggregate amount which, at the time of, and after giving effect to, the incurrence does not exceed five percent of Consolidated Net Tangible Assets, as defined below.

Consolidation, Merger, Conveyance of Assets. The indenture provides, in general, that we will not consolidate with or merge into any other entity or convey, transfer or lease our properties and assets substantially as an entirety to any person, unless:

- the corporation, limited liability company, limited partnership, joint stock company or trust formed by such consolidation or into which we are merged or the person which acquires such assets expressly assumes our obligations under the indenture and the debt securities issued under the indenture; and

- immediately after giving effect to such transaction, no event of default, and no event which, after notice or lapse of time or both, would become an event of default, shall have happened and be continuing.

MODIFICATION OF THE INDENTURE

The indenture provides that we and the trustee may enter into supplemental indentures which conform to the provisions of the Trust Indenture Act of 1939 without the consent of the holders to, in general:

- secure any debt securities;

- evidence the assumption by a successor person of our obligations;

- add further covenants for the protection of the holders;

- cure any ambiguity or correct any inconsistency in the indenture, so long as such action will not adversely affect the interests of the holders;

- establish the form or terms of debt securities of any series; and

- evidence the acceptance of appointment by a successor trustee.

The indenture also permits us and the trustee to:

- add any provisions to the indenture;

- change in any manner the indenture;

- eliminate any of the provisions of the indenture; and

- modify in any way the rights of the holders of debt securities of each series affected.

The above actions require the consent of the holders of at least a majority in principal amount of debt securities of each series issued under the indenture then outstanding and affected. These holders will vote as one class to approve such changes. The 8.125% notes and the 8.750% notes will constitute two different series under the indenture.

Such changes must, however, conform to the Trust Indenture Act of 1939 and we and the trustee may not, without the consent of each holder of outstanding debt securities affected thereby:

- extend the final maturity of the principal of any debt securities;

- reduce the principal amount of any debt securities;

- reduce the rate or extend the time of payment of interest on any debt securities;

- reduce any amount payable on redemption of any debt securities;

- change the currency in which the principal, including any amount in respect of original issue discount, or interest on any debt securities is payable;

- reduce the amount of any original issue discount security payable upon acceleration or provable in bankruptcy;

- alter certain provisions of the indenture relating to debt securities not denominated in U.S. dollars or for which conversion to another currency is required to satisfy the judgment of any court;

- impair the right to institute suit for the enforcement of any payment on any debt securities when due; or

- reduce the percentage in principal amount of debt securities of any series issued under the indenture, the consent of the holders of which is required for any such modification.

EVENTS OF DEFAULT

In general, the indenture defines an event of default with respect to debt securities of any series issued under the indenture as being:

(a) default in payment of any principal of the debt securities of such series, either at maturity, upon any redemption, by declaration or otherwise;

(b) default for 30 days in payment of any interest on any debt securities of such series unless otherwise provided;

(c) default for 90 days after written notice in the observance or performance of any covenant or warranty in the debt securities of such series or the indenture other than

- default in or breach of a covenant which is dealt with otherwise below, or

- if certain conditions are met, if the events of default described in this clause (c) are the result of changes in generally accepted accounting principles; or

(d) certain events of bankruptcy, insolvency or reorganization of us.

In general, the indenture provides that if an event of default described in clauses (a), (b) or (c) above occurs and does not affect all series of debt securities then outstanding, the trustee or the holders of debt securities may then declare the following amounts to be due and payable immediately:

- the entire principal of all debt securities of each series affected by the event of default; and

- the interest accrued on such principal.

Such a declaration by the holders requires the approval of at least 25 percent in principal amount of the debt securities of each series issued under the indenture and then outstanding, treated as one class, which are affected by the event of default.

The indenture also generally provides that if a default described in clause (c) above which is applicable to all series of debt securities then outstanding or certain events of bankruptcy, insolvency and reorganization of us occur and are continuing, the trustee or the holders of debt securities may declare the entire principal of all such debt securities and interest accrued thereon to be due and payable immediately. This declaration by the holders requires the approval of at least 25 percent in principal amount of all debt securities issued under the indenture and then outstanding, treated as one class. Upon certain conditions, the holders of a majority in aggregate principal amount of the debt securities of all such affected series then outstanding may annul such declarations and waive the past defaults. However, the majority holders may not annul or waive a continuing default in payment of principal of, premium, if any, or interest on such debt securities.

The indenture provides that the holders of debt securities issued under the indenture, treated as one class, will indemnify the trustee before the trustee exercises any of its rights or powers under the indenture. This indemnification is subject to the trustee's duty to act with the required standard of care during a default. The holders of a majority in aggregate principal amount of the outstanding debt securities of each series affected, treated as one class, issued under the indenture may direct the time, method and place of:

- conducting any proceeding for any remedy available to the trustee, or

- exercising any trust or power conferred on the trustee.

This right of the holders of debt securities is, however, subject to the provisions in the indenture providing for the indemnification of the trustee and other specified limitations.

In general, the indenture provides that holders of debt securities issued under the indenture may only institute an action against us under the indenture if the following four conditions are fulfilled:

- the holder previously has given to the trustee written notice of default and the default continues;

- the holders of at least 25 percent in principal amount of the debt securities of each affected series (treated as one class) issued under the indenture and then outstanding have both (1) requested the trustee to institute such action and (2) offered the trustee reasonable indemnity;

- the trustee has not instituted such action within 60 days of receipt of such request; and

- the trustee has not received direction inconsistent with such written request by the holders of a majority in principal amount of the debt securities of each affected series (treated as one class) issued under the indenture and then outstanding.

The above four conditions do not apply to actions by holders of the debt securities under the indenture against us for payment of principal or interest on or after the due date provided. The indenture contains a covenant that we will file annually with the trustee a certificate of no default or a certificate specifying any default that exists.

DISCHARGE, DEFEASANCE AND COVENANT DEFEASANCE

We can discharge or defease our obligations under the indenture as set forth below.

Under terms satisfactory to the trustee, we may discharge certain obligations to holders of any series of debt securities issued under the indenture which have not already been delivered to the trustee for cancellation. Such debt securities must also:

- have become due and payable;

- be due and payable by their terms within one year; or

- be scheduled for redemption by their terms within one year.

We may discharge any series of debt securities by irrevocably depositing an amount certified to be sufficient to pay at maturity or upon redemption the principal of and interest on such debt securities. We may make such deposit in cash or, in the case of debt securities payable only in U.S. dollars, U.S. government obligations, as defined in the indenture.

We may also, upon satisfaction of the conditions listed below, discharge certain obligations to holders of any series of debt securities issued under the indenture at any time ("Defeasance"). Under terms satisfactory to the trustee, we may be released with respect to any outstanding series of debt securities issued under the indenture from the obligations imposed by sections 3.6 and 9.1 of the indenture. These sections contain the covenants described above limiting liens and consolidations, mergers and conveyances of assets. Also, under terms satisfactory to the trustee, we may avoid compliance with these sections without creating an event of default ("Covenant Defeasance"). Defeasance or Covenant Defeasance may be effected only if, among other things:

- we irrevocably deposit with the trustee cash or, in the case of debt securities payable only in U.S. dollars, U.S. government obligations as trust funds in an amount certified to be sufficient to pay at maturity or upon redemption the principal of and interest on all outstanding debt securities of such series issued under the indenture; and

- we deliver to the trustee an opinion of counsel to the effect that the holders of this series of debt securities will not recognize income, gain or loss for United States federal income tax purposes as a result of such Defeasance or Covenant Defeasance. Such opinion must further state that these holders will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if Defeasance or Covenant Defeasance had not occurred. In the case of a Defeasance, this opinion must be based on a ruling of the Internal Revenue Service or a change in United States federal income tax law occurring after the date of the indenture, since this result would not occur under current tax law.

CONCERNING THE TRUSTEE

The trustee is one of a number of banks with which we and our subsidiaries maintain ordinary banking relationships and with which we and our subsidiaries maintain credit facilities.

GOVERNING LAW

The indenture, the new 8.125% notes and the new 8.750% notes are governed by, and construed in accordance with, the laws of the State of New York.

DEFINED TERMS

Set forth below are some of the definitions of the defined terms used in this prospectus in describing the new 8.125% notes and the new 8.750% notes.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes to be redeemed

that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities" or (2) if such release (or any successor release) is not published or does not contain such prices on such business day, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if we obtain fewer than four such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations.

"Consolidated Funded Indebtedness" means the aggregate of all outstanding Funded Indebtedness of Williams and its consolidated subsidiaries, determined on a consolidated basis in accordance with generally accepted accounting principles.

"Consolidated Net Tangible Assets" means the total assets appearing on a consolidated balance sheet of Williams and its consolidated subsidiaries less, in general:

- intangible assets;

- current and accrued liabilities (other than Consolidated Funded Indebtedness and capitalized rentals or leases), deferred credits, deferred gains and deferred income;

- reserves;

- advances to finance oil or natural gas exploration and development to the extent that the indebtedness related thereto is excluded from Funded Indebtedness;

- an amount equal to the amount excluded from Funded Indebtedness representing the "production payment" financing of oil and gas exploration and development; and

- minority stockholder interests.

"Funded Indebtedness" means any indebtedness which matures more than one year after the date the amount of Funded Indebtedness is being determined, less any such indebtedness as will be retired by any deposit or payment required to be made within one year from such date under any prepayment provision, sinking fund, purchase fund or otherwise. Funded Indebtedness does not, however, include indebtedness of Williams or any of its subsidiaries incurred to finance outstanding advances to others to finance oil or natural gas exploration and development, to the extent that the latter are not in default in their obligations to Williams or such subsidiary. Funded Indebtedness also does not include indebtedness of Williams or any of its subsidiaries incurred to finance oil or natural gas exploration and development through what is commonly referred to as a "production payment" to the extent that Williams or any of its subsidiaries have not guaranteed the repayment of the production payment.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by us.

"Reference Treasury Dealers" means Lehman Brothers Inc. and J.P. Morgan Securities Inc. and their respective successors and, at our option, additional primary U.S. Government securities dealers ("Primary Treasury Dealers"); provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, we shall substitute another nationally recognized investment banking firm that is a Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to a maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount equal to the Comparable Treasury Price for such redemption date).

Investors should note that the term "subsidiary," as used in this section describing the notes, refers only to a corporation of which Williams, or another subsidiary or subsidiaries of Williams, own at least a majority of the outstanding securities which have voting power.

BOOK-ENTRY ONLY ISSUANCE -- THE DEPOSITORY TRUST COMPANY

The new 8.125% notes and new 8.750% notes will be evidenced by one or more certificates in registered global form, which will be deposited with, or on behalf of, The Depository Trust Company (DTC) in New York, New York and registered in the name of Cede & Co., DTC's nominee. Except as set forth below, a global note may be transferred, in whole or in part, only to another nominee of DTC or to a successor to DTC or its nominee.

DEPOSITARY PROCEDURES

DTC has advised us that it is a:

- limited-purpose trust company organized under the laws of the State of New York;

- banking organization within the meaning of the laws of the State of New York;

- member of the Federal Reserve System;

- clearing corporation within the meaning of the New York Uniform Commercial Code; and

- clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act.

DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants through electronic book-entry changes in their accounts, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. Banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant also have access to DTC's book-entry system.

Holders of new 8.125% notes and new 8.750% notes may hold their beneficial interests in the securities directly as a participant in DTC or indirectly through organizations that are participants in DTC.

Upon deposit of the global notes with DTC, DTC will credit, on its book-entry registration and transfer system, the accounts of those participants designated by the Exchange Agent with the principal amounts of the global notes held by or through the participants. The records of DTC will show ownership and effect the transfer of ownership of the global notes by its participants. The records of the participants will show ownership and effect the transfer of ownership of the global notes by persons holding beneficial interests in the global notes through them. In the case of beneficial interests held by or though participants in Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking S.A., DTC will credit the accounts of their respective depositaries with the principal amounts of the global notes beneficially owned by or through Euroclear and Clearstream, respectively. These records of DTC will show ownership and effect the transfer of ownership of the global notes by the respective depositaries for Euroclear and Clearstream. The records of these depositaries will show ownership and effect the transfer of ownership of the global notes by Euroclear and Clearstream, respectively. The records of Euroclear and Clearstream will show ownership and effect the transfer of ownership of the global notes by their participants. The records of the participants will show ownership or transfer of ownership of the global notes by persons holding through them.

So long as DTC or its nominee is the registered owner of the global notes, it will be considered the sole owner and holder of the securities for all purposes under the indenture. Except as set forth below, if you own a beneficial interest in global notes, you will not:

- be entitled to have the securities registered in your name;

- receive or be entitled to receive physical delivery of a certificate in definitive form representing the securities; or

- be considered the owner or holder of the securities under the indenture for any purpose, including with respect to the giving of any directions, approvals or instructions to the trustee.

Therefore, if you are required by state law to take physical delivery of the securities in definitive form, you may not be able to own, transfer or pledge beneficial interests in the global notes. In addition, the lack of a physical certificate evidencing your beneficial interests in the global notes may limit your ability to pledge the interests to a person or entity that is not a participant in DTC.

If you own beneficial interests in a global note, you will have to rely on the procedures of DTC and, if you are not a participant in DTC, the procedures of the participant through which you hold your beneficial interests, to exercise your rights as a holder under the indenture. DTC has advised us that it will take any action permitted to be taken by a holder of beneficial interests in the global notes only at the direction of one or more of the participants to whose accounts the interests are credited. We understand that, under existing industry practice, when a beneficial owner of a global note wants to give any notice or take any action that a registered holder is entitled to take, at our request or under the indenture, DTC will authorize the participant to give the notice or take the action, and the participant will authorize its beneficial owners to give the notice or take the action. Accordingly, we and the trustee will treat as a holder anyone designated as such in writing by DTC for purposes of obtaining any consents or directions required under the indenture.

We will pay the principal of, and interest on, the global notes through the trustee or paying agent to DTC or its nominee, as the registered holder of the global notes, in immediately available funds. We expect DTC or its nominee, upon receipt of any payments, to immediately credit each participant's account with payments in amounts proportionate to that participant's beneficial interest as shown on the records of DTC or its nominee. We also expect each participant to pay each owner of beneficial interests in the global notes held through that participant in accordance with standing customer instructions and customary practices. These payments will be the sole responsibility of the participants.

We will not, and the trustee and paying agent will not, assume any responsibility or liability for any aspect of the records relating to payments made on account of or actions taken with respect to the beneficial ownership interests in global notes, or for any other aspect of the relationship between DTC and its participants, Euroclear or Clearstream and their participants, or between the participants and the owners of beneficial interests. We, the trustee and the paying agent may conclusively rely on instructions from DTC for all purposes. We obtained the above information about DTC, Euroclear and Clearstream and their book-entry systems from sources we believe are reliable, but we take no responsibility for the accuracy of the information.

SETTLEMENT PROCEDURES

Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules and procedures and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System.

Secondary market trading between participants of Euroclear and/or Clearstream will occur in the ordinary way in accordance with each of its rules and procedures and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds. The respective depositaries for Euroclear and Clearstream will effect transfers in global notes between DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, in accordance with DTC's procedures and

will settle them in same-day funds. These depositaries must deliver instructions to Euroclear or Clearstream in accordance with Euroclear's or Clearstream's procedures. If the transfer meets its settlement requirements, Euroclear or Clearstream will instruct its respective depositary to effect final settlement on its behalf by delivering or receiving interests in the global notes in its accounts with DTC and making or receiving payment in accordance with normal procedures of same-day funds settlement applicable to DTC. Participants in Euroclear and Clearstream may not deliver instructions directly to the depositaries for Euroclear and Clearstream.

Because of time zone differences, the accounts of Euroclear and Clearstream participants purchasing beneficial interests in the global notes from DTC participants will be credited with the securities purchased, and the crediting will be reported to the Euroclear and Clearstream participants, on the securities settlement processing day immediately following the DTC settlement processing day. Likewise, the accounts of Euroclear and Clearstream participants selling beneficial interests in the global notes to DTC participants will be credited with the cash received on the DTC settlement processing day, but the cash will not be available until the settlement processing day immediately following the DTC settlement processing day.

