

REFINITIV

## DELTA REPORT

### 10-Q

OKE - ONEOK INC /NEW/

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1276
--------------	------

CHANGES	203
---------	-----

DELETIONS	371
-----------	-----

ADDITIONS	702
-----------	-----

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

**FORM 10-Q**

- ☐ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the quarterly period ended **June 30, 2023** **September 30, 2023**.  
OR  
☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number 001-13643



**ONEOK, Inc.**

(Exact name of registrant as specified in its charter)

**Oklahoma**

**73-1520922**

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer Identification No.)

**100 West Fifth**

**Street, Tulsa, OK**

**74103**

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code **(918) 588-7000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value of \$0.01	OKE	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.  
Large Accelerated Filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☐

On **July 31, 2023** **October 23, 2023**, the Company had **447,674,825** **582,550,734** shares of common stock outstanding.

This page intentionally left blank.

**ONEOK, Inc.**  
**TABLE OF CONTENTS**

<b>Part I.</b>	<b>Financial Information</b>	<b>Page No.</b>
<a href="#"><u>Item 1.</u></a>	<a href="#"><u>Financial Statements (Unaudited)</u></a>	<a href="#"><u>6</u></a>
	<a href="#"><u>Consolidated Statements of Income - Three and Six Months Ended June 30, 2023 and 2022</u></a>	<a href="#"><u>6</u></a>
	<a href="#"><u>Consolidated Statements of Comprehensive Income - Three and Six Months Ended June 30, 2023 and 2022</u></a>	<a href="#"><u>7</u></a>
	<a href="#"><u>Consolidated Balance Sheets - June 30, 2023 and December 31, 2022</u></a>	<a href="#"><u>8</u></a>
	<a href="#"><u>Consolidated Statements of Cash Flows - Six Months Ended June 30, 2023 and 2022</u></a>	<a href="#"><u>11</u></a>
	<a href="#"><u>Consolidated Statements of Changes in Equity - Three and Six Months Ended June 30, 2023 and 2022</u></a>	<a href="#"><u>12</u></a>
	<a href="#"><u>Notes to Consolidated Financial Statements</u></a>	<a href="#"><u>14</u></a>
<a href="#"><u>Item 2.</u></a>	<a href="#"><u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u></a>	<a href="#"><u>28</u></a>
<a href="#"><u>Item 3.</u></a>	<a href="#"><u>Quantitative and Qualitative Disclosures About Market Risk</u></a>	<a href="#"><u>43</u></a>
<a href="#"><u>Item 4.</u></a>	<a href="#"><u>Controls and Procedures</u></a>	<a href="#"><u>44</u></a>
<b>Part II.</b>	<b>Other Information</b>	<a href="#"><u>45</u></a>
<a href="#"><u>Item 1.</u></a>	<a href="#"><u>Legal Proceedings</u></a>	<a href="#"><u>45</u></a>
<a href="#"><u>Item 1A.</u></a>	<a href="#"><u>Risk Factors</u></a>	<a href="#"><u>45</u></a>
<a href="#"><u>Item 2.</u></a>	<a href="#"><u>Unregistered Sales of Equity Securities and Use of Proceeds</u></a>	<a href="#"><u>46</u></a>
<a href="#"><u>Item 3.</u></a>	<a href="#"><u>Defaults Upon Senior Securities</u></a>	<a href="#"><u>46</u></a>
<a href="#"><u>Item 4.</u></a>	<a href="#"><u>Mine Safety Disclosures</u></a>	<a href="#"><u>46</u></a>
<a href="#"><u>Item 5.</u></a>	<a href="#"><u>Other Information</u></a>	<a href="#"><u>46</u></a>
<a href="#"><u>Item 6.</u></a>	<a href="#"><u>Exhibits</u></a>	<a href="#"><u>46</u></a>
<a href="#"><u>Signature</u></a>		<a href="#"><u>48</u></a>

As used in this Quarterly Report, references to "we," "our" or "us" refer to ONEOK, Inc., an Oklahoma corporation, and its predecessors and subsidiaries, unless the context indicates otherwise.

*The statements in this Quarterly Report that are not historical information, including statements concerning plans and objectives of management for future operations, economic performance or related assumptions, are forward-looking statements. Forward-looking statements may include words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "goal," "guidance," "intend," "may," "might," "outlook," "plan," "potential," "project," "scheduled," "should," "target," "will," "would" and other words and terms of similar meaning. Although we believe that our expectations regarding future events are based on reasonable assumptions, we can give no assurance that such expectations or assumptions will be achieved. Important factors that could cause actual results to differ materially from those in the forward-looking statements are described under Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations "Forward-Looking Statements," and Part II, Item 1A, "Risk Factors," in this Quarterly Report and under Part I, Item 1A, "Risk Factors," in our Annual Report.*

#### **INFORMATION AVAILABLE ON OUR WEBSITE**

We make available, free of charge, on our website ([www.oneok.com](http://www.oneok.com)) copies of our Annual Reports, Quarterly Reports, Current Reports on Form 8-K, amendments to those reports filed or furnished to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act and reports of holdings of our securities filed by our officers and directors under Section 16 of the Exchange Act as soon as reasonably practicable after filing such material electronically or otherwise furnishing it to the SEC. Copies of our Code of Business Conduct and Ethics, Corporate Governance Guidelines, Director Independence Guidelines, Corporate Sustainability Report and the written charters of our Board Committees also are available on our website, and we will provide copies of these documents upon request.

In addition to our filings with the SEC and materials posted on our website, we also use social media platforms as additional channels of distribution to reach public investors. Information contained on our website, posted on our social media accounts, and any corresponding applications, are not incorporated by reference into this report.

#### **GLOSSARY**

The abbreviations, acronyms and industry terminology used in this Quarterly Report are defined as follows:

\$2.5 Billion Credit Agreement	ONEOK's \$2.5 billion amended and restated revolving credit agreement, as amended
AFUDC	Allowance for funds used during construction
Annual Report	Annual Report on Form 10-K for the year ended December 31, 2022
ASU	Accounting Standards Update
Bbl	Barrels, 1 barrel is equivalent to 42 United States gallons
BBtu/d	Billion British thermal units per day
Bcf	Billion cubic feet
BridgeTex	BridgeTex Pipeline Company, LLC, a 30% owned joint venture
CFTC	United States Commodity Futures Trading Commission
DJ	Denver-Julesburg
EBITDA	Earnings before interest expense, income taxes, depreciation and amortization
EPA	United States Environmental Protection Agency
EPS	Earnings per share of common stock
Exchange Act	Securities Exchange Act of 1934, as amended
FERC	Federal Energy Regulatory Commission
Fitch	Fitch Ratings, Inc.
GAAP	Accounting principles generally accepted in the United States of America
GHG	Greenhouse gas
Guardian	Guardian Pipeline, L.L.C., a wholly owned subsidiary of ONEOK, Inc.
Guardian Term Loan Agreement	Guardian's senior unsecured three-year \$120 million term loan agreement dated June 2022
GHG	Greenhouse gas
Homeland Security	United States Department of Homeland Security
HoustonLink	HoustonLink Pipeline Company, LLC, a 50% owned joint venture
Intermediate Partnership	ONEOK Partners Intermediate Limited Partnership, a wholly owned subsidiary of ONEOK Partners, L.P.
Magellan	Magellan Midstream Partners, L.P., a wholly owned subsidiary of ONEOK, Inc.
Magellan Acquisition	The transaction completed on September 25, 2023, pursuant to which ONEOK acquired all of Magellan's outstanding common units in a cash-and-stock transaction, pursuant to the Merger Agreement
MBbl/d	Thousand barrels per day
MDth/d	Thousand dekatherms per day
Merger Agreement	Agreement and Plan of Merger of ONEOK, Otter Merger Sub, LLC and Magellan, dated May 14, 2023
MMBbl	Million barrels
MMBtu	Million British thermal units
MMcf/d	Million cubic feet per day
Moody's	Moody's Investors Service, Inc.
MVP	MVP Terminalling, LLC, a 25% owned joint venture
Natural Gas Act	Natural Gas Act of 1938, as amended
NGL(s)	Natural gas liquid(s)
Northern Border	Northern Border Pipeline Company, a 50% owned joint venture
NYMEX	New York Mercantile Exchange
ONEOK	ONEOK, Inc.
ONEOK Partners	ONEOK Partners, L.P., a wholly owned subsidiary of ONEOK, Inc.
OPIS	Oil Price Information Service
Overland Pass	Overland Pass Pipeline Company, LLC, a 50% owned joint venture

PHMSA	United States Department of Transportation Pipeline and Hazardous Materials Safety Administration	
POP	Percent of Proceeds	
Powder Springs	Powder Springs Logistics, LLC, a 50% owned joint venture	
Purity NGLs	Marketable natural gas liquid purity products, such as ethane, ethane/propane mix, propane, iso-butane, normal butane and natural gasoline	
Quarterly Report(s)	Quarterly Report(s) on Form 10-Q	
RINs	Renewable Identification Numbers, which represent credits required for renewable fuel standard compliance	
Refined Products	The output from crude oil refineries, including products such as gasoline, diesel fuel, aviation fuel, kerosene and heating oil	
Roadrunner	Roadrunner Gas Transmission, LLC, a 50% owned joint venture	
S&P	S&P Global Ratings	
Saddlehorn	Saddlehorn Pipeline Company, LLC, a 30% owned joint venture	
Seabrook	Seabrook Logistics, LLC, a 50% owned joint venture	
SEC	Securities and Exchange Commission	
Series E Preferred Stock		Series E Non-Voting, Perpetual Preferred Stock, par value \$0.01 per share
Term SOFR		The forward-looking term rate based on SOFR Secured Overnight Financing Rate (SOFR)
Texas Frontera		Texas Frontera, LLC, a 50% owned joint venture
Viking		Viking Gas Transmission Company, a wholly owned subsidiary of ONEOK, Inc.
Viking Term Loan Agreement		Viking's senior unsecured three-year \$60 million term loan agreement dated March 2023
WTI		West Texas Intermediate
XBRL		eXtensible Business Reporting Language

## PART I - FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

ONEOK, Inc. and Subsidiaries	ONEOK, Inc. and Subsidiaries	ONEOK, Inc. and Subsidiaries
------------------------------	------------------------------	------------------------------

CONSOLIDATED STATEMENTS OF INCOME	CONSOLIDATED STATEMENTS OF INCOME					CONSOLIDATED STATEMENTS OF INCOME				
	Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,		
	(Unaudited)	2023	2022	2023	2022	(Unaudited)	2023	2022	2023	2022
	(Millions of dollars, except per share amounts)					(Millions of dollars, except per share amounts)				
<b>Revenues</b>	<b>Revenues</b>					<b>Revenues</b>				
Commodity sales	Commodity sales	\$ 3,371	\$ 5,651	\$ 7,527	\$ 10,756	Commodity sales	\$ 3,760	\$ 5,564	\$ 11,287	\$ 16,320
Services	Services	361	345	726	685	Services	429	350	1,155	1,035
Total revenues (Note L)	Total revenues (Note L)	3,732	5,996	8,253	11,441	Total revenues (Note L)	4,189	5,914	12,442	17,355
Cost of sales and fuel (exclusive of items shown separately below)	Cost of sales and fuel (exclusive of items shown separately below)	2,482	4,878	5,829	9,244	Cost of sales and fuel (exclusive of items shown separately below)	2,799	4,773	8,628	14,017
Operations and maintenance	Operations and maintenance	296	231	535	445	Operations and maintenance	308	238	833	683
Depreciation and amortization	Depreciation and amortization	170	158	332	312	Depreciation and amortization	177	157	509	469
General taxes	General taxes	47	46	104	96	General taxes	44	48	148	144
Transaction costs (Note B)	Transaction costs (Note B)					Transaction costs (Note B)	123	—	133	—
Other operating (income) expense, net (Note C)	Other operating (income) expense, net (Note C)	—	(6)	(781)	(7)	Other operating (income) expense, net (Note C)	(1)	(2)	(782)	(9)
<b>Operating income</b>	<b>Operating income</b>	<b>737</b>	<b>689</b>	<b>2,234</b>	<b>1,351</b>	<b>Operating income</b>	<b>739</b>	<b>700</b>	<b>2,973</b>	<b>2,051</b>
Equity in net earnings from investments (Note J)	Equity in net earnings from investments (Note J)	43	36	83	72	Equity in net earnings from investments (Note J)	49	39	132	111
Other income (expense), net	Other income (expense), net	13	(9)	21	(22)	Other income (expense), net	22	(8)	43	(30)
Interest expense (net of capitalized interest of \$6, \$13, \$24, and \$25, respectively)	Interest expense (net of capitalized interest of \$6, \$13, \$24, and \$25, respectively)	(180)	(171)	(346)	(343)	Interest expense (net of capitalized interest of \$6, \$13, \$24, and \$25, respectively)				
Interest expense (net of capitalized interest of \$8, \$17, \$32, and \$42, respectively)	Interest expense (net of capitalized interest of \$8, \$17, \$32, and \$42, respectively)					Interest expense (net of capitalized interest of \$8, \$17, \$32, and \$42, respectively)	(215)	(167)	(561)	(510)
Income before income taxes	Income before income taxes	613	545	1,992	1,058	Income before income taxes	595	564	2,587	1,622
Income taxes	Income taxes	(145)	(131)	(475)	(253)	Income taxes	(141)	(132)	(616)	(385)
Net income	Net income	468	414	1,517	805	Net income	454	432	1,971	1,237
Less: Preferred stock dividends	Less: Preferred stock dividends	—	—	—	—	Less: Preferred stock dividends	1	1	1	1
<b>Net income available to common shareholders</b>	<b>Net income available to common shareholders</b>	<b>\$ 468</b>	<b>\$ 414</b>	<b>\$ 1,517</b>	<b>\$ 805</b>	<b>Net income available to common shareholders</b>	<b>\$ 453</b>	<b>\$ 431</b>	<b>\$ 1,970</b>	<b>\$ 1,236</b>
Basic EPS (Note I)	Basic EPS (Note I)	\$ 1.04	\$ 0.93	\$ 3.38	\$ 1.80	Basic EPS (Note I)	\$ 0.99	\$ 0.96	\$ 4.37	\$ 2.76
Diluted EPS (Note I)	Diluted EPS (Note I)	\$ 1.04	\$ 0.92	\$ 3.38	\$ 1.80	Diluted EPS (Note I)	\$ 0.99	\$ 0.96	\$ 4.36	\$ 2.76
Average shares (millions)	Average shares (millions)					Average shares (millions)				
Basic	Basic	448.3	447.5	448.2	447.3	Basic	457.3	447.7	451.2	447.4

Diluted	Diluted	449.0	448.2	449.0	448.3	Diluted	458.2	448.2	452.1	448.3
---------	---------	-------	-------	-------	-------	---------	-------	-------	-------	-------

See accompanying Notes to Consolidated Financial Statements.

ONEOK, Inc. and Subsidiaries	ONEOK, Inc. and Subsidiaries					ONEOK, Inc. and Subsidiaries				
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME										
	<div>Three Months Ended June 30,</div>					<div>Three Months Ended September 30,</div>				
	<div>Six Months Ended June 30,</div>					<div>Nine Months Ended September 30,</div>				
(Unaudited)	(Unaudited)	2023	2022	2023	2022	(Unaudited)	2023	2022	2023	2022
	(Millions of dollars)					(Millions of dollars)				
Net income	Net income	\$ 468	\$ 414	\$ 1,517	\$ 805	Net income	\$ 454	\$ 432	\$ 1,971	\$ 1,237
Other comprehensive income (loss), net of tax	Other comprehensive income (loss), net of tax					Other comprehensive income (loss), net of tax				
Change in fair value of derivatives, net of tax of \$(15), \$(7), \$(22) and \$14, respectively		51	22	74	(50)					
Derivative amounts reclassified to net income, net of tax of \$7, \$(21), \$10 and \$(41), respectively		(25)	70	(37)	136					
Change in retirement and other postretirement benefit plan obligations, net of tax of \$—, \$(1), \$— and \$(2), respectively		1	3	1	6					
Other comprehensive income (loss) of unconsolidated affiliates, net of tax of \$—, \$(2), \$1 and \$(4), respectively		(3)	6	(5)	13					
Change in fair value of derivatives, net of tax of \$(3), \$(31), \$(25) and \$(17), respectively						Change in fair value of derivatives, net of tax of \$(3), \$(31), \$(25) and \$(17), respectively	12	107	86	57
Derivative amounts reclassified to net income, net of tax of \$4, \$(16), \$14 and \$(57), respectively						Derivative amounts reclassified to net income, net of tax of \$4, \$(16), \$14 and \$(57), respectively	(7)	54	(44)	190
Change in retirement and other postretirement benefit plan obligations, net of tax of \$(1), \$(1), \$(1) and \$(3), respectively						Change in retirement and other postretirement benefit plan obligations, net of tax of \$(1), \$(1), \$(1) and \$(3), respectively	2	3	3	9
Other comprehensive income (loss) of unconsolidated affiliates, net of tax of \$—, \$(1), \$1 and \$(5), respectively						Other comprehensive income (loss) of unconsolidated affiliates, net of tax of \$—, \$(1), \$1 and \$(5), respectively	—	3	(5)	16
Total other comprehensive income, net of tax	Total other comprehensive income, net of tax	24	101	33	105	Total other comprehensive income, net of tax	7	167	40	272
Comprehensive income	Comprehensive income	\$ 492	\$ 515	\$ 1,550	\$ 910	Comprehensive income	\$ 461	\$ 599	\$ 2,011	\$ 1,509

See accompanying Notes to Consolidated Financial Statements.

ONEOK, Inc. and Subsidiaries			
CONSOLIDATED BALANCE SHEETS			
	June 30,		December 31,
(Unaudited)	2023		2022
Assets	(Millions of dollars)		
Current assets			
Cash and cash equivalents	\$	106	\$ 220
Accounts receivable, net		1,023	1,532
Materials and supplies		146	149
NGLs and natural gas in storage		314	432
Commodity imbalances		30	43
Other current assets		244	172
Total current assets		1,863	2,548
Property, plant and equipment			
Property, plant and equipment		25,601	25,015
Accumulated depreciation and amortization		5,372	5,063
Net property, plant and equipment		20,229	19,952
Investments and other assets			
Investments in unconsolidated affiliates		885	802
Goodwill and net intangible assets		748	753
Other assets		313	324
Total investments and other assets		1,946	1,879
Total assets	\$	24,038	\$ 24,379

ONEOK, Inc. and Subsidiaries	ONEOK, Inc. and Subsidiaries	ONEOK, Inc. and Subsidiaries	ONEOK, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS	CONSOLIDATED BALANCE SHEETS	CONSOLIDATED BALANCE SHEETS	CONSOLIDATED BALANCE SHEETS
(Continued)			
	June 30,	December 31,	September 30,
(Unaudited)	2023	2022	2023
			December 31,
			2022
<b>Assets</b>			<b>Assets</b>
			(Millions of dollars)
<b>Current assets</b>			<b>Current assets</b>
Cash and cash equivalents			Cash and cash equivalents
			\$ 284
Accounts receivable, net			Accounts receivable, net
			1,571
Materials and supplies			Materials and supplies
			142
Inventories			Inventories
			869
Commodity imbalances			Commodity imbalances
			22
Other current assets			Other current assets
			300
Total current assets			Total current assets
			3,188
<b>Property, plant and equipment</b>			<b>Property, plant and equipment</b>
Property, plant and equipment			Property, plant and equipment
			37,626
			25,015



Accumulated depreciation and amortization				Accumulated depreciation and amortization	5,537		5,063
Net property, plant and equipment				Net property, plant and equipment	32,089		19,952
<b>Other assets</b>				<b>Other assets</b>			
Investments in unconsolidated affiliates				Investments in unconsolidated affiliates	1,795		802
Goodwill				Goodwill	5,682		528
Intangible assets, net				Intangible assets, net	861		225
Other assets				Other assets	324		324
Total other assets				Total other assets	8,662		1,879
Total assets				Total assets	\$	43,939	\$ 24,379
<b>Liabilities and equity</b>	<b>Liabilities and equity</b>	<i>(Millions of dollars)</i>		<b>Liabilities and equity</b>			
<b>Current liabilities</b>	<b>Current liabilities</b>			<b>Current liabilities</b>			
Current maturities of long-term debt (Note F)	Current maturities of long-term debt (Note F)	\$	—	Current maturities of long-term debt (Note F)	\$	500	\$ 925
Accounts payable	Accounts payable		880	Accounts payable		1,619	1,359
Commodity imbalances	Commodity imbalances		163	Commodity imbalances		248	254
Accrued taxes	Accrued taxes		130	Accrued taxes		220	136
Accrued interest	Accrued interest		214	Accrued interest		218	233
Operating lease liability	Operating lease liability		12	Operating lease liability		32	12
Other current liabilities	Other current liabilities		118	Other current liabilities		461	132
Total current liabilities	Total current liabilities		1,517	Total current liabilities		3,298	3,051
<b>Long-term debt, excluding current maturities (Note F)</b>	<b>Long-term debt, excluding current maturities (Note F)</b>		12,742	<b>Long-term debt, excluding current maturities (Note F)</b>		21,450	12,696
<b>Deferred credits and other liabilities</b>	<b>Deferred credits and other liabilities</b>			<b>Deferred credits and other liabilities</b>			
Deferred income taxes	Deferred income taxes		2,168	Deferred income taxes		2,349	1,739
Operating lease liability	Operating lease liability		63	Operating lease liability		77	68
Other deferred credits	Other deferred credits		330	Other deferred credits		466	331
Total deferred credits and other liabilities	Total deferred credits and other liabilities		2,561	Total deferred credits and other liabilities		2,892	2,138
<b>Commitments and contingencies (Note K)</b>	<b>Commitments and contingencies (Note K)</b>			<b>Commitments and contingencies (Note K)</b>			
<b>Equity (Note G)</b>	<b>Equity (Note G)</b>			<b>Equity (Note G)</b>			
ONEOK shareholders' equity:							
Preferred stock, \$0.01 par value:							
authorized and issued 20,000 shares at June 30, 2023, and December 31, 2022			—				—

Common stock, \$0.01 par value: authorized 1,200,000,000 shares; issued 474,916,234 shares and outstanding 447,671,698 shares at June 30, 2023; issued 474,916,234 shares and outstanding 447,157,771 shares at December 31, 2022		5	5		
Preferred stock, \$0.01 par value: authorized and issued 20,000 shares at September 30, 2023, and December 31, 2022				—	—
Common stock, \$0.01 par value: authorized 1,200,000,000 shares; issued 609,713,834 shares and outstanding 582,536,892 shares at September 30, 2023; issued 474,916,234 shares and outstanding 447,157,771 shares at December 31, 2022				6	5
Paid-in capital	Paid-in capital	7,270	7,253	16,315	7,253
Accumulated other comprehensive loss (Note H)	Accumulated other comprehensive loss (Note H)	(75)	(108)	(68)	(108)
Retained earnings	Retained earnings	711	50	737	50
Treasury stock, at cost: 27,244,536 shares at June 30, 2023, and 27,758,463 shares at December 31, 2022		(693)	(706)		
Treasury stock, at cost: 27,176,942 shares at September 30, 2023, and 27,758,463 shares at December 31, 2022				(691)	(706)
Total equity	Total equity	7,218	6,494	16,299	6,494
Total liabilities and equity	Total liabilities and equity	\$ 24,038	\$ 24,379	\$ 43,939	\$ 24,379

See accompanying Notes to Consolidated Financial Statements.

This page intentionally left blank.

ONEOK, Inc. and Subsidiaries			
CONSOLIDATED STATEMENTS OF CASH FLOWS			
	Six Months Ended		
	June 30,		
(Unaudited)	2023		2022
	(Millions of dollars)		
Operating activities			
Net income	\$	1,517	\$ 805
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		332	312
Equity in net earnings from investments		(83)	(72)

Distributions received from unconsolidated affiliates	86	72
Deferred income taxes	419	228
Medford settlement gain	(779)	—
Medford settlement proceeds	502	—
Other, net	43	45
Changes in assets and liabilities:		
Accounts receivable	456	(340)
NGLs and natural gas in storage, net of commodity imbalances	40	(165)
Accounts payable	(443)	569
Risk-management assets and liabilities	47	(131)
Other assets and liabilities, net	(144)	(73)
Cash provided by operating activities	1,993	1,250
<b>Investing activities</b>		
Capital expenditures (less allowance for equity funds used during construction)	(594)	(559)
Contributions to unconsolidated affiliates	(108)	(1)
Distributions received from unconsolidated affiliates in excess of cumulative earnings	16	13
Medford settlement proceeds	328	—
Other, net	5	4
Cash used in investing activities	(353)	(543)
<b>Financing activities</b>		
Dividends paid	(855)	(835)
Issuance of long-term debt, net of discounts	60	120
Repayment of long-term debt	(940)	—
Other, net	(19)	(2)
Cash used in financing activities	(1,754)	(717)
Change in cash and cash equivalents	(114)	(10)
Cash and cash equivalents at beginning of period	220	146
Cash and cash equivalents at end of period	\$ 106	\$ 136

## ONEOK, Inc. and Subsidiaries

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)	Nine Months Ended September 30,	
	2023	2022
	(Millions of dollars)	
<b>Operating activities</b>		
Net income	\$ 1,971	\$ 1,237
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	509	469
Equity in net earnings from investments	(132)	(111)
Distributions received from unconsolidated affiliates	134	110
Deferred income taxes	599	345
Medford settlement gain	(779)	—
Medford settlement proceeds	502	—
Other, net	79	46
Changes in assets and liabilities:		
Accounts receivable	153	(260)
Inventories, net of commodity imbalances	(104)	(165)
Accounts payable	38	296
Other assets and liabilities, net	(57)	(101)
Cash provided by operating activities	2,913	1,866

<b>Investing activities</b>		
Capital expenditures (less allowance for equity funds used during construction)	(992)	(886)
Cash paid for Magellan Acquisition, net of cash acquired	(5,008)	—
Contributions to unconsolidated affiliates	(111)	(2)
Distributions received from unconsolidated affiliates in excess of cumulative earnings	18	18
Medford settlement proceeds	328	—
Other, net	6	6
Cash used in investing activities	(5,759)	(864)
<b>Financing activities</b>		
Dividends paid	(1,283)	(1,253)
Short-term borrowings, net	—	901
Issuance of long-term debt, net of discounts	5,298	120
Debt financing costs	(71)	(1)
Repayment of long-term debt	(1,040)	(896)
Other, net	6	3
Cash provided by (used in) financing activities	2,910	(1,126)
Change in cash and cash equivalents	64	(124)
Cash and cash equivalents at beginning of period	220	146
Cash and cash equivalents at end of period	\$ 284	\$ 22

See accompanying Notes to Consolidated Financial Statements.

