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ONEOK

ANNUAL REPORT



In an extraordinary year, the resilience of our company was proven by the hard work and dedication of our employees, our integrated and extensive assets, strong financial position and continued commitment to provide high-quality services to our customers. We look forward to continued growth and profitability in 2021.

Terry K. Spencer
President and Chief Executive Officer



ONEOK, Inc. (pronounced ONE-OAK) (NYSE: OKE) is a leading midstream service provider and owner of one of the nation's premier natural gas liquids (NGL) systems, connecting NGL supply in the Rocky Mountain, Mid-Continent and Permian regions with key market centers and an extensive network of natural gas gathering, processing, storage and transportation assets.

ONEOK is a FORTUNE 500 company and is included in the S&P 500. For the latest news about ONEOK, find us on LinkedIn, Facebook, Twitter and Instagram.

LETTER TO OUR INVESTORS.

The global pandemic made 2020 a challenging – and extraordinary – year for the world, our country and our industry; however, our large integrated business remained a critical link in delivering the natural gas and natural gas liquids (NGLs) to consumers as economies continue to recover. Over 10% of the U.S. natural gas production is reliant upon ONEOK's infrastructure to get to market.

In March 2020, many of our employees began working remotely to reduce exposure to COVID-19. While this presented new challenges, our focus on operating our network of assets safely, reliably and in an environmentally responsible way did not waver, nor did our commitment to returning value to investors.

As the energy industry experienced historic events in early 2020 that led to a simultaneous demand and supply disruption, we reacted quickly, decreasing capital spending, reducing operating expenses, strengthening our balance sheet and adjusting our 2020 expectations. By the end of the third quarter, curtailed volumes returned and were more in line with pre-pandemic 2020 expectations.

We also demonstrated capital stewardship throughout the year by completing our remaining active capital-growth projects on time and on budget, including the Arbuckle II Pipeline and extension; the Demicks Lake II natural gas processing facility; the MB-4 fractionator; expansions of the West Texas NGL Pipeline system; and the Bakken NGL Pipeline lateral. These projects provide us significant capacity to benefit from future supply growth at lower capital investment levels.



Mont Belvieu fractionation facility in Texas



Restored Arbuckle II Pipeline right of way in southern Oklahoma

We maintained our dividend and financial strength amid uncertainty early in the pandemic, and we remained committed to best practices in the area of environmental, social and governance (ESG). In 2020, ONEOK was included in the Dow Jones Sustainability World Index (DJSI World) for the first time, where we currently are the only North American energy company included in the group of global sustainability leaders. ONEOK was also included in the Dow Jones Sustainability North America Index (DJSI North America) for the second consecutive year.

Of course, we wouldn't be in the strong position we are today if it weren't for our employees. Whether they continued to work at our facilities or remotely, we thank them for their hard work and dedication to our company and for staying focused and connected with each other.

Our expectations for 2021 include an improving pace of drilling and completion activities in the areas we serve as commodity prices continue to improve and energy demand recovers. Additionally, our core capabilities as a midstream service provider will allow us to play a role in a long-term transition to a low-carbon economy and will provide new investment opportunities. Some of the opportunities we continue to evaluate include the further electrification of compression assets, potential carbon capture and storage opportunities, sourcing renewable energy for operations and other longer-term projects like hydrogen transportation and storage.

We remain confident in the long-term viability of our business, our integrated assets and our employees in challenging and changing times. As you will see later in this report, the clean energy provided by the natural gas and NGLs we process, transport and store touch and improve our lives in many ways every day. We don't see that positive impact changing anytime soon!

In 2020, we also saw changes to our board of directors. In December, Gary Parker retired after 29 years of commitment and service to our company. We also welcomed Gerald Smith back as a member of our board. We thank Gary and all our board members for their support as our company continues to focus on meeting the needs of our customers and shareholders.

Thank you to our investors for your trust and investment as you continue to invest in ONEOK's future.



John W. Gibson

John W. Gibson
Chairman

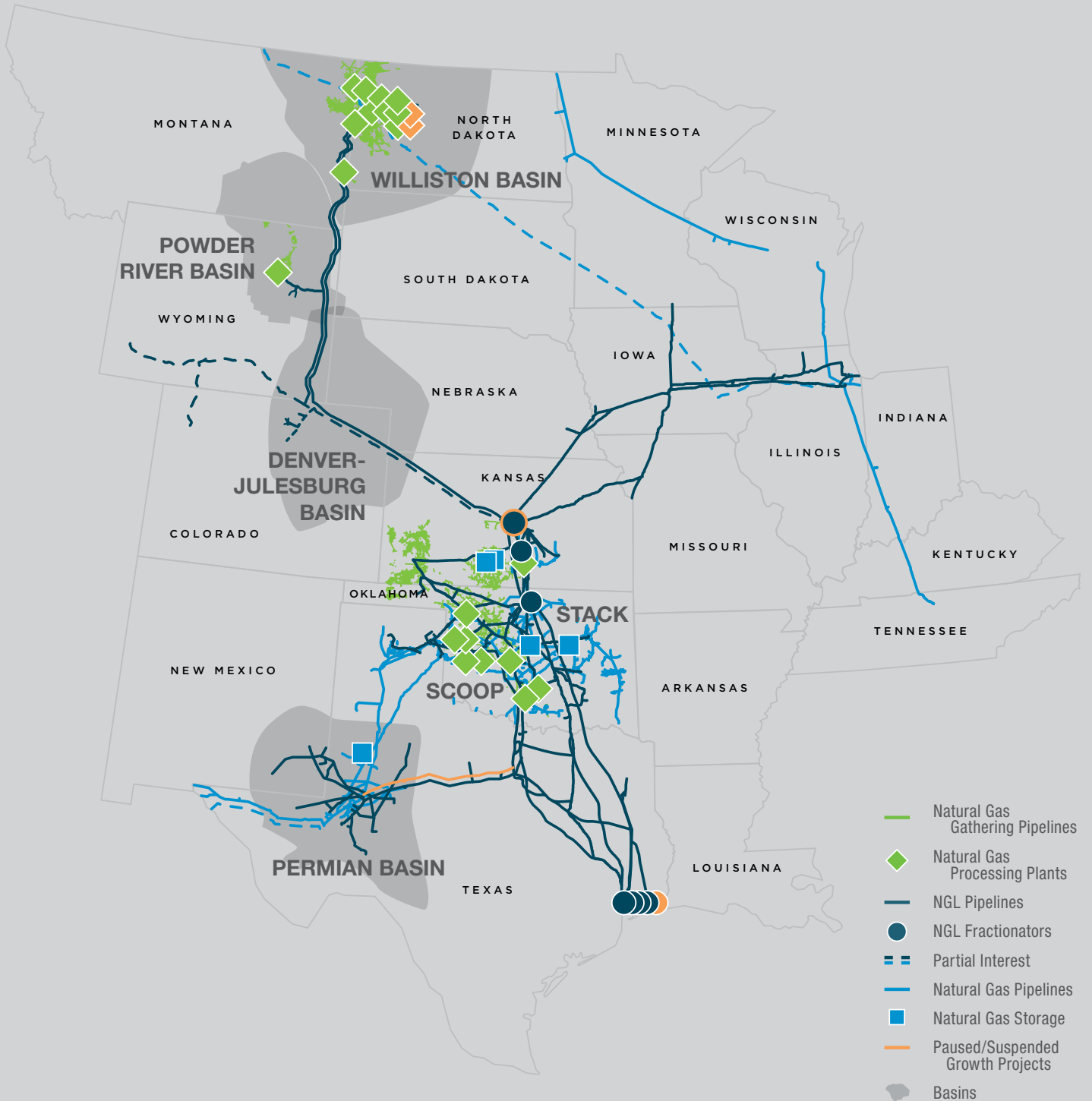
March 11, 2021



Terry K. Spencer

Terry K. Spencer
President and Chief Executive Officer

ONEOK ASSETS.



PROVEN PERFORMANCE.

ONEOK's resilient business model

is built to withstand various market conditions as we focus on our key priorities – operating safely and environmentally responsibly, meeting customers' needs, maintaining financial strength, reinvesting cash flow in high-return projects, growing earnings and continuing our long history of dividend stability.

Our financial strength was proven during a challenging year, and we finished 2020 strong with significant liquidity resulting from capital discipline, a solid balance sheet and investment-grade credit ratings from three rating agencies.

In 2020, we increased operating income, excluding noncash impairments, and adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) nearly 3% and 6%, respectively, compared with 2019 despite a significant curtailment of volumes by our customers due to the sharp, but temporary, decline in energy demand in the second quarter.

We demonstrated capital discipline when we promptly decreased spending in 2020 by pausing or suspending several growth projects. This gives us the flexibility to restart projects based on customer needs.

These adjustments combined with other proactive financial actions allowed us to maintain our annualized dividend of \$3.74 per share, which reflects a 6% increase compared with 2019.

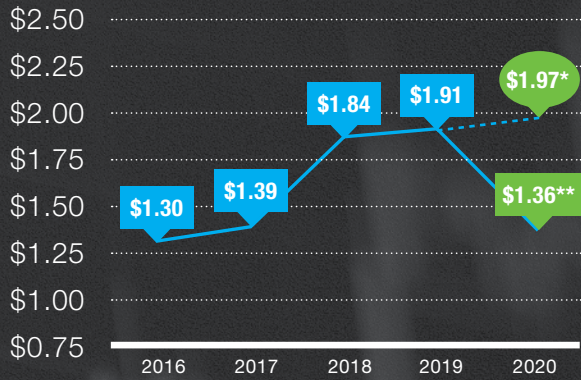
As we look ahead to 2021, our approximately 40,000-mile network of NGL and natural gas pipelines and integrated assets in the most prolific U.S. shale basins give us significant earnings power with available operating capacity from our completed capital-growth projects.

We expect an approximately 7% increase in NGL raw feed throughput volumes driven by projects completed in 2019 and 2020, and continued growth from well completions, plant connections and plant expansions completed in 2020 and expected in 2021.

We also expect a more than 15% increase in natural gas volumes processed in the Rocky Mountain region driven by approximately 275 to 325 well connections and the continued reduction of flared gas in 2021.

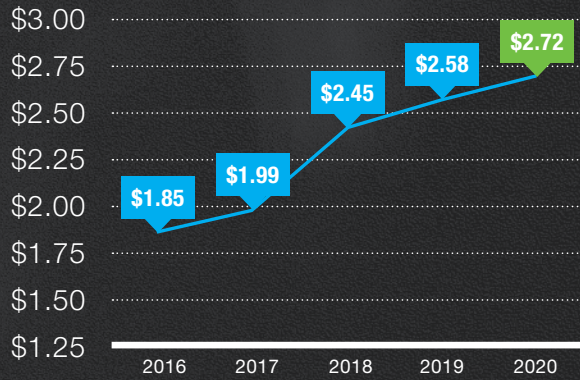
Additionally, greater than 10 billion cubic feet per day (Bcf/d), or 10% of U.S. natural gas production, is reliant on the utilization of ONEOK's infrastructure.

OPERATING INCOME (billions of dollars)

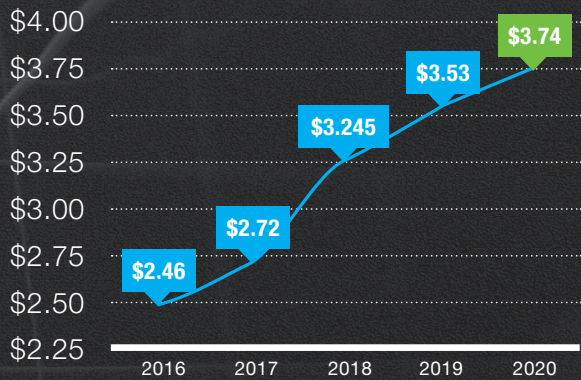


*Amount represents 2020 operating income of \$1,361.4 million less noncash impairment charges of \$607.2 million.
 **Includes noncash impairment charges of \$607.2 million.

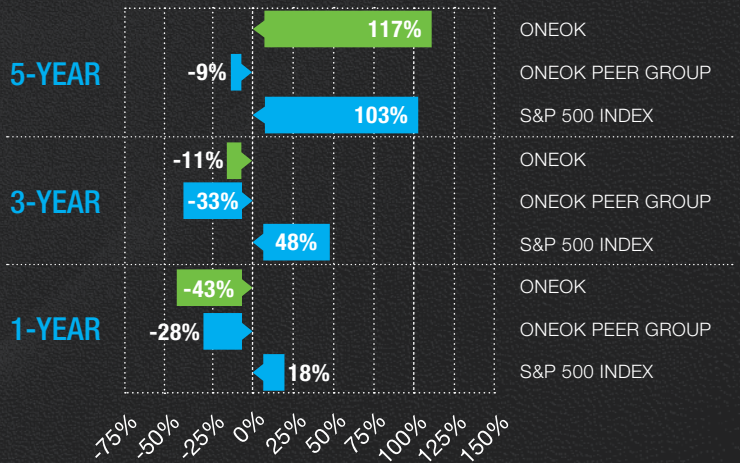
ADJUSTED EBITDA (billions of dollars)



DIVIDEND STABILITY



TOTAL SHAREHOLDER RETURN***



As of Dec. 31, 2020

***Total shareholder return represents share-price performance and the reinvestment of dividends.



Bushton fractionation facility in Kansas

NATURAL GAS LIQUIDS:

RESILIENT AND

INCREASING VOLUMES.

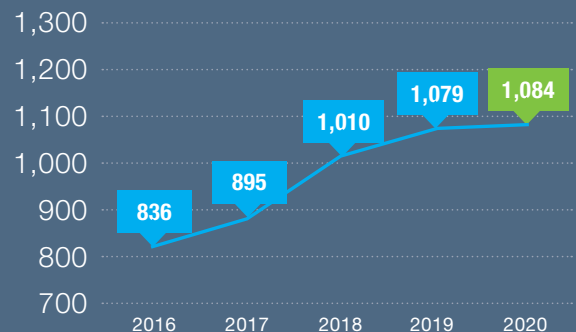
One of the largest integrated NGL service providers in the U.S., ONEOK provides fee-based gathering, fractionation, transportation, marketing and storage services that link key NGL market centers.

During the third quarter 2020, we saw a large increase in NGL volumes across our system as production returned to pre-pandemic levels. Despite a very challenging second quarter, 2020 volumes still increased compared with 2019.

Currently, we operate nearly 1 million barrels per day of total fractionation capacity fed by connections with more than 200 natural gas processing plants in the Williston and Powder River basins, Mid-Continent region and Permian Basin. Additionally, the Natural Gas Liquids segment's fee-based earnings have increased to greater than 90%.

We continue to see significant demand and growth opportunity for NGLs in the future. With the infrastructure we have in place, we can efficiently increase capacity with minimal capital investment to meet the needs of customers as they continue to produce NGLs at favorable economic returns.

NGL RAW FEED THROUGHPUT
in thousand barrels per day (MBbl/d)



NATURAL GAS: **RELIABLE** SERVICE.

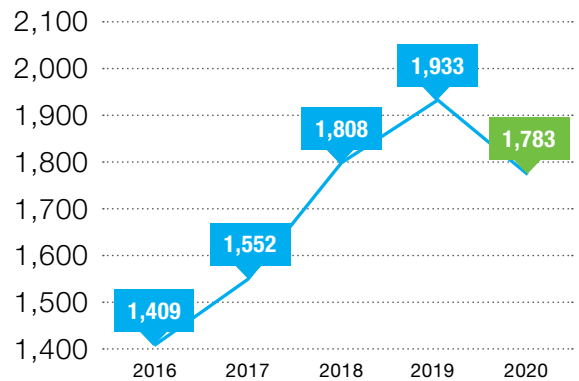
A consistent service provider for 115 years, ONEOK offers reliable gathering, compression, treatment, intrastate and interstate transportation, storage and processing services to customers.

We gather and process natural gas from key shale plays in the Mid-Continent and Bakken, specifically the Williston Basin, where we continue to play a critical role in reducing natural gas flaring, which is now well below 10% on the more than 3 million acres dedicated to our system.

In total, we operate more than 2.7 Bcf/d of natural gas processing capacity and 52 billion cubic feet of natural gas storage capacity. We also operate 3.5 Bcf/d of peak interstate and 4.3 Bcf/d of peak intrastate natural gas pipeline capacity. Our integrated system provides significant opportunities as we continue to deliver critical natural gas to end-use markets.

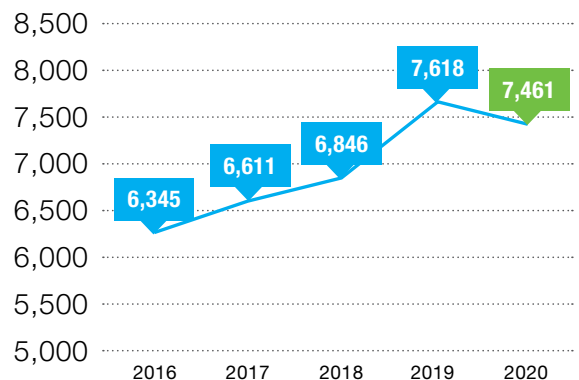
NATURAL GAS PROCESSED

in million cubic feet per day (MMcf/d)



NATURAL GAS TRANSPORTATION CAPACITY CONTRACTED

in thousand dekatherms per day (MDth/d)



Lonesome Creek natural gas processing plant in North Dakota

DELIVERING ENERGY TO **IMPROVE** LIVES.

The natural gas and NGLs that move through our system play an important role in our daily lives, but as the COVID-19 pandemic created a health crisis, their role as a feedstock for important manufactured health care products became critical in keeping front-line workers safe.

Ethane, propane, butane, isobutane and natural gasoline are low-emission hydrocarbons frequently produced along with natural gas and crude oil. These NGLs have many uses, but in 2020, none were more important than their role in producing health care packaging, components and products.

Propane, an NGL, is a critical raw material in polypropylene, a component used to make surgical masks and gloves – products that are used daily by health care workers as they care for our communities.

Another example is ethane, an NGL used to make ethylene. Ethylene is used in the production of oxygen masks, ventilators and face shields, among many other uses.

With substantial capacity at our Mont Belvieu, Texas, fractionation facilities, ONEOK is positioned to provide these much-needed NGLs quickly to meet the needs of the Gulf Coast petrochemical facilities that convert these





Employee at Demicks Lake natural gas processing plant in North Dakota

NGLs into usable compounds. We are always proud of the role we play in connecting NGL supply to end-use markets, but particularly so in 2020 when NGLs played such an important role in the supply chain to keep us as safe as possible.

Natural gas, the lowest-emission hydrocarbon-based fuel, also plays a critical role in our daily lives, producing inexpensive, reliable and clean energy.

Natural gas heats our homes and the stoves we use to prepare meals, but it also provides in many unseen ways. Natural gas is essential for electricity generation. It is used for process heating and as a feedstock in the production of certain chemicals and fertilizers. It fuels commercial refrigeration and cooling equipment and provides outdoor lighting, just to name a few examples.

As the foundation our company was built on, natural gas remains an integral part of our continued business strategy.





Leaders of our diversity and inclusion efforts

DIGNITY.

We believe that a diverse and inclusive workforce is critical to our continued success. As one of ONEOK's five core values, we value diversity, as well as the dignity and worth of each employee. Our Diversity and Inclusion team works with our five business resource groups to support employees in continuing to better understand the value of diversity and inclusion in the workplace.

Throughout 2020, tragic events in communities across the country impacted our employees in many ways. We acted quickly to provide support to employees, including resources for difficult conversations at home; listening sessions; and virtual discussions on topics related to racial and gender equity, unconscious bias and building cross-cultural relationships. We also promoted free resources from our employee assistance program for employees and their families dealing with hardships.

AT HOME. ON-SITE. WORKING TOGETHER AS ONE.



Employee working at our natural gas pipelines interconnect facility in Oklahoma

The safety of our employees remained top priority as we moved a significant portion of our workforce to remote work in March 2020 and implemented enhanced COVID-19 safety protocols for those critical employees who continued to work on-site due to job requirements.

Regardless of location, work groups across our operations adapted quickly, and many capitalized on this opportunity to implement innovative processes to work more efficiently in a remote setting.

Despite the months of uncertainty brought about by changes in the market and the pandemic, our employees persevered and worked together to maintain our commitment to deliver safe and reliable operations.

■ ■
Successfully getting the job done through the pandemic is a tribute to our employees' focus and resiliency whether working from a ONEOK facility or from home.



Terry K. Spencer
President and Chief Executive Officer



Employee working alongside his family at home

THE COVID-19 CRISIS: **CARING** FOR OUR COMMUNITIES.

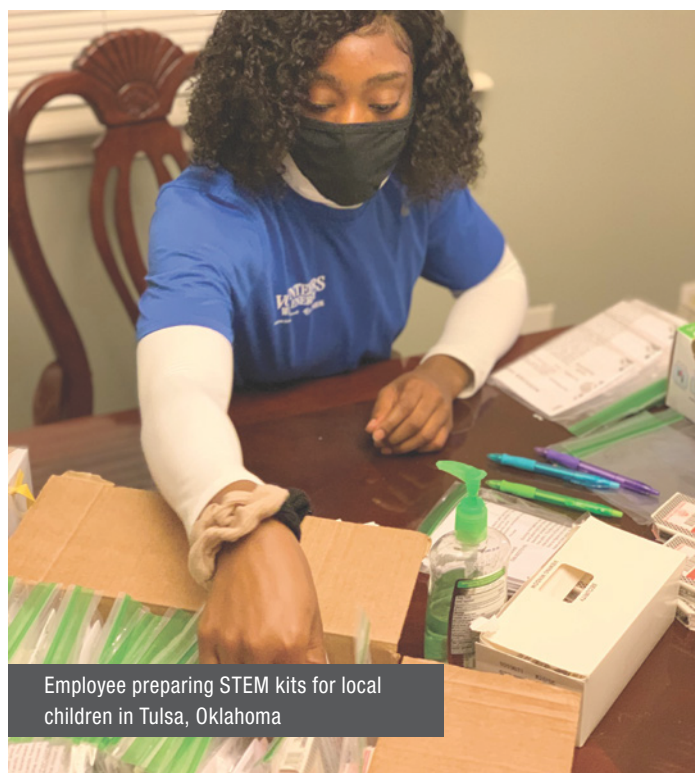
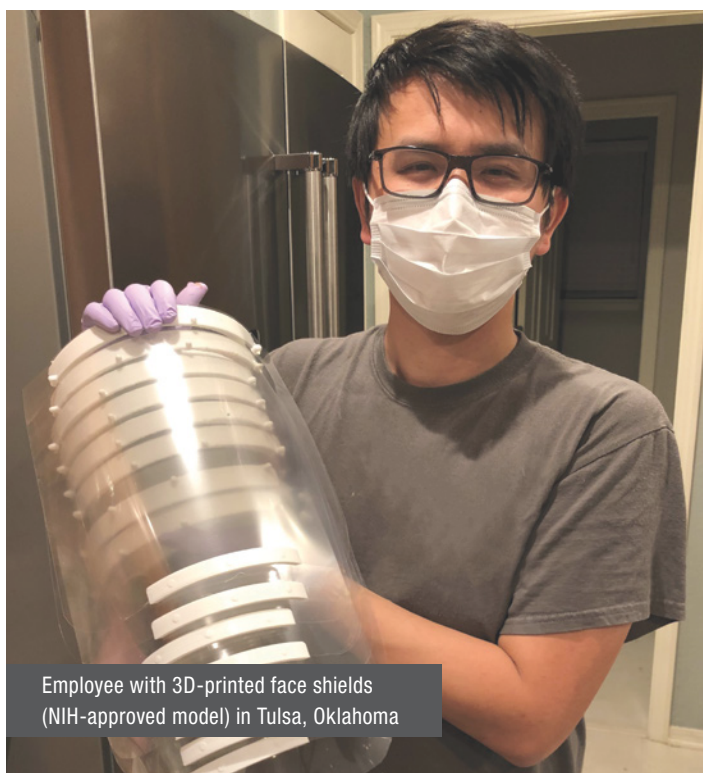
ONEOK has a long-standing commitment to enhance the quality of life in communities where we operate and where our employees live. During the COVID-19 pandemic, that commitment has not wavered as the needs of our communities have increased.

In 2020, we honored all commitments to charitable organizations made prior to the pandemic. We also contributed approximately \$600,000 to COVID-19 support, as well as in-kind donations of personal protective equipment and other items to organizations with front-line workers.

Our employees creatively and generously stepped up to serve our communities. Examples include sewing or 3D printing masks, mask straps and face shields; donating food, clothing and toys to community organizations; preparing STEM kits for local children; and delivering meals to homebound citizens.

We also remained committed to supporting community organizations dedicated to diversity and inclusion, contributing approximately \$3.5 million to these efforts in 2020.

As the needs of these communities continue to evolve, our Community Investments team will continue to look for innovative ways for ONEOK to give back.





Employee at restored Arbuckle II Pipeline right of way in southern Oklahoma

OUR SUSTAINABLE FUTURE.

Our commitment to long-term sustainable operations continued to grow and evolve in 2020.

We formed a stand-alone Environmental Sustainability team in mid-2017 that accelerated our ongoing environmental stewardship efforts. In collaboration with those efforts, we recently created a group charged with the commercial development of renewable energy and low-carbon projects. We see this as a natural step forward in our business strategy, as this group will help identify and evaluate investment opportunities that complement our midstream assets, while reducing our impact on the environment and positioning us to play a role in the long-term energy transition.

Today, we are proud to be listed in more than 30 ESG-related stock market indices, including the DJSI World and DJSI North America indices, where we were named the DJSI Industry Leader for Oil and Gas Storage and Transportation. In 2020, we also were recognized as an industry leader in Energy Equipment and Services for the second year in a row by JUST Capital, and we received the 2020 Frank Condon Award for Environmental Excellence by the Environmental Federation of Oklahoma.

Additional information about our companywide efforts is available at oneok.com/sustainability.

ONEOK FINANCIAL HIGHLIGHTS

Years ended Dec. 31	2020	2019	2018
Consolidated financial information (millions of dollars, except share and market price data)			
Operating income ^a	\$ 1,361.4	\$ 1,914.4	\$ 1,835.5
Net income ^b	\$ 612.8	\$ 1,278.6	\$ 1,155.0
Total assets	\$ 23,078.8	\$ 21,812.1	\$ 18,231.7
Common stock data			
Shares outstanding at Dec. 31	444,872,383	413,239,050	411,532,606
Data per common share			
Diluted earnings per share ^b	\$ 1.42	\$ 3.07	\$ 2.78
Dividends paid per share	\$ 3.74	\$ 3.53	\$ 3.245
Market price range			
High	\$ 77.52	\$ 76.50	\$ 71.40
Low	\$ 15.37	\$ 54.28	\$ 50.79
Year-end	\$ 38.38	\$ 75.67	\$ 53.95

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA, DISTRIBUTABLE CASH FLOW AND DIVIDEND COVERAGE

	2020	2019	2018
(millions of dollars, except per share amounts and coverage ratios)			
Net income	\$ 612.8	\$ 1,278.6	\$ 1,155.0
Interest expense, net of capitalized interest	712.9	491.8	469.6
Depreciation and amortization	578.7	476.5	428.6
Income tax expense	189.5	372.4	362.9
Impairment charges	644.9	—	—
Noncash compensation expense ^c	8.5	26.7	38.0
Equity AFUDC and other noncash items	(23.6)	(65.8)	(6.6)
Adjusted EBITDA ^d	2,723.7	2,580.2	2,447.5
Interest expense, net of capitalized interest	(712.9)	(491.8)	(469.6)
Maintenance capital	(136.9)	(195.6)	(188.4)
Equity in net earnings from investments	(143.2)	(154.5)	(158.4)
Distributions received from unconsolidated affiliates	176.2	257.6	197.3
Other ^d	(25.3)	20.2	(6.0)
Distributable cash flow	1,881.6	2,016.1	1,822.4
Dividends paid to preferred shareholders	(1.1)	(1.1)	(1.1)
Distributable cash flow to shareholders	1,880.5	2,015.0	1,821.3
Dividends paid	(1,604.3)	(1,456.5)	(1,334.0)
Distributable cash flow in excess of dividends paid	\$ 276.2	\$ 558.5	\$ 487.3
Dividends paid per share	\$ 3.740	\$ 3.530	\$ 3.245
Dividend coverage ratio	1.17	1.38	1.37

^a Amount for the year ended Dec. 31, 2020, includes noncash impairment charges of \$607.2 million.

^b Amounts for the year ended Dec. 31, 2020, include benefits of \$22.3 million, or 4 cents per diluted share after-tax, related to net gains on open market repurchases of debt and \$11.2 million, or 2 cents per diluted share after-tax, related to the mark-to-market of ONEOK's share-based compensation plan, and noncash charges of \$644.9 million, or \$1.15 per diluted share after-tax, related primarily to impairments in the natural gas gathering and processing segment.

^c Amount for the year ended Dec. 31, 2020, includes a benefit of \$11.2 million related to the mark-to-market of ONEOK's share-based deferred compensation plan.

^d Amount for the year ended Dec. 31, 2020, includes a benefit of \$22.3 million related to net gains on open market repurchases of debt.

NON-GAAP (GENERALLY ACCEPTED ACCOUNTING PRINCIPLES) FINANCIAL MEASURES

ONEOK has disclosed in this annual report adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA), distributable cash flow and dividend coverage ratio, which are non-GAAP financial metrics, used to measure the company's financial performance and are defined as follows:

- Adjusted EBITDA is defined as net income adjusted for interest expense, depreciation and amortization, noncash impairment charges, income taxes, noncash compensation expense, allowance for equity funds used during construction (equity AFUDC), and other noncash items.
- Distributable cash flow is defined as adjusted EBITDA, computed as described above, less interest expense, maintenance capital expenditures and equity earnings from investments, excluding noncash impairment charges, adjusted for cash distributions received from unconsolidated affiliates and certain other items.
- Dividend coverage ratio is defined as ONEOK's distributable cash flow to ONEOK shareholders divided by the dividends paid in the period.

These non-GAAP financial measures described above are useful to investors because they, and similar measures, are used by many companies in the industry as a measure of financial performance and are commonly employed by financial analysts and others to evaluate our financial performance and to compare our financial performance with the performance of other companies within our industry. Adjusted EBITDA, distributable cash flow and dividend coverage ratio should not be considered in isolation or as a substitute for net income or any other measure of financial performance presented in accordance with GAAP.

These non-GAAP financial measures exclude some, but not all, items that affect net income. Additionally, these calculations may not be comparable with similarly titled measures of other companies. Reconciliations of net income to adjusted EBITDA, distributable cash flow and coverage ratio are included in the tables.

FORWARD-LOOKING STATEMENTS

This annual report contains certain "forward-looking statements" within the meaning of federal securities laws. Words such as "anticipates," "believes," "continues," "could," "estimates," "expects," "forecasts," "goal," "guidance," "intends," "may," "might," "outlook," "plans," "potential," "projects," "scheduled," "should," "will," "would," and similar expressions may be used to identify forward-looking statements. Forward-looking statements are not statements of historical fact and reflect our current views about future events. Such forward-looking statements include, but are not limited to, statements about the benefits of the transaction involving us, including future financial and operating results, our plans, objectives, expectations and intentions, and other statements that are not historical facts, including future results of operations, projected cash flow and liquidity, business strategy, expected synergies or cost savings, and other plans and objectives for future operations. No assurances can be given that the forward-looking statements contained in this annual report will occur as projected and actual results may differ materially from those projected.

Forward-looking statements are based on current expectations, estimates and assumptions that involve a number of risks and uncertainties, many of which are beyond our control, and are not guarantees of future results. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements and caution must be exercised in relying on forward-looking statements. These risks and uncertainties include, without limitation, the following:

- the length, severity and reemergence of a pandemic or other health crisis, such as the recent outbreak of COVID-19 and the measures that international, federal, state and local governments, agencies, law enforcement and/or health authorities implement to address it, which may (as with COVID-19) precipitate or exacerbate one or more of the factors herein, reduce the demand for natural gas, NGLs and crude oil and significantly disrupt or prevent us and our customers and counterparties from operating in the ordinary course for an extended period and increase the cost of operating our business;
- operational challenges relating to the COVID-19 pandemic and efforts to mitigate the spread of the virus, including logistical challenges, protecting the health and well-being of our employees, remote work arrangements, performance of contracts and supply chain disruption;
- the impact on drilling and production by factors beyond our control, including the demand for natural gas and crude oil; producers' desire and ability to drill and obtain necessary permits; regulatory compliance; reserve performance; and capacity constraints and/or shutdowns on the pipelines that transport crude oil, natural gas and NGLs from producing areas and our facilities;
- risks associated with adequate supply to our gathering, processing, fractionation and pipeline facilities, including production declines that outpace new drilling, the shutting-in of production by producers, actions taken by federal, state or local governments to require producers to prorate or to cut their production levels as a way to address any excess market supply situations or extended periods of ethane rejection;
- demand for our services and products in the proximity of our facilities;
- economic climate and growth in the geographic areas in which we operate;
- the risk of a slowdown in growth or decline in the United States or international economies, including liquidity risks in United States or foreign credit markets;
- performance of contractual obligations by our customers, service providers, contractors and shippers;
- the effects of changes in governmental policies and regulatory actions, including changes with respect to income and other taxes, pipeline safety, environmental compliance, climate change initiatives, production limits and authorized rates of recovery of natural gas and natural gas transportation costs;
- changes in demand for the use of natural gas, NGLs and crude oil because of the development of new technologies or other market conditions caused by concerns about climate change;
- the effects of weather and other natural phenomena, including climate change, on our operations, demand for our services and energy prices;
- acts of nature, sabotage, terrorism or other similar acts that cause damage to our facilities or our suppliers', customers' or shippers' facilities;
- the possibility of future terrorist attacks or the possibility or occurrence of an outbreak of, or changes in, hostilities or changes in the political conditions throughout the world;
- the risk of increased costs for insurance premiums, security or other items as a consequence of terrorist attacks;
- the timing and extent of changes in energy commodity prices, including changes due to production decisions by other countries, such as the failure of countries to abide by recent agreements to reduce production volumes;
- competition from other United States and foreign energy suppliers and transporters, as well as alternative forms of energy, including, but not limited to, solar power, wind power, geothermal energy and biofuels such as ethanol and biodiesel;
- the ability to market pipeline capacity on favorable terms, including the effects of:
 - future demand for and prices of natural gas, NGLs and crude oil;
 - competitive conditions in the overall energy market;
 - availability of supplies of United States natural gas and crude oil; and
 - availability of additional storage capacity;
- the efficiency of our plants in processing natural gas and extracting and fractionating NGLs;
- the composition and quality of the natural gas and NGLs we gather and process in our plants and transport on our pipelines;
- risks of marketing, trading and hedging activities, including the risks of changes in energy prices or the financial condition of our counterparties;
- our ability to control operating costs and make cost-saving changes;
- the risk inherent in the use of information systems in our respective businesses and those of our counterparties and service providers, including cyber-attacks, which, according to experts, have increased in volume and sophistication since the beginning of the COVID-19 pandemic; implementation of new software and hardware, and the impact on the timeliness of information for financial reporting;
- the timely receipt of approval by applicable governmental entities for construction and operation of our pipeline and other projects and required regulatory clearances;
- the ability to recover operating costs and amounts equivalent to income taxes, costs of property, plant and equipment and regulatory assets in our state and Federal Energy Regulatory Commission (FERC)-regulated rates;
- the results of administrative proceedings and litigation, regulatory actions, executive orders, rule changes and receipt of expected clearances involving any local, state or federal regulatory body, including the FERC, the National Transportation Safety Board, the Pipeline and Hazardous Materials Safety Administration (PHMSA), the U.S. Environmental Protection Agency (EPA) and the U.S. Commodity Futures Trading Commission (CFTC);
- the mechanical integrity of facilities and pipelines operated;
- the capital intensive nature of our businesses;
- the impact of unforeseen changes in interest rates, debt and equity markets, inflation rates, economic recession and other external factors over which we have no control, including the effect on pension and postretirement expense and funding resulting from changes in equity and bond market returns;
- actions by rating agencies concerning our credit;
- our indebtedness and guarantee obligations could make us vulnerable to general adverse economic and industry conditions, limit our ability to borrow additional funds and/or place us at competitive disadvantages compared with our competitors that have less debt, or have other adverse consequences;
- our ability to access capital at competitive rates or on terms acceptable to us;
- our ability to acquire all necessary permits, consents or other approvals in a timely manner, to promptly obtain all necessary materials and supplies required for construction, and to construct gathering, processing, storage, fractionation and transportation facilities without labor or contractor problems;
- our ability to control construction costs and completion schedules of our pipelines and other projects;
- difficulties or delays experienced by trucks, railroads or pipelines in delivering products to or from our terminals or pipelines;
- the uncertainty of estimates, including accruals and costs of environmental remediation;
- the impact of uncontracted capacity in our assets being greater or less than expected;
- the impact of potential impairment charges;
- the profitability of assets or businesses acquired or constructed by us;
- risks associated with pending or possible acquisitions and dispositions, including our ability to finance or integrate any such acquisitions and any regulatory delay or conditions imposed by regulatory bodies in connection with any such acquisitions and dispositions;
- the risk that material weaknesses or significant deficiencies in our internal controls over financial reporting could emerge or that minor problems could become significant;
- the impact and outcome of pending and future litigation;
- the impact of recently issued and future accounting updates and other changes in accounting policies; and
- the risk factors listed in the reports ONEOK has filed and may file with the Securities and Exchange Commission (the "SEC"), which are incorporated by reference.