Although DTC, Euroclear and Clearstream have agreed to the procedures to facilitate transfers of interests in the global notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform these procedures. These procedures may be changed or discontinued at any time. We take no responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations.

EXCHANGE OF GLOBAL NOTES FOR CERTIFICATED NOTES

We will exchange beneficial interests in global notes for certificated notes only if:

- DTC notifies us that it is unwilling or unable to continue as depositary for the global notes;

- DTC ceases to be a clearing agency registered under the Exchange Act; or

- we decide at any time not to have the securities represented by global notes and so notify the trustee.

If there is an exchange, we will issue certificated notes in authorized denominations and registered in the names which DTC directs.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of White & Case LLP, special tax counsel to Williams, the following is a summary of the material U.S. federal income tax consequences associated with the exchange of outstanding securities for the new securities in the exchange offer. The summary is based upon the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations, judicial authorities, published positions of the Internal Revenue Service (the "IRS") and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). The discussion does not address all of the tax consequences that may be relevant to a particular holder or to certain holders subject to special treatment under U.S. federal income tax laws. This discussion is limited to persons that hold their outstanding securities and new securities as "capital assets" within the meaning of section 1221 of the Code. Williams has not sought, and does not intend to seek, a ruling from the IRS regarding the matters discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax aspects set forth below. PROSPECTIVE INVESTORS MUST CONSULT THEIR OWN TAX ADVISORS AS TO THE FEDERAL INCOME TAX CONSEQUENCES OF ACQUIRING, HOLDING AND DISPOSING OF NEW SECURITIES, AS WELL AS THE EFFECTS OF STATE, LOCAL AND NON-U.S. TAX LAWS.

For purposes of this discussion, the term "U.S. holder" means any one of the following:

- a citizen or resident of the United States;

- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States or of any political subdivision thereof;

- an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source;

- a trust, the administration of which is subject to the primary supervision of the U.S. courts and that has one or more U.S. persons who have the authority to control all substantial decisions of the trust, or that was in existence on August 20, 1996 and properly elected to continue to be treated as a U.S. person; or

- any individual or entity described above that is otherwise subject to U.S. federal income tax on a net income basis with respect to the new securities.

The term "non-U.S. holder" means a holder that is not a U.S. holder.

The term "new securities" means the new 8.125% notes and the new 8.750% notes.

The term "outstanding securities" means the outstanding 8.125% notes and the outstanding 8.750% notes.

EXCHANGE OF OUTSTANDING SECURITIES FOR NEW SECURITIES

The exchange of the outstanding securities for the new securities issued in the exchange offer will not be treated as an "exchange" for U.S. federal income tax purposes because the new securities issued in the exchange offer will not be considered to differ materially in kind or extent from the outstanding securities. Rather, the new securities issued in the exchange offer received by a holder will be treated as a continuation of the outstanding securities in the hands of such holder. As a result, no gain or loss will be recognized by a holder who exchanges outstanding securities for new securities in the exchange offer and any exchanging holder of outstanding securities will have the same tax basis and holding period in, and income in respect of, the new securities as such holder had in the outstanding securities immediately prior to the exchange.

U.S. HOLDERS

Payments of Interest. Payments of interest on new securities generally will be taxable to a U.S. holder as ordinary interest income at the time such payments are accrued or received (in accordance with the U.S. holder's method of accounting for U.S. federal income tax purposes).

Disposition of New Securities. Upon the sale or other disposition of a new security, a U.S. holder will generally recognize capital gain or loss equal to the difference between the amount realized on the sale or other disposition and the holder's adjusted tax basis in the new security. For these purposes, the amount realized on the sale or other disposition of a new security does not include any amount received attributable to accrued but unpaid interest, which will be taxable as ordinary income unless previously taken into account. Capital gain or loss on the sale or other disposition of a new security will be long-term capital gain or loss if the holder's cumulative holding period with respect to the new security and the outstanding securities exchanged therefor is more than one year at the time of the sale or other disposition.

NON-U.S. HOLDERS

Payments of Interest. Subject to the discussion below concerning information reporting and backup withholding, payments of interest on a new security to any non-U.S. holder will generally not be subject to U.S. federal income tax or withholding tax, provided that all of the following are true:

- the interest on the new security is not effectively connected with the non-U.S. holder's conduct of a trade or business within the United States;

- the non-U.S. holder does not actually or constructively own 10% or more of the total combined voting power of all classes of Williams stock;

- the non-U.S. holder is not a "controlled foreign corporation" with respect to which Williams is a "related person" for U.S. federal income tax purposes; and

- the non-U.S. holder either (A) certifies, on IRS Form W-8BEN (or a permissible substitute or successor form) under penalties of perjury, that it is a non-U.S. holder and provides its name and address, or (B) is a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "financial institution") and holds the new securities, certifies under penalties of perjury that it has received an IRS Form W-8BEN (or a permissible substitute or successor form) from the beneficial owner of the new securities or that another financial institution has received such Form from the beneficial owner, and furnishes the payor with a copy thereof.

Interest paid to a non-U.S. holder that does not qualify for exemption from withholding tax generally will be subject to withholding of U.S. federal income tax unless the non-U.S. holder of the new securities provides to Williams a properly executed:

(i) IRS Form W-8BEN (or a permissible substitute or successor form) claiming an exemption from (or reduction in) withholding under the benefit of an applicable income tax treaty; or

(ii) IRS Form W-8ECI (or a permissible substitute or successor form) stating that the interest paid on new securities is not subject to withholding tax because it is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States.

Non-U.S. holders should consult any applicable income tax treaties, which may provide for exemption from (or reduction in) U.S. withholding for other rules different from those described above.

Disposition of New Securities. Subject to the discussion below concerning information reporting and backup withholding, any gain realized by a non-U.S. holder on the sale or other disposition of new securities generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such non-U.S. holder of a trade or business within the U.S. or (ii) the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are satisfied.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Generally, Williams must report annually to the IRS and to each holder the amounts of interest paid to that holder, and the amount of tax, if any, that was withheld on the interest. This information may also be made available to the tax authorities of a country in which a non-U.S. holder resides.

Backup withholding will generally apply to interest payments made to persons that fail to furnish certain required information. A U.S. holder may be subject to backup withholding on interest payments with respect to new securities unless such U.S. holder (i) is a corporation or comes within certain other exempt categories and demonstrates this fact, or (ii) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup

withholding and otherwise complies with applicable requirements. Backup withholding generally will not apply to interest payments made in respect of new securities held by a non-U.S. holder, if the holder properly certifies as to its non-U.S. status or otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts we withhold under the backup withholding rules will be allowed as a refund or credit against such non-U.S. holder's federal income tax liability, provided that the requisite procedures are followed and certain information is provided to the IRS.

In the case of the payment of proceeds from the disposition of new securities to or through a non-U.S. office of a U.S. broker, or foreign brokers with certain types of relationships to the United States, information reporting, but not backup withholding, will be required on the payment, unless the broker has documentary evidence in its files that the owner is a non-U.S. holder and certain other conditions are met, or the holder otherwise establishes an exemption.

PLAN OF DISTRIBUTION

Based on interpretations by the staff of the SEC in no-action letters issued to third parties, we believe that you may transfer new 8.125% notes and new 8.750% notes issued under the exchange offer in exchange for the outstanding 8.125% notes and outstanding 8.750% notes if:

- you acquire the new 8.125% notes or new 8.750% notes in the ordinary course of your business; and

- you are not engaged in, and do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of the new 8.125% notes or new 8.750% notes.

Broker-dealers receiving new 8.125% notes or new 8.750% notes in the exchange offer will be subject to a prospectus delivery requirement with respect to resales of the new 8.125% notes and new 8.750% notes.

We believe that you may not transfer new 8.125% notes or new 8.750% notes issued under the exchange offer in exchange for the outstanding 8.125% notes or outstanding 8.750% notes without compliance with the registration and prospectus delivery provisions of the Securities Act if you are:

- our "affiliate" within the meaning of Rule 405 under the Securities Act;

- a broker-dealer that acquired outstanding 8.125% notes or outstanding 8.750% notes directly from us; or

- a broker-dealer that acquired outstanding 8.125% notes or outstanding 8.750% notes as a result of market-making or other trading activities.

To date, the staff of the SEC has taken the position that participating broker-dealers may fulfill their prospectus delivery requirements with respect to transactions involving an exchange of securities such as this exchange offer, other than a resale of an unsold allotment from the original sale of the outstanding 8.125% notes or outstanding 8.750% notes, with the prospectus contained in the exchange offer registration statement. We have agreed to permit participating broker-dealers to use this prospectus in connection with the resale of new 8.125% notes and new 8.750% notes.

If you wish to exchange your outstanding 8.125% notes for new 8.125% notes or your outstanding 8.750% notes for new 8.750% notes in the exchange offer, you will be required to make representations to us as described in "The Exchange Offer -- Exchange Terms" and "-- Procedures for Tendering Outstanding Securities -- Other Matters" in this prospectus and in the letter of transmittal. In addition, if you are a broker-dealer who receives new 8.125% notes or new 8.750% notes for your own account in exchange for outstanding 8.125% notes or outstanding 8.750% notes that were acquired by you as a result of market-making activities or other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale by you of such new 8.125% notes or new 8.750% notes. See "The Exchange Offer -- Resale of New Securities."

We will not receive any proceeds from any sale of new 8.125% notes or new 8.750% notes by broker-dealers or from any other person. Broker-dealers who receive new 8.125% notes or new 8.750% notes for their own account in the exchange offer may sell them from time to time in one or more transactions:

- in the over-the-counter market;
- in negotiated transactions;
- through the writing of options on the new 8.125% notes or new 8.750% notes or a combination of such methods of resale;
- at market prices prevailing at the time of resale; and
- at prices related to such prevailing market prices or negotiated prices.

Any resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any broker-dealer or the purchasers of any new 8.125% notes or new 8.750% notes. Any broker-dealer that resells new 8.125% notes or new 8.750% notes it received for its own account in the exchange offer and any broker or dealer that participates in a distribution of such new 8.125% notes or new 8.750% notes may be deemed to be an "underwriter" within the meaning of the Securities Act. Any profit on any resale of new 8.125% notes or new 8.750% notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

We have agreed to pay all expenses incidental to the exchange offer other than commissions and concessions of any brokers or dealers. We will indemnify holders of the outstanding 8.125% notes and outstanding 8.750% notes, including any broker-dealers, against certain liabilities, including liabilities under the Securities Act, as provided in the registration rights agreement.

FORWARD-LOOKING STATEMENTS

Certain matters discussed in this prospectus, excluding historical information, include forward-looking statements -- statements that discuss our expected future results based on current and pending business operations. Forward-looking statements can be identified by words such as "anticipates," "believes," "could," "continues," "estimates," "expects," "forecasts," "might," "planned," "potential," "projects," "scheduled" or similar expressions. Although we believe these forward-looking statements are based on reasonable assumptions, statements made regarding future results are subject to a number of assumptions, uncertainties and risks that could cause future results to be materially different from the results stated or implied in this prospectus. Events in 2002 significantly impacted the risk environment all businesses face and raised a level of uncertainty in the capital markets that has approached that which led to the general market collapse of 1929. Beliefs and assumptions as to what constitutes appropriate levels of capitalization and fundamental value have changed abruptly. The deterioration of our energy industry sector in the wake of the collapse of Enron combined with the meltdown of the telecommunications industry are both new realities that have had and will likely continue to have specific impacts on all companies, including us. Although we believe these forward-looking statements are based on reasonable assumptions, statements made regarding future results are subject to a number of assumptions, uncertainties and risks that could cause future results to be materially different from the results stated or implied in this prospectus.

Additional information about issues that could lead to material changes in performance is contained in our annual report on Form 10-K for the year ended December 31, 2002 which is incorporated by reference in this prospectus.

LEGAL MATTERS

The validity of the new 8.125% notes and the new 8.750% notes has been passed upon by William G. von Glahn, Esq., who, prior to his retirement from Williams in December 2002, served as Senior Vice President and General Counsel of Williams. As of December 31, 2002, Mr. von Glahn was the beneficial holder of 75,000 shares of Williams common stock (including shares subject to stock options, deferred stock awards and Williams' 401(k) retirement plan). Mr. von Glahn was a participant in Williams' stock option plan and various other employee benefit plans offered to employees of Williams. White & Case LLP, special tax counsel for Williams, will pass upon the discussion set forth under the heading "Material United States Federal Income Tax Considerations" on page 42.

EXPERTS

The consolidated financial statements and schedule of Williams appearing in Williams' Annual Report on Form 10-K for the year ended December 31, 2002, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements and schedule are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC under the Exchange Act. The registration statement of which this prospectus forms a part and these reports, proxy statements and other information can be inspected and copied at the public reference room maintained by the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the SEC's regional offices at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and at 233 Broadway, New York, New York 10005. Copies of these materials may also be obtained from the SEC at prescribed rates by writing to the public reference room maintained by the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330.

We have filed with the SEC a registration statement on Form S-4 under the Securities Act with respect to this offering. This prospectus, which forms a part of the registration statement, does not contain all the information included in the registration statement and the attached exhibits.

The SEC maintains a World Wide Web site on the internet at http://www.sec.gov that contains reports, proxy and information statements and other information regarding us. The reports, proxy and information statements and other information about us can be downloaded from the SEC's website and can also be inspected and copied at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" into this prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under section 13(a), 13(c), 14 or 15(d) of the Exchange Act until the exchange offer is completed:

- our annual report on Form 10-K for the year ended December 31, 2002;

- our current reports on Form 8-K filed January 2, 2003, January 9, 2003, January 17, 2003, January 24, 2003, February 19, 2003, February 21, 2003, March 6, 2003, March 12, 2003,

March 19, 2003, March 21, 2003, April 10, 2003, April 15, 2003, April 16, 2003, April 21, 2003 and April 22, 2003; and

- our definitive proxy statement on Schedule 14A filed April 7, 2003.

You may request a copy of these filings, at no cost, by writing or calling us at the following address:

The Williams Companies, Inc.
One Williams Center
Tulsa, Oklahoma 74172
Attention: Corporate Secretary
Telephone: (918) 573-2000

ANY REQUEST FOR THESE FILINGS SHOULD BE MADE BY MAY --, 2003 TO ENSURE TIMELY DELIVERY OF THE FILINGS PRIOR TO THE EXPIRATION DATE OF THE EXCHANGE OFFER.

You should rely only on the information incorporated by reference or provided in this prospectus. We have not authorized anyone else to provide you with any information. You should not assume that the information in this document is current as of any date other than the date on the front page of this prospectus.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Williams, a Delaware corporation, is empowered by Section 145 of the General Corporation Law of the State of Delaware, subject to the procedures and limitations stated therein, to indemnify any person against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by them in connection with any threatened, pending, or completed action, suit, or proceeding in which such person is made party by reason of their being or having been a director, officer, employee, or agent of Williams. The statute provides that indemnification pursuant to its provisions is not exclusive of other rights of indemnification to which a person may be entitled under any by-law, agreement, vote of stockholders or disinterested directors, or otherwise. The By-laws of Williams provide for indemnification by Williams of its directors and officers to the fullest extent permitted by the General Corporation Law of the State of Delaware. In addition, Williams has entered into indemnity agreements with its directors and certain officers providing for, among other things, the indemnification of and the advancing of expenses to such individuals to the fullest extent permitted by law, and to the extent insurance is maintained, for the continued coverage of such individuals.

Policies of insurance are maintained by Williams under which the directors and officers of Williams are insured, within the limits and subject to the limitations of the policies, against certain expenses in connection with the defense of actions, suits, or proceedings, and certain liabilities which might be imposed as a result of such actions, suits or proceedings, to which they are parties by reason of being or having been such directors or officers.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

The following instruments and documents are included as Exhibits to this Registration Statement.

