# Montana Senate Energy Committee

*Helena, Mont. | January 29, 2013*

ONEOK PARTNERS

Senate Energy & Telecomm.Comm.
Exhibit No. 1
Date 1/29/13
Bill No. N/A

## Steve Johnson

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ONEOK & ONEOK Partners

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# ONEOK, Inc.

*A Premier Energy Company*

- FORTUNE 200 company
- 4,800 employees
- Headquarters - Tulsa, OK
- Three natural gas distribution companies
  - More than 2 million customers
  - Oklahoma, Kansas and Texas
- Energy services company
- Sole general partner and 43.4% owner of ONEOK Partners

ONEOK Natural Gas Distribution
ONEOK Energy Services
Leased Pipeline Capacity
Leased Storage Capacity
ONEOK Partners
General Partner
43.4% ownership

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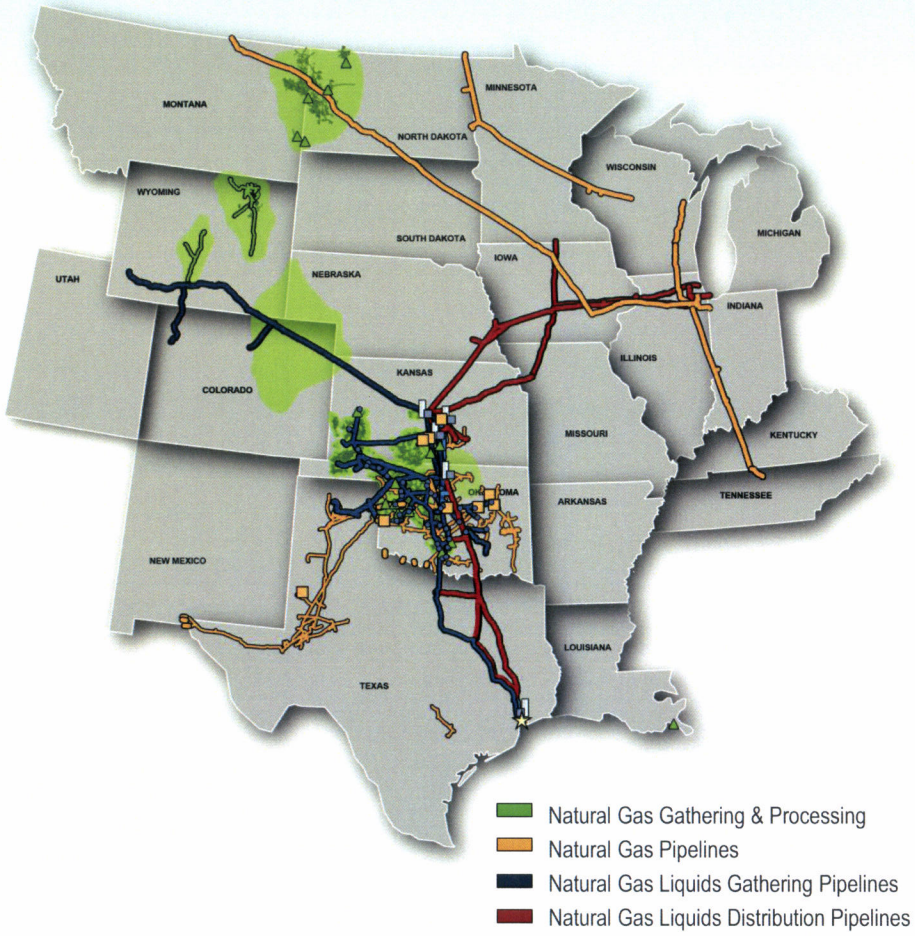
# ONEOK Partners

*Asset Overview*

- MLP engaged in natural gas gathering, processing, pipelines and NGLs.
- Owns and operates assets in midstream natural gas and natural gas liquids businesses.
- $10.8 billion in total assets
- $4.7 to $5.3 billion in growth projects announced through 2015.

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# Natural Gas Liquids

What are they? Where do they come from?  Who needs them?