These reports are also available from the sources described below. Forward-looking statements are based on the estimates and opinions of management at the time the statements are made. ONEOK undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or changes in circumstances, expectations or otherwise.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the Risk Factors included in the most recent reports on Form 10-K and Form 10-Q and other documents of ONEOK on file with the SEC. ONEOK's SEC filings are available publicly on the SEC's website at www.sec.gov.



FORM 10-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2020.
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____.

Commission file number 001-13643



ONEOK, Inc.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of
incorporation or organization)

73-1520922
(I.R.S. Employer Identification No.)

100 West Fifth Street, Tulsa, OK
(Address of principal executive offices)

74103
(Zip Code)

Registrant's telephone number, including area code **(918) 588-7000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value of \$0.01	OKE	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No .

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No .

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No .

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No .

Aggregate market value of registrant's common stock held by non-affiliates based on the closing trade price on June 30, 2020, was \$14.5 billion.

On February 16, 2021, the Company had 444,983,595 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the definitive proxy statement to be delivered to shareholders in connection with the Annual Meeting of Shareholders to be held May 26, 2021, are incorporated by reference in Part III.

ONEOK, Inc.
2020 ANNUAL REPORT

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As used in this Annual Report, references to “we,” “our,” or “us” refer to ONEOK, Inc., an Oklahoma corporation, and its predecessors and subsidiaries, unless the context indicates otherwise.

GLOSSARY

The abbreviations, acronyms and industry terminology used in this Annual Report are defined as follows:

\$1.5 Billion Term Loan Agreement	The senior unsecured delayed-draw three-year \$1.5 billion term loan agreement dated November 19, 2018
\$2.5 Billion Credit Agreement	ONEOK's \$2.5 billion revolving credit agreement, as amended
AFUDC	Allowance for funds used during construction
Annual Report	Annual Report on Form 10-K for the year ended December 31, 2020
ASU	Accounting Standards Update
Bbl	Barrels, 1 barrel is equivalent to 42 United States gallons
BBtu/d	Billion British thermal units per day
Bcf	Billion cubic feet
Bcf/d	Billion cubic feet per day
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CFTC	U.S. Commodity Futures Trading Commission
Clean Air Act	Federal Clean Air Act, as amended
Clean Water Act	Federal Water Pollution Control Act Amendments of 1972, as amended
COVID-19	Coronavirus disease 2019
DJ	Denver-Julesburg
DOT	United States Department of Transportation
EBITDA	Earnings before interest expense, income taxes, depreciation and amortization
EPA	United States Environmental Protection Agency
EPS	Earnings per share of common stock
Exchange Act	Securities Exchange Act of 1934, as amended
FERC	Federal Energy Regulatory Commission
Fitch	Fitch Ratings, Inc.
GAAP	Accounting principles generally accepted in the United States of America
GHG	Greenhouse gas
ICE	Intercontinental Exchange
Intermediate Partnership	ONEOK Partners Intermediate Limited Partnership, a wholly owned subsidiary of ONEOK Partners, L.P.
KCC	Kansas Corporation Commission
LIBOR	London Interbank Offered Rate
MBbl/d	Thousand barrels per day
MDth/d	Thousand dekatherms per day
MMBbl	Million barrels
MMBbl/d	Million barrels per day
MMBtu	Million British thermal units
MMcf/d	Million cubic feet per day
Moody's	Moody's Investors Service, Inc.
Natural Gas Act	Natural Gas Act of 1938, as amended
Natural Gas Policy Act	Natural Gas Policy Act of 1978, as amended
NGL(s)	Natural gas liquid(s)
NGL products	Marketable natural gas liquid purity products, such as ethane, ethane/propane mix, propane, iso-butane, normal butane and natural gasoline
Northern Border Pipeline	Northern Border Pipeline Company, a 50% owned joint venture
NYMEX	New York Mercantile Exchange
NYSE	New York Stock Exchange
OCC	Oklahoma Corporation Commission
ONEOK	ONEOK, Inc.
ONEOK Partners	ONEOK Partners, L.P., a wholly owned subsidiary of ONEOK, Inc.
ONEOK Partners Term Loan Agreement	The senior unsecured three-year \$1.0 billion term loan agreement dated January 8, 2016, as amended

ONEOK West Texas NGL	ONEOK West Texas NGL pipeline and Mesquite pipeline (formerly known as West Texas LPG pipeline and Mesquite pipeline)
OPIS	Oil Price Information Service
Overland Pass Pipeline	Overland Pass Pipeline Company, LLC, a 50% owned joint venture
PHMSA	United States Department of Transportation Pipeline and Hazardous Materials Safety Administration
POP	Percent of Proceeds
Quarterly Report(s)	Quarterly Report(s) on Form 10-Q
Roadrunner	Roadrunner Gas Transmission, LLC, a 50% owned joint venture
RRC	Railroad Commission of Texas
S&P	S&P Global Ratings
SCOOP	South Central Oklahoma Oil Province, an area in the Anadarko Basin in Oklahoma
SEC	Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Series E Preferred Stock	Series E Non-Voting, Perpetual Preferred Stock, par value \$0.01 per share
STACK	Sooner Trend Anadarko Canadian Kingfisher, an area in the Anadarko Basin in Oklahoma
Tax Cuts and Jobs Act	H.R. 1, the tax reform bill, signed into law on December 22, 2017
Topic 606	Accounting Standards Update 2014-09, "Revenue from Contracts with Customers"
WTI	West Texas Intermediate
XBRL	eXtensible Business Reporting Language




The statements in this Annual Report that are not historical information, including statements concerning plans and objectives of management for future operations, economic performance or related assumptions, are forward-looking statements. Forward-looking statements may include words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "goal," "guidance," "intend," "may," "might," "outlook," "plan," "potential," "project," "scheduled," "should," "will," "would" and other words and terms of similar meaning. Although we believe that our expectations regarding future events are based on reasonable assumptions, we can give no assurance that such expectations or assumptions will be achieved. Important factors that could cause actual results to differ materially from those in the forward-looking statements are described under Part I, Item 1A, Risk Factors, and Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations and "Forward-Looking Statements," in this Annual Report.

PART I

ITEM 1. BUSINESS

GENERAL

We are incorporated under the laws of the state of Oklahoma, and our common stock is listed on the NYSE under the trading symbol "OKE." We are a leading midstream service provider and own one of the nation's premier NGL systems, connecting NGL supply in the Rocky Mountain, Permian and Mid-Continent regions with key market centers and an extensive network of natural gas gathering, processing, storage and transportation assets. We apply our core capabilities of gathering, processing, fractionating, transporting, storing and marketing natural gas and NGLs through vertical integration across the midstream value chain to provide our customers with premium services while generating consistent and sustainable earnings growth.

Legend	
	Natural Gas Gathering & Processing
	Natural Gas Liquids
	Natural Gas Pipelines

Raw natural gas is typically gathered at the wellhead, compressed and transported through pipelines to our processing facilities. Most raw natural gas produced at the wellhead contains a mixture of NGL components, including ethane, propane, iso-butane, normal butane and natural gasoline.

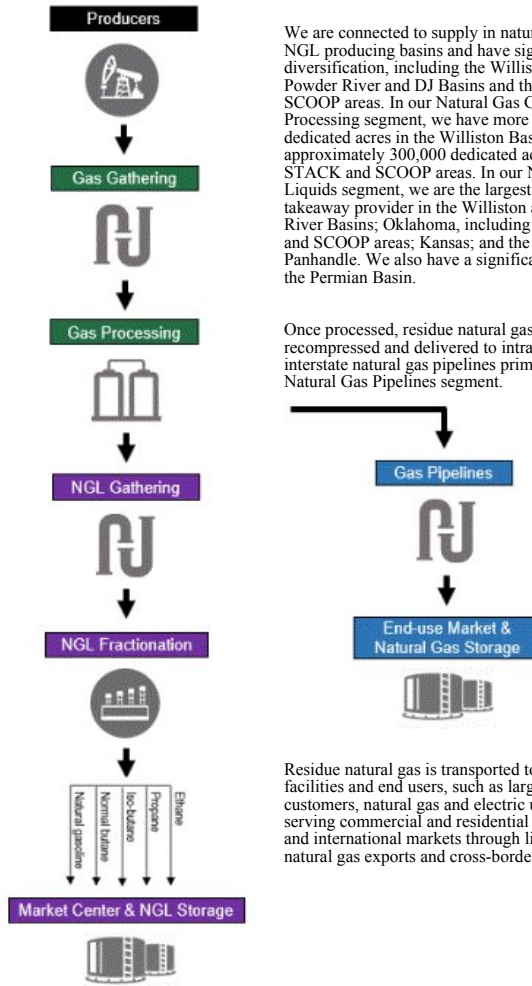
Gathered wellhead natural gas is directed to our processing plants to remove NGLs, resulting in residue natural gas (primarily methane).

NGLs extracted at processing plants, both third-party and our own, are then gathered by our NGL gathering pipelines.

Gathered NGLs are directed to our downstream fractionators in the Mid-Continent region and Mont Belvieu, Texas, to be separated into purity products.

Purity products are stored or distributed to our customers, such as petrochemical companies, propane distributors, heating fuel users, ethanol producers, refineries and exporters.

Midstream Value Chain



We are connected to supply in natural gas and NGL producing basins and have significant basin diversification, including the Williston, Permian, Powder River and DJ Basins and the STACK and SCOOP areas. In our Natural Gas Gathering and Processing segment, we have more than 3 million dedicated acres in the Williston Basin and approximately 300,000 dedicated acres in the STACK and SCOOP areas. In our Natural Gas Liquids segment, we are the largest NGL takeaway provider in the Williston and Powder River Basins; Oklahoma, including the STACK and SCOOP areas; Kansas; and the Texas Panhandle. We also have a significant presence in the Permian Basin.

Once processed, residue natural gas is recompressed and delivered to intrastate and interstate natural gas pipelines primarily in our Natural Gas Pipelines segment.

Residue natural gas is transported to storage facilities and end users, such as large industrial customers, natural gas and electric utilities serving commercial and residential consumers, and international markets through liquefied natural gas exports and cross-border pipelines.

EXECUTIVE SUMMARY

Business Update, Market Conditions and COVID-19 - Late in the first quarter 2020, the energy industry experienced historic events that led to a simultaneous demand and supply disruption. The World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide, which contributed to a massive economic slowdown and decreased demand for crude oil. In addition, Saudi Arabia and Russia increased production of crude oil as the two countries competed for market share. As a result, the global supply of crude oil significantly exceeded demand and led to a collapse in crude oil prices. Crude oil prices and the related impact on crude oil drilling impacts our business due to associated natural gas, which is natural gas produced by oil wells. Associated natural gas contains NGLs. The decline of crude oil prices resulted in crude oil and associated natural gas and NGL production being curtailed in the second quarter 2020. We are still experiencing global and regional economic disruptions due primarily to COVID-19; however, in the third quarter 2020, many of our producers reversed curtailments, bringing volumes back to pre-COVID-19 levels as prices and demand significantly improved from second quarter 2020 lows. The full impact of the continued global and regional economic disruption will depend on the unknown duration and severity of COVID-19 and, among other things, the impact of governmental actions imposed in response to COVID-19, the pace and scale of economic recovery and corresponding demand for crude oil and the impacts to commodity prices. We continue to monitor producers' drilling, completion and production plans, which are increasingly positive as commodity prices have stabilized and improved, and our expectations for 2021 include the potential for an improving pace of drilling and completion activity.

The energy industry has experienced many up and down cycles, and as a result, we have positioned ourselves to minimize exposure to direct commodity price volatility. Each of our three segments' earnings are primarily fee-based, and our consolidated earnings were more than 90% fee-based in 2020. While our Natural Gas Gathering and Processing segment's earnings are primarily fee-based, we have direct commodity price exposure related primarily to fee with POP contracts. Under certain fee with POP contracts, our contractual fees and POP percentage may increase or decrease if production volumes, delivery pressures or commodity prices change relative to specified thresholds. In addition, although our Natural Gas Gathering and Processing and Natural Gas Liquids segments generate primarily fee-based earnings, those segments' results of operations are exposed to volumetric risk as a result of production curtailments, reduced drilling and completion activity, declining well productivity, severe weather disruption, operational outages and crude oil, NGL and natural gas demand. Our Natural Gas Pipelines segment is not exposed to significant volumetric risk due to nearly all of our capacity being subscribed under long-term firm fee-based contracts.

In continued response to COVID-19, we remain committed to managing the impact of the pandemic on our employees. We continue to take actions for safe operations, to protect our workforce and to implement appropriate cost reduction measures. We reduced our 2020 capital-growth expenditures by approximately \$1.7 billion, compared with 2019, driven primarily by our previously completed, paused and suspended capital-growth projects. We also significantly reduced our operating expenses in 2020, compared with 2019, primarily as a result of reduced outside services from contractors, asset optimizations and lower employee-related costs. As always, we remain focused on operating our assets safely, reliably and in an environmentally responsible manner. We continue to monitor the COVID-19 outbreak and have implemented our business continuity plans. ONEOK is a critical infrastructure business as defined by the United States Department of Homeland Security, and, therefore, our workforce has remained fully engaged in the midst of federal, state and local government issued guidelines and safety-related ordinances. We continue to practice remote work procedures when possible to protect the safety of our employees and their families and have taken extra precautions for our employees who work in the field or need to report to a ONEOK facility, such as increased facility access restrictions, workspace modifications, social distancing, face covering protocols and sanitation procedures. We continue to apply risk-management and cybersecurity measures designed so that our systems remain functional in order to both serve our operational needs and to provide service to our customers. In the first quarter 2020, the CARES Act was signed into law in response to the COVID-19 pandemic, and we opted into the CARES Act payroll tax deferral program, which will modestly benefit us, and the 401(k) penalty-free hardship withdrawal and loan deferral programs for our employees.

In 2020, due to the commodity price and market environment, we experienced a significant decline in our share price and market capitalization, and performed a Step 1 analysis to test our goodwill for impairment and evaluated certain long-lived asset groups and equity investments for impairment. As a result, we incurred \$644.9 million in noncash impairment charges, which had an adverse impact on our financial results for the year ended December 31, 2020. We expect to maintain sufficient liquidity and financial stability into 2021 due to cash on hand from our June 2020 equity issuance, cash flows from operations and access to our undrawn \$2.5 Billion Credit Agreement.

See Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk, in this Annual Report for more information on our exposure to market risk.

Natural Gas - In our Natural Gas Gathering and Processing segment, gathered and processed volumes decreased in 2020, compared with 2019, due primarily to natural production declines in the Mid-Continent region. Production curtailments from many of our crude oil and natural gas producers impacted volumes in the second quarter 2020, however in the third quarter 2020, many of our producers returned production and our captured natural gas returned to pre-COVID-19 levels as commodity prices strengthened. We expect to maintain pre-COVID-19 volume levels in the Rocky Mountain region through 2021, assuming no increase in producer activity, due to the completion of previously drilled but uncompleted wells, the capture of natural gas previously flared and rising gas-to-oil ratios. In addition, as prices and volumes continue to strengthen, we have the processing capacity to benefit from production growth without significant capital investment due to the completion of our Demicks Lake I and II natural gas processing plants, which were placed in service in the fourth quarter 2019 and the first quarter 2020, respectively. These plants increased our total processing capacity to approximately 1.5 Bcf/d in the Williston Basin.

Production growth may be impacted by the current litigation challenging the validity of an easement for the Dakota Access Pipeline (DAPL), which is used to transport crude oil from the Williston Basin to markets in the Mid-Continent region and Gulf Coast. If DAPL operations are suspended, production growth could be limited due to increased crude oil transportation costs and pipeline capacity constraints in the region, which could impact us due to the associated natural gas and NGLs. However, we expect limited impact to our producers due to alternative available crude pipeline capacity and existing rail infrastructure out of the Rocky Mountain region.

In our Natural Gas Pipelines segment, our assets are connected to key supply areas and demand centers, including export markets in Mexico via our Roadrunner joint venture and supply areas in Canada and the United States via our interstate and intrastate natural gas pipelines and our Northern Border Pipeline joint venture, which enables us to provide essential natural gas transportation and storage services to end users. Continued demand from local distribution companies, electric-generation facilities and large industrial companies resulted in low-cost expansions in 2019 and 2020 that position us well to provide additional expansions for our customers in 2021. Our natural gas transportation capacity contracted was not significantly impacted by market conditions and COVID-19 in 2020, as our end users rely on natural gas to support their business regardless of commodity price fluctuations. We continued to experience stable fee-based earnings throughout 2020 with transportation capacity more than 95% contracted with firm commitments, and we expect these stable fee-based earnings to continue into 2021 at similarly contracted levels.

NGLs - In our Natural Gas Liquids segment, NGL volumes increased for the year ended December 31, 2020, compared with the same period in 2019, due primarily to increased volumes in the Rocky Mountain region, where we are the largest NGL takeaway provider. While we saw significant declines in volumes in the second quarter 2020, due to reduced demand as a result of COVID-19, by the third quarter 2020 average volumes exceeded pre-COVID-19 levels. NGL volumes were also favorably impacted by ethane production driven by improved ethane recovery economics due to increased demand from petrochemical manufacturers. We expect the improved NGL volumes to continue into 2021, and to benefit without significant capital investment, from our integrated assets, which were strengthened through our recently completed capital-growth projects. Our Elk Creek pipeline was completed in two phases during the second half of 2019. In 2020, we completed an extension of our Bakken NGL pipeline, the construction and extension of our Arbuckle II pipeline and the construction of our 125 MBbl/d MB-4 fractionator.

See Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, in this Annual Report for more information on our growth projects, results of operations, liquidity and capital resources.

BUSINESS STRATEGY

Our primary business strategy is to maintain prudent financial strength and flexibility while growing our fee-based earnings and sustaining our dividends per share with a focus on safe, reliable, environmentally responsible, legally compliant and reliable operations for our customers, employees, contractors and the public through the following:

- Operate in a safe, reliable and environmentally responsible manner - environmental, safety and health continues to be a primary focus for us, and our emphasis on personal and process safety has produced improving trends in the key indicators we track. We also continue to seek ways to reduce our environmental impact by conserving resources and utilizing more efficient technologies. We are preparing for the future energy transition and our role in meeting the world's energy needs in an environmentally responsible way. In 2020, we were included in the Dow Jones Sustainability North America Index for the second consecutive year and added to the Dow Jones Sustainability World Index, which recognize companies for industry-leading environmental, social and governance performance;
- Pursue organic investments in our existing operating regions to support earnings growth - we expect earnings growth and dividend stability provided by significant earnings power and available operating capacity from our recently

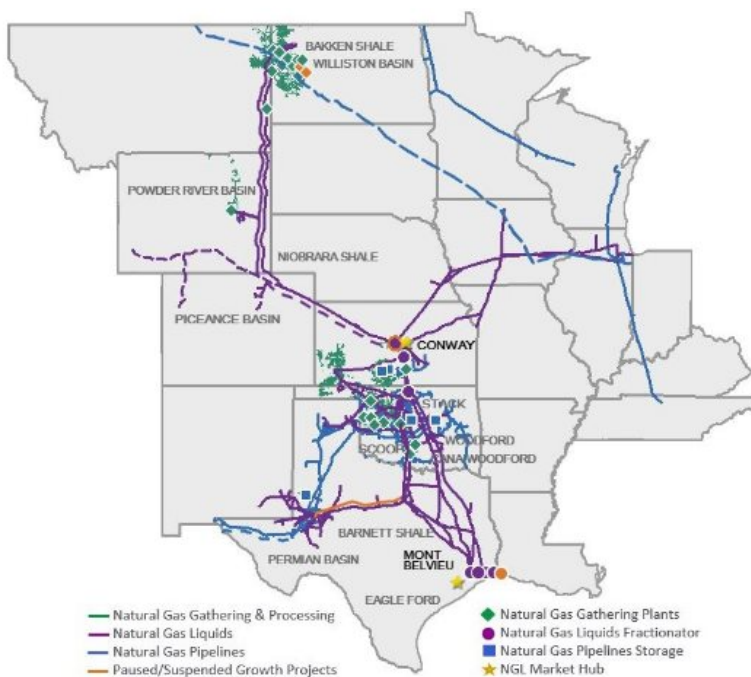
completed capital-growth projects. As producer activity warrants additional infrastructure, we have the option for low-cost expansions of existing infrastructure to accommodate increasing volumes;

- **Manage our balance sheet and maintain investment-grade credit ratings** - we seek to maintain investment-grade credit ratings, pay down debt and internally fund capital-growth projects, when producer activity levels warrant additional infrastructure. At December 31, 2020, we had no borrowings outstanding under our \$2.5 Billion Credit Agreement and \$524.5 million of cash and cash equivalents; and
- **Attract, select, develop, motivate, challenge and retain a diverse group of employees to support strategy execution** - we continue to execute on our recruiting strategy that targets professional and field personnel in our operating areas. We also continue to focus on employee development efforts with our current employees and monitor our benefits and compensation package to remain competitive.

NARRATIVE DESCRIPTION OF BUSINESS

We report operations in the following business segments:

- Natural Gas Gathering and Processing;
- Natural Gas Liquids; and
- Natural Gas Pipelines.



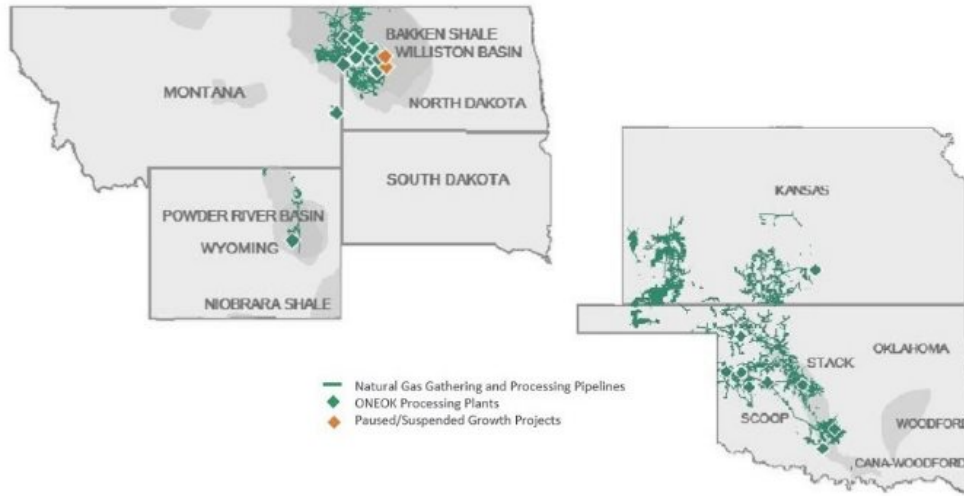
Natural Gas Gathering and Processing

Overview - Our Natural Gas Gathering and Processing segment provides midstream services to producers in North Dakota, Montana, Wyoming, Kansas and Oklahoma.

Rocky Mountain region - The Williston Basin is located in portions of North Dakota and Montana and includes the oil-producing, NGL-rich Bakken Shale and Three Forks formations. Our completed capital-growth projects in the Williston Basin increased our gathering and processing capacity and enable us to capture increased natural gas production from new wells and previously flared natural gas production.

The Powder River Basin is primarily located in Wyoming, which includes the NGL-rich Niobrara Shale and Frontier, Turner and Sussex formations where we provide gathering and processing services to customers in the eastern portion of Wyoming.

Mid-Continent region - The Mid-Continent region includes the oil-producing, NGL-rich STACK and SCOOP areas and the Cana-Woodford Shale, Woodford Shale, Springer Shale, Meramec, Granite Wash and Mississippian Lime formations of Oklahoma and Kansas, and the Hugoton and Central Kansas Uplift Basins of Kansas.



Property - Our Natural Gas Gathering and Processing segment includes the following assets:

- 18,900 miles of natural gas gathering pipelines;
- ten natural gas processing plants with 1.0 Bcf/d of processing capacity in the Mid-Continent region, and 12 natural gas processing plants with 1.5 Bcf/d of processing capacity in the Rocky Mountain region; and
- 14 MBbl/d of NGL fractionation capacity at various natural gas processing plants.

In addition, we have access to up to 200 MMcf/d of processing capacity in the Mid-Continent region through a long-term processing services agreement with an unaffiliated third party.

Our paused and suspended growth projects are excluded from the assets listed above. See “Recent Developments” in Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations, in this Annual Report for more information on our growth projects.

Sources of Earnings - Earnings for this segment are derived primarily from the following types of service contracts:

- Fee with POP contracts with no producer take-in-kind rights - We purchase raw natural gas and charge contractual fees for providing midstream services, which include gathering, treating, compressing and processing the producer’s natural gas. After performing these services, we sell the commodities and remit a portion of the commodity sales proceeds to the producer less our contractual fees. This type of contract represented 65% and 63% of supply volumes in this segment for 2020 and 2019, respectively.
- Fee with POP contracts with producer take-in-kind rights - We purchase a portion of the raw natural gas stream, charge fees for providing the midstream services listed above, return primarily the residue natural gas to the producer, sell the remaining commodities and remit a portion of the commodity sales proceeds to the producer less our contractual fees. This type of contract represented 29% and 33% of supply volumes in this segment for 2020 and 2019, respectively.
- Fee-only - Under this type of contract, we charge a fee for the midstream services we provide, based on volumes gathered, processed, treated and/or compressed. Our fee-only contracts represented 6% and 4% of supply volumes in this segment in 2020 and 2019, respectively.

For commodity sales, we contract to deliver residue natural gas, condensate and/or unfractionated NGLs to downstream customers at a specified delivery point. Our sales of NGLs are primarily to our affiliate in the Natural Gas Liquids segment.

Utilization - The utilization rates for our natural gas processing plants were 66% and 84% for 2020 and 2019, respectively. Our utilization rates decreased in 2020 due primarily to reduced demand as a result of COVID-19. We calculate utilization rates using a weighted-average approach, adjusting for the dates that assets were placed in service.

Unconsolidated Affiliates - Our unconsolidated affiliates in this segment are not material.

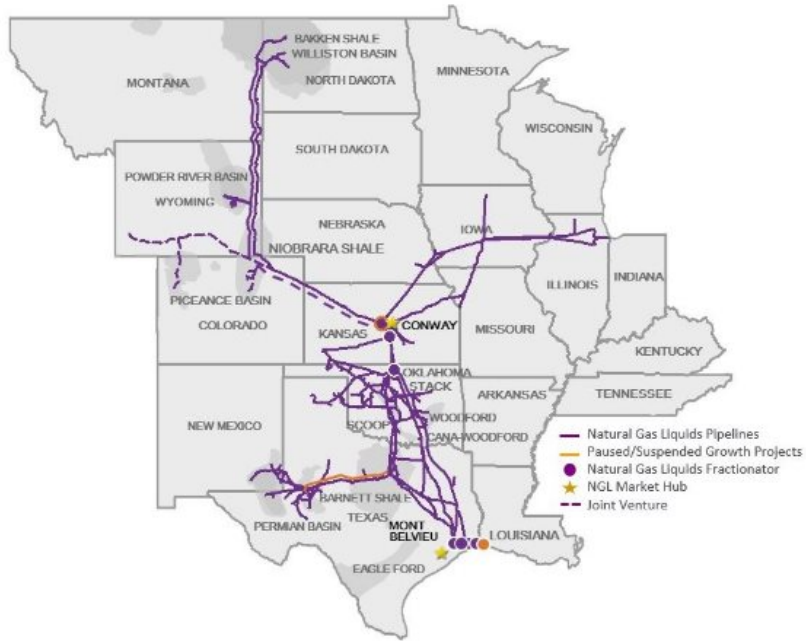
See Note M of the Notes to Consolidated Financial Statements in this Annual Report for additional discussion of our unconsolidated affiliates.

Government Regulation - The FERC traditionally has maintained that a natural gas processing plant is not a facility for the transportation or sale of natural gas in interstate commerce and, therefore, is not subject to jurisdiction under the Natural Gas Act. Although the FERC has made no specific declaration as to the jurisdictional status of our natural gas processing operations or facilities, our natural gas processing plants are primarily involved in extracting NGLs and, therefore, are exempt from FERC jurisdiction. The Natural Gas Act also exempts natural gas gathering facilities from the jurisdiction of the FERC. We believe our natural gas gathering facilities and operations meet the criteria used by the FERC for nonjurisdictional natural gas gathering facility status. Interstate transmission facilities remain subject to FERC jurisdiction. The FERC has historically distinguished between these two types of facilities, either interstate or intrastate, on a fact-specific basis. We transport residue natural gas from certain of our natural gas processing plants to interstate pipelines in accordance with Section 311(a) of the Natural Gas Policy Act. Oklahoma, Kansas, Wyoming, Montana and North Dakota also have statutes regulating, to varying degrees, the gathering of natural gas in those states. In each state, regulation is applied on a case-by-case basis if a complaint is filed against the gatherer with the appropriate state regulatory agency.

See further discussion in the “Regulatory, Environmental and Safety Matters” section.

Natural Gas Liquids

Overview - Our Natural Gas Liquids segment owns and operates facilities that gather, fractionate, treat and distribute NGLs and store NGL products, primarily in Oklahoma, Kansas, Texas, New Mexico and the Rocky Mountain region, which includes the Williston, Powder River and DJ Basins. We provide midstream services to producers of NGLs and deliver those products to the two primary market centers: one in the Mid-Continent in Conway, Kansas, and the other in the Gulf Coast in Mont Belvieu, Texas. We own or have an ownership interest in FERC-regulated NGL gathering and distribution pipelines in Oklahoma, Kansas, Texas, New Mexico, Montana, North Dakota, Wyoming and Colorado, and terminal and storage facilities in Kansas, Missouri, Nebraska, Iowa and Illinois. We have a 50% ownership interest in Overland Pass Pipeline Company, which operates an interstate NGL pipeline originating in Wyoming and Colorado and terminating in Kansas. The majority of the pipeline-connected natural gas processing plants in the Williston Basin, Oklahoma, Kansas and the Texas Panhandle are connected to our NGL gathering systems. We lease rail cars and own and operate truck- and rail-loading and -unloading facilities connected to our NGL fractionation, storage and pipeline assets. We also own FERC-regulated NGL distribution pipelines in Kansas, Missouri, Nebraska, Iowa, Illinois and Indiana that connect our Mid-Continent assets with Midwest markets, including Chicago, Illinois. A portion of our ONEOK North System transports refined petroleum products, including unleaded gasoline and diesel, from Kansas to Iowa.



Property - Our Natural Gas Liquids segment includes the following assets:

- 9,130 miles of gathering pipelines with operating capacity of 1,760 MBbl/d, including 6,330 miles of FERC-regulated pipelines with operating capacity of 1,460 MBbl/d;
- 4,350 miles of distribution pipelines with operating capacity of 1,150 MBbl/d, including 4,180 miles of FERC-regulated pipelines with operating capacity of 1,080 MBbl/d;
- eight NGL fractionators with combined operating capacity of 920 MBbl/d (includes interests in our proportional share of operating capacity), including 520 MBbl/d in the Mid-Continent region and 400 MBbl/d in the Gulf Coast region;
- one isomerization unit with operating capacity of 10 MBbl/d;
- one ethane/propane splitter with operating capacity of 40 MBbl/d;
- six NGL storage facilities with operating storage capacity of 30 MMBbl; and
- eight NGL product terminals.

In addition, we lease 10 MMBbl of annual pipeline capacity near our ONEOK North System and have access to 5 MMBbl of combined NGL storage capacity at facilities in Kansas and Texas and 60 MBbl/d of NGL fractionation capacity in the Gulf Coast through service agreements.

Our paused and suspended growth projects are excluded from the assets listed above. See “Recent Developments” in Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations, in this Annual Report for more information on our growth projects.