EXHIBIT
NUMBER
EXHIBIT - ---
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3.1 Restated Certificate of Incorporation, as supplemented (filed as Exhibit 3.1 to the Registration Statement on Form S-3 filed April 4, 2002, file number 333-85540).* 3.2 Restated Bylaws (filed as Exhibit 99.1 to Form 8-K filed January 19, 2000).* 4.1 Form of Senior Debt Indenture between the registrant and Bank One Trust Company, N.A. (formerly The First National Bank of Chicago), as trustee (filed as Exhibit 4.1 to the Registration Statement on Form S-3

filed September 8, 1997, file number 333-35099).* 4.2 Seventh Supplemental Indenture, dated March 19, 2002, between the registrant and Bank One Trust Company, N.A., as trustee.** 4.3 Registration Rights Agreement, dated March 19, 2002, among the registrant and the initial purchasers named therein.** 4.4 Instrument of Resignation, Appointment and Acceptance, dated January 16, 2003, by and among The Williams Companies, Inc., Bank One Trust Company, N.A., as the resigning trustee, and JPMorgan Chase Bank, as successor trustee. 5.1 Opinion of William G. von Glahn, Esq., as to the validity of the new 8.125% notes and the new 8.750% notes.** 8.1 Opinion of White & Case LLP, as to certain tax matters. 10.1 Purchase Agreement, dated March 14, 2002, among the registrant and the initial purchasers named therein.** 12.1 Statement regarding Computation of Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividend

Requirements (filed as Exhibit 12 to the Annual Report on Form 10-K for the year ending December 31, 2002 and filed March 19, 2003).

EXHIBIT NUMBER EXHIBIT - --- ---- -------

21 Subsidiaries of the registrant (filed as Exhibit 21 to the Annual Report on Form 10-K for the year ended December 31, 2002).* 23.1 Consent of Ernst & Young LLP. 23.2 Consent of William G. von Glahn, Esq. (contained in Exhibit 5.1). 23.3 Consent of White & Case LLP (contained in Exhibit 8.1). 24.1 Power of Attorney.** 24.2 Certified copy of resolutions authorizing signatures pursuant to Power of Attorney.** 25.1 Statement of Eligibility of Bank One Trust Company, N.A., as trustee, on Form T-1 with respect to the issuance of 8.125% Notes due March 15, 2012 and 8.750% Notes due March 15, 2032, by the registrant pursuant to the Indenture between the registrant and Bank One Trust Company, N.A., as trustee.** 25.2 Statement of Eligibility of JPMorgan Chase Bank, as trustee, on Form T-1 with respect to the issuance of 8.125% Notes due March 15, 2012 and 8.750% Notes

due March 15, 2032, by the registrant pursuant to the Indenture between the registrant and JPMorgan Chase Bank, as trustee.
99.1 Form of Letter of Transmittal.
99.2 Form of Notice of Guaranteed Delivery.
99.3 Form of Letter to Registered Holders and DTC Participants.
99.4 Form of Letter to Clients.
99.5 Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

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* Indicates exhibits incorporated by reference as indicated.

** Previously filed.

ITEM 22. UNDERTAKINGS

(a) The undersigned registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. To remove from registration by means of a post-effective amendment any of the securities being registered that remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(d) The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11, or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(e) The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Tulsa and State of Oklahoma on the 22nd day of April, 2003.

THE WILLIAMS COMPANIES, INC.

BY: /s/ BRIAN K. SHORE

Name: Brian K. Shore

Title: Secretary

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ STEVEN J. MALCOLM* Steven J. Malcolm	President, Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	April 22, 2003
/s/ DONALD R. CHAPPEL* Donald R. Chappel	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	April 22, 2003
/s/ GARY R. BELITZ*	Controller	April 22, 2003

(Principal
Accounting
Officer)
Gary R.
Belitz /s/
HUGH M.
CHAPMAN*
Director
April 22,
2003 -----

--- Hugh
M. Chapman
/s/ THOMAS
H.
CRUIKSHANK*
Director
April 22,
2003 -----

--- Thomas
H.
Cruikshank
/s/
WILLIAM E.
GREEN*
Director
April 22,
2003 -----

William E.
Green /s/
W. R.
HOWELL*
Director
April 22,
2003 -----

--- W. R.
Howell /s/
JAMES C.
LEWIS*
Director
April 22,
2003 -----

--- James
C. Lewis
/s/
CHARLES M.
LILLIS*
Director
April 22,
2003 -----

Charles M.
Lillis /s/
GEORGE A.
LORCH*
Director
April 22,
2003 -----

--- George
A. Lorch

SIGNATURE TITLE DATE --- ------ - ---- --- - /s/ FRANK T. MACINNIS* Director April 22, 2003 -- Frank T. MacInnis /s/ GORDON R. PARKER* Director April 22, 2003 -- Gordon R. Parker /s/ JANICE D. STONEY* Director April 22, 2003 -- Janice D. Stoney /s/ JOSEPH H. WILLIAMS* Director April 22, 2003 -- Joseph H. Williams *By: /s/ BRIAN K. SHORE -- -- Brian K. Shore Attorney-in-Fact

INDEX TO EXHIBITS

EXHIBIT NUMBER	EXHIBIT
3.1	Restated Certificate of Incorporation, as supplemented (filed as Exhibit 3.1 to the Registration Statement on Form S-3 filed April 4, 2002, file number 333-85540).*
3.2	Restated Bylaws (filed as Exhibit 99.1 to Form 8-K filed January 19, 2000).*
4.1	Form of Senior Debt Indenture between the registrant and Bank One Trust Company, N.A. (formerly The First National Bank of Chicago), as trustee (filed as Exhibit 4.1 to the Registration Statement on Form S-3 filed September 8, 1997, file number 333-35099).*
4.2	Seventh Supplemental Indenture, dated March 19, 2002, between the registrant and Bank One Trust Company, N.A., as trustee.**
4.3	Registration Rights Agreement, dated March 19, 2002, among the registrant and the initial purchasers named therein.**
4.4	Instrument of Resignation, Appointment and Acceptance,

dated January 16, 2003, by and among The Williams Companies, Inc., Bank One Trust Company, N.A., as the resigning trustee, and JPMorgan Chase Bank, as successor trustee. 5.1 Opinion of William G. von Glahn, Esq., as to the validity of the new 8.125% notes and the new 8.750% notes.** 8.1 Opinion of White & Case LLP, as to certain tax matters. 10.1 Purchase Agreement, dated March 14, 2002, among the registrant and the initial purchasers named therein.** 12.1 Statement regarding Computation of Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividend Requirements (filed as Exhibit 12 to the Annual Report on Form 10-K for the year ending December 31, 2002 and filed March 19, 2003). 21 Subsidiaries of the registrant (filed as Exhibit 21 to the Annual Report on Form 10-K for the year ended December 31, 2002).* 23.1 Consent of Ernst & Young LLP. 23.2 Consent of William G. von Glahn, Esq. (contained in Exhibit 5.1). 23.3 Consent of White & Case LLP

(contained in Exhibit 8.1). 24.1 Power of Attorney.** 24.2 Certified copy of resolutions authorizing signatures pursuant to Power of Attorney.** 25.1 Statement of Eligibility of Bank One Trust Company, N.A., as trustee, on Form T-1 with respect to the issuance of 8.125% Notes due March 15, 2012 and 8.750% Notes due March 15, 2032, by the registrant pursuant to the Indenture between the registrant and Bank One Trust Company, N.A., as trustee.** 25.2 Statement of Eligibility of JPMorgan Chase Bank, as trustee, on Form T-1 with respect to the issuance of 8.125% Notes due March 15, 2012 and 8.750% Notes due March 15, 2032, by the registrant pursuant to the Indenture between the registrant and JPMorgan Chase Bank, as trustee. 99.1 Form of Letter of Transmittal. 99.2 Form of Notice of Guaranteed Delivery. 99.3 Form of Letter to Registered Holders and DTC Participants. 99.4 Form of Letter to Clients. 99.5 Guidelines for Certification of Taxpayer Identification Number on

Substitute
Form W-9.

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* Indicates exhibits incorporated by reference as indicated.

** Previously filed.

EXHIBIT 4.4

[EXECUTION COPY]

INSTRUMENT OF RESIGNATION, APPOINTMENT AND ACCEPTANCE (the "Agreement"), dated as of January 16, 2003, by and among THE WILLIAMS COMPANIES, INC., a corporation duly organized and existing under the laws of the State of Delaware, having its principal office at One Williams Center, Tulsa, Oklahoma 74172 (the "Issuer"), BANK ONE TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America, having its principal corporate trust office at 1111 Polaris Parkway, Suite 1K, Columbus, Ohio 43240 (the "Resigning Trustee"), and JPMORGAN CHASE BANK, a New York banking corporation duly organized and existing under the laws of the State of New York, having a corporate trust office at 4 New York Plaza, New York, New York 10004 (the "Successor Trustee");

RECITALS

There are presently issued and outstanding $8,194,925,000 in aggregate principal amount of the Issuer's Registered Securities of various series (the "Securities") under a Senior Indenture, dated as of November 10, 1997 (the "Original Indenture"), as supplemented by the First Supplemental Indenture dated as of September 8, 2000, the Second Supplemental Indenture dated as of December 7, 2000, the Third Supplemental Indenture dated as of December 20, 2000, the Fourth Supplemental Indenture dated as of January 17, 2001, the Fifth Supplemental Indenture dated as of January 17, 2001, the Sixth Supplemental Indenture dated as of January 14, 2002, the Seventh Supplemental Indenture dated as of March 19, 2002 (the "Seventh Supplemental Indenture"), and the Eighth Supplemental Indenture dated as of June 3, 2002 (collectively, the "Supplemental Indentures", together with the Original Indenture, the "Indenture"), between the Issuer and the Resigning Trustee (formerly known as The First National Bank of Chicago).

The Resigning Trustee wishes to resign as Trustee, registrar for the Securities (the "Registrar") and paying agent for the Securities (the "Paying Agent") under the Indenture; the Issuer wishes to appoint the Successor Trustee to succeed the Resigning Trustee as Trustee, Registrar and Paying Agent under the Indenture; and the Successor Trustee wishes to accept appointment as Trustee, Registrar and Paying Agent under the Indenture.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein, the receipt and sufficiency of which is hereby acknowledged, the Issuer, the Resigning Trustee and the Successor Trustee agree as follows:

ARTICLE ONE
THE RESIGNING TRUSTEE

Section 101. Pursuant to Section 6.10 of the Indenture, the Resigning Trustee hereby notifies the Issuer that the Resigning Trustee is hereby resigning as Trustee under the Indenture.

Section 102. The Resigning Trustee hereby represents and warrants to the Successor Trustee that:

(a) No covenant or condition contained in the Indenture has been waived by the Resigning Trustee or, to the best of the knowledge of the Responsible Officers of the Resigning Trustee, by Holders of the percentage in aggregate principal amount of the Securities or of series thereof required by the Indenture to effect any such waiver and no notice has been given or received by Resigning Trustee under Section 5.1 of the Indenture that would result in the occurrence of an Event of Default.

(b) There is no action, suit or proceeding pending or, to the best of the knowledge of the Responsible Officers of the Resigning Trustee assigned to its Corporate Trust Department, threatened against the Resigning Trustee before any court or governmental authority arising out of any action or omission by the Resigning Trustee as Trustee under the Indenture.

(c) As of the effective date of this Agreement, Resigning Trustee will hold no property under the Indenture.

(d) Pursuant to Section 2.4 of the Indenture, Resigning Trustee duly authenticated and delivered $8,194,925,000 aggregate principal amount of Securities, all of which are Outstanding as of the effective date hereof.

(e) Each person who so authenticated the Securities was duly elected, qualified and acting as an officer of Resigning Trustee and empowered to authenticate the Securities at the respective times of such authentication and the signature of such person or persons appearing on such Securities is each such person's genuine signature.

(f) This Agreement has been duly authorized, executed and delivered on behalf of Resigning Trustee and constitutes its legal, valid and binding obligation.

Section 103. The Resigning Trustee hereby assigns, transfers, delivers and confirms to the Successor Trustee and its successors and assigns all right, title and interest of the Resigning Trustee in and to the trust under the Indenture, and all the rights, powers, trusts, privileges, duties and obligations of the Trustee under the Indenture. The Resigning Trustee shall execute and deliver such further instruments and shall do such other things as the Successor Trustee may reasonably require so as to more fully and certainly vest and confirm in the Successor Trustee all the rights, powers, trusts, privileges, duties and obligations hereby assigned, transferred, delivered and confirmed to the Successor Trustee as Trustee, Registrar and Paying Agent.

Section 104. The Resigning Trustee hereby resigns as Paying Agent for the Securities, as Registrar for the Securities and as the office or agency maintained by the Issuer pursuant to Section 3.2 of the Indenture.

Section 105. The Resigning Trustee agrees to pay or indemnify the Successor Trustee and save the Successor Trustee harmless from and against any and all costs, claims,

liabilities, losses or damages whatsoever (including the reasonable fees, expenses and disbursements of the Successor Trustee's counsel and other advisors), that the Successor Trustee suffers or incurs without gross negligence or bad faith on its part arising out of actions or omissions of the Resigning Trustee. The Successor Trustee will furnish to the Resigning Trustee, promptly after receipt, all papers with respect to any action the outcome of which would make operative the indemnity provided for in this Section. The Successor Trustee shall notify the Resigning Trustee promptly in writing (and, in any event, within no later than 10 days) of any claim for which it may seek indemnity. The Resigning Trustee shall have the option to defend the claim and the Successor Trustee shall cooperate fully in the defense. If the Resigning Trustee shall assume the defense, then the Resigning Trustee shall not pay for separate counsel of the Successor Trustee. The Resigning Trustee shall not be obligated to pay for any settlement made without its consent. The Resigning Trustee shall not settle any claim against the Successor Trustee without such Successor Trustee's written consent, which shall not be unreasonably withheld.

ARTICLE TWO
THE ISSUER

Section 201. The Issuer hereby certifies that the Board of Directors of the Issuer has duly adopted resolutions, which are in full force and effect on the date hereof, authorizing certain officers of the Issuer to: (a) accept the Resigning Trustee's resignation as Trustee, Registrar and Paying Agent under the Indenture; (b) appoint the Successor Trustee as Trustee, Registrar and Paying Agent under the Indenture; and (c) execute and deliver such agreements and other instruments as may be necessary or desirable to effectuate the succession of the Successor Trustee as Trustee, Registrar and Paying Agent under the Indenture. The Issuer is delivering simultaneously herewith a Certificate of the Secretary or an Assistant Secretary certifying as to such resolutions.

Section 202. The Issuer hereby appoints the Successor Trustee as Trustee under the Indenture with all the rights, powers, privileges, trusts, duties and obligations of the Trustee under the Indenture. The Issuer shall execute and deliver such further instruments and shall do such other things as the Successor Trustee may reasonably require so as to more fully and certainly vest and confirm in the Successor Trustee all the rights, powers, privileges, duties and obligations hereby assigned, transferred, delivered and confirmed to the Successor Trustee.

Section 203. The Issuer hereby represents and warrants to the Successor Trustee that:

(a) No Event of Default and no default exists under the Indenture.

(b) No covenant or condition contained in the Indenture has been waived by the Holders of the percentage in aggregate principal amount of the Securities or of series thereof required by the Indenture to effect any such waiver.

(c) Except for the Supplemental Indentures, the Indenture has not been amended or modified and is in full force and effect.

(d) The Securities are validly issued securities of the Issuer.

(e) The Issuer is a corporation duly and validly organized and existing pursuant to the laws of the State of Delaware.

(f) This Agreement has been duly authorized, executed and delivered on behalf of Issuer and constitutes its legal, valid and binding obligation.

(g) All conditions precedent relating to the appointment of Successor Trustee as successor Trustee, Registrar and Paying Agent under the Indenture have been complied with by the Issuer.

Section 204. The Issuer hereby appoints the Successor Trustee as Paying Agent for the Securities, as Registrar for the Securities and as the Issuer's office or agency maintained pursuant to Section 3.2 of the Indenture.

