

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 1, 1995

THE WILLIAMS COMPANIES, INC.

(Exact name of registrant as specified in its charter)

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

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

Registrant's telephone number, including area code: (918)588-2000

Not Applicable

(Former name or former address, if changed since last report)

Item 2. Acquisition or Disposition of Assets

On December 12, 1994, The Williams Companies, Inc. ("Williams"), entered into a merger agreement among Transco Energy Company ("Transco") and WC Acquisition Corp., a wholly owned subsidiary of Williams, (the "Agreement"). Under the terms of the Agreement, on December 16, 1994, Williams filed a Tender Offer Statement pursuant to Section 14(d)(1) of the Securities Exchange Act of 1934 with the Securities and Exchange Commission on Schedule 14D-1 relating to Williams' offer to purchase up to 24.6 million shares, or 60 percent, of Transco's common stock, par value \$.50 per share (the "Transco Common Shares"), (including attached common stock purchase rights) for \$17.50 per share (and attached right). On January 18, 1995, Williams accepted for payment, pursuant to the terms of the tender offer, 24.6 million shares of Transco's Common Shares.

On or about March 31, 1995, a Prospectus and Information Statement was mailed to Transco Common Shareholders and \$3.50 Preferred Shareholders of record on March 20, 1995, providing notice of a Special Meeting of Stockholders of Transco for purposes of approving the Agreement and associated merger (the "Merger") and containing the information required under the Securities Exchange Act of 1934.

On April 28, 1995, a Special Meeting of Transco stockholders was held. At such meeting, the Transco stockholders approved the Agreement and the Merger, pursuant to which (i) each issued and outstanding share of Transco Common Shares (other than shares held by Transco, Williams and any subsidiary of Williams) will be converted into the right to receive (x) 0.625 of a share of common stock, par value \$1.00 per share, of Williams and (y) 0.3125 attached preferred stock purchase rights of Williams and (ii) each issued and outstanding share of Transco's \$3.50 Series Cumulative Convertible Preferred Stock ("Transco \$3.50 Preferred Stock") (other than shares held by Transco, Williams or any subsidiary of Williams and by holders of Transco \$3.50 Preferred Stock who demand and perfect appraisal rights) will be converted into the right to receive one share of Williams' \$3.50 Series Cumulative Convertible Preferred Stock all as more fully described in the Prospectus and Information Statement which is filed as an exhibit hereto.

Williams used funds obtained from the sale of the major portion of its telecommunications assets to acquire the Transco stock and will also use such funds to pay all related fees and expenses of the offer and Merger.

The Agreement was filed with the office of the Secretary of State of the State of Delaware on April 28, 1995, to be effective at 12:01 a.m. on Monday, May 1, 1995.

The completion of the tender offer resulted in Williams recording the acquisition in the first quarter of 1995. The first quarter 1995 Form 10-Q will reflect a consolidation of the

financial operating results of Transco from January 18, 1995, through March 31, 1995, with minority interest recognized for the 40 percent of the Transco shares still outstanding to the public. The May 1 merger resulted in Transco becoming a 100 percent-owned subsidiary of Williams and the issuance of the additional Williams common stock which increased Williams' consolidated stockholders' equity by approximately \$330 million.

The estimated cost of the acquisition in excess of Transco's historical carrying value is \$1.5 billion based upon a preliminary allocation of the purchase price. This amount has been allocated to property, plant and equipment and will be amortized over 40 years. Williams intends to sell certain of Transco's businesses within one year from the acquisition date, including coal operations, certain gathering operations and coalbed properties and related assets, all of which are recorded at net realizable value in Williams' Consolidated Balance Sheet. Results of operations and changes in the carrying amount of these businesses during the holding period will be included in the purchase price. The results of operations of these businesses excluded from Williams' Consolidated Statement of Income are not material.

EXHIBITS

The following exhibits are filed as part of this Report:

- Exhibit 2.
- (a) Offer to Purchase, dated December 16, 1994, (filed as Exhibit (a)(1) to Schedule 14D-1, dated December 16, 1994).
 - (b) Agreement and Plan of Merger, dated as of December 12, 1994, among Williams, WC Acquisition Corp. and Transco (filed as Exhibit (c)(1) to Schedule 14D-1, dated December 16, 1994).
 - (c) Prospectus/Information Statement filed in connection with the Special Meeting of Stockholders of Transco held on April 28, 1995 (included in Amendment No. 1 to Registration Statement on Form S-4 No. 33-57639, filed March 24, 1995).
- Exhibit 99.
- (a) Press release, dated December 12, 1994, issued by Williams and Transco (filed as Exhibit (a)(7) to Schedule 14D-1, dated December 16, 1994).
 - (b) Press release, dated December 16, 1994, issued by Williams (filed as Exhibit (a)(8) to Schedule 14D-1, dated December 16, 1994).
 - (c) Press release, dated January 18, 1995, issued by Williams (filed as Exhibit (a)(13) to Amendment No. 5 to Schedule 14D-1, dated January 18, 1995).
 - (d) Press release, dated January 25, 1995, issued by Williams (filed as Exhibit (a)(14) to Amendment No. 6 to Schedule 14D-1, dated January 25, 1995).
 - (e) Press release, dated April 28, 1995, issued by Williams.