Sources of Earnings - Earnings for our Natural Gas Liquids segment are derived primarily from commodity sales and purchases and fee-based services. We purchase NGLs and condensate from third parties, as well as from our Natural Gas Gathering and Processing segment. Our business activities are categorized as follows:

- Exchange services - We utilize our assets to gather, transport, treat and fractionate unfractionated NGLs, thereby converting them into marketable NGL products delivered to a market center or customer-designated location. Many of these exchange volumes are under contracts with minimum volume commitments that provide a minimum level of revenues regardless of volumetric throughput. Our exchange services activities are primarily fee-based and include

some rate-regulated tariffs; however, we also capture certain product price differentials through the fractionation process.

- Transportation and storage services - We transport NGL products and refined petroleum products, primarily under FERC-regulated tariffs. Tariffs specify the maximum rates we may charge our customers and the general terms and conditions for transportation service on our pipelines. Our storage activities consist primarily of fee-based NGL storage services at our Mid-Continent and Gulf Coast storage facilities.
- Optimization and marketing - We utilize our assets, contract portfolio and market knowledge to capture location, product and seasonal price differentials through the purchase and sale of NGLs and NGL products. We primarily transport NGL products between Conway, Kansas, and Mont Belvieu, Texas, to capture the location price differentials between the two market centers. Our marketing activities also include utilizing our NGL storage facilities to capture seasonal price differentials and serving truck and rail markets. Our isomerization activities capture the price differential when normal butane is converted into the more valuable iso-butane at our isomerization unit in Conway, Kansas.

In many of our exchange services contracts, we purchase the unfractionated NGLs at the tailgate of the processing plant and deduct contractual fees related to the transportation and fractionation services we must perform before we can sell them as NGL products. To the extent we hold unfractionated NGLs in inventory, the related contractual fees will not be recognized until the unfractionated inventory is fractionated and sold.

Utilization - The utilization rates for our various assets, including leased assets, decreased in 2020, due primarily to reduced demand as a result of COVID-19, which was partially offset by ethane economics, including the impact of ethane rejection in 2019 and ethane recovery in 2020. The utilization rates for 2020 and 2019, respectively, were as follows:

- our NGL gathering pipelines were 61% and 78%;
- our NGL distribution pipelines were 51% and 63%; and
- our NGL fractionators were 77% and 84%.

We calculate utilization rates using a weighted-average approach, adjusting for the dates that assets were placed in service. Our fractionation utilization rate reflects approximate proportional capacity associated with our ownership interests.

Unconsolidated Affiliates - We have a 50% ownership interest in Overland Pass Pipeline Company, which operates an interstate NGL pipeline system extending 760 miles, originating in Wyoming and Colorado and terminating in Kansas. Our other unconsolidated affiliates in this segment are not material.

See Note M of the Notes to Consolidated Financial Statements in this Annual Report for additional discussion of unconsolidated affiliates.

Government Regulation - The operations and revenues of our NGL pipelines are regulated by various state and federal government agencies. Our interstate NGL pipelines are regulated under the Interstate Commerce Act, which gives the FERC jurisdiction to regulate the terms and conditions of service, rates, including depreciation and amortization policies, and initiation of service. In Oklahoma, Kansas and Texas, certain aspects of our intrastate NGL pipelines that provide common carrier service are subject to the jurisdiction of the OCC, KCC and RRC, respectively.

See further discussion in the “Regulatory, Environmental and Safety Matters” section.

Natural Gas Pipelines

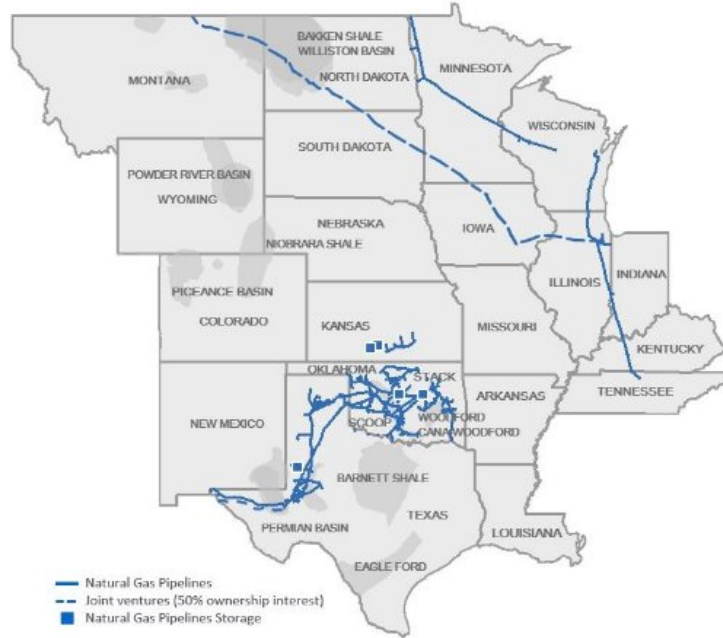
Overview - Our Natural Gas Pipelines segment, through its wholly owned assets, provides transportation and storage services to end users. We have 50% ownership interests in Northern Border Pipeline and Roadrunner, which provide transportation services to various end users.

Interstate Pipelines - Our interstate pipelines are regulated by the FERC and are located in North Dakota, Minnesota, Wisconsin, Illinois, Indiana, Kentucky, Tennessee, Oklahoma, Texas and New Mexico. Our interstate pipeline companies include:

- Midwestern Gas Transmission, which is a bidirectional system that interconnects with Tennessee Gas Transmission Company’s pipeline near Portland, Tennessee, and with several interstate pipelines that have access to both the Utica Shale and the Marcellus Shale at the Chicago Hub near Joliet, Illinois;
- Viking Gas Transmission, which is a bidirectional system that interconnects with a TransCanada Corporation pipeline at the United States border near Emerson, Canada, and ANR Pipeline Company near Marshfield, Wisconsin;

- Guardian Pipeline, which interconnects with several pipelines at the Chicago Hub near Joliet, Illinois, and with local natural gas distribution companies in Wisconsin; and
- OkTex Pipeline, which has interconnections with several pipelines in Oklahoma, Texas and New Mexico.

Intrastate Pipelines - Our intrastate natural gas pipeline assets in Oklahoma transport natural gas throughout the state and have access to the major natural gas production areas in the Mid-Continent region, which include the STACK and SCOOP areas and the Cana-Woodford Shale, Woodford Shale, Springer Shale, Meramec, Granite Wash and Mississippian Lime formations. In Texas, our intrastate natural gas pipelines are connected to the major natural gas producing formations in the Texas Panhandle, including the Granite Wash formation and Delaware and Midland Basins in the Permian Basin. These pipelines are capable of transporting natural gas throughout the western portion of Texas, including the Waha area where other pipelines may be accessed for transportation to western markets, exports to Mexico, the Houston Ship Channel market to the east and the Mid-Continent market to the north. Our intrastate natural gas pipeline assets also have access to the Hugoton and Central Kansas Uplift Basins in Kansas.



Property - Our Natural Gas Pipelines segment includes the following assets:

- 1,500 miles of FERC-regulated interstate natural gas pipelines with 3.5 Bcf/d of peak transportation capacity;
- 5,100 miles of state-regulated intrastate transmission pipelines with peak transportation capacity of 4.3 Bcf/d; and
- six underground natural gas storage facilities with 52.2 Bcf of total active working natural gas storage capacity.

Our storage includes two underground natural gas storage facilities in Oklahoma, two underground natural gas storage facilities in Kansas and two underground natural gas storage facilities in Texas.

Sources of Earnings - Earnings in this segment are derived primarily from transportation and storage services.

Our transportation earnings are primarily fee-based from the following types of services:

- Firm service - Customers reserve a fixed quantity of pipeline capacity for a specified period of time, which obligates the customer to pay regardless of usage. Under this type of contract, the customer pays a monthly fixed fee and incremental fees, known as commodity charges, which are based on the actual volumes of natural gas they transport or store. Under the firm service contract, the customer generally is guaranteed access to the capacity they reserve.

- Interruptible service - Under interruptible service transportation agreements, the customer may utilize available capacity after firm service requests are satisfied. The customer is not guaranteed use of our pipelines unless excess capacity is available.

Our regulated natural gas transportation services contracts are based upon rates stated in the respective tariffs, which have generally been established through shipper specific negotiation, discounts and negotiated settlements. The rates are filed with FERC or the appropriate state jurisdictional agencies. In addition, customers typically are assessed fees, such as a commodity charge, and we may retain a percentage of natural gas in-kind based on the natural gas volumes transported.

Our storage earnings are primarily fee-based from the following types of services:

- Firm service - Customers reserve a specific quantity of storage capacity, including injection and withdrawal rights, and generally pay fixed fees based on the quantity of capacity reserved plus an injection and withdrawal fee. Firm storage contracts typically have terms longer than one year.
- Park-and-loan service - An interruptible storage service offered to customers providing the ability to park (inject) or loan (withdraw) natural gas into or out of our storage, typically for monthly or seasonal terms. Customers reserve the right to park or loan natural gas based on a specified quantity, including injection and withdrawal rights when capacity is available.

Utilization - Our natural gas pipelines were 96% and 98% subscribed in 2020 and 2019, respectively, and our natural gas storage facilities were 71% and 64% subscribed in 2020 and 2019, respectively.

Unconsolidated Affiliates - Our Natural Gas Pipelines segment includes the following unconsolidated affiliates:

- 50% ownership interest in Northern Border Pipeline, which owns a FERC-regulated interstate pipeline that transports natural gas from the Montana-Saskatchewan border near Port of Morgan, Montana, and the Williston Basin in North Dakota to a terminus near North Hayden, Indiana.
- 50% ownership interest in Roadrunner, a bidirectional pipeline, which has the capacity to transport 570 MMcf/d of natural gas from the Permian Basin in West Texas to the Mexican border near El Paso, Texas, and has capacity to transport approximately 1.0 Bcf/d of natural gas from the Delaware Basin to the Waha area. We are the operator of Roadrunner.

See Note M of the Notes to Consolidated Financial Statements in this Annual Report for additional discussion of unconsolidated affiliates.

Government Regulation - Interstate - Our interstate natural gas pipelines are regulated under the Natural Gas Act, which gives the FERC jurisdiction to regulate virtually all aspects of this business, such as transportation of natural gas, rates and charges for services, construction of new facilities, depreciation and amortization policies, acquisition and disposition of facilities, and the initiation and discontinuation of services.

Intrastate - Our intrastate natural gas pipelines in Oklahoma, Kansas and Texas are regulated by the OCC, KCC and RRC, respectively, and by the FERC under the Natural Gas Policy Act for certain services where we deliver natural gas into FERC regulated natural gas pipelines. While we have flexibility in establishing natural gas transportation rates with customers, there is a maximum rate that we can charge our customers in Oklahoma and Kansas and for the services regulated by the FERC. In Texas and Kansas, natural gas storage may be regulated by the state and by the FERC for certain types of services. In Oklahoma, natural gas storage operations are not subject to rate regulation by the state, and we have market-based rate authority from the FERC for certain types of services.

See further discussion in the “Regulatory, Environmental and Safety Matters” section.

Market Conditions and Seasonality

Supply and Demand - Supply for each of our segments depends on crude oil and natural gas drilling and production activities, which are driven by the strength of the economy; the decline rate of existing production; producer access to capital; producer firm commitments to transportation pipelines; natural gas, crude oil and NGL prices; or the demand for each of these products from end users.

Demand for gathering and processing services is dependent on natural gas production by producers in the regions in which we operate. State requirements in North Dakota for producers to reduce natural gas flaring have increased the need for our services to capture, gather and process natural gas. Demand for NGLs and the ability of natural gas processors to successfully and

economically sustain their operations affect the volume of unfractionated NGLs produced by natural gas processing plants, thereby affecting the demand for NGL gathering, transportation and fractionation services. Natural gas and NGL products are affected by economic conditions and the demand associated with the various industries that utilize the commodities, such as butanes and natural gasoline used by the refining industry as blending stocks for motor fuel, denaturant for ethanol and diluents for crude oil. Ethane, propane, normal butane and natural gasoline are also used by the petrochemical industry to produce chemical components, used for a range of products that improve our daily lives and promote economic growth, including health care products, recyclable food packaging, clothing, technology, building materials, industrial, manufacturing and energy infrastructure, lightweight vehicle components and batteries. Propane is also used to heat homes and businesses.

See additional discussion regarding the impacts of COVID-19 on supply and demand under “Business Update, Market Conditions and COVID-19” in our Executive Summary at the beginning of this Item 1. Business.

Commodity Prices - In March 2020, the increase in crude oil supply combined with a decrease in crude oil demand stemming from the global response and uncertainties related to COVID-19 resulted in a sharp decline in crude oil prices. However, in the third quarter 2020, prices significantly improved from second quarter lows. Our earnings are primarily fee-based in all three of our segments, however in our Natural Gas Gathering and Processing segment, we are exposed to commodity price risk as a result of retaining a portion of the commodity sales proceeds associated with our fee with POP contracts. Under certain fee with POP contracts, our contractual fees and POP percentage may increase or decrease if production volumes, delivery pressures or commodity prices change relative to specified thresholds. In our Natural Gas Liquids segment, we are exposed to commodity price risk associated with changes in the price of NGLs; the location differential between the Mid-Continent, Chicago, Illinois, and Gulf Coast regions; and the relative price differential between natural gas, NGLs and individual NGL products, which affect our NGL purchases and sales, our exchange services, transportation and storage services, and optimization and marketing financial results. NGL storage revenue may be affected by price volatility and forward pricing of NGL physical contracts versus the price of NGLs on the spot market. In our Natural Gas Pipelines segment, we are exposed to minimal commodity price risk associated with (i) changes in the price of natural gas, which impact our fuel costs and retained fuel in-kind received for our services; and (ii) the differential between forward pricing of natural gas physical contracts and the price of natural gas on the spot market, which may affect our customer demand for our natural gas storage services.

See additional discussion regarding our commodity price risk and related hedging activities under “Commodity Price Risk” in Part II, Item 7A, Quantitative and Qualitative Disclosures about Market Risk, in this Annual Report.

Seasonality - Cold temperatures usually increase demand for natural gas and certain NGL products, such as propane, the main heating fuels for homes and businesses. Warm temperatures usually increase demand for natural gas used in gas-fired electric generation for residential and commercial cooling, as well as agriculture-related equipment like irrigation pumps and crop dryers. Demand for butanes and natural gasoline, which are primarily used by the refining industry as blending stocks for motor fuel, denaturant for ethanol and diluents for crude oil, are also subject to some variability during seasonal periods when certain government restrictions on motor fuel blending products change. During periods of peak demand for a certain commodity, prices for that product typically increase.

Extreme weather conditions, seasonal temperature changes and the impact of temperature and humidity on the mechanical abilities of the processing equipment impact the volumes of natural gas gathered and processed and NGL volumes gathered, transported and fractionated. Power interruptions and inaccessible well sites as a result of severe storms or freeze-offs, a phenomenon where water produced from natural gas freezes at the wellhead or within the gathering system, may cause a temporary interruption in the flow of natural gas and NGLs.

In our Natural Gas Pipelines segment, natural gas storage is necessary to balance the relatively steady natural gas supply with the seasonal demand of residential, commercial and electric-generation users.

Competition - We compete for natural gas and NGL supply with other midstream companies, major integrated oil companies and independent exploration and production companies that have gathering and processing assets, fractionators, intrastate and interstate pipelines and storage facilities. The factors that typically affect our ability to compete for natural gas and NGL supply are:

- quality of services provided;
- producer drilling activity;
- proceeds remitted and/or fees charged under our contracts;
- proximity of our assets to natural gas and NGL supply areas and markets;
- proximity of our assets to alternative energy production;
- location of our assets relative to those of our competitors;

- efficiency and reliability of our operations;
- receipt and delivery capabilities for natural gas and NGLs that exist in each pipeline system, plant, fractionator and storage location;
- the petrochemical industry's level of capacity utilization and feedstock requirements;
- current and forward natural gas and NGL prices; and
- cost of and access to capital.

We have responded by making capital investments to access and connect new supplies with end-user demand; increasing gathering, processing, fractionation and pipeline capacity; increasing storage, withdrawal and injection capabilities; and reducing operating costs so that we compete effectively. Our and our competitors' infrastructure projects may affect commodity prices and could displace supply volumes from the Mid-Continent and Rocky Mountain regions and the Permian Basin where our assets are located. We believe our assets are located strategically, connecting diverse supply areas to market centers.

Customers - Our Natural Gas Gathering and Processing and Natural Gas Liquids segments derive services revenue from major and independent crude oil and natural gas producers. Our Natural Gas Liquids segment's customers also include NGL and natural gas gathering and processing companies. Our downstream commodity sales customers are primarily petrochemical, refining and marketing companies, utilities, large industrial companies, natural gasoline distributors, propane distributors and municipalities. Our Natural Gas Pipeline segment's assets primarily serve local natural gas distribution companies, electric-generation facilities, large industrial companies, municipalities, producers, processors and marketing companies. Our utility customers generally require our services regardless of commodity prices. See discussion regarding our customer credit risk under "Counterparty Credit Risk" in Part II, Item 7A, Quantitative and Qualitative Disclosures about Market Risk, in this Annual Report.

Other

Through ONEOK Leasing Company, L.L.C. and ONEOK Parking Company, L.L.C., we own a 17-story office building (ONEOK Plaza) and a parking garage in downtown Tulsa, Oklahoma, where our headquarters are located. ONEOK Leasing Company, L.L.C. leases excess office space to others and operates our headquarters office building. ONEOK Parking Company, L.L.C. owns and operates a parking garage adjacent to our headquarters.

REGULATORY, ENVIRONMENTAL AND SAFETY MATTERS

Environmental Matters - We are subject to a variety of historical preservation and environmental laws and/or regulations that affect many aspects of our present and future operations. Regulated activities include, but are not limited to, those involving air emissions, storm water and wastewater discharges, handling and disposal of solid and hazardous wastes, wetlands and waterways preservation, wildlife conservation, cultural resources protection, hazardous materials transportation, and pipeline and facility construction. These laws and regulations require us to obtain and/or comply with a wide variety of environmental clearances, registrations, licenses, permits and other approvals. Failure to comply with these laws, regulations, licenses and permits may expose us to fines, penalties, reputational harm and/or interruptions in our operations that could be material to our results of operations or financial condition. For example, if a leak or spill of hazardous substances or petroleum products occurs from pipelines or facilities that we own, operate or otherwise use, we could be held jointly and severally liable for all resulting liabilities, including response, investigation and cleanup costs, which could affect adversely our results of operations and cash flows. In addition, emissions controls and/or other regulatory or permitting mandates under the Clean Air Act and other similar federal and state laws could require unexpected capital expenditures at our facilities. We cannot assure that existing environmental statutes and regulations will not be revised or that new regulations will not be adopted or become applicable to us. We also cannot assure that existing permits will not be revised or cancelled, potentially impacting facility construction activities or ongoing operations.

International, federal, regional and/or state legislative and/or regulatory initiatives may attempt to control or limit GHG emissions, including initiatives directed at issues associated with climate change. Various federal and state legislative proposals have been introduced to regulate the emission of GHGs, particularly carbon dioxide and methane, and the United States Supreme Court has ruled that carbon dioxide is a pollutant subject to regulation by the EPA. In addition, there have been international efforts seeking legally binding reductions in emissions of GHGs.

Our GHG emissions originate primarily from combustion engine exhaust, heater exhaust and fugitive methane gas emissions. Our environmental actions focus on minimizing the impact of our operations on the environment. These actions include: (i) developing and maintaining an accurate GHG emissions inventory according to current rules issued by the EPA; (ii) improving the efficiency of our various pipelines, natural gas processing facilities and NGL fractionation facilities;

(iii) following developing technologies for emissions control and the capture of carbon dioxide to keep it from reaching the atmosphere; and (iv) utilizing practices to reduce the loss of methane from our facilities. In addition, many of our compressor station facilities are designed and operated with electric-driven compression units, which reduce the potential emission from these facilities, including Scope 1 GHG emissions, which are emissions directly sourced from our facilities.

We participate in the EPA's Natural Gas STAR Program and the Our Nation's Energy (ONE) Future Coalition to reduce voluntarily methane emissions. We continue to focus on maintaining low methane gas release rates through expanded implementation of best practices to limit the release of natural gas during pipeline and facility maintenance and operations.

We believe it is likely that future governmental legislation and/or regulation may require us either to limit GHG emissions from our operations, to purchase allowances for such emissions or to be subject to a carbon emissions tax. However, we cannot predict precisely what form these future regulations will take, the stringency of the regulations, when they will become effective or the impact on our results of operations. In addition to activities on the federal level, state and regional initiatives could also lead to the regulation of GHG emissions sooner than and/or independent of federal regulation. These regulations could be more stringent than any federal legislation that may be adopted.

For additional information regarding the potential impact of laws and regulations on our operations see Item 1A "Risk Factors."

Pipeline Safety - We are subject to PHMSA safety regulations, including pipeline asset integrity-management regulations. The Pipeline Safety Improvement Act of 2002 requires pipeline companies operating high-pressure pipelines to perform integrity assessments on pipeline segments that pass through densely populated areas or near specifically designated high-consequence areas. The Pipeline Safety, Regulatory Certainty and Job Creation Act of 2011 (the 2011 Pipeline Safety Act) increased maximum penalties for violating federal pipeline safety regulations, directs the DOT and Secretary of Transportation to conduct further review or studies on issues that may or may not be material to us and may result in the imposition of more stringent regulations.

In 2015, PHMSA issued notices of proposed rulemaking for hazardous liquid pipeline safety regulations, natural gas transmission and gathering lines and underground natural gas storage facilities, known as "the Mega Rule." Due to the large number of rules being considered, PHMSA partitioned the new rulemaking into three sections. To date, the first section of rules was finalized and published in 2019 in the federal register. These final rules mostly address congressional mandates due to former pipeline safety reauthorizations. We do not anticipate the potential capital and operating expenditures related to the first section of rules to create a material impact to our planned capital or operations and maintenance costs. At this point, we do not fully know the impact of the regulations that remain to be finalized. Coupled together, these new rules may provide increased requirements for operating and maintenance, integrity management, public awareness and civil/criminal penalties; however, we do not anticipate a material impact to our planned capital or operations and maintenance costs resulting from compliance with the new or pending regulations. In 2020, legislation was passed to reauthorize PHMSA through 2024. Certain requirements for operations and maintenance, integrity management, leak detection and public awareness will be subject to new rulemaking as a result. The potential capital and operating expenditures related to the new regulations are not fully known, but we do not anticipate a material impact to our planned capital or operations and maintenance costs resulting from compliance with the new regulations.

Air and Water Emissions - The Clean Air Act, the Clean Water Act, analogous state laws and/or regulations impose restrictions and controls regarding the discharge of pollutants into the air and water in the United States. Under the Clean Air Act, a federally enforceable operating permit is required for sources of significant air emissions. We may be required to incur certain capital expenditures for air pollution-control equipment in connection with obtaining or maintaining permits and approvals for sources of air emissions. The Clean Water Act imposes substantial potential liability for the removal of pollutants discharged to waters of the United States and remediation of waters affected by such discharge.

International, federal, regional and/or state legislative and/or regulatory initiatives may attempt to control or limit GHG emissions, including initiatives directed at issues associated with climate change. We monitor all relevant legislation and regulatory initiatives to assess the potential impact on our operations and otherwise take efforts to limit GHG emissions from our facilities, including methane. The EPA's Mandatory Greenhouse Gas Reporting Rule requires annual GHG emissions reporting from affected facilities and the carbon dioxide emission equivalents for the natural gas delivered by us and the emission equivalents for all NGLs produced by us as if all of these products were combusted, even if they are used otherwise.

Our 2019 total emissions reported pursuant to EPA requirements were approximately 60 million metric tons of carbon dioxide equivalents. This total includes direct emissions from the combustion of fuel in our equipment, such as compressor engines and heaters, as well as carbon dioxide equivalents from natural gas and NGL products delivered to customers and produced as if all such fuel and NGL products were combusted. The additional cost to gather and report this emission data did not have, and we

do not expect it to have, a material impact on our results of operations, financial position or cash flows. In addition, Congress has considered, and may consider in the future, legislation to reduce GHG emissions, including carbon dioxide and methane. Likewise, the EPA may institute additional regulatory rulemaking associated with GHG emissions from the oil and natural gas industry. At this time, no rule or legislation has been enacted that assesses any material costs, fees or expenses on any of these emissions.

We monitor proposed and final rulemakings. At this time, we do not anticipate a material impact to our planned capital, operations and maintenance costs resulting from compliance with the current or pending regulations and EPA actions. However, the EPA may issue additional regulations, responses, amendments and/or policy guidance, which could alter our present expectations. Generally, EPA rulemakings require expenditures for updated emissions controls, monitoring and record-keeping requirements at affected facilities.

Chemical Site Security - The United States Department of Homeland Security (Homeland Security) released the Chemical Facility Anti-Terrorism Standards in 2007, and the final rule associated with these regulations was issued in December 2014. We provided information regarding our chemicals via Top-Screens submitted to Homeland Security, and our facilities subsequently were assigned one of four risk-based tiers ranging from high (Tier 1) to low (Tier 4) risk, or not tiered at all due to low risk. To date, one of our facilities has been given a Tier 4 rating. Facilities receiving a Tier 4 rating are required to complete Site Security Plans, including possible physical security enhancements. The cost of the Site Security Plans and security enhancements did not have a material impact on our results of operations, financial position or cash flows.

Pipeline Security - The United States Department of Homeland Security's Transportation Security Administration and the DOT have completed a review and inspection of our "critical facilities" and identified no material security issues. Also, the Transportation Security Administration has released new pipeline security guidelines that include broader definitions for the determination of pipeline "critical facilities." We have reviewed our pipeline facilities according to the new guideline requirements, and there have been no material changes required to date.

HUMAN CAPITAL

The long-term sustainability of our business is dependent on our continued ability to attract, select, develop, motivate, challenge and retain a diverse group of employees to execute our business strategies. We manage our human capital by offering compensation and benefits that are designed to position us as an employer of choice. We also invest significant time and resources developing our employees, training them on health, safety and compliance matters and building inclusive, high-performing teams.

As of December 31, 2020, we had 2,886 employees. Listed below is a summary of our human capital resources, measures and objectives that are collectively important to our success as an organization.

Culture - Our success is due in large part to the skills, experience and dedication of our employees. We are committed to cultivating an inclusive and dynamic work environment where talented people can find opportunities to succeed, grow and contribute to the success of the company. Our employees work each day to provide safe and reliable services to a wide range of customers in the states where we operate. Our core values - Ethics, Quality, Diversity, Value and Service - guide the way in which our employees conduct our business and operations. Our core value of Ethics means our actions are founded on trust, honesty and integrity through open communications and adherence to the highest standards of personal, professional and business ethics. Our core value of Quality drives us to make continuous improvements in our quest for excellence. Our core value of Diversity means we value the diversity, dignity and worth of each employee, and believe that a diverse and inclusive workforce is critical to our continued success. Our core value of Value means we are committed to creating value for all stakeholders - employees, customers, investors and our communities - through the optimum development and utilization of our resources. Finally, our core value of Service means we provide responsive, flexible service to customers, and commit to preserving the environment, providing a safe work environment and improving the quality of life for employees where they live and work.

Diversity and Inclusion - Our diversity and inclusion (D&I) strategy is a cross-functional effort that draws upon contributions from employees at all levels of the organization and is focused on enhancing the workplace to retain and attract talent. The strategy is guided by a D&I Council composed of a diverse group of employees who represent different demographics, work locations, points of view, roles and levels of seniority. Our Chief Executive Officer serves as chair of the D&I Council and attends all meetings of the D&I Council, along with the rest of our senior leadership team. We also have a team within our organizational development group that is wholly dedicated to supporting our D&I efforts.

In 2020, we provided funding and support for five employee-led business resource groups (BRGs): a Black/African American Resource Group; an Indigenous/Native American Resource Group; a Latinx/Hispanic American Resource Group; a Veterans Resource Group; and a Women's Resource Group. Each BRG's purpose is to promote the attraction, development, motivation and retention of members of traditionally underrepresented groups in our industry and workplace in an effort to drive positive business outcomes. A key factor in the success of our BRGs is the active participation by officer-level executive sponsors and allies from outside the BRG's underrepresented populations. All employees are invited to become a supporter of one or more of our BRGs.

We embed D&I concepts into our core leadership development curriculum and sponsor a number of internal programs intended to promote D&I. In addition, we seek to give back to the communities where we operate by partnering on initiatives to support underrepresented community members and local charitable organizations.

Employee Safety - The safety of our employees is critical to our operations and success. By monitoring the integrity of our assets and promoting the safety of our employees, we are investing in the long-term sustainability of our businesses. We continuously assess the risks our employees face in their jobs, and we work to mitigate those risks through training, appropriate engineering controls, work procedures and other preventive safety programs. Reducing incidents and improving our personal safety incident rates are important, but we are not focused only on statistics. Low personal safety incident rates alone cannot prevent a large-scale incident, which is why we continue to focus on enhancing our Environmental, Safety and Health management systems and process safety programs, such as key risk/key control identification and knowledge sharing. We endeavor to operate our assets safely, reliably and in an environmentally responsible manner. We maintain mature and robust programs that guide trained staff in the completion of these activities, and we continue to enhance and improve these programs and our internal capabilities. In response to COVID-19, we have taken steps to manage the potential impacts of the COVID-19 outbreak on our employees. We continue to practice remote work procedures when possible to protect the safety of our employees and their families, and have taken extra precautions for our employees who work in the field or need to report to a ONEOK facility, such as increased facility access restrictions, workspace modifications, social distancing, face covering protocols and sanitation procedures. During 2020, ONEOK employees completed more than 50,000 hours of virtual and classroom training focused on employee safety.

Health and Welfare - We provide a variety of benefits to help promote the health and welfare of our employees and their families. These benefits include medical, dental and vision plans, virtual health visits and engagement of third-party service providers to offer company on-site and near-site clinics in several of our operating areas, which have access to both rapid antigen and polymerase chain reaction COVID-19 testing. In response to COVID-19, we provided temporary benefit adjustments, including waiving charges for virtual health visits, COVID-19 diagnostic tests and COVID-19 vaccines. Current resources include a dedicated employee information site that houses regular updates regarding COVID-19 and provides resources for prevention best practices, physical health, mental health and caregiver services. Eligible employees also have access, at no charge, to an employee assistance program, a medical second opinion service and a health care concierge service to assist with finding in-network providers and resolving claims. We offer full pay for maternity, paternity or adoption leave of up to 240 hours per qualifying event. We also provide up to \$10,000 for reasonable and necessary expenses of a qualifying adoption. Additional benefits provided for the welfare of our employees include, among others, life insurance and long-term disability plans, health and dependent care flexible spending accounts, and full pay while on bereavement and personal and family care leave.

We also provide the opportunity for our employees to help fellow employees through the ONE Trust Fund by contributing donated vacation hours or monetary donations. The ONE Trust Fund is a nonprofit, charitable organization, that serves our employees in times of personal crises due to natural disasters, medical emergencies or other hardships.

Personal and Professional Development - We provide various options to assist with career growth and development. For employees just entering the workforce who desire to advance their career and continue to learn or for the professional who is interested in developing their skills, we provide education and training in a variety of areas, including leadership, functional and industry-specific topics, professional development and skill-building opportunities. Our organizational development and D&I teams provide live virtual classroom training, computer-based self-study and one-on-one coaching that is available to all employees.

We value education and assist eligible employees with the expense of furthering their education in job-related fields, including up to \$5,000 per year in qualifying tuition expenses. We also may reimburse employees for certain job-related professional certification examination fees.

Recruiting - We make it a priority to attract, select, develop, motivate, challenge and retain the talent necessary to support our key business strategies. We use targeted recruitment events, maintain strong relationships with area technical schools, colleges

and universities, and we offer compensation benefits and career opportunities that are designed to position us as an employer of choice. In response to COVID-19, we continue to recruit and hire new employees for critical positions through virtual interviews. D&I continue to be a priority in recruiting, and we deploy sourcing strategies designed to access talent from groups that are historically underrepresented in our industry and workplace.

Retirement - We maintain a 401(k) Plan for our employees and match 100% of employee contributions up to 6% of eligible compensation, subject to applicable tax limits. We also have a defined benefit pension plan covering certain employees and former employees hired prior to January 1, 2005. Employees that do not participate in our defined benefit pension plan are eligible to receive quarterly and annual profit-sharing contributions under our 401(k) Plan. As of December 31, 2020, approximately 96% of eligible employees were contributing to our 401(k) Plan. In first quarter 2020, we opted into the CARES Act 401(k) penalty-free hardship withdrawal and loan deferral programs for employees. For additional information about our retirement benefits, see Note K of the Notes to Consolidated Financial Statements in this Annual Report.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

All executive officers are elected annually by our Board of Directors. Our executive officers listed below include the officers who have been designated by our Board of Directors as our Section 16 executive officers.

Name and Position	Age	Business Experience in Past Five Years
John W. Gibson Chairman of the Board	68	2011 to present Chairman of the Board, ONEOK 2007 to 2017 Chairman of the Board, ONEOK Partners
Terry K. Spencer President and Chief Executive Officer	61	2014 to present President and Chief Executive Officer, ONEOK 2014 to 2017 President and Chief Executive Officer, ONEOK Partners 2014 to present Member of the Board of Directors, ONEOK 2014 to 2017 Member of the Board of Directors, ONEOK Partners
Robert F. Martinovich Executive Vice President and Chief Administrative Officer	63	2015 to present Executive Vice President and Chief Administrative Officer, ONEOK 2015 to 2017 Executive Vice President and Chief Administrative Officer, ONEOK Partners
Walter S. Hulse III Chief Financial Officer, Treasurer and Executive Vice President, Strategy and Corporate Affairs	57	2019 to present Chief Financial Officer, Treasurer and Executive Vice President, Strategy and Corporate Affairs, ONEOK 2017 to 2019 Chief Financial Officer and Executive Vice President, Strategic Planning and Corporate Affairs, ONEOK 2015 to 2017 Executive Vice President, Strategic Planning and Corporate Affairs, ONEOK and ONEOK Partners
Kevin L. Burdick Executive Vice President and Chief Operating Officer	56	2017 to present Executive Vice President and Chief Operating Officer, ONEOK 2017 Executive Vice President and Chief Commercial Officer, ONEOK and ONEOK Partners 2016 to 2017 Senior Vice President, Natural Gas Gathering and Processing, ONEOK Partners 2013 to 2016 Vice President, Natural Gas Gathering and Processing, ONEOK Partners
Charles M. Kelley Senior Vice President, Natural Gas	62	2018 to present Senior Vice President, Natural Gas, ONEOK 2017 to 2018 Senior Vice President, Natural Gas Gathering & Processing, ONEOK 2015 to 2017 Senior Vice President, Corporate Planning and Development, ONEOK and ONEOK Partners
Sheridan C. Swords Senior Vice President, Natural Gas Liquids	51	2017 to present Senior Vice President, Natural Gas Liquids, ONEOK 2013 to 2017 Senior Vice President, Natural Gas Liquids, ONEOK Partners
Stephen B. Allen Senior Vice President, General Counsel and Assistant Secretary	47	2017 to present Senior Vice President, General Counsel and Assistant Secretary, ONEOK 2008 to 2017 Vice President and Associate General Counsel, ONEOK and ONEOK Partners
Mary M. Spears Vice President and Chief Accounting Officer	41	2019 to present Vice President and Chief Accounting Officer, ONEOK 2015 to 2019 Director, SEC Reporting, ONEOK 2015 to 2017 Director, SEC Reporting, ONEOK Partners

No family relationships exist between any of the executive officers, nor is there any arrangement or understanding between any executive officer and any other person pursuant to which the officer was selected.