<b>ONEOK, Inc. and Subsidiaries</b> <b>CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY</b>	<b>ONEOK, Inc. and Subsidiaries</b>						<b>ONEOK, Inc. and Subsidiaries</b>					
	<b>CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY</b>						<b>CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY</b>					
		<b>Preferred</b>	<b>Common</b>	<b>Preferred</b>	<b>Common</b>	<b>Paid-in</b>		<b>Preferred</b>	<b>Common</b>	<b>Preferred</b>	<b>Common</b>	<b>Paid-in</b>
	<i>(Unaudited)</i>	<b>Stock Issued</b>	<b>Stock Issued</b>	<b>Stock</b>	<b>Stock</b>	<b>Capital</b>	<i>(Unaudited)</i>	<b>Stock Issued</b>	<b>Stock Issued</b>	<b>Stock</b>	<b>Stock</b>	<b>Capital</b>
		<i>(Shares)</i>		<i>(Millions of dollars)</i>				<i>(Shares)</i>		<i>(Millions of dollars)</i>		
January 1, 2023	January 1, 2023	20,000	474,916,234	\$ —	\$ 5	\$ 7,253	January 1, 2023	20,000	474,916,234	\$ —	\$ 5	\$ 7,253
Net income	Net income	—	—	—	—	—	Net income	—	—	—	—	—
Other comprehensive income (Note H)	Other comprehensive income (Note H)	—	—	—	—	—	Other comprehensive income (Note H)	—	—	—	—	—
Preferred stock dividends - \$13.75 per share (Note G)	Preferred stock dividends - \$13.75 per share (Note G)	—	—	—	—	—	Preferred stock dividends - \$13.75 per share (Note G)	—	—	—	—	—
Common stock issued	Common stock issued	—	—	—	—	(3)	Common stock issued	—	—	—	—	(3)
Common stock dividends - \$0.955 per share (Note G)	Common stock dividends - \$0.955 per share (Note G)	—	—	—	—	—	Common stock dividends - \$0.955 per share (Note G)	—	—	—	—	—
Other, net	Other, net	—	—	—	—	3	Other, net	—	—	—	—	3
March 31, 2023	March 31, 2023	20,000	474,916,234	—	5	7,253	March 31, 2023	20,000	474,916,234	—	5	7,253
Net income	Net income	—	—	—	—	—	Net income	—	—	—	—	—
Other comprehensive income (Note H)	Other comprehensive income (Note H)	—	—	—	—	—	Other comprehensive income (Note H)	—	—	—	—	—

Preferred stock dividends - \$13.75 per share (Note G)	Preferred stock dividends - \$13.75 per share (Note G)	—	—	—	—	—	Preferred stock dividends - \$13.75 per share (Note G)	—	—	—	—	—	
Common stock issued	Common stock issued	—	—	—	—	7	Common stock issued	—	—	—	—	7	
Common stock dividends - \$0.955 per share (Note G)	Common stock dividends - \$0.955 per share (Note G)	—	—	—	—	—	Common stock dividends - \$0.955 per share (Note G)	—	—	—	—	—	
Other, net	Other, net	—	—	—	—	10	Other, net	—	—	—	—	10	
June 30, 2023	June 30, 2023	20,000	474,916,234	\$	—	\$ 5	June 30, 2023	20,000	474,916,234	—	5	7,270	
Net income							Net income	—	—	—	—	—	
Other comprehensive income (Note H)							Other comprehensive income (Note H)	—	—	—	—	—	
Preferred stock dividends - \$13.75 per share (Note G)							Preferred stock dividends - \$13.75 per share (Note G)	—	—	—	—	—	
Magellan Acquisition consideration							Magellan Acquisition consideration	—	134,797,600	—	1	9,061	
Common stock issued							Common stock issued	—	—	—	—	3	
Common stock dividends - \$0.955 per share (Note G)							Common stock dividends - \$0.955 per share (Note G)	—	—	—	—	—	
Other, net							Other, net	—	—	—	—	(19)	
September 30, 2023							September 30, 2023	20,000	609,713,834	\$	—	\$ 6	\$ 16,315
January 1, 2022		20,000	474,916,234	\$	—	\$ 5						7,214	
Net income		—	—	—	—	—					—	—	
Other comprehensive income		—	—	—	—	—					—	—	
Preferred stock dividends - \$13.75 per share		—	—	—	—	—					—	—	
Common stock issued		—	—	—	—	—					—	(6)	
Common stock dividends - \$0.935 per share		—	—	—	—	—					—	(26)	
Other, net		—	—	—	—	—					—	(5)	
March 31, 2022		20,000	474,916,234							5		7,177	
Net income		—	—	—	—	—				—	—	—	
Other comprehensive income		—	—	—	—	—				—	—	—	
Preferred stock dividends - \$13.75 per share		—	—	—	—	—				—	—	—	
Common stock issued		—	—	—	—	—				—	—	7	
Common stock dividends - \$0.935 per share		—	—	—	—	—				—	—	(4)	
Other, net		—	—	—	—	—				—	—	10	
June 30, 2022		20,000	474,916,234							5		7,190	
Net income		—	—	—	—	—				—	—	—	
Other comprehensive income		—	—	—	—	—				—	—	—	
Preferred stock dividends - \$13.75 per share		—	—	—	—	—				—	—	—	
Common stock issued		—	—	—	—	—				—	—	4	
Common stock dividends - \$0.935 per share		—	—	—	—	—				—	—	13	
Other, net		—	—	—	—	—				—	—	11	
September 30, 2022		20,000	474,916,234	\$	—	\$ 5				5	\$	7,218	

<i>(Unaudited)</i>	Preferred Stock Issued	Common Stock Issued	Preferred Stock	Common Stock	Paid-in Capital
	<i>(Shares)</i>		<i>(Millions of dollars)</i>		
January 1, 2022	20,000	474,916,234	\$ —	\$ 5	\$ 7,214
Net income	—	—	—	—	—
Other comprehensive income	—	—	—	—	—
Preferred stock dividends - \$13.75 per share	—	—	—	—	—
Common stock issued	—	—	—	—	(6)
Common stock dividends - \$0.935 per share	—	—	—	—	(26)
Other, net	—	—	—	—	(5)
March 31, 2022	20,000	474,916,234	—	5	7,177
Net income	—	—	—	—	—
Other comprehensive income	—	—	—	—	—
Preferred stock dividends - \$13.75 per share	—	—	—	—	—
Common stock issued	—	—	—	—	7
Common stock dividends - \$0.935 per share	—	—	—	—	(4)
Other, net	—	—	—	—	10
June 30, 2022	20,000	474,916,234	\$ —	\$ 5	\$ 7,190

**ONEOK, Inc. and Subsidiaries**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
**(Continued)**

<i>(Unaudited)</i>	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Equity
	<i>(Millions of dollars)</i>			
January 1, 2023	\$ (108)	\$ 50	\$ (706)	\$ 6,494
Net income	—	1,049	—	1,049
Other comprehensive income (Note H)	9	—	—	9
Preferred stock dividends - \$13.75 per share (Note G)	—	—	—	—
Common stock issued	—	—	7	4
Common stock dividends - \$0.955 per share (Note G)	—	(427)	—	(427)
Other, net	—	—	—	3
March 31, 2023	(99)	672	(699)	7,132
Net income	—	468	—	468
Other comprehensive income (Note H)	24	—	—	24
Preferred stock dividends - \$13.75 per share (Note G)	—	—	—	—
Common stock issued	—	—	6	13
Common stock dividends - \$0.955 per share (Note G)	—	(429)	—	(429)
Other, net	—	—	—	10
June 30, 2023	(75)	711	(693)	7,218
Net income	—	454	—	454
Other comprehensive income (Note H)	7	—	—	7
Preferred stock dividends - \$13.75 per share (Note G)	—	(1)	—	(1)
Magellan Acquisition consideration	—	—	—	9,062
Common stock issued	—	—	2	5
Common stock dividends - \$0.955 per share (Note G)	—	(427)	—	(427)
Other, net	—	—	—	(19)
September 30, 2023	\$ (68)	\$ 737	\$ (691)	\$ 16,299

**ONEOK, Inc. and Subsidiaries**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(Continued)**

	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Equity
<i>(Unaudited)</i>				
<i>(Millions of dollars)</i>				
January 1, 2023	\$ (108)	\$ 50	\$ (706)	\$ 6,494
Net income	—	1,049	—	1,049
Other comprehensive income (Note H)	9	—	—	9
Preferred stock dividends - \$13.75 per share (Note G)	—	—	—	—
Common stock issued	—	—	7	4
Common stock dividends - \$0.955 per share (Note G)	—	(427)	—	(427)
Other, net	—	—	—	3
March 31, 2023	(99)	672	(699)	7,132
Net income	—	468	—	468
Other comprehensive income (Note H)	24	—	—	24
Preferred stock dividends - \$13.75 per share (Note G)	—	—	—	—
Common stock issued	—	—	6	13
Common stock dividends \$0.955 - per share (Note G)	—	(429)	—	(429)
Other, net	—	—	—	10
June 30, 2023	\$ (75)	\$ 711	\$ (693)	\$ 7,218

	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Equity
<i>(Unaudited)</i>				
<i>(Millions of dollars)</i>				
January 1, 2022	\$ (472)	\$ —	\$ (732)	\$ 6,015
Net income	—	391	—	391
Other comprehensive income	4	—	—	4
Preferred stock dividends - \$13.75 per share	—	—	—	—
Common stock issued	—	—	12	6
Common stock dividends - \$0.935 per share	—	(391)	—	(417)
Other, net	—	—	—	(5)
March 31, 2022	(468)	—	(720)	5,994
Net income	—	414	—	414
Other comprehensive income	101	—	—	101
Preferred stock dividends - \$13.75 per share	—	—	—	—
Common stock issued	—	—	7	14

Common stock dividends - \$0.935 per share	Common stock dividends - \$0.935 per share	—	(414)	—	(418)	Common stock dividends - \$0.935 per share	—	(414)	—	(418)
Other, net	Other, net	—	—	—	10	Other, net	—	—	—	10
June 30, 2022	June 30, 2022	\$	(367)	\$	—	June 30, 2022	(367)	—	(713)	6,115
Net income						Net income	—	432	—	432
Other comprehensive income						Other comprehensive income	167	—	—	167
Preferred stock dividends - \$13.75 per share						Preferred stock dividends - \$13.75 per share	—	(1)	—	(1)
Common stock issued						Common stock issued	—	—	2	6
Common stock dividends - \$0.935 per share						Common stock dividends - \$0.935 per share	—	(431)	—	(418)
Other, net						Other, net	—	—	—	11
September 30, 2022						September 30, 2022	\$	(200)	\$	—
									\$	(711)
										\$ 6,312

See accompanying Notes to Consolidated Financial Statements.

**ONEOK, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Our accompanying unaudited Consolidated Financial Statements have been prepared pursuant to the rules and regulations of the SEC. These statements have been prepared in accordance with GAAP and reflect all adjustments that, in our opinion, are necessary for a fair statement of the results for the interim periods presented. All such adjustments are of a normal recurring nature. The 2022 year-end Consolidated Balance Sheet data was derived from our audited Consolidated Financial Statements but does not include all disclosures required by GAAP. Certain reclassifications have been made in the prior year Consolidated Financial Statements to conform to the current year presentation. These unaudited Consolidated Financial Statements should be read in conjunction with our audited Consolidated Financial Statements in our Annual Report.

**Goodwill Impairment Review** - We assess our goodwill for impairment at least annually as of July 1, unless events or changes in circumstances indicate an impairment may have occurred before that time. At July 1, 2023, we assessed qualitative factors to determine whether it was more likely than not that the fair value of each of our reporting units with goodwill was less than its carrying amount. After assessing qualitative factors (including macroeconomic conditions, industry and market considerations, costs and overall financial performance), we determined that it was more likely than not that the fair value of the Natural Gas Pipelines and Natural Gas Liquids reporting units were not less than their respective carrying value, that no further testing was necessary and that goodwill was not considered impaired.

**Recently Issued Accounting Standards Update** - Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of ASUs to the FASB Accounting Standards Codification. We consider the applicability and impact of all ASUs. ASUs not discussed herein or in our Annual Report were assessed and determined to be either not applicable or clarifications of ASUs previously issued. There have been no new accounting pronouncements that have become effective or have been issued that are of significance or potential significance to us.

**B. MAGELLAN ACQUISITION OF MAGELLAN**

On May 14, 2023 September 25, 2023, we completed the previously announced an agreement to acquire all of the outstanding common units of Magellan in a cash-and-stock transaction. Magellan primarily transports, stores The acquisition strategically diversifies our complementary asset base and distributes refined petroleum products and crude oil, allows for significant expected synergies as a combined entity. Pursuant to the Merger Agreement, each common unit of Magellan will be exchanged for a fixed ratio of 0.667 shares of ONEOK common stock and \$25.00 of cash, in for a taxable transaction to Magellan total consideration of \$14.1 billion. A total of approximately 135 million shares of common unitholders. Following completion stock were issued, with a fair value of approximately \$9.0 billion as of the Merger Transaction, we expect Magellan to be our wholly owned subsidiary. ONEOK, ONEOK Partners and the Intermediate Partnership expect to issue guarantees of Magellan's debt, which we expect to remain outstanding.

Our Board of Directors and the Board of Directors closing date of the general partner of Magellan both unanimously approved the Merger Agreement. The Merger Transaction is expected to close during the third quarter of 2023, subject to the approval of ONEOK shareholders and Magellan unitholders and other customary closing conditions. In June 2023, the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 expired, which satisfies one of the conditions to the closing of the Merger Transaction.

If the Merger Agreement is terminated under certain conditions, Magellan may be required to reimburse our expenses up to \$125 million or pay us a termination fee equal to \$275 million less any expenses previously paid. Further, we may be required to reimburse Magellan's expenses up to \$75 million or pay Magellan a termination fee equal to \$450 million, less any expenses previously paid.



Acquisition. We intend to finance funded the cash portion of the Merger Transaction consideration acquisition with debt, an underwritten public offering of \$5.25 billion senior unsecured notes. In May 2023, connection with the underwritten public offering, we entered into a terminated the undrawn commitment letter for an the \$5.25 billion unsecured 364-day bridge loan facility in an aggregate principal amount of \$5.25 billion, which is subject to a number of customary conditions. Prior to the close of the Merger Transaction, we expect to issue senior unsecured notes and terminate the commitment letter undrawn, facility. For additional information on our long-term debt, see Note F.

If Magellan's operations are principally composed of transportation, storage and distribution of Refined Products, certain NGLs and crude oil. The assets acquired consist of an approximately 9,800-mile Refined Products pipeline system with 54 terminals, including one marine storage terminal, and crude oil infrastructure with approximately 1,000 miles of pipelines, one condensate splitter and three storage terminals. We also acquired ownership interests in Magellan's eight unconsolidated affiliates. In conjunction with the Merger Transaction closes, it Magellan Acquisition, Magellan's results of operations will be reported within our new Refined Products and Crude segment, consistent with how information is presented to our chief operating decision maker.

The Magellan Acquisition was accounted for using the acquisition method of accounting for business combinations in accordance with ASC 805. Accordingly, the pursuant to Accounting Standards Codification 805, "Business Combinations," which requires, among other things, assets acquired and liabilities assumed will to be recorded at their fair values on the acquisition date fair values. Any excess of date. Determining the consideration to be transferred over the estimated fair value of acquired assets and liabilities assumed requires management's judgment and the use of independent valuation specialists. The purchase price allocation presented below is preliminary, as certain data necessary to complete the purchase price allocation is not yet available, including, but not limited to, the final valuation of assets acquired and liabilities assumed. Management is also evaluating certain assumptions of assets acquired and liabilities assumed and may adjust the allocation in subsequent periods. The final valuation will be recorded as goodwill, completed no later than one year from the acquisition date.

See Part 2, Item 1A "Risk Factors"

The following tables set forth the acquisition consideration and preliminary purchase price allocation of assets acquired and liabilities assumed:

		At September 25, 2023
		(Millions of dollars and shares/units, except per share/unit data)
Magellan public common units outstanding		202.1
Cash consideration per Magellan unit		\$25.00
Cash consideration	\$	5,052
Magellan public common units outstanding		202.1
ONEOK exchange ratio per Magellan unit		0.667
Shares of ONEOK common stock issued		134.8
ONEOK common stock closing price on September 25, 2023		\$66.54
Fair value of common stock issued	\$	8,969
Fair value of Magellan replacement equity awards		93
Equity consideration	\$	9,062
Total consideration	\$	14,114

At September 25, 2023

Assets acquired:		(Millions of dollars)
Cash and cash equivalents	\$	44
Accounts receivables, net		245
Inventories		348
Other current assets		65
Property, plant and equipment		11,562
Investments in unconsolidated affiliates		909
Intangible assets		645
Other assets		112
<b>Total assets acquired</b>		<b>13,930</b>
Liabilities assumed:		
Accounts payable		221
Other current liabilities		533
Long-term debt, excluding current maturities		4,013
Other deferred credits and liabilities		203
<b>Total liabilities assumed</b>		<b>4,970</b>
<b>Total identifiable net assets</b>		<b>8,960</b>
Goodwill		5,154
<b>Total purchase price</b>	<b>\$</b>	<b>14,114</b>

**Property, plant and equipment:**

Property, plant and equipment consists primarily of pipeline, pipeline-related equipment, storage tanks and processing equipment and will be depreciated on a straight-line basis over the estimated useful lives of the assets.

**Intangible assets:**

The preliminary value of net identifiable intangible assets relates to contract-based customer relationships that will be amortized over the period of expected benefit.

**Long-term debt, excluding current maturities:**

We assumed the outstanding debt of Magellan and utilized publicly traded prices to estimate the fair value. The debt comprises senior unsecured obligations with varying maturities and interest rates as outlined in Note F. Recognizing the debt at its acquisition date fair value resulted in a discount from the notional value. The discount will be amortized into interest expense over the remaining life of the debt.

**Other deferred credits and liabilities:**

Magellan's pension and postretirement benefit net liabilities of \$71 million were assumed in conjunction with the Magellan Acquisition. These defined benefit plans are composed of two pension plans, including one for further discussion non-union employees and one for union employees, as well as a postretirement welfare benefit plan for certain employees.

**Goodwill:**

The following table sets forth the amounts of risks goodwill by segment for the periods indicated:

	Natural Gas Gathering and Processing		Natural Gas Liquids		Natural Gas Pipelines		Refined Products and Crude		Total	
	(Millions of dollars)									
Gross goodwill	\$	153	\$	371	\$	157	\$	—	\$	681
Accumulated impairment losses		(153)		—		—		—		(153)
December 31, 2022		—		371		157		—		528
Acquisitions (a)		—		—		—		5,154		5,154
September 30, 2023	\$	—	\$	371	\$	157	\$	5,154	\$	5,682

(a) - Goodwill from the Magellan Acquisition primarily represents expected commercial and cost synergies and is expected to be fully deductible for tax purposes. Allocation is preliminary and may be updated as we continue to evaluate the benefits of expected commercial and cost synergies to reporting units.

**Results of Operations**

The results of operations attributable to the Magellan Acquisition have been included in our Consolidated Financial Statements since the date of the acquisition through September 30, 2023. Revenue and net income attributable to the assets acquired for the period September 25, 2023, through September 30, 2023, were \$72 million and \$29 million,

respectively.

For the nine months ended September 30, 2023, we recognized approximately \$154 million of transaction costs associated with the Magellan Acquisition, as outlined in the table below. These non-recurring costs are primarily related to advisory fees, severance and settlement of share-based awards for certain Magellan employees, as well as bridge facility commitment fees. The following table sets forth the impact of acquisition related transaction costs in our Consolidated Statements of Income as of the periods indicated:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023		2023	
	(Millions of dollars)			
Transaction costs	\$	123	\$	133
Interest expense		13		21
Total	\$	136	\$	154

#### Pro Forma Financial Information

The following table sets forth the unaudited supplemental pro forma financial information for the three and nine months ended September 30, 2023 and 2022, as if we had completed the Magellan Acquisition on January 1, 2022:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(Millions of dollars)			
Revenue	\$ 4,850	\$ 6,723	\$ 14,764	\$ 19,548
Net income	\$ 572	\$ 596	\$ 2,364	\$ 1,336

The summarized unaudited pro forma information reflects the following adjustments:

- Reflects depreciation and amortization based on the preliminary fair values of property, plant and equipment, and intangible assets;
- Reflects \$136 million and \$154 million of non-recurring transaction costs incurred for the three and nine months ended September 30, 2023, respectively, that were reclassified and included in pro forma net income for the nine months ended September 30, 2022, as if they had been incurred on January 1, 2022;
- Reflects interest expense related to the acquisition, underwritten public offering of \$5.25 billion senior unsecured notes used to fund the cash consideration and other costs related to the Magellan Acquisition;
- Reflects the amortization of the debt discount to fair value of the Magellan long-term debt assumed;
- Reflects the amortization of excess fair value of the replacement share-based awards;
- Reflects the income tax effect of the pro forma adjustments; and
- Excludes the impact of historical activity between ONEOK and Magellan.

The unaudited pro forma financial information for the nine months ended September 30, 2023, includes a one-time operational gain of \$779 million related to insurance proceeds on the Medford incident. The unaudited pro forma financial information is presented for informational purposes only and is not necessarily indicative of our operating results that would have occurred had the transaction been completed at the beginning of the period presented, nor is it necessarily indicative of future results.

#### C. MEDFORD INCIDENT

On July 9, 2022, a fire occurred at our 210 MBbl/d Medford, Oklahoma, natural gas liquids fractionation facility. Beginning in August 2022, we developed claims related to the Medford incident and recorded accruals for the expected insurance recoveries. We assessed incurred costs and lost earnings related to business interruption and property damage to our facility, as well as timing of recognition under applicable insurance recovery guidance, and recorded accruals of \$151 million in 2022 for insurance recoveries that offset our incurred costs and losses.

On January 9, 2023, we reached an agreement with our insurers to settle all claims for physical damage and business interruption related to the Medford incident. Under the terms of the settlement agreement, we agreed to resolve the claims for total insurance payments of \$930 million, \$100 million of which was received in 2022. The remaining \$830 million was received in the first quarter 2023. The proceeds serve as settlement for property damage, business interruption claims to the date of the settlement and as payment in lieu of future business interruption insurance claims.

In the first quarter 2023, we applied the \$830 million received to our outstanding insurance receivable at December 31, 2022, of \$51 million, and recorded an operational gain for the remaining \$779 million in other operating (income) expense, net, within the Consolidated Statement of Income. We classified proceeds received within the Consolidated Statement of Cash Flows based on our assessment of the nature of the loss (property and business interruption) included in the settlement.

#### D. D. FAIR VALUE MEASUREMENTS

**Determining Fair Value** - For our fair value measurements, we utilize market prices, third-party pricing services, present value methods and standard option valuation models to determine the price we would receive from the sale of an asset or the transfer of a liability in an orderly transaction at the measurement date. We measure the fair value of a group of financial assets and liabilities consistent with how a market participant would price the net risk exposure at the measurement date. Determining the appropriate classification of our fair value measurements within the fair value hierarchy requires management's judgment regarding the degree to which market data is observable or corroborated by observable market data. We categorize derivatives based on the lowest level input that is significant to the fair value measurement in its entirety. Our valuation techniques and inputs are consistent with those discussed in Note A of the Notes to Consolidated Financial Statements in our Annual Report.

**Magellan Acquisition** - Included in our commodity derivative contracts are exchange-traded, exchange cleared and over-the-counter derivative contracts related to Refined Products, certain NGLs and crude oil. The exchange-traded contracts are valued based on quoted prices in active markets and are classified within Level 1 of our fair value hierarchy. The exchange cleared and over-the-counter derivatives are valued based on significant observable pricing inputs including quoted prices for similar assets and liabilities in active markets and inputs from third-party pricing services supported with corroborative evidence and are classified within Level 2 of our fair value hierarchy.

**Recurring Fair Value Measurements** - The following tables set forth our recurring fair value measurements as of the dates indicated:

		June 30, 2023							September 30, 2023							
		Level 1	Level 2	Level 3	Total - Gross	Netting (a)	Total - Net	Level 1	Level 2	Level 3	Total - Gross	Netting (a)	Total - Net			
		(Millions of dollars)							(Millions of dollars)							
Derivative assets	Derivative assets								Derivative assets							
Commodity contracts	Commodity contracts	\$ 36	\$ 169	\$ —	\$ 205	\$ (165)	\$ 40	Commodity contracts	\$ 49	\$ 67	\$ —	\$ 116	\$ (81)	\$ 35		
Interest-rate contracts		—	17	—	17	—	17									
Total derivative assets	Total derivative assets	\$ 36	\$ 186	\$ —	\$ 222	\$ (165)	\$ 57	Total derivative assets	\$ 49	\$ 67	\$ —	\$ 116	\$ (81)	\$ 35		
Derivative liabilities	Derivative liabilities								Derivative liabilities							
Commodity contracts	Commodity contracts	\$ (16)	\$ (111)	\$ —	\$ (127)	\$ 127	\$ —	Commodity contracts	\$ (16)	\$ (68)	\$ —	\$ (84)	\$ 81	\$ (3)		
Interest-rate contracts		—	(4)	—	(4)	—	(4)									
Total derivative liabilities	Total derivative liabilities	\$ (16)	\$ (115)	\$ —	\$ (131)	\$ 127	\$ (4)	Total derivative liabilities	\$ (16)	\$ (68)	\$ —	\$ (84)	\$ 81	\$ (3)		

(a) - Derivative assets and liabilities are presented in our Consolidated Balance Sheet on a net basis. We net derivative assets and liabilities when a legally enforceable master-netting arrangement exists between the counterparty to a derivative contract and us. At June 30, 2023 September 30, 2023, we posted held no cash and held posted cash of \$38 million from \$43 million with various counterparties, which offsets is included in other current assets in our derivative net asset position under master netting arrangements as shown in the table above. Consolidated Balance Sheet.

		December 31, 2022					
		Level 1	Level 2	Level 3	Total - Gross	Netting (a)	Total - Net
		(Millions of dollars)					
<b>Derivative assets</b>							
Commodity contracts		\$ 15	\$ 152	\$ —	\$ 167	\$ (125)	\$ 42
Interest-rate contracts		—	11	—	11	—	11
Total derivative assets		\$ 15	\$ 163	\$ —	\$ 178	\$ (125)	\$ 53
<b>Derivative liabilities</b>							
Commodity contracts		\$ (38)	\$ (87)	\$ —	\$ (125)	\$ 125	\$ —
Total derivative liabilities		\$ (38)	\$ (87)	\$ —	\$ (125)	\$ 125	\$ —

(a) - Derivative assets and liabilities are presented in our Consolidated Balance Sheet on a net basis. We net derivative assets and liabilities when a legally enforceable master-netting arrangement exists between the counterparty to a derivative contract and us. At December 31, 2022, we held no cash and posted \$9 million of cash with various counterparties, which is included in other current assets in our Consolidated Balance Sheet.