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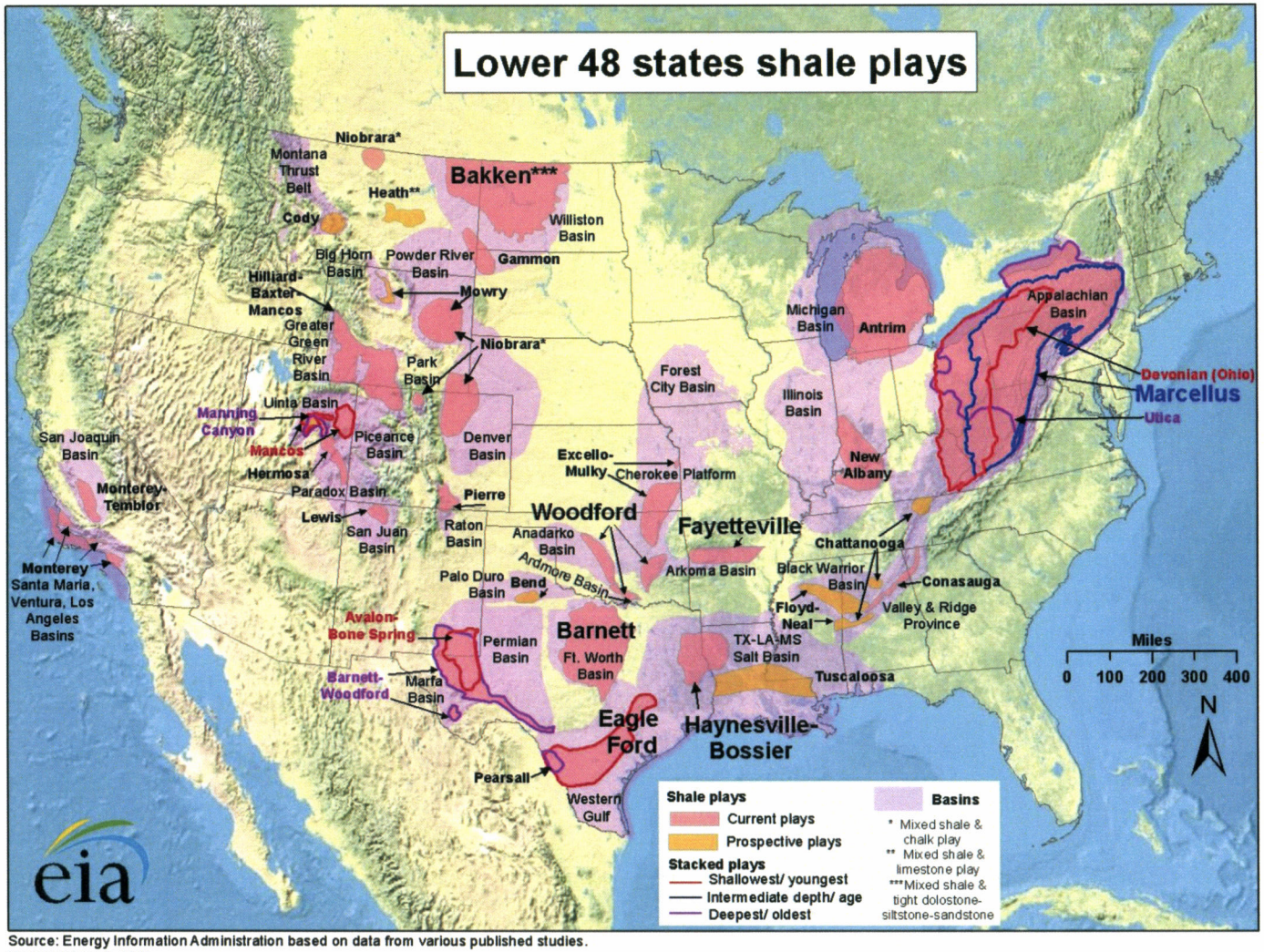
# Shale Formations

*Oil production*




Source: Energy Information Administration based on data from various published studies.
Updated: May 9, 2011

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# Natural Gas

- Methane
- Produced domestically in growing abundance.
- Used in millions of homes and businesses across America and the world.
- ONEOK serves more than 2 million customers in Oklahoma, Kansas and Texas.