INFORMATION AVAILABLE ON OUR WEBSITE

We make available, free of charge, on our website (www.oneok.com) copies of our Annual Reports, Quarterly Reports, Current Reports on Form 8-K, amendments to those reports filed or furnished to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act and reports of holdings of our securities filed by our officers and directors under Section 16 of the Exchange Act as soon as reasonably practicable after filing such material electronically or otherwise furnishing it to the SEC. Copies of our Code of Business Conduct and Ethics, Corporate Governance Guidelines, Director Independence Guidelines, Corporate Sustainability Report, Response to COVID-19 and the written charter of our Audit Committee also are available on our website, and we will provide copies of these documents upon request.

In addition to our filings with the SEC and materials posted on our website, we also use social media platforms as additional channels of distribution to reach public investors. Information contained on our website, posted on our social media accounts, and any corresponding applications, are not incorporated by reference into this report.

ITEM 1A. RISK FACTORS

Our investors should consider the following risks that could affect us and our business. Although we have tried to identify key factors, our investors need to be aware that other risks may prove to be important in the future. New risks may emerge at any time, and we cannot predict such risks or estimate the extent to which they may affect our financial performance. Investors should consider carefully the following discussion of risks and the other information included or incorporated by reference in this Annual Report, including “Forward-Looking Statements,” which are included in Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations.

RISK FACTORS RELATED TO OUR BUSINESS AND INDUSTRY

The COVID-19 pandemic has affected adversely, and could further affect adversely, our results of operations.

The COVID-19 pandemic led to global and regional economic disruption, volatility in the financial markets and a weakened commodity price environment. The outbreak and government measures taken in response, including extended quarantines, closures and reduced operations of businesses had a significant adverse impact, both direct and indirect, on our business and the economy. Due to reductions in economic activity, the world experienced reduced demand for crude oil, refined products, NGLs and natural gas, and weakened commodity prices, which affected adversely our operations.

Uncertainty remains regarding the duration of global impacts due to COVID-19 and the possible resurgence or mutation of the virus. This uncertainty, and the occurrence of these events and measures taken in response, could further affect adversely our results of operations by, among other things, reducing demand for the services we provide, impacting our supply chains and the availability and efficiency of our workforce, creating operational challenges and impacting our ability to access capital markets. The degree to which the pandemic further impacts our business and results of operations will depend on future developments beyond our control, including the success of actions to contain the virus, the length of time needed to vaccinate a significant segment of the global population, how quickly and to what extent normal economic and operating conditions can resume, and the severity and duration of the global and regional economic downturn that results from the pandemic.

If the level of drilling in the regions in which we operate declines substantially near our assets, our volumes and revenues could decline.

Our gathering and transportation pipeline systems are dependent upon production from natural gas and crude oil wells, which naturally declines over time. As a result, our cash flows associated with these wells will also decline over time. In order to maintain or increase throughput levels on our gathering and transportation pipeline systems and the asset utilization rates at our processing and fractionation facilities, we must continually obtain new supplies. Our ability to maintain or expand our businesses depends largely on the level of drilling and production by third parties in the regions in which we operate. Our natural gas and NGL supply volumes may be impacted if producers curtail or redirect drilling and production activities. Drilling and production are impacted by factors beyond our control, including:

- demand and prices for natural gas, NGLs and crude oil;
- producers’ access to capital;
- producers’ finding and development costs of reserves;
- producers’ desire and ability to obtain necessary permits, drilling rights and surface access in a timely manner and on reasonable terms;
- crude oil and associated natural gas field characteristics and production performance; and
- capacity constraints and/or shut downs on the pipelines that transport crude oil, natural gas and NGLs from producing areas and our facilities.

Commodity prices have experienced significant volatility. Drilling and production activity levels may vary across our geographic areas; however, a prolonged period of low commodity prices may reduce drilling and production activities across all areas. If we are not able to obtain new supplies to replace the natural decline in volumes from existing wells or because of competition, throughput on our gathering and transportation pipeline systems and the utilization rates of our processing and fractionation facilities would decline, which could affect adversely our business, results of operations, financial position and cash flows, and our ability to pay cash dividends.

Our operating results may be affected adversely by unfavorable economic and market conditions.

In addition to impacts from the COVID-19 pandemic, an adverse change in economic conditions worldwide or in the economic regions in which we operate could negatively affect the crude oil and natural gas markets, as well as in the specific segments in which we operate, resulting in reduced demand and increased price competition for our services and products. Our operating results in one or more geographic regions may also be affected by uncertain or changing economic conditions within that region. Volatility in commodity prices may have an impact on many of our suppliers and customers, which, in turn, could have a negative impact on their ability to meet their obligations to us. Periods of severe volatility in equity and credit markets may disrupt our access to such markets, make it difficult to obtain financing necessary to expand facilities or acquire assets, increase financing costs and result in the imposition of restrictive financial covenants. If adverse global or regional economic and market conditions remain uncertain or persist, spread or deteriorate further, we may experience material impacts on our business, results of operations, financial position, cash flows and liquidity.

The volatility of natural gas, crude oil and NGL prices could affect adversely our earnings and cash flows.

Lower commodity prices could reduce crude oil, natural gas and NGL production which could decrease the demand for our services. Additionally, a significant portion of our revenues are derived from the sale of commodities that are received in conjunction with natural gas gathering and processing services, the transportation and storage of natural gas, and from the purchase and sale of NGLs and NGL products. As commodity prices decline, we could be paid less for our commodities thereby reducing our cash flows. Historically, commodity prices have been volatile and can change quickly. For example, in March 2020, unsuccessful negotiations between the Organization of the Petroleum Exporting Countries (OPEC) and Russia regarding crude oil production cuts resulted in a price war between Saudi Arabia and Russia. As a result, the global supply of crude oil significantly exceeded demand and led to a collapse in crude oil prices. It is likely that commodity prices will continue to be volatile in the future.

The prices we receive for our commodities are subject to wide fluctuations in response to a variety of factors beyond our control, including, but not limited to, the following:

- overall domestic and global economic conditions;
- relatively minor changes in the supply of, and demand for, domestic and foreign energy;
- market uncertainty;
- geopolitical conditions impacting supply and demand for natural gas, NGLs and crude oil;
- production decisions by other countries, such as the failure of countries to abide by recent agreements to reduce production volumes;
- the availability and cost of third-party transportation, natural gas processing and fractionation capacity;
- the level of consumer product demand and storage inventory levels;
- ethane rejection;
- weather conditions;
- domestic and foreign governmental regulations and taxes;
- the price and availability of alternative fuels;
- speculation in the commodity futures markets;
- the effects of imports and exports on the price of natural gas, crude oil, NGL and liquefied natural gas;
- the effect of worldwide energy-conservation measures;
- the impact of new supplies, new pipelines, processing and fractionation facilities on location price differentials; and
- technology and improved efficiency impacting supply and demand for natural gas, NGLs and crude oil.

These external factors and the volatile nature of the energy markets make it difficult to reliably estimate future prices of commodities and the impact commodity price fluctuations have on our customers and their need for our services, which could affect adversely our business, results of operations, financial position and cash flows.

We may be subject to physical and financial risks associated with climate change and changes in investor sentiment towards climate change may affect the demand for our securities.

Changes in regulatory policies, public sentiment or technology due to the threat of climate change that result in a reduction in the demand for hydrocarbon products, restrictions on their use, or increased use of renewable energy could reduce future demand for hydrocarbons and reduce volumes available to us for gathering, processing, fractionation, transportation, storage and marketing. Finally, increasing attention to climate change and the impacts of GHG emissions has resulted in an increased likelihood of governmental investigations, regulation and private litigation, which could increase our costs or otherwise affect adversely our business.

Due to climate change concerns, some investors may choose to either not invest, or to reduce their investment, in companies that explore for, produce, process, transport or sell products derived from hydrocarbons. If this investor sentiment increases, we may see reduced demand for our securities, which could impact our liquidity or the value of our securities. In addition, to the extent financial markets view climate change and emissions of GHGs as a financial risk, this could affect negatively our ability to access capital markets or cause us to receive less favorable terms and conditions in future financings.

The threat of global climate change may create physical and financial risks to our business. Our customers' energy needs vary with weather conditions, primarily temperature and humidity. For residential customers, heating and cooling represent their largest energy use. To the extent weather conditions may be affected by climate change, customers' energy use could increase or decrease depending on the duration and magnitude of any changes. Increased energy use due to weather changes may require us to invest in more pipelines and other infrastructure to serve increased demand. A decrease in energy use due to weather changes may affect our financial condition, through decreased revenues. Extreme weather conditions in general require more system backup, adding to costs, and can contribute to increased system stresses, including service interruptions. Weather conditions outside of our operating territory could also have an impact on our revenues. Severe weather impacts our operating territories primarily through hurricanes, thunderstorms, tornados and snow or ice storms. To the extent the frequency of extreme weather events increases, this could increase our cost of providing service. We may not be able to pass on the higher costs to our customers or recover all costs related to mitigating these physical risks.

Our operations are subject to operational hazards and unforeseen interruptions, which could affect adversely our business and for which we may not be adequately insured.

Our operations are subject to all the risks and hazards typically associated with the operation of natural gas and NGL gathering, transportation and distribution pipelines, storage facilities and processing and fractionation facilities, which include, but are not limited to, leaks, pipeline ruptures, the breakdown or failure of equipment or processes and the performance of facilities below expected levels of capacity and efficiency. Other operational hazards and unforeseen interruptions include adverse weather conditions, infectious disease including a pandemic, geopolitical reactions, accidents, explosions, fires, the collision of equipment with our pipeline facilities (for example, this may occur if a third party were to perform excavation or construction work near our facilities) and catastrophic events such as tornados, hurricanes, earthquakes, floods, and other similar events beyond our control. Also, the United States government warned that energy assets, specifically the nation's pipeline infrastructure, may be targets of terrorist attacks. An act of terrorism could target our facilities, those of our suppliers or customers or those of other pipelines. A casualty occurrence may result in injury or loss of life, extensive property damage or environmental damage. Liabilities incurred and interruptions to the operations of our pipeline or other facilities caused by such an event could reduce our revenues and increase expenses, thereby impairing our ability to meet our obligations.

As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially, and, in some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. Consequently, we may not be able to renew existing insurance policies or purchase other desirable insurance on commercially reasonable terms, if at all. Insurance proceeds may not be adequate to cover all liabilities or expenses incurred or revenues lost, and we are not fully insured against all risks inherent to our business. If we were to incur a significant liability for which we were not fully insured, it could affect adversely our business, results of operations, financial position and cash flows. Further, the proceeds of any such insurance may not be paid in a timely manner.

Continued development of supply sources outside of our operating regions could impact demand for our services.

Production areas outside of our operating regions may compete with natural gas and NGL supply originating in production areas connected to our systems, which may cause natural gas and NGLs in supply areas connected to our systems to be diverted to markets other than our traditional market areas and may affect capacity utilization adversely on our pipeline systems and our ability to renew or replace existing contracts. In our Natural Gas Gathering and Processing segment, the development of reserves could move drilling rigs from our current service areas to other areas, which may reduce demand for our services. In our Natural Gas Pipelines segment, the displacement of natural gas originating in supply areas connected to our pipeline systems by supply sources that are closer to the end-use markets could reduce demand for our services. Either of these possibilities could result in lower revenues, which could affect adversely our business, results of operations, financial position and cash flows.

We do not hedge fully against commodity price risk or interest rate risk, including commodity price changes, seasonal price differentials, product price differentials or location price differentials. This could result in decreased revenues, increased costs and lower margins, affecting adversely our results of operations.

Certain of our businesses are exposed to market risk and the impact of market fluctuations in natural gas, NGLs and crude oil prices. Market risk refers to the risk of loss of future cash flows and earnings arising from adverse changes in commodity prices. Our primary commodity price exposures arise from:

- the value of the commodities sold under fee with POP contracts of which we retain a portion of the sales proceeds;
- the price differentials between the individual NGL products with respect to our NGL transportation and fractionation agreements;
- the location price differentials in the price of natural gas and NGLs;
- the seasonal price differentials in natural gas and NGLs related to our storage operations;
- the price risk related to electric costs to operate our facilities; and
- the fuel costs and the value of the retained fuel in-kind in our natural gas pipelines and storage operations.

To manage the risk from market price fluctuations in natural gas, NGLs and crude oil prices, we may use derivative instruments such as swaps, futures, forwards and options. However, we do not hedge fully against commodity price changes, and we therefore retain some exposure to market risk. Further, hedging instruments that are used to reduce our exposure to interest-rate fluctuations could expose us to risk of financial loss where we may contract for fixed-rate swap instruments to hedge variable-rate instruments and the fixed rate exceeds the variable rate. Finally, hedging arrangements for forecasted sales and purchases are used to reduce our exposure to commodity price fluctuations and may limit the benefit we would otherwise receive if market prices for natural gas, crude oil and NGLs differ from the stated price in the hedge instrument for these commodities.

A breach of information security, including a cybersecurity attack, or failure of one or more key information technology or operational systems, or those of third parties, may affect adversely our operations, financial results or reputation.

Our businesses are dependent upon our operational systems to process a large amount of data and complex transactions. The various uses of these information technology systems, networks and services include, but are not limited to:

- controlling our plants and pipelines with industrial control systems including Supervisory Control and Data Acquisition (SCADA);
- collecting and storing customer, employee, investor and other stakeholder information and data;
- processing transactions;
- summarizing and reporting results of operations;
- hosting, processing and sharing confidential and proprietary research, business plans and financial information;
- complying with regulatory, legal, financial or tax requirements;
- providing data security; and
- other processes necessary to manage our business.

If any of our systems are damaged, fail to function properly or otherwise become unavailable, we may incur substantial costs to repair or replace them and may experience loss or corruption of critical data and interruptions or delays in our ability to perform critical functions, which could affect adversely our business and results of operations. Our financial results could also be affected adversely if an individual causes our operational systems to fail, either as a result of inadvertent error or by deliberately tampering with or manipulating our operational systems. In addition, dependence upon automated systems may further increase the risk that operational system flaws, employee tampering or manipulation of those systems will result in losses that are difficult to detect.

Due to increased technology advances and an increase in remote work arrangements due to the COVID-19 pandemic, we have become more reliant on technology to help increase efficiency in our businesses. We use software to help manage and operate our businesses, and this may subject us to increased risks. According to experts, since the beginning of the COVID-19 pandemic there has been a rise in the number and sophistication of cyberattacks on companies' network and information systems by both state-sponsored and criminal organizations, and as a result, the risks associated with such an event continue to increase. A significant failure, compromise, breach or interruption in our systems could result in a disruption of our operations, physical damages, customer dissatisfaction, damage to our reputation and a loss of customers or revenues. If any such failure, interruption or similar event results in the improper disclosure of information maintained in our information systems and networks or those of our vendors, including personnel, customer and vendor information, we could also be subject to liability under relevant contractual obligations and laws and regulations protecting personal data and privacy. Efforts by us and our vendors to develop, implement and maintain security measures may not be successful in preventing these events from occurring, and any network and information systems-related events could require us to expend significant resources to remedy

such event. Cybersecurity, physical security and the continued development and enhancement of our controls, processes and practices designed to protect our enterprise, information systems and data from attack, damage or unauthorized access and to identify and appropriately report cyberattacks, remain a priority for us. Although we believe that we have robust information security procedures and other safeguards in place, as cyberthreats continue to evolve, we may be required to expend additional resources to continue to enhance our information security measures and/or to investigate and remediate information security vulnerabilities.

Cyberattacks against us or others in our industry could result in additional regulations. Current efforts by the federal government, such as the Improving Critical Infrastructure Cybersecurity executive order, and any potential future regulations could lead to increased regulatory compliance costs, insurance coverage cost or capital expenditures. We cannot predict the potential impact to our business or the energy industry resulting from additional regulations.

Growing our business by constructing new pipelines and facilities or making modifications to our existing facilities subjects us to construction risk and supply risks, should adequate natural gas or NGL supply be unavailable upon completion of the facilities.

To expand our business, we regularly construct new and modify or expand existing pipelines and gathering, processing, storage and fractionation facilities. The construction and modification of these facilities may involve the following risks:

- projects may require significant capital expenditures, which may exceed our estimates, and involve numerous regulatory, environmental, political, legal and weather-related uncertainties;
- projects may increase demand for labor, materials and rights of way, which may, in turn, affect our costs and schedule;
- we may be unable to obtain new rights of way to connect new natural gas or NGL supplies to our existing gathering or transportation pipelines;
- if we undertake these projects, we may not be able to complete them on schedule or at the budgeted cost;
- our revenues may not increase immediately upon the expenditure of funds on a particular project. For instance, if we build a new pipeline, the construction will occur over an extended period of time, and we will not receive any material increases in revenues until after completion of the project;
- we may construct facilities to capture anticipated future growth in production in a region in which anticipated production growth does not materialize;
- opposition from environmental and social groups, landowners, tribal groups, local groups and other advocates could result in organized protests, attempts to block or sabotage our construction activities or operations, intervention in regulatory or administrative proceedings involving our assets, or lawsuits or other actions designed to prevent, disrupt or delay the construction or operation of our assets; and
- we may be required to rely on third parties downstream of our facilities to have available capacity for our delivered natural gas or NGLs, which may not yet be operational.

As a result, new facilities may not be able to attract enough natural gas or NGLs to achieve our expected investment return, which could affect adversely our business, results of operations, financial position and cash flows.

Estimates of hydrocarbon reserves may be inaccurate, which could result in lower than anticipated volumes.

We may not be able to accurately estimate hydrocarbon reserves and production volumes expected to be delivered to us for a variety of reasons, including the unavailability of sufficiently detailed information and unanticipated changes in producers' expected drilling schedules. Accordingly, we may not have accurate estimates of total reserves serviced by our assets, the anticipated life of such reserves or the expected volumes to be produced from those reserves. In such event, if we are unable to secure additional sources, then the volumes that we gather or process in the future could be less than anticipated. A decline in such volumes could affect adversely our business, results of operations, financial position and cash flows.

We do not own all of the land on which our pipelines and facilities are located, and we lease certain facilities and equipment, which could disrupt our operations.

We do not own all of the land on which certain of our pipelines and facilities are located, and we are, therefore, subject to the risk of increased costs to maintain necessary land use. We obtain the rights to construct and operate certain of our pipelines and related facilities on land owned by third parties and governmental agencies for a specific period of time. Our loss of these rights, through our inability to renew right-of-way contracts on acceptable terms or increased costs to renew such rights, could affect adversely our business, results of operations, financial position and cash flows.

Measurement adjustments on our pipeline system may be impacted materially by changes in estimation, type of commodity and other factors.

Natural gas and NGL measurement adjustments occur as part of the normal operating conditions associated with our assets. The quantification and resolution of measurement adjustments are complicated by several factors including: (i) the significant quantities (*i.e.*, thousands) of measurement equipment that we use across our natural gas and NGL systems, primarily around our gathering and processing assets; (ii) varying qualities of natural gas in the streams gathered and processed through our systems and the mixed nature of NGLs gathered and fractionated; and (iii) variances in measurement that are inherent in metering technologies. Each of these factors may contribute to measurement adjustments that may occur on our systems, which could affect adversely our business, results of operations, financial position and cash flows.

In the competition for supply, we may have significant levels of excess capacity on our natural gas and NGL pipelines, processing, fractionation and storage assets.

Our natural gas and NGL pipelines, processing, fractionation and storage assets compete with other pipelines, processing, fractionation and storage assets for natural gas and NGL supply delivered to the markets we serve. As a result of competition, we may have significant levels of uncontracted or discounted capacity on our assets, which could affect adversely our business, results of operations, financial position and cash flows.

Many of our assets have been in service for several decades.

Many of our pipeline and storage assets are designed as long-lived assets. Over time the age of these assets could result in increased maintenance or remediation expenditures and an increased risk of product releases and associated costs and liabilities. Any significant increase in these expenditures, costs or liabilities could affect adversely our business, results of operations, financial position and cash flows, as well as our ability to pay cash dividends.

Our operating cash flows are derived partially from cash distributions we receive from our unconsolidated affiliates.

Our operating cash flows are derived partially from cash distributions we receive from our unconsolidated affiliates, as discussed in Note M of the Notes to Consolidated Financial Statements in this Annual Report. The amount of cash that our unconsolidated affiliates can distribute principally depends upon the amount of cash flows these affiliates generate from their respective operations, which may fluctuate from quarter to quarter. We do not have any direct control over the cash distribution policies of our unconsolidated affiliates. This lack of control may contribute to us not having sufficient available cash each quarter to continue paying dividends at the current levels.

Additionally, the amount of cash that we have available for cash dividends depends primarily upon our cash flows, including working capital borrowings, and is not solely a function of profitability, which will be affected by noncash items such as depreciation, amortization and provisions for asset impairments. As a result, we may be able to pay cash dividends during periods when we record losses and may not be able to pay cash dividends during periods when we record net income.

We may be unable to cause our joint ventures to take or not to take certain actions unless some or all of our joint-venture participants agree.

We participate in several joint ventures. Due to the nature of some of these arrangements, each participant in these joint ventures has made substantial investments in the joint venture and, accordingly, has required that the relevant charter documents contain certain features designed to provide each participant with the opportunity to participate in the management of the joint venture and to protect its investment, as well as any other assets that may be substantially dependent on or otherwise affected by the activities of that joint venture. These participation and protective features customarily include a corporate governance structure that requires at least a majority-in-interest vote to authorize many basic activities and requires a greater voting interest (sometimes up to 100%) to authorize more significant activities. Examples of these more significant activities are large expenditures or contractual commitments, the construction or acquisition of assets, borrowing money or otherwise raising capital, transactions with affiliates of a joint-venture participant, litigation and transactions not in the ordinary course of business, among others. Thus, without the concurrence of joint-venture participants with enough voting interests, we may be unable to cause any of our joint ventures to take or not to take certain actions, even though those actions may be in the best interest of us or the particular joint venture.

Moreover, subject to contractual restrictions, any joint-venture owner generally may sell, transfer or otherwise modify its ownership interest in a joint venture, whether in a transaction involving third parties or the other joint-venture owners. Any

such transaction could result in us being required to partner with different or additional parties who may have business interests different from ours.

We do not operate all of our joint-venture assets nor do we employ directly all of the persons responsible for providing administrative, operating and management services. This reliance on others to operate joint-venture assets and to provide other services could affect adversely our business and results of operations.

We rely on others to provide administrative, operating and management services for certain of our joint-venture assets. We have a limited ability to control the operations and the associated costs of such operations. The success of these operations depends on a number of factors that are outside our control, including the competence and financial resources of the operator or an outsourced service provider. We may have to contract elsewhere for outsourced services, which may cost more than we are currently paying. In addition, we may not be able to obtain the same level or kind of service or retain or receive the services in a timely manner, which may impact our ability to perform under our contracts and affect adversely our business and results of operations.

RISK FACTORS RELATED TO REGULATION

Increased regulation of exploration and production activities, including hydraulic fracturing, well setbacks and disposal of wastewater, could result in reductions or delays in drilling and completing new crude oil and natural gas wells.

The crude oil and natural gas industry is relying increasingly on supplies from nonconventional sources, such as shale and tight sands. Natural gas extracted from these sources frequently requires hydraulic fracturing, which involves the pressurized injection of water, sand and chemicals into a geologic formation to stimulate crude oil and natural gas production. Legislation or regulations placing restrictions on exploration and production activities, including hydraulic fracturing and disposal of wastewater, could result in operational delays, increased operating costs and additional regulatory burdens on exploration and production operators. Any of these factors could reduce their production of unprocessed natural gas and, in turn, affect adversely our revenues and results of operations by decreasing the volumes of natural gas and NGLs gathered, treated, processed, fractionated and transported on our or our joint ventures' assets.

Our business is subject to regulatory oversight and potential penalties.

The energy industry historically has been subject to heavy state and federal regulation that extends to many aspects of our businesses and operations, including:

- regulatory approval and review of certain of our rates, operating terms and conditions of service;
- the types of services we may offer our counterparties;
- construction and operation of new facilities;
- the integrity, safety and security of facilities and operations;
- acquisition, extension or abandonment of services or facilities;
- reporting and information posting requirements;
- maintenance of accounts and records; and
- relationships with affiliate companies involved in all aspects of the natural gas and energy businesses.

Compliance with these requirements can be costly and burdensome. Future changes to laws, regulations and policies in these areas may impair our ability to compete for business or to recover costs and may increase the cost and burden of our operations. We cannot guarantee that state or federal regulators will not challenge our safety practices or will authorize any projects or acquisitions that we may propose in the future. Moreover, there can be no guarantee that, if granted, any such authorizations will be made in a timely manner or will be free from potentially burdensome conditions.

Under the Natural Gas Act, which is applicable to our interstate natural gas pipelines, and the Interstate Commerce Act, which is applicable to our NGL pipelines, our interstate transportation rates are regulated by the FERC and many changes to our pipeline tariffs must be approved in a regulatory proceeding. Additionally, shippers, the FERC and/or state regulatory agencies may investigate our tariff rates which could result in, among other things, being ordered to reduce rates or make refunds to shippers.

Failure to comply with all applicable state or federal statutes, rules and regulations and orders could bring substantial penalties and fines.

We may face significant costs to comply with the regulation of GHG emissions.

GHG emissions originate primarily from combustion engine exhaust, heater exhaust and fugitive methane gas emissions. International, federal, regional and/or state legislative and/or regulatory initiatives may attempt to control or limit GHG emissions, including initiatives directed at issues associated with climate change. Various federal and state legislative proposals have been introduced to regulate the emission of GHGs, particularly carbon dioxide and methane, and the United States Supreme Court has ruled that carbon dioxide is a pollutant subject to regulation by the EPA. In addition, there have been international efforts seeking legally binding reductions in emissions of GHGs.

We believe it is likely that future governmental legislation and/or regulation on the federal, state and regional levels, may require us either to limit GHG emissions associated with our operations, pay additional taxes or to purchase allowances for such emissions. These legislative and/or regulatory initiatives could make some of our activities uneconomic to maintain or operate. Further, we may not be able to pass on the higher costs to our customers or recover all costs related to complying with GHG regulatory requirements. Our future results of operations, financial position or cash flows could be affected adversely if such costs are not recovered or otherwise passed on to our customers. However, we cannot predict precisely what form these future regulations will take, the stringency of the regulations or when they may become effective.

Our operations are subject to federal and state laws and regulations relating to the protection of the environment, which may expose us to significant costs and liabilities. Increased litigation challenging oil and gas development and changes to laws, regulations and policies could impact adversely our business.

The risk of incurring substantial environmental costs and liabilities is inherent in our business. Our operations are subject to extensive federal, state and local laws and regulations governing the discharge of materials into, or otherwise relating to the protection of, the environment. Examples of these laws include:

- the Clean Air Act and analogous state laws that impose obligations related to air emissions;
- the Clean Water Act and analogous state laws that regulate discharge of wastewater from our facilities to state and federal waters;
- the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and analogous state laws that regulate the cleanup of hazardous substances that may have been released at properties currently or previously owned or operated by us or locations to which we have sent waste for disposal; and
- the federal Resource Conservation and Recovery Act and analogous state laws that impose requirements for the handling and discharge of solid and hazardous waste from our facilities.

Various federal and state governmental authorities, including the EPA, have the power to enforce compliance with these laws and regulations and the permits issued under them. Violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Joint and several, strict liability may be incurred without regard to fault under the CERCLA, Resource Conservation and Recovery Act and analogous state laws for the remediation of contaminated areas.

There is an inherent risk of incurring environmental costs and liabilities in our business due to our handling of the products we gather, transport, process and store, air emissions related to our operations, past industry operations and waste disposal practices, some of which may be material. Private parties, including the owners of properties through which our pipeline systems pass, may have the right to pursue legal actions to enforce compliance as well as to seek damages for noncompliance with environmental laws and regulations or for personal injury or property damage arising from our operations. Some sites we operate are located near current or former third-party hydrocarbon storage and processing operations, and there is a risk that contamination has migrated from those sites to ours. In addition, increasingly strict laws, regulations and enforcement policies could increase significantly our compliance costs and the cost of any remediation that may become necessary, some of which may be material. Additional information is included under Item 1, Business, under "Regulatory, Environmental and Safety Matters" and in Note N of the Notes to Consolidated Financial Statements in this Annual Report.

Increased litigation challenging oil and gas development, as well as changes to laws, regulations and policies could impact our business. These actions could, among other things, impact our customers' activities, our existing permits and our ability to obtain permits for new development projects, which could affect adversely our business, financial position, or results of operations.

Our insurance may not cover all environmental risks and has limits on coverage in the event an environmental claim is made against us. Our business may be affected adversely by increased costs due to stricter pollution-control requirements or liabilities resulting from noncompliance with required operating or other regulatory permits. New or revised environmental

regulations might also affect adversely our products and activities, and federal and state agencies could impose additional safety requirements, all of which could affect adversely our profitability.

RISK FACTORS RELATED TO FINANCING OUR BUSINESS

Changes in interest rates could affect adversely our business.

We use both fixed and variable rate debt, and we are exposed to market risk due to the floating interest rates on our short-term borrowings. Our results of operations, cash flows and financial position could be affected adversely by significant fluctuations in interest rates from current levels.

In July 2017, the head of the United Kingdom Financial Conduct Authority announced the desire to phase out the use of LIBOR by the end of 2021. However, in November 2020, the administrator of LIBOR, the ICE Benchmark Administration, announced its intention to continue publications of all U.S. dollar LIBOR tenors through June 2023, with the exception of one-week and two-month tenors which will cease at the end of 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee composed of large US financial institutions, is considering replacing U.S. dollar LIBOR with the Secured Overnight Financing Rate (SOFR), a new index supported by short-term Treasury repurchase agreements. Although there have been some issuances utilizing SOFR, it is unknown whether this alternative reference rate will attain market acceptance as a replacement for LIBOR.

Our \$2.5 Billion Credit Agreement includes provisions that grant the administrative agent broad discretion to establish a replacement rate for LIBOR, if necessary, which could increase our short-term borrowing costs for amounts issued under this facility.

Any reduction in our credit ratings could affect adversely our business, results of operations, financial position and cash flows.

Our long-term debt has been assigned an investment-grade credit rating of “Baa3” by Moody’s and “BBB” by both S&P and Fitch. Our commercial paper program has been assigned an investment-grade credit rating of Prime-3, A-2 and F-2 by Moody’s, S&P and Fitch, respectively. We cannot provide assurance that any of our current ratings will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by these credit rating agencies. If these agencies were to downgrade our long-term debt or our commercial paper rating, particularly below investment grade, our borrowing costs could increase, which would affect adversely our financial results, and our potential pool of investors and funding sources could decrease. Ratings from these agencies are not recommendations to buy, sell or hold our securities. Each rating should be evaluated independently of any other rating.

Our indebtedness and guarantee obligations could impair our financial condition and our ability to fulfill our obligations.

As of December 31, 2020, we had total indebtedness of \$14.4 billion. Our indebtedness and guarantee obligations could have significant consequences. For example, they could:

- make it more difficult for us to satisfy our obligations with respect to senior notes and other indebtedness due to the increased debt-service obligations, which could, in turn, result in an event of default on such other indebtedness or the senior notes;
- impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or general business purposes;
- diminish our ability to withstand a downturn in our business or the economy;
- require us to dedicate a substantial portion of our cash flows from operations to debt-service payments, reducing the availability of cash for working capital, capital expenditures, acquisitions, dividends or general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and
- place us at a competitive disadvantage compared with our competitors that have proportionately less debt and fewer guarantee obligations.

We are not prohibited under the indentures governing the senior notes from incurring additional indebtedness, but our debt agreements do subject us to certain operational limitations summarized in the next paragraph. If we incur significant additional indebtedness, it could worsen the negative consequences mentioned above and could affect adversely our ability to repay our other indebtedness.

Our \$2.5 Billion Credit Agreement contains provisions that restrict our ability to finance future operations or capital needs or to expand or pursue our business activities. For example, our \$2.5 Billion Credit Agreement contains provisions that, among other things, limit our ability to make loans or investments, make material changes to the nature of our business, merge, consolidate or engage in asset sales, grant liens or make negative pledges. It also requires us to maintain certain financial ratios, which limit the amount of additional indebtedness we can incur, as described in the “Liquidity and Capital Resources” section of Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations, in this Annual Report. These restrictions could result in higher costs of borrowing and impair our ability to generate additional cash. Future financing agreements we may enter into may contain similar or more restrictive covenants.

If we are unable to meet our debt-service obligations or comply with financial covenants, we could be forced to restructure or refinance our indebtedness, seek additional equity capital or sell assets. We may be unable to obtain financing or sell assets on satisfactory terms, or at all.

An event of default may require us to offer to repurchase certain of our and ONEOK Partners’ senior notes or may impair our ability to access capital.

The indentures governing certain of our and ONEOK Partners’ senior notes include an event of default upon the acceleration of other indebtedness of \$15 million or more for certain of our senior notes or \$100 million or more for certain of our and ONEOK Partners’ senior notes. Such events of default would entitle the trustee or the holders of 25% in aggregate principal amount of our and ONEOK Partners’ outstanding senior notes to declare those senior notes immediately due and payable in full. We may not have sufficient cash on hand to repurchase and repay any accelerated senior notes, which may cause us to borrow money under our credit facility or seek alternative financing sources to finance the repurchases and repayment. We could also face difficulties accessing capital or our borrowing costs could increase, impacting our ability to obtain financing for acquisitions or capital expenditures, to refinance indebtedness and to fulfill our debt obligations.

