

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the Matter of ONEOK NGL Pipeline, L.L.C.)
Seeking Commission Approval to Add K.C.C.) Docket No. 18-ONEP-027-TAR
Tariff No. 9.4)

ORDER APPROVING TARIFF REVISION

The above-captioned matter comes before the State Corporation Commission of the State of Kansas ("Commission") for consideration and decision. Having reviewed its files and records, and being duly advised in the premises, the Commission makes the following findings:

I. BACKGROUND

1. On July 24, 2017, ONEOK NGL Pipeline, L.L.C. (ONEP) filed an Application with the Commission seeking approval and implementation of proposed Tariff K.C.C. No. 9.4, replacing Tariff K.C.C. No. 9.3, adding Natural Gas Liquids and Refined Products ("Product(s)")¹ to the tariff. The requested revision of Item 115 in the tariff will provide shippers the flexibility of transporting all products from Bushton, Kansas to Conway, Kansas. ONEP states that the estimated annual increase in revenue as a result of the revision is \$0.00 per year.²

2. On July 27, 2017, the Commission Staff (Staff) submitted its Report and Recommendation dated July 26, 2017, recommending that the Commission grant ONEP's Application and approve the company's proposed Tariff K.C.C. No. 9.4, replacing Tariff K.C.C. No. 9.3.

¹ See proposed Tariff K.C.C. No. 9.4 Rules and Regulations, page 3, Item No. 5-Definitions.

² See Application, page 1.

II. FINDINGS AND CONCLUSION

3. ONEP operates as an intrastate liquids pipeline common carrier in the State of Kansas, and transports products under its current tariff, K.C.C. No. 9.3.³ Accordingly, ONEP is engaged in the transportation of liquid hydrocarbons within the meaning of K.S.A. 66-105 and K.S.A. 66-1,215. Therefore, pursuant to the Commission's authority to regulate common carriers operating in the State of Kansas,⁴ the Commission has jurisdiction to rule on the instant Application.

4. The Commission hereby adopts Staff's analysis and recommendation of July 26, 2017, as stated in its Report and Recommendation, which is attached hereto and made a part of this Order by reference. The Commission finds that ONEP's requested tariff revision will result in reasonably efficient and sufficient service, is just and reasonable, and should be approved.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. ONEOK NGL Pipeline, L.L.C.'s Application requesting to implement Tariff K.C.C. No. 9.4 is hereby granted and Tariff K.C.C. No. 9.4, replacing Tariff K.C.C. No. 9.3 is hereby approved and shall become effective as of the date of this Order.

B. The parties have fifteen (15) days, plus three (3) days if service of this Order is by mail, from the date this Order was served to petition the Commission for reconsideration of any issue or issues decided herein.⁵

C. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders as it may deem necessary and proper.

³ See *id.*, p. 2. ("The current rates contained in Tariff 9.3 were approved in Docket No. 17-ONEP-482-TAR on March 29, 2016.

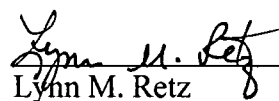
⁴ See K.S.A. 66-1,215 *et seq.*

⁵ K.S.A. 66-118b; K.S.A. 2016 Supp. 77-529(a)(1).

BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: AUG 01 2017


Lynn M. Retz
Secretary to the Commission

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Order Mailed Date

AUG 02 2017

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Chairman Pat Apple
Commissioner Shari Feist Albrecht
Commissioner Jay Scott Emler

FROM: Ryan Cates, Research Economist
Lana Ellis, Deputy Chief of Economics and Rates
Robert Glass, Chief of Economics and Rates
Jeff McClanahan, Director of Utilities

DATE: July 26, 2017

SUBJECT: Docket No.18-ONEP-027-TAR: *In the Matter of ONEOK NGL Pipeline, L.L.C.
Seeking Commission Approval to Add K.C.C. Tariff No. 9.4*

EXECUTIVE SUMMARY:

ONEOK NGL Pipeline, L.L.C. (ONGL) is filing for approval and implementation of Tariff K.C.C. No. 9.4 to replace Tariff K.C.C. 9.3, revising Item No. 115 to the tariff, which would allow transportation of all natural gas liquids and refined products effective August 1, 2017. The rates and routes in the tariff will remain unchanged. Thus, the estimated aggregate annual revenue value of ONGL's proposed product addition is \$0.00.

Because ONGL has met the two standards used to review liquid pipeline common carriers in Kansas and has properly notified all shippers and subscribers as required by the Commission, Staff recommends Commission approval of the Application.

BACKGROUND:

ONGL is a liquids pipeline common carrier that is engaged in the transportation of liquid hydrocarbons within the meaning of K.S.A. 2016 Supp. 66-105 and K.S.A. 66-1,215 (which references the 66-105 definition).¹

Tariffs and associated rates for liquids pipeline common carriers are subject to the Commission's authority pursuant to K.S.A. 66-117, K.S.A. 66-1,217, K.S.A. 66-1,218, and K.A.R. 82-10-2. ONGL operates as an interstate and intrastate liquids pipeline common carrier in the State of

¹ Common Carriers are defined in K.S.A. 2016 Supp. 66-105, which states, "As used in this act, 'common carriers' shall include all freight-line companies, equipment companies, pipe-line companies, and all persons and associations of persons, whether incorporated or not, operating such agencies for public use in the conveyance of persons or property within this state."

Kansas and currently transports the following products under its current tariffs, K.C.C. No. 9.3 (specifically Item Nos. 110 and 115):²

- Natural Gas Liquids (NGLs) and refined products between Hutchinson, Kansas, and Conway, Kansas; and
- Ethane/propane mix, and demethanized mix from Bushton, Kansas, to Conway, Kansas.

On July 24, 2017, ONGL filed an Application with the Commission to replace Tariff K.C.C. No. 9.3 with Tariff K.C.C. No. 9.4, specifically revising Item No. 115 to allow transportation of all natural gas liquids and refined products from Bushton, Kansas, to Conway, Kansas.

ONGL has properly notified all shippers and subscribers in writing as required by the Commission. Additionally, all ONGL tariffs are posted on the tariff website: <http://www.oneokpartners.com>, for all parties in interest. There have been no objections to the changes nor any complaints made or filed with the Commission to date.

ANALYSIS:

There are two standards typically used to review liquid pipelines common carrier tariff applications in Kansas:³

1. Just and reasonable rates: rates with terms and conditions that are non-discriminatory and provide adequate recovery of costs to the suppliers (carriers); and
2. Efficient and sufficient service: as defined in Docket No. 02-MAPL-160-COM, efficient service acts to produce a minimum amount of waste or unnecessary effort in using the capacity on the pipelines, and sufficient service furnishes adequate or enough public service to meet the needs of the shippers.⁴

The current rates contained in Tariff 9.3 were approved in Docket No. 17-ONEP-482-TAR (17-482 Docket) on June 08, 2017. No rates or volumes will be affected by the revision of Item No. 115. Because there is no effect on rates caused by the revision, ONGL's rates continue to be just and reasonable as approved by the Commission in the 17-482 Docket. In addition, the revision provides shippers the flexibility to transport various products from Bushton, Kansas, to Conway, Kansas. The tariff already allows this flexibility between Hutchison, Kansas, and Conway, Kansas.

Therefore, based on the two standards of review, Staff supports the revision of Item No. 115 in Tariff K.C.C. No. 9.4 and recommends approval.

² ONGL is a subsidiary of ONEOK Partners Intermediate Limited Partnership. The Commission originally granted ONEP's Certificate of Convenience and Necessity (Certificate) in Docket No. 06-ONEP-225-COC on November 28, 2005. ONEP has since amended its Certificate to include other potential intrastate movements and new transportation routes, most recently in Docket No. 15-ONEP-329-COC.

³ Pursuant to K.S.A. 66-117 and 66-1,217.

⁴ Docket No. 02-MAPP-160-COM: *In the Matter of the Complaint of Farmland Industries, Inc. Seeking an Order Directing Mid-America Pipeline Company and Texaco Natural Gas, Inc. to Cease and Desist the Unlawful Abandonment of Service on the Six Inch Pipeline Between Conway, Kansas and El Dorado, Kansas*, Order, January 31, 2005, pp. 33 & 37.

RECOMMENDATION:

Staff recommends the Commission grant ONGL's request for approval of its Tariff K.C.C. No. 9.4, to replace Tariff K.C.C. 9.3, revising item No. 115 in the tariff.

CERTIFICATE OF SERVICE

18-ONEP-027-TAR

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of first class mail/hand delivered on AUG 01 2017.

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 S HICKORY
PO BOX 17
OTTAWA, KS 66067
Fax: 785-242-1279
jflaherty@andersonbyrd.com

OTTO NEWTON, LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3167
o.newton@kcc.ks.gov
Hand Delivered

/S/ DeeAnn Shupe
DeeAnn Shupe

Order Mailed Date

AUG 02 2017