

CHAPPEL DONALD R
Form 4
February 26, 2013

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
CHAPPEL DONALD R

2. Issuer Name and Ticker or Trading Symbol
WILLIAMS COMPANIES INC
[WMB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
ONE WILLIAMS CENTER
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/23/2013

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. Vice President & CFO

TULSA, OK 74172
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount or Price | | |
| Common Stock ⁽¹⁾ | 02/23/2013 | | M | | 81,214 A \$ 0 | 434,681 | D |
| Common Stock | 02/23/2013 | | F | | 33,988 D \$ 33.57 | 400,693 | D |
| Common Stock ⁽¹⁾ | 02/23/2013 | | M | | 43,144 A \$ 0 | 443,837 | D |
| Common Stock | 02/23/2013 | | F | | 19,351 D \$ 33.57 | 424,486 | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Security (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--------|-----|--|-----------------|---|----------------------------|
| | | | | | V | (A) | (D) | Date Exercisable | Expiration Date | | |
| Restricted Stock Units ⁽²⁾ | \$ 0 | 02/23/2013 | | A | | 38,070 | | 02/23/2013 | 02/23/2013 | Common Stock | 38,070 |
| Restricted Stock Units ⁽¹⁾ | \$ 0 | 02/23/2013 | | M | | 81,214 | | 02/23/2013 | 02/23/2013 | Common Stock | 81,214 |
| Restricted Stock Units ⁽¹⁾ | \$ 0 | 02/23/2013 | | M | | 43,144 | | 02/23/2013 | 02/23/2013 | Common Stock | 43,144 |
| Restricted Stock Units ⁽³⁾ | \$ 0 | 02/25/2013 | | A | | 36,573 | | 02/25/2016 | 02/25/2016 | Common Stock | 36,573 |
| Restricted Stock Units | \$ 0 | 02/25/2013 | | A | | 25,022 | | 02/25/2016 | 02/25/2016 | Common Stock | 25,022 |
| Employee Options (Right to Buy) | \$ 33.57 | 02/25/2013 | | A | | 24,849 | | 02/25/2014 | 02/25/2023 | Common Stock | 24,849 |
| Employee Options (Right to Buy) | \$ 33.57 | 02/25/2013 | | A | | 24,850 | | 02/25/2015 | 02/25/2023 | Common Stock | 24,850 |
| Employee Option (Right to Buy) | \$ 33.57 | 02/25/2013 | | A | | 24,850 | | 02/25/2016 | 02/25/2023 | Common Stock | 24,850 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| CHAPPEL DONALD R ONE WILLIAMS CENTER TULSA, OK 74172 | | | Sr. Vice President & CFO | |

Signatures

Cher S. Lawrence, Attorney-in-Fact for Mr. Donald R. Chappel 02/26/2013

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Payout of Restricted Stock Units, in a transaction exempt under Rules 16b-3(d) and 16b-6(b), of shares of common stock awarded under The Williams Companies, Inc. 2007 Incentive Plan of which a portion of the shares were withheld for taxes.
- (2) Represents restricted stock units acquired pursuant to the 2010 performance-based RSU grant agreement resulting from the performance of defined relative and absolute Total Shareholder Return ("TSR") metrics, as certified by the compensation committee. Vesting is subject to applicable grant agreement and compensation committee certification that the Company has met the three year
- (3) performance measure. The specific performance measure will be based on total shareholder return with absolute and relative dependent measures.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.