The right to receive payments on our outstanding debt securities and subsidiary guarantees is unsecured and will be effectively subordinated to any future secured indebtedness as well as to any existing and future indebtedness of our subsidiaries that do not guarantee the senior notes.

Although ONEOK Partners and the Intermediate Partnership have guaranteed our debt securities, the guarantees are subject to release under certain circumstances, and we have subsidiaries that are not guarantors. In those cases, the debt securities effectively are subordinated to the claims of all creditors, including trade creditors and tort claimants, of our subsidiaries that are not guarantors. In the event of the insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up of the business of a subsidiary that is not a guarantor, creditors of that subsidiary would generally have the right to be paid in full before any distribution is made to us or the holders of the debt securities.

A court may use fraudulent conveyance considerations to avoid or subordinate the cross guarantees of our and ONEOK Partners’ indebtedness.

ONEOK, ONEOK Partners and the Intermediate Partnership have cross guarantees in place for our and ONEOK Partners’ indebtedness. A court may use fraudulent conveyance laws to subordinate or avoid the cross guarantees of certain of our and ONEOK Partners’ indebtedness. It is also possible that under certain circumstances, a court could avoid or subordinate the guarantor’s guarantee of our and ONEOK Partners’ indebtedness in favor of the guarantor’s other debts or liabilities to the extent that the court determined either of the following were true at the time the guarantor issued the guarantee:

- the guarantor incurred the guarantee with the intent to hinder, delay or defraud any of its present or future creditors or the guarantor contemplated insolvency with a design to favor one or more creditors to the total or partial exclusion of others; or
- the guarantor did not receive fair consideration or reasonable equivalent value for issuing the guarantee and, at the time it issued the guarantee, the guarantor:
 - was insolvent or rendered insolvent by reason of the issuance of the guarantee;
 - was engaged or about to engage in a business or transaction for which its remaining assets constituted unreasonably small capital; or
 - intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured.

The measure of insolvency for purposes of the foregoing will vary depending upon the law of the relevant jurisdiction. Generally, however, an entity would be considered insolvent for purposes of the foregoing if:

- the sum of its debts, including contingent liabilities, were greater than the fair saleable value of all of its assets at a fair valuation;

- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

Among other things, a legal challenge of the cross guarantees of our and ONEOK Partners' indebtedness on fraudulent conveyance grounds may focus on the benefits, if any, realized by the guarantor as a result of our and ONEOK Partners' issuance of such debt. To the extent the guarantor's guarantee of our and ONEOK Partners' indebtedness is avoided as a result of fraudulent conveyance or held unenforceable for any other reason, the holders of such debt would cease to have any claim in respect of the guarantee.

GENERAL RISK FACTORS

Holders of our common stock may not receive dividends in the amount identified in guidance, or any dividends at all.

We may not have sufficient cash each quarter to pay dividends or maintain current or expected levels of dividends. The actual amount of cash we pay in the form of dividends may fluctuate from quarter to quarter and will depend on various factors, some of which are beyond our control, including our working capital needs, our ability to borrow, the restrictions contained in our indentures and credit facility, our debt service requirements and the cost of acquisitions, if any. A failure either to pay dividends or to pay dividends at expected levels could result in a loss of investor confidence, reputational damage and a decrease in the value of our stock price.

We are exposed to the credit risk of our customers or counterparties, and our credit-risk management may not be adequate to protect against such risk.

We are subject to the risk of loss resulting from nonpayment and/or nonperformance by our customers and counterparties. Our customers or counterparties may experience rapid deterioration of their financial condition as a result of changing market conditions, commodity prices or financial difficulties that could impact their creditworthiness or ability to pay us for our services. We assess the creditworthiness of our customers and counterparties and obtain collateral or contractual terms as we deem appropriate. We cannot, however, predict to what extent our business may be impacted by deteriorating market or financial conditions, including possible declines in our customers' and counterparties' creditworthiness. Our customers and counterparties may not perform or adhere to our existing or future contractual arrangements. To the extent our customers and counterparties are in financial distress or commence bankruptcy proceedings, contracts with them may be subject to renegotiation or rejection under applicable provisions of the United States Bankruptcy Code. If our risk-management policies and procedures fail to assess adequately the creditworthiness of existing or future customers and counterparties, any material nonpayment or nonperformance by our customers and counterparties due to inability or unwillingness to perform or adhere to contractual arrangements could affect adversely our business, results of operations, financial position, cash flows and ability to pay cash dividends to our shareholders.

We are connected to market areas located in the Mid-Continent, Rocky Mountain, Permian Basin, Midwest markets, including Chicago, Illinois and Gulf Coast regions of the U.S. Our counterparties are primarily major integrated and independent exploration and production, pipeline, marketing and petrochemical companies and natural gas and electric utilities. Therefore, our counterparties may be similarly affected by changes in economic, regulatory or other factors that may affect our overall credit risk.

A shortage of skilled labor may make it difficult for us to maintain labor productivity and competitive costs.

Our operations require skilled and experienced workers with proficiency in multiple tasks. In recent years, a shortage of workers trained in various skills associated with the midstream energy business has, at times, caused us to conduct certain operations without full staff, thus hiring outside resources, which may decrease productivity and increase costs. This shortage of trained workers is the result of experienced workers reaching retirement age and increased competition for workers in certain areas, combined with the challenges of attracting new, qualified workers to the midstream energy industry. This shortage of skilled labor could continue over an extended period. If the shortage of experienced labor continues or worsens, it could affect adversely our labor productivity and costs and our ability to expand operations in the event there is an increase in the demand for our services and products, which could affect adversely our business, results of operations, financial position and cash flows.

Our employees or directors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

As with all companies, we are exposed to the risk of employee fraud or other misconduct. Our Board of Directors has adopted a code of business conduct and ethics that applies to our directors, officers (including our principal executive and financial officers, principal accounting officer, controllers and other persons performing similar functions) and all other employees. We require all directors, officers and employees to adhere to our code of business conduct and ethics in addressing the legal and ethical issues encountered in conducting their work for our company. Our code of business conduct and ethics requires, among other things, that our directors, officers and employees avoid conflicts of interest, comply with all applicable laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act with integrity and in our company's best interest. All directors, officers and employees are required to report any conduct that they believe to be an actual or apparent violation of our code of business conduct and ethics. However, it is not always possible to identify and deter misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could affect adversely our reputation, business, results of operations, financial position and cash flows.

An impairment of goodwill, long-lived assets, including intangible assets, and equity-method investments could reduce our earnings.

Goodwill is recorded when the purchase price of a business exceeds the fair market value of the tangible and separately measurable intangible net assets. GAAP requires us to test goodwill for impairment on an annual basis or when events or circumstances occur indicating that goodwill might be impaired. Long-lived assets, including intangible assets with finite useful lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the investments we account for under the equity method, the impairment test considers whether the fair value of the equity investment as a whole, not the underlying net assets, has declined and whether that decline is other than temporary. For example, if a low commodity price environment persisted for a prolonged period, it could result in lower volumes delivered to our systems and impairments of our assets or equity-method investments. If we determine that an impairment is indicated, we would be required to take an immediate noncash charge to earnings with a correlative effect on equity and balance sheet leverage as measured by consolidated debt to total capitalization.

For further discussion of impairments of goodwill, long-lived assets and equity-method investments, see Notes A, E, D and M, respectively, of the Notes to Consolidated Financial Statements in this Annual Report.

Acquisitions that appear to be accretive may nevertheless reduce our cash from operations on a per-share basis.

Any acquisition involves potential risks that may include, among other things:

- inaccurate assumptions about volumes, revenues and costs, including potential synergies;
- an inability to integrate successfully the businesses we acquire;
- decrease in our liquidity as a result of our using a significant portion of our available cash or borrowing capacity to finance the acquisition;
- a significant increase in our interest expense and/or financial leverage if we incur additional debt to finance the acquisition;
- the assumption of unknown liabilities for which we are not indemnified, our indemnity is inadequate or our insurance policies may exclude from coverage;
- an inability to hire, train or retain qualified personnel to manage and operate the acquired business and assets;
- limitations on rights to indemnity from the seller;
- inaccurate assumptions about the overall costs of equity or debt;
- the diversion of management's and employees' attention from other business concerns;
- unforeseen difficulties operating in new product areas or new geographic areas;
- increased regulatory burdens;
- customer or key employee losses at an acquired business; and
- increased regulatory requirements.

If we consummate any future acquisitions, our capitalization and results of operations may change significantly, and investors will not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in determining the application of our resources to future acquisitions.

The cost of providing pension and postretirement health care benefits to eligible employees and qualified retirees is subject to changes in pension fund values and changing demographics and may increase.

We have a defined benefit pension plan for certain employees and former employees hired before January 1, 2005, and postretirement welfare plans that provide postretirement medical and life insurance benefits to certain employees hired prior to 2017 who retire with at least five years of full-time service. The cost of providing these benefits to eligible current and former employees is subject to changes in the market value of our pension and postretirement benefit plan assets, changing demographics, including longer life expectancy of plan participants and their beneficiaries and changes in health care costs. For further discussion of our defined benefit pension plan and postretirement welfare plans, see Note K of the Notes to Consolidated Financial Statements in this Annual Report.

Any sustained declines in equity markets and reductions in bond yields may affect adversely the value of our pension and postretirement benefit plan assets. In these circumstances, additional cash contributions to our pension plans may be required, which could affect adversely our business, financial condition and liquidity.

If we fail to maintain an effective system of internal controls, we may not be able to report accurately our financial results or prevent fraud. As a result, current and potential holders of our equity and debt securities could lose confidence in our financial reporting.

Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. We cannot be certain that our efforts to maintain our internal controls will be successful, that we will be able to maintain adequate controls over our financial processes and reporting in the future or that we will be able to continue to comply with our obligations under Section 404 of the Sarbanes-Oxley Act of 2002. Any failure to maintain effective internal controls, or difficulties encountered in implementing or improving our internal controls, could harm our operating results or cause us to fail to meet our reporting obligations. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our equity, our access to capital markets and the cost of capital.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

A description of our properties is included in Item 1, Business.

ITEM 3. LEGAL PROCEEDINGS

Information about our legal proceedings is included in Note N of the Notes to Consolidated Financial Statements in this Annual Report.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the NYSE under the trading symbol "OKE." The corporate name ONEOK is used in newspaper stock listings.

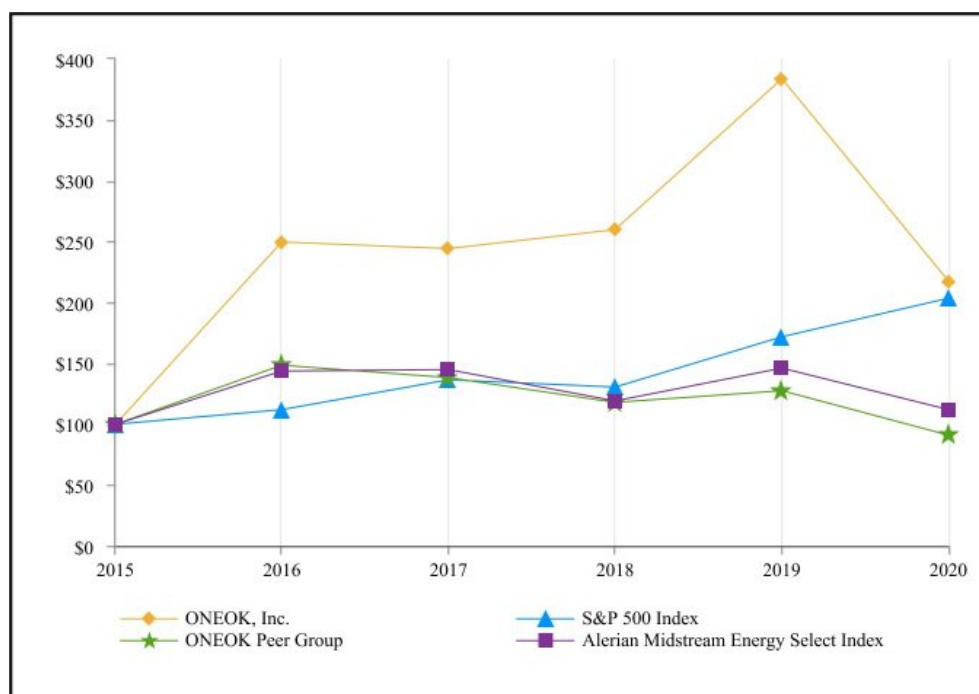
At February 16, 2021, there were 13,844 holders of record of our 444,983,595 outstanding shares of common stock.

For information regarding our Employee Stock Award Program and other equity compensation plans, see Note J of the Notes to Consolidated Financial Statements and "Equity Compensation Plan Information" included in Part III, Item 12, Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters, in this Annual Report.

PERFORMANCE GRAPH

The following performance graph compares the performance of our common stock with the S&P 500 Index, the Alerian Midstream Energy Select Index and a ONEOK Peer Group during the period beginning on December 31, 2015, and ending on December 31, 2020.

**Value of a \$100 Investment, Assuming Reinvestment of Distributions/Dividends,
at December 31, 2015, and at the End of Every Year Through December 31, 2020.**



	Cumulative Total Return				
	2016	2017	2018	2019	2020
ONEOK, Inc.	\$ 249.37	\$ 244.18	\$ 259.53	\$ 383.51	\$ 217.21
S&P 500 Index	\$ 111.96	\$ 136.40	\$ 130.42	\$ 171.49	\$ 203.04
ONEOK Peer Group (a)	\$ 148.02	\$ 138.01	\$ 117.37	\$ 127.36	\$ 90.69
Alerian Midstream Energy Select Index (b)	\$ 143.55	\$ 144.65	\$ 119.08	\$ 145.69	\$ 111.56

(a) - The ONEOK Peer Group is composed of the following companies: DCP Midstream, LP; Enable Midstream Partners, LP; Energy Transfer LP; EnLink Midstream, LLC; Enterprise Products Partners L.P.; Kinder Morgan, Inc.; Magellan Midstream Partners, L.P.; MPLX LP; NuStar Energy L.P.; Plains All American Pipeline, L.P.; Targa Resources Corp.; and The Williams Companies, Inc.

(b) - The Alerian Midstream Energy Select Index measures the composite performance of approximately 36 North American energy infrastructure companies who are engaged in midstream activities involving energy commodities.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth our selected financial data for the periods indicated:

	Years Ended December 31,				
	2020	2019	2018	2017	2016
	<i>(Millions of dollars, except per share data)</i>				
Revenues	\$ 8,542.2	\$ 10,164.4	\$ 12,593.2	\$ 12,173.9	\$ 8,920.9
Net income	\$ 612.8	\$ 1,278.6	\$ 1,155.0	\$ 593.5	\$ 743.5
Total assets	\$ 23,078.8	\$ 21,812.1	\$ 18,231.7	\$ 16,845.9	\$ 16,138.8
Long-term debt, including current maturities	\$ 14,236.1	\$ 12,487.4	\$ 9,381.0	\$ 8,524.3	\$ 8,330.6
EPS - total					
Basic	\$ 1.42	\$ 3.09	\$ 2.80	\$ 1.30	\$ 1.67
Diluted	\$ 1.42	\$ 3.07	\$ 2.78	\$ 1.29	\$ 1.66
Dividends declared per share of common stock	\$ 3.74	\$ 3.53	\$ 3.245	\$ 2.72	\$ 2.46

Changes in commodity prices and sales volumes affect both revenue and cost of sales and fuel, and, therefore, the changes in revenue in the above table are largely offset in cost of sales and fuel.

In 2020, we incurred \$644.9 million in noncash impairment charges, which had an adverse impact on our financial results for the year ended December 31, 2020. In 2017, we recorded noncash impairment charges of \$20.2 million.

Upon adoption of Topic 606 in January 2018, we determined that certain Natural Gas Gathering and Processing segment fee with POP contracts and Natural Gas Liquids segment exchange services contracts that include the purchase of commodities are supplier contracts. Contractual fees in these identified contracts are recorded as a reduction of the commodity purchase price in cost of sales and fuel. In 2017 and prior periods, these fees were recorded as services revenue.

In 2017, we recorded a one-time noncash charge to net income through income tax expense of \$141.3 million, related to the revaluation of our deferred tax balances and a valuation allowance on certain state net operating loss and tax credit carryforwards resulting from the enactment of the Tax Cuts and Jobs Act.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with Part I, Item 1, Business, our audited Consolidated Financial Statements and the Notes to Consolidated Financial Statements in this Annual Report.

RECENT DEVELOPMENTS

Please refer to the "Financial Results and Operating Information" and "Liquidity and Capital Resources" sections of Management's Discussion and Analysis of Financial Condition and Results of Operations in this Annual Report for additional information.

COVID-19 - While we are still experiencing global and regional economic disruption due primarily to COVID-19, our producers have reversed curtailments that were put in place during the second quarter 2020, bringing volumes back to pre-COVID-19 levels as prices significantly improved from second quarter 2020 lows. The full impact of the continued global and regional economic disruption will depend on the unknown duration and severity of COVID-19, and, among other things, the impact of governmental actions imposed in response to COVID-19, the pace and scale of economic recovery and corresponding demand for crude oil, and the impacts to commodity prices. We continue to monitor producers' drilling, completion and production plans, which are increasingly positive as commodity prices have stabilized and improved, and our expectations for 2021 include the potential for an improving pace of drilling and completion activity.

In this challenging market environment, we expect to maintain sufficient liquidity and financial stability into 2021 due to cash on hand from our June 2020 equity issuance, cash flows from operations and access to our undrawn \$2.5 Billion Credit Agreement. We have no debt maturities prior to 2022, and our investment-grade credit ratings have remained stable.

Sustainability - In 2020, we were included in the Dow Jones Sustainability North America Index for the second consecutive year and added to the Dow Jones Sustainability World Index (DJSI World), which recognize companies for industry-leading

environmental, social and governance performance. We are currently the only North American energy company included in the DJSI World group of global sustainability leaders. We continue to look for ways to reduce our environmental impact and utilize more efficient technologies. We are preparing for the future energy transition and our role in meeting the world's energy needs in an environmentally responsible way.

Growth Projects - We operate an integrated, reliable and diversified network of NGL and natural gas gathering, processing, fractionation, storage and transportation assets connecting supply in the Rocky Mountain, Mid-Continent and Permian regions with key market centers. We have completed significant capital-growth projects that include NGL pipelines, NGL fractionators, natural gas processing plants and related natural gas and NGL infrastructure. These projects provide us the capacity to benefit from future supply growth without significant capital investment. In the first quarter 2020, due to the decline in commodity prices and economic demand disruption caused by COVID-19, we suspended our announced plans to construct the Demicks Lake III natural gas processing plant, the fourth expansion of the ONEOK West Texas NGL pipeline system, and reduced the scope of the expansion of our Elk Creek pipeline and various other paused projects. These projects can be restarted quickly when producer activity warrants additional infrastructure. Our announced capital-growth projects are outlined in the table below:

Project (b)	Scope	Approximate Costs (a)	Completion
Natural Gas Gathering and Processing		<i>(In millions)</i>	
Demicks Lake I plant and related infrastructure	200 MMcf/d processing plant and related gathering infrastructure in the core of the Williston Basin Supported by acreage dedications with long-term primarily fee-based contracts	\$400	Completed October 2019
Demicks Lake II plant and related infrastructure	200 MMcf/d processing plant and related gathering infrastructure in the core of the Williston Basin Supported by acreage dedications with long-term primarily fee-based contracts	\$410	Completed January 2020
Bear Creek plant expansion and related infrastructure	200 MMcf/d processing plant expansion and related gathering infrastructure in the Williston Basin Supported by acreage dedications with long-term primarily fee-based contracts	\$405	Paused (c)
Natural Gas Liquids			
Elk Creek pipeline and related infrastructure	900-mile NGL pipeline from the Williston Basin to the Mid-Continent region, with capacity of up to 240 MBbl/d, and related infrastructure Anchored by long-term contracts Expansion capability up to 400 MBbl/d with additional pump facilities	\$1,400	Completed December 2019
Arbuckle II pipeline and related infrastructure	530-mile NGL pipeline from the STACK area to Mont Belvieu, Texas, and related infrastructure Supported by long-term contracts Expansion capability up to 1 MMBbl/d	\$1,360	Completed March 2020
MB-4 fractionator and related infrastructure	125 MBbl/d NGL fractionator in Mont Belvieu, Texas, and related infrastructure, which includes additional NGL storage in Mont Belvieu Fully contracted with long-term contracts	\$575	Completed March 2020 (d)
ONEOK West Texas NGL pipeline expansion and Arbuckle II connection	Increasing mainline capacity by 80 MBbl/d with additional pump facilities and pipeline looping Connecting ONEOK West Texas NGL pipeline system to the Arbuckle II pipeline Supported by long-term dedicated production from six third-party processing plants expected to produce up to 60 MBbl/d	\$295	Completed June 2020 (e)
Bakken NGL pipeline extension	75-mile NGL pipeline in the Williston Basin connecting to a third-party processing plant Supported by a long-term contract with a minimum volume commitment	\$100	Completed August 2020
Arbuckle II extension project and additional gathering infrastructure	Provide additional takeaway capacity in the STACK area Allow increasing volumes on the Elk Creek pipeline access to fractionation capacity at Mont Belvieu, Texas	\$240	Completed August 2020
Arbuckle II pipeline expansion	Increasing mainline capacity with additional pump facilities Increases capacity to 500 MBbl/d	\$60	Paused (c)
MB-5 fractionator and related infrastructure	125 MBbl/d NGL fractionator in Mont Belvieu, Texas, and related infrastructure, which includes additional NGL storage in Mont Belvieu Fully contracted with long-term contracts	\$750	Paused (c)
ONEOK West Texas NGL pipeline expansion	Increasing mainline capacity by 40 MBbl/d Supported by long-term dedicated production from third-party processing plants expected to produce up to 45 MBbl/d	\$145	Paused (c)
Mid-Continent fractionation facility expansions	65 MBbl/d of expansions at our Mid-Continent NGL facilities	\$150	Paused (c)

(a) - Excludes capitalized interest/AFUDC.

(b) - Projects listed exclude our suspended capital-growth projects, which include the Demicks Lake III natural gas processing plant, the fourth expansion of the ONEOK West Texas NGL pipeline system and a reduction in the scope of the expansion of the Elk Creek pipeline.

(c) - Given the current environment, we paused the majority of construction activities on these projects and do not expect to complete construction by the original target completion date.

(d) - We completed 75 MBbl/d in December 2019 and completed the remaining 50 MBbl/d in March 2020.

(e) - We completed expansions to increase mainline capacity by approximately 45 MBbl/d in the first quarter 2020 and completed the remaining portion of this project in the second quarter 2020, which was delayed due to weather.

Ethane Production - Ethane production fluctuates over short-term periods driven by ethane economics, and as a result, volumes can also fluctuate period to period. Ethane volumes under long-term contracts delivered to our NGL system averaged 375 MBbl/d in 2020, compared with 385 MBbl/d in 2019, but increased by approximately 30 MBbl/d in the second half of 2020, compared with the second quarter 2020, due primarily to improved ethane economics. We expect ethane production to continue to fluctuate throughout 2021.

Debt Issuances and Repayments - In May 2020, we completed an underwritten public offering of \$1.5 billion senior unsecured notes consisting of \$600 million, 5.85% senior notes due 2026; \$600 million, 6.35% senior notes due 2031; and \$300 million, 7.15% senior notes due 2051. The net proceeds, after deducting underwriting discounts, commissions and offering expenses, were \$1.48 billion. A portion of the proceeds was used to repay the outstanding borrowings under our \$1.5 Billion Term Loan Agreement. The remainder was used for general corporate purposes.

In March 2020, we completed an underwritten public offering of \$1.75 billion senior unsecured notes consisting of \$400 million, 2.2% senior notes due 2025; \$850 million, 3.1% senior notes due 2030; and \$500 million, 4.5% senior notes due 2050. The net proceeds, after deducting underwriting discounts, commissions and offering expenses, were \$1.73 billion. A portion of the proceeds was used to pay all outstanding amounts under our commercial paper program. The remainder was used for general corporate purposes, which included repayment of other existing indebtedness and funding capital expenditures.

In 2020, we repurchased in the open market outstanding principal of certain of our senior notes in the amount of \$224.4 million for an aggregate repurchase price of \$199.6 million with cash on hand. In connection with these open market repurchases, we recognized \$22.3 million of net gains on extinguishment of debt.

Equity Issuances - In June 2020, we completed an underwritten public offering of 29.9 million shares of our common stock at a public offering price of \$32.00 per share, generating net proceeds, after deducting underwriting discounts, commissions and offering expenses, of \$937.0 million. A portion of the proceeds was, and we anticipate the remainder will be, used for general corporate purposes, including repayment of existing indebtedness and funding capital expenditures.

Dividends - During 2020, we paid dividends totaling \$3.74 per share, an increase of 6% from the \$3.53 per share paid in 2019. In February 2021, we maintained and paid a quarterly dividend of \$0.935 per share (\$3.74 per share on an annualized basis), which is consistent with the same quarter in the prior year.

Impairments - Due to historic events as a result of COVID-19 impacting supply, demand and commodity prices, in 2020 we evaluated our goodwill, certain long-lived asset groups and equity investments for impairment. Based on the results, we recorded the following impairment charges:

Natural Gas Gathering and Processing - In 2020, we recorded \$382.2 million of noncash impairment charges related primarily to certain long-lived asset groups that were not recoverable, \$153.4 million of noncash impairment charges related to goodwill and \$30.5 million of noncash impairment charges related to our 10.2% investment in Venice Energy Services Company.

Natural Gas Liquids - In 2020, we recorded \$71.6 million of noncash impairment charges related primarily to certain inactive assets as our expectation for future use of the assets changed and \$7.2 million of noncash impairment charges related to our 50% investment in Chisholm Pipeline Company.

For additional information on our impairment charges, see Notes A, D, E and M of the Notes to Consolidated Financial Statements in this Annual Report.

FINANCIAL RESULTS AND OPERATING INFORMATION

How We Evaluate Our Operations

Management uses a variety of financial and operating metrics to analyze our performance. Our consolidated financial metrics include: (1) operating income; (2) net income; (3) diluted EPS; and (4) the following non-GAAP financial measures: adjusted EBITDA and distributable cash flow. We evaluate segment operating results using adjusted EBITDA and our operating metrics, which include various volume and rate statistics that are relevant for the respective segment. These operating metrics allow investors to analyze the various components of segment financial results in terms of volumes and rate/price. Management uses these metrics to analyze historical segment financial results and as the key inputs for forecasting and budgeting segment financial results. For additional information on our operating metrics, see the respective segment subsections of this “Financial Results and Operating Information” section.

Non-GAAP Financial Measures - Adjusted EBITDA, distributable cash flow and dividend coverage ratio are non-GAAP measures of our financial performance. Adjusted EBITDA is defined as net income adjusted for interest expense, depreciation and amortization, noncash impairment charges, income taxes, allowance for equity funds used during construction, noncash compensation expense and certain other noncash items. Distributable cash flow is defined as adjusted EBITDA, computed as described above, less interest expense, maintenance capital expenditures and equity earnings from investments, excluding noncash impairment charges, adjusted for net cash distributions received from unconsolidated affiliates and certain other items. Dividend coverage ratio is defined as distributable cash flow to common shareholders divided by the dividends paid in the period. We believe these non-GAAP financial measures are useful to investors because they and similar measures are used by many companies in our industry as a measurement of financial performance and are commonly employed by financial analysts and others to evaluate our financial performance and to compare financial performance among companies in our industry. Adjusted EBITDA, distributable cash flow and dividend coverage ratio should not be considered alternatives to net income, EPS or any other measure of financial performance presented in accordance with GAAP. Additionally, these calculations may not be comparable with similarly titled measures of other companies.

Consolidated Operations

Selected Financial Results - The following table sets forth certain selected consolidated financial results for the periods indicated:

Financial Results	Years Ended December 31,			2020 vs. 2019	2019 vs. 2018
	2020	2019	2018	\$ Increase (Decrease)	
<i>(Millions of dollars, except per share amounts)</i>					
Revenues					
Commodity sales	\$ 7,255.2	\$ 8,916.1	\$ 11,395.6	(1,660.9)	(2,479.5)
Services	1,287.0	1,248.3	1,197.6	38.7	50.7
Total revenues	8,542.2	10,164.4	12,593.2	(1,622.2)	(2,428.8)
Cost of sales and fuel (exclusive of items shown separately below)	5,110.1	6,788.0	9,422.7	(1,677.9)	(2,634.7)
Operating costs	886.1	982.9	907.0	(96.8)	75.9
Depreciation and amortization	578.7	476.5	428.6	102.2	47.9
Impairment charges	607.2	—	—	607.2	—
(Gain) loss on sale of assets	(1.3)	2.6	(0.6)	3.9	(3.2)
Operating income	\$ 1,361.4	\$ 1,914.4	\$ 1,835.5	(553.0)	78.9
Equity in net earnings from investments	\$ 143.2	\$ 154.5	\$ 158.4	(11.3)	(3.9)
Impairment of equity investments	\$ (37.7)	\$ —	\$ —	37.7	—
Interest expense, net of capitalized interest	\$ (712.9)	\$ (491.8)	\$ (469.6)	221.1	22.2
Net income	\$ 612.8	\$ 1,278.6	\$ 1,155.0	(665.8)	123.6
Diluted EPS	\$ 1.42	\$ 3.07	\$ 2.78	(1.65)	0.29
Adjusted EBITDA	\$ 2,723.7	\$ 2,580.2	\$ 2,447.5	143.5	132.7
Distributable cash flow	\$ 1,881.6	\$ 2,016.1	\$ 1,822.4	(134.5)	193.7
Capital expenditures	\$ 2,195.4	\$ 3,848.3	\$ 2,141.5	(1,652.9)	1,706.8

See reconciliation of net income to adjusted EBITDA and distributable cash flow in the “Non-GAAP Measures” section.

Changes in commodity prices and sales volumes affect both revenues and cost of sales and fuel in our Consolidated Statements of Income, and, therefore, the impact is largely offset between these line items.

2020 vs. 2019 - Operating income decreased \$553.0 million primarily as a result of the following:

- a decrease of \$607.2 million due to noncash impairment charges in our Natural Gas Gathering and Processing and Natural Gas Liquids segments;
- an increase of \$102.2 million in depreciation expense due to capital projects placed in service;
- *Natural Gas Gathering and Processing* - a decrease of \$47.6 million due primarily to lower realized prices and a decrease of \$42.6 million due primarily to natural production declines in the Mid-Continent region; *offset partially by*
- *Natural Gas Liquids* - an increase of \$270.6 million in exchange services due primarily to higher volumes in the Rocky Mountain region and Permian Basin and lower rail and pipeline transportation costs, offset partially by a decrease of \$123.5 million in optimization and marketing due primarily to narrower location price differentials, lower optimization volumes and lower marketing earnings;

- a decrease of \$96.8 million in operating costs due primarily to reduced outside services, lower materials and supplies expenses, lower employee-related costs and the noncash mark-to-market impact of our share-based deferred compensation plan; *and*
- *Natural Gas Pipelines* - an increase of \$6.7 million in transportation services due primarily to higher firm transportation revenue and a \$13.5 million contract settlement, offset partially by lower interruptible revenue.

Net income and diluted EPS decreased due primarily to the items discussed above and higher interest expense related to an increase in our debt balance and lower capitalized interest and noncash impairment charges related to equity investments in our Natural Gas Gathering and Processing and Natural Gas Liquids segments, offset partially by net gains on extinguishment of debt related to open market repurchases. Diluted EPS was also impacted by our equity issuance in June 2020.

Capital expenditures decreased due primarily to our previously completed capital-growth projects as well as our paused and suspended capital-growth projects related to weakened commodity prices and economic disruption caused by COVID-19.

Additional information regarding our financial results and operating information is provided in the discussions for each of our segments and in Non-GAAP Measures.

Selected Financial Results and Operating Information for the Year Ended December 31, 2019 vs. 2018 - The consolidated and segment financial results and operating information for the year ended December 31, 2019, compared with the year ended December 31, 2018, are included in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations of our 2019 Annual Report on Form 10-K, which is available via the SEC's website at www.sec.gov and our website at www.oneok.com.

Natural Gas Gathering and Processing

Growth Projects - Our Natural Gas Gathering and Processing segment has invested in growth projects in NGL-rich areas in the Williston Basin. See "Growth Projects" in the "Recent Developments" section for discussion of our capital-growth projects.

See "Capital Expenditures" in "Liquidity and Capital Resources" for additional detail of our projected capital expenditures.

Selected Financial Results and Operating Information - The following tables set forth certain selected financial results and operating information for our Natural Gas Gathering and Processing segment for the periods indicated:

Financial Results	Years Ended December 31,			2020 vs. 2019	2019 vs. 2018
	2020	2019	2018	\$ Increase (Decrease)	
	<i>(Millions of dollars)</i>				
NGL sales	\$ 775.9	\$ 1,024.3	\$ 1,567.2	(248.4)	(542.9)
Condensate sales	113.5	200.1	208.8	(86.6)	(8.7)
Residue natural gas sales	771.5	966.1	1,084.2	(194.6)	(118.1)
Gathering, compression, dehydration and processing fees and other revenue	159.2	178.1	174.4	(18.9)	3.7
Cost of sales and fuel (exclusive of depreciation and operating costs)	(844.0)	(1,302.3)	(2,041.4)	(458.3)	(739.1)
Operating costs, excluding noncash compensation adjustments	(320.0)	(352.8)	(357.7)	(32.8)	(4.9)
Equity in net earnings (loss) from investments	(1.1)	(6.3)	0.4	5.2	(6.7)
Other	(5.0)	(4.5)	(4.3)	(0.5)	(0.2)
Adjusted EBITDA	\$ 650.0	\$ 702.7	\$ 631.6	(52.7)	71.1
Impairment charges	\$ 566.1	\$ —	\$ —	566.1	—
Capital expenditures	\$ 446.1	\$ 926.5	\$ 694.6	(480.4)	231.9

See reconciliation of net income to adjusted EBITDA in the "Non-GAAP Measures" section.

Changes in commodity prices and sales volumes affect both revenue and cost of sales and fuel, and, therefore, the impact is largely offset between these line items.

2020 vs. 2019 - Adjusted EBITDA decreased \$52.7 million, primarily as a result of the following:

- a decrease of \$47.6 million due primarily to lower realized prices impacting our fee with POP contracts; *and*

- a decrease of \$42.6 million due primarily to natural production declines in the Mid-Continent region; *offset partially by*
- a decrease of \$32.8 million in operating costs due primarily to lower materials and supplies expenses due to reduced asset utilization, lower employee-related costs and outside services.