Section 205. Promptly after the effective date of this Instrument, the Issuer shall cause a notice, the form of which is annexed hereto marked Exhibit A, to be sent to each Holder of the Securities in accordance with the provisions of the Indenture.

ARTICLE THREE
THE SUCCESSOR TRUSTEE

Section 301. The Successor Trustee hereby represents and warrants to the Resigning Trustee and to the Issuer that the Successor Trustee is qualified and eligible under Article Six of the Indenture to act as Trustee under the Indenture (assuming the correctness of the representations made in Sections 102(a) and 203(a) hereof) and that this Agreement has been duly authorized, executed and delivered on behalf of the Successor Trustee and constitutes its legal, valid and binding obligation.

Section 302. The Successor Trustee hereby accepts its appointment as Trustee under the Indenture and shall hereby be vested with all the rights, powers, trusts, privileges, duties and obligations of the Trustee under the Indenture. The Successor Trustee hereby accepts its appointment as Paying Agent for the Securities, as Registrar for the Securities and as the Issuer's office or agency maintained pursuant to Section 3.2 of the Indenture.

Section 303. References in the Indenture to "the Corporate Trust Office" or other similar terms shall be deemed to refer to the Corporate Trust Office of the Successor Trustee at, and all notices to the Trustee delivered pursuant to Section 11.4 of the Indenture shall be addressed to the Trustee at, 4 New York Plaza, New York, New York 10004, Attention Institutional Trust Services, or any other office of Successor Trustee at which, at any particular time, its corporate trust business shall be administered.

Section 304. This Agreement shall not constitute (i) a waiver by any of the parties hereto of any obligation or liability which Resigning Trustee may have incurred in connection with its services as Trustee, Registrar or Paying Agent under the Indenture or (ii) an assumption by Successor Trustee of any liability of Resigning Trustee arising out of a breach by Resigning Trustee prior to its resignation of its duties under the Indenture (each a "Prior Liability"). Notwithstanding anything herein to the contrary, Resigning Trustee shall remain liable for any Prior Liabilities to the extent provided in, and subject to, the Indenture. This instrument does not constitute a waiver or assignment by Resigning Trustee of any

compensation, reimbursement, expenses or indemnity to which it is or may be entitled pursuant to the Indenture.

ARTICLE FOUR
MISCELLANEOUS

Section 401. Except as otherwise expressly provided or unless the context otherwise requires, all terms used herein which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

Section 402. This Instrument and the resignation, appointment and acceptance effected hereby shall be effective as of the close of business on January 27, 2003.

Section 403. Notwithstanding the resignation of the Resigning Trustee effected hereby, the Issuer shall remain obligated under Section 6.6 of the Indenture to compensate, reimburse and indemnify the Resigning Trustee in connection with its prior trusteeship under the Indenture.

Section 404. This Instrument shall be governed by and construed in accordance with the law of the State of New York.

Section 405. This Instrument may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 406. All notices, whether faxed or mailed, will be deemed received when sent pursuant to the following instructions:

TO THE RESIGNING TRUSTEE:

Bank One Trust Company, N.A.
1111 Polaris Parkway, Suite 1K
Columbus, Ohio 43240
Attention: Jeffrey A. Ayres

Facsimile: (614) 248-5195
Phone No. (614) 248-2566

TO THE SUCCESSOR TRUSTEE:

JPMorgan Chase Bank
4 New York Plaza
New York, New York 10004
Attention: Institutional Trust Services

Facsimile: (212) 623-6167
Phone No. (212) 623-6782

TO THE ISSUER:

The Williams Companies, Inc.
One Williams Center, 50-4
Tulsa, Oklahoma 74172

Facsimile: (918) 573-2065
Attention: Treasurer

Section 407. Resigning Trustee hereby acknowledges payment or provision for payment in full by the Issuer of compensation for all services rendered by Resigning Trustee under the Indenture on or prior to the date hereof and reimbursement in full by the Issuer of the expenses, disbursements and advances incurred or made by Resigning Trustee in accordance with the provisions of the Indenture on or prior to the date hereof. Resigning Trustee acknowledges that it relinquishes any claim it may have upon all property or funds held or collected by it to secure any amounts due it pursuant to the provisions of Section 6.6 of the Indenture. The Issuer acknowledges its obligation set forth in Section 6.6 of the Indenture to indemnify Resigning Trustee for, and to hold Resigning Trustee harmless against, any loss, liability and expense (including without limitation, any cost or expense hereafter incurred pursuant to Section 103 hereof) incurred without negligence or bad faith on the part of the Resigning Trustee and arising out of or in connection with the acceptance or administration of the Indenture or the trusts and its duties thereunder (which obligation shall survive the execution hereof).

IN WITNESS WHEREOF, the parties hereto have caused this Instrument of Resignation, Appointment and Acceptance to be duly executed as of the day and year first above written.

THE WILLIAMS COMPANIES, INC.

By: /s/ James G. Ivey

Name: James G. Ivey

BANK ONE TRUST COMPANY, N.A.

By: /s/ Jeffery L. Eubanks

Name: Jeffery L. Eubanks

JPMORGAN CHASE BANK

By: /s/ J. Adamis

Name: J. Adamis

EXHIBIT A

Notice to Holders of ______% ________________ due ____________ (the "Notes"):

We hereby notify you of the resignation of Bank One Trust Company, N.A., as Trustee under the Indenture, dated as of November 10, 1997, pursuant to which your Notes were issued and are outstanding.

The Williams Companies, Inc. has appointed JPMorgan Chase Bank, whose Corporate Trust Office is located at 4 New York Plaza, New York, New York 10004, as Successor Trustee under the Indenture, which appointment has been accepted and has become effective.

BANK ONE TRUST COMPANY, N.A.
as ResigningTrustee

THE WILLIAMS COMPANIES, INC.

Dated:

EXHIBIT 8.1

(WHITE & CASE LETTERHEAD)

April 21, 2003

The Williams Companies, Inc.
One Williams Center
Tulsa, OK 74172

Re: Form S-4 Registration Statement of the Williams Companies, Inc.

Dear Ladies and Gentlemen:

Reference is made to The Williams Companies, Inc. Amendment No. 2 to Form S-4 Registration Statement, dated April 21, 2003 (the "Registration Statement"). We have functioned as special tax counsel to The Williams Companies, Inc. with respect to the transactions described in the Registration Statement.

We hereby confirm that in our opinion, the summary set forth in the Registration Statement under the heading "Material United States Federal Income Tax Considerations" constitutes in all material respects a fair and accurate summary of the material United States federal income tax consequences of the acquisition, ownership and disposition of the new securities, based upon current United States Federal income tax law.

We hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement. We also consent to the reference to our firm under the heading "Legal Matters" in the Registration Statement. In giving this consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or 1933, as amended, or the rules and regulations of the Commission.

Very truly yours,

/s/ White & Case LLP

White & Case LLP

EXHIBIT 23.1

Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" in Amendment No. 2 to the Registration Statement (Form S-4 No. 333-85568) and the related Prospectus of The Williams Companies, Inc. for the registration of $650 million of 8.125% Notes and $850 million of 8.75% Notes, and to the incorporation by reference therein of our report dated March 5, 2003, with respect to the consolidated financial statements and schedule of The Williams Companies, Inc. included in its Annual Report (Form 10-K) for the year ended December 31, 2002, filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

Tulsa, Oklahoma
April 17, 2003

EXHIBIT 25.2

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF
A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF
A TRUSTEE PURSUANT TO SECTION 305(b)(2)

JPMORGAN CHASE BANK
(Exact name of trustee as specified in its charter)

NEW YORK	13-4994650
(State of incorporation if not a national bank)	(I.R.S. employer identification No.)

270 PARK AVENUE NEW YORK, NEW YORK	10017
(Address of principal executive offices)	(Zip Code)

William H. McDavid
General Counsel
270 Park Avenue
New York, New York 10017
Tel: (212) 270-2611
(Name, address and telephone number of agent for service)

THE WILLIAMS COMPANIES, INC.
(Exact name of obligor as specified in its charter)

DELAWARE	73-0569878
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification No.)

ONE WILLIAMS CENTER TULSA, OKLAHOMA	74172
(Address of principal executive offices)	(Zip Code)

8.125% NOTES DUE MARCH 15, 2012
8.750% NOTES DUE MARCH 15, 2032
(Title of the indenture securities)

GENERAL

Item 1. General Information.

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

New York State Banking Department, State House, Albany, New York 12110.

Board of Governors of the Federal Reserve System, Washington, D.C., 20551

Federal Reserve Bank of New York, District No. 2, 33 Liberty Street, New York, N.Y.

Federal Deposit Insurance Corporation, Washington, D.C., 20429.

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with the Obligor and Guarantors.

If the obligor or any Guarantor is an affiliate of the trustee, describe each such affiliation.

None.

Item 16. List of Exhibits

List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the Restated Organization Certificate of the Trustee dated March 25, 1997 and the Certificate of Amendment dated October 22, 2001 (see Exhibit 1 to Form T-1 filed in connection with Registration Statement No. 333-76894, which is incorporated by reference).

2. A copy of the Certificate of Authority of the Trustee to Commence Business (see Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference). On November 11, 2001 in connection with the merger of The Chase Manhattan Bank and Morgan Guaranty Trust Company of New York, the surviving corporation was renamed JPMorgan Chase Bank.

3. None, authorization to exercise corporate trust powers being contained in the documents identified above as Exhibits 1 and 2.

4. A copy of the existing By-Laws of the Trustee (see Exhibit 4 to Form T-1 filed in connection with Registration Statement No. 333-76894, which is incorporated by reference.).

5. Not applicable.

6. The consent of the Trustee required by Section 321(b) of the Act (see Exhibit 6 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference). On November 11, 2001, in connection with the merger of The Chase Manhattan Bank and Morgan Guaranty Trust Company of New York, the surviving corporation was renamed JPMorgan Chase Bank.

7. A copy of the latest report of condition of the Trustee, published pursuant to law or the requirements of its supervising or examining authority.

8. Not applicable.

9. Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, JPMorgan Chase Bank, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York, on the 22ND DAY OF APRIL, 2003.

JPMORGAN CHASE BANK

By /s/ JOANNE ADAMIS

Joanne Adamis
Vice President

Item 16. List of Exhibits

List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the Restated Organization Certificate of the Trustee dated March 25, 1997 and the Certificate of Amendment dated October 22, 2001 (see Exhibit 1 to Form T-1 filed in connection with Registration Statement No. 333-76894, which is incorporated by reference).

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3. None, authorization to exercise corporate trust powers being contained in the documents identified above as Exhibits 1 and 2.

4. A copy of the existing By-Laws of the Trustee (see Exhibit 4 to Form T-1 filed in connection with Registration Statement No. 333-76894, which is incorporated by reference.).

5. Not applicable.

6. The consent of the Trustee required by Section 321(b) of the Act (see Exhibit 6 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference). On November 11, 2001, in connection with the merger of The Chase Manhattan Bank and Morgan Guaranty Trust Company of New York, the surviving corporation was renamed JPMorgan Chase Bank.

7. A copy of the latest report of condition of the Trustee, published pursuant to law or the requirements of its supervising or examining authority.

8. Not applicable.

9. Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, JPMorgan Chase Bank, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York, on the 22ND DAY OF APRIL, 2003.

JPMORGAN CHASE BANK

By /s/ Joanne Adamis

Joanne Adamis
Vice President

Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2
CONSOLIDATED REPORT OF CONDITION OF

JPMorgan Chase Bank
of 270 Park Avenue, New York, New York 10017
and Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System,

at the close of business December 31, 2002, in
accordance with a call made by the Federal Reserve Bank of this
District pursuant to the provisions of the Federal Reserve Act.

DOLLAR AMOUNTS ASSETS IN MILLIONS Cash and balances
due from depository institutions: Noninterest-bearing
balances and currency and coin
.... $ 18,102
Interest-bearing balances
.... 8,392 Securities:
Held to maturity securities
.... 396 Available for
sale securities ....
79,372 Federal funds sold and securities purchased
under agreements to
resell...................................... Federal
funds sold in domestic offices ....
16,164 Securities purchased under agreements to resell
.... 67,327 Loans and lease financing
receivables: Loans and leases held for sale
.... 24,545 Loans and leases,
net of unearned income $159,647
Less: Allowance for loan and lease losses
.... 3,572 Loans and leases, net of
unearned income and allowance
....
156,075 Trading
Assets...
194,198 Premises and fixed assets (including
capitalized leases) ...... 6,280 Other real estate
owned 104
Investments in unconsolidated subsidiaries and
associated companies
.... 678 Customers'
liability to this bank on acceptances outstanding
.... 349
Intangible assets Goodwill
.... 2,159
Other Intangible assets
.... 3,315 Other assets
....
44,932 TOTAL ASSETS
....
$622,388 ========

LIABILITIES

Deposits	
In domestic offices	$171,786
Noninterest-bearing	$ 75,101
Interest-bearing	96,685
In foreign offices, Edge and Agreement subsidiaries and IBF's	128,780
Noninterest-bearing	$ 7,380
Interest-bearing	121,400
Federal funds purchased and securities sold under agree- ments to repurchase:	
Federal funds purchased in domestic offices	5,701
Securities sold under agreements to repurchase	120,579
Trading liabilities	118,113
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	8,388
Bank's liability on acceptances executed and outstanding	356
Subordinated notes and debentures	8,528
Other liabilities	24,520
TOTAL LIABILITIES	586,751
Minority Interest in consolidated subsidiaries	97

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0
Common stock	1,785
Surplus (exclude all surplus related to preferred stock)	16,304
Retained earnings	16,347
Accumulated other comprehensive income	1,104
Other equity capital components	0
TOTAL EQUITY CAPITAL	35,540
TOTAL LIABILITIES, MINORITY INTEREST, AND EQUITY CAPITAL	$622,388

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the in- structions issued by the appropriate Federal regulatory authority and is true and correct.

WILLIAM B. HARRISON, JR.)
ELLEN V. FUTTER) DIRECTORS
FRANK A. BENNACK, JR.)

EXHIBIT 99.1

THE WILLIAMS COMPANIES, INC.

LETTER OF TRANSMITTAL

FOR TENDER OF ALL OUTSTANDING
8.125% NOTES DUE MARCH 15, 2012
IN EXCHANGE FOR
8.125% NOTES DUE MARCH 15, 2012
THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933
AND
8.750% NOTES DUE MARCH 15, 2032
IN EXCHANGE FOR
8.750% NOTES DUE MARCH 15, 2032
THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933

PURSUANT TO THE PROSPECTUS DATED APRIL -- , 2003

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M.,

NEW YORK CITY TIME, ON MAY -- , 2003,

UNLESS THE EXCHANGE OFFER IS EXTENDED.

To:

JPMORGAN CHASE BANK (THE "EXCHANGE AGENT")

By Mail or Overnight Courier:	By Hand Delivery:	By Facsimile Transmission:
Corporate Trust Services	GIS Unit Trust Window	(214) 468-6494
2001 Bryan Street -- 9th floor	4 New York Plaza -- 1st floor	
Dallas, Texas 75201	New York, New York 10004	
Attention: Frank Ivins	Attention: Frank Ivins	

For Information or
Confirmation
by Telephone:
(214) 468-6464

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OR TRANSMISSION THEREOF TO A FACSIMILE NUMBER OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY. THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING CERTIFICATES, IS AT THE RISK OF THE HOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

The undersigned acknowledges that he or she has received the Prospectus, dated April -- , 2003 (the "Prospectus") of The Williams Companies, Inc. (the "Company") and this Letter of Transmittal and the instructions hereto (the "Letter of Transmittal"), which together constitute the Company's offer (the "Exchange Offer") to exchange $1,000 principal amount of its 8.125% Notes due March 15, 2012, that have been registered under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to a Registration Statement of which the Prospectus is a part, for each $1,000 principal amount of its outstanding 8.125% Notes due March 15, 2012, of which $650,000,000 aggregate principal amount is outstanding, and to exchange $1,000 principal amount of its 8.750% Notes due March 15, 2032, that have been registered under the Securities Act, pursuant to a Registration Statement of which the Prospectus is a part, for each $1,000 principal amount of its outstanding 8.750% Notes due March 15, 2032, of which

$850,000,000 aggregate principal amount is outstanding, upon the terms and subject to the conditions set forth in the Prospectus. The term "Expiration Date" shall mean 5:00 p.m., New York City time, on May -- , 2003, unless the Company, in its sole discretion, extends the Exchange Offer, in which case the term shall mean the latest date and time to which the Exchange Offer is extended by the Company.

