

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 NGL Pipeline, L.L.C.      )  
Seeking Commission Approval for K.C.C.      )      Docket No. 15-ONEP-297-TAR  
Tariff No. 9      )

In the Matter of the Application of ONEOK      )  
NGL Pipeline, L.L.C. to Amend its Certificate      )  
of Convenience and Necessity to Transact the      )      Docket No. 15-ONEP 329-COC  
Business of Liquids Pipeline Common Carrier      )  
in the State of Kansas      )

**ORDER ADOPTING STAFF'S REPORT AND RECOMMENDATION**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) on the Applications of ONEOK NGL Pipeline, LLC (ONEP). After review of the pleadings, the Commission makes the following findings and conclusions.

**I. BACKGROUND**

1. On January 15, 2015, ONEP filed its Application with the Commission requesting approval of its proposed new rate to be established in the amount of 32.39 cents per barrel (cpb) for transporting ethane/propane mix from its fractionator at Bushton, Kansas to Conway, Kansas, in Docket No. 15-ONEP-297-TAR (297 Docket).

2. On January 30, 2015, ONEP filed an amended Application in the 297 Docket to include references that were inadvertently omitted from its original Application.

3. On January 30, 2015, ONEP filed its Application to amend its Certificate of Convenience and Necessity to include the new route for transporting product from Bushton,

Kansas to Conway, Kansas, as described above, in Docket No. 15-ONEP-329-COC (329 Docket).

4. On February 5, 2015, Staff filed a Motion requesting the 297 and 329 Dockets be consolidated because obtaining approval to establish a new route and set a rate for that route are intrinsically linked. The Motion was granted by the Commission on March 17, 2015.

5. On February 11, 2015, ONEP filed the required Notification to all shippers and states that all shippers on ONEP and interested parties have been notified of the propose route, the applicable rate, and their right to intervene. There have been no complaints or interventions to date.

6. On July 3, 2015, after examining ONEP's Applications, Staff filed its Report and Recommendation, which recommended the Commission's approval of both Applications subject to a condition described below.

## **II. FINDINGS OF FACT**

7. ONEP 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. 2014 Supp. 66-105 and 66-1,215 (which defers to the 66-105 definition).

### **A. The 329 Docket**

8. ONEP is requesting that its Certificate of Convenience and Necessity be amended in the 329 Docket to include a new route from Bushton, Kansas to Conway, Kansas.

9. ONEP built the new line from Bushton, Kansas to Conway, Kansas, based on a huge increase in market demand for barrels of ethane/propane mix at the Conway Hub (to be transported to destinations within Kansas as well as on an interstate basis to a hub in Medford,

Oklahoma). Staff considers the ability to ship more product within Kansas based on market demand encouraging to business and that it promotes public convenience in Kansas.

**B. The 297 Docket**

10. ONEP is seeking approval of Tariff K.C.C. No. 9.1 to establish an initial rate of 32.39 cpb for movement of ethane/propane mix along the new route from Bushton to Conway, Kansas, as described above.

11. The shipments will be subject to the same terms and conditions already approved by the Commission in its current Tariff K.C.C. No. 8.

12. Staff typically uses two standards to review liquids pipeline common carrier tariff applications: (1) just and reasonable rates and (2) efficient and sufficient service. Staff believes ONEP's proposed tariff meets both of these standards.

**III. CONCLUSION**

13. Staff recommends the Commission grant ONEP the following:

- a. Approval of its Application in Docket No. 15-ONEP-329-COC, expanding its Certificate of Convenience and Necessity to do business in the State of Kansas to include the new route from Bushton to Conway, Kansas; and
- b. Approval of its Application in Docket No. 15-ONEP-297-TAR, establishing a new rate in the amount of 32.39 cpb for transporting ethane/propane mix on the proposed route described above, subject to the following condition:
  - i. ONEP provide the Commission with an affidavit from at least one non-affiliated shipper agreeing to its rate at such time as a third party shipper becomes interested in using the new route.

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

(A) The Commission approves ONEOK NGL Pipeline, LLC's Application to Amend its Certificate of Convenience and Necessity, expanding it to do business in the State of Kansas to include the new route from Bushton to Conway, Kansas (329 Docket).

(B) The Commission further approves ONEOK NGL Pipeline, LLC's Application to establish a new rate in the amount of 32.39 cents per barrel for transporting ethane/propane mix on the proposed route described above, under the condition that ONEOK NGL Pipeline, LLC provide the Commission with an affidavit from at least one non-affiliated shipper agreeing to its rate at such time as a third party shipper becomes interested in using the new route (297 Docket).

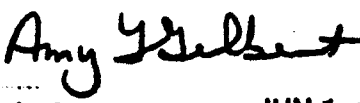
(C) The parties have fifteen (15) days, plus three (3) days if service of this order is by mail, from the date this order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 2014 Supp. 77-529(a)(1).

(D) 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.

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

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated:           JUN 16 2015          

  
**Order Mailed Date**             JUN 17 2015          
Amy L. Gilbert  
Secretary

SRF:vj

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                                     |                        |                        |
| SAMUEL FEATHER, LITIGATION COUNSEL<br>KANSAS CORPORATION COMMISSION<br>1500 SW ARROWHEAD RD<br>TOPEKA, KS 66604-4027<br>***Hand Delivered*** |                        |                        |
| SHERLYN SCHUMACK, REGULATORY ANALYST II<br>ONEOK NORTH SYSTEM, L.L.C.<br>100 WEST FIFTH STREET<br>TULSA, OK 74103-4298                       |                        |                        |

**Order Mailed Date JUN 17 2015**

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.