

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Andrew J. French, Chairperson
Dwight D. Keen
Susan K. Duffy

In the Matter of ONEOK NGL Pipeline, LLC)
for an Order Approving an Amendment to the) Docket No. 25-ONEP-241-CON
Pipeline Capacity Lease Agreement with Holly)
Frontier Refining & Marketing LLC)

**ORDER APPROVING PIPELINE CAPACITY LEASE AGREEMENT AMENDMENT
AND CERTIFICATE EXTENSION**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the pleadings and filings in the above-captioned docket, the Commission makes the following findings and conclusions:

I. BACKGROUND

1. On December 11, 2020, ONEOK NGL Pipeline, L.L.C. (ONEOK NGL) filed an Application¹ seeking approval of its 2021 Amendment to the Pipeline Capacity Lease Agreement with Holly Frontier Refining & Marketing LLC (HFRM) (2021 Amendment) to allow ONEOK NGL to fulfill its contractual obligations under the 2021 Amendment under its limited contract carrier certificate or permit issued by the Commission in Docket No. 06-ONEP-646-COC², Docket No. 12-ONEP-333-CON and Docket No. 21-419.³

2. On December 10, 2024, ONEP filed an Application in this Docket to extend the ONEP/HFRM contract one more year than what was approved in Docket No. 21-419. ONEP's proposal is to extend the ONEP/HFRM contract.

¹ Application, p. 2 (Dec. 11, 2020).

² See generally Order and Certificate, Docket No. 06-ONEP-646-COC (Apr. 20, 2006) (06-646 Docket).

³ See generally Order Approving Application, Docket No. 12-ONEP-333-CON (Dec. 8, 2011) (12-333 Docket) and Order Approving Application, Docket 21-419 (June 24, 2021).

⁴ Application, p. 3.

3. With its Application, ONEOK included as Exhibit A, a letter agreement indicating that ONEOK NGL and HFRM intend to extend the 2011 HFRM Agreement by entering into a new amendment. Later, ONEOK filed Exhibit B to its Application, which contained an executed copy of the 2025 Amendment.⁵ ONEOK designated Exhibit B as confidential pursuant to K.S.A. 66-1220a.

4. ONEOK NGL holds a Limited Contract Carrier Certificate as issued in the 06-646 Docket.⁶ The capacity in the Conway-El Dorado Pipeline covered by the 2021 Amendment was previously leased to HFRM under a pipeline capacity lease agreement approved by the Commission in the 12-333 Docket.⁷ The Commission approved extensions of the Limited Contract Carrier Certificate and amendments to the Pipeline Lease Agreement in Dockets No. 15-ONEP-460-CON⁸, 18-ONEP-502-CON, 21-ONEP-214-CON and 21-ONEP-419-CON.⁹

5. ONEOK NGL's request in the instant proceeding is limited to allowing ONEOK to fulfill its contractual obligations under the 2025 Amendment.¹⁰ Beyond this limited request, ONEOK NGL is not requesting any authority, nor is it requesting any common carrier authority; ONEOK NGL has not held and is not holding itself or the pipeline referenced herein out for use by the public at this time.¹¹

6. On March 17, 2025, Staff submitted its Report and Recommendation (Staff's R&R, or R&R), attached hereto as Attachment A, in which it details its analysis of this matter.

⁵ ONEOK NGL Pipeline, L.L.C. Late-Filed Exhibit B (February 10, 2025) (Exhibit B).

⁶ *Id.* at 3.

⁷ Application, p. 3.

⁸ See generally Order Granting Application, Docket No. 15-ONEP-460-CON (Jun. 25, 2015) (15-460 Docket).

⁹ See generally Order Approving Pipeline Capacity Lease Agreement Amendment and Certificate Extension, Docket No. 18-ONEP-502-CON (18-502 Docket) and Order Approving Pipeline Capacity Lease Agreement Amendment and Certificate of Extension, (Docket No. 21-ONEP-419-CON).