For purposes of this Letter of Transmittal, the outstanding 8.125% Notes due March 15, 2012 shall be defined as the "Outstanding 8.125% Notes" and the outstanding 8.750% Notes due March 15, 2032 shall be defined as the "Outstanding 8.750% Notes," and the Outstanding 8.125% Notes and the Outstanding 8.750% Notes shall be defined collectively as the "Outstanding Securities." The 8.125% Notes due March 15, 2012, registered under the Securities Act shall be defined as the "New 8.125% Notes "and the 8.750% Notes due March 15, 2032, registered under the Securities Act shall be defined as the "New 8.750% Notes "and the New 8.125% Notes and the New 8.750% Notes shall be defined collectively as the "New Securities." All other capitalized terms used but not defined herein shall have the same meanings given them in the Prospectus.

This Letter of Transmittal is to be used either if (i) certificates representing Outstanding Securities are to be physically delivered to the Exchange Agent herewith by Holders, (ii) tender of Outstanding Securities is to be made by book-entry transfer to an account maintained by the Exchange Agent at The Depository Trust Company ("DTC"), pursuant to the procedures set forth in "The Exchange Offer -- Procedures for Tendering Outstanding Securities" in the Prospectus, by any financial institution that is a participant in DTC and whose name appears on a security position listing as the owner of Outstanding Securities, unless an Agent's Message (as defined below) is transmitted in lieu hereof, or (iii) tender of Outstanding Securities is to be made according to the guaranteed delivery procedures set forth in the Prospectus under "The Exchange Offer -- Procedures for Tendering Outstanding Securities," unless an Agent's Message is transmitted in lieu hereof. Delivery of this Letter of Transmittal and any other required documents must be made to the Exchange Agent. DELIVERY OF DOCUMENTS TO DTC DOES NOT CONSTITUTE DELIVERY TO THE EXCHANGE AGENT.

The term "Holder" as used herein means any person in whose name Outstanding Securities are registered on the books of the Company or any other person who has obtained a properly completed bond power from the registered holder or any person whose name appears on a security position listing provided by DTC as an owner of Outstanding Securities.

All Holders of Outstanding Securities who wish to tender their Outstanding Securities must, prior to the Expiration Date: (1) complete, sign and deliver this Letter of Transmittal, or a facsimile thereof, to the Exchange Agent, in person or to the address set forth above, unless an Agent's Message is transmitted in lieu hereof; and (2) tender (and not withdraw) his or her Outstanding Securities or, if a tender of Outstanding Securities is to be made by book-entry transfer to the account maintained by the Exchange Agent at DTC, confirm such book-entry transfer (a "Book-Entry Confirmation"), in each case in accordance with the procedures for tendering described in the instructions to this Letter of Transmittal. Holders of Outstanding Securities whose certificates are not immediately available, or who are unable to deliver their certificates or Book-Entry Confirmation and all other documents required by this Letter of Transmittal to be delivered to the Exchange Agent on or prior to the Expiration Date, must tender their Outstanding Securities according to the guaranteed delivery procedures set forth under the caption "The Exchange Offer - Procedures for Tendering Outstanding Securities" in the Prospectus. (See Instruction 2.)

Upon the terms and subject to the conditions of the Exchange Offer, the acceptance for exchange of the Outstanding Securities validly tendered and not withdrawn and the issuance of the New Securities will be made promptly following the Expiration Date. For the purposes of the Exchange Offer, the Company shall be deemed to have accepted for exchange validly tendered Outstanding Securities when, as and if the Company has given oral (promptly confirmed in writing) or written notice thereof to the Exchange Agent.

The undersigned has completed, executed and delivered this Letter of Transmittal to indicate the action the undersigned desires to take with respect to the Exchange Offer.

PLEASE READ THE ENTIRE LETTER OF TRANSMITTAL AND THE PROSPECTUS CAREFULLY BEFORE CHECKING ANY BOX BELOW. THE INSTRUCTIONS INCLUDED IN THIS LETTER OF TRANSMITTAL MUST BE FOLLOWED. QUESTIONS AND REQUESTS FOR ASSISTANCE OR FOR ADDITIONAL COPIES OF THE PROSPECTUS, THIS LETTER OF TRANSMITTAL AND THE NOTICE OF GUARANTEED DELIVERY MAY BE DIRECTED TO THE EXCHANGE AGENT. (SEE INSTRUCTION 12 HEREIN.)

HOLDERS WHO WISH TO ACCEPT THE EXCHANGE OFFER AND TENDER THEIR OUTSTANDING SECURITIES MUST COMPLETE THIS LETTER OF TRANSMITTAL IN ITS ENTIRETY AND COMPLY WITH ALL OF ITS TERMS, UNLESS AN AGENT'S MESSAGE IS TRANSMITTED IN LIEU HEREOF.

List below the Outstanding Securities to which this Letter of Transmittal relates. If the space provided below is inadequate, the Certificate Numbers and Principal Amounts should be listed on a separate signed schedule, attached hereto. The minimum permitted tender is $1,000 in principal amount of 8.125% Notes due March 15, 2012 or 8.750% Notes due March 15, 2032. All other tenders must be in integral multiples of $1,000.

DESCRIPTION
OF 8.125%
NOTES DUE
MARCH 15,
2012 (A)
NAME(S)
AND
ADDRESS(ES)
OF
REGISTERED
HOLDER(S)*
CERTIFICATE
AGGREGATE
PRINCIPAL
AMOUNT
(PLEASE
FILL IN,
IF BLANK)
NUMBER(S)*
TENDERED
(IF LESS
THAN
ALL)**
TOTAL
PRINCIPAL
AMOUNT OF
OUTSTANDING
8.125%
NOTES
TENDERED

DESCRIPTION
OF 8.750%
NOTES DUE
MARCH 15,
2032 (A)
NAME(S)
AND
ADDRESS(ES)
OF
REGISTERED
HOLDER(S)*
CERTIFICATE
AGGREGATE
PRINCIPAL
AMOUNT
(PLEASE
FILL IN,
IF BLANK)
NUMBER(S)*
TENDERED
(IF LESS
THAN
ALL)**
TOTAL
PRINCIPAL
AMOUNT OF
OUTSTANDING
8.750%
NOTES
TENDERED

* Need not be completed by book-entry holders.

** Need not be completed by Holders who wish to tender with respect to all

Outstanding Securities listed. A Holder will be deemed to have tendered all of such Holders' Outstanding Securities if no lesser amount is indicated. Outstanding Securities tendered hereby must be in denominations of principal amount of $1,000 and integral multiples thereof.

PLEASE READ CAREFULLY THE ACCOMPANYING INSTRUCTIONS

SPECIAL REGISTRATION INSTRUCTIONS
(SEE INSTRUCTIONS 4, 5, 6 AND 7)

To be completed ONLY if certificates for Outstanding Securities in a principal amount not tendered, or New Securities issued in exchange for Outstanding Securities accepted for exchange, are to be issued in the name of someone other than the undersigned, or if Outstanding Securities delivered by book-entry transfer which are not accepted for exchange are to be returned by credit to an account maintained at DTC other than the account indicated on the following page.

Issue Outstanding Securities and/or New Securities certificate(s) to:

Name

(PLEASE PRINT)

- --
(PLEASE PRINT)

Address

- --
(INCLUDING ZIP CODE)

- --
(TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER)

[ ] Credit unexchanged Outstanding Securities delivered by book-entry transfer to the DTC account set forth below:

- --
(DTC ACCOUNT NUMBER)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 4, 5, 6 AND 7)

To be completed ONLY if certificates for Outstanding Securities in a principal amount not tendered, or New Securities issued in exchange for Outstanding Securities accepted for exchange, are to be delivered to someone other than the undersigned.

Deliver Outstanding Securities and/or New Securities certificate(s) to:

Name

(PLEASE PRINT)

- --
(PLEASE PRINT)

Address

- --
(INCLUDING ZIP CODE)

- --
(TAX IDENTIFICATION OR SOCIAL SECURITY NUMBER)

IMPORTANT: THIS LETTER OF TRANSMITTAL OR A FACSIMILE HEREOF OR AN AGENT'S MESSAGE IN LIEU HEREOF (TOGETHER WITH THE CERTIFICATE(S) FOR OUTSTANDING SECURITIES OR A CONFIRMATION OF BOOK-ENTRY TRANSFER OF SUCH OUTSTANDING SECURITIES AND ALL OTHER REQUIRED DOCUMENTS) OR, IF GUARANTEED DELIVERY PROCEDURES ARE TO BE COMPLIED WITH, A NOTICE OF GUARANTEED DELIVERY, MUST BE RECEIVED BY THE EXCHANGE AGENT PRIOR TO THE EXPIRATION DATE.

[ ] CHECK HERE IF OUTSTANDING SECURITIES ARE BEING DELIVERED BY DTC TO AN ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH DTC AND COMPLETE THE FOLLOWING:

Name of Tendering Institution

Account Number

Transaction Code Number

Holders whose Outstanding Securities are not immediately available or who cannot deliver their Outstanding Securities and all other documents required hereby to the Exchange Agent on or prior to the Expiration Date may tender their Outstanding Securities according to the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Securities." (See Instruction 2.)

[ ] CHECK HERE IF OUTSTANDING SECURITIES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE EXCHANGE AGENT AND COMPLETE THE FOLLOWING:

Name(s) of Tendering Holder(s) ---

Date of Execution of Notice of Guaranteed Delivery --------------------------

Name of Institution which Guaranteed Delivery -------------------------------

Transaction Code Number

[ ] CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: ---

Address: --

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of New Securities. If the undersigned is a broker-dealer that will receive New Securities for its own account in exchange for Outstanding Securities that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such New Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

Subject to the terms and conditions of the Exchange Offer, the undersigned hereby tenders to The Williams Companies, Inc. (the "Company") the principal amount of Outstanding Securities indicated above.

Subject to and effective upon the acceptance for exchange of the principal amount of Outstanding Securities tendered hereby in accordance with this Letter of Transmittal, the undersigned sells, assigns and transfers to, or upon the order of, the Company all right, title and interest in and to the Outstanding Securities tendered hereby. The undersigned hereby irrevocably constitutes and appoints the Exchange Agent as its true and lawful agent and attorney-in-fact (with full knowledge that the Exchange Agent also acts as the agent of the Company and as Trustee and Registrar under the indenture governing the New Securities) with respect to the tendered Outstanding Securities with full power of substitution (such power of attorney being deemed an irrevocable power coupled with an interest), subject only to the right of withdrawal described in the Prospectus, to (i) deliver certificates for such Outstanding Securities to the Company or transfer ownership of such Outstanding Securities on the account books maintained by DTC, together, in either such case, with all accompanying evidences of transfer and authenticity to, or upon the order of, the Company and (ii) present such Outstanding Securities for transfer on the books of the Company and receive all benefits and otherwise exercise all rights of beneficial ownership of such Outstanding Securities, all in accordance with the terms and conditions of the Exchange Offer.

The undersigned acknowledges that the Exchange Offer is being made in reliance upon interpretive advice given by the staff of the Securities and Exchange Commission to third parties in connection with transactions similar to the Exchange Offer, so that the New Securities issued pursuant to the Exchange Offer in exchange for the Outstanding Securities may be offered for resale, resold and otherwise transferred by holders thereof (other than a broker-dealer who purchased such Outstanding Securities directly from the Company for resale pursuant to Rule 144A or any other available exemption under the Securities Act or a person that is an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such New Securities are acquired in the ordinary course of such holders' business and such holders have no arrangement with any person to participate in the distribution of such New Securities.

The undersigned agrees that acceptance of any tendered Outstanding Securities by the Company and the issuance of New Securities in exchange therefor shall constitute performance in full by the Company of its obligations under the registration rights agreement, (as referred to in the Prospectus) and that, upon the issuance of the New Securities, the Company will have no further obligations or liabilities thereunder (except in certain limited circumstances).

The undersigned represents and warrants that (i) the New Securities acquired pursuant to the Exchange Offer are being acquired in the ordinary course of business of the person receiving New Securities (which shall be the undersigned unless otherwise indicated in the box entitled "Special Delivery Instructions" above) (the "Recipient"), (ii) neither the undersigned nor the Recipient (if different) is engaged in, intends to engage in or has any arrangement or understanding with any person to participate in the distribution of such New Securities, and (iii) neither the undersigned nor the Recipient (if different) is an "affiliate" of the Company as defined in Rule 405 under the Securities Act. If the undersigned is not a broker-dealer, the undersigned further represents that it is not engaged in, and does not intend to engage in, a distribution of the New Securities. If the undersigned is a broker-dealer, the undersigned further (x) represents that it acquired Outstanding Securities for the undersigned's own account as a result of market-making activities or other trading activities, (y) represents that it has not entered into any arrangement or understanding with the Company or any "affiliate" of the Company (within the meaning of Rule 405 under the Securities Act) to distribute the New Securities to be received in the Exchange

Offer and (z) acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act (for which purposes delivery of the Prospectus, as the same may be hereafter supplemented or amended, shall be sufficient) in connection with any resale of New Securities received in the Exchange Offer. Such a broker-dealer will not be deemed, solely by reason of such acknowledgment and prospectus delivery, to admit that it is an "underwriter" within the meaning of the Securities Act.

The undersigned understands and agrees that the Company reserves the right not to accept tendered Outstanding Securities from any tendering holder if the Company determines, in its sole and absolute discretion, that certain conditions precedent, as set forth in the Prospectus under the caption "The Exchange Offer -- Conditions to the Exchange Offer," have not been satisfied.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, exchange, assign and transfer the Outstanding Securities tendered hereby and to acquire New Securities issuable upon the exchange of such tendered Outstanding Securities, and that, when the same are accepted for exchange, the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim. The undersigned also warrants that it will, upon request, execute and deliver any additional documents deemed to be necessary or desirable by the Exchange Agent or the Company in order to complete the exchange, assignment and transfer of tendered Outstanding Securities or transfer of ownership of such Outstanding Securities on the account books maintained by a book-entry transfer facility.

The undersigned understands and acknowledges that the Company reserves the right in its sole discretion to purchase or make offers for any Outstanding Securities that remain outstanding subsequent to the Expiration Date or, as set forth in the Prospectus under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Securities," to terminate the Exchange Offer and, to the extent permitted by applicable law, purchase Outstanding Securities in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers could differ from the terms of the Exchange Offer.

The undersigned understands that the Company may accept the undersigned's tender by delivering oral (promptly confirmed in writing) or written notice of acceptance to the Exchange Agent, at which time the undersigned's right to withdraw such tender will terminate. For purposes of the Exchange Offer, the Company shall be deemed to have accepted validly tendered Outstanding Securities when, as and if the Company has given oral (which shall be promptly confirmed in writing) or written notice thereof to the Exchange Agent.

The undersigned understands that the first interest payment following the Expiration Date will include unpaid interest on the Outstanding Securities accrued through the date of issuance of the New Securities.

The undersigned understands that tenders of Outstanding Securities pursuant to the procedures described under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Securities" in the Prospectus and in the instructions hereto will constitute a binding agreement between the undersigned and the Company upon the terms and subject to the conditions of the Exchange Offer.

The undersigned acknowledges that the Exchange Offer is subject to the more detailed terms set forth in the Prospectus and, in case of any conflict between the terms of the Prospectus and this Letter of Transmittal, the Prospectus shall prevail.

