

WILLIAMS COMPANIES INC

Form SC TO-I/A

December 29, 2005

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

**SCHEDULE TO
Amendment No. 2
(Rule 14d-100)
Tender Offer Statement under Section 14(d)(1)
or Section 13(e)(1) of the Securities Exchange Act of 1934**

THE WILLIAMS COMPANIES, INC.
(Name of Subject Company (Issuer) and Filing Person (Offeror))
5.50% Junior Subordinated Convertible Debentures due 2033
(Title of Class of Securities)
CUSIP Nos. 969457845 and 969457852
(CUSIP Number of Class of Securities)

James J. Bender, Esq.
Senior Vice President and General Counsel
The Williams Companies, Inc.
One Williams Center, Suite 4900
Tulsa, Oklahoma 74172
(918) 573-2000

(Name, Address and Telephone Number of Person Authorized to Receive
Notices and Communications on Behalf of the Filing Person)

COPIES TO:

Gibson, Dunn & Crutcher LLP
1801 California Street, Suite 4100
Denver, Colorado 80202-2641
(303) 298-5700
Attention: Richard M. Russo, Esq.

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Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1
- issuer tender offer subject to Rule 13e-4
- going-private transaction subject to Rule 13e-3
- amendment to Schedule 13D under Rule 13d-2

Check the following box if the filing is a final amendment reporting the results of the tender offer:

This Amendment No. 2 to the Tender Offer Statement on Schedule TO amends and restates the Tender Offer Statement on Schedule TO filed with the Securities and Exchange Commission on November 17, 2005 and amended on December 22, 2005 by The Williams Companies, Inc., a Delaware corporation (the Company), relating to the Company's offer, to pay a cash premium to holders of any and all of the Company's \$299,987,000 principal amount outstanding 5.50% Junior Subordinated Convertible Debentures due 2033 (the Debentures), who convert their Debentures to shares of the Company's common stock, \$1.00 par value per share (Common Stock), upon the terms and subject to the conditions contained in the Conversion Offer Prospectus filed November 17, 2005 and as amended on December 29, 2005 (as the same may be further amended or supplemented from time to time, the Conversion Offer Prospectus) and the related Letter of Transmittal, which are parts of the Company's Registration Statement on Form S-4 filed November 17, 2005 and as amended on December 29, 2005 (SEC File No. 333-12779 and as the same may be further amended from time to time, the Registration Statement).

The information set forth in the Registration Statement, including all filings incorporated therein by reference and any future filings incorporated therein by reference until the offering is completed, the Conversion Offer Prospectus and all exhibits thereto, and the accompanying Letter of Transmittal are hereby incorporated by reference.

This Issuer Tender Offer Statement on Schedule TO is being filed in satisfaction of the reporting requirements of Rule 13e-4(c)(2) promulgated under the Securities Exchange Act of 1934, as amended.

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Item 1. Summary Term Sheet.

The information set forth in the Conversion Offer Prospectus in the sections entitled Summary and Questions and Answers about the Offer is incorporated herein by reference.

Item 2. Subject Company Information.

(a) Name and Address.

The name of the subject company is The Williams Companies, Inc. The address of the Company's principal executive offices is One Williams Center, Tulsa, Oklahoma 74172. Its telephone number is (918) 573-2000.

(b) Securities.

The subject class of securities is the Company's 5.50% Junior Subordinated Convertible Debentures due 2033. As of December 29, 2005 \$299,987,000 aggregate principal amount of Debentures was outstanding. The information set forth in the Conversion Offer Prospectus in the sections entitled Description of Capital Stock, Description of Debentures, Questions and Answers About the Offer, Terms of the Offer Conversion Rights and Price Range of Common Stock is incorporated herein by reference.

(c) Trading Market and Price.

The information set forth in the Conversion Offer Prospectus in the section entitled Questions and Answers About the Offer What is the market value of the Debentures is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) Name and Address.

The filing person is the Company. The information set forth in Item 2 regarding the Company's name and address above is incorporated herein by reference.

