



January 30, 2024
Before the House Agriculture Committee
Proponent testimony on HB 2525

Oral Testimony of Michael Gillaspie, Director, Governmental Affairs
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Good afternoon Mr. Chairman and members of the committee. My name is Michael Gillaspie and I work for ONEOK, as the director of government relations in Kansas. ONEOK owns and operates one of the nation's premier energy infrastructure systems, with a more than 50,000-mile pipeline network transporting and storing natural gas, natural gas liquids, refined products and crude. The products we ship help meet domestic and international energy demand, contribute to energy security, and provide safe reliable energy solutions. We have facilities in 20 states with a key part of our operations footprint in Kansas.

In order to have better background on this specific issue, it is important to understand the assets ONEOK owns and operates in Kansas. As part of our 20 state integrated system, we have roughly 8,600 miles of pipe that span across nearly half of the counties in Kansas, which includes natural gas, natural gas liquids, refined product and crude pipelines. We also have natural gas liquids, refined products, and natural gas storage. For a visual representation of ONEOK's footprint, please see the attached ONEOK Kansas Fact Sheet that includes a map of our facilities in the state as well as a full asset map of ONEOK's operations in the other states we operate.

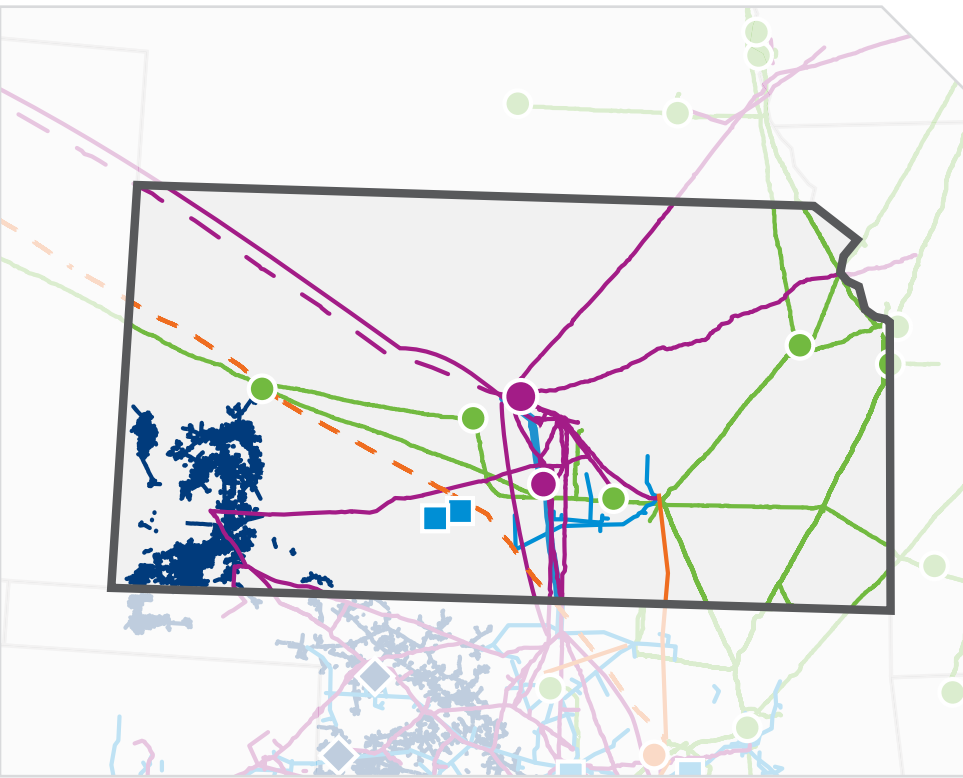
As part of its integrated natural gas liquids processing and storage system in Kansas, ONEOK utilizes wastewater disposal, or Class I disposal wells, which have been operating as part of our facilities since the early 1960s. These wells have two main purposes at our facilities: to dispose of excess brine that's used in our storage operations, and to dispose of process water that is used in the process of separating raw natural gas liquids, or NGLs, into ethane-propane mix (EP), propane, butanes and natural gasoline.