If any tendered Outstanding Securities are not accepted for exchange pursuant to the Exchange Offer for any reason, certificates for any such unaccepted Outstanding Securities will be returned (except as noted below with respect to tenders through DTC), at the Company's cost and expense, to the undersigned at the address shown below or at a different address as may be indicated herein under "Special Delivery Instructions" as promptly as practicable after the Expiration Date.

All authority conferred or agreed to be conferred by this Letter of Transmittal shall survive the death, incapacity or dissolution of the undersigned, and every obligation of the undersigned under this Letter of Transmittal shall be binding upon the undersigned's heirs, personal representatives, successors and assigns.

This tender may be withdrawn only in accordance with the procedures set forth in this Letter of Transmittal.

By acceptance of the Exchange Offer, each broker-dealer that receives New Securities pursuant to the Exchange Offer hereby acknowledges and agrees that upon the receipt of notice by the Company of the happening of any event which makes any statement in the Prospectus untrue in any material respect or which requires the making of any changes in the Prospectus in order to make the statements therein not misleading (which notice the Company agrees to deliver promptly to such broker-dealer), such broker-dealer will suspend use of the Prospectus until the Company has amended or supplemented the Prospectus to correct such misstatement or omission and has furnished copies of the amended or supplemented prospectus to such broker-dealer.

Unless otherwise indicated under "Special Registration Instructions," please issue the certificates representing the New Securities issued in exchange for the Outstanding Securities accepted for exchange and return any certificates for Outstanding Securities not tendered or not exchanged, in the name(s) of the undersigned (or, in either such event in the case of Outstanding Securities tendered by DTC, by credit to the account of the undersigned at DTC). Similarly, unless otherwise indicated under "Special Delivery Instructions," please send the certificates representing the New Securities issued in exchange for the Outstanding Securities accepted for exchange and any certificates for Outstanding Securities not tendered or not exchanged (and accompanying documents, as appropriate) to the undersigned at the address shown below the undersigned's signature(s), unless, in either event, tender is being made through DTC. In the event that both "Special Registration Instructions" and "Special Delivery Instructions" are completed, please issue the certificates representing the New Securities issued in exchange for the Outstanding Securities accepted for exchange in the name(s) of, and return any certificates for Outstanding Securities not tendered or not exchanged to, the person(s) so indicated. The undersigned understands that the Company has no obligations pursuant to the "Special Registration Instructions" or "Special Delivery Instructions" to transfer any Outstanding Securities from the name of the registered Holder(s) thereof if the Company does not accept for exchange any of the Outstanding Securities so tendered.

Holders who wish to tender the Outstanding Securities and (i) whose Outstanding Securities are not immediately available or (ii) who cannot deliver their Outstanding Securities, this Letter of Transmittal or an Agent's Message in lieu hereof or any other documents required hereby to the Exchange Agent prior to the Expiration Date, may tender their Outstanding Securities according to the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Securities." (See Instruction 2.)

PLEASE SIGN HERE WHETHER OR NOT
OUTSTANDING SECURITIES ARE BEING PHYSICALLY TENDERED HEREBY
AND WHETHER OR NOT TENDER IS TO BE MADE
PURSUANT TO THE GUARANTEED DELIVERY PROCEDURES

This Letter of Transmittal must be signed by the registered holder(s) as their name(s) appear on the Outstanding Securities or, if tendered by a participant in DTC, exactly as such participant's name appears on a security listing as the owner of Outstanding Securities, or by person(s) authorized to become registered holder(s) by a properly completed bond power from the registered holder(s), a copy of which must be transmitted with this Letter of Transmittal. If Outstanding Securities to which this Letter of Transmittal relate are held of record by two or more joint holders, then all such holders must sign this Letter of Transmittal. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, then such person must (i) set forth his or her full title below and (ii) unless waived by the Company, submit evidence satisfactory to the Company of such person's authority so to act. (See Instruction 4.)

X
- --   --
DATE

X
- --   --
SIGNATURE(S) OF HOLDER(S) OR AUTHORIZED SIGNATORY   DATE

Name(s): ------------------------------------

(PLEASE PRINT)

Address: ------------------------------------

(INCLUDING ZIP CODE)

Capacity: ----------------------------------

Area Code and Telephone Number: --------------

Social Security No.: -----------------------

PLEASE COMPLETE SUBSTITUTE FORM W-9 HEREIN

SIGNATURE GUARANTEE (SEE INSTRUCTION 1)
CERTAIN SIGNATURES MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION

- --
(Name Of Eligible Institution Guaranteeing Signatures)

- --
(Address (Including Zip Code) And Telephone Number (Including Area Code) Of Firm)

- --
(Authorized Signature)

- --
(Printed Name)

- --
(Title)

Date:
- ----------------------------

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER

1. Guarantee of Signatures. Signatures on this Letter of Transmittal need not be guaranteed if (a) this Letter of Transmittal is signed by the registered holder(s) of the Outstanding Securities tendered herewith and such holder(s) have not completed the box set forth herein entitled "Special Registration Instructions" or the box entitled "Special Delivery Instructions" or (b) such Outstanding Securities are tendered for the account of an Eligible Institution. (See Instruction 6.) Otherwise, all signatures on this Letter of Transmittal or a notice of withdrawal, as the case may be, must be guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States (an "Eligible Institution"). All signatures on bond powers and endorsements on certificates must also be guaranteed by an Eligible Institution.

2. Delivery of this Letter of Transmittal and Outstanding Securities. Certificates for all physically delivered Outstanding Securities or confirmation of any book-entry transfer to the Exchange Agent at DTC of Outstanding Securities tendered by book-entry transfer, as well as, in each case (including cases where tender is affected by book-entry transfer), a properly completed and duly executed copy of this Letter of Transmittal or facsimile hereof or an Agent's Message in lieu thereof and any other documents required by this Letter of Transmittal must be received by the Exchange Agent at its address set forth herein prior to 5:00 p.m., New York City time, on the Expiration Date.

The method of delivery of the tendered Outstanding Securities, this Letter of Transmittal and all other required documents to the Exchange Agent is at the election and risk of the Holder and the delivery will be deemed made only when actually received by the Exchange Agent. If Outstanding Securities are sent by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery. No Letter of Transmittal or Outstanding Securities should be sent to the Company.

The Exchange Agent will make a request to establish an account with respect to the Outstanding Securities at DTC for purposes of the Exchange Offer within two business days after receipt of this Letter of Transmittal, and any financial institution that is a participant in DTC may make book-entry delivery of Outstanding Securities by causing DTC to transfer such Outstanding Securities into the Exchange Agent's account at DTC in accordance with DTC's procedures for transfer. However, although delivery of Outstanding Securities may be effected through book-entry transfer at DTC, the Letter of Transmittal, with any required signature guarantees or an Agent's Message (as defined below) in connection with a book-entry transfer and any other required documents, must, in any case, be transmitted to and received by the Exchange Agent at the address specified on the cover page of the Letter of Transmittal on or prior to the Expiration Date or the guaranteed delivery procedures described below must be complied with.

A Holder may tender Outstanding Securities that are held through DTC by transmitting its acceptance through DTC's Automatic Tender Offer Program, for which the transaction will be eligible, and DTC will then edit and verify the acceptance and send an Agent's Message to the Exchange Agent for its acceptance. The term "Agent's Message" means a message transmitted by DTC to, and received by, the Exchange Agent and forming part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from each participant in DTC tendering the Outstanding Securities and that such participant has received the Letter of Transmittal and agrees to be bound by the terms of the Letter of Transmittal and the Company may enforce such agreement against such participant.

Holders who wish to tender their Outstanding Securities and (i) whose Outstanding Securities are not immediately available, or (ii) who cannot deliver their Outstanding Securities, this Letter of Transmittal or any other documents required hereby to the Exchange Agent prior to the Expiration Date or comply with book-entry transfer procedures on a timely basis must tender their Outstanding Securities according to the guaranteed delivery procedures set forth in the Prospectus. See "Exchange Offer -- Procedures for Tendering Outstanding Securities." Pursuant to such procedures: (i) such tender must be made by or

through an Eligible Institution; (ii) prior to the Expiration Date, the Exchange Agent must have received from the Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmission, overnight courier, mail or hand delivery or an agent's message thereof) setting forth the name and address of the Holder of the Outstanding Securities, the certificate number or numbers of such Outstanding Securities and the principal amount of Outstanding Securities tendered, stating that the tender is being made thereby and guaranteeing that, within three New York Stock Exchange trading days after the Expiration Date, this Letter of Transmittal (or facsimile hereof or an Agent's Message in lieu hereof) together with the certificate(s) representing the Outstanding Securities and any other required documents will be deposited by the Eligible Institution with the Exchange Agent; and (iii) such properly completed and executed Letter of Transmittal (or facsimile hereof or an Agent's Message in lieu hereof), as well as all other documents required by this Letter of Transmittal and the certificate(s) representing all tendered Outstanding Securities in proper form for transfer (or a confirmation of book-entry transfer of such Outstanding Securities into the Exchange Agent's account at DTC), must be received by the Exchange Agent within three New York Stock Exchange trading days after the Expiration Date, all in the manner provided in the Prospectus under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Securities." Any Holder who wishes to tender his Outstanding Securities pursuant to the guaranteed delivery procedures described above must ensure that the Exchange Agent receives the Notice of Guaranteed Delivery prior to 5:00 p.m., New York City time, on the Expiration Date. Upon request to the Exchange Agent, a Notice of Guaranteed Delivery will be sent to Holders who wish to tender their Outstanding Securities according to the guaranteed delivery procedures set forth above.

All questions as to the validity, form, eligibility (including time of receipt), acceptance of tendered Outstanding Securities, and withdrawal of tendered Outstanding Securities will be determined by the Company in its sole discretion, which determination will be final and binding. All tendering holders, by execution of this Letter of Transmittal (or facsimile thereof or an Agent's Message in lieu hereof), shall waive any right to receive notice of the acceptance of the Outstanding Securities for exchange. The Company reserves the absolute right to reject any and all Outstanding Securities not properly tendered or any Outstanding Securities the Company's acceptance of which would, in the opinion of counsel for the Company, be unlawful. The Company also reserves the right to waive any irregularities or conditions of tender as to particular Outstanding Securities. The Company's interpretation of the terms and conditions of the Exchange Offer (including the instructions in this Letter of Transmittal) shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Outstanding Securities must be cured within such time as the Company shall determine. Neither the Company, the Exchange Agent nor any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of Outstanding Securities, nor shall any of them incur any liability for failure to give such notification. Tenders of Outstanding Securities will not be deemed to have been made until such defects or irregularities have been cured to the Company's satisfaction or waived. Any Outstanding Securities received by the Exchange Agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the Exchange Agent to the tendering Holders pursuant to the Company's determination, unless otherwise provided in this Letter of Transmittal as soon as practicable following the Expiration Date. The Exchange Agent has no fiduciary duties to the Holders with respect to the Exchange Offer and is acting solely on the basis of directions of the Company.

3. Inadequate Space. If the space provided is inadequate, the certificate numbers and/or the number of Outstanding Securities should be listed on a separate signed schedule attached hereto.

4. Tender by Holder. Only a Holder of Outstanding Securities may tender such Outstanding Securities in the Exchange Offer. Any beneficial owner of Outstanding Securities who is not the registered Holder and who wishes to tender should arrange with such registered holder to execute and deliver this Letter of Transmittal on such beneficial owner's behalf or must, prior to completing and executing this Letter of Transmittal and delivering his Outstanding Securities, either make appropriate arrangements to register ownership of the Outstanding Securities in such beneficial owner's name or obtain a properly

completed bond power from the registered holder or properly endorsed certificates representing such Outstanding Securities.

5. Partial Tenders; Withdrawals. Tenders of Outstanding Securities will be accepted only in integral multiples of $1,000. If less than the entire principal amount of any Outstanding Securities is tendered, the tendering Holder should fill in the principal amount tendered in the third column of the box entitled "Description of 8.125% Notes due March 15, 2012" and/or "Description of 8.750% Notes due March 15, 2032" above. The entire principal amount of any Outstanding Securities delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated. If the entire principal amount of all Outstanding Securities is not tendered, then Outstanding Securities for the principal amount of Outstanding Securities not tendered and a certificate or certificates representing New Securities issued in exchange for any Outstanding Securities accepted will be sent to the Holder at his or her registered address, unless a different address is provided in the "Special Delivery Instructions" box above on this Letter of Transmittal or unless tender is made through DTC, promptly after the Outstanding Securities are accepted for exchange.

Except as otherwise provided herein, tenders of Outstanding Securities may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date. To withdraw a tender of Outstanding Securities in the Exchange Offer, a written or facsimile transmission notice of withdrawal must be received by the Exchange Agent at its address set forth herein prior to 5:00 p.m., New York City time, on the Expiration Date. Any such notice of withdrawal must (i) specify the name of the person having deposited the Outstanding Securities to be withdrawn (the "Depositor"), (ii) identify the Outstanding Securities to be withdrawn (including the certificate number or numbers and principal amount of such Outstanding Securities, or, in the case of Outstanding Securities transferred by book-entry transfer the name and number of the account at DTC to be credited), (iii) be signed by the Depositor in the same manner as the original signature on the Letter of Transmittal by which such Outstanding Securities were tendered (including any required signature guarantees) or be accompanied by documents of transfer sufficient to have the Registrar with respect to the Outstanding Securities register the transfer of such Outstanding Securities into the name of the person withdrawing the tender and (iv) specify the name in which any such Outstanding Securities are to be registered, if different from that of the Depositor. All questions as to the validity, form and eligibility (including time of receipt) of such notices will be determined by the Company, whose determination shall be final and binding on all parties. Any Outstanding Securities so withdrawn will be deemed not to have been validly tendered for purposes of the Exchange Offer and no New Securities will be issued with respect thereto unless the Outstanding Securities so withdrawn are validly retendered. Any Outstanding Securities which have been tendered but which are not accepted for exchange by the Company will be returned to the Holder thereof without cost to such Holder as soon as practicable after withdrawal, rejection of tender or termination of the Exchange Offer. Properly withdrawn Outstanding Securities may be retendered by following one of the procedures described in the Prospectus under "The Exchange Offer -- Procedures for Tendering Outstanding Securities" at any time prior to the Expiration Date.

6. Signatures on the Letter of Transmittal; Bond Powers and Endorsements. If this Letter of Transmittal (or facsimile hereof) is signed by the registered holder(s) of the Outstanding Securities tendered hereby, the signature must correspond with the name(s) as written on the face of the Outstanding Security without alteration, enlargement or any change whatsoever.

If any of the Outstanding Securities tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If a number of Outstanding Securities registered in different names are tendered, it will be necessary to complete, sign and submit as many copies of this Letter of Transmittal as there are different registrations of Outstanding Securities.

If this Letter of Transmittal (or facsimile hereof) is signed by the registered Holder or Holders (which term, for the purposes described herein, shall include a person whose name appears on a DTC security listing as the owner of the Outstanding Securities) of Outstanding Securities tendered and the

certificate or certificates for New Securities issued in exchange therefor is to be issued (or any untendered principal amount of Outstanding Securities to be reissued) to the registered Holder, then such Holder need not and should not endorse any tendered Outstanding Securities, nor provide a separate bond power. In any other case, such Holder must either properly endorse the Outstanding Securities tendered or transmit a properly completed separate bond power with this Letter of Transmittal with the signatures on the endorsement or bond power guaranteed by an Eligible Institution.

If this Letter of Transmittal (or facsimile hereof) is signed by a person other than the registered Holder or Holders of any Outstanding Securities listed, such Outstanding Securities must be endorsed or accompanied by appropriate bond powers in each case signed as the name of the registered Holder or Holders appears on the Outstanding Securities.

If this Letter of Transmittal (or facsimile hereof) or any Outstanding Securities or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, or officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and unless waived by the Company, evidence satisfactory to the Company of their authority so to act must be submitted with this Letter of Transmittal.

Endorsements on Outstanding Securities or signatures on bond powers required by this Instruction 6 must be guaranteed by an Eligible Institution.