Pursuant to Instruction C to Schedule TO, the following persons are the directors and/or executive officers of the Company

| <u>Name</u> | <u>Position</u> |
|-------------------|---|
| Steven J. Malcolm | Chairman, President and Chief Executive Officer, Director |
| Alan Armstrong | Senior Vice President, Midstream Gathering & Processing |
| Ralph A. Hill | Senior Vice President, Exploration and Production |

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| <u>Name</u> | <u>Position</u> |
|----------------------|--|
| Bill Hobbs | Senior Vice President, Power |
| Michael P. Johnson | Senior Vice President and Chief Administrative Officer |
| Donald R. Chappel | Senior Vice President, Chief Financial Officer |
| James J. Bender | Senior Vice President and General Counsel |
| Phillip D. Wright | Senior Vice President, Williams Gas Pipelines |
| Irl Engelhardt | Director |
| William R. Granberry | Director |
| William E. Green | Director |
| Juanita H. Hinshaw | Director |
| William R. Howell | Director |
| Charles M. Lillis | Director |
| George A. Lorch | Director |
| William G. Lowrie | Director |
| Frank T. MacInnis | Director |
| Janice D. Stoney | Director |
| Joseph H. Williams | Director |

The address and telephone number of each director and executive officer is: c/o The Williams Companies, Inc., One Williams Center, Tulsa, Oklahoma 74172; (918) 573-2000.

Item 4. Terms of the Transaction.

(a) *Material Terms.*

The information set forth in the Conversion Offer Prospectus in the sections entitled Questions and Answers About the Offer, Summary The Offer, Terms of the Offer and Material United States Federal Income Tax Consequences is incorporated herein by reference.

(b) *Purchases.*

The information set forth in the Conversion Offer Prospectus in the section entitled Interest of Directors and Officers in the Transaction is incorporated herein by reference.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

(e) *Agreements Involving the Subject Company's Securities.*

The Company has entered into the following agreements, each of which is filed as an exhibit to this Schedule TO and incorporated herein by reference, in connection with the Debentures: Purchase Agreement, dated May 20, 2003, between the Company and the Initial Purchaser named therein; Indenture, dated May 28, 2003, between the Company and JPMorgan Chase Bank, National Association, as trustee; Registration Rights Agreement, dated May 28, 2003, between the Company and the Initial Purchaser named therein; and Form of Convertible Debenture.

The information set forth in the Conversion Offer Prospectus in the sections entitled Description of Capital Stock Preferred Stock Purchase Rights and Description of Debentures is incorporated herein by reference.

Item 6. Purposes of the Transaction and Plans or Proposals.

(a) *Purposes.*

The information in the Conversion Offer Prospectus in the sections entitled Summary Purpose of the Offer, Questions and Answers About the Offer and Use of Proceeds is incorporated herein by reference.

(b) *Use of Securities Acquired.*

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The information set forth in the Conversion Offer Prospectus in the sections entitled Questions and Answers About the Offer What is the purpose of the Offer?, Summary Purpose of the Offer, Summary The Offer, Use of Proceeds Terms of the Offer is incorporated herein by reference.

(c) *Plans.*

The information set forth in the Conversion Offer Prospectus in the section entitled Summary Our Company is incorporated herein by reference.

Item 7. Source and Amount of Funds or Other Consideration.

(a) *Source of Funds.*

The Company intends to fund the cash component of the Conversion Consideration from its available cash.

(b) *Conditions.*

Not applicable.

(d) *Borrowed Funds.*

Not applicable.

Item 8. Interest in the Securities of the Subject Company.

(a) *Securities Ownership.*

The information set forth in the Conversion Offer Prospectus in the section entitled Interest of Directors and Officers in the Transaction is incorporated herein by reference.

(b) *Securities Transactions.*

The information set forth in the Conversion Offer Prospectus in the section entitled Interest of Directors and Officers in the Transaction is incorporated herein by reference.

Item 9. Persons/Assets, Retained, Employed, Compensated or Used.

