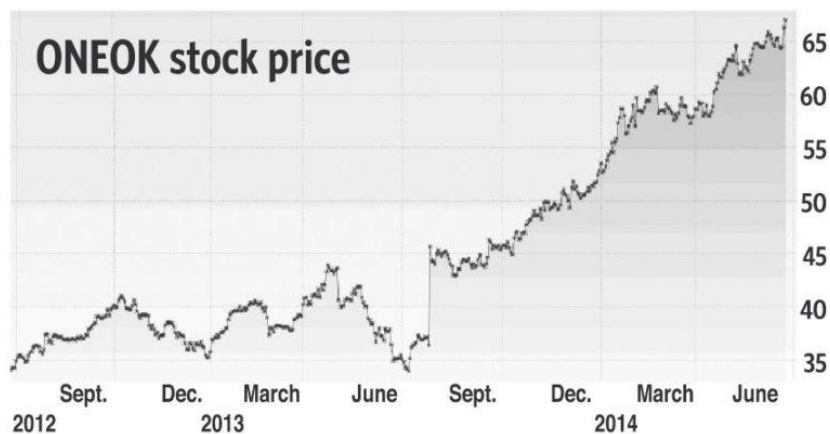


ONEOK's stock reaches highest level since at least 1980

By LAURIE WINSLOW World Business Writer | Posted: Tuesday, June 24, 2014
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On Monday, ONEOK Inc.'s stock price continued to rise, reaching its highest level since at least 1980.

The stock reached a 52-week intraday trading high of \$67.17 a share, compared with a 52-week low of \$34.48 a share recorded last July. ONEOK's stock closed at \$67.02 a share on Monday, up from \$66.34 on Friday.

“ONEOK is in a great position because it controls ONEOK Partners through a master limited partnership,” said Fred Russell, principal of Fredric E. Russell Investment Management Co. “ONEOK Partners is in the right place at the right time. It has tremendous activity going on in gas exploration because of fracking and particularly in some of the areas ONEOK Partners services such as the Bakken Shale.”

ONEOK Partners is responsible for the gathering and delivery of the gas by pipeline, which is a significant part of the oil and gas production process, Russell explained.

“ONEOK Partners does not explore, but the explorers are very dependent on ONEOK Partners. It’s an enviable position,” Russell added.

He noted that producers are “going crazy with fracking,” and ONEOK Partners is providing a necessary and indispensable service to them, Russell said.

“ONEOK has contracts with gas producers, and some of those contracts provide a fixed fee to ONEOK whether or not there is business, whether or not gas has to be delivered or whether the producers deliver the gas based on what price they get in the market. So those contracts are a win-win for ONEOK,” Russell said. “They are called in the language of the business ‘take or pay.’ Whether you take it or not, you pay.”

The pipeline business is attractive because it doesn’t experience huge spikes in earnings but has a very predictable cash flow, which makes ONEOK and ONEOK Partners very attractive, Russell said.

Monday’s stock price high follows news late last week that the U.S. Environmental Protection Agency has finalized a greenhouse gas permit that will allow ONEOK Hydrocarbon to expand an existing natural gas liquids processing plant in Mont Belvieu, Texas.

The permit allows for an \$800 million expansion of a facility near Houston that will create 15 to 25 permanent jobs.

“EPA will continue working with companies to ensure they have the permits they need,” said EPA Regional Administrator Ron Curry, in a written statement. “ONEOK and many other companies in Texas have shown that limiting GHG emissions makes good business sense.”

The permit allows the company to construct two new units at its Mont Belvieu facility. The units will use fractionation to process natural gas liquids into products such as propane and butane, according to the EPA.

EPA issued a previous greenhouse gas permit for this facility in July 2013.

As of Jan. 2, 2011, projects that increase greenhouse gas emissions substantially require an air permit, based on EPA regulations.