Each exhibit listed above (with the exception of Exhibit 99(e)) has heretofore been filed with the Securities and Exchange Commission as part of the filing indicated and is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be filed on its behalf by the undersigned hereunto duly authorized:

THE WILLIAMS COMPANIES, INC.
(Registrant)

By: /s/ J. Furman Lewis
J. Furman Lewis
Senior Vice President
and General Counsel

Dated: May 4, 1995

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NEWS

[THE WILLIAMS COMPANIES, INC. LETTERHEAD]

SHAREHOLDERS APPROVE MERGER; WILLIAMS COMPANIES NEARLY DOUBLES IN SIZE

HOUSTON -- Today's approval by Transco Energy Company shareholders of a merger making Transco a unit of The Williams Companies, Inc. creates one of the largest energy companies in the United States.

"Our new company's future starts now," said Keith E. Bailey, chairman, president and chief executive officer of Williams. "While our ultimate goal will be challenging to accomplish, it can be simply stated. That is to be the best -- from serving our customers to achieving superior, sustainable returns for our shareholders."

The approval of the merger occurred today during a special shareholder meeting at the Transco Tower. Bailey said the merger:

-- Nearly doubles Williams' asset base -- from slightly over \$5 billion to about \$10 billion.

-- Assembles a system of pipelines with the capacity to ship more natural gas in interstate transportation than any company in the United States, serving customers from coast-to-coast.

-- Substantially expands Williams' natural gas gathering and processing business, already an industry leader.

-- Forges the development of a new natural gas marketing, trading, price-risk management and information services company that, because of its scale and capabilities, will have few peers in the domestic energy industry.

-- Forms the foundation for planned capital investments in regulated and non-regulated businesses expected to exceed \$1 billion per year.

Today's vote culminates a series of steps that began Dec. 12, 1994, when both companies announced approval of a merger agreement. Williams completed a tender offer on Jan. 18, acquiring 60 percent of Transco's common stock.

Transco stock not acquired in the tender offer will be exchanged for Williams stock. Detailed information on how to accomplish the exchange will be mailed next week to holders of Transco common and preferred stock.

Transco, founded in 1946, has been listed on the New York Stock Exchange under the symbol "E" since 1975. That stock will no longer be traded.

Although the merger officially will be effective on Monday, May 1, people within both Williams and Transco "have approached the merger with a sense of purpose and urgency" since the tender offer was completed, Bailey said.

"Combining the two companies is occurring much faster than our initial analysis suggested it could. People within both companies deserve a great deal of credit for their professionalism during the physically taxing and sometimes emotionally painful process of reorganization," he said.

Including people who transferred to work in other areas of Williams, some 550-600 of the 3,200 jobs formerly associated with Transco corporate, pipeline and marketing activities were eliminated.

"We certainly have every confidence that we have assembled the best possible team to continue our winning streak," Bailey said.

Total value of the transaction is more than \$3 billion, including cash, stock and the assumption of Transco's debt.

Williams' primary operating companies are:

NORTHWEST PIPELINE, which operates an interstate natural gas pipeline system that serves customers in the Pacific Northwest and California.

WILLIAMS NATURAL GAS, which operates an interstate natural gas pipeline system that serves portions of middle America.

TRANSCONTINENTAL GAS PIPE LINE, which operates an interstate natural gas pipeline system that serves customers in the Southeast and much of the Eastern Seaboard.

TEXAS GAS TRANSMISSION, which operates an interstate natural gas pipeline system that serves much of the Mississippi and Ohio river valleys.

WILLIAMS FIELD SERVICES, which provides natural gas gathering and processing, natural gas liquids marketing, and develops new natural gas projects.

WILLIAMS PIPE LINE, which operates an interstate petroleum liquids pipeline system in 11 states in the central U.S.

WILLIAMS ENERGY SERVICES, a newly created organization that provides price-risk management, natural gas marketing and trading, and a variety of other services to the energy industry.

WILLIAMS TELECOMMUNICATIONS SYSTEMS (WILTEL), a national company offering business customers a full range of products and services for voice, data and video communications.

Williams has other significant investments in:

WILTECH/VYVX, which provides national network video services for television, cable, businesses, movie-makers and others, and provides interactive, computer-based training and information-retrieval programs for industry.

KERN RIVER GAS TRANSMISSION, a Wyoming-to-California natural gas pipeline system 50 percent owned by Williams.

WILLIAMS ENERGY VENTURES, which is involved in development of new liquid petroleum ventures.

APCO ARGENTINA INC., 62 percent owned by Williams, is engaged in oil and natural gas exploration and production in Argentina.

Williams is traded on the New York and Pacific stock exchanges under the symbol WMB.