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# Natural Gas Liquids

*"NGLs"*

- Propane
- Butane
- Natural Gasoline
- Ethane
- Not LNG

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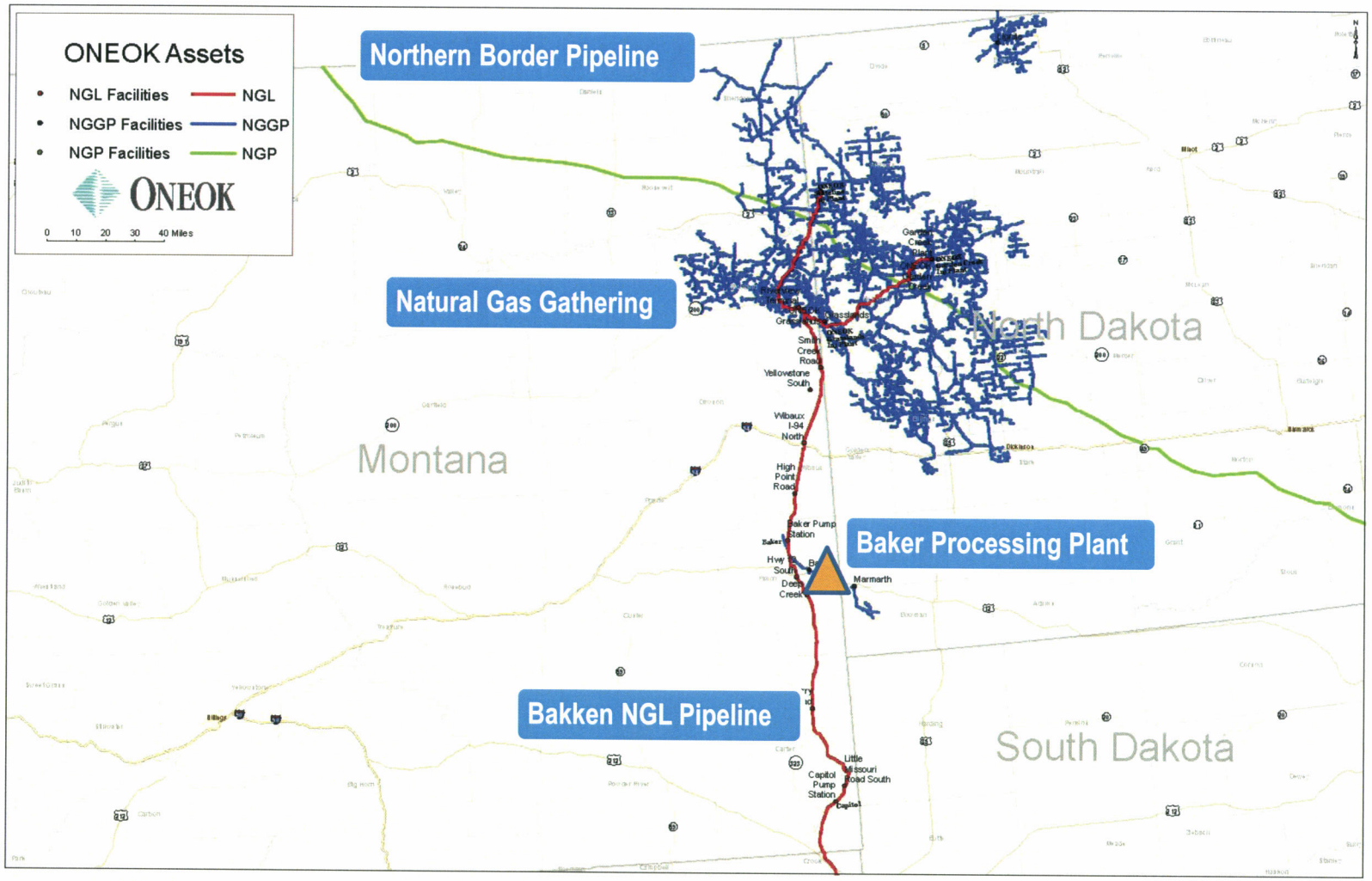
# Montana Assets

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# Montana Assets

*Natural Gas and Natural Gas Liquids*

- Natural Gas
  - More than 1,600 miles of natural gas gathering pipelines
  - Northern Border Pipeline*
    - 180-miles in Montana
  - Baker natural gas processing plant in Fallon County
    - 6.3 MMcfd
- Natural Gas Liquids
  - Bakken NGL Pipeline
    - In service the first half of 2013
    - 210 miles in Montana
  - Sidney rail facility upgrade
    - $20 million