The year ended December 31, 2020, includes \$382.2 million of noncash impairment charges related primarily to certain long-lived asset groups in the Powder River Basin, western Oklahoma and Kansas that were not recoverable, a \$153.4 million noncash impairment charge related to goodwill and a \$30.5 million noncash impairment charge related to our 10.2% investment in Venice Energy Services Company. For additional information on our impairment charges, see Notes A, D, E and M of the Notes to Consolidated Financial Statements in this Annual Report.

Capital expenditures decreased due primarily to capital-growth projects completed in 2019 and early 2020, as well as several paused capital-growth projects in 2020.

Operating Information (a)	Years Ended December 31,		
	2020	2019	2018
Natural gas gathered (BBtu/d)	2,553	2,753	2,546
Natural gas processed (BBtu/d) (b)	2,364	2,555	2,382
Average fee rate (\$/MMBtu)	\$ 0.89	\$ 0.92	\$ 0.90

(a) - Includes volumes for consolidated entities only.

(b) - Includes volumes at company-owned and third-party facilities.

2020 vs. 2019 - Our natural gas gathered and natural gas processed volumes decreased due primarily to natural production declines in the Mid-Continent region. In the Williston Basin, we saw significant declines in volumes in the second quarter 2020 due to production curtailments from some of our crude oil and natural gas producers. By the end of the third quarter 2020, curtailed volumes returned.

Our average fee rate decreased due primarily to production curtailments in the second quarter 2020 on producer contracts with higher fees and lower POP components in the Williston Basin. As these curtailed volumes returned to our system, the Williston Basin's contribution to our average fee rate increased in the second half of 2020.

Commodity Price Risk - See discussion regarding our commodity price risk under "Commodity Price Risk" in Item 7A, Quantitative and Qualitative Disclosures about Market Risk.

Natural Gas Liquids

Growth Projects - Our Natural Gas Liquids segment invests in projects to transport, fractionate, store and deliver to market centers NGL supply from shale and other resource development areas. Our growth strategy is focused around connecting diversified supply basins from the Rocky Mountain region through the Mid-Continent region and the Permian Basin with NGL product demand from the petrochemical and refining industries and NGL export demand in the Gulf Coast. See "Growth Projects" in the "Recent Developments" section for discussion of our capital-growth projects.

In 2020, we connected two third-party natural gas processing plants in the Permian Basin and two third-party natural gas processing plants in the Rocky Mountain region to our NGL system. In addition, one affiliate and two third-party natural gas processing plants in the Rocky Mountain region and one third-party natural gas processing plant in the Mid-Continent region connected to our system were expanded.

For a discussion of our capital expenditure financing, see "Capital Expenditures" in the "Liquidity and Capital Resources" section.

Selected Financial Results and Operating Information - The following tables set forth certain selected financial results and operating information for our Natural Gas Liquids segment for the periods indicated:

Financial Results	Years Ended December 31,			2020 vs. 2019	2019 vs. 2018
	2020	2019	2018	\$ Increase (Decrease)	
	<i>(Millions of dollars)</i>				
NGL and condensate sales	\$ 6,409.3	\$ 7,910.8	\$ 10,319.9	(1,501.5)	(2,409.1)
Exchange service revenues and other	497.8	424.2	415.7	73.6	8.5
Transportation and storage revenues	182.9	197.5	199.0	(14.6)	(1.5)
Cost of sales and fuel (exclusive of depreciation and operating costs)	(5,108.6)	(6,690.9)	(9,176.8)	(1,582.3)	(2,485.9)
Operating costs, excluding noncash compensation adjustments	(396.4)	(434.4)	(378.3)	(38.0)	56.1
Equity in net earnings from investments	39.9	65.1	67.1	(25.2)	(2.0)
Other	(7.7)	(6.5)	(6.0)	(1.2)	(0.5)
Adjusted EBITDA	\$ 1,617.2	\$ 1,465.8	\$ 1,440.6	151.4	25.2
Impairment charges	\$ 78.8	\$ —	\$ —	78.8	—
Capital expenditures	\$ 1,655.8	\$ 2,796.6	\$ 1,306.3	(1,140.8)	1,490.3

See reconciliation of net income to adjusted EBITDA in the “Non-GAAP Measures” section.

Changes in commodity prices and sales volumes affect both revenues and cost of sales and fuel, and, therefore, the impact is largely offset between these line items.

2020 vs. 2019 - Adjusted EBITDA increased \$151.4 million, primarily as a result of the following:

- an increase of \$270.6 million in exchange services due primarily to \$137.8 million in higher volumes in the Rocky Mountain region and Permian Basin, \$128.4 million in lower costs due primarily to lower rail and pipeline transportation costs, \$18.8 million in higher fees charged to customers with minimum volume obligations primarily in the Rocky Mountain region, \$17.2 million in higher average fee rates primarily in the Permian Basin and \$13.7 million related to lower unfractionated NGLs held in inventory, offset partially by \$34.2 million in lower volumes in the Mid-Continent region; *and*
- a decrease of \$38.0 million in operating costs due primarily to lower outside services and employee-related costs; *offset partially by*
- a decrease of \$123.5 million in optimization and marketing due primarily to a decrease of \$78.2 million related to narrower location price differentials and lower optimization volumes, lower marketing earnings of \$53.0 million due to lower earnings from purity NGL inventory sales and changes in the value of NGLs held in inventory; *and*
- a decrease of \$25.2 million from lower equity in net earnings from investments due primarily to lower volumes on Overland Pass Pipeline.

The year ended December 31, 2020, includes \$71.6 million of noncash impairment charges related primarily to certain inactive assets and a \$7.2 million noncash impairment charge related to our 50% investment in Chisholm Pipeline Company. For additional information on our impairment charges, see Notes A, D and M of the Notes to Consolidated Financial Statements in this Annual Report.

Capital expenditures decreased due primarily to completed and paused capital-growth projects.

Operating Information	Years Ended December 31,		
	2020	2019	2018
Raw feed throughput (Mbb/d) (a)	1,084	1,079	1,010
Average Conway-to-Mont Belvieu OPIS price differential - ethane in ethane/propane mix (\$/gallon)	\$ 0.01	\$ 0.07	\$ 0.15

(a) - Represents physical raw feed volumes on which we charge a fee for transportation and/or fractionation services.

2020 vs. 2019 - Volumes increased due primarily to increased production at new and existing processing plants in the Rocky Mountain region and Permian Basin, offset partially by lower volumes in the Mid-Continent region and the unfavorable impact from producer curtailments primarily in the second quarter 2020.

Natural Gas Pipelines

Selected Financial Results and Operating Information - The following tables set forth certain selected financial results and operating information for our Natural Gas Pipelines segment for the periods indicated:

Financial Results	Years Ended December 31,			2020 vs. 2019	2019 vs. 2018
	2020	2019	2018	\$ Increase (Decrease)	
	<i>(Millions of dollars)</i>				
Transportation revenues	\$ 401.7	\$ 393.7	\$ 343.0	8.0	50.7
Storage revenues	68.4	72.6	72.0	(4.2)	0.6
Residue natural gas sales and other revenues	9.9	5.7	16.7	4.2	(11.0)
Cost of sales and fuel (exclusive of depreciation and operating costs)	(6.8)	(4.6)	(16.0)	2.2	(11.4)
Operating costs, excluding noncash compensation adjustments	(137.2)	(150.8)	(139.2)	(13.6)	11.6
Equity in net earnings from investments	104.4	95.7	90.8	8.7	4.9
Other	(3.0)	(3.5)	(1.0)	0.5	(2.5)
Adjusted EBITDA	\$ 437.4	\$ 408.8	\$ 366.3	28.6	42.5
Capital expenditures	\$ 71.9	\$ 99.2	\$ 119.2	(27.3)	(20.0)

See reconciliation of net income to adjusted EBITDA in the "Non-GAAP Measures" section.

2020 vs. 2019 - Adjusted EBITDA increased \$28.6 million primarily as a result of the following:

- a decrease of \$13.6 million in operating costs due primarily to lower employee-related costs and materials and supplies expenses;
- an increase of \$8.7 million from higher equity in net earnings from investments due primarily to additional firm transportation capacity contracted on Northern Border;
- an increase of \$6.7 million in transportation services due primarily to higher firm transportation revenue and a \$13.5 million contract settlement, offset partially by lower interruptible revenue; *and*
- an increase of \$4.0 million from higher net retained fuel and timing of equity gas sales; *offset partially by*
- a decrease of \$3.9 million from storage services due primarily to lower park-and-loan activity.

Capital expenditures decreased due primarily to the completion of our expansion projects in 2019.

Operating Information (a)	Years Ended December 31,		
	2020	2019	2018
Natural gas transportation capacity contracted (MDth/d)	7,461	7,618	6,846
Transportation capacity contracted	96 %	98 %	96 %

(a) - Includes volumes for consolidated entities only.

2020 vs. 2019 - Natural gas transportation capacity contracted decreased due to a contract settlement and the impact of market conditions.

Roadrunner, in which we have a 50% ownership interest, has contracted all of its westbound capacity through 2041.

Northern Border Pipeline, in which we have a 50% ownership interest, has contracted substantially all of its long-haul transportation capacity through the fourth quarter 2021.

In June 2019, our subsidiary, Viking Gas Transmission Company (Viking), filed a proposed change in rates pursuant to Section 4 of the Natural Gas Act with the FERC. In February 2020, Viking filed a Stipulation and Offer of Settlement (Settlement) with the FERC for approval. The FERC accepted the Settlement in July 2020, which did not impact materially our results of operations.

NON-GAAP MEASURES

The following table sets forth a reconciliation of net income, the nearest comparable GAAP financial performance measure, to adjusted EBITDA, distributable cash flow and dividend coverage for the periods indicated:

(Unaudited)	Years Ended December 31,		
	2020	2019	2018
Reconciliation of net income to adjusted EBITDA, distributable cash flow and dividend coverage	<i>(Thousands of dollars, except per share amounts and coverage ratios)</i>		
Net income	\$ 612,809	\$ 1,278,577	\$ 1,155,032
Add:			
Interest expense, net of capitalized interest	712,886	491,773	469,620
Depreciation and amortization	578,662	476,535	428,557
Income tax expense	189,507	372,414	362,903
Impairment charges	644,930	—	—
Noncash compensation expense (a)	8,540	26,699	37,954
Equity AFUDC and other noncash items	(23,661)	(65,811)	(6,545)
Adjusted EBITDA (b)	2,723,673	2,580,187	2,447,521
Interest expense, net of capitalized interest	(712,886)	(491,773)	(469,620)
Maintenance capital	(136,920)	(195,631)	(188,420)
Equity in net earnings from investments	(143,241)	(154,541)	(158,383)
Distributions received from unconsolidated affiliates	176,160	257,644	197,285
Other (b)	(25,195)	20,227	(5,994)
Distributable cash flow	1,881,591	2,016,113	1,822,389
Dividends paid to preferred shareholders	(1,100)	(1,100)	(1,100)
Distributable cash flow to shareholders	1,880,491	2,015,013	1,821,289
Dividends paid	(1,604,266)	(1,456,528)	(1,333,958)
Distributable cash flow in excess of dividends paid	\$ 276,225	\$ 558,485	\$ 487,331
Dividends paid per share	\$ 3.74	\$ 3.53	\$ 3.245
Dividend coverage ratio	1.17	1.38	1.37
Number of shares used in computation (<i>thousands</i>)	428,948	412,614	411,081

(a) - Year ended December 31, 2020, includes a benefit of \$11.2 million related to the mark-to-market of our share-based deferred compensation plan.

(b) - Year ended December 31, 2020, includes net gains of \$22.3 million on extinguishment of debt related to open market repurchases.

(Unaudited)	Years Ended December 31,		
	2020	2019	2018
Reconciliation of segment adjusted EBITDA to adjusted EBITDA	<i>(Thousands of dollars)</i>		
Segment adjusted EBITDA:			
Natural Gas Gathering and Processing	\$ 650,036	\$ 702,650	\$ 631,607
Natural Gas Liquids	1,617,241	1,465,765	1,440,605
Natural Gas Pipelines	437,426	408,816	366,251
Other (a)	18,970	2,956	9,058
Adjusted EBITDA	\$ 2,723,673	\$ 2,580,187	\$ 2,447,521

(a) - Year ended December 31, 2020, includes corporate net gains of \$22.3 million on extinguishment of debt related to open market repurchases.

CONTINGENCIES

See Note N of the Notes to Consolidated Financial Statements in this Annual Report for a discussion of regulatory matters.

Other Legal Proceedings - We are a party to various litigation matters and claims that have arisen in the normal course of our operations. While the results of these litigation matters and claims cannot be predicted with certainty, we believe the reasonably possible losses from such matters, individually and in the aggregate, are not material. Additionally, we believe the probable final outcome of such matters will not have a material adverse effect on our consolidated results of operations, financial position or cash flows.

LIQUIDITY AND CAPITAL RESOURCES

General - Our primary sources of cash inflows are operating cash flows, proceeds from our commercial paper program and our \$2.5 Billion Credit Agreement, debt issuances and the issuance of common stock for our liquidity and capital resources requirements. In addition, we expect cash outflows in 2021 to be primarily related to dividends paid to shareholders and capital expenditures.

We expect our sources of cash inflows to provide sufficient resources to finance our operations and quarterly cash dividends. We believe we have sufficient liquidity due to our \$2.5 Billion Credit Agreement, which expires in June 2024, cash on hand from our June 2020 equity issuance and access to \$1.0 billion available through our “at-the-market” equity program.

We manage interest-rate risk through the use of fixed-rate debt, floating-rate debt and interest-rate swaps. For additional information on our interest-rate swaps, see Note C of the Notes to Consolidated Financial Statements in this Annual Report.

Guarantees and Cash Management - In March 2020, the SEC amended Rule 3-10 of Regulation S-X and created Rule 13-01 to simplify disclosure requirements related to certain registered securities. We and ONEOK Partners are issuers of certain public debt securities. We guarantee certain indebtedness of ONEOK Partners, and ONEOK Partners and the Intermediate Partnership guarantee certain of our indebtedness. The guarantees in place for our and ONEOK Partners’ indebtedness are full, irrevocable, unconditional and absolute joint and several guarantees to the holders of each series of outstanding securities. Liabilities under the guarantees rank equally in right of payment with all existing and future senior unsecured indebtedness. As ONEOK Partners and the Intermediate Partnership are consolidated subsidiaries of ONEOK, separate financial statements for the guarantors are not required, as long as the alternative disclosure required by Rule 13-01 is provided, which includes narrative disclosure and summarized financial information. The Intermediate Partnership holds all of ONEOK Partners’ interests and equity in its subsidiaries, which are non-guarantors, and substantially all the assets and operations reside with non-guarantor operating subsidiaries. Therefore, as allowed under Rule 13-01, we have excluded the summarized financial information for each issuer and guarantor as the combined financial information of the subsidiary issuer and parent guarantor, excluding our ownership of all the interests in ONEOK Partners, reflect no material assets, liabilities or results of operations, apart from the guaranteed indebtedness. For additional information on our and ONEOK Partners’ indebtedness, see Note F of the Notes to Consolidated Financial Statements in this Annual Report.

We use a centralized cash management program that concentrates the cash assets of our non-guarantor operating subsidiaries in joint accounts for the purposes of providing financial flexibility and lowering the cost of borrowing, transaction costs and bank fees. Our centralized cash management program provides that funds in excess of the daily needs of our operating subsidiaries are concentrated, consolidated or otherwise made available for use by other entities within our consolidated group. Our operating subsidiaries participate in this program to the extent they are permitted pursuant to FERC regulations or their operating agreements. Under the cash management program, depending on whether a participating subsidiary has short-term cash surpluses or cash requirements, we provide cash to the subsidiary or the subsidiary provides cash to us.

Short-term Liquidity - Our principal sources of short-term liquidity consist of cash generated from operating activities, distributions received from our equity-method investments, proceeds from our commercial paper program and our \$2.5 Billion Credit Agreement. As of December 31, 2020, we are in compliance with all covenants of our \$2.5 Billion Credit Agreement.

At December 31, 2020, we had no borrowings under our \$2.5 Billion Credit Agreement and \$524.5 million of cash and cash equivalents.

We had a working capital (defined as current assets less current liabilities) surplus of \$525.2 million and a working capital deficit of \$550.0 million as of December 31, 2020, and December 31, 2019, respectively. Although working capital is influenced by several factors, including, among other things: (i) the timing of (a) debt and equity issuances, (b) the funding of capital expenditures, (c) scheduled debt payments, and (d) accounts receivable and payable; and (ii) the volume and cost of inventory and commodity imbalances; our working capital surplus at December 31, 2020, was driven primarily by cash on hand and our working capital deficit at December 31, 2019, was driven primarily by short-term borrowings and accrued interest. We may have working capital deficits in future periods as we continue to repay long-term debt and finance our capital-growth projects, often initially with short-term borrowings.

For additional information on our \$2.5 Billion Credit Agreement, see Note F of the Notes to Consolidated Financial Statements in this Annual Report.

Long-term Financing - In addition to our principal sources of short-term liquidity discussed above, we expect to fund our longer-term financing requirements by issuing long-term notes. Other options to obtain financing include, but are not limited

to, issuing common stock, loans from financial institutions, issuance of convertible debt securities or preferred equity securities, asset securitization and the sale and lease-back of facilities.

Debt Issuances - In May 2020, we completed an underwritten public offering of \$1.5 billion senior unsecured notes consisting of \$600 million, 5.85% senior notes due 2026; \$600 million, 6.35% senior notes due 2031; and \$300 million, 7.15% senior notes due 2051. The net proceeds, after deducting underwriting discounts, commissions and offering expenses, were \$1.48 billion. A portion of the proceeds was used to repay the outstanding borrowings under our \$1.5 Billion Term Loan Agreement. The remainder was used for general corporate purposes.

In March 2020, we completed an underwritten public offering of \$1.75 billion senior unsecured notes consisting of \$400 million, 2.2% senior notes due 2025; \$850 million, 3.1% senior notes due 2030; and \$500 million, 4.5% senior notes due 2050. The net proceeds, after deducting underwriting discounts, commissions and offering expenses, were \$1.73 billion. A portion of the proceeds was used to pay all outstanding amounts under our commercial paper program. The remainder was used for general corporate purposes, which included repayment of other existing indebtedness and funding capital expenditures.

Debt Repayments - In May 2020, we repaid the remaining \$1.25 billion of our \$1.5 Billion Term Loan Agreement with cash on hand from our May 2020 public offering of \$1.5 billion senior unsecured notes.

In 2020, we repurchased in the open market outstanding principal of certain of our senior notes in the amount of \$224.4 million for an aggregate repurchase price of \$199.6 million with cash on hand. In connection with these open market repurchases, we recognized \$22.3 million of net gains on extinguishment of debt.

For additional information on our long-term debt, see Note F of the Notes to Consolidated Financial Statements in this Annual Report.

Equity Issuances - In July 2020, we established an “at-the-market” equity program for the offer and sale from time to time of our common stock up to an aggregate offering price of \$1.0 billion. The program allows us to offer and sell common stock at prices we deem appropriate through a sales agent, in forward sales transactions through a forward seller or directly to one or more of the program’s managers acting as principals. Sales of our common stock may be made by means of ordinary brokers’ transactions on the NYSE, in block transactions or as otherwise agreed to between us and the sales agent. We are under no obligation to offer and sell common stock under the program. No shares have been sold through our “at-the-market” program as of the date of this report.

In June 2020, we completed an underwritten public offering of 29.9 million shares of our common stock at a public offering price of \$32.00 per share, generating net proceeds, after deducting underwriting discounts, commissions and offering expenses, of \$937.0 million. A portion of the proceeds was, and we anticipate the remainder will be, used for general corporate purposes, including repayment of existing indebtedness and funding capital expenditures.

Capital Expenditures - We classify expenditures that are expected to generate additional revenue, return on investment or significant operating efficiencies as capital-growth expenditures. Maintenance capital expenditures are those capital expenditures required to maintain our existing assets and operations and do not generate additional revenues. Maintenance capital expenditures are made to replace partially or fully depreciated assets, to maintain the existing operating capacity of our assets and to extend their useful lives. Our capital expenditures are financed typically through operating cash flows and short- and long-term debt.

The following table sets forth our growth and maintenance capital expenditures, excluding AFUDC and capitalized interest, for the periods indicated:

Capital Expenditures	2020	2019	2018
	<i>(Millions of dollars)</i>		
Natural Gas Gathering and Processing	\$ 446.1	\$ 926.5	\$ 694.6
Natural Gas Liquids	1,655.8	2,796.6	1,306.3
Natural Gas Pipelines	71.9	99.2	119.2
Other	21.6	26.0	21.4
Total capital expenditures	\$ 2,195.4	\$ 3,848.3	\$ 2,141.5

Capital expenditures decreased in 2020, compared with 2019, due primarily to our previously completed capital-growth projects, as well as our paused and suspended capital-growth projects. We expect our 2021 capital expenditures to decrease

relative to 2020 due to our previously completed capital-growth projects and paused and suspended capital-growth projects, unless producer activity levels warrant additional infrastructure. See discussion of our announced capital-growth projects in the “Recent Developments” section.

We expect total capital expenditures, excluding AFUDC and capitalized interest, of \$525-\$675 million in 2021.

Credit Ratings - Our long-term debt credit ratings as of February 16, 2021, are shown in the table below:

Rating Agency	Long-Term Rating	Short-Term Rating	Outlook
Moody's	Baa3	Prime-3	Stable
S&P	BBB	A-2	Stable
Fitch (a)	BBB	F2	Stable

(a) - Fitch assigned first-time ratings to ONEOK in November 2020.

Our credit ratings, which are investment grade, may be affected by a material change in our financial ratios or a material event affecting our business and industry. Although we are in the midst of a challenging market environment, our credit ratings have remained stable. The most common criteria for assessment of our credit ratings are the debt-to-EBITDA ratio, interest coverage, business risk profile and liquidity. If our credit ratings were downgraded, our cost to borrow funds under our \$2.5 Billion Credit Agreement could increase and a potential loss of access to the commercial paper market could occur. In the event that we are unable to borrow funds under our commercial paper program and there has not been a material adverse change in our business, we would continue to have access to our \$2.5 Billion Credit Agreement, which expires in 2024. An adverse credit rating change alone is not a default under our \$2.5 Billion Credit Agreement.

In the normal course of business, our counterparties provide us with secured and unsecured credit. In the event of a downgrade in our credit ratings or a significant change in our counterparties' evaluation of our creditworthiness, we could be required to provide additional collateral in the form of cash, letters of credit or other negotiable instruments as a condition of continuing to conduct business with such counterparties. We may be required to fund margin requirements with our counterparties with cash, letters of credit or other negotiable instruments.

Dividends - Holders of our common stock share equally in any common stock dividends declared by our Board of Directors, subject to the rights of the holders of outstanding preferred stock. In 2020, we paid dividends of \$3.74 per share, an increase of 6% compared with the prior year. In February 2021, we maintained and paid a quarterly dividend of \$0.935 per share (\$3.74 per share on an annualized basis), which is consistent with the same quarter in the prior year.

Our Series E Preferred Stock pays quarterly dividends on each share of Series E Preferred Stock, when, as and if declared by our Board of Directors, at a rate of 5.5% per year. In 2020, we paid dividends of \$1.1 million for the Series E Preferred Stock. In February 2021, we paid quarterly dividends totaling \$0.3 million for the Series E Preferred Stock.

For the year ended December 31, 2020, our cash flows from operations exceeded dividends paid by \$293.7 million. We expect our cash flows from operations to continue to sufficiently fund our cash dividends. To the extent operating cash flows are not sufficient to fund our dividends, we may utilize cash on hand from other sources of short- and long-term liquidity to fund a portion of our dividends.

CASH FLOW ANALYSIS

We use the indirect method to prepare our Consolidated Statements of Cash Flows. Under this method, we reconcile net income to cash flows provided by operating activities by adjusting net income for those items that affect net income but do not result in actual cash receipts or payments during the period and for operating cash items that do not impact net income. These reconciling items can include depreciation and amortization, impairment charges, allowance for equity funds used during construction, gain or loss on sale of assets, deferred income taxes, net undistributed earnings from equity-method investments, share-based compensation expense, other amounts and changes in our assets and liabilities not classified as investing or financing activities.

The following table sets forth the changes in cash flows by operating, investing and financing activities for the periods indicated:

	Years Ended December 31,		
	2020	2019	2018
	<i>(Millions of dollars)</i>		
Total cash provided by (used in):			
Operating activities	\$ 1,899.0	\$ 1,946.8	\$ 2,186.7
Investing activities	(2,270.5)	(3,768.8)	(2,114.9)
Financing activities	875.0	1,831.0	(97.0)
Change in cash and cash equivalents	503.5	9.0	(25.2)
Cash and cash equivalents at beginning of period	21.0	12.0	37.2
Cash and cash equivalents at end of period	\$ 524.5	\$ 21.0	\$ 12.0

Operating Cash Flows - Operating cash flows are affected by earnings from our business activities and changes in our operating assets and liabilities. Changes in commodity prices and demand for our services or products, whether because of general economic conditions, changes in supply, changes in demand for the end products that are made with our products or increased competition from other service providers, could affect our earnings and operating cash flows. Our operating cash flows can also be impacted by changes in our NGLs and natural gas inventory balances, which are driven primarily by commodity prices, supply, demand and the operation of our assets.

2020 vs. 2019 - Cash flows from operating activities, before changes in operating assets and liabilities, decreased \$51.1 million due primarily to higher interest expense, lower realized prices in our Natural Gas Gathering and Processing segment and lower optimization and marketing earnings in our Natural Gas Liquids segment. These decreases were offset partially by an increase in exchange services due to higher volumes and lower rail and pipeline transportation costs in our Natural Gas Liquids segment and lower operating costs across our segments, as discussed in "Financial Results and Operating Information."

The impact of changes in operating assets and liabilities for 2020 was relatively unchanged compared with 2019, due primarily to net decreases from changes in risk-management assets and liabilities, which include a loss on the settlement of \$750 million of our forward-starting interest-rate swaps related to our March 2020 issuance of senior unsecured notes and changes in the fair value of risk-management assets and liabilities, which vary from period to period and with changes in commodity prices and interest rates; and changes in other accruals and deferrals. These decreases were offset partially by the changes in commodity imbalances and NGLs and natural gas in storage, which also vary from period to period and with changes in commodity prices.

Investing Cash Flows

2020 vs. 2019 - Cash used in investing activities decreased \$1.5 billion due primarily to reduced capital expenditures related to our completed and paused capital-growth projects.

Financing Cash Flows

2020 vs. 2019 - Cash from financing activities decreased \$956.0 million due primarily to the issuance of \$3.2 billion in long-term debt in 2020, compared with \$4.2 billion in long-term debt issuances in 2019, and the repayment of long-term debt and short-term borrowings, offset partially by the issuance of common stock in June 2020.

Cash Flow Analysis for the Year Ended December 31, 2019 vs. 2018 - The cash flow analysis for the year ended December 31, 2019, compared with the year ended December 31, 2018, is included in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations of our 2019 Annual Report on Form 10-K, which is available via the SEC's website at www.sec.gov and our website at www.oneok.com.

IMPACT OF NEW ACCOUNTING STANDARDS

Information about the impact of new accounting standards is included in Note A of the Notes to Consolidated Financial Statements in this Annual Report.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of our Consolidated Financial Statements and related disclosures in accordance with GAAP requires us to make estimates and assumptions with respect to values or conditions that cannot be known with certainty that affect the

reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements. These estimates and assumptions also affect the reported amounts of revenue and expenses during the reporting period. Although we believe these estimates and assumptions are reasonable, actual results could differ from our estimates.

The following is a summary of our most critical accounting policies and estimates, which are defined as those estimates and policies most important to the portrayal of our financial condition and results of operations and requiring management's most difficult, subjective or complex judgment, particularly because of the need to make estimates concerning the impact of inherently uncertain matters. We have discussed the development and selection of our estimates and critical accounting policies with the Audit Committee of our Board of Directors. See Note A of the Notes to Consolidated Financial Statements in this Annual Report for the description of our accounting policies and additional information about our critical accounting policies and estimates.

Derivatives and Risk-management Activities - We utilize derivatives to reduce our market-risk exposure to commodity price and interest-rate fluctuations and to achieve more predictable cash flows. Our commodity price risk includes basis risk, which is the difference in price between various locations where commodities are purchased and sold. We record all derivative instruments at fair value, except for normal purchases and normal sales transactions that are expected to result in physical delivery. Many of the contracts in our derivative portfolio are executed in liquid markets where price transparency exists.

Our fair value measurements classified as Level 3 are composed predominantly of exchange-cleared and over-the-counter derivatives to hedge NGL price risk and natural gas basis risk between various transaction locations and the NYMEX Henry Hub. These measurements are based on inputs that may include one or more unobservable inputs, including internally developed commodity price curves, that incorporate market data from broker quotes and third-party pricing services. Our commodity derivatives are generally valued using forward quotes provided by third-party pricing services that are validated with other market data. We believe any measurement uncertainty at December 31, 2020, is immaterial as our Level 3 fair value measurements are based on unadjusted pricing information from broker quotes and third-party pricing services.

The accounting for changes in the fair value of a derivative instrument depends on whether it qualifies and has been designated as part of a hedging relationship. When possible, we implement effective hedging strategies using derivative financial instruments that qualify as hedges for accounting purposes. We have not used derivative instruments for trading purposes. For a derivative designated as a cash flow hedge, the gain or loss from a change in fair value of the derivative instrument is deferred in accumulated other comprehensive income (loss) until the forecasted transaction affects earnings, at which time the fair value of the derivative instrument is reclassified into earnings.

We assess hedging relationships at the inception of the hedge and on an ongoing basis to determine whether the hedging relationship is, and is expected to remain, highly effective. We do not believe that changes in our fair value estimates of our derivative instruments have a material impact on our results of operations, as the majority of our derivatives are accounted for as effective cash flow hedges. However, if a derivative instrument is ineligible for cash flow hedge accounting or if we fail to appropriately designate it as a cash flow hedge, changes in fair value of the derivative instrument would be recorded currently in earnings. Additionally, if a cash flow hedge ceases to qualify for hedge accounting treatment because it is no longer probable that the forecasted transaction will occur, the change in fair value of the derivative instrument would be recognized in earnings. For more information on commodity price sensitivity and a discussion of the market risk of pricing changes, see Item 7A, Quantitative and Qualitative Disclosures about Market Risk.

See Notes A, B and C of the Notes to Consolidated Financial Statements in this Annual Report for additional discussion of fair value measurements and derivatives and risk-management activities.

Impairment of Goodwill and Long-Lived Assets, Including Intangible Assets - We assess our goodwill for impairment at least annually as of July 1, unless events or changes in circumstances indicate an impairment may have occurred before that time. Due to historic events as a result of COVID-19 impacting supply, demand and commodity prices, we performed a Step 1 analysis in the first quarter 2020 to test our goodwill for impairment and evaluated certain long-lived asset groups and equity investments for impairment.

Goodwill - In the Step 1 analysis, an assessment is made by comparing the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying value of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. In January 2020, we adopted ASU 2017-04 in which the requirement to calculate the implied fair value of goodwill under the two-step impairment test was eliminated.

To estimate the fair value of our reporting units, we use two generally accepted valuation approaches, an income approach and a market approach, using assumptions consistent with a market participant's perspective. Under the income approach, we use anticipated cash flows over a period of years plus a terminal value and discount these amounts to their present value using appropriate discount rates. Under the market approach, we apply EBITDA multiples to forecasted EBITDA. The multiples used are consistent with historical asset transactions. The forecasted cash flows are based on average forecasted cash flows for a reporting unit over a period of years.

Based on the results of our impairment test, we concluded that the carrying value of the Natural Gas Gathering and Processing reporting unit exceeded its estimated fair value, resulting in a noncash impairment charge of \$153.4 million. The estimated fair value of our Natural Gas Liquids and Natural Gas Pipelines reporting units substantially exceeded their respective carrying values.

We assess our goodwill for impairment at least annually as of July 1, unless events or changes in circumstances indicate an impairment may have occurred before that time. At July 1, 2020, we assessed qualitative factors subsequent to our first quarter 2020 impairment charges discussed below, to determine whether it was more likely than not that the fair value of our Natural Gas Liquids and Natural Gas Pipelines reporting units were less than their carrying amount. After assessing qualitative factors (including macroeconomic conditions, industry and market considerations, cost factors and overall financial performance), we determined that it was more likely than not that the fair value of our Natural Gas Liquids and Natural Gas Pipelines reporting units were not less than their respective carrying value, no further testing was necessary and goodwill was not considered impaired. At July 1, 2020, there was no remaining goodwill associated with our Natural Gas Gathering and Processing reporting unit.

Long-lived assets - We assess our long-lived assets for impairment whenever events or changes in circumstances indicate that an asset's carrying amount may not be recoverable. An impairment is indicated if the carrying amount of a long-lived asset exceeds the sum of the undiscounted future cash flows expected to result from the use and eventual disposition of the asset. If an impairment is indicated, we record an impairment loss equal to the difference between the carrying value and the fair value of the long-lived asset.

In 2020, we evaluated our Natural Gas Gathering and Processing segment asset groups and determined that the carrying value of certain long-lived asset groups in the Powder River Basin, western Oklahoma and Kansas were not recoverable and exceeded their estimated fair value. We recorded noncash impairment charges of \$382.2 million, which includes a natural gas processing plant and infrastructure in the Powder River Basin and its related supply contracts and natural gas processing plants and infrastructure in western Oklahoma and Kansas. In our Natural Gas Liquids segment, we recorded noncash impairment charges of \$71.6 million related primarily to certain inactive assets, as our expectation for future use of the assets changed.

Investments in unconsolidated affiliates - The impairment test for equity-method investments considers whether the fair value of the equity investment as a whole, not the underlying net assets, has declined and whether that decline is other than temporary. Therefore, we periodically evaluate the amount at which we carry our equity-method investments to determine whether current events or circumstances warrant adjustments to our carrying values.

In 2020, we evaluated our investments in unconsolidated affiliates and concluded that the carrying value of our 10.2% investment in Venice Energy Services Company in our Natural Gas Gathering and Processing segment exceeded its estimated fair value, resulting in a noncash impairment charge of \$30.5 million, which includes an impairment to our equity-method goodwill of \$22.3 million. We also concluded that the carrying value of our 50% investment in Chisholm Pipeline Company in our Natural Gas Liquids segment exceeded its estimated fair value, resulting in a noncash impairment charge of \$7.2 million.