ONEOK's disposal wells are regulated by the Kansas Department of Health and Environment (KDHE) Underground Injection Control (UIC) program, which is responsible for permitting, monitoring, testing and inspecting these wells. ONEOK regularly monitors and reports pressures, volumes, injection rates, static fluid levels, waste minimization and mechanical integrity tests to KDHE. Over the years that ONEOK has operated our facilities in Kansas, we have worked hard to operate safely and efficiently, being good stewards of our resources. We have continued to maintain a good relationship with the Kansas Department of Health and Environment (KDHE).

Currently, KDHE pays for the Underground Injection Control program from fees that ONEOK and several other companies pay to the Subsurface Hydrocarbon Storage (SUHS) Fund and other monies dedicated to the department division. ONEOK pays roughly \$200,000 annually to KDHE to this SUHS fund, which consists of a per storage cavern fee as well as a substantial fee per facility. There are only a few underground storage companies in Kansas, and more than five times that number of Class I injection well companies. The purpose of this legislation from our perspective is to stop the subsidization of the Underground Injection Control from the UHS fund and to ensure the longevity of the program and regulated operation of our facilities.

The "fee caps" language, which was added to the legislation from conversations from previous years was an industry and agency compromise. It shows the value of standalone funding for the program, while also recognizing the industry's need for budgeting, forecasting and planning for annual operational regulatory costs.

Thank you for the opportunity to address the committee on this issue contained in HB2525. I will be happy to answer questions or provide clarification at the appropriate time.

AT-A-GLANCE

(As of December 2023 unless noted)

NATURAL GAS

Miles of natural gas pipelines	3,525
Natural gas storage facilities	2

NATURAL GAS LIQUIDS

Miles of NGL pipelines	2,220
NGL fractionation facilities	3
NGL storage facilities	3

REFINED PRODUCTS

Miles of refined products pipelines	2,562
Refined products terminals	6

CRUDE OIL

Miles of crude oil pipelines	342
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ECONOMIC IMPACT

Employees	321
Property tax – Legacy ONEOK	\$6,539,151
Property tax – Legacy Magellan	\$13,624,849

COMMUNITY INVESTMENTS

2022 Contributions – Legacy ONEOK	\$197,335
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LEGEND

Natural Gas Gathering Pipelines	Natural Gas Pipelines	Crude Oil Pipelines
Natural Gas Processing Plants	Natural Gas Storage	Crude Oil Terminal
NGL Pipelines	Refined Products Pipeline	Partial Interest
NGL Fractionators	Refined Products Terminal	Joint Venture

SCOPE AND SCALE

One of the largest diversified energy infrastructure companies in North America.

NATURAL GAS LIQUIDS

Strong presence in key areas including the Williston Basin, Powder River, Permian Basin and Mid-Continent Regions

NATURAL GAS PIPELINES

Infrastructure connecting directly to vital end-use markets

NATURAL GAS GATHERING AND PROCESSING

Reliable, customer-oriented business with strong presence in key producing areas

REFINED PRODUCTS

Longest refined petroleum products pipeline in the U.S. with 9,800 miles and 54 terminals

CRUDE OIL

Service strategically connected to core market hubs, including Houston and Cushing, OK

INTEGRATED. RELIABLE. DIVERSIFIED.