¹⁰ *Id.*

¹¹ *Id.*

Staff recommended the 2025 Amendment in this instant filing should be approved, and the Limited Contract Carrier Certificate should be extended to the term stated in the 2025 Amendment. Staff also recommended the Amendment remain confidential. As such, Staff has redacted a portion of its R&R that reiterates information contained in the Amendment.

II. DISCUSSION

7. While ONEOK NGL is a liquids pipeline common carrier under the jurisdiction of the Commission within the meaning of K.S.A. 66-105, the Commission jurisdiction over a Limited Contract Carrier Certificate is granted by the Miscellaneous Public Utilities Act, K.S.A. 66-1,230 *et seq.*

8. Staff had no objection to ONEOK NGL's request for approval of its 2025 Amendment.¹² Staff considered the terms of the 2025 Amendment to be just and reasonable, particularly because Limited Contract Carrier Certificates with related Agreements have previously received approval by the Commission in the 06-646 Docket, 12-333 Docket, 15-460 Docket, 18-502 Docket, 21-214 Docket, and the Docket 21-419.¹³ All parties of interest in this docket have been notified and there have been no protests or interventions to date.¹⁴

9. Staff stated that approval of the 2025 Amendment and extension of ONEOK NGL's Limited Contract Carrier Certificate has no adverse impact on the public interest and will promote public convenience.¹⁵

¹² Staff's R&R, p. 2.

¹³ *See id.*

¹⁴ *Id.*

¹⁵ *See id.*

III. FINDINGS AND CONCLUSIONS

10. The Commission reviewed Staff's R&R submitted in this matter and included here as Attachment A. The Commission adopts the recommendations contained within Staff's R&R as findings and incorporates the aforementioned into this Order by reference.

11. The Commission concludes that the terms of the 2025 Amendment to ONEOK NGL and HFRM's Pipeline Capacity Lease Agreement are just and reasonable and approval of the same is in the interest of public convenience.

12. The Commission agrees that the 2025 Amendment, included in Exhibit B, should remain confidential.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Commission adopts Staff's Report and Recommendation, included herein as Attachment A.

B. The 2025 Amendment to ONEOK NGL and HFRM's Pipeline Capacity Lease Agreement is approved and will remain confidential.

C. Any party may file and serve a petition for reconsideration pursuant to the requirements and time limits established by K.S.A. 77-529(a)(1).¹⁶

BY THE COMMISSION IT IS SO ORDERED.

French, Chairperson; Keen, Commissioner; Duffy, Commissioner

Dated: 03/27/2025



Abigail D. Emery
Acting Secretary to the Commission

CRM/PJH

¹⁶ K.S.A. 66-118b; K.S.A. 77-503(c); K.S.A. 77-531(b).

Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

Laura Kelly, Governor

**REPORT AND RECOMMENDATION
UTILITIES DIVISION**

TO: Andrew J. French, Chairperson
Dwight D. Keen, Commissioner
Annie Kuether, Commissioner

FROM: Pat Renner, Senior Research Analyst
Paul Owings, Chief Engineer
Jeff McClanahan, Director of Utilities

DATE: March 17, 2025

SUBJECT: Docket No. 25-ONEP-241-CON
In the Matter of the Application of ONEOK NGL Pipeline, L.L.C. for an Order
Approving an Amendment to the Pipeline Capacity Lease Agreement with Holly
Frontier Refining & Marketing L.L.C.

EXECUTIVE SUMMARY:

In this Application, ONEOK NGL Pipeline, L.L.C. (ONEP) is requesting a Commission Order approving an extension of its Lease Agreement and Limited Contract Carrier Certificate with Holly Frontier Refining & Marketing, L.L.C. (HFRM) for 1 more year, from [REDACTED] [REDACTED]. The Current Lease Agreement between these parties expires [REDACTED]. Staff is recommending that the Commission approve the Application.