The following table sets forth a reconciliation of our Level 3 fair value measurements for the periods indicated:

Three Months Ended	Six Months Ended	Three Months Ended	Nine Months Ended
June 30,	June 30,	September 30,	September 30,

Derivative Assets (Liabilities)	Derivative Assets (Liabilities)	2023	2022	2023	2022	Derivative Assets (Liabilities)	2023	2022	2023	2022
		(Millions of dollars)					(Millions of dollars)			
Net liabilities at beginning of period	Net liabilities at beginning of period	\$ —	\$ (190)	\$ —	\$ (114)	Net liabilities at beginning of period	\$ —	\$ (110)	\$ —	\$ (114)
Total changes in fair value:	Total changes in fair value:					Total changes in fair value:				
Settlements included in net income (a)	Settlements included in net income (a)	—	57	—	60	Settlements included in net income (a)	—	39	—	79
New Level 3 derivatives included in other comprehensive income (b)	New Level 3 derivatives included in other comprehensive income (b)	—	9	—	9	New Level 3 derivatives included in other comprehensive income (b)	—	—	—	73
Unrealized change included in other comprehensive income (b)	Unrealized change included in other comprehensive income (b)	—	14	—	(65)	Unrealized change included in other comprehensive income (b)	—	122	—	13
Net liabilities at end of period		\$ —	\$ (110)	\$ —	\$ (110)					
Net assets at end of period						Net assets at end of period	\$ —	\$ 51	\$ —	\$ 51

(a) - Included in commodity sales revenues/cost of sales and fuel in our Consolidated Statements of Income.

(b) - Included in change in fair value of derivatives in our Consolidated Statements of Comprehensive Income.

During the year ended December 31, 2022, we transferred out of Level 3 commodity derivatives associated with certain locations for NGL basis swaps, principally due to improved transparency of market prices as a result of the volume and frequency of transactions in these markets. We consider the valuation of these commodity derivatives, which are transacted through a clearing broker and valued with an unadjusted published price from an exchange, as a Level 2 valuation.

**Other Financial Instruments** - The approximate fair value of cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings is equal to book value due to the short-term nature of these items. Our cash and cash equivalents are composed of bank and money market accounts and are classified as Level 1. Our short-term borrowings are classified as Level 2 since the estimated fair value of the short-term borrowings can be determined using information available in the commercial paper market. We have investments associated with our supplemental executive retirement plan and nonqualified

deferred compensation plan that are carried at fair value and primarily are composed of exchange-traded mutual funds, municipal bonds and other fixed income securities classified as Level 1, 1 and Level 2.

The estimated fair value of our consolidated long-term debt, including current maturities, was \$11.9 billion \$19.8 billion and \$12.7 billion \$12.7 billion at June 30, 2023 September 30, 2023, and December 31, 2022, respectively. The book value of our consolidated long-term debt, including current maturities, was \$12.7 billion \$22.0 billion and \$13.6 billion at June 30, 2023 September 30, 2023, and December 31, 2022, respectively. The estimated fair value of the aggregate senior notes outstanding was determined using quoted market prices for similar issues with similar terms and maturities. The estimated fair value of our consolidated long-term debt is classified as Level 2.

## E. E. RISK-MANAGEMENT AND HEDGING ACTIVITIES USING DERIVATIVES

**Risk-management Activities** - We are sensitive to changes in natural gas, NGLs and crude oil and NGL prices, principally as a result of contractual terms under which these commodities are processed, purchased and sold. As a result of the Magellan Acquisition, we are also sensitive to changes in Refined Product prices. We are also subject to the risk of interest-rate fluctuation in the normal course of business. We use physical-forward purchases and sales and financial derivatives to secure a certain price for a portion of our natural gas, NGLs, Refined Products, condensate and purity NGLs; crude oil purchases and sales; to reduce our exposure to commodity price and interest-rate fluctuations; and to achieve more predictable cash flows. We follow established policies and procedures to assess risk and approve, monitor and report our risk-management activities. We have not used these instruments for trading purposes.

**Commodity price risk** - Commodity price risk refers to the risk of loss in cash flows and future earnings arising from adverse changes in the price of natural gas, NGLs, Refined Products, condensate and condensate, crude oil. We may use commodity derivative instruments to reduce the near-term commodity price risk associated with a portion of our forecasted purchases and sales of commodities. Our exposure to

In our Refined Products and Crude segment, we implemented effective hedging strategies for a substantial portion of the segment's commodity price risk is consistent with derivative financial instruments that discussed qualify as cash flow hedges for accounting purposes. Changes in our Annual Report, the fair value of commodity derivative instruments not designated as a hedge were immaterial for the period September 25, 2023, through September 30, 2023, and are recorded currently in earnings.

**Interest-rate risk**- We may manage interest-rate risk through the use of fixed-rate debt, floating-rate debt, Treasury locks and interest-rate swaps. Treasury locks are agreements to pay the difference between the benchmark Treasury rate and the rate that is designated in the terms of the agreement. In the second quarter 2023, we entered into \$1.1 billion of Treasury locks to hedge the variability of interest payments on a portion of our forecasted debt issuances, issuances. In the third quarter 2023, we settled all of our \$1.1 billion Treasury locks related to our underwritten public offering of \$5.25 billion senior unsecured notes associated with the Magellan Acquisition resulting in a total gain of \$1.1 billion \$43 million, which is included in accumulated other comprehensive loss and amortized into interest expense over the term of Treasury locks outstanding as of June 30, 2023, the related debt. All of our Treasury locks are were designated as cash flow hedges.

Interest-rate swaps are agreements to exchange interest payments at some future point based on specified notional amounts. At June 30, 2023 and December 31, 2022, In the third quarter 2023, we had settled all of our \$0.4 billion forward-starting interest-rate swaps related to our underwritten public offerings of \$5.25 billion senior unsecured notes associated with notional amounts totaling \$0.4 billion,

to hedge the variability Magellan Acquisition resulting in a gain of \$44 million, which is included in accumulated other comprehensive loss and amortized into interest payments on a portion expense over the term of our forecasted debt issuances, the related debt. All of our interest-rate swaps are were designated as cash flow hedges.

**Fair Values of Derivative Instruments** - The following table sets forth the fair values of our derivative instruments presented on a gross basis as of the dates indicated:

	Location in our Consolidated Balance Sheets		June 30, 2023		December 31, 2022			Location in our Consolidated Balance Sheets		September 30, 2023		December 31, 2022	
			Assets	(Liabilities)	Assets	(Liabilities)				Assets	(Liabilities)	Assets	(Liabilities)
Derivatives designated as hedging instruments	Derivatives designated as hedging instruments						Derivatives designated as hedging instruments						
	(Millions of dollars)						(Millions of dollars)						
Commodity contracts (a)	Commodity contracts (a)	Other current assets	\$ 205	\$ (127)	\$ 160	\$ (123)	Commodity contracts (a)	Other current assets	\$ 104	\$ (79)	\$ 160	\$ (123)	
		Other assets	—	—	6	(1)		Other assets	—	—	6	(1)	
Interest-rate contracts	Interest-rate contracts	Other current assets/liabilities	17	(4)	11	—	Interest-rate contracts	Other current assets	—	—	11	—	
Total derivatives designated as hedging instruments	Total derivatives designated as hedging instruments						Total derivatives designated as hedging instruments						
			222	(131)	177	(124)			104	(79)	177	(124)	
Derivatives not designated as hedging instruments	Derivatives not designated as hedging instruments						Derivatives not designated as hedging instruments						
Commodity contracts (a)	Commodity contracts (a)	Other current assets	—	—	1	(1)	Commodity contracts (a)	Other current assets/liabilities	12	(5)	1	(1)	
Total derivatives not designated as hedging instruments	Total derivatives not designated as hedging instruments						Total derivatives not designated as hedging instruments						
			—	—	1	(1)			12	(5)	1	(1)	
Total derivatives	Total derivatives		\$ 222	\$ (131)	\$ 178	\$ (125)	Total derivatives		\$ 116	\$ (84)	\$ 178	\$ (125)	

(a) - Derivative assets and liabilities are presented in our Consolidated Balance Sheets on a net basis when a legally enforceable master-netting arrangement exists between the counterparty to a derivative contract and us.

**Notional Quantities for Derivative Instruments** - The following table sets forth the notional quantities for derivative instruments held as of the dates indicated:

June 30, 2023		December 31, 2022		September 30, 2023		December 31, 2022	
Contract Type	Net Purchased/Payor (Sold/Receiver)			Contract Type	Net Purchased/Payor (Sold/Receiver)		

Cash Flow Hedges - The following table sets forth the unrealized change in fair value of cash flow hedges in other comprehensive income (loss) for the periods indicated:										
	Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended			
	June 30,		June 30,		September 30,		September 30,			
	2023	2022	2023	2022	2023	2022	2023	2022		
					(Millions of dollars)					
Commodity contracts	Commodity contracts	\$ 54	\$ (34)	\$ 94	\$ (208)	Commodity contracts	\$ (37)	\$ 69	\$ 57	\$ (139)
Interest-rate contracts	Interest-rate contracts	12	63	2	144	Interest-rate contracts	52	69	54	213
Total unrealized change in fair value of cash flow hedges in other comprehensive income (loss)										
	\$ 66	\$ 29	\$ 96	\$ (64)						

Total unrealized change in fair value of cash flow hedges in other comprehensive income	Total unrealized change in fair value of cash flow hedges in other comprehensive income	\$	15	\$	138	\$	111	\$	74
---	---	----	----	----	-----	----	-----	----	----

The following table sets forth the effect of cash flow hedges on net income for the periods indicated:

	Location of Gain (Loss)						Location of Gain (Loss)					
		Reclassified from Accumulated	Three Months Ended		Six Months Ended			Reclassified from Accumulated	Three Months Ended		Nine Months Ended	
Derivatives in Cash Flow Hedging Relationships	Derivatives in Cash Flow Hedging Relationships	Other Comprehensive Loss into Net Income	June 30,		June 30,		Derivatives in Cash Flow Hedging Relationships	Other Comprehensive Loss into Net Income	September 30,		September 30,	
			2023	2022	2023	2022			2023	2022	2023	2022
			(Millions of dollars)								(Millions of dollars)	
Commodity contracts	Commodity contracts	Commodity sales revenues	\$ 95	\$ (257)	\$ 118	\$ (468)	Commodity contracts	Commodity sales revenues	\$ 31	\$ (78)	\$ 149	\$ (546)
		Cost of sales and fuel	(57)	176	(60)	310		Cost of sales and fuel	(15)	18	(75)	328
Interest-rate contracts	Interest-rate contracts	Interest expense	(6)	(10)	(11)	(19)	Interest-rate contracts	Interest expense	(5)	(10)	(16)	(29)
Total change in fair value of cash flow hedges reclassified from accumulated other comprehensive loss into net income on derivatives	Total change in fair value of cash flow hedges reclassified from accumulated other comprehensive loss into net income on derivatives						Total change in fair value of cash flow hedges reclassified from accumulated other comprehensive loss into net income on derivatives					
			\$ 32	\$ (91)	\$ 47	\$ (177)			\$ 11	\$ (70)	\$ 58	\$ (247)

**Credit Risk** - We monitor the creditworthiness of our counterparties and compliance with policies and limits established by our Risk Oversight and Strategy Committee. We maintain credit policies with regard to our counterparties that we believe minimize credit risk. Our policies and related credit risk are consistent with those discussed in our Annual Report.

## F. DEBT

### F. DEBT

The following table sets forth our consolidated debt as of the dates indicated:

	June 30, 2023	December 31, 2022
	(Millions of dollars)	
Commercial paper outstanding (a)	\$ —	\$ —
Senior unsecured obligations:		
\$425 at 5.0% due September 2023	—	425
\$500 at 7.5% due September 2023	—	500
\$500 at 2.75% due September 2024	500	500
\$500 at 4.9% due March 2025	500	500
\$400 at 2.2% due September 2025	387	387
\$600 at 5.85% due January 2026	600	600
\$500 at 4.0% due July 2027	500	500
\$800 at 4.55% due July 2028	800	800



\$100 at 6.875% due September 2028	100	100
\$700 at 4.35% due March 2029	700	700
\$750 at 3.4% due September 2029	714	714
\$850 at 3.1% due March 2030	780	780
\$600 at 6.35% due January 2031	600	600
\$750 at 6.1% due November 2032	750	750
\$400 at 6.00% due June 2035	400	400
\$600 at 6.65% due October 2036	600	600
\$600 at 6.85% due October 2037	600	600
\$650 at 6.125% due February 2041	650	650
\$400 at 6.2% due September 2043	400	400
\$700 at 4.95% due July 2047	689	689
\$1,000 at 5.2% due July 2048	1,000	1,000
\$750 at 4.45% due September 2049	653	673
\$500 at 4.5% due March 2050	443	443
\$300 at 7.15% due January 2051	300	300
Guardian		
\$120 term loan, rate of 6.33% as of June 30, 2023, due June 2025	120	120
Viking		
\$60 term loan, rate of 6.46% as of June 30, 2023, due March 2026	60	—
<b>Total debt</b>	<b>12,846</b>	<b>13,731</b>
<b>Unamortized portion of terminated swaps</b>	<b>9</b>	<b>10</b>
<b>Unamortized debt issuance costs and discounts</b>	<b>(113)</b>	<b>(120)</b>
<b>Current maturities of long-term debt</b>	<b>—</b>	<b>(925)</b>
<b>Long-term debt</b>	<b>\$ 12,742</b>	<b>\$ 12,696</b>

	September 30, 2023	December 31, 2022
	<i>(Millions of dollars)</i>	
Commercial paper outstanding (a)	\$ —	\$ —
Senior unsecured obligations:		
\$425 at 5.0% due September 2023	—	425
\$500 at 7.5% due September 2023	—	500
\$500 at 2.75% due September 2024	500	500
\$250 at 3.2% due March 2025 (b)	250	—
\$500 at 4.9% due March 2025	500	500
\$400 at 2.2% due September 2025	387	387
\$600 at 5.85% due January 2026	600	600
\$650 at 5.0% due March 2026 (b)	650	—
\$750 at 5.55% due November 2026	750	—
\$500 at 4.0% due July 2027	500	500
\$800 at 4.55% due July 2028	800	800
\$100 at 6.875% due September 2028	100	100
\$750 at 5.65% due November 2028	750	—
\$700 at 4.35% due March 2029	700	700
\$750 at 3.4% due September 2029	714	714
\$850 at 3.1% due March 2030	780	780
\$500 at 3.25% due June 2030 (b)	500	—
\$500 at 5.8% due November 2030	500	—
\$600 at 6.35% due January 2031	600	600
\$750 at 6.1% due November 2032	750	750
\$1,500 at 6.05% due September 2033	1,500	—
\$400 at 6.0% due June 2035	400	400
\$600 at 6.65% due October 2036	600	600
\$250 at 6.4% due May 2037 (b)	250	—
\$600 at 6.85% due October 2037	600	600
\$650 at 6.125% due February 2041	650	650
\$250 at 4.2% due December 2042 (b)	250	—

\$400 at 6.2% due September 2043	400	400
\$550 at 5.15% due October 2043 (b)	550	—
\$250 at 4.2% due March 2045 (b)	250	—
\$500 at 4.25% due September 2046 (b)	500	—
\$700 at 4.95% due July 2047	689	689
\$500 at 4.2% due October 2047 (b)	500	—
\$1,000 at 5.2% due July 2048	1,000	1,000
\$500 at 4.85% due February 2049 (b)	500	—
\$750 at 4.45% due September 2049	653	673
\$500 at 4.5% due March 2050	443	443
\$800 at 3.95% due March 2050 (b)	800	—
\$300 at 7.15% due January 2051	300	300
\$1,750 at 6.625% due September 2053	1,750	—
Guardian \$120 term loan, rate of 6.54% as of September 30, 2023, due June 2025	120	120
Viking \$60 term loan, rate of 6.67% as of September 30, 2023, due March 2026	60	—
<b>Total debt</b>	<b>23,096</b>	<b>13,731</b>
<b>Unamortized debt discounts</b>	<b>(1,029)</b>	<b>(35)</b>
<b>Unamortized debt issuance costs and terminated swaps</b>	<b>(117)</b>	<b>(75)</b>
<b>Current maturities of long-term debt</b>	<b>(500)</b>	<b>(925)</b>
<b>Long-term debt</b>	<b>\$ 21,450</b>	<b>\$ 12,696</b>

(a) - Individual issuances of commercial paper under our commercial paper program generally mature in 90 days or less.

(b) - Debt assumed in the Magellan Acquisition. Amounts are presented at face value with discount to fair value included in unamortized debt discounts.

**\$2.5 Billion Credit Agreement** - Our \$2.5 Billion Credit Agreement, which expires in 2027, is a revolving credit facility and contains certain customary conditions for borrowing, as well as customary financial, affirmative and negative covenants. Among other things, these covenants include maintaining a ratio of consolidated net indebtedness to adjusted EBITDA (EBITDA, as defined in our \$2.5 Billion Credit Agreement, adjusted for all noncash charges and increased for projected EBITDA from certain lender-approved capital expansion projects). In May 2023, we entered into an amendment to addition, adjusted EBITDA as defined in our \$2.5 Billion Credit Agreement which, among other things, provided for certain amendments to allow inclusion of the definition trailing twelve months of consolidated net total debt, as defined within adjusted EBITDA of the \$2.5 Billion Credit Agreement. Under acquired business. In the third quarter 2023, we completed the Magellan Acquisition, which allowed us to elect an acquisition adjustment period under our \$2.5 Billion Credit Agreement if the Merger Transaction closes, and, as a result, increased our leverage ratio covenant increases to 5.5 to 1 for the third quarter the Merger Transaction closes 2023 and the two following quarters. Thereafter, the covenant will decrease to 5.0 to 1. At June 30, 2023 September 30, 2023, we had no outstanding borrowings, our ratio of indebtedness to adjusted EBITDA was 2.8 3.7 to 1 and we were in compliance with all covenants under our \$2.5 Billion Credit Agreement.

**Viking Term Loan Agreement Debt Issuances** - In March August 2023, Viking entered into a \$60 million we completed an underwritten public offering of \$5.25 billion senior unsecured Term Loan Agreement, which was fully drawn as notes consisting of June 30, 2023, \$750 million, 5.55% senior notes due 2026; \$750 million, 5.65% senior notes due 2028; \$500 million, 5.80% senior notes due 2030; \$1.5 billion, 6.05% senior notes due 2033; and \$1.75 billion, 6.625% senior notes due 2053. The net proceeds, after deducting underwriting discounts, commissions and offering expenses, were \$5.2 billion. The net proceeds were used to repay intercompany debt with ONEOK fund the cash consideration and for general corporate purposes. The Viking Term Loan Agreement matures in March 2026 and bears interest at Term SOFR plus an applicable margin. As of June 30, 2023, Viking is in compliance with all covenants under other costs related to the Viking Term Loan Agreement. Magellan Acquisition.

**Debt Repayments** - In June 2023, we redeemed our \$500 million, 7.5% senior notes due September 2023 at 100% of the principal amount, plus accrued and unpaid interest, with cash on hand.

In February 2023, we redeemed our \$425 million, 5.0% senior notes due September 2023 at 100% of the principal amount, plus accrued and unpaid interest, with cash on hand.

**Debt Guarantees** - ONEOK, ONEOK Partners, Magellan and the Intermediate Partnership have cross guarantees in place for ONEOK's, and ONEOK Partners' and Magellan's indebtedness. The Guardian Term Loan Agreement and Viking Term Loan Agreement are not guaranteed by ONEOK, ONEOK Partners, Magellan or the Intermediate Partnership.

**Viking Term Loan Agreement** - In March 2023, Viking entered into a \$60 million senior unsecured Term Loan Agreement, which is fully drawn. The proceeds were used to repay intercompany debt with ONEOK and for general corporate purposes. The Viking Term Loan Agreement matures in March 2026 and bears interest at Term SOFR plus an applicable margin. As of September 30, 2023, Viking was in compliance with all covenants under the Viking Term Loan Agreement.

## G. EQUITY

**G Equity Issuances** - EQUITY On September 25, 2023, we completed the previously announced agreement to acquire all the outstanding common units of Magellan in a cash-and-stock transaction. Pursuant to the Merger Agreement, each common unit of Magellan was exchanged for a fixed ratio of 0.667 shares of ONEOK common stock and \$25.00 of cash. A total of approximately 135 million shares of common stock were issued, with a fair value of approximately \$9.0 billion as of the closing date of the Magellan Acquisition.

**Dividends** - Holders of our common stock share equally in any dividend declared by our Board of Directors, subject to the rights of the holders of outstanding Series E Preferred Stock. Dividends paid on our common stock in February 2023, May 2023 and May August 2023 were \$0.955 per share. A common stock dividend of \$0.955 per share was declared

for shareholders of record at the close of business on **August 1, 2023** **November 1, 2023**, payable **August 14, 2023** **November 14, 2023**.

Our Series E Preferred Stock pays quarterly dividends on each share of Series E Preferred Stock, when and if, declared by our Board of Directors, at a rate of 5.5% per year. We paid dividends for the Series E Preferred Stock of \$0.3 million in February 2023, **May 2023** and **May August 2023**. Dividends totaling \$0.3 million were declared for the Series E Preferred Stock and are payable **August 14, 2023** **November 14, 2023**.

#### H. H. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table sets forth the balance in accumulated other comprehensive loss for the period indicated, net of tax:

				Retirement and Other Postretirement Benefit Plan Obligations (a)	Risk- Management Assets/Liabilities of Unconsolidated Affiliates	Accumulated Other Comprehensive Loss		Risk- Management Assets/Liabilities	Retirement and Other Postretirement Benefit Plan Obligations (a)	Risk- Management Assets/Liabilities of Unconsolidated Affiliates	Accu- mulated Other Compre- hensive Loss							
			(Millions of dollars)					(Millions of dollars)										
January 1, 2023	January 1, 2023	\$	(58)	\$	(55)	\$	5	\$	(108)	January 1, 2023	\$	(58)	\$	(55)	\$	5	\$	(108)
Other comprehensive income (loss) before reclassifications			74		—		(1)		73	Other comprehensive income before reclassifications		86		—		—		—
Amounts reclassified to net income (b)	Amounts reclassified to net income (b)		(37)		1		(4)		(40)	Amounts reclassified to net income (b)		(44)		3		(5)		(5)
Other comprehensive income (loss)	Other comprehensive income (loss)		37		1		(5)		33	Other comprehensive income (loss)		42		3		(5)		(5)
June 30, 2023		\$	(21)	\$	(54)	\$	—	\$	(75)									
September 30, 2023										September 30, 2023	\$	(16)	\$	(52)	\$	—	\$	—

(a) - Includes amounts related to supplemental executive retirement plan.

(b) - See Note E for details of amounts reclassified to net income for risk-management assets/liabilities.

The following table sets forth information about the balance of accumulated other comprehensive loss at **June 30, 2023** **September 30, 2023**, representing unrealized gains (losses) related to risk-management assets and liabilities, net of tax:

	Risk- Management Assets/Liabilities
	(Millions of dollars)
Commodity derivative instruments expected to be realized within the next <b>18</b> <b>27</b> months (a)	\$ <b>60</b> <b>19</b>
Settled interest-rate swaps and Treasury locks to be recognized over the life of the long-term, fixed-rate debt (b)	<b>(91)</b> <b>(35)</b>
	<b>10</b>
Accumulated other comprehensive loss at <b>June 30, 2023</b> <b>September 30, 2023</b>	\$ <b>(21)</b> <b>(16)</b>

(a) - Based on commodity prices on **June 30, 2023** **September 30, 2023**, we expect net gains of **\$60 million** **\$19 million**, net of tax, will be reclassified into earnings during the next 12 months. The remaining forecasted gains and losses have offsetting positions and are immaterial.

(b) - We expect net losses of **\$18 million** **\$15 million**, net of tax, will be reclassified into earnings during the next 12 months.

The remaining balance in accumulated other comprehensive loss relates to our retirement and other postretirement benefit plan obligations, which are expected to be amortized over the average remaining service period of employees participating in these plans.

#### I. I. EARNINGS PER SHARE

The following tables set forth the computation of basic and diluted EPS for the periods indicated:

Three Months Ended June 30, 2023			Three Months Ended September 30, 2023		
Income	Shares	Per Share Amount	Income	Shares	Per Share Amount

	(Millions, except per share amounts)					(Millions, except per share amounts)						
Basic EPS	Basic EPS					Basic EPS						
Net income available for common stock	Net income available for common stock	\$	468	448.3	\$	1.04	Net income available for common stock	\$	453	457.3	\$	0.99
Diluted EPS	Diluted EPS					Diluted EPS						
Effect of dilutive securities	Effect of dilutive securities	—			0.7	Effect of dilutive securities	—			0.9		
Net income available for common stock and common stock equivalents	Net income available for common stock and common stock equivalents	\$	468	449.0	\$	1.04	Net income available for common stock and common stock equivalents	\$	453	458.2	\$	0.99

	Three Months Ended June 30, 2022				Three Months Ended September 30, 2022							
	Income		Shares	Per Share Amount	Income		Shares	Per Share Amount				
	(Millions, except per share amounts)				(Millions, except per share amounts)							
Basic EPS	Basic EPS				Basic EPS							
Net income available for common stock	Net income available for common stock	\$	414	447.5	\$	0.93	Net income available for common stock	\$	431	447.7	\$	0.96
Diluted EPS	Diluted EPS				Diluted EPS							
Effect of dilutive securities	Effect of dilutive securities	—		0.7	Effect of dilutive securities	—		0.5				
Net income available for common stock and common stock equivalents	Net income available for common stock and common stock equivalents	\$	414	448.2	\$	0.92	Net income available for common stock and common stock equivalents	\$	431	448.2	\$	0.96

	Six Months Ended June 30, 2023					Nine Months Ended September 30, 2023						
	Income		Shares	Per Share Amount		Income		Shares	Per Share Amount			
	(Millions, except per share amounts)					(Millions, except per share amounts)						
Basic EPS	Basic EPS					Basic EPS						
Net income available for common stock	Net income available for common stock	\$	1,517	448.2	\$	3.38	Net income available for common stock	\$	1,970	451.2	\$	4.37
Diluted EPS	Diluted EPS					Diluted EPS						
Effect of dilutive securities	Effect of dilutive securities	—		0.8								
Net income available for common stock and common stock equivalents	Net income available for common stock and common stock equivalents	\$	1,517	449.0	\$	3.38	Net income available for common stock and common stock equivalents	\$	1,970	452.1	\$	4.36

		Six Months Ended June 30, 2022			Nine Months Ended September 30, 2022		
		Income	Shares	Per Share Amount	Income	Shares	Per Share Amount
		(Millions, except per share amounts)			(Millions, except per share amounts)		
<b>Basic EPS</b>	<b>Basic EPS</b>				<b>Basic EPS</b>		
Net income available for common stock	Net income available for common stock	\$ 805	447.3	\$ 1.80	Net income available for common stock	\$ 1,236	\$ 2.76
<b>Diluted EPS</b>	<b>Diluted EPS</b>				<b>Diluted EPS</b>		
Effect of dilutive securities	Effect of dilutive securities	—	1.0		Effect of dilutive securities	—	0.9
Net income available for common stock and common stock equivalents	Net income available for common stock and common stock equivalents	\$ 805	448.3	\$ 1.80	Net income available for common stock and common stock equivalents	\$ 1,236	\$ 2.76

## J. UNCONSOLIDATED AFFILIATES

**Equity in Net Earnings from Investments** - The following table sets forth our equity in net earnings from investments for the periods indicated:

		Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022	2023	2022	2023	2022
		(Millions of dollars)				(Millions of dollars)			
Northern Border	Northern Border	\$ 14	\$ 16	\$ 38	\$ 36	Northern Border	\$ 20	\$ 17	\$ 58
Overland Pass	Overland Pass	13	8	22	13	Overland Pass	17	10	39
Roadrunner	Roadrunner	15	9	22	18	Roadrunner	10	10	32
Other (a)	Other (a)	1	3	1	5	Other (a)	2	2	3
<b>Equity in net earnings from investments</b>	<b>Equity in net earnings from investments</b>	<b>\$ 43</b>	<b>\$ 36</b>	<b>\$ 83</b>	<b>\$ 72</b>	<b>Equity in net earnings from investments</b>	<b>\$ 49</b>	<b>\$ 39</b>	<b>\$ 132</b>

(a) - Includes equity in net earnings for the acquired investments from the Magellan Acquisition from the period September 25, 2023 through September 30, 2023.