7. Special Registration and Delivery Instructions. Tendering Holders should indicate, in the applicable box or boxes, the name and address to which New Securities or substitute Outstanding Securities for principal amounts not tendered or not accepted for exchange are to be issued or sent, if different from the name and address of the person signing this Letter of Transmittal. In the case of issuance in a different name, the taxpayer identification or social security number of the person named must also be indicated.

8. Backup Federal Income Tax Withholding and Substitute Form W-9. Under the federal income tax laws, payments that may be made by the Company on account of New Securities issued pursuant to the Exchange Offer may be subject to backup withholding. In order to avoid such backup withholding, each tendering holder should complete and sign the Substitute Form W-9 included in this Letter of Transmittal and either (a) provide the correct taxpayer identification number ("TIN") and certify, under penalties of perjury, that the TIN provided is correct and that (i) the holder has not been notified by the Internal Revenue Service (the "IRS") that the holder is subject to backup withholding as a result of failure to report all interest or dividends or (ii) the IRS has notified the holder that the holder is no longer subject to backup withholding; or (b) provide an adequate basis for exemption. If the tendering holder has not been issued a TIN and has applied for one, or intends to apply for one in the near future, such holder should write "Applied For" in the space provided for the TIN in Part I of the Substitute Form W-9, sign and date the Substitute Form W-9 and sign the Certificate of Payee Awaiting Taxpayer Identification Number. If "Applied For" is written in Part I, the Company (or the Paying Agent under the indenture governing the New Securities) shall retain a portion of payments made to the tendering holder during the sixty-day period following the date of the Substitute Form W-9. If the Holder furnishes the Exchange Agent or the Company with its TIN within sixty days after the date of the Substitute Form W-9, the Company (or the Paying Agent) shall remit such amounts retained during the sixty-day period to the Holder and no further amounts shall be retained or withheld from payments made to the Holder thereafter. If, however, the Holder has not provided the Exchange Agent or the Company with its TIN within such sixty-day period, the Company (or the Paying Agent) shall remit such previously retained amounts to the IRS as backup withholding. In general, if a Holder is an individual, the TIN is the Social Security number of such individual. If the Exchange Agent or the Company are not provided with the correct TIN, the Holder may be subject to a $50 penalty imposed by the IRS. Certain Holders (including, among others, certain corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, such Holder must submit a statement (generally, IRS Form W-8), signed under penalties of perjury, attesting to that individual's exempt status. Such statements can be obtained from the Exchange Agent.

For further information concerning backup withholding and instructions for completing the Substitute Form W-9 (including how to obtain a taxpayer identification number if you do not have one and how to complete the Substitute Form W-9 if Outstanding Securities are registered in more than one name), consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

Failure to complete the Substitute Form W-9 will not, by itself, cause Outstanding Securities to be deemed invalidly tendered, but may require the Company (or the Paying Agent) to withhold a portion of the amount of any payments made on account of the New Securities. Backup withholding is not an additional federal income tax. Rather, the federal income tax liability of a person subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained from the IRS.

9. Transfer Taxes. The Company will pay all transfer taxes, if any, applicable to the exchange of Outstanding Securities pursuant to the Exchange Offer. If, however, certificates representing New Securities or Outstanding Securities for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be registered in the name of, any person other than the registered holder of the Outstanding Securities tendered hereby, or if tendered Outstanding Securities are registered in the name of a person other than the person signing this Letter of Transmittal, or if a transfer tax is imposed for any reason other than the exchange of Outstanding Securities pursuant to the Exchange Offer, then the amount of any such transfer taxes (whether imposed on the registered holder or on any other persons) will be payable by the tendering Holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with this Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering Holder. See the Prospectus under "The Exchange Offer -- Transfer Taxes."

Except as provided in this Instruction 9, it will not be necessary for transfer tax stamps to be affixed to the Outstanding Securities listed in this Letter of Transmittal.

10. Waiver of Conditions. The Company reserves the right, in its sole discretion, to amend, waive or modify specified conditions in the Exchange Offer in the case of any Outstanding Securities tendered.

11. Mutilated, Lost, Stolen or Destroyed Outstanding Securities. Any tendering Holder whose Outstanding Securities have been mutilated, lost, stolen or destroyed should contact the Exchange Agent at the address indicated herein for further instructions.

12. Requests for Assistance or Additional Copies. Requests for assistance and requests for additional copies of the Prospectus or this Letter of Transmittal may be directed to the Exchange Agent at the address specified in the Prospectus. Holders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer.

IMPORTANT TAX INFORMATION

Under federal income tax laws, a Holder whose tendered Outstanding Securities are accepted for payment is required to provide the Exchange Agent (as payer) with such Holder's correct TIN on Substitute Form W-9 below or otherwise establish a basis for exemption from backup withholding. If such Holder is an individual, the TIN is his social security number. If the Exchange Agent is not provided with the correct TIN, a $50 penalty may be imposed by the IRS, and payments made pursuant to the Exchange Offer may be subject to backup withholding.

Certain Holders (including, among others, certain corporations and certain foreign persons) are not subject to these backup withholding and reporting requirements. Exempt Holders should indicate their exempt status on Substitute Form W-9. A foreign person may qualify as an exempt recipient by submitting to the Exchange Agent a properly completed IRS Form W-8, signed under penalties of perjury, attesting to that Holder's exempt status. A Form W-8 can be obtained from the Exchange Agent. See the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional instructions.

If backup withholding applies, the Exchange Agent is required to withhold a portion of any payments made to the Holder or other payee. Backup withholding is not an additional federal income tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the IRS.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments made with respect to the Exchange Offer, the Holder is required to provide the Exchange Agent with either: (i) the Holder's correct TIN by completing the Substitute Form W-9 below, certifying that the TIN provided on Substitute Form W-9 is correct (or that such Holder is awaiting a TIN) and that (A) the Holder has not been notified by the IRS that the Holder is subject to backup withholding as a result of failure to report all interest or dividends or (B) the IRS has notified the Holder that the Holder is no longer subject to backup withholding or (ii) an adequate basis for exemption.

WHAT NUMBER TO GIVE THE EXCHANGE AGENT

The Holder is required to give the Exchange Agent the TIN (e.g., social security number or employer identification number) of the registered Holder of the Outstanding Securities. If the Outstanding Securities are held in more than one name or are held not in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which number to report.

TO BE COMPLETED BY ALL TENDERING HOLDERS
(SEE INSTRUCTION 8)

Department of the Treasury
INTERNAL REVENUE SERVICE

PAYER'S NAME: THE WILLIAMS COMPANIES, INC.

SUBSTITUTE FORM W-9 DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE REQUEST FOR TAXPAYER IDENTIFICATION NUMBER AND CERTIFICATION	PART I -- Taxpayer Identification Number (TIN) Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). For sole proprietors, see the instructions in the enclosed Guidelines. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to Get a TIN in the enclosed Guidelines. NOTE: If the account is in more than one name, see the chart on page 2 of the enclosed Guidelines for instructions on whose number to enter.	Social Security Number ------------------ or Employer Identification Number ------------------
	PART II -- For Payees Exempt from Backup Withholding (See Part II instructions in the enclosed Guidelines)	

PART III -- Certification -- UNDER PENALTIES OF PERJURY, I CERTIFY THAT:

(1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and

(2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Signature ------------------------------ Date --------------------

CERTIFICATION INSTRUCTIONS.--You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest or dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, the acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN.

CERTIFICATION OF PAYEE AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify, under penalties of perjury, that a Taxpayer Identification Number has not been issued to me, and that I mailed or delivered an application to receive a Taxpayer Identification Number to the appropriate Internal Revenue Service Center or Social Security Administration Office (or I intend to mail or deliver an application in the near future). I understand that if I do not provide a Taxpayer Identification Number to the payer, a portion of all payments made to me on account of the New Notes shall be retained until I provide a Taxpayer Identification Number to the payer and that, if I do not provide my Taxpayer Identification Number within sixty days, such retained amounts shall be remitted to the Internal Revenue Service as backup withholding and a portion of all reportable payments made to me thereafter will be withheld and remitted to the Internal Revenue Service until I provide a Taxpayer Identification Number.

-- --
SIGNATURE DATE

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF A PORTION OF ANY PAYMENTS MADE TO YOU ON ACCOUNT OF THE NEW NOTES. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

EXHIBIT 99.2

NOTICE OF GUARANTEED DELIVERY

FOR
8.125% NOTES DUE MARCH 15, 2012
AND
8.750% NOTES DUE MARCH 15, 2032
OF
THE WILLIAMS COMPANIES, INC.

As set forth in the Prospectus dated April --, 2003 (the "Prospectus") of The Williams Companies, Inc. (the "Company") and in the Letter of Transmittal (the "Letter of Transmittal"), this form or a form substantially equivalent to this form must be used to accept the Exchange Offer (as defined below) if the certificates for the outstanding 8.125% Notes due March 15, 2012 and 8.750% Notes due March 15, 2032 (collectively, the "Outstanding Securities") of the Company and all other documents required by the Letter of Transmittal cannot be delivered to the Exchange Agent (as defined below) by the expiration of the Exchange Offer or compliance with book-entry transfer procedures cannot be effected on a timely basis. Such form may be delivered by hand or transmitted by facsimile transmission, telex or mail to the Exchange Agent no later than the Expiration Date (as defined below), and must include a guarantee by an Eligible Institution (as defined in the Letter of Transmittal) as set forth below.

To:

JPMORGAN CHASE BANK (THE "EXCHANGE AGENT")

By Mail or Overnight Courier:

Corporate Trust Services

2001 Bryan Street -- 9th floor

Dallas, Texas 75201

Attention: Frank Ivins

By Hand Delivery:

GIS Unit Trust Window

4 New York Plaza -- 1st floor

New York, New York 10004

Attention: Frank Ivins

By Facsimile Transmission:

(214) 468-6494

For Information or Confirmation by Telephone:

(214) 468-6464

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M.,

NEW YORK CITY TIME, ON MAY --, 2003 (THE "EXPIRATION DATE")

UNLESS THE OFFER IS EXTENDED. TENDERS MAY BE WITHDRAWN PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE DOES NOT CONSTITUTE A VALID DELIVERY. THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING CERTIFICATES, IS AT THE RISK OF THE HOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. THE INSTRUCTIONS ACCOMPANYING THE LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS NOTICE OF GUARANTEED DELIVERY IS COMPLETED.

This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an Eligible Institution under the instructions thereto, such signatures must appear in the applicable space provided on the Letter of Transmittal for Guarantee of Signature(s).

Ladies and Gentlemen:

The undersigned acknowledges receipt of the Prospectus and the related Letter of Transmittal which describes the Company's offer (the "Exchange Offer") to exchange $1,000 in principal amount of 8.125% Notes due March 15, 2012 and $1,000 in principal amount of 8.750% Notes due March 15, 2032 (collectively, the "New Securities") for each $1,000 in principal amount of Outstanding Securities.

The undersigned hereby tenders to the Company the aggregate principal amount of Outstanding Securities set forth below on the terms and conditions set forth in the Prospectus and the related Letter of Transmittal pursuant to the guaranteed delivery procedure set forth in the "The Exchange Offer -- Procedures for Tendering Outstanding Securities" section of the Prospectus and the accompanying Letter of Transmittal.

The undersigned understands that no withdrawal of a tender of Outstanding Securities may be made on or after the Expiration Date of the Exchange Offer. The undersigned understands that for a withdrawal of a tender of Outstanding Securities to be effective, a written notice of withdrawal that complies with the requirements of the Exchange Offer must be timely received by the Exchange Agent at its address specified on the cover of this Notice of Guaranteed Delivery prior to the Expiration Date.

The undersigned understands that the exchange of Outstanding Securities for New Securities pursuant to the Exchange Offer will be made only after timely receipt by the Exchange Agent of (i) such Outstanding Securities (or Book-Entry Confirmation of the transfer of such Outstanding Securities into the Exchange Agent's account at The Depository Trust Company ("DTC")) and (ii) a Letter of Transmittal (or facsimile thereof) with respect to such Outstanding Securities, properly completed and duly executed, with any required signature guarantees, this Notice of Guaranteed Delivery and any other documents required by the Letter of Transmittal or a properly transmitted Agent's Message. The term "Agent's Message" means a message transmitted by DTC to, and received by, the Exchange Agent and forming part of the confirmation of a book-entry transfer, which states that DTC has received an express acknowledgment from each participant in DTC tendering Outstanding Securities and that such participant has received the Letter of Transmittal and agrees to be bound by the terms of the Letter of Transmittal and the Company may enforce such agreement against such participant.

All authority conferred or agreed to be conferred by this Notice of Guaranteed Delivery shall not be affected by, and shall survive, the death or incapacity of the undersigned, and every obligation of the undersigned under this Notice of Guaranteed Delivery shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns of the undersigned.

PLEASE SIGN AND COMPLETE

Signature(s) of Registered Owner(s) or
Authorized Signatory: --

- ---

- ---

Principal Amount of Outstanding Securities
Tendered: --

Certificate No(s) of Outstanding Securities (if
available): --
- ---
- ---
- ---

Date: --
Name(s) of Registered Holder(s)
- ---
- ---
- ---

Address: ---
- ---

Area Code and
Telephone No.: ---

If Outstanding Securities will be delivered by book-entry transfer at The Depository Trust Company, insert:

Depository Account
No.: ---

This Notice of Guaranteed Delivery must be signed by the registered Holder(s) of Outstanding Securities exactly as its (their) name(s) appear on certificates for Outstanding Securities or on a security position listing as the owner of Outstanding Securities, or by person(s) authorized to become registered Holder(s) by endorsements and documents transmitted with this Notice of Guaranteed Delivery. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must provide the following information.

PLEASE PRINT NAME(S) AND ADDRESS(ES)

Name(s):

Capacity:

Address(es):

DO NOT SEND OUTSTANDING SECURITIES WITH THIS FORM. OUTSTANDING SECURITIES SHOULD BE SENT TO THE EXCHANGE AGENT TOGETHER WITH A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL.

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or a correspondent in the United States, or otherwise an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, hereby (a) represents that each holder of Outstanding Securities on whose behalf this tender is being made "own(s)" the Outstanding Securities covered hereby within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (b) represents that such tender of Outstanding Securities complies with Rule 14e-4 of the Exchange Act and (c) guarantees that, within three New York Stock Exchange trading days from the expiration date of the Exchange Offer, a properly completed and duly executed Letter of Transmittal (or a facsimile thereof or an Agent's Message in lieu thereof), together with certificates representing the Outstanding Securities covered hereby in proper form for transfer (or confirmation of the book-entry transfer of such Outstanding Securities into the Exchange Agent's account at The Depository Trust Company, pursuant to the procedure for book-entry transfer set forth in the Prospectus) and required documents will be deposited by the undersigned with the Exchange Agent.

The undersigned acknowledges that it must deliver the Letter of Transmittal or an Agent's Message (as defined in the Letter of Transmittal) in lieu thereof and Outstanding Securities tendered hereby to the Exchange Agent within the time period set forth above and that failure to do so could result in financial loss to the undersigned.

Name of Firm: --------------------------

AUTHORIZED SIGNATURE

Address: ------------------------------

- ---------------------------------------

Area Code and Telephone No.: -----------

Name: ------------------------------

Title: -----------------------------

Date: ------------------------------

EXHIBIT 99.3

LETTER TO REGISTERED HOLDERS AND DTC PARTICIPANTS
REGARDING

OFFER TO EXCHANGE

8.125% NOTES DUE MARCH 15, 2012
FOR ANY AND ALL OUTSTANDING
8.125% NOTES DUE MARCH 15, 2012

AND

8.750% NOTES DUE MARCH 15, 2032
FOR ANY AND ALL OUTSTANDING
8.750% NOTES DUE MARCH 15, 2032

OF

THE WILLIAMS COMPANIES, INC.

