



ONEOK Announces Plans to Increase Natural Gas Liquids Takeaway Capacity out of the Rocky Mountain Region

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TULSA, Okla., Jan. 4, 2018 /PRNewswire/ -- ONEOK, Inc. (NYSE: OKE) today announced plans to invest approximately \$1.4 billion to construct a new pipeline, and related infrastructure, to transport natural gas liquids (NGLs) from the Rocky Mountain region to the company's existing Mid-Continent NGL facilities.

The Elk Creek Pipeline – an approximately 900-mile, 20-inch diameter pipeline that is expected to be completed by the end of 2019 – will have the capacity to transport up to 240,000 barrels per day (bpd) of unfractionated NGLs from near the company's Riverview terminal in eastern Montana to Bushton, Kansas. The Elk Creek Pipeline is expected to cost approximately \$1.2 billion, with related infrastructure costs expected to total approximately \$200 million. The pipeline will have the capability to be expanded to 400,000 bpd with additional pump facilities.

"The existing Bakken NGL and Overland Pass Pipelines are operating at full capacity. Additional NGL takeaway capacity is critical to meeting the needs of producers who are increasing production and are required to meet natural gas capture targets in the Williston Basin," said Terry K. Spencer, ONEOK president and chief executive officer. "The Elk Creek Pipeline will strengthen ONEOK's position in the high-production areas of the Bakken, Powder River and Denver-Julesburg regions and also provide additional reliability and redundancy on our NGL system."

The Elk Creek Pipeline is anchored by long-term contracts with terms ranging between 10 to 15 years totaling approximately 100,000 bpd, which is supported primarily by minimum volume commitments. In the aggregate, and based on these contracts for 100,000 bpd, this project is expected to generate adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) multiples of four to six times.

ONEOK expects to finance the Elk Creek Pipeline with a combination of new equity, including approximately \$450 million of net proceeds received from common stock issued during 2017 under its "at-the-market" equity program, with cash from operations in excess of dividends and short- and long-term borrowings.

This project is part of ONEOK's \$3.0 billion to \$3.5 billion of potential capital-growth projects. Additional projects that are expected to have similar adjusted EBITDA multiples to this project, which are in the late stages of development, are expected to be announced when sufficient supply commitments are secured. ONEOK expects to finance its additional capital-growth projects in 2018 and well into 2019 with cash generated from operations and short- and long-term borrowings.

View a [map](#) of the proposed pipeline. View original content [here](#).

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