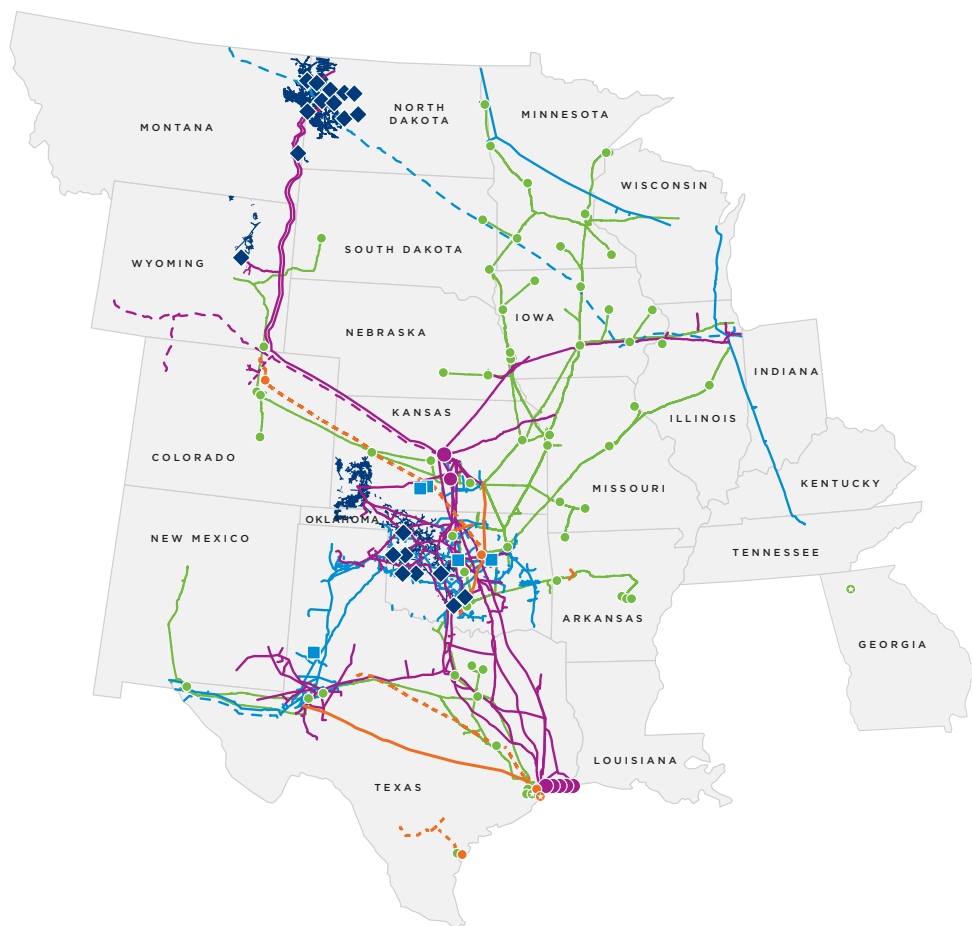
~50,000 MILES
natural gas liquids (NGL), refined
petroleum products, natural gas and
crude oil pipelines.

~2.8 BILLION
cubic feet per day natural gas
processing capacity

~900,000 BARRELS
per day NGL fractionation capacity

~57.4 BILLION
cubic feet natural gas storage capacity

39 MILLION BARRELS
crude storage capacity



LEGEND

- Natural Gas Gathering Pipelines
- ◆ Natural Gas Processing Plants
- NGL Pipelines
- NGL Fractionators
- Natural Gas Pipelines
- Natural Gas Storage
- Refined Products Pipeline
- Refined Products Terminal
- Crude Oil Pipelines
- Crude Oil Terminal
- ▣ Partial Interest
- ★ Joint Venture

ABOUT ONEOK

At ONEOK (pronounced ONE-OAK) (NYSE: OKE), we deliver energy products and services vital to an advancing world.

- Leading midstream operator providing gathering, processing, fractionation, transportation and storage services.
- More than 50,000-mile pipeline network transporting the natural gas, natural gas liquids (NGLs), refined products and crude.
- Products help meet domestic and international energy demand, contribute to energy security and provide safe, reliable and responsible energy solutions needed today and into the future.
- Remaining a safe, reliable and environmentally responsible operator.
- Investing in necessary infrastructure, benefitting producers and customers, and improving the environment.

FOR MORE INFORMATION:

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