**50 percent ownership interest*

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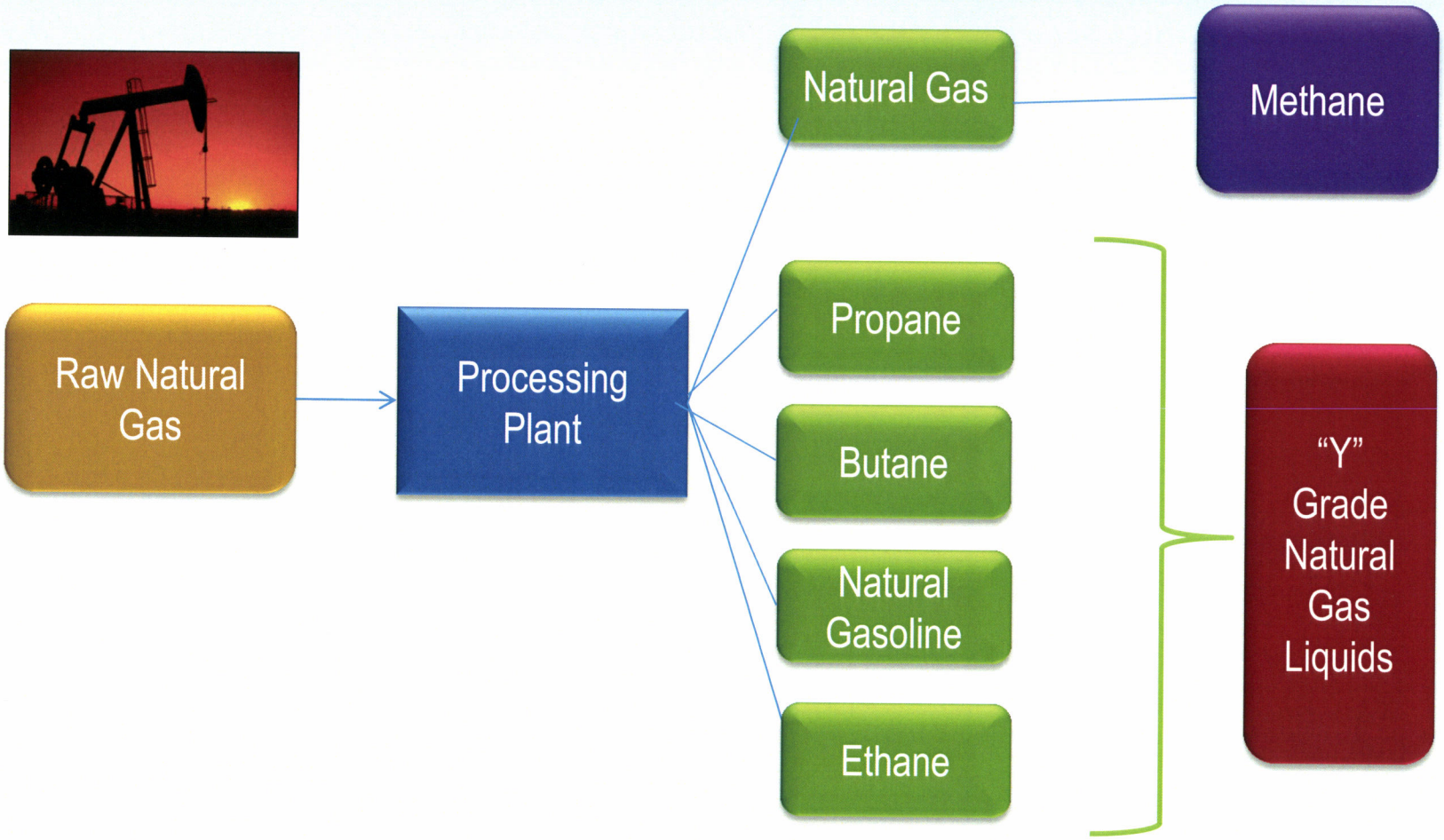
# Natural Gas Processing



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# Lack of Infrastructure

*Flaring represents an unmet need*

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# Natural Gas Processing Plant