Our impairment tests required the use of assumptions and estimates, such as industry economic factors and the profitability of future business strategies. To estimate the fair value of these assets and investments, we used two generally accepted valuation approaches, an income approach and a market approach. Under the income approach, our discounted cash flow analysis included the following inputs that are not readily available: a discount rate reflective of industry cost of capital, our estimated contract rates, volumes, operating margins, operating and maintenance costs and capital expenditures. Under the market approach, our inputs included EBITDA multiples, which were estimated from recent peer acquisition transactions, and forecasted EBITDA, which incorporates inputs similar to those used under the income approach. If actual results are not consistent with our assumptions and estimates or our assumptions and estimates change due to new information, we may be exposed to future impairment charges.

See Notes A, D, E and M of the Notes to Consolidated Financial Statements in this Annual Report for additional discussion of goodwill, long-lived assets and investments in unconsolidated affiliates.

Depreciation Methods and Estimated Useful Lives of Property, Plant and Equipment - Our property, plant and equipment are depreciated using the straight-line method that incorporates management assumptions regarding useful economic lives and residual values. As we place additional assets in service, our estimates related to depreciation expense have become more significant and changes in estimated useful lives of our assets could have a material effect on our results of operations. At the time we place our assets in service, we believe such assumptions are reasonable; however, circumstances may develop that would cause us to change these assumptions, which would change our depreciation expense prospectively. Examples of such circumstances include changes in (i) competition, (ii) laws and regulations that limit the estimated economic life of an asset, (iii) technology that render an asset obsolete, (iv) expected salvage values and (v) forecasts of the remaining economic life for the resource basins where our assets are located, if any. For the fiscal years presented in this Form 10-K, no changes were made to the determinations of useful lives that would have a material effect on the timing of depreciation expense in future periods.

See Note D of the Notes to Consolidated Financial Statements in this Annual Report for additional discussion of property, plant and equipment.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

The following table sets forth our contractual obligations related to debt, leases and other long-term obligations as of December 31, 2020. For additional discussion of the debt and lease agreements, see Notes F and O, respectively, of the Notes to Consolidated Financial Statements in this Annual Report.

Contractual Obligations	Payments Due by Period						
	Total	2021	2022	2023	2024	2025	Thereafter
	<i>(Millions of dollars)</i>						
Senior notes	\$ 14,347.9	\$ —	\$ 1,437.7	\$ 925.0	\$ 500.0	\$ 887.0	\$ 10,598.2
Guardian Pipeline senior notes	13.7	7.7	6.0	—	—	—	—
Interest payments on debt	9,710.4	704.2	675.0	631.4	586.8	555.7	6,557.3
Operating leases	116.1	16.5	15.1	13.8	12.5	11.1	47.1
Finance lease	35.1	4.5	4.5	4.5	4.5	4.5	12.6
Firm transportation and storage contracts	516.7	70.9	60.9	55.8	53.4	47.9	227.8
Financial and physical derivatives	393.4	377.9	15.5	—	—	—	—
Employee benefit plans	57.0	11.2	11.8	12.9	10.3	10.8	—
Purchase commitments and other	369.6	83.8	83.4	81.6	41.1	40.7	39.0
Total	\$ 25,559.9	\$ 1,276.7	\$ 2,309.9	\$ 1,725.0	\$ 1,208.6	\$ 1,557.7	\$ 17,482.0

Senior notes - Represents the amount of principal due in each period.

Interest payments on debt - Interest payments are calculated by multiplying long-term debt principal amount by the respective coupon rates.

Operating leases - Our operating leases primarily include leases for pipeline capacity, certain buildings, warehouses, office space, land and equipment, including pipeline equipment, rail cars and information technology equipment.

Finance lease - We lease certain compression facilities under a finance lease that has a fixed-price purchase option in 2028.

Firm transportation and storage contracts - Our Natural Gas Gathering and Processing and Natural Gas Liquids segments are party to fixed-rate contracts for firm transportation and storage capacity.

Financial and physical derivatives - These are obligations arising from our fixed- and variable-price purchase commitments for physical and financial commodity derivatives. Estimated future variable-price purchase commitments are based on market information at December 31, 2020. Actual future variable-price purchase obligations may vary depending on market prices at the time of delivery. Sales of the related physical volumes and net positive settlements of financial derivatives are not reflected in the table above.

Employee benefit plans - Represents projected minimum required cash contributions. We contributed \$11.2 million to our defined benefit pension plan in January 2021 and do not expect to make any contributions to our other postretirement plans in

the remainder of 2021. See Note K of the Notes to Consolidated Financial Statements in this Annual Report for discussion of our employee benefit plans.

Purchase commitments and other - Purchase commitments include payments for NGL fractionation capacity and other contractual commitments. Purchase commitments exclude commodity purchase contracts, which are included in the "Financial and physical derivatives" amounts.

FORWARD-LOOKING STATEMENTS

Some of the statements contained and incorporated in this Annual Report are forward-looking statements as defined under federal securities laws. The forward-looking statements relate to our anticipated financial performance (including projected operating income, net income, capital expenditures, cash flows and projected levels of dividends), liquidity, management's plans and objectives for our future capital-growth projects and other future operations (including plans to construct additional natural gas and NGL pipelines, processing and fractionation facilities and related cost estimates), our business prospects, the outcome of regulatory and legal proceedings, market conditions and other matters. We make these forward-looking statements in reliance on the safe harbor protections provided under federal securities legislation and other applicable laws. The following discussion is intended to identify important factors that could cause future outcomes to differ materially from those set forth in the forward-looking statements.

Forward-looking statements include the items identified in the preceding paragraph, the information concerning possible or assumed future results of our operations and other statements contained or incorporated in this Annual Report identified by words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "goal," "guidance," "intend," "may," "might," "outlook," "plan," "potential," "project," "scheduled," "should," "will," "would," and other words and terms of similar meaning.

One should not place undue reliance on forward-looking statements. Known and unknown risks, uncertainties and other factors may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking statements. Those factors may affect our operations, markets, products, services and prices. In addition to any assumptions and other factors referred to specifically in connection with the forward-looking statements, factors that could cause our actual results to differ materially from those contemplated in any forward-looking statement include, among others, the following:

- the length, severity and reemergence of a pandemic or other health crisis, such as the recent outbreak of COVID-19 and the measures that international, federal, state and local governments, agencies, law enforcement and/or health authorities implement to address it, which may (as with COVID-19) precipitate or exacerbate one or more of the factors herein, reduce the demand for natural gas, NGLs and crude oil and significantly disrupt or prevent us and our customers and counterparties from operating in the ordinary course for an extended period and increase the cost of operating our business;
- operational challenges relating to the COVID-19 pandemic and efforts to mitigate the spread of the virus, including logistical challenges, protecting the health and well-being of our employees, remote work arrangements, performance of contracts and supply chain disruption;
- the impact on drilling and production by factors beyond our control, including the demand for natural gas and crude oil; producers' desire and ability to drill and obtain necessary permits; regulatory compliance; reserve performance; and capacity constraints and/or shut downs on the pipelines that transport crude oil, natural gas and NGLs from producing areas and our facilities;
- risks associated with adequate supply to our gathering, processing, fractionation and pipeline facilities, including production declines that outpace new drilling, the shutting-in of production by producers, actions taken by federal, state or local governments to require producers to prorate or to cut their production levels as a way to address any excess market supply situations or extended periods of ethane rejection;
- demand for our services and products in the proximity of our facilities;
- economic climate and growth in the geographic areas in which we operate;
- the risk of a slowdown in growth or decline in the United States or international economies, including liquidity risks in United States or foreign credit markets;
- performance of contractual obligations by our customers, service providers, contractors and shippers;
- the effects of changes in governmental policies and regulatory actions, including changes with respect to income and other taxes, pipeline safety, environmental compliance, climate change initiatives, production limits and authorized rates of recovery of natural gas and natural gas transportation costs;
- changes in demand for the use of natural gas, NGLs and crude oil because of the development of new technologies or other market conditions caused by concerns about climate change;

- the effects of weather and other natural phenomena, including climate change, on our operations, demand for our services and energy prices;
- acts of nature, sabotage, terrorism or other similar acts that cause damage to our facilities or our suppliers', customers' or shippers' facilities;
- the possibility of future terrorist attacks or the possibility or occurrence of an outbreak of, or changes in, hostilities or changes in the political conditions throughout the world;
- the risk of increased costs for insurance premiums, security or other items as a consequence of terrorist attacks;
- the timing and extent of changes in energy commodity prices, including changes due to production decisions by other countries, such as the failure of countries to abide by recent agreements to reduce production volumes;
- competition from other United States and foreign energy suppliers and transporters, as well as alternative forms of energy, including, but not limited to, solar power, wind power, geothermal energy and biofuels such as ethanol and biodiesel;
- the ability to market pipeline capacity on favorable terms, including the effects of:
 - future demand for and prices of natural gas, NGLs and crude oil;
 - competitive conditions in the overall energy market;
 - availability of supplies of United States natural gas and crude oil; and
 - availability of additional storage capacity;
- the efficiency of our plants in processing natural gas and extracting and fractionating NGLs;
- the composition and quality of the natural gas and NGLs we gather and process in our plants and transport on our pipelines;
- risks of marketing, trading and hedging activities, including the risks of changes in energy prices or the financial condition of our counterparties;
- our ability to control operating costs and make cost-saving changes;
- the risk inherent in the use of information systems in our respective businesses and those of our counterparties and service providers, including cyber-attacks, which, according to experts, have increased in volume and sophistication since the beginning of the COVID-19 pandemic; implementation of new software and hardware; and the impact on the timeliness of information for financial reporting;
- the timely receipt of approval by applicable governmental entities for construction and operation of our pipeline and other projects and required regulatory clearances;
- the ability to recover operating costs and amounts equivalent to income taxes, costs of property, plant and equipment and regulatory assets in our state and FERC-regulated rates;
- the results of administrative proceedings and litigation, regulatory actions, executive orders, rule changes and receipt of expected clearances involving any local, state or federal regulatory body, including the FERC, the National Transportation Safety Board, the PHMSA, the EPA and the CFTC;
- the mechanical integrity of facilities and pipelines operated;
- the capital-intensive nature of our businesses;
- the impact of unforeseen changes in interest rates, debt and equity markets, inflation rates, economic recession and other external factors over which we have no control, including the effect on pension and postretirement expense and funding resulting from changes in equity and bond market returns;
- actions by rating agencies concerning our credit;
- our indebtedness and guarantee obligations could make us vulnerable to general adverse economic and industry conditions, limit our ability to borrow additional funds and/or place us at competitive disadvantages compared with our competitors that have less debt or have other adverse consequences;
- our ability to access capital at competitive rates or on terms acceptable to us;
- our ability to acquire all necessary permits, consents or other approvals in a timely manner, to promptly obtain all necessary materials and supplies required for construction, and to construct gathering, processing, storage, fractionation and transportation facilities without labor or contractor problems;
- our ability to control construction costs and completion schedules of our pipelines and other projects;
- difficulties or delays experienced by trucks, railroads or pipelines in delivering products to or from our terminals or pipelines;
- the uncertainty of estimates, including accruals and costs of environmental remediation;
- the impact of uncontracted capacity in our assets being greater or less than expected;
- the impact of potential impairment charges;
- the profitability of assets or businesses acquired or constructed by us;
- risks associated with pending or possible acquisitions and dispositions, including our ability to finance or integrate any such acquisitions and any regulatory delay or conditions imposed by regulatory bodies in connection with any such acquisitions and dispositions;
- the risk that material weaknesses or significant deficiencies in our internal controls over financial reporting could emerge or that minor problems could become significant;

- the impact and outcome of pending and future litigation;
- the impact of recently issued and future accounting updates and other changes in accounting policies; and
- the risk factors listed in the reports we have filed and may file with the SEC, which are incorporated by reference.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other factors could also affect adversely our future results. These and other risks are described in greater detail in Part I, Item 1A, Risk Factors, in this Annual Report and in our other filings that we make with the SEC, which are available via the SEC's website at www.sec.gov and our website at www.oneok.com. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these factors. Any such forward-looking statement speaks only as of the date on which such statement is made, and other than as required under securities laws, we undertake no obligation to update publicly any forward-looking statement whether as a result of new information, subsequent events or change in circumstances, expectations or otherwise.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk discussed below includes forward-looking statements and represents an estimate of possible changes in future earnings that could occur assuming hypothetical future movements in interest rates or commodity prices. Our views on market risk are not necessarily indicative of actual results that may occur and do not represent the maximum possible gains and losses that may occur since actual gains and losses will differ from those estimated based on actual fluctuations in interest rates or commodity prices and the timing of transactions.

We are exposed to market risk due to commodity price and interest-rate volatility. Market risk is the risk of loss arising from adverse changes in market rates and prices. We may use financial instruments, including forward sales, swaps, options and futures, to manage the risks of certain identifiable or anticipated transactions and achieve more predictable cash flows. Our risk-management function follows policies and procedures established by our Risk Oversight and Strategy Committee to monitor our natural gas, condensate and NGL marketing activities and interest rates to ensure our hedging activities mitigate market risks and comply with approved thresholds or limits. We do not use financial instruments for trading purposes.

We utilize a sensitivity analysis model to assess the risk associated with our derivative portfolio. The sensitivity analysis measures the potential change in fair value of our derivative instruments based upon a hypothetical 10% movement in the underlying commodity prices or interest rates. In addition to these variables, the fair value of our derivative portfolio is influenced by fluctuations in the notional amounts of the instruments and the discount rates used to determine the present values. Because we enter into these derivative instruments for the purpose of mitigating the risks that accompany certain of our business activities, as described below, the change in the market value of our derivative portfolio would typically be offset largely by a corresponding gain or loss on the hedged item.

See Note A of the Notes to Consolidated Financial Statements in this Annual Report for discussion on our accounting policies for our derivative instruments and the impact on our Consolidated Financial Statements.

COMMODITY PRICE RISK

As part of our hedging strategy, we use commodity derivative financial instruments and physical-forward contracts described in Note C of the Notes to Consolidated Financial Statements in this Annual Report to reduce the impact of near-term price fluctuations of natural gas, NGLs and condensate.

Although our businesses are primarily fee-based, in our Natural Gas Gathering and Processing segment, we are exposed to commodity price risk as a result of retaining a portion of the commodity sales proceeds associated with our fee with POP contracts. Under certain fee with POP contracts, our contractual fees and POP percentage may increase or decrease if production volumes, delivery pressures or commodity prices change relative to specified thresholds. We are exposed to basis risk between the various production and market locations where we buy and sell commodities.

The following table presents the effect a hypothetical 10% change in the underlying commodity prices would have on the estimated fair value of our commodity derivative instruments for the periods indicated:

Commodity Contracts	December 31, 2020	December 31, 2019
	<i>(Millions of dollars)</i>	
Crude oil and NGLs	\$ 20.0	\$ 26.1
Natural gas	10.6	12.7
Total change in estimated fair value of commodity contracts	\$ 30.6	\$ 38.8

Our sensitivity analysis represents an estimate of the reasonably possible gains and losses that would be recognized on our commodity derivative contracts assuming hypothetical movements in future market prices and is not necessarily indicative of actual results that may occur. Actual gains and losses may differ from estimates due to actual fluctuations in market prices, as well as changes in our commodity derivative portfolio during the year.

The following tables set forth hedging information for our Natural Gas Gathering and Processing segment's forecasted equity volumes for the periods indicated:

	Year Ending December 31, 2021			Percentage Hedged
	Volumes Hedged	Average Price		
NGLs - excluding ethane (MMBbl/d) - Conway/Mont Belvieu	10.4	\$	0.51 / gallon	60%
Condensate (MMBbl/d) - WTI-NYMEX	2.9	\$	42.87 / Bbl	74%
Natural gas (MMBtu/d) - NYMEX and basis	118.6	\$	2.64 / MMBtu	75%

Our Natural Gas Gathering and Processing segment's commodity price sensitivity is estimated as a hypothetical change in the price of NGLs, crude oil and natural gas at December 31, 2020. Condensate sales are typically based on the price of crude oil. Assuming normal operating conditions, we estimate the following for our forecasted equity volumes:

- a \$0.01 per gallon change in the composite price of NGLs, excluding ethane, would change adjusted EBITDA for the year ending December 31, 2021, by \$2.7 million;
- a \$1.00 per barrel change in the price of crude oil would change adjusted EBITDA for the year ending December 31, 2021, by \$1.4 million; and
- a \$0.10 per MMBtu change in the price of residue natural gas would change adjusted EBITDA for the year ending December 31, 2021, by \$5.8 million.

These estimates do not include any effects of hedging or effects on demand for our services or natural gas processing plant operations that might be caused by, or arise in conjunction with, commodity price fluctuations. For example, a change in the gross processing spread may cause a change in the amount of ethane extracted from the natural gas stream, impacting gathering and processing financial results for certain contracts.

INTEREST-RATE RISK

We are exposed to interest-rate risk through borrowings under our \$2.5 Billion Credit Agreement, commercial paper program and long-term debt issuances. Future increases in commercial paper rates or bond rates could expose us to increased interest costs on future borrowings. We manage interest-rate risk through the use of fixed-rate debt, floating-rate debt and interest-rate swaps. Interest-rate swaps are agreements to exchange interest payments at some future point based on specified notional amounts. In 2020, we settled \$750 million of our forward-starting interest-rate swaps related to our underwritten public offerings of \$1.75 billion senior unsecured notes and the remaining \$1.3 billion of our interest-rate swaps used to hedge our LIBOR-based interest payments upon repayment of the remaining balance of our \$1.5 Billion Term Loan Agreement.

At December 31, 2020 and 2019, we had forward-starting interest-rate swaps with notional amounts totaling \$1.1 billion and \$1.8 billion, respectively, to hedge the variability of interest payments on a portion of our forecasted debt issuances. At December 31, 2019, we had interest-rate swaps with notional amounts totaling \$1.3 billion to hedge the variability of our LIBOR-based interest payments, all of which have settled as of December 31, 2020. All of our interest-rate swaps are designated as cash flow hedges. At December 31, 2020, we had derivative liabilities of \$203.4 million related to these interest-rate swaps. At December 31, 2019, we had derivative assets of \$0.6 million and derivative liabilities of \$201.9 million related to these interest-rate swaps.

The following table presents the effect of a 10% hypothetical change in interest rates on the estimated fair value of our interest- rate derivative instruments for the periods indicated:

	December 31, 2020	December 31, 2019
	<i>(Millions of dollars)</i>	
Forward-starting interest-rate swaps	\$ 12.9	\$ 40.5

Our sensitivity analysis represents an estimate of the reasonably possible gains and losses that would be recognized on our interest-rate derivative contracts assuming hypothetical movements in future interest rates and is not necessarily indicative of actual results that may occur. Actual gains and losses may differ from estimates due to actual fluctuations in interest rates, as well as changes in our interest-rate derivative portfolio during the year.

See Note C of the Notes to Consolidated Financial Statements in this Annual Report for more information on our hedging activities.

COUNTERPARTY CREDIT RISK

We assess the creditworthiness of our counterparties on an ongoing basis and require security, including prepayments and other forms of collateral, when appropriate. Certain of our counterparties may be impacted by a relatively low commodity price environment and could experience financial problems, which could result in nonpayment and/or nonperformance, which could impact adversely our results of operations.

Natural Gas Gathering and Processing - Our Natural Gas Gathering and Processing segment derives services revenue primarily from major and independent crude oil and natural gas producers, which include both large integrated and independent exploration and production companies. In this segment, our downstream commodity sales customers are primarily utilities, large industrial companies, marketing companies and our NGL affiliate. We are not typically exposed to material credit risk with producers under fee with POP contracts as we sell the commodities and remit a portion of the sales proceeds back to the producer less our contractual fees. In 2020 and 2019, approximately 90% of the downstream commodity sales in our Natural Gas Gathering and Processing segment were made to customers rated investment-grade by S&P, approved through comparable internal counterparty analysis, or were secured by letters of credit or other collateral.

Natural Gas Liquids - Our Natural Gas Liquids segment's counterparties are primarily NGL and natural gas gathering and processing companies; major and independent crude oil and natural gas production companies; utilities; large industrial companies; natural gasoline distributors; propane distributors; municipalities; and petrochemical, refining and marketing companies. We charge fees to NGL and natural gas gathering and processing counterparties and NGL pipeline transportation customers. We are not typically exposed to material credit risk on the majority of our exchange services fees, as we purchase NGLs from our gathering and processing counterparties and deduct our fee from the amounts we remit. We also earn sales revenue on the downstream sales of NGL products. In 2020 and 2019, approximately 75% and 80%, respectively, of this segment's commodity sales were made to customers rated investment-grade by S&P, approved through comparable internal counterparty analysis, or were secured by letters of credit or other collateral. In addition, the majority of our Natural Gas Liquids segment's pipeline tariffs provide us the ability to require security from shippers.

Natural Gas Pipelines - Our Natural Gas Pipelines segment's customers are primarily local natural gas distribution companies, electric-generation facilities, large industrial companies, municipalities, producers, processors and marketing companies. In 2020 and 2019, approximately 85% of our revenues in this segment were from customers rated investment-grade by S&P, approved through comparable internal counterparty analysis, or were secured by letters of credit or other collateral. In addition, the majority of our Natural Gas Pipelines segment's pipeline tariffs provide us the ability to require security from shippers.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of ONEOK, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of ONEOK, Inc. and its subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended December 31, 2020, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Change in Accounting Principle

As discussed in Note A to the consolidated financial statements, the Company changed the manner in which it accounts for revenue from contracts with customers in 2018.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the

company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of Level 3 Commodity Derivative Assets and Liabilities

As described in Notes A and B to the consolidated financial statements, the Company's level 3 commodity contracts derivative assets and liabilities total \$103.8 million and \$135.1 million, respectively, as of December 31, 2020. As disclosed by management, commodity price risk includes basis risk, which is the difference in price between various locations where commodities are purchased and sold. Management records all derivative instruments at fair value, with the exception of normal purchases and normal sales transactions that are expected to result in physical delivery. Many of the contracts in its derivative portfolio are executed in liquid markets where price transparency exists. Fair value measurements classified as Level 3 are composed predominantly of exchange-cleared and over-the-counter derivatives to hedge NGL price risk and natural gas basis risk. These measurements are based on inputs that may include one or more unobservable inputs, including internally developed commodity price curves, that incorporate market data from broker quotes and third-party pricing services. The commodity derivatives are generally valued using forward quotes provided by third-party pricing services that are validated with other market data.

The principal considerations for our determination that performing procedures relating to the valuation of level 3 commodity derivative assets and liabilities is a critical audit matter are (i) the significant judgment by management to determine the fair value of these derivatives; (ii) a high degree of auditor judgment, subjectivity and effort in evaluating audit evidence related to the valuation due to the use of internally developed commodity price curves that incorporate market data from broker quotes and third-party pricing services; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the valuation of level 3 commodity derivative assets and liabilities, including controls over the Company's model, significant assumptions, and data. These procedures also included, among others, the involvement of professionals with specialized skill and knowledge to assist in developing an independent estimate of the level 3 commodity derivative assets and liabilities and comparison of the independent estimate to management's estimate to evaluate the reasonableness of management's estimate. Developing the independent estimate involved testing the completeness and accuracy of data provided by management and evaluating management's assumptions related to the internally developed commodity price curves which incorporate market data from broker quotes and third-party pricing services.

Long-Lived Asset Impairment – Asset Group in the Powder River Basin

As described in Notes A and B to the consolidated financial statements, the Company's net property, plant and equipment balance was \$19.2 billion as of December 31, 2020. Management assesses the Company's long-lived assets for impairment whenever events or changes in circumstances indicate that an asset's carrying amount may not be recoverable. An impairment is indicated if the carrying amount of a long-lived asset exceeds the sum of the undiscounted future cash flows expected to result from the use and eventual disposition of the asset. If an impairment is indicated, the Company will record an impairment loss equal to the difference between the carrying value and the fair value of the long-lived asset. In 2020, Management evaluated the Natural Gas Gathering and Processing segment asset groups and determined that the carrying value of certain long-lived asset groups were not recoverable and exceeded their estimated fair value. The Company recorded noncash impairment charges of \$382.2 million in its Natural Gas Gathering and Processing segment, of which a portion includes a natural gas processing plant and infrastructure in the Powder River Basin and its related supply contracts. To estimate the fair value, Management used the income approach. Under the income approach, the discounted cash flow analysis included the following inputs that are not readily available: a discount rate reflective of industry cost of capital, estimated contract rates, volumes, operating margins, operating and maintenance costs, and capital expenditures.

The principal considerations for our determination that performing procedures relating to long-lived asset impairments of an asset group in the Powder River Basin is a critical audit matter are (i) the significant judgment by management when developing the fair value of the long-lived asset and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to volumes and operating margins.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's long-lived asset impairment assessment, including the controls over the valuation of long-lived assets. These procedures also included, among others (i) testing management's process for developing the fair value estimate of an asset group in the Powder River Basin; (ii) evaluating the appropriateness of the discounted cash flow model; (iii) testing the completeness and accuracy of underlying data used in the model; and (iv) evaluating the reasonableness of the significant assumptions used by management related to the volumes and operating margins. Evaluating management's assumptions related to the volumes and operating margins involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the asset group and (ii) whether these assumptions were consistent with evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP

Tulsa, Oklahoma
February 23, 2021

We have served as the Company's auditor since 2007.

ONEOK, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31,		
	2020	2019	2018
	<i>(Thousands of dollars, except per share amounts)</i>		
Revenues			
Commodity sales	\$ 7,255,259	\$ 8,916,047	\$ 11,395,642
Services	1,286,983	1,248,320	1,197,554
Total revenues (Note P)	8,542,242	10,164,367	12,593,196
Cost of sales and fuel (exclusive of items shown separately below)	5,110,146	6,788,040	9,422,708
Operations and maintenance	761,176	863,708	803,146
Depreciation and amortization	578,662	476,535	428,557
Impairment charges (Note A)	607,200	—	—
General taxes	125,028	119,156	103,922
(Gain) loss on sale of assets	(1,327)	2,575	(601)
Operating income	1,361,357	1,914,353	1,835,464
Equity in net earnings from investments (Note M)	143,241	154,541	158,383
Impairment of equity investments (Note A)	(37,730)	—	—
Allowance for equity funds used during construction	23,662	64,815	7,962
Other income	43,745	27,058	674
Other expense	(19,073)	(18,003)	(14,928)
Interest expense (net of capitalized interest of \$75,436, \$107,275 and \$28,062, respectively)	(712,886)	(491,773)	(469,620)
Income before income taxes	802,316	1,650,991	1,517,935
Income taxes (Note L)	(189,507)	(372,414)	(362,903)
Net income	612,809	1,278,577	1,155,032
Less: Net income attributable to noncontrolling interests	—	—	3,329
Net income attributable to ONEOK	612,809	1,278,577	1,151,703
Less: Preferred stock dividends	1,100	1,100	1,100
Net income available to common shareholders	\$ 611,709	\$ 1,277,477	\$ 1,150,603
Basic EPS (Note I)	\$ 1.42	\$ 3.09	\$ 2.80
Diluted EPS (Note I)	\$ 1.42	\$ 3.07	\$ 2.78
Average shares (<i>thousands</i>)			
Basic	431,105	413,560	411,485
Diluted	431,782	415,444	414,195

See accompanying Notes to Consolidated Financial Statements.

ONEOK, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31,		
	2020	2019	2018
		<i>(Thousands of dollars)</i>	
Net income	\$ 612,809	\$ 1,278,577	\$ 1,155,032
Other comprehensive income (loss), net of tax			
Change in fair value of derivatives, net of tax of \$49,292, \$44,149 and \$1,694, respectively	(165,023)	(147,803)	(5,673)
Derivative amounts reclassified to net income, net of tax of \$(6,313), \$6,058 and \$(11,013), respectively	21,097	(21,057)	36,870
Change in retirement and other postretirement benefit plan obligations, net of tax of \$7,812, \$2,910 and \$(1,425), respectively	(26,154)	(9,696)	4,771
Other comprehensive income (loss) of unconsolidated affiliates, net of tax of \$2,201, \$2,152 and \$(724), respectively	(7,369)	(7,205)	2,424
Total other comprehensive income (loss), net of tax	(177,449)	(185,761)	38,392
Comprehensive income	435,360	1,092,816	1,193,424
Less: Comprehensive income attributable to noncontrolling interests	—	—	3,329
Comprehensive income attributable to ONEOK	\$ 435,360	\$ 1,092,816	\$ 1,190,095

See accompanying Notes to Consolidated Financial Statements.

ONEOK, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS

	December 31, 2020	December 31, 2019
<i>(Thousands of dollars)</i>		
Assets		
Current assets		
Cash and cash equivalents	\$ 524,496	\$ 20,958
Accounts receivable, net	829,796	835,121
Materials and supplies	143,178	201,749
NGLs and natural gas in storage	227,810	304,926
Commodity imbalances	11,959	25,267
Other current assets	132,536	82,313
Total current assets	1,869,775	1,470,334
Property, plant and equipment		
Property, plant and equipment	23,072,935	22,051,492
Accumulated depreciation and amortization	3,918,007	3,702,807
Net property, plant and equipment (Note D)	19,154,928	18,348,685
Investments and other assets		
Investments in unconsolidated affiliates (Note M)	805,032	861,844
Goodwill and intangible assets (Note E)	773,723	957,833
Other assets	475,296	173,425
Total investments and other assets	2,054,051	1,993,102
Total assets	\$ 23,078,754	\$ 21,812,121

ONEOK, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(Continued)

	December 31, 2020	December 31, 2019
<i>(Thousands of dollars)</i>		
Liabilities and equity		
Current liabilities		
Current maturities of long-term debt (Note F)	\$ 7,650	\$ 7,650
Short-term borrowings (Note F)	—	220,000
Accounts payable	719,302	1,209,900
Commodity imbalances	186,372	104,480
Accrued taxes	89,428	75,422
Accrued interest	245,153	190,750
Operating lease liability (Note O)	13,610	1,883
Other current liabilities	83,032	210,213
Total current liabilities	1,344,547	2,020,298
Long-term debt, excluding current maturities (Note F)	14,228,421	12,479,757
Deferred credits and other liabilities		
Deferred income taxes (Note L)	669,697	536,063
Operating lease liability (Note O)	87,610	13,509
Other deferred credits	706,081	536,543
Total deferred credits and other liabilities	1,463,388	1,086,115
Commitments and contingencies (Note N)		
Equity (Note G)		
ONEOK shareholders' equity:		
Preferred stock, \$0.01 par value: authorized and issued 20,000 shares at December 31, 2020, and at December 31, 2019	—	—
Common stock, \$0.01 par value: authorized 1,200,000,000 shares; issued 474,916,234 shares and outstanding 444,872,383 shares at December 31, 2020; issued 445,016,234 shares and outstanding 413,239,050 shares at December 31, 2019	4,749	4,450
Paid-in capital	7,353,396	7,403,895
Accumulated other comprehensive loss (Note H)	(551,449)	(374,000)
Retained earnings	—	—
Treasury stock, at cost: 30,043,851 shares at December 31, 2020, and 31,777,184 shares at December 31, 2019	(764,298)	(808,394)
Total equity	6,042,398	6,225,951
Total liabilities and equity	\$ 23,078,754	\$ 21,812,121

See accompanying Notes to Consolidated Financial Statements.

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ONEOK, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2020	2019	2018
	<i>(Thousands of dollars)</i>		
Operating activities			
Net income	\$ 612,809	\$ 1,278,577	\$ 1,155,032
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	578,662	476,535	428,557
Impairment charges	644,930	—	—
Equity in net earnings from investments	(143,241)	(154,541)	(158,383)
Distributions received from unconsolidated affiliates	144,352	163,476	170,528
Deferred income tax expense	186,730	372,729	361,010
Other, net	35,327	(26,101)	23,570
Changes in assets and liabilities:			
Accounts receivable	(1,297)	(19,688)	383,993
NGLs and natural gas in storage	77,116	(8,259)	38,456
Accounts payable	(80,257)	(62,946)	(320,132)
Commodity imbalances	95,200	(1,934)	(44,302)
Accrued interest	54,403	29,373	26,068
Risk-management assets and liabilities	(187,458)	(86,268)	117,717
Other assets and liabilities, net	(118,208)	(14,174)	4,605
Cash provided by operating activities	1,899,068	1,946,779	2,186,719
Investing activities			
Capital expenditures (less allowance for equity funds used during construction)	(2,195,381)	(3,848,349)	(2,141,475)
Distributions received from unconsolidated affiliates in excess of cumulative earnings	31,808	94,168	26,757
Other, net	(106,956)	(14,577)	(170)
Cash used in investing activities	(2,270,529)	(3,768,758)	(2,114,888)
Financing activities			
Dividends paid	(1,605,366)	(1,457,628)	(1,335,058)
Distributions to noncontrolling interests	—	—	(3,500)
Borrowing (repayment) of short-term borrowings, net	(220,000)	220,000	(614,673)
Issuance of long-term debt, net of discounts	3,244,777	4,185,435	1,795,773
Debt financing costs	(28,247)	(29,747)	(13,441)
Repayment of long-term debt	(1,457,222)	(1,057,348)	(932,650)
Issuance of common stock	969,759	29,040	1,203,981
Acquisition of noncontrolling interests	—	—	(195,000)
Other, net	(28,702)	(58,790)	(2,481)
Cash provided by (used in) financing activities	874,999	1,830,962	(97,049)
Change in cash and cash equivalents	503,538	8,983	(25,218)
Cash and cash equivalents at beginning of period	20,958	11,975	37,193
Cash and cash equivalents at end of period	\$ 524,496	\$ 20,958	\$ 11,975
Supplemental cash flow information:			
Cash paid for interest, net of amounts capitalized	\$ 760,984	\$ 435,165	\$ 418,244
Cash paid for income taxes, net of refunds	\$ 342	\$ 2,690	\$ 2,225

See accompanying Notes to Consolidated Financial Statements.