We incurred expenses in transactions with unconsolidated affiliates of \$27 million \$33 million and \$15 \$26 million for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively, and \$55 million \$88 million and \$30 million \$56 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively, related primarily to Overland Pass and Northern Border. Revenue earned and accounts receivable from, and accounts payable to, our equity-method investees were not material.

We are the operator of Roadrunner, and as a result of the Magellan Acquisition, we are also the operator of BridgeTex, HoustonLink, MVP, Powder Springs, Saddlehorn, Texas Frontera and the pipeline activities of Seabrook. In each case, we have an operating agreement with Roadrunner agreements that provides provide for reimbursement or payment to us for management services and certain operating costs. Reimbursements and payments from Roadrunner included in operating income in our Consolidated Statements of Income for all periods presented were not material. In June the second quarter 2023, we made an equity contribution of \$105 million to Roadrunner, which in combination with an equal contribution from our joint venture partner, was used to repay Roadrunner's outstanding debt.

## K. COMMITMENTS AND CONTINGENCIES

**Environmental Matters and Pipeline Safety** - The operation of pipelines, plants and other facilities for the gathering, processing, fractionation, transportation and storage of natural gas, NGLs, condensate, Refined Products, crude oil and other products is subject to numerous and complex laws and regulations pertaining to health, safety and the environment. As an owner and/or operator of these facilities, we must comply with laws and regulations that relate to air and water quality, hazardous and solid waste management and disposal, cultural resource protection and other environmental and safety matters. The cost of planning, designing, constructing and operating pipelines, plants and other facilities must incorporate compliance with these laws, regulations and safety standards. Failure to comply with these laws and regulations may trigger a variety of administrative, civil and potentially criminal enforcement measures, including citizen suits, which can include the assessment of monetary penalties, the imposition of remedial

requirements and the issuance of injunctions or restrictions on operation or construction. Management does not believe that, based on currently known information, a material risk of noncompliance with these laws and regulations exists that will affect adversely our consolidated results of operations, financial condition or cash flows.

**Legal Proceedings** - We are a party to various legal proceedings that have arisen in the normal course of our operations. While the results of these proceedings cannot be predicted with certainty, we believe the reasonably possible losses from such proceedings, individually and in the aggregate, are not material. Additionally, we believe the probable final outcome of such proceedings will not have a material adverse effect on our consolidated results of operations, financial position or cash flows.

## L. REVENUES

**Contract Assets and Contract Liabilities** - Our contract asset balances at the beginning and end of the period primarily relate to our firm service transportation contracts with tiered rates, which are not material. Our The following table sets forth the balances in contract liabilities at for the periods indicated:

Contract Liabilities	(Millions of dollars)
Balance at December 31, 2022 (a)	\$ 52
Revenue recognized included in beginning balance	(22)
Net additions (b)	141
Balance at September 30, 2023 (c)	\$ 171

(a) - Contract liabilities of \$23 million and end of \$29 million are included in other current liabilities and other deferred credits, respectively, in our Consolidated Balance Sheet.

(b) - Net additions include increases due to the period primarily represent deferred revenue on storage contracts and deferred revenue on contributions in aid of construction received from customers, Magellan Acquisition, which are not material, primarily related to customer prepayments for services.

(c) - Contract liabilities of \$128 million and \$43 million are included in the other current liabilities and other deferred credits, respectively in our Consolidated Balance Sheet.

**Receivables from Customers and Revenue Disaggregation** - Substantially all of the balances in accounts receivable on our Consolidated Balance Sheets at June 30, 2023 September 30, 2023, and December 31, 2022, relate to customer receivables. Revenue sources are disaggregated in Note M.

**Unsatisfied Performance Obligations** - We do not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) variable consideration on contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.

The following table presents aggregate value allocated to unsatisfied performance obligations as of June 30, 2023 September 30, 2023, and the amounts we expect to recognize in revenue in future periods, related primarily to firm transportation and storage contracts with remaining contract terms ranging from one month to 22 21 years:

Expected Period of Recognition in Revenue	Expected Period of Recognition in Revenue	(Millions of dollars)	Expected Period of Recognition in Revenue	(Millions of dollars)
Remainder of 2023	Remainder of 2023	\$ 226	Remainder of 2023	\$ 291
2024	2024	400	2024	1,125
2025	2025	296	2025	873
2026	2026	282	2026	708
2027 and beyond	2027 and beyond	908	2027 and beyond	2,281
Total	Total	\$ 2,112	Total	\$ 5,278

The table above excludes variable consideration allocated entirely to wholly unsatisfied performance obligations, wholly unsatisfied promises to transfer distinct goods or services that are part of a single performance obligation and consideration we determine to be fully constrained. The amounts we determined to be fully constrained relate to future sales obligations under long-term sales contracts where the value is not known and minimum volume agreements, which we consider to be fully constrained until invoiced.

## M. M. SEGMENTS

**Segment Descriptions** - Our operations are divided into three four reportable business segments as follows:

- our Natural Gas Gathering and Processing segment gathers, treats and processes natural gas;
- our Natural Gas Liquids segment gathers, treats, fractionates and transports NGLs and stores, markets and distributes purity Purity NGLs; and
- our Natural Gas Pipelines segment transports and stores natural gas, gas; and
- our Refined Products and Crude segment transports, stores and distributes Refined Products, certain NGLs and crude oil, as well as conducts certain commodity-related activities including liquids blending, fractionation and marketing activities. This new reportable business segment was added in conjunction with the Magellan Acquisition that closed on September 25, 2023. Results of operations for this business segment are included below for the period September 25, 2023, through September 30, 2023.

Other and eliminations consist of corporate and Merger Transaction related costs, the operating and leasing activities of our headquarters building and related parking facility, the activity of our wholly owned captive insurance company and eliminations necessary to reconcile our reportable segments to our Consolidated Financial Statements.

**Operating Segment Information** - The following tables set forth certain selected financial information for our operating segments for the periods indicated:

		Natural Gas Gathering and Processing				Natural Gas Liquids (a)				Natural Gas Pipelines (b)				Total Segments			
Three Months Ended June 30, 2023																	
Three Months Ended September 30, 2023																	

Three Months Ended September 30, 2023						Three Months Ended September 30, 2023								
						Total Segments	Other and Eliminations		Total					
(Millions of dollars)						(Millions of dollars)								
Reconciliations of total segments to consolidated	Reconciliations of total segments to consolidated					Reconciliations of total segments to consolidated								
NGL and condensate sales	NGL and condensate sales	\$	3,670	\$	(521)	\$	3,149	NGL and condensate sales	\$	4,073	\$	(624)	\$	3,449
Residue natural gas sales	Residue natural gas sales		219		—		219	Residue natural gas sales		282		—		282
Gathering, processing and exchange services revenue	Gathering, processing and exchange services revenue		168		—		168	Gathering, processing and exchange services revenue		186		—		186
Transportation and storage revenue	Transportation and storage revenue		191		(2)		189	Transportation and storage revenue		191		(3)		188
Other	Other		7		—		7	Other		85		(1)		84
Total revenues (a)	Total revenues (a)	\$	4,255	\$	(523)	\$	3,732	Total revenues (a)	\$	4,817	\$	(628)	\$	4,189
Cost of sales and fuel (exclusive of depreciation and operating costs)	Cost of sales and fuel (exclusive of depreciation and operating costs)	\$	(3,013)	\$	531	\$	(2,482)	Cost of sales and fuel (exclusive of depreciation and operating costs)	\$	(3,426)	\$	627	\$	(2,799)
Operating costs	Operating costs	\$	(325)	\$	(18)	\$	(343)	Operating costs	\$	(351)	\$	(1)	\$	(352)
Depreciation and amortization	Depreciation and amortization	\$	(168)	\$	(2)	\$	(170)	Depreciation and amortization	\$	(176)	\$	(1)	\$	(177)
Equity in net earnings from investments	Equity in net earnings from investments	\$	43	\$	—	\$	43	Equity in net earnings from investments	\$	49	\$	—	\$	49
Capital expenditures	Capital expenditures	\$	292	\$	13	\$	305	Capital expenditures	\$	386	\$	12	\$	398

(a) - Noncustomer revenue for the three months ended June 30, 2023 September 30, 2023, totaled \$102 million \$18 million related primarily to gains from derivatives on commodity sales contracts.

Three Months Ended June 30, 2022		Natural Gas Gathering and Processing		Natural Gas Liquids (a)		Natural Gas Pipelines (b)		Total Segments										
Three Months Ended September 30, 2022								Three Months Ended September 30, 2022		Natural Gas Gathering and Processing		Natural Gas Liquids (a)		Natural Gas Pipelines (b)		Total Segments		
		(Millions of dollars)						(Millions of dollars)										
NGL and condensate sales	NGL and condensate sales	\$	1,039	\$	5,010	\$	—	\$	6,049	NGL and condensate sales	\$	991	\$	4,749	\$	—	\$	5,740
Residue natural gas sales	Residue natural gas sales		660		—		1		661	Residue natural gas sales		824		—		3		827
Gathering, processing and exchange services revenue	Gathering, processing and exchange services revenue		37		140		—		177	Gathering, processing and exchange services revenue		36		139		—		175
Transportation and storage revenue	Transportation and storage revenue		—		40		130		170	Transportation and storage revenue		—		40		134		174



Other	Other	4	3	1	8	Other	8	3	—	11
Total revenues (c)	Total revenues (c)	1,740	5,193	132	7,065	Total revenues (c)	1,859	4,931	137	6,927
Cost of sales and fuel (exclusive of depreciation and operating costs)	Cost of sales and fuel (exclusive of depreciation and operating costs)	(1,398)	(4,543)	(1)	(5,942)	Cost of sales and fuel (exclusive of depreciation and operating costs)	(1,461)	(4,317)	(4)	(5,782)
Operating costs	Operating costs	(97)	(143)	(41)	(281)	Operating costs	(98)	(144)	(44)	(286)
Equity in net earnings from investments	Equity in net earnings from investments	1	9	26	36	Equity in net earnings from investments	2	11	26	39
Noncash compensation expense and other	Noncash compensation expense and other	6	1	—	7	Noncash compensation expense and other	2	4	2	8
Segment adjusted EBITDA	Segment adjusted EBITDA	\$ 252	\$ 517	\$ 116	\$ 885	Segment adjusted EBITDA	\$ 304	\$ 485	\$ 117	\$ 906
Depreciation and amortization	Depreciation and amortization	\$ (65)	\$ (75)	\$ (16)	\$ (156)	Depreciation and amortization	\$ (65)	\$ (76)	\$ (16)	\$ (157)
Capital expenditures	Capital expenditures	\$ 124	\$ 150	\$ 19	\$ 293	Capital expenditures	\$ 104	\$ 169	\$ 40	\$ 313

(a) - Our Natural Gas Liquids segment has regulated and nonregulated operations. Our Natural Gas Liquids segment's regulated operations had revenues of \$617 million \$672 million, of which \$568 million \$621 million related to revenues within the segment, cost of sales and fuel of \$152 million \$205 million and operating costs of \$82 \$84 million.

(b) - Our Natural Gas Pipelines segment has regulated and nonregulated operations. Our Natural Gas Pipelines segment's regulated operations had revenues of \$101 million \$102 million, cost of sales and fuel of \$7 million \$12 million and operating costs of \$36 \$37 million.

(c) - Intersegment revenues are primarily commodity sales, which are based on the contracted selling price that is generally index-based and settled monthly, and for our Natural Gas Gathering and Processing segment totaled \$1.1 billion \$1.0 billion. Intersegment revenues for our Natural Gas Liquids and Natural Gas Pipelines segments were not material.

Three Months Ended June 30, 2022		Total Segments	Other and Eliminations		Total				
Three Months Ended September 30, 2022					Three Months Ended September 30, 2022	Total Segments	Other and Eliminations		Total
	(Millions of dollars)				(Millions of dollars)				
Reconciliations of total segments to consolidated	Reconciliations of total segments to consolidated				Reconciliations of total segments to consolidated				
NGL and condensate sales	NGL and condensate sales	\$ 6,049	\$ (1,062)	\$ 4,987	NGL and condensate sales	\$ 5,740	\$ (1,006)	\$ 4,734	
Residue natural gas sales	Residue natural gas sales	661	—	661	Residue natural gas sales	827	—	827	
Gathering, processing and exchange services revenue	Gathering, processing and exchange services revenue	177	—	177	Gathering, processing and exchange services revenue	175	—	175	
Transportation and storage revenue	Transportation and storage revenue	170	(2)	168	Transportation and storage revenue	174	(2)	172	
Other	Other	8	(5)	3	Other	11	(5)	6	
Total revenues (a)	Total revenues (a)	\$ 7,065	\$ (1,069)	\$ 5,996	Total revenues (a)	\$ 6,927	\$ (1,013)	\$ 5,914	

Cost of sales and fuel (exclusive of depreciation and operating costs)	Cost of sales and fuel (exclusive of depreciation and operating costs)	\$	(5,942)	\$	1,064	\$	(4,878)	Cost of sales and fuel (exclusive of depreciation and operating costs)	\$	(5,782)	\$	1,009	\$	(4,773)
Operating costs	Operating costs	\$	(281)	\$	4	\$	(277)	Operating costs	\$	(286)	\$	—	\$	(286)
Depreciation and amortization	Depreciation and amortization	\$	(156)	\$	(2)	\$	(158)	Depreciation and amortization	\$	(157)	\$	—	\$	(157)
Equity in net earnings from investments	Equity in net earnings from investments	\$	36	\$	—	\$	36	Equity in net earnings from investments	\$	39	\$	—	\$	39
Capital expenditures	Capital expenditures	\$	293	\$	9	\$	302	Capital expenditures	\$	313	\$	14	\$	327

(a) - Noncustomer revenue for the three months ended **June 30, 2022** **September 30, 2022**, totaled **\$(133)** **\$(57)** million related primarily to losses from derivatives on commodity sales contracts.

		Natural Gas Gathering and Processing		Natural Gas Liquids (a)	Natural Gas Pipelines (b)	Total Segments										
Six Months Ended June 30, 2023																
Nine Months Ended September 30, 2023							Nine Months Ended September 30, 2023	Natural Gas Gathering and Processing	Natural Gas Liquids (a)	Natural Gas Pipelines (b)	Refined Products and Crude (d)	Total Segments				
	(Millions of dollars)						(Millions of dollars)									
NGL and condensate sales	NGL and condensate sales	\$	1,194	\$	6,671	\$ —	\$ 7,865	\$	1,835	\$	10,103	\$ —	\$ —	\$ 11,938		
Residue natural gas sales	Residue natural gas sales		787		—		25		1,066		—		28		1,094	
Gathering, processing and exchange services revenue	Gathering, processing and exchange services revenue		73		264		—		109		414		—		523	
Transportation and storage revenue	Transportation and storage revenue		—		95		291		—		143		434		577	
Other	Other		13		5		1		22		9		1		72	104
Total revenues (c)	Total revenues (c)		2,067		7,035		317		3,032		10,669		463		72	14,236
Cost of sales and fuel (exclusive of depreciation and operating costs)	Cost of sales and fuel (exclusive of depreciation and operating costs)		(1,260)		(5,722)		(15)		(1,787)		(8,597)		(17)		(22)	(10,423)
Operating costs	Operating costs		(220)		(313)		(94)		(339)		(481)		(145)		(13)	(978)
Equity in net earnings from investments	Equity in net earnings from investments		1		22		60		1		39		89		3	132
Noncash compensation expense	Noncash compensation expense		8		13		3		13		20		5		—	38
Other	Other		1		776		—		(1)		775		1		—	775
Segment adjusted EBITDA	Segment adjusted EBITDA	\$	597	\$	1,811	\$	271	\$	919	\$	2,425	\$	396	\$	40	\$ 3,780

Depreciation and amortization	Depreciation and amortization	\$	(134)	\$	(163)	\$	(33)	\$	(330)	Depreciation and amortization	\$	(202)	\$	(248)	\$	(50)	\$	(6)	\$	(506)
Investments in unconsolidated affiliates	Investments in unconsolidated affiliates	\$	27	\$	414	\$	443	\$	884	Investments in unconsolidated affiliates	\$	26	\$	417	\$	440	\$	911	\$	1,794
Total assets	Total assets	\$	6,854	\$	14,346	\$	2,384	\$	23,584	Total assets	\$	6,976	\$	14,988	\$	2,433	\$	19,185	\$	43,582
Capital expenditures	Capital expenditures	\$	182	\$	306	\$	85	\$	573	Capital expenditures	\$	308	\$	495	\$	155	\$	1	\$	959

(a) - Our Natural Gas Liquids segment has regulated and nonregulated operations. Our Natural Gas Liquids segment's regulated operations had revenues of **\$1.3 billion** ~~\$2.1 billion~~, of which **\$1.2 billion** ~~\$1.9 billion~~ related to revenues within the segment, cost of sales and fuel of **\$387 million** ~~\$627 million~~ and operating costs of **\$180 million** ~~\$273 million~~.

(b) - Our Natural Gas Pipelines segment has regulated and nonregulated operations. Our Natural Gas Pipelines segment's regulated operations had revenues of **\$219 million** ~~\$326 million~~, cost of sales and fuel of **\$23 million** ~~\$31 million~~ and operating costs of **\$79** ~~\$121~~ million.

(c) - Intersegment revenues are primarily commodity sales, which are based on the contracted selling price that is generally index-based and settled monthly, and for our Natural Gas Gathering and Processing segment totaled **\$1.2 billion** ~~\$1.8 billion~~. Intersegment revenues for our Natural Gas Liquids and Natural Gas Pipelines segments were not material.

(d) - Disaggregation of revenue for our Refined Products and Crude segment is preliminary and will be updated as we continue to evaluate these contracts.

Six Months Ended June 30, 2023		Total Segments	Other and Eliminations	Total										
Nine Months Ended September 30, 2023					Nine Months Ended September 30, 2023	Total Segments	Other and Eliminations	Total						
	(Millions of dollars)					(Millions of dollars)								
Reconciliations of total segments to consolidated	Reconciliations of total segments to consolidated				Reconciliations of total segments to consolidated									
NGL and condensate sales	NGL and condensate sales	\$	7,865	\$	(1,155)	\$	6,710	NGL and condensate sales	\$	11,938	\$	(1,779)	\$	10,159
Residue natural gas sales	Residue natural gas sales		812		—		812	Residue natural gas sales		1,094		—		1,094
Gathering, processing and exchange services revenue	Gathering, processing and exchange services revenue		337		—		337	Gathering, processing and exchange services revenue		523		—		523
Transportation and storage revenue	Transportation and storage revenue		386		(4)		382	Transportation and storage revenue		577		(7)		570
Other	Other		19		(7)		12	Other		104		(8)		96
Total revenues (a)	Total revenues (a)	\$	9,419	\$	(1,166)	\$	8,253	Total revenues (a)	\$	14,236	\$	(1,794)	\$	12,442
Cost of sales and fuel (exclusive of depreciation and operating costs)	Cost of sales and fuel (exclusive of depreciation and operating costs)	\$	(6,997)	\$	1,168	\$	(5,829)	Cost of sales and fuel (exclusive of depreciation and operating costs)	\$	(10,423)	\$	1,795	\$	(8,628)
Operating costs	Operating costs	\$	(627)	\$	(12)	\$	(639)	Operating costs	\$	(978)	\$	(3)	\$	(981)
Depreciation and amortization	Depreciation and amortization	\$	(330)	\$	(2)	\$	(332)	Depreciation and amortization	\$	(506)	\$	(3)	\$	(509)
Equity in net earnings from investments	Equity in net earnings from investments	\$	83	\$	—	\$	83	Equity in net earnings from investments	\$	132	\$	—	\$	132
Investments in unconsolidated affiliates	Investments in unconsolidated affiliates	\$	884	\$	1	\$	885	Investments in unconsolidated affiliates	\$	1,794	\$	1	\$	1,795
Total assets	Total assets	\$	23,584	\$	454	\$	24,038	Total assets	\$	43,582	\$	357	\$	43,939
Capital expenditures	Capital expenditures	\$	573	\$	21	\$	594	Capital expenditures	\$	959	\$	33	\$	992

(a) - Noncustomer revenue for the **six** ~~nine~~ months ended **June 30, 2023** ~~September 30, 2023~~, totaled **\$142 million** ~~\$160 million~~ related primarily to gains from derivatives on commodity sales contracts.

Six Months Ended June 30, 2022	Natural Gas Gathering and Processing	Natural Gas Liquids (a)	Natural Gas Pipelines (b)	Total Segments						
Nine Months Ended September 30, 2022					Nine Months Ended September 30, 2022	Natural Gas Gathering and Processing	Natural Gas Liquids (a)	Natural Gas Pipelines (b)	Total Segments	
	(Millions of dollars)					(Millions of dollars)				
NGL and condensate sales	NGL and condensate sales	\$ 2,043	\$ 9,559	\$ —	\$ 11,602	NGL and condensate sales	\$ 3,034	\$ 14,308	\$ —	\$ 17,342
Residue natural gas sales	Residue natural gas sales	1,211	—	27	1,238	Residue natural gas sales	2,035	—	30	2,065
Gathering, processing and exchange services revenue	Gathering, processing and exchange services revenue	68	276	—	344	Gathering, processing and exchange services revenue	104	415	—	519
Transportation and storage revenue	Transportation and storage revenue	—	87	253	340	Transportation and storage revenue	—	127	387	514
Other	Other	10	5	1	16	Other	18	8	1	27
Total revenues (c)	Total revenues (c)	3,332	9,927	281	13,540	Total revenues (c)	5,191	14,858	418	20,467
Cost of sales and fuel (exclusive of depreciation and operating costs)	Cost of sales and fuel (exclusive of depreciation and operating costs)	(2,687)	(8,632)	(18)	(11,337)	Cost of sales and fuel (exclusive of depreciation and operating costs)	(4,148)	(12,949)	(22)	(17,119)
Operating costs	Operating costs	(191)	(272)	(82)	(545)	Operating costs	(289)	(416)	(126)	(831)
Equity in net earnings from investments	Equity in net earnings from investments	3	14	55	72	Equity in net earnings from investments	5	25	81	111
Noncash compensation expense and other	Noncash compensation expense and other	10	8	4	22	Noncash compensation expense and other	12	12	6	30
Segment adjusted EBITDA	Segment adjusted EBITDA	\$ 467	\$ 1,045	\$ 240	\$ 1,752	Segment adjusted EBITDA	\$ 771	\$ 1,530	\$ 357	\$ 2,658
Depreciation and amortization	Depreciation and amortization	\$ (128)	\$ (150)	\$ (31)	\$ (309)	Depreciation and amortization	\$ (193)	\$ (226)	\$ (47)	\$ (466)
Investments in unconsolidated affiliates	Investments in unconsolidated affiliates	\$ 28	\$ 415	\$ 358	\$ 801	Investments in unconsolidated affiliates	\$ 28	\$ 414	\$ 362	\$ 804
Total assets	Total assets	\$ 7,085	\$ 15,183	\$ 2,176	\$ 24,444	Total assets	\$ 7,079	\$ 14,987	\$ 2,205	\$ 24,271
Capital expenditures	Capital expenditures	\$ 217	\$ 276	\$ 42	\$ 535	Capital expenditures	\$ 321	\$ 445	\$ 82	\$ 848
(a) - Our Natural Gas Liquids segment has regulated and nonregulated operations. Our Natural Gas Liquids segment's regulated operations had revenues of \$1.2 billion \$1.9 billion, of which \$1.1 billion \$1.7 billion related to revenues within the segment, cost of sales and fuel of \$298 million \$503 million and operating costs of \$157 \$241 million.										
(b) - Our Natural Gas Pipelines segment has regulated and nonregulated operations. Our Natural Gas Pipelines segment's regulated operations had revenues of \$227 million \$329 million, cost of sales and fuel of \$28 million \$40 million and operating costs of \$71 \$108 million.										
(c) - Intersegment revenues are primarily commodity sales, which are based on the contracted selling price that is generally index-based and settled monthly, and for our Natural Gas Gathering and Processing segment totaled \$2.1 billion \$3.1 billion. Intersegment revenues for our Natural Gas Liquids and Natural Gas Pipelines segments were not material.										
Six Months Ended June 30, 2022	Total Segments	Other and Eliminations	Total							

Nine Months Ended September 30, 2022					Nine Months Ended September 30, 2022				
					Total Segments	Other and Eliminations		Total	
(Millions of dollars)					(Millions of dollars)				
Reconciliations of total segments to consolidated	Reconciliations of total segments to consolidated				Reconciliations of total segments to consolidated				
NGL and condensate sales	NGL and condensate sales	\$ 11,602	\$ (2,090)	\$ 9,512	NGL and condensate sales	\$ 17,342	\$ (3,096)	\$ 14,246	
Residue natural gas sales	Residue natural gas sales	1,238	—	1,238	Residue natural gas sales	2,065	—	2,065	
Gathering, processing and exchange services revenue	Gathering, processing and exchange services revenue	344	—	344	Gathering, processing and exchange services revenue	519	—	519	
Transportation and storage revenue	Transportation and storage revenue	340	(4)	336	Transportation and storage revenue	514	(6)	508	
Other	Other	16	(5)	11	Other	27	(10)	17	
Total revenues (a)	Total revenues (a)	\$ 13,540	\$ (2,099)	\$ 11,441	Total revenues (a)	\$ 20,467	\$ (3,112)	\$ 17,355	
Cost of sales and fuel (exclusive of depreciation and operating costs)	Cost of sales and fuel (exclusive of depreciation and operating costs)	\$ (11,337)	\$ 2,093	\$ (9,244)	Cost of sales and fuel (exclusive of depreciation and operating costs)	\$ (17,119)	\$ 3,102	\$ (14,017)	
Operating costs	Operating costs	\$ (545)	\$ 4	\$ (541)	Operating costs	\$ (831)	\$ 4	\$ (827)	
Depreciation and amortization	Depreciation and amortization	\$ (309)	\$ (3)	\$ (312)	Depreciation and amortization	\$ (466)	\$ (3)	\$ (469)	
Equity in net earnings from investments	Equity in net earnings from investments	\$ 72	\$ —	\$ 72	Equity in net earnings from investments	\$ 111	\$ —	\$ 111	
Investments in unconsolidated affiliates	Investments in unconsolidated affiliates	\$ 801	\$ —	\$ 801	Investments in unconsolidated affiliates	\$ 804	\$ —	\$ 804	
Total assets	Total assets	\$ 24,444	\$ 83	\$ 24,527	Total assets	\$ 24,271	\$ 168	\$ 24,439	
Capital expenditures	Capital expenditures	\$ 535	\$ 24	\$ 559	Capital expenditures	\$ 848	\$ 38	\$ 886	

(a) - Noncustomer revenue for the ~~six~~ **nine** months ended ~~June 30, 2022~~ **September 30, 2022**, totaled ~~\$(307)~~ **\$(364)** million related primarily to losses from derivatives on commodity sales contracts.

		Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022	2023	2022	2023	2022
		(Millions of dollars)				(Millions of dollars)			
Reconciliation of net income to total segment adjusted EBITDA	Reconciliation of net income to total segment adjusted EBITDA					Reconciliation of net income to total segment adjusted EBITDA			
Net income	Net income	\$ 468	\$ 414	\$ 1,517	\$ 805	Net income	\$ 454	\$ 432	\$ 1,971
Add:	Add:					Add:			
Interest expense, net of capitalized interest	Interest expense, net of capitalized interest	180	171	346	343	Interest expense, net of capitalized interest	215	167	561
Depreciation and amortization	Depreciation and amortization	170	158	332	312	Depreciation and amortization	177	157	509
Income taxes	Income taxes	145	131	475	253	Income taxes	141	132	616

Noncash compensation expense and other	Noncash compensation expense and other	8	12	18	37	Noncash compensation expense and other	14	14	32	51
Other corporate costs (b)	Other corporate costs (b)	(1)	(1)	(9)	2	Other corporate costs (b)	100	4	91	6
Total segment adjusted EBITDA (a)	Total segment adjusted EBITDA (a)	\$ 970	\$ 885	\$ 2,679	\$ 1,752	Total segment adjusted EBITDA (a)	\$ 1,101	\$ 906	\$ 3,780	\$ 2,658

(a) - The six nine months ended June 30, 2023 September 30, 2023 includes \$702 \$667 million related to the Medford incident, including a settlement gain of \$779 million, offset partially by \$77 \$112 million of third-party fractionation costs.

(b) - Includes costs related to the Magellan Acquisition of \$123 million, offset partially by interest income of \$26 million for the three months ended September 30, 2023, and costs related to the Magellan Acquisition of \$133 million, offset partially by interest income of \$42 million for the nine months ended September 30, 2023.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our unaudited Consolidated Financial Statements and the Notes to Consolidated Financial Statements in this Quarterly Report, as well as our Annual Report.

### RECENT DEVELOPMENTS

Please refer to the "Financial Results and Operating Information" and "Liquidity and Capital Resources" sections of Management's Discussion and Analysis of Financial Condition and Results of Operations in this Quarterly Report for additional information.

**Magellan Acquisition** - On September 25, 2023, we completed the previously announced agreement to acquire all the outstanding common units of Magellan in a cash-and-stock transaction. The acquisition strategically diversifies our complementary asset base and allows for significant expected synergies as a combined entity. Pursuant to the Merger Agreement, each common unit of Magellan was exchanged for a fixed ratio of 0.667 shares of ONEOK common stock and \$25.00 of cash, for a total consideration of \$14.1 billion. A total of approximately 135 million shares of common stock were issued, with a fair value of approximately \$9.0 billion as of the closing date of the Magellan Acquisition. We funded the cash portion of the acquisition with an underwritten public offering of \$5.25 billion senior unsecured notes.

For additional information on the Magellan Acquisition, see Note B of the Notes to Consolidated Financial Statements in this Quarterly Report. See Part 2, Item 1A "Risk Factors" for further discussion of risks related to the Magellan Acquisition. Additional information regarding the financial results and operating information of our Refined Products and Crude segment subsequent to the closing of the Magellan Acquisition is provided in "Financial Results and Operating Information".

**Market Conditions and Business Update** - We experienced increased volumes across our system in the second third quarter 2023, compared with the second third quarter 2022, due primarily to increased producer activity in the Rocky Mountain region and Permian Basin, highlighting our extensive and integrated assets that are located in, and connected to, with, some of the most productive shale basins, as well as refineries and demand centers, in the United States. Although the energy industry has experienced many commodity cycles, we have positioned ourselves to reduce exposure to direct commodity price volatility. Each of our three four reportable segments are primarily fee-based, and we expect our consolidated earnings to be approximately 90% more than 85% fee-based in 2023. While our Natural Gas Gathering and Processing segment's earnings are primarily fee-based, we have direct commodity price exposure related primarily to fee with POP contracts, and we have hedged approximately 70% of our forecasted equity volumes for the remainder of 2023. In addition, our Natural Gas Gathering and Processing and Natural Gas Liquids segments are exposed to volumetric risk as a result of drilling and completion activity, severe weather disruptions, operational outages, global crude oil, NGL and natural gas demand, changes in gas-to-oil ratios and normal volumetric well declines. Our Refined Products and Crude segment is exposed to volumetric risk due to demand for Refined Products and crude oil in the markets we serve. Our Natural Gas Pipelines segment is not exposed to significant volumetric risk due to nearly all of our capacity being subscribed under long-term, firm fee-based contracts.

**Merger Transaction** - On May 14, 2023, we announced an agreement to acquire all of the outstanding common units of Magellan in a cash-and-stock transaction. Magellan primarily transports, stores and distributes refined petroleum products and crude oil. Pursuant to the Merger Agreement, each common unit of Magellan will be exchanged for a fixed ratio of 0.667 shares of ONEOK common stock and \$25.00 of cash, in a taxable transaction to Magellan unitholders. ONEOK, ONEOK Partners and the Intermediate Partnership expect to issue guarantees of Magellan's debt, which we expect to remain outstanding. For the three and six months ended June 30, 2023, we incurred \$18 million of Merger Transaction related costs, of which \$9 million relates to bridge facility commitment fees included in interest expense, and \$9 million is included in operations and maintenance in our Consolidated Statement of Income.

Our Board of Directors and the Board of Directors of the general partner of Magellan both unanimously approved the Merger Agreement. The Merger Transaction is expected to close during the third quarter of 2023, subject to the approval of both ONEOK shareholders and Magellan unitholders and other customary closing conditions. In June 2023, the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 expired, which satisfies one of the conditions to the closing of the Merger Transaction. See Part 2, Item 1A "Risk Factors" for further discussion of risks related to the Merger Transaction.

For additional information on the Merger Transaction, see Note B of the Notes to Consolidated Financial Statements in this Quarterly Report.

**Medford Incident** - On July 9, 2022, a fire occurred at our 210 MBbl/d Medford, Oklahoma, natural gas liquids fractionation facility. On January 9, 2023, we reached an agreement with our insurers to settle all claims for physical damage and business interruption related to the Medford incident. Under the terms of the settlement agreement, we agreed to resolve the claims for total insurance payments of \$930 million, \$100 million of which was received in 2022. The remaining \$830 million was received in the first quarter 2023,

resulting in a one-time settlement gain of \$779 million. The proceeds serve as settlement for property damage, business interruption claims to the date of settlement and as payment in lieu of future business interruption insurance claims.

In the first half of 2023, the The Medford incident resulted in an increase in operating income and adjusted EBITDA of \$702 million, compared with the same period \$697 million due to a favorable impact of \$667 million in the prior year, due to nine months ended September 30, 2023, from the settlement gain of \$779 million, which was offset partially by \$77 million \$112 million of third-party fractionation costs, costs compared with an approximately \$30 million unfavorable impact of the 45-day waiting period in the nine months ended September 30, 2022. We expect our cash from operations in the remainder of 2023 and in 2024 to be impacted by incurred costs resulting from the Medford incident for which we no longer receive business interruption proceeds.

Due to market demand and a more favorable completion schedule, we announced plans to construct a new 125 MBbl/d MB-6 NGL fractionator in Mont Belvieu, Texas, instead of rebuilding our Medford NGL fractionator at this time. The MB-6 fractionator will produce purity ethane instead of the ethane/propane mix previously produced at the Medford facility. The 125 MBbl/d capacity of the MB-6 fractionator is expected to be economically comparable to the capacity lost at Medford. In addition, our 125 MBbl/d MB-5 NGL fractionator was completed in April 2023, which has reduced the need for third-party fractionation while the new MB-6 fractionator is being constructed.

**Sustainability and Social Responsibility** - Through our participation in the 2022 S&P Global Corporate Sustainability Assessment, we qualified for inclusion in the S&P Global Sustainability Yearbook for the third consecutive year, ranking in the top 10% of the Oil and Gas Storage and Transportation industry and being recognized as an Industry Mover. We continue to look for ways to reduce our GHG emissions and utilize more efficient technologies. We are evaluating the development of renewable energy and low-carbon projects, including opportunities that may complement our midstream assets and expertise.

**Natural Gas** - In our Natural Gas Gathering and Processing segment, processed volumes increased in the second third quarter 2023, compared with the second third quarter 2022, due primarily to increased producer activity in the Rocky Mountain and Mid-Continent regions.

In our Natural Gas Pipelines segment, as a result of recently completed expansion projects, we fully subscribed an additional 4 Bcf of our existing storage capacity in Oklahoma through 2027, with 90% subscribed through 2029. In addition, we are nearing the completion of the electrification of certain compression assets on Viking to improve the reliability of our operations while lowering our Scope 1 emissions from this equipment. Viking is seeking to recover its investment in the project through a proposed increase in rates filed in July 2023.

**NGLs** - In our Natural Gas Liquids segment, we benefited from increased volumes in the second third quarter 2023, compared with the second third quarter 2022, due primarily to increased production across our integrated system.

We have begun initial work, primarily on long lead time components, for two NGL pipeline expansion projects. Activities are underway to complete the looping of the West Texas NGL pipeline, which will more than double our NGL capacity out of the Permian Basin. The full loop is expected to be in service in the Permian Basin and first quarter of 2025. We also are taking steps towards expanding the Elk Creek pipeline to 400 MBbl/d to provide capacity for growing volumes in the Rocky Mountain region.

**Ethane Economics** - Price differentials between ethane and natural gas can cause natural gas processors to recover ethane or leave it in the natural gas stream, known as ethane rejection. As a result of these ethane economics, ethane volumes on our system can fluctuate. Ethane volumes under long-term contracts delivered to our NGL system increased approximately 10 35 MBbl/d to an average of 490 MBbl/d in the second third quarter 2023, compared with an average of 480 455 MBbl/d in the second third quarter 2022, due primarily to changes in ethane extraction economics. We estimate that there are approximately 250 MBbl/d of discretionary ethane, consisting of approximately 150 MBbl/d in the Rocky Mountain region and approximately 100 MBbl/d in the Mid-Continent region, that could be recovered and transported on our system.

**Capital Projects** - We operate an integrated, reliable and diversified network of NGL and natural gas gathering, processing, fractionation, transportation and storage assets connecting supply in the Rocky Mountain, Mid-Continent and Permian regions with key market centers. Our primary capital projects are outlined in the table below:

Project	Scope	Approximate Cost (a)	Completion
<b>Natural Gas Gathering and Processing</b>		<i>(In millions)</i>	
Demicks Lake III plant	200 MMcf/d processing plant in the core of the Williston Basin	\$188	Completed
<b>Natural Gas Liquids</b>			
MB-5 fractionator	125 MBbl/d NGL fractionator in Mont Belvieu, Texas	\$750	Completed
MB-6 fractionator	125 MBbl/d NGL fractionator in Mont Belvieu, Texas	\$550	First Quarter 2025
West Texas NGL pipeline expansion	Increase capacity to 740 MBbl/d in the Permian Basin	\$520	First Quarter 2025
<b>Natural Gas Pipelines</b>			
Viking compression	Upgrade reliability of certain compressor assets	\$95	Third Fourth Quarter 2023

(a) - Excludes capitalized interest/AFUDC.

**Debt Issuances** - In August 2023, we completed an underwritten public offering of \$5.25 billion senior unsecured notes consisting of \$750 million, 5.55% senior notes due 2026; \$750 million, 5.65% senior notes due 2028; \$500 million, 5.80% senior notes due 2030; \$1.5 billion, 6.05% senior notes due 2033; and \$1.75 billion, 6.625% senior notes due 2053. The net proceeds, after deducting underwriting discounts, commissions and offering expenses, were \$5.2 billion. The net proceeds were used to fund the cash consideration and other costs related to the Magellan Acquisition.



**Debt Repayments** - In June 2023, we redeemed our \$500 million, 7.5% senior notes due September 2023 at 100% of the principal amount, plus accrued and unpaid interest, with cash on hand.

In February 2023, we redeemed our \$425 million, 5.0% senior notes due September 2023 at 100% of the principal amount, plus accrued and unpaid interest, with cash on hand.

**Dividends** - In February, May and May August 2023, we paid a quarterly common stock dividend of \$0.955 per share (\$3.82 per share on an annualized basis), an increase of 2% compared with the same quarters in the prior year. Our dividend growth is due primarily to the increase in cash flows resulting from the growth of our operations. We declared a quarterly common stock dividend of \$0.955 per share (\$3.82 per share on an annualized basis) in July October 2023. The quarterly common stock dividend will be paid August 14, 2023 November 14, 2023, to shareholders of record at the close of business on August 1, 2023 November 1, 2023.

**Goodwill Impairment Review** - We assess our goodwill for impairment at least annually as of July 1, unless events or changes in circumstances indicate an impairment may have occurred before that time. At July 1, 2023, we assessed qualitative factors to determine whether it was more likely than not that the fair value of each of our reporting units with goodwill was less than its carrying amount. After assessing qualitative factors (including macroeconomic conditions, industry and market considerations, costs and overall financial performance), we determined that it was more likely than not that the fair value of the Natural Gas Pipelines and Natural Gas Liquids reporting units was not less than their respective carrying value, that no further testing was necessary, and that goodwill was not considered impaired.

## FINANCIAL RESULTS AND OPERATING INFORMATION

### How We Evaluate Our Operations

Management uses a variety of financial and operating metrics to analyze our performance. Our consolidated financial metrics include: (1) operating income; (2) net income; (3) diluted EPS; and (4) adjusted EBITDA. We evaluate segment operating results using adjusted EBITDA and our operating metrics, which include various volume and rate statistics that are relevant for the respective segment. These operating metrics allow investors to analyze the various components of segment financial results in terms of volumes and rate/price. Management uses these metrics to analyze historical segment financial results and as the key inputs for forecasting and budgeting segment financial results. For additional information on our operating metrics, see the respective segment subsections of this "Financial Results and Operating Information" section.

**Non-GAAP Financial Measures** - Adjusted EBITDA is a non-GAAP measure of our financial performance. Adjusted EBITDA is defined as net income adjusted for interest expense, depreciation and amortization, noncash impairment charges, income taxes, allowance for equity funds used during construction, noncash compensation expense and certain other noncash items. We believe this non-GAAP financial measure is useful to investors because it and similar measures are used by many

companies in our industry as a measurement of financial performance and is commonly employed by financial analysts and others to evaluate our financial performance and to compare financial performance among companies in our industry. Adjusted EBITDA should not be considered an alternative to net income, EPS or any other measure of financial performance presented in accordance with GAAP. Additionally, this calculation may not be comparable with similarly titled measures of other companies.

### Consolidated Operations

**Selected Financial Results** - The following table sets forth certain selected financial results for the periods indicated:

Financial Results	Financial Results	Three Months Ended		Six Months Ended		Three Months	Six Months	Financial Results	Three Months Ended		Nine Months Ended		Three Months	Nine Months
						Months	Months						Months	Months
		June 30,		June 30,		2023 vs. 2022	2023 vs. 2022		September 30,		September 30,		2023 vs. 2022	2023 vs. 2022
		2023	2022	2023	2022	\$ Increase (Decrease)	\$ Increase (Decrease)		2023	2022	2023	2022	\$ Increase (Decrease)	\$ Increase (Decrease)
(Millions of dollars, except per share amounts)														
Revenues	Revenues													
Commodity sales	Commodity sales	\$ 3,371	\$ 5,651	\$ 7,527	\$ 10,756	(2,280)	(3,229)	Commodity sales	\$ 3,760	\$ 5,564	\$ 11,287	\$ 16,320	(1,804)	(5,033)
Services	Services	361	345	726	685	16	41	Services	429	350	1,155	1,035	79	120
Total revenues	Total revenues	3,732	5,996	8,253	11,441	(2,264)	(3,188)	Total revenues	4,189	5,914	12,442	17,355	(1,725)	(4,913)
Cost of sales and fuel (exclusive of items shown separately below)	Cost of sales and fuel (exclusive of items shown separately below)	2,482	4,878	5,829	9,244	(2,396)	(3,415)	Cost of sales and fuel (exclusive of items shown separately below)	2,799	4,773	8,628	14,017	(1,974)	(5,389)
Operating costs	Operating costs	343	277	639	541	66	98	Operating costs	352	286	981	827	66	154
Depreciation and amortization	Depreciation and amortization	170	158	332	312	12	20	Depreciation and amortization	177	157	509	469	20	40



Transaction costs								Transaction costs	123	—	133	—	123	133
Other operating (income) expense, net	Other operating (income) expense, net	—	(6)	(781)	(7)	(6)	774	Other operating (income) expense, net	(1)	(2)	(782)	(9)	(1)	773
Operating income	Operating income	\$ 737	\$ 689	\$ 2,234	\$ 1,351	48	883	Operating income	\$ 739	\$ 700	\$ 2,973	\$ 2,051	39	922
Equity in net earnings from investments	Equity in net earnings from investments	\$ 43	\$ 36	\$ 83	\$ 72	7	11	Equity in net earnings from investments	\$ 49	\$ 39	\$ 132	\$ 111	10	21
Interest expense, net of capitalized interest	Interest expense, net of capitalized interest	\$ (180)	\$ (171)	\$ (346)	\$ (343)	9	3	Interest expense, net of capitalized interest	\$ (215)	\$ (167)	\$ (561)	\$ (510)	48	51
Net income	Net income	\$ 468	\$ 414	\$ 1,517	\$ 805	54	712	Net income	\$ 454	\$ 432	\$ 1,971	\$ 1,237	22	734
Diluted EPS	Diluted EPS	\$ 1.04	\$ 0.92	\$ 3.38	\$ 1.80	0.12	1.58	Diluted EPS	\$ 0.99	\$ 0.96	\$ 4.36	\$ 2.76	0.03	1.60
Adjusted EBITDA	Adjusted EBITDA	\$ 971	\$ 886	\$ 2,688	\$ 1,750	85	938	Adjusted EBITDA	\$ 1,001	\$ 902	\$ 3,689	\$ 2,652	99	1,037
Capital expenditures	Capital expenditures	\$ 305	\$ 302	\$ 594	\$ 559	3	35	Capital expenditures	\$ 398	\$ 327	\$ 992	\$ 886	71	106

See reconciliation of net income to adjusted EBITDA in the "Non-GAAP Financial Measures" section.

Changes in commodity prices and sales volumes affect both revenues and cost of sales and fuel in our Consolidated Statements of Income and, therefore, the impact is largely offset between these line items.

Operating income increased \$48 million \$39 million for the three months ended June 30, 2023 September 30, 2023, compared with the same period in 2022, primarily as a result of the following:

- *Natural Gas Liquids* - an increase of \$64 million \$76 million in exchange services due primarily to higher volumes in the Rocky Mountain region across our system, and Permian Basin, offset partially by \$31 million an increase of third-party fractionation costs resulting from the Medford incident and \$15 million \$67 million in lower optimization and marketing earnings; due primarily to higher earnings on sales of Purity NGLs held in inventory;
- *Natural Gas Gathering and Processing* - an increase of \$66 million \$54 million from higher volumes in the Rocky Mountain and Mid-Continent regions; regions, offset partially by \$14 million due primarily to lower realized NGL prices, net of hedging;
- *Refined Products and Crude* - an increase due to the impact of the Magellan Acquisition for the period of September 25, 2023, through September 30, 2023; and
- *Natural Gas Pipelines* - an increase of \$16 million \$9 million in transportation and storage services due primarily to higher firm and interruptible transportation volumes and higher firm storage park and loan activity; volumes; offset by
- *Consolidated Operating and Transaction Costs* - an increase of \$66 million \$189 million due primarily to higher employee-related costs, outside services, property insurance and transaction costs related to the Merger Transaction, Magellan Acquisition, higher employee-related costs and outside services due to the growth of our operations and higher property insurance premiums.

Operating income increased \$883 \$922 million for the six nine months ended June 30, 2023 September 30, 2023, compared with the same period in 2022, primarily as a result of the following:

- *Natural Gas Liquids* - an increase of \$702 \$697 million related to the Medford incident due to the settlement gain of \$779 million, offset partially by \$77 million of third-party fractionation costs, and an increase of \$93 million \$168 million in exchange services due primarily to higher volumes in the Rocky Mountain region and Permian Basin; services;
- *Natural Gas Gathering and Processing* - an increase of \$97 million \$151 million from higher volumes in the Rocky Mountain and Mid-Continent regions and an increase of \$65 million \$51 million due primarily to higher average fee rates;
- *Refined Products and Crude* - an increase due to the impact of the Magellan Acquisition for the period of September 25, 2023, through September 30, 2023; and
- *Natural Gas Pipelines* - an increase of \$38 million \$47 million in transportation and storage services due primarily to higher storage rates, higher firm and interruptible transportation volumes and higher short-term storage park and loan activity; offset by
- *Consolidated Operating, Depreciation and Transaction Costs* - an increase of \$98 million \$327 million due primarily to transaction costs related to the Magellan Acquisition, higher employee-related costs, outside services and depreciation expense due primarily to the growth of our operations, and higher property insurance and costs related to the Merger Transaction. premiums.

Net income and diluted EPS increased for the three and six nine months ended June 30, 2023 September 30, 2023, compared with the same periods in 2022, due primarily to the items discussed above, benefits related to the mark-to-market of investments associated with certain benefit plan investments, higher interest income due to both higher cash balances and higher interest rates, and higher equity in net earnings from investments, with the nine months ended September 30, 2023 favorably impacted by the mark-to-market of investments associated with certain benefit plan investments. These increases were offset partially by Merger Transaction higher income taxes and higher interest expense due to both higher debt balances and by transaction costs included in interest expense related to bridge facility commitment fees.

Capital expenditures increased for the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023**, compared with the same periods in 2022, due primarily to our growth projects.

Additional information regarding our financial results and operating information is provided in the following discussion for each of our segments.

## Natural Gas Gathering and Processing

**Overview** - Our Natural Gas Gathering and Processing segment provides midstream services to producers in North Dakota, Montana, Wyoming, Kansas and Oklahoma. Raw natural gas is typically gathered at the wellhead, compressed and transported through pipelines to our processing facilities. Most raw natural gas produced at the wellhead also contains a mixture of **condensate and** NGL components, including ethane, propane, iso-butane, normal butane and natural gasoline. Processed natural gas, usually referred to as residue natural gas, is then recompressed and delivered to natural gas pipelines, storage facilities and end users. The NGLs separated from the raw natural gas are sold and delivered through NGL pipelines to fractionation facilities for further processing.

Our Natural Gas Gathering and Processing segment's earnings are primarily fee-based, but we have some direct commodity price exposure related primarily to fee with POP contracts. Under certain fee with POP contracts, our contractual fees and POP percentage may increase or decrease if production volumes, delivery pressures or commodity prices change relative to specified thresholds. To mitigate the impact of this commodity price exposure, we have hedged a significant portion of our Natural Gas Gathering and Processing segment's commodity price risk for the remainder of 2023 and into 2024. This segment has substantial long-term acreage dedications in some of the most productive areas of the Williston Basin and **Mid-Continent region**, which helps to mitigate long-term volumetric risk.

**Capital Projects** - Our Natural Gas Gathering and Processing segment has invested in growth projects in NGL-rich areas in the Williston Basin. See "Capital Projects" in the "Recent Developments" section for more information on our capital projects.

For a discussion of our capital expenditure financing, see "Capital Expenditures" in the "Liquidity and Capital Resources" section.

**Selected Financial Results and Operating Information** - The following tables set forth certain selected financial results and operating information for our Natural Gas Gathering and Processing segment for the periods indicated:

Financial Results	Financial Results	Three Months Ended		Six Months Ended		Three Months	Six Months	Financial Results	Three Months Ended		Nine Months Ended		Three Months	Nine Months
						2023 vs.	2023 vs.						2023 vs.	2023 vs.
		June 30,		June 30,		2022	2022		September 30,		September 30,		2022	2022
		2023	2022	2023	2022	\$ Increase (Decrease)	\$ Increase (Decrease)		2023	2022	2023	2022	\$ Increase (Decrease)	\$ Increase (Decrease)
(Millions of dollars)								(Millions of dollars)						
NGL and condensate sales	NGL and condensate sales	\$ 550	\$ 1,039	\$ 1,194	\$ 2,043	(489)	(849)	NGL and condensate sales	\$ 641	\$ 991	\$ 1,835	\$ 3,034	(350)	(1,199)
Residue natural gas sales	Residue natural gas sales	219	660	787	1,211	(441)	(424)	Residue natural gas sales	279	824	1,066	2,035	(545)	(969)
Gathering, compression, dehydration and processing fees and other revenue	Gathering, compression, dehydration and processing fees and other revenue	40	41	86	78	(1)	8	Gathering, compression, dehydration and processing fees and other revenue	45	44	131	122	1	9
Cost of sales and fuel (exclusive of depreciation and operating costs)	Cost of sales and fuel (exclusive of depreciation and operating costs)	(385)	(1,398)	(1,260)	(2,687)	(1,013)	(1,427)	Cost of sales and fuel (exclusive of depreciation and operating costs)	(527)	(1,461)	(1,787)	(4,148)	(934)	(2,361)
Operating costs, excluding noncash compensation adjustments	Operating costs, excluding noncash compensation adjustments	(111)	(95)	(212)	(184)	16	28	Operating costs, excluding noncash compensation adjustments	(114)	(95)	(326)	(279)	19	47
Equity in net earnings from investments	Equity in net earnings from investments	1	1	1	3	—	(2)	Equity in net earnings from investments	—	2	1	5	(2)	(4)
Other	Other	—	4	1	3	(4)	(2)	Other	(2)	(1)	(1)	2	(1)	(3)

Adjusted EBITDA	Adjusted EBITDA	\$ 314	\$ 252	\$ 597	\$ 467	62	130	Adjusted EBITDA	\$ 322	\$ 304	\$ 919	\$ 771	18	148
Capital expenditures	Capital expenditures	\$ 84	\$ 124	\$ 182	\$ 217	(40)	(35)	Capital expenditures	\$ 126	\$ 104	\$ 308	\$ 321	22	(13)

See reconciliation of net income to adjusted EBITDA in the "Non-GAAP Financial Measures" section.

Changes in commodity prices and sales volumes affect both revenues and cost of sales and fuel and, therefore, the impact is largely offset between these line items.

Adjusted EBITDA increased \$62 million \$18 million for the three months ended June 30, 2023 September 30, 2023, compared with the same period in 2022, primarily as a result of the following:

- an increase of \$54 million from higher volumes due primarily to increased producer activity in the Rocky Mountain and Mid-Continent regions; *offset by*
- an increase of \$19 million in operating costs due primarily to higher employee-related costs, outside services and materials and supplies expense due primarily to the growth of our operations and higher property insurance premiums; *and*
- a decrease of \$14 million due primarily to lower realized NGL prices, net of hedging.

Adjusted EBITDA increased \$148 million for the nine months ended September 30, 2023, compared with the same period in 2022, primarily as a result of the following:

- an increase of \$66 million \$151 million from higher volumes due primarily to increased producer activity in the Rocky Mountain and Mid-Continent regions, and the impact of severe weather in the Rocky Mountain region in the second quarter 2022; *and*
- an increase of \$16 million \$51 million due primarily to higher average fee rates, offset partially by lower realized NGL prices, net of hedging; *offset by*
- an increase of \$16 million \$47 million in operating costs due primarily to higher employee-related costs, outside services and materials and supplies expense due primarily to the growth of our operations and higher employee-related costs, property insurance premiums.

Adjusted EBITDA Capital expenditures increased \$130 million for the six three months ended June 30, 2023 September 30, 2023, compared with the same period in 2022, primarily as a result of the following:

- an increase of \$97 million from higher volumes due primarily to increased producer activity in the Rocky Mountain and Mid-Continent regions, and the impact of severe weather in the Rocky Mountain region in the second quarter 2022; *and*
- an increase of \$65 million due primarily to higher average fee rates, offset partially by lower realized NGL prices, net of hedging; *offset by*
- an increase of \$28 million in operating costs due primarily to higher employee-related costs and materials and supplies expense due primarily to the our routine growth of our operations.

projects. Capital expenditures decreased for the three and six nine months ended June 30, 2023 September 30, 2023, compared with the same periods period in 2022, due primarily to our Demicks Lake III project completed in the first quarter 2023.

Operating Information (a)	Operating Information (a)	Three Months Ended June 30,		Six Months Ended June 30,		Operating Information (a)	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
Natural gas processed (Bbtu/d) (b)	Natural gas processed (Bbtu/d) (b)	2,922	2,506	2,858	2,511	Natural gas processed (Bbtu/d) (b)	3,085	2,743	2,935	2,590
Average fee rate (\$/MMBtu)	Average fee rate (\$/MMBtu)	\$ 1.20	\$ 1.05	\$ 1.17	\$ 1.04	Average fee rate (\$/MMBtu)	\$ 1.17	\$ 1.16	\$ 1.17	\$ 1.09

(a) - Includes volumes for consolidated entities only.

(b) - Includes volumes we processed at company-owned and third-party facilities.

Our natural gas processed volumes increased for the three and six nine months ended June 30, 2023 September 30, 2023, compared with the same periods in 2022, due primarily to increased producer activity in the Rocky Mountain and Mid-Continent regions, and the impact of severe weather in the Rocky Mountain region in the second quarter 2022.

Our average fee rate increased for the three and six nine months ended June 30, 2023 September 30, 2023, compared with the same periods period in 2022, due primarily to inflation-based escalators in our contracts, and for certain fee with POP contracts, our contractual fees increased due to production volumes, delivery pressures or commodity prices relative to specified contractual thresholds.

## Natural Gas Liquids

**Overview** - Our Natural Gas Liquids segment owns and operates facilities that gather, fractionate, treat and distribute NGLs and store purity Purity NGLs, primarily in Oklahoma, Kansas, Texas, New Mexico and the Rocky Mountain region, which includes the Williston, Powder River and DJ Basins. We provide midstream services to producers of NGLs and deliver those products to the two primary market centers: one in the Mid-Continent in Conway, Kansas, and the other in the Gulf Coast in Mont Belvieu, Texas. We own or have an ownership interest in FERC-regulated NGL gathering and distribution pipelines in Oklahoma, Kansas, Texas, New Mexico, Montana, North Dakota, Wyoming and Colorado, and terminal and storage facilities in Kansas, Nebraska, Iowa and Illinois. We have a 50% ownership interest in Overland Pass, which operates an interstate NGL pipeline originating in

Wyoming and Colorado and terminating in Kansas. The majority of the pipeline-connected natural gas processing plants in the Williston Basin, Oklahoma, Kansas and the Texas Panhandle are connected to our NGL gathering systems. We lease rail cars and own and operate truck- and rail-loading and -unloading facilities connected to our NGL fractionation, storage and pipeline assets. We also own FERC-regulated NGL distribution pipelines in Kansas, Nebraska, Iowa, Illinois and Indiana that connect our Mid-Continent assets with Midwest markets, including Chicago, Illinois. A portion of our ONEOK North System transports refined petroleum products, Refined Products, including unleaded gasoline and diesel, from Kansas to Iowa, diesel.

**Capital Projects** - Our Natural Gas Liquids segment invests in growth projects to transport, fractionate, store and deliver to market centers NGL supply from shale and other resource development areas. Our growth strategy is focused around connecting diversified supply basins from the Rocky Mountain region through the Mid-Continent region and the Permian Basin

with demand for purity NGLs from the petrochemical and refining industries and NGL exports in the Gulf Coast. We proactively monitor lead times on materials and equipment used in constructing capital projects, and we enter into supply agreements for long-lead items for potential projects to plan for future growth. See "Capital Projects" in the "Recent Developments" section for more information on our capital projects.

In the six nine months ended June 30, 2023 September 30, 2023, we connected one third-party natural gas processing plant in the Permian Basin and one affiliate natural gas processing plant in the Rocky Mountain region.

For a discussion of our capital expenditure financing, see "Capital Expenditures" in the "Liquidity and Capital Resources" section.

**Selected Financial Results and Operating Information** - The following tables set forth certain selected financial results and operating information for our Natural Gas Liquids segment for the periods indicated:

	Three Months Ended		Six Months Ended		Three Months		Three Months		Nine Months Ended		Three Months		Nine Months	
					2023 vs. 2022		2023 vs. 2022				2023 vs. 2022		2023 vs. 2022	
	June 30,		June 30,						September 30,		September 30,			
Financial Results	Financial Results	2023	2022	2023	2022	\$ Increase (Decrease)	\$ Increase (Decrease)	Financial Results	2023	2022	2023	2022	\$ Increase (Decrease)	\$ Increase (Decrease)
		(Millions of dollars)							(Millions of dollars)					
NGL and condensate sales	NGL and condensate sales	\$ 3,120	\$ 5,010	\$ 6,671	\$ 9,559	(1,890)	(2,888)	NGL and condensate sales	\$ 3,432	\$ 4,749	\$ 10,103	\$ 14,308	(1,317)	(4,205)
Exchange service and other revenues	Exchange service and other revenues	135	143	269	281	(8)	(12)	Exchange service and other revenues	154	142	423	423	12	—
Transportation and storage revenues	Transportation and storage revenues	45	40	95	87	5	8	Transportation and storage revenues	48	40	143	127	8	16
Cost of sales and fuel (exclusive of depreciation and operating costs)	Cost of sales and fuel (exclusive of depreciation and operating costs)	(2,627)	(4,543)	(5,722)	(8,632)	(1,916)	(2,910)	Cost of sales and fuel (exclusive of depreciation and operating costs)	(2,875)	(4,317)	(8,597)	(12,949)	(1,442)	(4,352)
Operating costs, excluding noncash compensation adjustments	Operating costs, excluding noncash compensation adjustments	(154)	(139)	(300)	(260)	15	40	Operating costs, excluding noncash compensation adjustments	(161)	(139)	(461)	(399)	22	62
Equity in net earnings from investments	Equity in net earnings from investments	13	9	22	14	4	8	Equity in net earnings from investments	17	11	39	25	6	14
Other	Other	(2)	(3)	776	(4)	1	780	Other	(1)	(1)	775	(5)	—	780
Adjusted EBITDA	Adjusted EBITDA	\$ 530	\$ 517	\$ 1,811	\$ 1,045	13	766	Adjusted EBITDA	\$ 614	\$ 485	\$ 2,425	\$ 1,530	129	895
Capital expenditures	Capital expenditures	\$ 169	\$ 150	\$ 306	\$ 276	19	30	Capital expenditures	\$ 189	\$ 169	\$ 495	\$ 445	20	50

See reconciliation of net income to adjusted EBITDA in the "Non-GAAP Financial Measures" section.

Changes in commodity prices and sales volumes affect both revenues and cost of sales and fuel and, therefore, the impact is largely offset between these line items.

Adjusted EBITDA increased **\$13 million** **\$129 million** for the three months ended **June 30, 2023** **September 30, 2023**, compared with the same period in 2022, primarily as a result of the following:

- an increase of **\$64 million** **\$76 million** in exchange services due primarily to higher volumes across the system;
- an increase of **\$67 million** in the Rocky Mountain region optimization and Permian Basin; marketing due primarily to higher earnings on sales of Purity NGLs held in inventory; and
- an increase of **\$8 million** due to higher transportation and storage revenue; offset by
- an increase of **\$31 million** in third-party fractionation costs resulting from the Medford incident, which partially offsets the settlement gain recognized in the first quarter 2023;
- a decrease of **\$15 million** in optimization and marketing due primarily to lower earnings on sales of purity NGLs held in inventory. We expect an earnings benefit of approximately **\$13 million** on the forward sales of inventory over the next two quarters; and
- an increase of **\$15 million** **\$22 million** in operating costs due primarily to higher employee-related costs and higher outside services due to the growth of our operations, and higher property insurance premiums; premiums; and
- a decrease of **\$5 million** related to the Medford incident, due to **\$35 million** in third-party fractionation costs in 2023 compared with an approximately **\$30 million** unfavorable impact of the 45-day waiting period in 2022.

Adjusted EBITDA increased **\$766 million** **\$895 million** for the **six** **nine** months ended **June 30, 2023** **September 30, 2023**, compared with the same period in 2022, primarily as a result of the following:

- an increase of **\$702 million** **\$697 million** related to the Medford incident, due to a favorable impact of **\$667 million** in 2023 from the settlement gain of **\$779 million**, offset partially by **\$77 million** **\$112 million** of third-party fractionation costs, compared with an approximately **\$30 million** unfavorable impact of the 45-day waiting period in 2022;
- an increase of **\$93 million** **\$168 million** in exchange services due primarily to:
  - an increase of **\$113 million** from to higher volumes primarily in the Rocky Mountain region and Permian Basin,
  - an increase of **\$40 million** from lower costs, primarily fuel and power costs, offset partially by
  - a decrease of **\$32 million** related to narrower commodity price differentials and lower related volumes, and volumes;
- a decrease an increase of **\$14 million** related **\$60 million** in optimization and marketing due primarily to lower higher earnings on unfractionated sales of Purity NGLs held in inventory;
- an increase of **\$16 million** due to higher transportation and storage revenue; and
- an increase of **\$14 million** in equity in net earnings from investments due primarily to higher volumes delivered to the Overland Pass pipeline; offset by
- an increase of **\$40 million** **\$62 million** in operating costs due primarily to higher employee-related costs and higher outside services costs due to the growth of our operations, and higher property insurance premiums.

Capital expenditures increased for the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023**, compared with the same periods in 2022, due primarily to growth projects.

Operating Information	Operating Information	Three Months Ended June 30,		Six Months Ended June 30,		Operating Information	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
Raw feed throughput (MBbl/d) (a)	Raw feed throughput (MBbl/d) (a)	1,399	1,266	1,328	1,239	Raw feed throughput (MBbl/d) (a)	1,413	1,278	1,357	1,252
Average Conway-to-Mont Belvieu OPIS price differential - ethane in ethane/propane mix (\$/gallon)	Average Conway-to-Mont Belvieu OPIS price differential - ethane in ethane/propane mix (\$/gallon)	\$ 0.03	\$ 0.06	\$ 0.03	\$ 0.04	Average Conway-to-Mont Belvieu OPIS price differential - ethane in ethane/propane mix (\$/gallon)	\$ 0.08	\$ 0.03	\$ 0.04	\$ 0.04

(a) - Represents physical raw feed volumes for which we provide transportation and/or fractionation services.

We generally expect ethane volumes to increase or decrease with corresponding increases or decreases in overall NGL production. However, ethane volumes may experience growth or decline greater than corresponding growth or decline in overall NGL production due to ethane economics causing producers to recover or reject ethane.

Volumes increased for the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023**, compared with the same periods in 2022, due primarily to increased production in the Permian Basin and Rocky Mountain region, offset partially by lower ethane volumes in the Mid-Continent region and Rocky Mountain region. The three months ended **September 30, 2023**, also benefited from increased ethane volumes in the Mid-Continent region.

## Natural Gas Pipelines

**Overview** - In our Natural Gas Pipelines segment, our assets are connected to key supply areas and demand centers, including export markets in Mexico via Roadrunner and supply areas in Canada and the United States via our interstate and intrastate natural gas pipelines and Northern Border, which enable us to provide essential natural gas

transportation and storage services. Continued demand from local distribution companies, electric-generation facilities and large industrial companies supported low-cost expansions that position us well to provide additional services to our customers when needed.

**Capital Projects** - Our Natural Gas Pipelines segment invests in growth projects that provide transportation and storage services to end users. In December 2022, our Saguaro Connector Pipeline LLC subsidiary filed a Presidential Permit application with the FERC to construct and operate new international border-crossing facilities at the U.S. and Mexico border. The proposed border facilities would connect upstream with a potential intrastate pipeline, the Saguaro Connector Pipeline, which would be owned and operated by ONEOK. Additionally, the proposed border facilities would connect at the international boundary with a new pipeline under development in Mexico for delivery to a liquefied natural gas export facility on the west coast of Mexico. The final investment decision on the pipeline is expected **later in** **by year-end** 2023.

See “Capital Projects” in the “Recent Developments” section for more information on our capital projects.

For a discussion of our capital expenditure financing, see “Capital Expenditures” in the “Liquidity and Capital Resources” section.

**Selected Financial Results and Operating Information** - The following tables set forth certain selected financial results and operating information for our Natural Gas Pipelines segment for the periods indicated:

Financial Results	Financial Results	Three Months Ended		Six Months Ended		Three Months	Six Months	Financial Results	Three Months Ended		Nine Months Ended		Three Months	Nine Months
		June 30,		June 30,		2023 vs. 2022	2023 vs. 2022		September 30,		September 30,		2023 vs. 2022	2023 vs. 2022
		2023	2022	2023	2022	\$ Increase (Decrease)	\$ Increase (Decrease)		2023	2022	2023	2022	\$ Increase (Decrease)	\$ Increase (Decrease)
		(Millions of dollars)							(Millions of dollars)					
Transportation revenues	Transportation revenues	\$ 102	\$ 99	\$ 209	\$ 201	3	8	Transportation revenues	\$ 106	\$ 101	\$ 315	\$ 301	5	14
Storage revenues	Storage revenues	44	31	82	52	13	30	Storage revenues	37	33	119	86	4	33
Residue natural gas sales and other revenues	Residue natural gas sales and other revenues	—	2	26	28	(2)	(2)	Residue natural gas sales and other revenues	3	3	29	31	—	(2)
Cost of sales and fuel (exclusive of depreciation and operating costs)	Cost of sales and fuel (exclusive of depreciation and operating costs)	(1)	(1)	(15)	(18)	—	(3)	Cost of sales and fuel (exclusive of depreciation and operating costs)	(2)	(4)	(17)	(22)	(2)	(5)
Operating costs, excluding noncash compensation adjustments	Operating costs, excluding noncash compensation adjustments	(48)	(40)	(91)	(79)	8	12	Operating costs, excluding noncash compensation adjustments	(49)	(43)	(140)	(122)	6	18
Equity in net earnings from investments	Equity in net earnings from investments	29	26	60	55	3	5	Equity in net earnings from investments	29	26	89	81	3	8
Other	Other	—	(1)	—	1	1	(1)	Other	1	1	1	2	—	(1)
Adjusted EBITDA	Adjusted EBITDA	\$ 126	\$ 116	\$ 271	\$ 240	10	31	Adjusted EBITDA	\$ 125	\$ 117	\$ 396	\$ 357	8	39
Capital expenditures	Capital expenditures	\$ 39	\$ 19	\$ 85	\$ 42	20	43	Capital expenditures	\$ 70	\$ 40	\$ 155	\$ 82	30	73

See reconciliation of net income to adjusted EBITDA in the “Non-GAAP Financial Measures” section.

Adjusted EBITDA increased **\$10 \$8** million for the three months ended **June 30, 2023** **September 30, 2023**, compared with the same period in 2022, due primarily to an increase of **\$9** million in transportation and storage services due primarily to higher firm and interruptible transportation and higher firm storage volumes.

Adjusted EBITDA increased **\$39** million for the nine months ended **September 30, 2023**, compared with the same period in 2022, primarily as a result of the following:

- an increase of **\$16** million in transportation and storage services due primarily to higher firm and interruptible transportation volumes and higher storage park and loan activity; **offset by**



- an increase of \$8 million in operating costs due primarily to higher outside services and employee-related costs due to timing of maintenance activities and the growth of our operations.

Adjusted EBITDA increased \$31 million for the six months ended June 30, 2023, compared with the same period in 2022, primarily as a result of the following:

- an increase of \$38 million \$47 million in transportation and storage services due primarily to higher storage rates on renegotiated contracts, higher firm and interruptible transportation volumes and higher short-term storage park and loan activity; offset by
- an increase of \$12 million \$18 million in operating costs due primarily to higher employee-related costs and outside services due to timing of maintenance activities and the growth of our operations.

Capital expenditures increased for the three and six nine months ended June 30, 2023 September 30, 2023, compared with the same periods in 2022, due primarily to growth projects, including the Viking compression project.

Operating Information (a)	Operating Information (a)	Three Months Ended June 30,		Six Months Ended June 30,		Operating Information (a)	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022		2023	2022	2023	2022
Natural gas transportation capacity contracted (MDth/d)	Natural gas transportation capacity contracted (MDth/d)	7,656	7,257	7,675	7,392	Natural gas transportation capacity contracted (MDth/d)	7,704	7,318	7,684	7,367
Transportation capacity contracted	Transportation capacity contracted	95 %	92 %	95 %	94 %	Transportation capacity contracted	96 %	92 %	95 %	93 %

(a) - Includes volumes for consolidated entities only.

In April 2022, the FERC initiated a review of Guardian's rates pursuant to Section 5 of the Natural Gas Act. In August 2022, Guardian reached a settlement in principle with the participants in the Section 5 rate case. The FERC approved the settlement

in February 2023, which resulted in a reduction of rates starting in April 2023. The reduced rates did not have a material impact on our results of operations.

In July 2023, our subsidiary, Viking filed a proposed increase in rates pursuant to Section 4 of the Natural Gas Act with the FERC. The FERC is currently reviewing the filing. While the ultimate outcome of the filing cannot be predicted, we do not expect it to materially impact our results of operations.

## Refined Products and Crude

**Overview** - Our Refined Products and Crude segment is principally engaged in the transportation, storage and distribution of Refined Products, NGLs and crude oil, primarily throughout the central United States. Products transported on our Refined Products pipeline system include gasoline, distillates, aviation fuel and certain NGLs. Shipments originate on our Refined Products pipeline system from direct connections to refineries or through interconnections with other pipelines or terminals for transportation and ultimate distribution to retail fueling stations, convenience stores, travel centers, railroads, airports and other end users. Our crude oil assets are strategically located to serve crude oil supply, trading and demand centers. Revenue is generated primarily through transportation tariffs on our pipelines, storage fees from our terminals, pipeline capacity fees and tolling fees from our condensate splitter. In addition, we earn revenue for terminalling and other services.

**Property** - Our Refined Products and Crude segment includes the following wholly owned assets:

- 9,800 miles of Refined Product pipeline system beginning in the Texas Gulf coast and covering a 15-state area across the central U.S;
- 54 Refined Product terminals with 47 MMBbl of storage capacity, including one marine storage terminal along the Houston Ship Channel;
- 1,000 miles of crude oil pipelines, including the 450-mile Longhorn pipeline, with operating capacity of 275 MBbl/d from the Permian Basin to Houston, Texas, approximately 400 miles of pipeline in Kansas and Oklahoma and an additional 100 miles in Texas;
- crude oil storage, primarily located in East Houston, Cushing and Corpus Christi, with combined storage capacity of 31 MMBbl; and
- one condensate splitter in Corpus Christi with 50 MBbl/d of capacity.

**Unconsolidated Affiliates** - Our Refined Products and Crude segment has the following unconsolidated affiliates:

- a 30% ownership interest in BridgeTex, which owns an approximately 400-mile crude oil pipeline with transport capacity of up to 440 MBbl/d that connects Permian Basin crude oil to our East Houston terminal;
- a 30% ownership interest in Saddlehorn, which owns an undivided joint interest in an approximately 600-mile pipeline, with transport capacity of up to 290 MBbl/d of crude oil from the DJ Basin and Rocky Mountain region to storage facilities in Cushing, including our Cushing terminal; and
- a 25% ownership in MVP, which owns a Refined Products marine storage terminal along the Houston Ship Channel in Pasadena, Texas, including more than 5 MMBbl of storage, two ship docks and truck loading facilities.

Our other unconsolidated affiliates in this segment are not material.

**Selected Financial Results and Operating Information** - Financial results and operating information for our Refined Products and Crude segment for the period subsequent to the closing of the Magellan Acquisition were not material. Adjusted EBITDA was \$40 million, which includes a \$9 million mark-to-market gain on commodity derivative positions settling in the fourth quarter 2023.

Due to the Magellan Acquisition, commodity inventory balances within our Refined Products and Crude segment were recorded at market value, which was an approximate \$50 million increase over the pre-acquisition value. We expect to realize the majority of the related unfavorable impact of this acquisition adjustment in the fourth quarter 2023, as the acquired inventory is sold.

#### Non-GAAP Financial Measures

The following table sets forth a reconciliation of net income, the nearest comparable GAAP financial performance measure, to adjusted EBITDA for the periods indicated:

	Three Months Ended				Six Months Ended				Three Months Ended				Nine Months Ended					
	June 30,				June 30,				September 30,				September 30,					
(Unaudited)	(Unaudited)	2023	2022	2023	2022	(Unaudited)	2023	2022	2023	2022	2023	2022	2023	2022				
Reconciliation of net income to adjusted EBITDA	Reconciliation of net income to adjusted EBITDA	(Millions of dollars)				Reconciliation of net income to adjusted EBITDA	(Millions of dollars)											
Net income	Net income	\$ 468	\$ 414	\$ 1,517	\$ 805	Net income	\$ 454	\$ 432	\$ 1,971	\$ 1,237								
Add:	Add:					Add:												
Interest expense, net of capitalized interest	Interest expense, net of capitalized interest	180	171	346	343	Interest expense, net of capitalized interest	215	167	561	510								
Depreciation and amortization	Depreciation and amortization	170	158	332	312	Depreciation and amortization	177	157	509	469								
Income taxes	Income taxes	145	131	475	253	Income taxes	141	132	616	385								
Noncash compensation expense and other	Noncash compensation expense and other	8	12	18	37	Noncash compensation expense and other	14	14	32	51								
Adjusted EBITDA (a)(b)	Adjusted EBITDA (a)(b)	\$ 971	\$ 886	\$ 2,688	\$ 1,750	Adjusted EBITDA (a)(b)	\$ 1,001	\$ 902	\$ 3,689	\$ 2,652								
Reconciliation of segment adjusted EBITDA to adjusted EBITDA	Reconciliation of segment adjusted EBITDA to adjusted EBITDA					Reconciliation of segment adjusted EBITDA to adjusted EBITDA												
Segment adjusted EBITDA:	Segment adjusted EBITDA:					Segment adjusted EBITDA:												
Natural Gas Gathering and Processing	Natural Gas Gathering and Processing	\$ 314	\$ 252	\$ 597	\$ 467	Natural Gas Gathering and Processing	\$ 322	\$ 304	\$ 919	\$ 771								
Natural Gas Liquids (a)	Natural Gas Liquids (a)	530	517	1,811	1,045	Natural Gas Liquids (a)	614	485	2,425	1,530								
Natural Gas Pipelines	Natural Gas Pipelines	126	116	271	240	Natural Gas Pipelines	125	117	396	357								
Refined Products and Crude	Refined Products and Crude					Refined Products and Crude	40	—	40	—								
Other (b)	Other (b)	1	1	9	(2)	Other (b)	(100)	(4)	(91)	(6)								
Adjusted EBITDA (a)(b)	Adjusted EBITDA (a)(b)	\$ 971	\$ 886	\$ 2,688	\$ 1,750	Adjusted EBITDA (a)(b)	\$ 1,001	\$ 902	\$ 3,689	\$ 2,652								

(a) - The six nine months ended June 30, 2023 September 30, 2023, includes \$702 million \$667 million related to the Medford incident, including a settlement gain of \$779 million, offset partially by \$77 million \$112 million of third-party fractionation costs.

(b) - Includes transaction costs related to the Merger Transaction Magellan Acquisition of \$9 million \$123 million, offset partially by interest income of \$26 million, for the three and six months ended June 30, 2023 September 30, 2023, and transaction costs related to the Magellan Acquisition of \$133 million, offset partially by interest income of \$42 million, for the nine months ended



September 30, 2023.

## CONTINGENCIES

See Note K of the Notes to Consolidated Financial Statements in this Quarterly Report for discussion of regulatory and environmental matters.

## LIQUIDITY AND CAPITAL RESOURCES

**General** - Our primary sources of cash inflows are operating cash flows, proceeds from our commercial paper program and our \$2.5 Billion Credit Agreement, debt issuances and the issuance of common stock for our liquidity and capital resources requirements.

On January 9, 2023, we reached an agreement with our insurers to settle all claims for physical damage and business interruption related to the Medford incident. Under the terms of the settlement agreement, we agreed to resolve the claims for total insurance payments of \$930 million, \$100 million of which was received in 2022. The remaining \$830 million was received in the first quarter 2023. The proceeds serve as settlement for property damage, business interruption claims to the date of settlement and as payment in lieu of future business interruption insurance claims. We expect our cash from operations in the remainder of 2023 and in 2024 to be impacted by incurred costs resulting from the Medford incident for which we no longer receive business interruption proceeds.

We expect our sources of cash inflows to provide sufficient resources to finance our operations, quarterly cash dividends, capital expenditures, maturities of long-term debt and contributions to unconsolidated affiliates. We believe we have sufficient liquidity due to our \$2.5 Billion Credit Agreement, which expires in June 2027, and access to \$1 billion \$1.0 billion available through our "at-the-market" equity program. As of the date of this report, no shares have been sold through our "at-the-market" equity program.

**Cash Management** - At June 30, 2023 September 30, 2023, we had \$106 million \$284 million of cash and cash equivalents. Our cash balance is composed primarily of highly liquid government and Treasury money market funds and deposits fully insured by the Federal Deposit Insurance Corporation.