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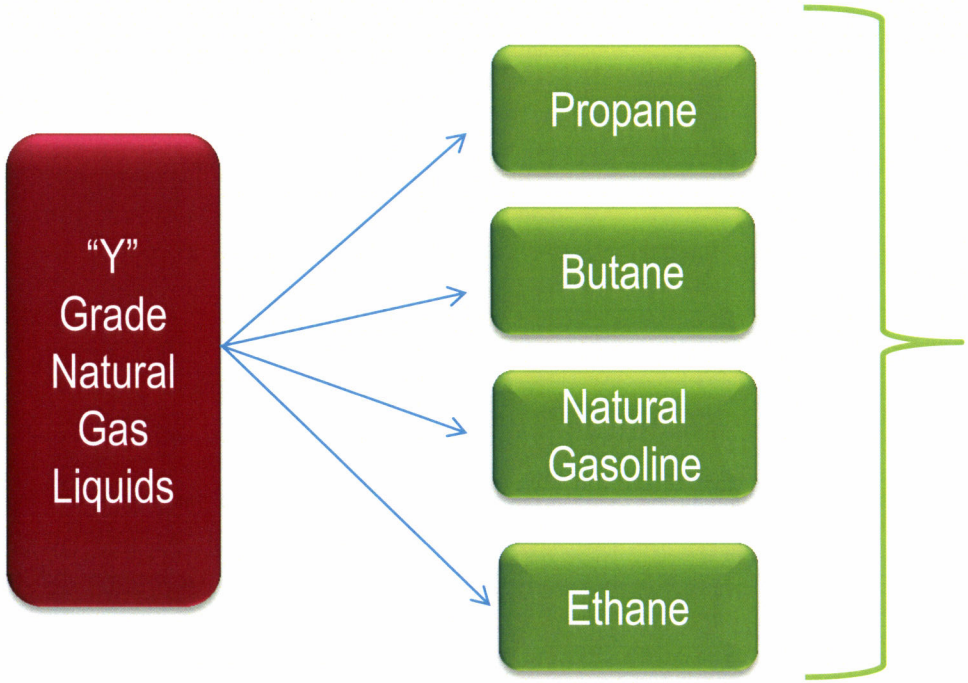
# NGL Fractionation

*End use markets*




Purity products

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# Bakken NGL Pipeline

*NGL Pipeline detail*

- 525 Miles
- Capacity to transport up to 135,000 barrels/per day
- Completed in first half of 2013
- 12 inch coated steel
- Max. operating 1,440 psi

Overland Pass Pipeline Expansion (50% interest)

Bakken Pipeline

Bushton Fractionator Expansion

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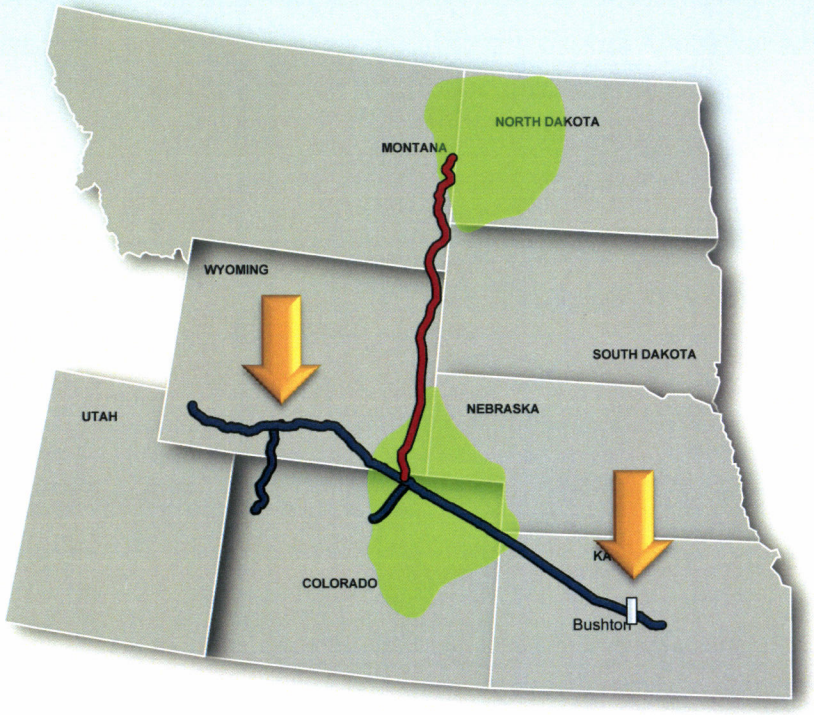
# Overland Pass Pipeline

*NGL Pipeline detail*

- 760 Miles
- 50% owned by Williams
- Expanding to 255,000 barrels /day
- In service in 2008
- 14 and 16 inch coated steel
- Max. operating 1,440 psi




Overland Pass Pipeline Expansion (50% interest)

Bakken Pipeline

Bushton Fractionator Expansion

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# Montana Economic Impact

- 2011 Data
  - 60 employees
  - $3,627,000 payroll
  - $369,800 paid in property tax
- Bakken NGL Pipeline
  - $12,350,000 estimated future property tax

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# Thank you.


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## Current Investments in Montana*

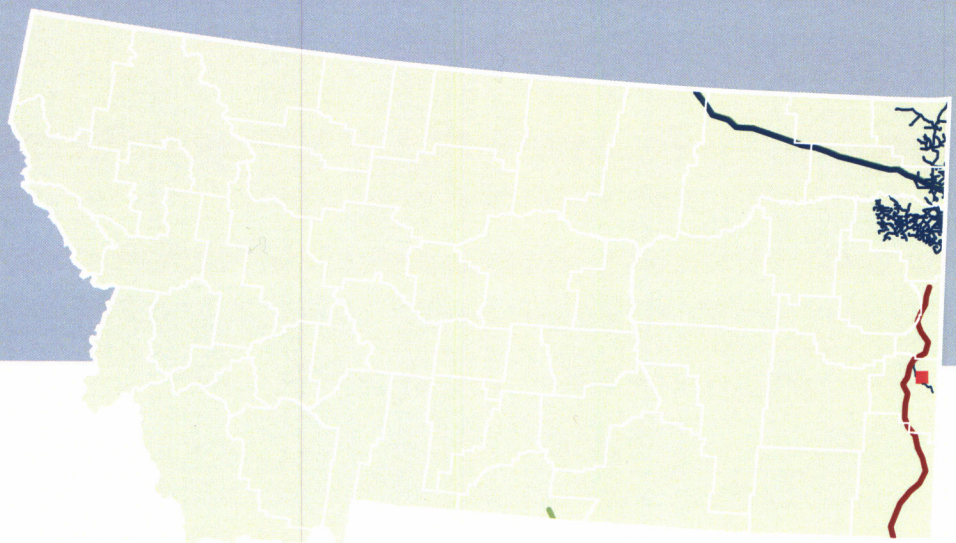
ONEOK | **Montana**

### ONEOK Partners

- $450 million to $550 million to construct the 525-plus-mile Bakken NGL Pipeline, which will transport unfractionated natural gas liquids (NGLs) from the Bakken Shale through easternmost Montana and Wyoming where it will connect to the Overland Pass Pipeline.** The Bakken NGL Pipeline is expected to be in service during the first quarter of 2013, with an initial capacity of 60,000 barrels-per-day (bpd).
- $100 million to install additional pump stations on the Bakken NGL Pipeline to increase its capacity to 135,000 bpd. The expansion is expected to be completed in the third quarter of 2014.

**All project investment amounts are estimates and represent entire projects. Because some projects listed cross multiple states, investment amounts are not necessarily specific to one state.*

***ONEOK Partners holds 50 percent ownership interest.*



- ONEOK Partners Natural Gas and Natural Gas Liquids Pipelines
- ONEOK Energy Services Leased Pipeline Capacity
- ONEOK Partners Natural Gas Processing Plants
- Bakken Natural Gas Liquids Pipeline - under construction

### Business at a Glance

Current Montana Infrastructure

| | |
|---|---|
| **Natural Gas** | |
| Miles of natural gas pipelines | **1,800*** |
| Natural gas processing plants | **1** |
| **Natural Gas Liquids** | |
| Miles of natural gas liquids pipelines | **210**** |

**Includes 180 miles of Northern Border Pipeline, of which ONEOK Partners holds a 50 percent ownership interest.*

***Under construction.*

### Economic Impact

2011 Montana Data

| | |
|---|---|
| Employees | **60** |
| Payroll *(federal taxable wages)* | **$3,627,000** |
| Property tax | **$369,800** |
| **Bakken NGL Pipeline**** | |
| Estimated future property tax | **$12,350,000** |

