

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): December 16, 2002

The Williams Companies, Inc.

(Exact name of registrant as specified in its charter)

Delaware ----- (State or other jurisdiction of incorporation)	1-4174 ----- (Commission File Number)	73-0569878 ----- (I.R.S. Employer Identification No.)
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One Williams Center, Tulsa, Oklahoma ----- (Address of principal executive offices)	74172 ----- (Zip Code)
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Registrant's telephone number, including area code: 918/573-2000

Not Applicable

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

Item 9. Regulation FD Disclosure.

The Williams Companies, Inc. wishes to disclose for Regulation FD purposes its press release dated December 16, 2002, filed herewith as Exhibit 99.

Pursuant to the requirements of the Securities Exchange Act of 1934, Williams has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE WILLIAMS COMPANIES, INC.

Date: December 17, 2002

/s/ Brian K. Shore

Name: Brian K. Shore
Title: Corporate Secretary

INDEX TO EXHIBITS

EXHIBIT
NUMBER

DESCRIPTION

99 Copy of Williams' press release dated December 16, 2002.

[WILLIAMS LOGO]

NEWS RELEASE

NYSE: WMB Leading Energy SOLUTIONS(SM)

DATE: Dec. 16, 2002

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WILLIAMS' CALIFORNIA AGREEMENT PASSES STATE MILESTONE

TULSA, Okla. - Williams (NYSE:WMB) today announced that its settlement with the state of California to resolve outstanding litigation and civil claims and restructure energy contracts passed a significant milestone toward an expected Dec. 31 closing.

Williams on Friday received notice that the California attorney general's period to review the company's activities in western energy markets would conclude Dec. 15 with no action on the part of the state to exercise their option to terminate the agreement.

A provision of the settlement dealing with the Federal Energy Regulatory Commission's refund proceeding requires its approval, which is still outstanding.

Besides restructuring the company's energy contracts in a way that preserves their substantial value, the agreement resolves most of Williams' outstanding litigation related to natural gas and power markets in the West.

The company agreed to set aside one issue - related to reporting inaccurate gas-trading information to an industry publication - from the comprehensive settlement. Williams is conducting an internal investigation in cooperation with the Commodity Futures Trading Commission regarding the few instances of inaccurate reporting to an industry publication the company discovered and disclosed in October.

"Our ability to finalize the agreement removes significant uncertainty from our energy marketing and risk management business and improves our opportunity to sell or joint-venture that part of our business," said Steve Malcolm, Williams' chairman, president and chief executive officer. "We're pleased with the substantial progress we're making to resolve these issues while providing more flexibility to California to meet its energy needs."

ABOUT WILLIAMS (NYSE: WMB)

Williams moves, manages and markets a variety of energy products, including natural gas, liquid hydrocarbons, petroleum and electricity. Based in Tulsa, Okla., Williams' operations span the energy value chain from wellhead to burner tip. Company information is available at www.williams.com.

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Portions of this document may constitute "forward-looking statements" as defined by federal law. Although the company believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance on the "safe harbor" protections provided under the Private Securities Reform Act of 1995. Additional information about issues that could lead to material changes in performance is contained in the company's annual reports filed with the Securities and Exchange Commission.