(a) *Solicitations or Recommendations.*

The information set forth in the Conversion Offer Prospectus in the sections entitled Dealer Managers, Information Agent and Conversion Agent is incorporated herein on Schedule TO.

Item 10. Financial Statements.

(a) *Financial Information.*

The information set forth in the Conversion Offer Prospectus in the sections entitled Available Information, Incorporation by Reference, Summary Selected Summary Consolidated Financial Data of Williams, Summary Ratio of Earnings to Fixed Charges, Book Value per Common Share and Selected Historical Consolidated Financial Data is incorporated herein by reference. The Company's (a) Annual Report on Form 10-K for the fiscal year ended December 31, 2004, as amended, (b) Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2005, (c) Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2005, and (d) Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005, as amended, are incorporated herein by reference and can also be accessed electronically on the Securities and Exchange Commission's website at <http://www.sec.gov>.

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(b) *Pro Forma Information.*

Not applicable.

Item 11. Additional Information.

(a) *Agreements, Regulatory Requirements and Legal Proceedings.*

The information in the Conversion Offer Prospectus and the related Letter of Transmittal is incorporated herein by reference.

(b) *Other Material Information.*

Not applicable.

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Item 12. Exhibits.

| <u>EXHIBIT NUMBER</u> | <u>DESCRIPTION</u> |
|---------------------------|---|
| (a)(1)(i) | Conversion Offer Prospectus, dated November 17, 2005 and as amended on December 29, 2005 (incorporated by reference to the Company's Registration Statement on Form S-4 filed on November 17, 2005 and as amended on December 29, 2005) |
| (a)(1)(ii) | Letter of Transmittal (incorporated by reference to Exhibit 99.1 of the Company's Registration Statement on Form S-4 filed on November 17, 2005 and as amended on December 29, 2005) |
| (a)(1)(iii) | Letter to Brokers, Dealers, Commercial Banks, Trust Companies and other Nominees (originally filed on November 17, 2005; amendment no. 1 is filed herewith) |
| (a)(1)(iv) | Letter to Clients (originally filed on November 17, 2005; amendment no. 1 is filed herewith) |
| (a)(2) | None |
| (a)(3) | None |
| (a)(4) | Conversion Offer Prospectus, dated November 17, 2005 and as amended on December 29, 2005 (filed herewith as exhibit (a)(1)(i)) |
| (a)(5) | Press release dated November 17, 2005 (filed pursuant to Rule 425 under the Securities Act of 1933 and deemed filed pursuant to Rule 13e-4(c) under the Securities Act of 1934) |
| (a)(6) | Press release dated December 16, 2005 (filed pursuant to Rule 425 under the Securities Act of 1933 and deemed filed pursuant to Rule 13e-4(c) under the Securities Act of 1934) |
| (b) | None |
| (d)(1)(i) | Purchase Agreement, dated May 20, 2003, between the Company and the Initial Purchaser named therein (incorporated by reference to Exhibit 1.1 of the Company's Registration Statement on Form S-3 filed on June 25, 2003) |
| d(1)(ii) | Indenture, dated May 28, 2003, between the Company and JPMorgan Chase Bank, as trustee (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-3 filed on June 25, 2003) |
| d(1)(iii) | Registration Rights Agreement, dated May 28, 2003, between the Company and the Initial Purchaser named therein (incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-3 filed on June 25, 2003) |
| d(1)(iv) | Form of Convertible Debenture (incorporated by reference to Exhibit 4.4 of the Company's Registration Statement on Form S-3 filed on June 25, 2003) |
| (g) | None |
| (h) | Tax opinion of Gibson, Dunn & Crutcher LLP (incorporated by reference to Exhibit 8.1 of amendment no. 1 to the Registration Statement on Form S-4 filed on December 29, 2005) |

Item 13. Information Required by Schedule 13E-3.

- (a) Not applicable

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SIGNATURES

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

THE WILLIAMS COMPANIES,
INC.

By: /s/ Rodney J. Sailor
Name: Rodney J. Sailor
Title: Treasurer

Dated: December 29, 2005