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MAY --, 2003 UNLESS THE OFFER IS EXTENDED. TENDERS MAY BE WITHDRAWN PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

To Registered Holders and The Depository Trust Company Participants:

The Williams Companies, Inc., a Delaware corporation (the "Company"), is offering to exchange, upon the terms and subject to the conditions set forth in the Prospectus dated April --, 2003 (the "Prospectus") and the accompanying Letter of Transmittal (which together with any amendments or supplements thereto collectively constitute the "Exchange Offer"), up to $650 million aggregate principal amount of 8.125% Notes due March 15, 2012 (the "New 8.125% Notes"), for up to a like aggregate principal amount of its 8.125% Notes due March 15, 2012 (the "Outstanding 8.125% Notes"), and up to $850 million aggregate principal amount of 8.750% Notes due March 15, 2032 (the "New 8.750% Notes", and together with the New 8.125% Notes, the "New Securities"), for up to a like aggregate principal amount of its 8.750% Notes due March 15, 2032 (the "Outstanding 8.750% Notes", and together with the Outstanding 8.125% Notes, the "Outstanding Securities"). As set forth in the Prospectus, the terms of the New Securities are identical in all material respects to the Outstanding Securities except that the New Securities have been registered under the Securities Act of 1933, as amended and therefore, will not be subject to certain restrictions on their transfer and will not contain certain provisions providing for an increase in the interest rate paid thereon.

Enclosed herewith are copies of the following documents:

1. Prospectus dated April --, 2003

2. Letter of Transmittal for your use and for the information of your clients;

3. Notice of Guaranteed Delivery;

4. Instruction to Registered Holder or DTC Participant from Beneficial Owner; and

5. Letter which may be sent to your clients for whose account you hold registered Outstanding Securities or book-entry interests representing Outstanding Securities in your name or in the name of your nominee, to accompany the instruction form referred to above, for obtaining such client's instruction with regard to the Exchange Offer.

YOUR PROMPT ACTION IS REQUESTED. PLEASE NOTE THAT THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MAY --, 2003, UNLESS EXTENDED. PLEASE FURNISH COPIES OF THE ENCLOSED MATERIALS TO

THOSE OF YOUR CLIENTS FOR WHOM YOU HOLD OUTSTANDING SECURITIES REGISTERED IN YOUR NAME OR IN THE NAME OF YOUR NOMINEE AS QUICKLY AS POSSIBLE.

To participate in the Exchange Offer, a beneficial holder must either (a) complete, sign and date the Letter of Transmittal and deliver it to JPMorgan Chase Bank (the "Exchange Agent"), at the address set forth in the Letter of Transmittal, and either (i) deliver to the Exchange Agent certificates representing the registered Outstanding Securities in proper form for transfer, or (ii) cause a DTC Participant to make book-entry delivery of the Outstanding Securities; or (b) cause a DTC Participant to tender such holder's Outstanding Securities to the Exchange Agent's account maintained at The Depository Trust Company ("DTC") for the benefit of the Exchange Agent through DTC's Automated Tender Offer Program ("ATOP"), including transmission of a computer-generated message that acknowledges and agrees to be bound by the terms of the Letter of Transmittal (an "Agent's Message"). By complying with DTC's ATOP procedures with respect to the Exchange Offer, the DTC Participant confirms on behalf of itself and the beneficial owners of tendered Outstanding Securities all provisions of the Letter of Transmittal applicable to it and such beneficial owners as fully as if it completed, executed and returned the Letter of Transmittal to the Exchange Agent.

Holders who wish to tender their Outstanding Securities and (a) whose Outstanding Securities are not immediately available or (b) who cannot deliver their Outstanding Securities, the Letter of Transmittal or an Agent's Message and any other documents required by the Letter of Transmittal to the Exchange Agent prior to the Expiration Date must tender their Outstanding Securities according to the guaranteed delivery procedures set forth under the caption "The Exchange Offer -- Procedures for Tendering Outstanding Securities" in the Prospectus.

Pursuant to the Letter of Transmittal, each holder of Outstanding Securities will make certain representations to the Company. The enclosed "Instruction to Registered Holder or DTC Participant from Beneficial Owner" form contains an authorization by the beneficial owners of Outstanding Securities for you to make such representations.

The Exchange Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Outstanding Securities residing in any jurisdiction in which the making of the Exchange Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction. The Exchange Offer is not conditioned upon any minimum number of Outstanding Securities being tendered.

The Company will not pay any fee or commission to any broker or dealer or to any other persons (other than the Exchange Agent) in connection with the solicitation of tenders of Outstanding Securities pursuant to the Exchange Offer. The Company will pay or cause to be paid any transfer taxes payable on the transfer of Outstanding Securities to it, except as otherwise provided in Instruction 9 of the enclosed Letter of Transmittal.

Additional copies of the enclosed material may be obtained from JPMorgan Chase Bank, Corporate Trust Services, 2001 Bryan Street, 9th floor, Dallas, Texas 75201, Attention: Frank Ivins.

Very truly yours,

THE WILLIAMS COMPANIES, INC.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL RENDER YOU OR ANY OTHER PERSON THE AGENT OF THE WILLIAMS COMPANIES, INC. OR JPMORGAN CHASE BANK, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT OR REPRESENTATION ON THEIR BEHALF IN CONNECTION WITH THE EXCHANGE OFFER OTHER THAN THE DOCUMENTS ENCLOSED HEREWITH AND THE STATEMENTS CONTAINED THEREIN.

INSTRUCTION TO REGISTERED HOLDER OR DTC PARTICIPANT
FROM BENEFICIAL OWNER

OF

8.125% NOTES DUE MARCH 15, 2012

AND

8.750% NOTES DUE MARCH 15, 2032

OF

THE WILLIAMS COMPANIES, INC.

The undersigned hereby acknowledges receipt of the Prospectus dated April - --, 2003 (the "Prospectus"), of The Williams Companies, Inc., a company incorporated under the laws of the State of Delaware (the "Company"), and the accompanying Letter of Transmittal (the "Letter of Transmittal"), that together with any amendments or supplements thereto collectively constitute the Company's offer (the "Exchange Offer") to exchange up to $650 million aggregate principal amount of 8.125% Notes due March 15, 2012, for up to a like aggregate principal amount of its 8.125% Notes due March 15, 2012 (the "Outstanding 8.125% Notes"), and up to $850 million aggregate principal amount of 8.750% Notes due March 15, 2032, for up to a like aggregate principal amount of its 8.750% Notes due March 15, 2032 (the "Outstanding 8.750% Notes", and together with the Outstanding 8.125% Notes, the "Outstanding Securities"), upon the terms and subject to the conditions of the Exchange Offer.

This will instruct you to tender for exchange pursuant to the terms of the Exchange Offer the aggregate principal amount of Outstanding Securities indicated below (or, if no aggregate principal amount is indicated below, all of each applicable series of Outstanding Notes) held by you for the account or benefit of the undersigned.

Aggregate amount of Outstanding Securities to be tendered for exchange:

$ * principal amount of Outstanding 8.125% Notes.

$ * principal amount of Outstanding 8.750% Notes.

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* I (we) understand that if I (we) sign this instruction form without indicating in the space provided an aggregate principal amount of any series of Outstanding Securities that are held by you for my (our) account or benefit, all of such series of Outstanding Securities will be tendered for exchange.

If the undersigned instructs you to tender any series of the Outstanding Securities held by you for the account or benefit of the undersigned, it is understood that you are authorized to make the representations of the holders of the Outstanding Securities to the Company contained in the Letter of Transmittal.

SIGN HERE

- --
Name of Beneficial Owner(s)

- --
Signature(s)

- --
Name(s) (please print)

- --

- --
Address(es) (please print)

- --
Telephone Number

- --
Taxpayer Identification or Social Security Number

- --
Date

EXHIBIT 99.4

LETTER TO CLIENTS
REGARDING

OFFER TO EXCHANGE

8.125% NOTES DUE MARCH 15, 2012
AND
8.750% NOTES DUE MARCH 15, 2032

OF

THE WILLIAMS COMPANIES, INC.

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MAY --, 2003 UNLESS THE OFFER IS EXTENDED. TENDERS MAY BE WITHDRAWN PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

To Our Client:

We are enclosing herewith a Prospectus, dated April --, 2003, of The Williams Companies, Inc. (the "Company") and a related Letter of Transmittal (which together with any amendments or supplements thereto collectively constitute the "Exchange Offer") relating to the offer by the Company under the Securities Exchange Act of 1933, as amended (the "Securities Act"), to exchange up to $650 million aggregate principal amount of 8.125% Notes due March 15, 2012 (the "New 8.125% Notes"), for up to a like aggregate principal amount of its 8.125% Notes due March 15, 2012 (the "Outstanding 8.125% Notes"), and up to $850 million aggregate principal amount of 8.750% Notes due March 15, 2032 (the "New 8.750% Notes", and together with the New 8.125% Notes, the "New Securities"), for up to a like aggregate principal amount of its 8.750% Notes due March 15, 2032 (the "Outstanding 8.750% Notes", and together with the Outstanding 8.125% Notes, the "Outstanding Securities"), upon the terms and subject to the conditions set forth in the Prospectus and the Letter of Transmittal. As set forth in the Prospectus, the terms of the New Securities are identical in all material respects to the Outstanding Securities, except that the New Securities have been registered under the Securities Act, and therefore will not be subject to certain restrictions on their transfer and will not contain certain provisions providing for an increase in the interest rate paid thereon.

The enclosed material is being forwarded to you as the beneficial owner of Outstanding Securities held by us for your account or benefit but not registered in your name. An exchange of any Outstanding Securities may only be made by us as the registered Holder pursuant to your instructions. Therefore, the Company urges beneficial owners of Outstanding Securities registered in the name of a broker, dealer, commercial bank, trust company or other nominee to contact such Holder promptly if they wish to exchange Outstanding Securities in the Exchange Offer. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER YOUR BENEFICIAL OWNERSHIP OF OUTSTANDING SECURITIES HELD BY US FOR YOUR ACCOUNT.

We request instructions as to whether you wish to tender any or all of your Outstanding Securities held by us for your account or benefit pursuant to the terms and subject to the conditions of the Exchange Offer. We also request that you confirm that we may, on your behalf, make the representations contained in the Letter of Transmittal that are to be made with respect to you as beneficial owner. We urge you to read carefully the Prospectus and Letter of Transmittal before instructing us to exchange your Outstanding Securities and confirming that we may make the representations contained in the Letter of Transmittal.

Your attention is directed to the following:

(1) THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MAY --, 2003, UNLESS EXTENDED (THE "EXPIRATION DATE").

(2) Tenders of Outstanding Securities may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date. The Exchange offer is not conditioned upon any minimum principal amount of Outstanding Securities being tendered for exchange. However, the Exchange Offer is subject to certain conditions that may be waived by the Company and to the terms and provisions of the Registration Rights Agreement, as defined in the Prospectus.

(3) Outstanding Securities may be tendered only in denominations of $1,000 and integral multiples thereof.

(4) Holders of Outstanding Securities not tendered pursuant to the Exchange Offer will not have any further registration rights, except in certain limited circumstances requiring the filing of a Shelf Registration, as that term is defined in the Prospectus. Outstanding Securities not tendered pursuant to the Exchange Offer will continue to be subject to certain restrictions on transfer. Accordingly, the liquidity of the market for the Outstanding Securities could be adversely affected.

(5) The Company has agreed to pay the expenses of the Exchange Offer.

The Exchange Offer is not being made to, nor will tenders be accepted from or on behalf of Holders of Outstanding Securities, residing in any jurisdiction in which the making of the Exchange Offer or acceptance thereof would not be in compliance with the laws of such jurisdiction.

If you wish us to tender any or all of your Outstanding Securities held by us for your account or benefit, please so instruct us by completing, executing and returning to us the attached instruction form. AGAIN, PLEASE NOTE THAT THE ACCOMPANYING LETTER OF TRANSMITTAL IS FURNISHED TO YOU ONLY FOR INFORMATIONAL PURPOSES, AND MAY NOT BE USED BY YOU TO EXCHANGE OUTSTANDING SECURITIES HELD BY US AND REGISTERED IN OUR NAME FOR YOUR ACCOUNT OR BENEFIT.

EXHIBIT 99.5

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9

GUIDELINES FOR DETERMINING THE PROPER IDENTIFICATION NUMBER TO GIVE THE PAYER.--Social Security numbers have nine digits separated by two hyphens: i.e. 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e. 00-0000000. The table will help determine the number to give the payer.

- -----------

---- GIVE THE
FOR THIS TYPE
OF ACCOUNT:
SOCIAL
SECURITY
NUMBER OF-- -

-- 1. An
individual's
account The
individual 2.
Two or more
individuals
The actual
owner of
(joint
account) the
account or,
if combined
funds, any
one of the
individuals(1)
3. Husband
and wife
(joint The
actual owner
of account)
the account
or, if joint
funds, either
person(1) 4.
Custodian
account of a
minor The
minor(2)
(Uniform Gift
to Minors
Act) 5. Adult
and minor
(joint The
adult or, if
account) the
minor is the
only
contributor,
the minor(1)
6. Account in
the name of
The ward,
minor, or
guardian or
committee for
a incompetent
designated
ward, minor,
or person(3)
incompetent
person 7. a.
The usual
revocable The
grantor-
savings trust
account
trustee(1)
(grantor is
also trustee)
b. So-called
trust account

The actual owner(1) that is not a legal or valid trust under State law - ---

- --- GIVE THE EMPLOYER FOR THIS TYPE OF ACCOUNT: IDENTIFICATION NUMBER OF-- - -- -- 8. Sole proprietorship account 9. A valid trust, estate, or Legal entity (Do pension trust not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)(4) 10. Corporate account The corporation 11. Religious, charitable, or The organization educational organization account 12. Partnership account held in The partnership the name of the business 13. Association, club, or other The organization tax-exempt organization 14. A broker or registered The broker or nominee nominee 15. Account with the Department The public entity of Agriculture in the name of a public entity (such as a State or local government,

school
district, or
prison) that
receives
agricultural
program
payments - --

----

(1) List first and circle the name of the person whose number you furnish.
(2) Circle the minor's name and furnish the minor's social security number.
(3) Circle the ward's, minor's or incompetent person's name and furnish such person's social security number.
(4) List first and circle the name of the legal trust, estate, or pension trust.

NOTE: If no name is circled or if there is more than one name, the number will be considered to be that of the first name listed.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

OBTAINING A NUMBER

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

PAYEES EXEMPT FROM BACKUP WITHHOLDING

Payees specifically exempted from backup withholding on ALL payments include the following:

- A corporation.
- A financial institution.
- An organization exempt from tax under section 501(a), or an individual retirement plan.
- The United States or any agency or instrumentality thereof.
- A State, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
- A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- An international organization or any agency, or instrumentality thereof.
- A registered dealer in securities or commodities registered in the U.S. or a possession of the U.S.
- A real estate investment trust.
- A common trust fund operated by a bank under section 584(a).
- An exempt charitable remainder trust, or a non-exempt trust described in section 4947(a)(1).
- An entity registered at all times under the Investment Company Act of 1940.
- A foreign central bank of issue.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the U.S. and which have at least one nonresident partner.
- Payments of patronage dividends where the amount received is not paid in money.
- Payments made by certain foreign organizations.
- Payments of interest not generally subject to backup withholding include the following:
- Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is $600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.
- Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- Payments described in section 6049(b)(5) to non-resident aliens.
- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM, AND RETURN IT TO THE PAYER. IF THE PAYMENTS ARE INTEREST, DIVIDENDS, OR PATRONAGE DIVIDENDS, ALSO SIGN AND DATE THE FORM.

Certain payments other than interest, dividends, and patronage dividends, that are not subject to information reporting are also not subject to backup withholding. For details, see the regulations under sections 6041, 6041A(a), 6045, and 6050A.

PRIVACY ACT NOTICE.--Section 6109 requires most recipients of dividends, interest, or other payments to give taxpayer identification numbers to payers who must report the payments to IRS. IRS uses the numbers for identification purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold a portion of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

PENALTIES

(1) PENALTY FOR FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER. -- If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.
(2) CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING. -- If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of $500.
(3) CIVIL PENALTY FOR FALSIFYING INFORMATION. -- Falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE