

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

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

In the Matter of ONEOK North System,   )  
L.L.C. Filing Tariff K.C.C. No. 4.5,       )  
Replacing Tariff K.C.C. No. 4.4            )

Docket No. 15-ONSP-135-TAR

**ORDER APPROVING TARIFF REVISION**

**I.      BACKGROUND**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having examined the files, the Commission finds and concludes as follows:

1.      On September 24, 2014, ONEOK North System, L.L.C. (ONS), filed an Application seeking approval of K.C.C. Tariff No. 4.5 which would replace K.C.C. Tariff No. 4.4. In its Application, ONS seeks to modify its tariffs to amend two items in ONS' "Rules and Regulations" portion of the tariff.<sup>1</sup>

2.      Commission Staff (Staff) investigated ONS' Application and provided a Report and Recommendation, dated October 23, 2014. Staff's Report and Recommendation was filed in this docket on November 4, 2014.

3.      According to Staff, ONS is a liquids pipeline common carrier under the jurisdiction of the Commission that is engaged in the transportation of liquid hydrocarbons within the meaning of K.S.A. 2013 Supp. 66-105 and K.S.A. 66-1,215.<sup>2</sup>

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<sup>1</sup> See Tariff for ONEOK North System, L.L.C., September 24, 2014, p. 1 (Application).

<sup>2</sup> Report & Recommendation, October 23, 2014, p. 2.

4. According to Staff, ONS is proposing changes to two items in the “Rules and Regulations” section of its KCC tariff.<sup>3</sup> The proposed changes are detailed as follows:

a. Item 55 – Payment of Carrier Charges and Carrier’s Lien has been updated to allow ONEOK North System, L.L.C. the right to assess finance charges (at a rate of 125% of the prime rate of interest charged by Citibank N.A., New York, New York, or the maximum finance charge rate allowed by law, whichever is less) on past due balances until paid in full.<sup>4</sup>

b. Item 65 – Allocation of Carrier’s Pipeline Facilities: This item details how shipments of product are allocated to shippers during occasions when more product is offered for transportation in total than ONEOK North System, L.L.C. can transport or otherwise handle at a given time (usually when a condition arises that causes a constraint on the pipeline system). No changes are being made to existing language; however, a reference to ONEOK North System, L.L.C. new company allocation policy, implemented on October 1, 2014, is being added and applied to its Kansas tariff.<sup>5</sup>

5. In regards to ONS’ proposed changes to Item 55, Staff’s analysis showed that the:

specific terms and amounts of the finance charge are standard in the industry and are similar or identical to finance charge amounts and/or terms provided in Kansas intrastate tariffs of other pipeline companies previously approved by the Commission. Further, as it relates to this item, ONS has not historically had any Kansas shippers that would have incurred a finance charge. Therefore, ONS is not anticipating any annual change in revenue at this time.<sup>6</sup>

6. In regards to ONS’ proposed changes to Item 65, Staff’s analysis showed that:

[b]ecause the terms and conditions apply to all shippers equally and ONS is merely updating its tariff rules and regulations to be consistent with company policy and all its other state tariffs and at FERC, Staff determines there will be no adverse impact on public convenience as a result of approving this filing and supports the tariff changes.<sup>7</sup>

7. In its Report and Recommendation, Staff noted that ONS submitted with its Application the required notification to all shippers and interested parties of its proposed tariff

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<sup>3</sup> See *id.*

<sup>4</sup> *Id.*; see also *id.* at p. 3 n. 2.

<sup>5</sup> Report & Recommendation. at p. 3.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

changes and their right to intervene.<sup>8</sup> There have been no complaints, or interventions to date in this docket, or its corresponding FERC Docket (IS14-678-000).<sup>9</sup>

8. The Commission finds that Staff's Report and Recommendation dated October 23, 2014, and filed in this docket on November 4, 2014, thoroughly analyzes ONS' proposed tariff revisions, and hereby adopts and incorporates Staff's October 23, 2014 Report and Recommendation.

## **II. FINDINGS AND CONCLUSIONS OF LAW**

9. Upon review of Staff's Report and Recommendation, the Commission finds Staff's Report and Recommendation to be reasonable.

10. The Commission finds that ONS' Application is just and reasonable, and therefore should be approved.

### **IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:**

(A) ONEOK North System, L.L.C.'s Application and request for approval of tariff K.C.C. No. 4.5 to replace tariff K.C.C. 4.4 is hereby granted, 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 in which to petition the Commission for reconsideration of any issue or issues decided herein.<sup>10</sup>

(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.

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<sup>8</sup> *Id.* at p. 2.

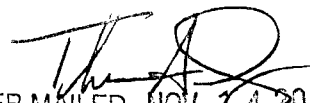
<sup>9</sup> *See id.* at pp. 2-3.

<sup>10</sup> K.S.A. 66-118b; K.S.A. 77-529(a)(1).

**BY THE COMMISSION IT IS SO ORDERED.**

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: NOV 13 2014

  
ORDER MAILED NOV 14 2014  
Thomas A. Day  
Acting Executive Director

REV

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET  
TO THE FOLLOWING:

| NAME AND ADDRESS  | NO.<br>CERT.<br>COPIES | NO.<br>PLAIN<br>COPIES |
|---|------------------------|------------------------|
| JAMES G. FLAHERTY, ATTORNEY<br>ANDERSON & BYRD, L.L.P.<br>216 S HICKORY<br>PO BOX 17<br>OTTAWA, KS 66067                                      |                        |                        |
| ROBERT VINCENT, LITIGATION ATTORNEY<br>KANSAS CORPORATION COMMISSION<br>1500 SW ARROWHEAD RD<br>TOPEKA, KS 66604-4027<br>***Hand Delivered*** |                        |                        |
| ALESIA SPEARS, MANAGER, RATES AND REGULATORY<br>ONEOK NORTH SYSTEM, L.L.C.<br>100 WEST FIFTH STREET<br>TULSA, OK 74103-4298                   |                        |                        |

ORDER MAILED NOV 14 2014

The Docket Room hereby certified that on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.