We use a centralized cash management program that concentrates the cash assets of our nonguarantor operating subsidiaries in joint accounts for the purposes of providing financial flexibility and lowering the cost of borrowing, transaction costs and bank fees. Our centralized cash management program provides that funds in excess of the daily needs of our operating subsidiaries are concentrated, consolidated or otherwise made available for use by other entities within our consolidated group. Our operating subsidiaries participate in this program to the extent they are permitted pursuant to FERC regulations or their operating agreements. Under the cash management program, depending on whether a participating subsidiary has short-term cash surpluses or cash requirements, we provide cash to the subsidiary or the subsidiary provides cash to us.

**Guarantees** - ONEOK and ONEOK Partners are issuers of certain public debt securities. We guarantee certain indebtedness debt securities of ONEOK Partners and Magellan, and ONEOK Partners, Magellan and the Intermediate Partnership guarantee certain of our debt securities. The guarantees in place for our, ONEOK Partners' and Magellan's indebtedness are full, irrevocable, unconditional and absolute joint and several guarantees to the holders of each series of outstanding securities. Liabilities under the guarantees rank equally in right of payment with all existing and future senior unsecured indebtedness. As The Intermediate Partnership holds all of ONEOK Partners' interests and equity in its subsidiaries, which are nonguarantors, and substantially all the assets and operations reside with nonguarantor operating subsidiaries. Magellan holds interests in its subsidiaries, which are nonguarantors, and substantially all the assets and operations reside with nonguarantor operating subsidiaries. Therefore, as allowed under Rule 13-01, we have excluded the summarized financial information for each issuer and guarantor as the combined financial information of the subsidiary issuer issuers and parent guarantor, excluding our ownership of all the interests in ONEOK Partners and Magellan, reflect no material assets, liabilities or results of operations, apart from the guaranteed indebtedness. For additional information on our, ONEOK Partners' and ONEOK Partners Magellan's indebtedness, please see Note F of the Notes to Consolidated Financial Statements in this Quarterly Report.

**Short-term Liquidity** - Our principal sources of short-term liquidity consist of cash generated from operating activities, distributions received from our equity-method investments, proceeds from our commercial paper program and our \$2.5 Billion Credit Agreement. As of June 30, 2023 September 30, 2023, we had no borrowings under our \$2.5 Billion Credit Agreement and we are in compliance with all covenants.

As of June 30, 2023 September 30, 2023, we had a working capital surplus deficit of \$346 million \$110 million (defined as current assets less current liabilities). Generally, our working capital is influenced by several factors, including, among other things: (i) the timing of (a) debt and equity issuances, (b) the funding of capital expenditures, (c) scheduled debt payments, and (d) accounts receivable and payable; and (ii) the volume and cost of inventory and commodity imbalances. We may have working capital deficits in future periods as we continue to repay long-term debt. We do not expect a working capital deficit of this nature to have a material adverse impact to our cash flows or operations.

For additional information on our \$2.5 Billion Credit Agreement, see Note F of the Notes to Consolidated Financial Statements in this Quarterly Report.

**Long-term Financing** - In addition to our principal sources of short-term liquidity discussed above, we expect to fund our longer-term financing requirements by issuing long-term notes, as needed. Other options to obtain financing include, but are not limited to, issuing common stock, loans from financial institutions, issuance of convertible debt securities or preferred equity securities, asset securitization and the sale and lease-back of facilities.

**Viking Term Loan Agreement Debt Issuances** - In March August 2023, Viking entered into a \$60 million we completed an underwritten public offering of \$5.25 billion senior unsecured Term Loan Agreement which was fully drawn as notes consisting of June 30, 2023 \$750 million, 5.55% senior notes due 2026; \$750 million, 5.65% senior notes due 2028; \$500 million, 5.80% senior notes due 2030; \$1.5 billion, 6.05% senior notes due 2033; and \$1.75 billion, 6.625% senior notes due 2053. The net proceeds, after deducting underwriting discounts, commissions and offering expenses, were \$5.2 billion. The net proceeds were used to repay intercompany debt fund the cash consideration and other costs related to the Magellan Acquisition. In connection with ONEOK and the underwritten public offering, we terminated the undrawn commitment letter for general corporate purposes. the \$5.25 billion unsecured 364-day bridge loan facility.

**Debt Repayments** - In June 2023, we redeemed our \$500 million, 7.5% senior notes due September 2023 at 100% of the principal amount, plus accrued and unpaid interest, with cash on hand.

In June 2023, we made an equity contribution of \$105 million to Roadrunner, which, in combination with an equal contribution from our joint venture partner, was used to repay Roadrunner's outstanding debt.

In February 2023, we redeemed our \$425 million, 5.0% senior notes due September 2023 at 100% of the principal amount, plus accrued and unpaid interest, with cash on hand.

**Bridge Facility Commitment** - We intend to finance the cash portion of the Merger Transaction consideration with debt. In May 2023, we entered into a commitment letter for an unsecured 364-day bridge loan facility in an aggregate principal amount of \$5.25 billion, which is subject to a number of customary conditions. Prior to the close of the Merger Transaction, we expect to issue senior unsecured notes and terminate the commitment letter undrawn.

For additional information on our long-term debt, see Note F of the Notes to Consolidated Financial Statements in this Quarterly Report.

**Equity Issuances** - On September 25, 2023, we completed the previously announced agreement to acquire all the outstanding common units of Magellan in a cash-and-stock transaction. Pursuant to the Merger Agreement, each common unit of Magellan was exchanged for a fixed ratio of 0.667 shares of ONEOK common stock and \$25.00 of cash, for a total consideration of \$14.1 billion. A total of approximately 135 million shares of common stock were issued, with a fair value of approximately \$9.0 billion as of the closing date of the Magellan Acquisition.

**Capital Expenditures** - We classify expenditures that are expected to generate additional revenue, return on investment or significant operating or environmental efficiencies as growth capital expenditures. Maintenance capital expenditures are those capital expenditures required to maintain our existing assets and operations and do not generate additional revenues. Maintenance capital expenditures are made to replace partially or fully depreciated assets, to maintain the existing operating

capacity of our assets and to extend their useful lives. We proactively monitor lead times on materials and equipment used in constructing capital projects, and we enter into supply agreements for long-lead items for potential projects to plan for future growth. Our capital expenditures are financed typically through operating cash flows and short- and long-term debt.

Capital expenditures, excluding AFUDC, were \$594 million \$992 million and \$559 million \$886 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively.

We expect total capital expenditures, excluding AFUDC and capitalized interest, of \$1.475-\$1.675 billion in 2023. This range excludes the impact of the pending Merger Transaction. Magellan Acquisition.

**Credit Ratings** - Our long-term debt credit ratings as of July 31, 2023 October 23, 2023, are shown in the table below:

Rating Agency	Long-Term Rating	Short-Term Rating	Outlook
Moody's	Baa2	Prime-2	Stable
S&P	BBB	A-2	Stable
Fitch (a)	BBB	F2	Stable

(a) Rating does not apply to Magellan's long-term debt as Fitch does not currently rate these notes.

Our credit ratings, which are investment grade, may be affected by our leverage, liquidity, credit profile or potential transactions. Subsequent to the Magellan Acquisition, Moody's and S&P updated the rating on Magellan's long-term debt to match the ratings on ONEOK's long-term debt. In April 2023, Moody's upgraded the rating on our long-term rating debt to Baa2 from Baa3, the rating on our short-term rating debt to Prime-2 from Prime-3 and changed the outlook to stable from positive. The most common criteria for assessment of our credit ratings are the debt-to-EBITDA ratio, interest coverage, business risk profile and liquidity. If our credit ratings were downgraded, our cost to borrow funds under our \$2.5 Billion Credit Agreement could increase and a potential loss of access to the commercial paper market could occur. In the event that we are unable to borrow funds under our commercial paper program and there has not been a material adverse change in our business, we would continue to have access to our \$2.5 Billion Credit Agreement, which expires in 2027. An adverse credit rating change alone is not a default under our \$2.5 Billion Credit Agreement.

In the normal course of business, our counterparties provide us with secured and unsecured credit. In the event of a downgrade in our credit ratings or a significant change in our counterparties' evaluation of our creditworthiness, we could be required to provide additional collateral in the form of cash, letters of credit or other negotiable instruments as a condition of continuing to conduct business with such counterparties. We may be required to fund margin requirements with our counterparties with cash, letters of credit or other negotiable instruments.

**Dividends** - Holders of our common stock share equally in any common stock dividends declared by our Board of Directors, subject to the rights of the holders of outstanding preferred stock. In February, May and May August 2023, we paid a common stock dividend of \$0.955 per share (\$3.82 per share on an annualized basis), an increase of 2% compared with the same quarters in the prior year. A common stock dividend of \$0.955 per share was declared in July October 2023 for the shareholders of record at the close of business on August 1, 2023 November 1, 2023, payable August 14, 2023 November 14, 2023.

Our Series E Preferred Stock pays quarterly dividends on each share of Series E Preferred Stock, when, as and if declared by our Board of Directors, at a rate of 5.5% per year. We paid dividends for the Series E Preferred Stock of \$0.3 million in February, May and May August 2023. Dividends totaling \$0.3 million were declared in July October 2023 for the Series E Preferred Stock and are payable August 14, 2023 November 14, 2023.

For the **six nine** months ended **June 30, 2023** **September 30, 2023**, our cash flows from operations exceeded dividends paid by **\$1.1 billion** **\$1.6 billion**, due in part to the insurance proceeds received from the Medford settlement in the first quarter. We expect our cash flows from operations to continue to sufficiently fund our cash dividends. To the extent operating cash flows are not sufficient to fund our dividends, we may utilize cash on hand from other sources of short- and long-term liquidity to fund a portion of our dividends.

## CASH FLOW ANALYSIS

We use the indirect method to prepare our Consolidated Statements of Cash Flows. Under this method, we reconcile net income to cash flows provided by operating activities by adjusting net income for those items that affect net income but do not result in actual cash receipts or payments during the period and for operating cash items that do not impact net income. These reconciling items can include depreciation and amortization, deferred income taxes, impairment charges, allowance for equity funds used during construction, gain or loss on sale of assets, net undistributed earnings from equity-method investments, share-based compensation expense, other amounts and changes in our assets and liabilities not classified as investing or financing activities.

The following table sets forth the changes in cash flows by operating, investing and financing activities for the periods indicated:

	Six Months Ended			Variances	Nine Months Ended			Variances
	June 30,			2023 vs. 2022	September 30,			2023 vs. 2022
	2023	2022		\$ Increase (Decrease) in Cash	2023	2022		\$ Increase (Decrease) in Cash
	(Millions of dollars)				(Millions of dollars)			
Total cash provided by (used in):	Total cash provided by (used in):				Total cash provided by (used in):			
Operating activities	Operating activities	\$ 1,993	\$ 1,250	\$ 743	Operating activities	\$ 2,913	\$ 1,866	\$ 1,047
Investing activities	Investing activities	(353)	(543)	190	Investing activities	(5,759)	(864)	(4,895)
Financing activities	Financing activities	(1,754)	(717)	(1,037)	Financing activities	2,910	(1,126)	4,036
Change in cash and cash equivalents	Change in cash and cash equivalents	(114)	(10)	(104)	Change in cash and cash equivalents	64	(124)	188
Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	220	146	74	Cash and cash equivalents at beginning of period	220	146	74
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	\$ 106	\$ 136	\$ (30)	Cash and cash equivalents at end of period	\$ 284	\$ 22	\$ 262

**Operating Cash Flows** - Operating cash flows are affected by earnings from our business activities and changes in our operating assets and liabilities. Changes in commodity prices and demand for our services or products, whether because of general economic conditions, changes in supply, changes in demand for the end products that are made with our products or increased competition from other service providers, could affect our earnings and operating cash flows. Our operating cash flows can also be impacted by changes in our **NGLs and natural gas** inventory balances, which are driven primarily by commodity prices, supply, demand and the operation of our assets.

Cash flows from operating activities, before changes in operating assets and liabilities for the **six nine** months ended **June 30, 2023** **September 30, 2023**, increased **\$647** **\$787** million compared with the same period in 2022, due primarily to insurance proceeds received from the Medford settlement, and higher operating income resulting from higher exchange services in our Natural Gas Liquids segment, higher volumes from increased production and higher average fee rates in our Natural Gas Gathering and Processing segment, **and** higher transportation and storage services in our Natural Gas Pipelines **segment, and an increase due to the impact of the Magellan Acquisition in our Refined Products and Crude** segment, as discussed in "Financial Results and Operating Information."

The changes in operating assets and liabilities **decreased** **increased** operating cash flows **\$44** **\$30** million for the **six nine** months ended **June 30, 2023** **September 30, 2023**, compared with a decrease of **\$140** **\$230** million for the same period in 2022. This change is due primarily to changes in accounts receivable resulting from the timing of receipt of cash from counterparties and **NGLs and natural gas in from** inventory, both of which vary from period to period, and with changes in commodity **prices, and changes in risk management assets and liabilities; prices;** offset partially by changes in accounts payable, which also vary from period to period with changes in commodity prices, and from the timing of payments to vendors, suppliers and other third parties.

**Investing Cash Flows** - Cash used in investing activities for the **six nine** months ended **June 30, 2023**, decreased \$190 million, compared with the same period in 2022, due primarily to insurance proceeds received from the Medford settlement, offset partially by an equity contribution to Roadrunner which was used to repay Roadrunner's outstanding debt.

**Financing Cash Flows** - Cash used in financing activities for the six months ended June 30, 2023 September 30, 2023, increased \$1.0 \$4.9 billion, compared with the same period in 2022, due primarily to the repayment \$5.0 billion of long-term debt, cash paid for the Magellan Acquisition, net of cash received, offset partially by insurance proceeds received from the Medford settlement.

**Financing Cash Flows** - Cash from financing activities for the nine months ended September 30, 2023, increased \$4.0 billion, compared with the same period in 2022, due primarily to the issuance of \$5.25 billion senior unsecured notes associated with the Magellan Acquisition, offset partially by short-term borrowings in 2022.

## REGULATORY, ENVIRONMENTAL AND SAFETY MATTERS

Information about our regulatory, environmental and safety matters can be found in "Regulatory, Environmental and Safety Matters" under Part I, Item 1, Business, in our Annual Report.

## IMPACT OF NEW ACCOUNTING STANDARDS

See Note A of the Notes to Consolidated Financial Statements in this Quarterly Report for discussion of new accounting standards.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of our Consolidated Financial Statements and related disclosures in accordance with GAAP requires us to make estimates and assumptions with respect to values or conditions that cannot be known with certainty that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements. These estimates and assumptions also affect the reported amounts of revenue and expenses during the reporting period. Although we believe these estimates and assumptions are reasonable, actual results could differ from our estimates.

**Information Fair Value Estimates in Business Combination Accounting** - Business combination accounting requires that assets and liabilities be recorded at their estimated fair value in connection with the initial recognition of the transaction. Estimating the fair value of assets and liabilities in connection with business combination accounting requires management to make estimates, assumptions and judgments, and in some cases management may also utilize third-party specialists to assist and advise on those estimates.

In order to estimate the fair value of acquired assets and assumed liabilities, we utilized widely accepted valuation techniques that included market and discounted cash flow approaches. These approaches utilize assumptions that include, but are not limited to, estimated future cash flows, discount rates applied to estimated future cash flows, and estimated asset replacement costs. While we believe we have made reasonable assumptions to estimate the fair value, these assumptions are inherently uncertain.

The purchase price allocation recorded in a business combination may change during the measurement period, which is a period not to exceed one year from the date of acquisition, as additional information about conditions existing at the acquisition date becomes available.

Additional information about our critical accounting estimates is included under Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, "Critical Accounting Policies and Estimates," in our Annual Report.

## FORWARD-LOOKING STATEMENTS

Some This Quarterly Report contains forward-looking statements in reliance on the safe harbor protections of the statements contained Securities Act of 1933, as amended, and incorporated in this Quarterly Report are forward-looking statements as defined under federal securities laws, the Exchange Act, which involve substantial risk and uncertainties. The forward-looking statements relate to our anticipated financial performance (including projected operating income, net income, capital expenditures, cash flows and projected levels of dividends), liquidity, management's plans and objectives for our future capital projects and other future operations (including plans to construct additional natural gas and NGL pipelines, processing and fractionation facilities and related cost estimates), our business prospects, the outcome of regulatory and legal proceedings, market conditions and other matters. We make these forward-looking statements in reliance on the safe harbor protections provided under federal securities legislation and other applicable laws. The following discussion is intended to identify important factors that could cause future outcomes to differ materially from those set forth in the forward-looking statements.

Forward-looking statements and other statements in this Quarterly Report regarding our environmental, social and other sustainability targets, plans and goals are not an indication that these statements are required to be disclosed in our filings with the SEC, or that we will continue to make similar statements in the same extent or manner in future filings. In addition, historical, current and forward-looking environmental, social and sustainability-related statements may be based on standards and processes for measuring progress that are still developing and that continue to evolve, and assumptions that are subject to change in the future.

Forward-looking statements include the items identified in the preceding paragraph, the information concerning possible or assumed future results of our operations and other statements contained or incorporated in this Quarterly Report identified by words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "goal," "guidance," "intend," "may," "might," "outlook," "plan," "potential," "project," "scheduled," "should," "target," "will," "would," and other words and terms of similar meaning.

One should not place undue reliance on forward-looking statements. Known and unknown risks, uncertainties and other factors may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking statements. Those factors may affect our operations, markets, products, services and prices. In addition to any assumptions and other factors referred to specifically in connection with the forward-looking statements, factors that could cause our actual results to differ materially from those contemplated in any forward-looking statement include, among others, the following:

- the impact of inflationary pressures, including increased interest rates, which may increase our capital expenditures and operating costs, raise the cost of capital or depress economic growth;
- the impact on drilling and production by factors beyond our control, including the demand for natural gas, NGLs, Refined Products and crude oil; producers' desire and ability to drill and obtain necessary permits; regulatory compliance; reserve performance; and capacity constraints and/or shut downs on the pipelines that transport crude

- oil, natural gas, Refined Products and NGLs from producing areas and our facilities;
- risks associated with adequate supply to our gathering, processing, fractionation, pipeline and pipeline terminal facilities, including production declines that outpace new drilling, the shutting-in of production by producers, actions taken by federal, state or local governments to require producers to prorate or to cut their production levels as a way to address any excess market supply situations or extended periods of ethane rejection;
- demand for our services and products in the proximity of our facilities;
- economic climate and growth in the geographic areas in which we operate;
- the risk of a slowdown in growth or decline in the United States or international economies, including liquidity risks in United States or foreign credit markets;
- risks related to the Merger Transaction, Magellan Acquisition, including restrictions on our operations during the pendency of the Merger Transaction, litigation risk the risk that the Merger Agreement may be terminated and the risk that we may not realize the anticipated benefits of the Merger Transaction Magellan Acquisition or successfully integrate the two companies;
- the possibility of future terrorist attacks or international terrorism and conflicts and the possibility or occurrence of an outbreak of, or changes in, hostilities or changes in the political conditions and conflicts throughout the world, including the current conflict in Ukraine and the surrounding region; world;
- performance of contractual obligations by our customers, service providers, contractors and shippers;
- the effects of changes in governmental policies and regulatory actions, including changes with respect to income and other taxes, pipeline safety, environmental compliance, cybersecurity, climate change initiatives, emissions credits, carbon offsets, carbon pricing, production limits and authorized rates of recovery of natural gas and natural gas transportation costs;
- changes in demand for the use of natural gas, NGLs, Refined Products and crude oil because of the development of new technologies or other market conditions caused by concerns about climate change;
- the impact of the transformation to a lower-carbon economy, including the timing and extent of the transformation, as well as the expected role of different energy sources, including natural gas, NGLs, Refined Products and crude oil, in such a transformation;
- the pace of technological advancements and industry innovation, including those focused on reducing GHG emissions and advancing other climate-related initiatives, and our ability to take advantage of those innovations and developments;
- the effectiveness of our risk-management function, including mitigating cyber- and climate-related risks;
- our ability to identify and execute opportunities, and the economic viability of those opportunities, including those relating to renewable natural gas, carbon capture, use and storage, other renewable energy sources such as solar and wind and alternative low carbon fuel sources such as hydrogen;
- the ability of our existing assets and our ability to apply and continue to develop our expertise to support the growth of, and transformation to, various renewable and alternative energy opportunities, including through the positioning and optimization of our assets;
- our ability to efficiently reduce our GHG emissions (both Scope 1 and 2 emissions), including through the use of lower carbon power alternatives, management practices and system optimizations;
- the necessity to focus on maintaining and enhancing our existing assets while reducing our Scope 1 and 2 GHG emissions;
- the effects of weather and other natural phenomena and the effects of climate change (including physical and transformation-related effects) on our operations, demand for our services and commodity prices;
- acts of nature, sabotage, terrorism or other similar acts that cause damage to our facilities or our suppliers', customers' or shippers' facilities;
- the inability of insurance proceeds to cover all liabilities or incurred costs and losses, or lost earnings, resulting from a loss;
- delays in receiving insurance proceeds from covered losses;
- the risk of increased costs for insurance premiums, or less favorable coverage;
- increased costs as a consequence of terrorist attacks, including security related measures;
- the timing and extent of changes in energy commodity prices, including changes due to production decisions by other countries, such as the failure of countries to abide by agreements to reduce production volumes;
- competition from other United States and foreign energy suppliers and transporters, as well as alternative forms of energy, including, but not limited to, solar power, wind power, geothermal energy and biofuels such as ethanol and biodiesel;
- the ability to market pipeline capacity on favorable terms, including the effects of:
  - future demand for and prices of natural gas, NGLs and Refined Products and crude oil;
  - competitive conditions in the overall energy market;
  - availability of supplies of United States natural gas and crude oil; and
  - availability of additional storage capacity;
- the efficiency of our plants in processing natural gas and extracting and fractionating NGLs;
- the composition and quality of the natural gas, NGLs and NGLs condensate we gather and process in our plants and transport on our pipelines;
- risks of marketing, trading and hedging activities, including the risks of changes in commodity prices or the financial condition of our counterparties;
- our ability to control operating costs and make cost-saving changes;
- the risks inherent in the use of information systems in our respective businesses and those of our counterparties and service providers, including cyber-attacks, which, according to experts, have increased in volume and sophistication since the beginning of the COVID-19 (Coronavirus disease 2019, including variants thereof) pandemic; implementation of new software and hardware; and the impact on the timeliness of information for financial reporting;
- the timely receipt of approval by applicable governmental entities for construction and operation of our pipeline and other projects and required regulatory clearances;
- the ability to recover operating costs and amounts equivalent to income taxes, costs of property, plant and equipment and regulatory assets in our state and FERC-regulated rates;
- the results of governmental actions, administrative proceedings and litigation, regulatory actions, executive orders, rule changes and receipt of expected clearances involving any local, state or federal regulatory body, including the FERC, the National Transportation Safety Board, Homeland Security, the PHMSA, the EPA, the SEC, Homeland Security's Transportation Security Administration, and the CFTC;

- the mechanical integrity of facilities and pipelines operated;
- the capital-intensive nature of our businesses;
- the impact of unforeseen changes in interest rates, debt and equity markets, inflation rates, economic recession and other external factors over which we have no control, including the effect on pension and postretirement expense and funding resulting from changes in equity and bond market returns;
- actions by rating agencies concerning our credit;
- our indebtedness and guarantee obligations could cause adverse consequences, including making us vulnerable to general adverse economic and industry conditions, limiting our ability to borrow additional funds and placing us at competitive disadvantages compared with our competitors that have less debt;
- our ability to access capital at competitive rates or on terms acceptable to us;
- our ability to acquire all necessary permits, consents or other approvals in a timely manner, to promptly obtain all necessary materials and supplies required for construction, and to construct gathering, processing, fractionation, transportation and storage facilities without labor or contractor problems;
- our ability to control construction costs and completion schedules of our pipelines and other projects;
- difficulties or delays experienced by trucks, railroads or pipelines in delivering products to or from our terminals or pipelines;
- the uncertainty of estimates, including accruals and costs of environmental remediation;
- the impact of uncontracted capacity in our assets being greater or less than expected;
- the impact of potential impairment charges;
- the profitability of assets or businesses acquired or constructed by us;
- the risks associated with pending or possible acquisitions and dispositions, including our ability to finance or integrate any such acquisitions and any regulatory delay or conditions imposed by regulatory bodies in connection with any such acquisitions and dispositions;
- the risk that material weaknesses or significant deficiencies in our internal controls over financial reporting could emerge or that minor problems could become significant;
- the impact and outcome of pending and future litigation;
- the impact of recently issued and future accounting updates and other changes in accounting policies; and
- the risk factors listed in the reports we have filed, which are incorporated by reference, and may file with the SEC; and
- the length, severity and reemergence of a pandemic or other health crisis, such as the COVID-19 pandemic and the measures taken to address it, which may (as with COVID-19) precipitate or exacerbate one or more of the factors herein, reduce the demand for natural gas, NGLs and crude oil and significantly disrupt or prevent us and our customers and counterparties from operating in the ordinary course of business for an extended period and increase the cost of operating our business. SEC

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other factors could also affect adversely our future results. These and other risks are described in greater detail in Part I, Item 1A, Risk Factors, in our Annual Report and in our other filings that we make with the SEC, which are available via the SEC's website at [www.sec.gov](http://www.sec.gov) and our website at [www.oneok.com](http://www.oneok.com). All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these factors. Any such forward-looking statement speaks only as of the date on which such statement is made, and other than as required under securities laws, we undertake no obligation to update publicly any forward-looking statement whether as a result of new information, subsequent events or change in circumstances, expectations or otherwise.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risk exposures that would affect the quantitative and qualitative disclosures presented as of December 31, 2022, in Part II, Item 7A in our Annual Report, except as discussed below.

#### COMMODITY PRICE RISK

As part of our hedging strategy, we use commodity derivative financial instruments and physical-forward contracts described in Note E of the Notes to Consolidated Financial Statements in this Quarterly Report to reduce the impact of near-term price fluctuations of natural gas, NGLs, Refined Products, condensate and crude oil.

Although our businesses are primarily fee-based, in our Natural Gas Gathering and Processing segment, we are exposed to commodity price risk as a result of retaining a portion of the commodity sales proceeds associated with our fee with POP contracts. Under certain fee with POP contracts, our contractual fees and POP percentage may increase or decrease if production volumes, delivery pressures or commodity prices change relative to specified thresholds. We are exposed to basis risk between the various production and market locations where we buy and sell commodities.

As a result of the Magellan Acquisition, in our Refined Products and Crude segment we are exposed to commodity price risk from our liquids blending, fractionation and marketing activities, as well as product retained during the operations of our pipelines and terminals.

Except for the Magellan Acquisition, there have been no material changes in market risk exposures that would affect the quantitative and qualitative disclosures presented as of December 31, 2022, in Part II, Item 7A in our Annual Report.