BACKGROUND:

On April 20, 2006, the Commission issued ONEP a Limited Contract Carrier Certificate in Docket No. 06-ONEP-646-COC (06-646 Docket), limiting certification specifically for fulfillment of ONEP's contractual obligations under a Pipeline Capacity Lease Agreement with HFRM, also approved in that Docket.

On December 8, 2011, the Commission granted ONEP an extension of the Limited Contract Carrier Certificate and an amended Pipeline Lease Agreement with HFRM in Docket No. 12-ONEP-333-CON (12-333 Docket).

On June 26, 2015, the Commission approved an extension of the Limited Contract Carrier Certificate and an amendment to the Pipeline Lease Agreement between ONEP and HFRM in Docket No. 15-ONEP-460-CON.

On December 18, 2018, the Commission approved an extension of the Limited Contract Carrier Certificate and an amendment to the Pipeline Lease Agreement between ONEP and HFRM in Docket 18-ONEP-502-CON (18-502 Docket).

On April 1, 2021, the Commission approved an extension of the Limited Contract Carrier Certificate and an amendment to the Pipeline Lease Agreement between ONEP and HFRM in Docket 21-ONEP-214-CON (21-214 Docket). The Commission Order in this Docket extended the ONEP/HFRM contract from [REDACTED]

On May 10, 2021, the Commission approved an extension of the Limited Contract Carrier Certificate and an amendment to the Pipeline Lease Agreement between ONEP and HFRM in Docket 21-ONEP-419-CON (21-419 Docket). The Commission Order in this Docket extended the ONEP/HFRM contract from [REDACTED]

On December 10, 2024 ONEP filed an application in this Docket to extend the ONEP/HFRM contract one more year than what was approved in 21-419. ONEP's proposal is to extend the ONEP/HFRM contract to [REDACTED]

ANALYSIS:

Although ONEP is a liquids pipeline common carrier under the jurisdiction of the Commission within the meaning of K.S.A. 2014 Supp. 66-105, the Commission jurisdiction over the proceeding in this Application in regard to a Limited Contract Carrier Certificate falls under the Miscellaneous Public Utilities Act, K.S.A. 66-1,230.

The Amendment to the Agreement between ONEP and HFRM approved in the 21-419 Docket allowed the Agreement to expire on [REDACTED]. This Agreement leases 100% capacity of two natural gas liquids (NGL) pipelines, one 6-inch and one 4-inch, located between Conway and El Dorado, Kansas. Both pipelines are currently owned and operated by ONEP.

Because public release of this 2025 Amendment could compromise proprietary obligations and give ONEP's competitors in the NGL transportation industry a competitive advantage, ONEP also requests that the specific contents of this 2025 Amendment remain confidential pursuant to K.S.A. 66- 1220a. Staff agrees with this request.

Staff has no objection to ONEP's request in this filing. There are no separate tariff rates on the two pipelines between Conway and El Dorado, Kansas. All parties of interest in this docket have been notified and there have been no protests or interventions to date. Because 100% of the capacity is being leased and Limited Contract Carrier Certificates with related Agreements have previously received Commission approval in the 06-646, 12-333, 15-460, 18-502, 21-214 and 21-419 Dockets, Staff considers the terms of the Agreement in this filing to be just and reasonable.

Staff further agrees that approval of this 2025 Amendment and extension of ONEP's Limited Contract Carrier Certificate has no adverse impact on the public interest and will promote public convenience and the business as described in paragraph 6 of this Application.

RECOMMENDATION:

Staff recommends this latest 2025 Amendment to the ONEP/HFRM 2011 Lease Agreement in this filing be approved. The Limited Contract Carrier Certificate should be extended to the term stated in this 2025 Amendment. Staff also recommends that the Amendment be designated as confidential.

CERTIFICATE OF SERVICE

25-ONEP-241-CON

I, the undersigned, certify that a true copy of the attached Order has been served to the following by means of electronic service on 03/27/2025.

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/S/ KCC Docket Room

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