*The ONE in Energy.™*

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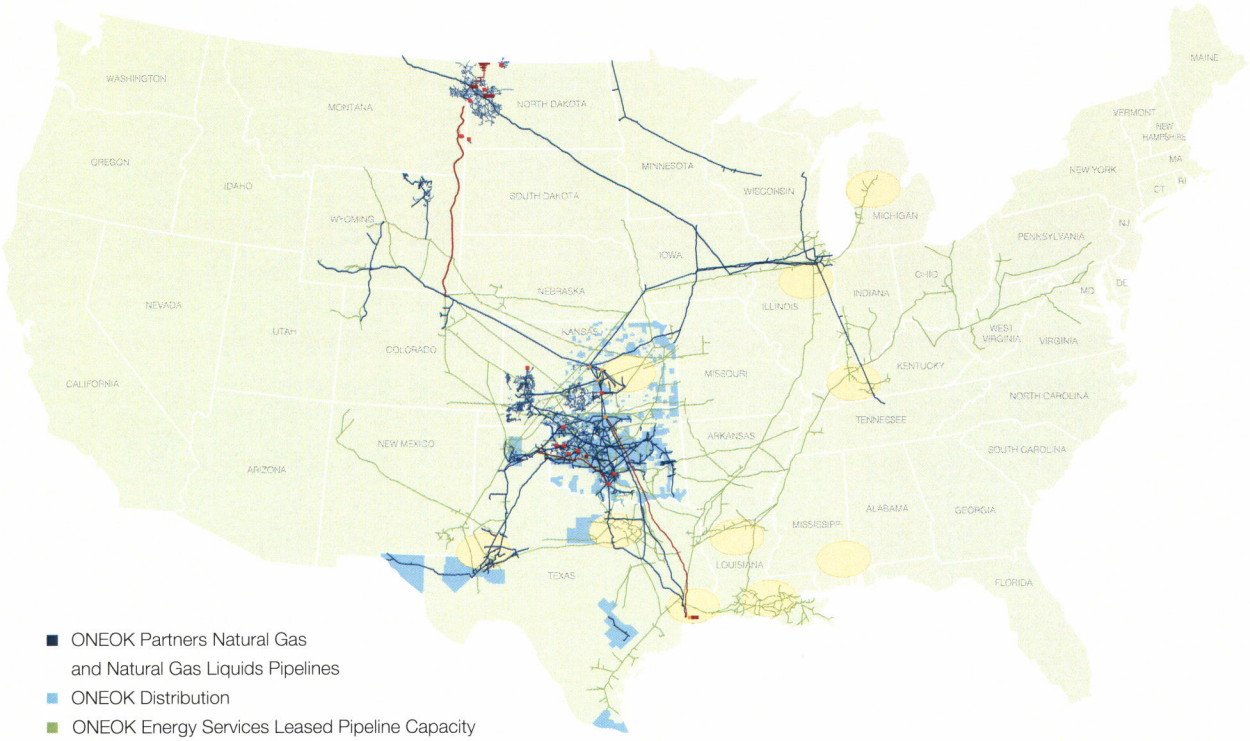
*For more information visit* **www.oneok.com** *and* **www.oneokpartners.com.**

# ONEOK at a glance

- Tulsa-based ONEOK, Inc. (NYSE: OKE) is the sole general partner and 43.4 percent owner of ONEOK Partners (NYSE: OKS), a master limited partnership engaged in natural gas gathering and processing, natural gas pipelines and natural gas liquids.

- ONEOK is three natural gas distribution companies serving more than 2 million customers in Oklahoma, Kansas and Texas.

- ONEOK is an energy services company, marketing natural gas and related services to local distribution companies, industrial customers and power generators.




- ONEOK Partners Natural Gas and Natural Gas Liquids Pipelines
- ONEOK Distribution
- ONEOK Energy Services Leased Pipeline Capacity
- ONEOK Energy Services Leased Storage Capacity
- ONEOK Partners Natural Gas Processing Plants
- ONEOK Partners Fractionation Facilities
- ONEOK Partners Growth Projects

Originally founded in 1906 as an intrastate natural gas pipeline business in Oklahoma, today ONEOK is one of the nation's premier energy companies involved in the natural gas and natural gas liquids businesses. ONEOK is a FORTUNE 500 company and is included in Standard & Poor's (S&P) 500 stock index.

*The ONE in Energy.™*

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*For the latest news about ONEOK, follow us on Twitter* **@ONEOKNews**.