The following table presents the effect a hypothetical 10% change in the underlying commodity prices would have on the estimated fair value of our commodity derivative instruments as of the dates indicated:

Commodity Contracts	September 30,		December 31,	
	2023		2022	
	(Millions of dollars)			
Refined Products, crude oil and NGLs	\$	88	\$	35
Natural gas		7		18



Total change in estimated fair value of commodity contracts	\$	95	\$	53
---	----	----	----	----

Our sensitivity analysis represents an estimate of the reasonably possible gains and losses that would be recognized on our commodity derivative contracts assuming hypothetical movements in future market prices and is not necessarily indicative of actual results that may occur. Actual gains and losses may differ from estimates due to actual fluctuations in market prices, as well as changes in our commodity derivative portfolio during the year.

The following tables set forth hedging information for our Natural Gas Gathering and Processing segment's forecasted equity volumes for the periods indicated:

		Six Months Ending December 31, 2023					Three Months Ending December 31, 2023					
		Volumes Hedged		Average Price			Percentage Hedged	Volumes Hedged		Average Price		Percentage Hedged
NGLs - excluding ethane (MBbl/d) - Conway/Mont Belvieu	NGLs - excluding ethane (MBbl/d) - Conway/Mont Belvieu	9.4	\$	1.28 / gallon	69%	NGLs - excluding ethane (MBbl/d) - Conway/Mont Belvieu	9.3	\$	1.26 / gallon	68%		
Condensate (MBbl/d) - WTI-NYMEX	Condensate (MBbl/d) - WTI-NYMEX	1.5	\$	85.90 / Bbl	69%	Condensate (MBbl/d) - WTI-NYMEX	1.6	\$	84.90 / Bbl	69%		
Natural gas (BBtu/d) - NYMEX and basis	Natural gas (BBtu/d) - NYMEX and basis	82.0	\$	3.30 / MMBtu	73%	Natural gas (BBtu/d) - NYMEX and basis	82.4		/ MMBtu			
								\$	3.54	73%		

		Year Ending December 31, 2024					Year Ending December 31, 2024			
		Volumes Hedged	Average Price		Percentage Hedged		Volumes Hedged	Average Price		Percentage Hedged
NGLs - excluding ethane (MBbl/d) - Conway/Mont Belvieu	NGLs - excluding ethane (MBbl/d) - Conway/Mont Belvieu	3.0				NGLs - excluding ethane (MBbl/d) - Conway/Mont Belvieu	4.4			
			\$	0.78 / gallon	23%			\$	0.80 / gallon	34%
Condensate (MBbl/d) - WTI-NYMEX	Condensate (MBbl/d) - WTI-NYMEX	0.4		/ Bbl		Condensate (MBbl/d) - WTI-NYMEX	0.9		/ Bbl	
			\$	73.61	17%			\$	75.39	38%
Natural gas (BBtu/d) - NYMEX and basis	Natural gas (BBtu/d) - NYMEX and basis	36.1		/ MMBtu		Natural gas (BBtu/d) - NYMEX and basis	50.4		/ MMBtu	
			\$	5.10	31%			\$	4.52	41%

## INTEREST-RATE RISK

We may manage interest-rate risk through the use of fixed-rate debt, floating-rate debt, Treasury locks and interest-rate swaps. Treasury locks are agreements to pay the difference between the benchmark Treasury rate and the rate that is designated in the terms of the agreement. In the second third quarter 2023, we entered into settled all of our \$1.1 billion of Treasury locks related to hedge our underwritten public offering of \$5.25 billion senior unsecured notes associated with the variability of interest payments on a portion of our forecasted debt issuances, resulting in a total of \$1.1 billion of Treasury locks outstanding as of June 30, 2023. All of our Treasury locks are designated as cash flow hedges.

Magellan Acquisition. At June 30, 2023 and December 31, 2022 September 30, 2023, we had no outstanding Treasury lock agreements.

Interest-rate swaps are agreements to exchange interest payments at some future point based on specified notional amounts. In the third quarter 2023, we settled all of our \$0.4 billion forward-starting interest-rate swaps with notional amounts totaling \$0.4 related to our underwritten public offerings of \$5.25 billion to hedge the variability of interest payments on a portion of our forecasted debt issuances. All of our interest-rate swaps are designated as cash flow hedges.

We utilize a sensitivity analysis model to assess the risk senior unsecured notes associated with our derivative portfolio. The following sensitivity analysis measures the potential change in fair value of our Magellan Acquisition. At September 30, 2023, we had no outstanding forward-starting interest-rate derivative instruments based upon a hypothetical 10% movement in the underlying interest rates as of the dates indicated:

	June 30, 2023	December 31, 2022
	(Millions of dollars)	
Interest-rate derivative instruments	\$ 53.2	\$ 13.0

Our sensitivity analysis represents an estimate of the reasonably possible gains and losses that would be recognized on our interest-rate derivative contracts assuming hypothetical movements in future interest rates and is not necessarily indicative of actual results that may occur. Actual gains and losses may differ from estimates due to actual fluctuations in interest rates, as well as changes in our interest-rate derivative portfolio during the year: swaps.

See Note E of the Notes to Consolidated Financial Statements in this Quarterly Report for more information on our hedging activities.

#### ITEM 4. CONTROLS AND PROCEDURES

**Quarterly Evaluation of Disclosure Controls and Procedures** - Our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer) have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report based on the evaluation of the controls and procedures required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act.

**Changes in Internal Control Over Financial Reporting** - There On September 25, 2023, we completed the Magellan Acquisition. As part of the ongoing integration of the acquisition, we are in the process of incorporating the controls and related procedures. Except for the Magellan Acquisition, there have been no changes in our internal control over financial reporting during the quarter ended June 30, 2023 September 30, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### PART II - OTHER INFORMATION

##### ITEM 1. LEGAL PROCEEDINGS

**Additional information** We have elected to use a \$1 million threshold for disclosing environmental proceedings.

**Information** about our legal proceedings is included in Note K of the Notes to Consolidated Financial Statements in this Quarterly Report and under Note O of the Notes to Consolidated Financial Statements in our Annual Report.

##### ITEM 1A. RISK FACTORS

**Reduced volatility in energy prices or new government regulations could discourage our storage customers from holding positions in Refined Products and crude oil, which could adversely affect our business.**

The entry into demand for the Merger Agreement, storage services acquired as part of the Magellan Acquisition has resulted in part from customers' desire to have the ability to take advantage of profit opportunities created by the volatility in prices of Refined Products and crude oil. Periods of prolonged stability or declines in Refined Product and crude oil prices could reduce demand for our storage services. If federal, state or international regulations are passed that discourage our customers from storing these commodities, demand for our storage services could decrease, in which case we may be unable to identify customers willing to contract for such services or be forced to reduce the rates we charge for our services. The realization of any of these risks could adversely affect our business.

**We depend on producers, gathering systems, refineries and pipelines owned and operated by others to supply our assets in our Refined Products and Crude segment, and any closures, interruptions or reduced activity levels at these facilities may adversely affect our business.**

Following the Magellan Acquisition, we depend on crude oil production and on connections with gathering systems, refineries and pipelines owned and operated by third parties to supply our assets in our Refined Products and Crude segment. We cannot control or predict the amount of crude oil that will be delivered to us by the gathering systems and pipelines that supply our crude oil assets, nor can we control or predict the output of refineries that supply our Refined Products pipelines and terminals. Changes in the quality or quantity of this crude oil production, outages at these refineries or reduced or interrupted throughput on these gathering systems or pipelines due to weather-related or other natural causes, competitive forces, testing, line repair, damage, reduced operating pressures or other causes could reduce shipments on our pipelines or result in our being unable to receive products at or deliver products from our terminals or receive products for processing at our condensate splitter, any of which could adversely affect our business.

Refineries that supply or are supplied by our facilities are subject to regulatory developments, including but not limited to low carbon fuel standards, regulations regarding fuel specifications, plant emissions and safety and security requirements that could significantly increase the cost of their operations and reduce their operating margins. In addition, the profitability of the refineries that supply our facilities is subject to regional and global supply and demand dynamics that are difficult to predict. A period of sustained weak demand or increased costs could make refining uneconomic for some refineries, including those directly or indirectly connected to our Refined Products and crude oil pipelines. The closure of a refinery that delivers product to or receives crude oil from our pipelines could reduce the volumes we transport. Further, the closure of these or other refineries could result in our customers electing to store and distribute Refined Products and crude oil through their proprietary terminals, which could result in a reduction in demand for our storage services.

**Rate regulation, challenges by shippers of the rates we charge for transportation on our pipelines or changes in the jurisdictional characterization of our assets or activities by federal, state or local regulatory agencies may reduce the amount of cash we generate.**

The FERC regulates the rates we can charge and the terms and conditions we can offer for interstate transportation service on our pipelines. State regulatory authorities regulate the rates we can charge and the terms and conditions we can offer for intrastate movements on our pipelines. The determination of the interstate or intrastate character of shipments on our pipelines may change over time, which may change the regulatory framework and the rates we are allowed to charge for transportation and other related services. Shippers may protest our pipeline tariff filings, and the FERC or state regulatory authorities may investigate and require changes to tariff terms as a result of the protests or complaints. Further, other than for rates set under market-based rate authority, the FERC may order refunds of amounts collected under interstate rates that are determined to be in excess of a just and reasonable level. State regulatory authorities could take similar measures for intrastate tariffs. In addition, shippers may challenge by complaint the



lawfulness of tariff rates that have become final and effective. If existing rates are determined to be in excess of a just and reasonable level, we could be required to pay refunds to shippers, reduce rates and make other concessions.

The FERC's ratemaking methodologies may limit our ability to increase rates by amounts sufficient to reflect our actual cost or may delay the use of rates that reflect increased costs. We use the FERC's indexing methodology to establish our rates in approximately 30% of the markets serviced by our Refined Products pipelines. The FERC's indexing methodology is subject to review every five years and currently allows a pipeline to change its rates each year to a new ceiling level. When the change in the ceiling level is negative, we are required to reduce our rates that are subject to the FERC's indexing methodology.

The FERC and most relevant state regulatory authorities allow us to establish rates based on conditions in competitive markets without regard to the FERC's index level or our cost-of-service. We establish market-based rates in approximately 70% of the markets for our Refined Products pipelines. The tariffs on most of our long-haul crude oil pipelines are at negotiated rates, but are still subject to regulation by the FERC or state agencies and subject to protest by shippers. If we were to lose our market-based rate authority, or if our negotiated rates were determined to not be just and reasonable, we could be required to establish rates on some other basis, such as our cost-of-service. Establishing our rates through a cost-of-service filing could be expensive and could result in tariff reductions, which would adversely affect our business.

#### ***Our gas liquids blending activities subject us to federal regulations that govern renewable fuel requirements in the U.S.***

The Energy Independence and Security Act of 2007 expanded the required use of renewable fuels in the U.S. Each year, the EPA establishes a renewable volume obligation ("RVO") requirement for refiners and fuel manufacturers based on overall quotas established by the federal government. By virtue of our gas liquids blending activity and resulting gasoline production, we are an obligated party and receive an annual RVO from the EPA. We typically purchase renewable energy credits, called RINs, to meet this obligation. Increases in the cost or decreases in the availability of RINs could have an adverse impact on our business.

#### ***Our business could be affected adversely by union disputes and strikes or work stoppages by our unionized employees.***

As of September 25, 2023, approximately 4% of our workforce was represented by the United Steelworkers and covered by a collective bargaining agreement expiring January 2026. We could experience a work stoppage in the future as a result of disagreements with the labor union. A prolonged work stoppage could have an adverse effect on our business.

#### ***The failure to successfully combine the businesses of ONEOK and Magellan may adversely affect our future results.***

Our entry into the Merger Agreement represents several risks. Among other obligations, the Merger Agreement subjects us to restrictions on our business activities prior to the closing of the Merger Transaction. These restrictions could prevent us from pursuing certain business opportunities that arise prior to the closing and are outside the ordinary course of business.

The Merger Transaction is subject to the satisfaction of a number of other conditions beyond the parties' control that may prevent, delay or otherwise materially adversely affect the completion of the Merger Transaction. These conditions include, among other things, Magellan unitholder approval of the Merger Agreement and ONEOK shareholder approval of the issuance of ONEOK common stock in connection with the Merger Transaction. We cannot predict with certainty whether and when any of these conditions will be satisfied. Any delay in completing the Merger Transaction could cause the combined company not to realize, or delay the realization, of some or all of the benefits that we expect to achieve from the Merger Transaction. Additionally, if the Merger Transaction is not completed, our ongoing business may be adversely affected and, without realizing any of the benefits of having completed the Merger Transaction, we may experience certain negative effects, including that we may experience negative reaction from the financial markets and business partners and that we may still be required to pay significant costs relating to the Merger Transaction, such as accounting, legal and other advisory and printing costs.

The success of the Merger Transaction Magellan Acquisition will depend, in part, on our ability to realize the anticipated benefits from combining the businesses of ONEOK and Magellan. To realize these anticipated benefits, ONEOK's and Magellan's businesses must be successfully combined. If the combined company is businesses are not able to achieve these objectives, successfully combined, the anticipated benefits of the Merger Transaction Magellan Acquisition may not be realized fully or at all or may take longer to realize than expected. In addition, the actual integration may result in additional and unforeseen expenses, which could reduce the anticipated benefits of the Merger Transaction, and such integration may not be successful or may take longer than anticipated. ONEOK and Magellan including their respective subsidiaries, have operated and, until the completion of the Merger Transaction, will continue to operate independently, Acquisition. It is possible that the integration process could result in the loss of key employees, as well as the disruption of our ongoing businesses or inconsistencies in our standards, controls, procedures and policies. Any or all of those occurrences could affect adversely the combined company's ability to maintain relationships with customers and employees after the Merger Transaction Magellan Acquisition or to achieve the anticipated benefits of the Merger Transaction, Magellan Acquisition. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on us.

Securities class action lawsuits and derivative lawsuits are often brought against public companies that have entered into acquisition, merger or other business combination agreements. Even if such a lawsuit is without merit, defending against these claims can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on our liquidity and financial condition. Lawsuits that may be brought against us or our directors could also seek, among other things, injunctive relief or other equitable relief, including a request to rescind parts of the Merger Agreement already implemented and to otherwise enjoin the parties from consummating the Merger Transaction, relief. Additionally, the defense or settlement of any lawsuits or claim claims against us or Magellan that remains were unresolved at the time of the Merger Transaction is completed may be assumed by us and Magellan Acquisition could affect adversely the combined company's business, results of operations, financial condition or cash flows.

Upon termination of the Merger Agreement under certain circumstances, we may be required to reimburse Magellan's expenses up to \$75 million or pay Magellan a termination fee equal to \$450 million, less any expenses previously paid.

Our investors should consider the risks set forth in Part I, Item 1A, Risk Factors, of our Annual Report that could affect us and our business. Although we have tried to discuss key factors, our investors need to be aware that other risks may prove to be important in the future. New risks may emerge at any time, and we cannot predict such risks or estimate the extent to which they may affect our financial performance. Investors should consider carefully the discussion of risks and the other information included or incorporated by

reference in this Quarterly Report, including “Forward-Looking Statements,” which are included in Part I, Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

Not applicable.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

Not applicable.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

Not applicable.

**ITEM 6. EXHIBITS**

Readers of this report should not rely on or assume the accuracy of any representation or warranty or the validity of any opinion contained in any agreement filed as an exhibit to this Quarterly Report, because such representation, warranty or opinion may be subject to exceptions and qualifications contained in separate disclosure schedules, may represent an allocation of risk between parties in the particular transaction, may be qualified by materiality standards that differ from what may be viewed as material for securities law purposes, or may no longer continue to be true as of any given date. All exhibits attached to this Quarterly Report are included for the purpose of complying with requirements of the SEC. Other than the certifications made by our officers pursuant to the Sarbanes-Oxley Act of 2002 included as exhibits to this Quarterly Report, all exhibits are included only to provide information to investors regarding their respective terms and should not be relied upon as constituting or providing any factual disclosures about us, any other persons, any state of affairs or other matters.

The following exhibits are filed as part of this Quarterly Report:

Exhibit No.	Exhibit Description
2.1*	<a href="#">Agreement and Plan of Merger, dated as of May 14, 2023, by and among ONEOK, Inc., Otter Merger Sub, LLC and Magellan Midstream Partners, L.P., (incorporated by reference from Exhibit 2.1 to ONEOK, Inc.'s Current Report on Form 8-K, filed May 15, 2023 (File No. 1-13643)).</a>
3.1	<a href="#">Amended and Restated Certificate of Incorporation of ONEOK, Inc., dated July 3, 2017, as amended (incorporated by reference from Exhibit 3.2 to ONEOK, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, filed November 1, 2017 (File No. 1-13643)).</a>
3.2	<a href="#">Amended and Restated By-laws of ONEOK, Inc., (incorporated by reference from Exhibit 3.1 to ONEOK Inc.'s Current Report on Form 8-K filed, February 24, 2023 (File No. 1-13643)).</a>
4.1	<a href="#">Twentieth Supplemental Indenture, dated as of August 24, 2023, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 5.550% Notes due 2026 (incorporated by reference from Exhibit 4.1 to ONEOK Inc.'s Current Report on Form 8-K, filed August 25, 2023 (File No. 1-13643)).</a>
4.2	<a href="#">Twenty-First Supplemental Indenture, dated as of August 24, 2023, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 5.650% Notes due 2028 (incorporated by reference from Exhibit 4.1 to ONEOK Inc.'s Current Report on Form 8-K, filed August 25, 2023 (File No. 1-13643)).</a>
4.3	<a href="#">Twenty-Second Supplemental Indenture, dated as of August 24, 2023, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 5.800% Notes due 2030 (incorporated by reference from Exhibit 4.1 to ONEOK Inc.'s Current Report on Form 8-K, filed August 25, 2023 (File No. 1-13643)).</a>
4.4	<a href="#">Twenty-Third Supplemental Indenture, dated as of August 24, 2023, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 6.050% Notes due 2033 (incorporated by reference from Exhibit 4.1 to ONEOK Inc.'s Current Report on Form 8-K, filed August 25, 2023 (File No. 1-13643)).</a>
4.5	<a href="#">Twenty-Fourth Supplemental Indenture, dated as of August 24, 2023, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 6.625% Notes due 2053 (incorporated by reference from Exhibit 4.1 to ONEOK Inc.'s Current Report on Form 8-K, filed August 25, 2018 (File No. 1-13643)).</a>
10.1 4.6	<a href="#">First Amendment to Amended and Restated Credit Agreement Sixth Supplemental Indenture, dated as of May 26, 2023 September 25, 2023, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership, Magellan Midstream Partners, L.P. and The Bank of New York Mellon Trust Company, N.A., as trustee (incorporated by reference from Exhibit 4.1 to ONEOK Inc.'s Current Report on Form 8-K, filed September 25, 2023 (File No. 1-13643)).</a>

4.7	<a href="#">Fifth Supplemental Indenture, dated as of September 25, 2023, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership, Magellan Midstream Partners, L.P. and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference from Exhibit 4.2 to ONEOK Inc.'s Current Report on Form 8-K, filed September 25, 2023 (File No. 1-13643)).</a>
4.8	<a href="#">Twenty-Fifth Supplemental Indenture, dated as of September 25, 2023, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership, Magellan Midstream Partners, L.P. and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference from Exhibit 4.3 to ONEOK Inc.'s Current Report on Form 8-K, filed September 25, 2023 (File No. 1-13643)).</a>
4.9	<a href="#">Sixteenth Supplemental Indenture, dated as of September 25, 2023, among ONEOK Partners, L.P., ONEOK, Inc., ONEOK Partners Intermediate Limited Partnership, Magellan Midstream Partners, L.P. and Computershare Trust Company, N.A., as trustee (incorporated by reference from Exhibit 4.4 to ONEOK Inc.'s Current Report on Form 8-K, filed September 25, 2023 (File No. 1-13643)).</a>
4.10	<a href="#">Second Supplemental Indenture, dated as of September 25, 2023, among Magellan Midstream Partners, L.P., ONEOK, Inc., ONEOK Partners, L.P., the lenders party thereto ONEOK Partners Intermediate Limited Partnership and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference from Exhibit 4.5 to ONEOK Inc.'s Current Report on Form 8-K, filed September 25, 2023 (File No. 1-13643)).</a>
4.11	<a href="#">Twelfth Supplemental Indenture, dated as of September 25, 2023, among Magellan Midstream Partners, L.P., ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference from Exhibit 4.6 to ONEOK Inc.'s Current Report on Form 8-K, filed September 25, 2023 (File No. 1-13643)).</a>
10.1	<a href="#">Equity Distribution Agreement, dated August 3, 2023, among ONEOK, Inc., BofA Securities, Inc., as sales agent, principal and/or forward seller, and Bank of America, N.A., as forward purchaser (incorporated by reference from Exhibit 1.1 to ONEOK Inc.'s Current Report on Form 8-K, filed August 3, 2023 (File No. 1-13643)).</a>
10.2	<a href="#">Guaranty Agreement, dated as of September 25, 2023, by and between Magellan Midstream Partners, L.P., in favor of Citibank, N.A., as administrative agent, swing line lender under the Credit Agreement, dated as of June 10, 2022, by and L/C Issuer among ONEOK, Inc., Citibank, N.A. and the other lenders (incorporated by reference from Exhibit 10.1 to ONEOK Inc.'s Current Report on Form 8-K, filed May 26, 2023 September 25, 2023 (File No. 1-13643)).</a>
22.1	<a href="#">List of subsidiary guarantors and issuers of guaranteed securities, securities.</a>
31.1	<a href="#">Certification of Pierce H. Norton II pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2	<a href="#">Certification of Walter S. Hulse III pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1	<a href="#">Certification of Pierce H. Norton II pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished only pursuant to Rule 13a-14(b)).</a>
32.2	<a href="#">Certification of Walter S. Hulse III pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished only pursuant to Rule 13a-14(b)).</a>
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definitions Document.
101.LAB	Inline XBRL Taxonomy Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101).
*	<a href="#">Schedules and exhibits to this Exhibit omitted pursuant to Regulation S-K Item 601(b)(2). ONEOK agreed to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.</a>

Attached as Exhibit 101 to this Quarterly Report are the following Inline XBRL-related documents: (i) Document and Entity Information; (ii) Consolidated Statements of Income for the three and **six** nine months ended **June 30, 2023** September 30, 2023 and 2022; (iii) Consolidated Statements of Comprehensive Income for the three and **six** nine months ended **June 30, 2023** September 30, 2023 and 2022; (iv) Consolidated Balance Sheets at **June 30, 2023** September 30, 2023, and December 31, 2022; (v) Consolidated Statements of Cash Flows for the **six** nine months ended **June 30, 2023** September 30, 2023 and 2022; (vi) Consolidated Statements of Changes in Equity for the three and **six** nine months ended **June 30, 2023** September 30, 2023 and 2022; and (vii) Notes to Consolidated Financial Statements.

## SIGNATURE

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ONEOK, Inc.  
Registrant

Date: August 8, 2023 November 1, 2023

By: /s/ Walter S. Hulse III  
Walter S. Hulse III  
Chief Financial Officer, Treasurer and  
Executive Vice President, Investor Relations  
and Corporate Development  
(Principal Financial Officer)

48 54

Exhibit 22.1

### List of Subsidiary Guarantors and Issuers of Guaranteed Securities

As of June 30, 2023 September 30, 2023, the following entities guarantee the notes issued by ONEOK, Inc. (the "ONEOK Notes") and ONEOK Partners, L.P. (the "ONEOK Partners Notes") and Magellan Midstream Partners, L.P. (the "Magellan Notes").

Entity	Jurisdiction of Incorporation or Organization	ONEOK Notes	ONEOK Partners Notes	Magellan Notes
ONEOK, Inc.	Oklahoma	Issuer	Guarantor	Guarantor
ONEOK Partners, L.P.	Delaware	Guarantor	Issuer	Guarantor
ONEOK Partners Intermediate Limited Partnership	Delaware	Guarantor	Guarantor	Guarantor
Magellan Midstream Partners, L.P.	Delaware	Guarantor	Guarantor	Issuer

As of June 30, 2023 September 30, 2023, the ONEOK Notes consisted of the following securities:

#### Issued under the Indenture dated as of September 24, 1998

6-7/8% Debentures due 2028

#### Issued under the Indenture dated as of December 28, 2001

6.00% Notes due 2035

#### Issued under the Indenture dated as of January 26, 2012

2.75% Notes due 2024  
2.200% Notes due 2025  
5.850% Notes due 2026  
4.000% Notes due 2027  
4.55% Notes due 2028  
4.35% Notes due 2029  
3.40% Notes due 2029  
3.100% Notes due 2030  
6.350% Notes due 2031  
6.10% Notes due 2032  
4.950% Notes due 2047  
5.20% Notes due 2048  
4.45% Notes due 2049  
4.500% Notes due 2050  
7.150% Notes due 2051

As of June 30, 2023 September 30, 2023, the ONEOK Partners Notes consisted of the following securities:

**Issued under the Indenture dated as of September 25, 2006**

4.90% Senior Notes due 2025  
6.65% Senior Notes due 2036  
6.85% Senior Notes due 2037  
6.125% Senior Notes due 2041  
6.200% Senior Notes due 2043

**Exhibit 22.1**

As of September 30, 2023, the Magellan Notes consisted of the following securities:

**Issued under the Indenture dated as of April 19, 2007**

6.40% Senior Notes due 2037

**Issued under the Indenture dated as of August 11, 2010**

3.20% Senior Notes due 2025

5.00% Senior Notes due 2026

3.25% Senior Notes due 2030

4.20% Senior Notes due 2042

5.15% Senior Notes due 2043

4.20% Senior Notes due 2045

4.25% Senior Notes due 2046

4.20% Senior Notes due 2047

4.85% Senior Notes due 2049

3.95% Senior Notes due 2050

**2**

**Exhibit 31.1**

**Certification**

I, Pierce H. Norton II, certify that:

I have reviewed this quarterly report on Form 10-Q of ONEOK, Inc.;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2023 November 1, 2023

/s/ Pierce H. Norton II  
Pierce H. Norton II  
Chief Executive Officer

**Exhibit 31.2**

### **Certification**

I, Walter S. Hulse III, certify that:

I have reviewed this quarterly report on Form 10-Q of ONEOK, Inc.;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2023 November 1, 2023

/s/ Walter S. Hulse III  
Walter S. Hulse III  
Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of ONEOK, Inc. (the "Registrant") for the period ending **June 30, 2023** **September 30, 2023**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Pierce H. Norton II, Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Pierce H. Norton II  
Pierce H. Norton II  
Chief Executive Officer

**August 8, November 1, 2023**

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to ONEOK, Inc. and will be retained by ONEOK, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of ONEOK, Inc. (the "Registrant") for the period ending **June 30, 2023** **September 30, 2023**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Walter S. Hulse III, Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Walter S. Hulse III  
Walter S. Hulse III  
Chief Financial Officer

**August 8, November 1, 2023**

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to ONEOK, Inc. and will be retained by ONEOK, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.



#### DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2023, Refinitiv. All rights reserved. Patents Pending.