ONEOK, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	ONEOK Shareholders' Equity				
	Common Stock Issued	Preferred Stock Issued	Common Stock	Preferred Stock	Paid-in Capital
	<i>(Shares)</i>		<i>(Thousands of dollars)</i>		
January 1, 2018	423,166,234	20,000	\$ 4,232	\$ —	\$ 6,588,878
Cumulative effect adjustment for adoption of ASUs (a)	—	—	—	—	—
Net income	—	—	—	—	—
Other comprehensive income	—	—	—	—	—
Preferred stock dividends - \$55.00 per share (Note G)	—	—	—	—	—
Common stock issued	21,850,000	—	218	—	1,183,321
Common stock dividends - \$3.245 per share (Note G)	—	—	—	—	(144,805)
Distributions to noncontrolling interests	—	—	—	—	—
Contributions from noncontrolling interests	—	—	—	—	—
Acquisition of noncontrolling interests (Note G)	—	—	—	—	(21,220)
Other, net	—	—	—	—	8,964
December 31, 2018	445,016,234	20,000	4,450	—	7,615,138
Cumulative effect adjustment for adoption of ASU 2016-02, "Leases (Topic 842)"	—	—	—	—	—
Net income	—	—	—	—	—
Other comprehensive loss (Note H)	—	—	—	—	—
Preferred stock dividends - \$55.00 per share (Note G)	—	—	—	—	—
Common stock issued	—	—	—	—	(7,667)
Common stock dividends - \$3.53 per share (Note G)	—	—	—	—	(180,421)
Other, net	—	—	—	—	(23,155)
December 31, 2019	445,016,234	20,000	4,450	—	7,403,895
Net income	—	—	—	—	—
Other comprehensive loss (Note H)	—	—	—	—	—
Preferred stock dividends - \$55.00 per share (Note G)	—	—	—	—	(550)
Common stock issued	29,900,000	—	299	—	934,473
Common stock dividends - \$3.74 per share (Note G)	—	—	—	—	(992,741)
Other, net	—	—	—	—	8,319
December 31, 2020	474,916,234	20,000	\$ 4,749	\$ —	\$ 7,353,396

ONEOK, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Continued)

	ONEOK Shareholders' Equity				Noncontrolling Interests in Consolidated Subsidiaries	Total Equity
	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock			
	<i>(Thousands of dollars)</i>					
January 1, 2018	\$ (188,530)	\$ —	\$ (876,713)	\$ 157,485	\$	5,685,352
Cumulative effect adjustment for adoption of ASUs (a)	(38,101)	39,803	—	17		1,719
Net income	—	1,151,703	—	3,329		1,155,032
Other comprehensive income	38,392	—	—	—		38,392
Preferred stock dividends - \$55.00 per share (Note G)	—	(1,100)	—	—		(1,100)
Common stock issued	—	—	24,907	—		1,208,446
Common stock dividends - \$3.245 per share (Note G)	—	(1,190,406)	—	—		(1,335,211)
Distributions to noncontrolling interests	—	—	—	(3,500)		(3,500)
Contributions from noncontrolling interests	—	—	—	16,449		16,449
Acquisition of noncontrolling interests (Note G)	—	—	—	(173,780)		(195,000)
Other, net	—	—	—	—		8,964
December 31, 2018	(188,239)	—	(851,806)	—		6,579,543
Cumulative effect adjustment for adoption of ASU 2016-02, "Leases (Topic 842)"	—	(67)	—	—		(67)
Net income	—	1,278,577	—	—		1,278,577
Other comprehensive loss (Note H)	(185,761)	—	—	—		(185,761)
Preferred stock dividends - \$55.00 per share (Note G)	—	(1,100)	—	—		(1,100)
Common stock issued	—	—	43,412	—		35,745
Common stock dividends - \$3.53 per share (Note G)	—	(1,277,410)	—	—		(1,457,831)
Other, net	—	—	—	—		(23,155)
December 31, 2019	(374,000)	—	(808,394)	—		6,225,951
Net income	—	612,809	—	—		612,809
Other comprehensive loss (Note H)	(177,449)	—	—	—		(177,449)
Preferred stock dividends - \$55.00 per share (Note G)	—	(550)	—	—		(1,100)
Common stock issued	—	—	44,096	—		978,868
Common stock dividends - \$3.74 per share (Note G)	—	(612,259)	—	—		(1,605,000)
Other, net	—	—	—	—		8,319
December 31, 2020	\$ (551,449)	\$ —	\$ (764,298)	\$	\$	6,042,398

(a) - Includes cumulative effect for adoption of the following: ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)"; ASU 2017-12, "Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities"; and ASU 2018-02, "Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income."

See accompanying Notes to Consolidated Financial Statements.

ONEOK, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations - We are a corporation incorporated under the laws of the state of Oklahoma.

Our Natural Gas Gathering and Processing segment provides midstream services to producers in North Dakota, Montana, Wyoming, Kansas and Oklahoma. Raw natural gas is typically gathered at the wellhead, compressed and transported through pipelines to our processing facilities. Processed natural gas, usually referred to as residue natural gas, is then recompressed and delivered to natural gas pipelines, storage facilities and end users. The NGLs separated from the raw natural gas are sold and delivered through NGL pipelines to fractionation facilities for further processing.

Our Natural Gas Liquids segment owns and operates facilities that gather, fractionate, treat and distribute NGLs and store NGL products, primarily in Oklahoma, Kansas, Texas, New Mexico and the Rocky Mountain region, which includes the Williston, Powder River and DJ Basins. We provide midstream services to producers of NGLs and deliver those products to the two primary market centers, one in the Mid-Continent in Conway, Kansas, and the other in the Gulf Coast in Mont Belvieu, Texas. We own or have an ownership interest in FERC-regulated NGL gathering and distribution pipelines in Oklahoma, Kansas, Texas, New Mexico, Montana, North Dakota, Wyoming and Colorado, and terminal and storage facilities in Kansas, Missouri, Nebraska, Iowa and Illinois. We have a 50% ownership interest in Overland Pass Pipeline Company, which operates an interstate NGL pipeline originating in Wyoming and Colorado and terminating in Kansas. The majority of the pipeline-connected natural gas processing plants in the Williston Basin, Oklahoma, Kansas and the Texas Panhandle are connected to our NGL gathering systems. We lease rail cars and own and operate truck- and rail-loading and -unloading facilities connected to our NGL fractionation, storage and pipeline assets. We also own FERC-regulated NGL distribution pipelines in Kansas, Missouri, Nebraska, Iowa, Illinois and Indiana that connect our Mid-Continent assets with Midwest markets, including Chicago, Illinois. A portion of our ONEOK North System transports refined products, including unleaded gasoline and diesel, from Kansas to Iowa.

Our Natural Gas Pipelines segment, through its wholly owned assets, provides intrastate and interstate transportation and storage services to end users. We have 50% ownership interests in Northern Border Pipeline and Roadrunner, which provide transportation services to various end users. Our interstate pipelines are regulated by the FERC and are located in North Dakota, Minnesota, Wisconsin, Illinois, Indiana, Kentucky, Tennessee, Oklahoma, Texas and New Mexico. Our intrastate natural gas pipeline and storage assets are located in Oklahoma, Kansas and Texas. Our assets connect major natural gas producing basins and market hubs with end-use customers.

Consolidation - Our Consolidated Financial Statements include our accounts and the accounts of our subsidiaries over which we have control or are the primary beneficiary. All intercompany balances and transactions have been eliminated in consolidation.

Investments in unconsolidated affiliates are accounted for using the equity method if we have the ability to exercise significant influence over operating and financial policies of our investee. Under this method, an investment is carried at its acquisition cost and adjusted each period for contributions made, distributions received and our share of the investee's comprehensive income. For the investments we account for under the equity method, the premium or excess cost over underlying fair value of net assets is referred to as equity-method goodwill. Impairment of equity investments is recorded when the impairments are other than temporary. These amounts are recorded as investments in unconsolidated affiliates on our accompanying Consolidated Balance Sheets. See Note M for disclosures of our unconsolidated affiliates.

Distributions paid to us from our unconsolidated affiliates are classified as operating activities on our Consolidated Statements of Cash Flows until the cumulative distributions exceed our proportionate share of income from the unconsolidated affiliate since the date of our initial investment. The amount of cumulative distributions paid to us that exceeds our cumulative proportionate share of income in each period represents a return of investment and is classified as an investing activity on our Consolidated Statements of Cash Flows.

Use of Estimates - The preparation of our Consolidated Financial Statements and related disclosures in accordance with GAAP requires us to make estimates and assumptions with respect to values or conditions that cannot be known with certainty that affect the reported amounts on our Consolidated Financial Statements. Items that may be estimated include, but are not limited to, the economic useful life of assets, fair value of assets, liabilities and equity-method investments, obligations under employee benefit plans, provisions for uncollectible accounts receivable, expenses for services received but for which no invoice has been received, provision for income taxes, including any deferred tax valuation allowances, the results of litigation and various other

recorded or disclosed amounts. In addition, a portion of our revenues and cost of sales and fuel are recorded based on current month prices and estimated volumes. The estimates are reversed in the following month when we record actual volumes and prices.

We evaluate our estimates on an ongoing basis using historical experience, consultation with experts and other methods we consider reasonable based on the particular circumstances. Nevertheless, actual results may differ significantly from the estimates. Any effects on our financial position or results of operations from revisions to these estimates are recorded in the period when the facts that give rise to the revision become known.

Fair Value Measurements - For our fair value measurements, we utilize market prices, third-party pricing services, present value methods and standard option valuation models to determine the price we would receive from the sale of an asset or the transfer of a liability in an orderly transaction at the measurement date. We measure the fair value of a group of financial assets and liabilities consistent with how a market participant would price the net risk exposure at the measurement date.

Many of the contracts in our derivative portfolio are executed in liquid markets where price transparency exists. Our financial commodity derivatives are generally settled through a NYMEX or ICE clearing broker account with daily margin requirements. We validate our valuation inputs with third-party information and settlement prices from other sources, where available.

We compute the fair value of our derivative portfolio by discounting the projected future cash flows from our derivative assets and liabilities to present value using interest-rate yields to calculate present-value discount factors derived from the implied forward LIBOR yield curve. The fair value of our forward-starting interest-rate swaps is determined using financial models that incorporate the implied forward LIBOR yield curve for the same period as the future interest-rate swap settlements. We consider current market data in evaluating counterparties', as well as our own, nonperformance risk, net of collateral, by using counterparty-specific bond yields. Although we use our best estimates to determine the fair value of the derivative contracts we have executed, the ultimate market prices realized could differ materially from our estimates.

Fair Value Hierarchy - At each balance sheet date, we utilize a fair value hierarchy to classify fair value amounts recognized or disclosed in our financial statements based on the observability of inputs used to estimate such fair value. The levels of the hierarchy are described below:

- Level 1 - fair value measurements are based on unadjusted quoted prices for identical securities in active markets. These balances are composed predominantly of exchange-traded derivative contracts for natural gas and crude oil.
- Level 2 - fair value measurements are based on significant observable pricing inputs, including quoted prices for similar assets and liabilities in active markets and inputs from third-party pricing services supported with corroborative evidence. These balances are composed of over-the-counter interest-rate derivatives.
- Level 3 - fair value measurements are based on inputs that may include one or more unobservable inputs, including internally developed commodity price curves that incorporate market data from broker quotes and third-party pricing services. These balances are composed predominantly of exchange-cleared and over-the-counter derivatives to hedge NGL price risk and natural gas basis risk between various transaction locations and the NYMEX Henry Hub. Our commodity derivatives are generally valued using forward quotes provided by third-party pricing services that are validated with other market data. We believe any measurement uncertainty at December 31, 2020, is immaterial as our Level 3 fair value measurements are based on unadjusted pricing information from broker quotes and third-party pricing services. We do not believe that our Level 3 fair value estimates have a material impact on our results of operations, as our derivatives are primarily accounted for as hedges.

Determining the appropriate classification of our fair value measurements within the fair value hierarchy requires management's judgment regarding the degree to which market data is observable or corroborated by observable market data. We categorize derivatives for which fair value is determined using multiple inputs within a single level, based on the lowest level input that is significant to the fair value measurement in its entirety.

See Note B for our fair value measurements disclosures.

Cash and Cash Equivalents - Cash equivalents consist of highly liquid investments, which are readily convertible into cash and have original maturities of three months or less.

Revenue Recognition - Revenues are recognized when control of the promised goods or services is transferred to our customers in an amount that reflects the consideration we expect to be entitled to receive in exchange for those goods or services. Our payment terms vary by customer and contract type, including requiring payment before products or services are

delivered to certain customers. However, the term between customer prepayments, completion of our performance obligations, invoicing and receipt of payment due is not significant.

Upon adoption of Topic 606 in January 2018, we determined that certain Natural Gas Gathering and Processing segment fee with POP contracts and Natural Gas Liquids segment exchange services contracts that include the purchase of commodities are supplier contracts. Contractual fees in these identified contracts are recorded as a reduction of the commodity purchase price in cost of sales and fuel. In 2017 and prior periods, these fees were recorded as services revenue.

Performance Obligations and Revenue Sources - Revenue sources are disaggregated in Note Q and are derived from commodity sales and services revenues, as described below:

Commodity Sales (all segments) - We contract to deliver residue natural gas, condensate, unfractionated NGLs and/or NGL products to customers at a specified delivery point. Our sales agreements may be daily or longer-term contracts for a specified volume. We consider the sale and delivery of each unit of a commodity an individual performance obligation as the customer is expected to control, accept and benefit from each unit individually. We record revenue when the commodity is delivered to the customer as this represents the point in time when control of the product is transferred to the customer. Revenue is recorded based on the contracted selling price, which is generally index-based and settled monthly.

Services

Gathering only contracts (Natural Gas Gathering and Processing segment) - Under this type of contract, we charge fees for providing midstream services, which include gathering and treating our customer's natural gas. Our performance obligation begins with delivery of raw natural gas to our system. This service is treated as one performance obligation that is satisfied over time. We use the output method based on delivery of product to our system as the measure of progress, as our services are performed simultaneously.

Fee with POP contracts with producer take-in-kind rights (Natural Gas Gathering and Processing segment) - Under this type of contract, we do not control the stream of unprocessed natural gas that we receive at the wellhead due to the producer's take-in-kind rights. We purchase a portion of the raw natural gas stream, charge fees for providing midstream services, which include gathering, treating, compressing and processing our customer's natural gas. After performing these services, we return primarily the residue natural gas to the producer, sell the remaining commodities and remit a portion of the commodity sales proceeds to the producer less our contractual fees. Our performance obligation begins with delivery of raw natural gas to our system. This service is treated as one performance obligation that is satisfied over time. We use the output method based on delivery of product to our system as the measure of progress, as our services are performed simultaneously.

Transportation and exchange contracts (Natural Gas Liquids segment) - Under this type of contract, we charge fees for providing midstream services, which may include a bundled combination of gathering, transporting and/or fractionation of our customer's NGLs. Our performance obligation begins with delivery of unfractionated NGLs or NGL products to our system. These services represent a series of distinct services that are treated as one performance obligation that is satisfied over time. We use the output method based on delivery of product to our system as the measure of progress, as our services are performed simultaneously. For transportation services under a tariff on our NGL transportation pipelines, fees are recorded upon redelivery to our customer at the completion of the transportation services.

Storage contracts (Natural Gas Liquids and Natural Gas Pipelines segments) - We reserve a stated storage capacity and inject/withdraw/store commodities for our customer. The capacity reservation and injection/withdrawal/storage services are considered a bundled service, as we integrate them into one stand-ready obligation provided on a daily basis over the life of the agreement and satisfied over time. Fixed capacity reservation fees are allocated and evenly recognized in revenue. Capacity reservation fees that vary based on a stated or implied economic index and correspond with the costs to provide our services are recognized in revenue as invoiced to our customers. For contracts that do not include a capacity reservation, transportation, injection and withdrawal fees are recognized in revenue as those services are provided and are dependent on the volume transported, injected or withdrawn by our customer, which is at our customer's discretion. We use the output method based on the passage of time to measure satisfaction of the performance obligation associated with our daily stand-ready services.

Firm service transportation contracts (Natural Gas Pipelines segment) - We reserve a stated transportation capacity and transport commodities for our customer. The capacity reservation and transportation services are considered a bundled service, as we integrate them into one stand-ready obligation provided on a daily basis over the life of the agreement and satisfied over time. Fixed capacity reservation fees are allocated and evenly recognized in revenue. Capacity reservation fees that vary based on a stated or implied economic index and correspond with the costs to provide our services are recognized in revenue based on a daily effective fee rate. If the capacity reservation fees vary solely as a contract feature, contract assets or liabilities are recorded for the difference between the amount recorded in revenue and the amount billed to the customer. Transportation fees

are recognized in revenue as those services are provided and are dependent on the volume transported by our customer, which is at our customer's discretion. We use the output method based on the passage of time to measure satisfaction of the performance obligation associated with our daily stand-ready services.

Interruptible transportation contracts (Natural Gas Pipelines segment) - We agree to transport natural gas on our pipelines between the customer's specified nomination and delivery points if capacity is available after satisfying firm transportation service obligations. The transaction price is based on the transportation fees times the volumes transported. We use the output method based on delivery of product to the customer to measure satisfaction of the performance obligation. The total consideration for delivered volumes is recorded in revenue at the time of delivery, when the customer obtains control.

See Note P for our revenue disclosures.

Contract Assets and Contract Liabilities - Contract assets and contract liabilities are recorded when the amount of revenue recognized from a contract with a customer differs from the amount billed to the customer and recorded in accounts receivable. Our contract asset balances at the beginning and end of the period primarily relate to our firm service transportation contracts with tiered rates. Our contract liabilities primarily represent deferred revenue on contributions in aid of construction received from customers for which revenue is recognized over the contract periods, which range from 5 to 10 years, and deferred revenue on NGL storage contracts for which revenue is recognized over a one-year term.

Cost of Sales and Fuel - Cost of sales and fuel primarily includes (i) the cost of purchased commodities, including NGLs, natural gas and condensate, (ii) fees incurred for third-party transportation, fractionation and storage of commodities, (iii) fuel and power costs incurred to operate our own facilities that gather, process, transport and store commodities, and (iv) an offset from the contractual fees deducted from the cost of purchased commodities under the contract types below:

Fee with POP contracts with no producer take-in-kind rights (Natural Gas Gathering and Processing segment) - We purchase raw natural gas and charge contractual fees for providing midstream services, which include gathering, treating, compressing and processing the producer's natural gas. After performing these services, we sell the commodities and return a portion of the commodity sales proceeds to the producer less our contractual fees.

Purchase with fee (Natural Gas Liquids segment) - Under this type of contract, we purchase raw, unfractionated NGLs at an index price and charge fees for providing midstream services, which may include a bundled combination of gathering, transporting and/or fractionation of our customer's NGLs.

Operations and Maintenance - Operations and maintenance primarily includes (i) payroll and benefit costs, (ii) third-party costs for operations, maintenance and integrity management, regulatory compliance and environmental and safety, and (iii) other business-related service costs.

Accounts Receivable - Accounts receivable represent valid claims against nonaffiliated customers for products sold or services rendered. Upon adoption of ASU 2016-13 in January 2020, we present accounts receivable net of an allowance for credit losses to reflect the net amount expected to be collected. We assess the creditworthiness of our counterparties on an ongoing basis and require security, including prepayments and other forms of collateral, when appropriate. Outstanding customer receivables are reviewed regularly for possible nonpayment indicators, and allowances for credit losses are recorded based upon management's estimate of collectability, current conditions and supportable forecasts at each balance sheet date. At December 31, 2020, our allowance for credit losses was not material. See "Recently Issued Accounting Standards Update" table below for more information.

Inventory - The values of current NGLs and natural gas in storage are determined using the lower of weighted-average cost or net realizable value. Noncurrent NGLs and natural gas are classified as property and valued at cost. Materials and supplies are valued at average cost. Certain large equipment inventory, which will ultimately be capitalized to property, plant and equipment when utilized, is included in other assets in our Consolidated Balance Sheets and is valued at weighted-average cost.

Commodity Imbalances - Commodity imbalances represent amounts payable or receivable for NGL exchange contracts and natural gas pipeline imbalances and are valued at market prices. Under the majority of our NGL exchange agreements, we physically receive volumes of unfractionated NGLs, including the risk of loss and legal title to such volumes, from the exchange counterparty. In turn, we deliver NGL products back to the customer and charge them gathering, transportation and fractionation fees. To the extent that the volumes we receive under such agreements differ from those we deliver, we record a net exchange receivable or payable position with the counterparties. These net exchange receivables and payables are generally settled with movements of NGL products rather than with cash. Natural gas pipeline imbalances are settled in cash or in-kind, subject to the terms of the pipelines' tariffs or by agreement.

Derivatives and Risk Management - We utilize derivatives to reduce our market-risk exposure to commodity price and interest-rate fluctuations and to achieve more predictable cash flows. We record all derivative instruments at fair value, with the exception of normal purchases and normal sales transactions that are expected to result in physical delivery. Commodity price and interest-rate volatility may have a significant impact on the fair value of derivative instruments as of a given date. The accounting for changes in the fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so, the reason for holding it. The table below summarizes the various ways in which we account for our derivative instruments and the impact on our Consolidated Financial Statements:

Accounting Treatment	Recognition and Measurement	
	Balance Sheet	Income Statement
Normal purchases and normal sales	- Fair value not recorded	- Change in fair value not recognized in earnings
Mark-to-market	- Recorded at fair value	- Change in fair value recognized in earnings
Cash flow hedge	- The gain or loss on the derivative instrument is reported initially as a component of accumulated other comprehensive income (loss)	- The gain or loss on the derivative instrument is reclassified out of accumulated other comprehensive income (loss) into earnings when the forecasted transaction affects earnings
Fair value hedge	- Recorded at fair value	- The gain or loss on the derivative instrument is recognized in earnings
	- Change in fair value of the hedged item is recorded as an adjustment to book value	- Change in fair value of the hedged item is recognized in earnings

To reduce our exposure to fluctuations in natural gas, NGLs and condensate prices, we periodically enter into futures, forward purchases and sales, options or swap transactions in order to hedge anticipated purchases and sales of natural gas, NGLs and condensate. Interest-rate swaps are used from time to time to manage interest-rate risk. Under certain conditions, we designate our derivative instruments as a hedge of exposure to changes in fair values or cash flows. We formally document all relationships between hedging instruments and hedged items, as well as risk-management objectives and strategies for undertaking various hedge transactions, and methods for assessing and testing correlation and hedge effectiveness. We specifically identify the forecasted transaction that has been designated as the hedged item in a cash flow hedge relationship. We assess hedging relationships at the inception of the hedge and on an ongoing basis to determine whether the hedging relationship is, and is expected to remain, highly effective. We also document our normal purchases and normal sales transactions that we expect to result in physical delivery and that we elect to exempt from derivative accounting treatment.

The realized revenues and purchase costs of our derivative instruments not considered held for trading purposes and derivatives that qualify as normal purchases or normal sales that are expected to result in physical delivery are reported on a gross basis.

Cash flows from futures, forwards, options and swaps that are accounted for as hedges are included in the same category as the cash flows from the related hedged items in our Consolidated Statements of Cash Flows.

See Notes B and C for disclosures of our fair value measurements and risk-management and hedging activities, respectively.

Property, Plant and Equipment - Our properties are stated at cost, including AFUDC and capitalized interest. In some cases, the cost of regulated property retired or sold, plus removal costs, less salvage, is charged to accumulated depreciation. Gains and losses from sales or transfers of nonregulated properties or an entire operating unit or system of our regulated properties are recognized in income. Maintenance and repairs are charged directly to expense.

The interest portion of AFUDC and capitalized interest represent the cost of borrowed funds used to finance construction activities for regulated and nonregulated projects, respectively. We capitalize interest costs during the construction or upgrade of qualifying assets. These costs are recorded as a reduction to interest expense. The equity portion of AFUDC represents the capitalization of the estimated average cost of equity used during the construction of major projects and is recorded in the cost of our regulated properties and as a credit to the allowance for equity funds used during construction.

Our properties are depreciated using the straight-line method over their estimated useful lives. Generally, we apply composite depreciation rates to functional groups of property having similar economic circumstances. We periodically conduct depreciation studies to assess the economic lives of our assets. For our regulated assets, these depreciation studies are completed as a part of our rate proceedings or tariff filings, and the changes in economic lives, if applicable, are implemented prospectively when the new rates are approved. For our nonregulated assets, if it is determined that the estimated economic life

changes, the changes are made prospectively. Changes in the estimated economic lives of our property, plant and equipment could have a material effect on our financial position or results of operations.

Property, plant and equipment on our Consolidated Balance Sheets includes construction work in process for capital projects that have not yet been placed in service and therefore are not being depreciated. Assets are transferred out of construction work in process when they are substantially complete and ready for their intended use.

See Note D for our property, plant and equipment disclosures.

Impairment of Goodwill and Long-Lived Assets, Including Intangible Assets - We assess our goodwill for impairment at least annually as of July 1, unless events or changes in circumstances indicate an impairment may have occurred before that time. At July 1, 2020, we assessed qualitative factors subsequent to our first quarter 2020 impairment charges discussed below to determine whether it was more likely than not that the fair value of our Natural Gas Liquids and Natural Gas Pipelines reporting units were less than their carrying amount. After assessing qualitative factors (including macroeconomic conditions, industry and market considerations, cost factors and overall financial performance), we determined that it was more likely than not that the fair value of our Natural Gas Liquids and Natural Gas Pipelines reporting units were not less than their respective carrying value, no further testing was necessary and goodwill was not considered impaired. At July 1, 2020, there was no remaining goodwill associated with our Natural Gas Gathering and Processing reporting unit.

Late in the first quarter 2020, we experienced a significant decline in our share price and market capitalization as the energy industry experienced historic events that led to a simultaneous demand and supply disruption. The World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide, which contributed to a massive economic slowdown and decreased demand for crude oil, natural gas and NGLs. In addition, Saudi Arabia and Russia increased production of crude oil as the two countries competed for market share. As a result, the global supply of crude oil significantly exceeded demand and led to a collapse in crude oil prices. Due to the impact of these events, we performed a Step 1 analysis in the first quarter 2020 to test our goodwill for impairment and evaluated certain long-lived asset groups and equity investments for impairment.

Goodwill - In the Step 1 analysis, an assessment is made by comparing the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying value of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. In January 2020, we adopted ASU 2017-04 in which the requirement to calculate the implied fair value of goodwill under the two-step impairment test was eliminated.

To estimate the fair value of our reporting units, we use two generally accepted valuation approaches, an income approach and a market approach, using assumptions consistent with a market participant's perspective. Under the income approach, we use anticipated cash flows over a period of years plus a terminal value and discount these amounts to their present value using appropriate discount rates. Under the market approach, we apply EBITDA multiples to forecasted EBITDA. The multiples used are consistent with historical asset transactions. The forecasted cash flows are based on average forecasted cash flows for a reporting unit over a period of years.

Based on the results of our impairment test, we concluded that the carrying value of the Natural Gas Gathering and Processing reporting unit exceeded its estimated fair value, resulting in a noncash impairment charge of \$153.4 million, which is included within impairment charges in our Consolidated Statement of Income for the year ended December 31, 2020. The estimated fair value of our Natural Gas Liquids and Natural Gas Pipelines reporting units substantially exceeded their respective carrying values.

Long-lived assets - We assess our long-lived assets for impairment whenever events or changes in circumstances indicate that an asset's carrying amount may not be recoverable. An impairment is indicated if the carrying amount of a long-lived asset exceeds the sum of the undiscounted future cash flows expected to result from the use and eventual disposition of the asset. If an impairment is indicated, we record an impairment loss equal to the difference between the carrying value and the fair value of the long-lived asset.

In 2020, we evaluated our Natural Gas Gathering and Processing segment asset groups and determined that the carrying value of certain long-lived asset groups in the Powder River Basin, western Oklahoma and Kansas were not recoverable and exceeded their estimated fair value. We recorded noncash impairment charges of \$382.2 million, which includes a natural gas processing plant and infrastructure in the Powder River Basin and its related supply contracts and natural gas processing plants and infrastructure in western Oklahoma and Kansas. In our Natural Gas Liquids segment, we recorded noncash impairment charges of \$71.6 million related primarily to certain inactive assets, as our expectation for future use of the assets changed. These

charges are included within impairment charges in our Consolidated Statement of Income for the year ended December 31, 2020.

Investments in unconsolidated affiliates - The impairment test for equity-method investments considers whether the fair value of the equity investment as a whole, not the underlying net assets, has declined and whether that decline is other than temporary. Therefore, we periodically evaluate the amount at which we carry our equity-method investments to determine whether current events or circumstances warrant adjustments to our carrying values.

In 2020, we evaluated our investments in unconsolidated affiliates and concluded that the carrying value of our 10.2% investment in Venice Energy Services Company in our Natural Gas Gathering and Processing segment exceeded its estimated fair value, resulting in a noncash impairment charge of \$30.5 million, which includes an impairment to our equity-method goodwill of \$22.3 million. We also concluded that the carrying value of our 50% investment in Chisholm Pipeline Company in our Natural Gas Liquids segment exceeded its estimated fair value, resulting in a noncash impairment charge of \$7.2 million. These impairment charges are included within impairment of equity investments in our Consolidated Statement of Income for the year ended December 31, 2020.

See Notes D, E and M for our long-lived assets, goodwill and intangible assets and investments in unconsolidated affiliates disclosures, respectively.

Regulation - Depending on the specific service provided, our natural gas transmission pipelines, NGL pipelines and certain natural gas storage facilities are subject to rate regulation and/or accounting requirements by one or more of the FERC, OCC, KCC and RRC. Accordingly, portions of our Natural Gas Liquids and Natural Gas Pipelines segments follow the accounting and reporting guidance for regulated operations. In our Consolidated Financial Statements and our Notes to Consolidated Financial Statements, regulated operations are defined pursuant to Financial Accounting Standards Board's (FASB) ASC 980, Regulated Operations. During the rate-making process for certain of our assets, regulatory authorities set the framework for what we can charge customers for our services and establish the manner that our costs are accounted for, including allowing us to defer recognition of certain costs and permitting recovery of the amounts through rates over time as opposed to expensing such costs as incurred. Certain examples of types of regulatory guidance include costs for fuel and losses, acquisition costs, contributions in aid of construction, charges for depreciation, and gains or losses on disposition of assets. This allows us to stabilize rates over time rather than passing such costs on to the customer for immediate recovery. Actions by regulatory authorities could have an effect on the amounts we may charge our customers. Any difference in the amount recoverable and the amount deferred is recorded as income or expense at the time of the regulatory action. A write-off of regulatory assets and costs not recovered may be required if all or a portion of the regulated operations have rates that are no longer (i) established by independent, third-party regulators and (ii) set at levels that will recover our costs when considering the demand and competition for our services.

Retirement and Other Postretirement Employee Benefits - We have defined benefit retirement plans covering certain employees and former employees. We sponsor welfare plans that provide postretirement medical and life insurance benefits to certain employees hired prior to 2017 who retire with at least five years of service. The expense and liability related to these plans is calculated using statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, expected return on plan assets, rate of future compensation increases, mortality and employment length. In determining the projected benefit obligations and costs, assumptions can change from period to period and may result in changes in the costs and liabilities we recognize.

See Note K for our retirement and other postretirement employee benefits disclosures.

Income Taxes - Deferred income taxes are provided for the difference between the financial statement and income tax basis of assets and liabilities and carryforward items based on income tax laws and rates existing at the time the temporary differences are expected to reverse. Generally, the effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date of the rate change.

We utilize a more-likely-than-not recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position that is taken or expected to be taken in a tax return. We reflect penalties and interest as part of income tax expense as they become applicable for tax provisions that do not meet the more-likely-than-not recognition threshold and measurement attribute. During 2020, 2019 and 2018, we had no uncertain tax positions that required the establishment of a material reserve.

We utilize the "with-and-without" approach for intra-period tax allocation for purposes of allocating total tax expense (or benefit) for the year among the various financial statement components.

We file numerous consolidated and separate income tax returns with federal tax authorities of the United States along with the tax authorities of several states. We are not under any United States federal audits or statute waivers at this time.

See Note L for our income taxes disclosures.

Asset Retirement Obligations - Asset retirement obligations represent legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or normal use of the asset. Certain of our natural gas gathering and processing, NGL and natural gas pipeline facilities are subject to agreements or regulations that give rise to our asset retirement obligations for removal or other disposition costs associated with retiring the assets in place upon the discontinued use of the assets. We recognize the fair value of a liability for an asset retirement obligation in the period when it is incurred if a reasonable estimate of the fair value can be made. We are not able to estimate reasonably the fair value of the asset retirement obligations for portions of our assets, primarily certain pipeline assets, because the settlement dates are indeterminable given our expected continued use of the assets with proper maintenance. We expect our pipeline assets, for which we are unable to estimate reasonably the fair value of the asset retirement obligation, will continue in operation as long as supply and demand for natural gas and NGLs exist. Based on the widespread use of natural gas for heating and cooking activities for residential users and electric-power generation for commercial users, as well as use of NGLs by the petrochemical industry, we expect supply and demand to exist for the foreseeable future.

For our assets that we are able to make an estimate, the fair value of the liability is added to the carrying amount of the associated asset, and this additional carrying amount is depreciated over the life of the asset. The liability is accreted at the end of each period through charges to operating expense. If the obligation is settled for an amount other than the carrying amount of the liability, we will recognize a gain or loss on settlement. The depreciation and accretion expense are immaterial to our Consolidated Financial Statements.

Contingencies - Our accounting for contingencies covers a variety of business activities, including contingencies for legal and environmental exposures. We accrue these contingencies when our assessments indicate that it is probable that a liability has been incurred or an asset will not be recovered and an amount can be estimated reasonably. We expense legal fees as incurred and base our legal liability estimates on currently available facts and our estimates of the ultimate outcome or resolution. Accruals for estimated losses from environmental remediation obligations generally are recognized no later than completion of a remediation feasibility study. Recoveries of environmental remediation costs from other parties are recorded as assets when their receipt is deemed probable. Our expenditures for environmental evaluation, mitigation, remediation and compliance to date have not been significant in relation to our financial position or results of operations, and our expenditures related to environmental matters had no significant effect on earnings or cash flows during 2020, 2019 and 2018. Actual results may differ from our estimates resulting in an impact, positive or negative, on earnings.

See Note N for additional discussion of contingencies.

Share-Based Payments - We expense the fair value of share-based payments net of estimated forfeitures. We estimate forfeiture rates based on historical forfeitures under our share-based payment plans.

See Note J for our share-based payments disclosures.

Earnings per Common Share - Basic EPS is calculated based on the daily weighted-average number of shares of common stock outstanding during the period, vested restricted and performance units that have been deferred and share awards deferred under the compensation plan for non-employee directors. Diluted EPS is calculated based on the daily weighted-average number of shares of common stock outstanding during the period plus potentially dilutive components. The dilutive components are calculated based on the dilutive effect for each quarter. For fiscal-year periods, the dilutive components for each quarter are averaged to arrive at the fiscal year-to-date dilutive component.

See Note I for our EPS disclosures.

Segment Reporting - Our chief operating decision-maker reviews the financial performance of each of our three segments, as well as our financial performance as a whole, on a regular basis. Adjusted EBITDA by segment is utilized in this evaluation. We believe this financial measure is useful to investors because it and similar measures are used by many companies in our industry as a measurement of financial performance and are commonly employed by financial analysts and others to evaluate our financial performance and to compare financial performance among companies in our industry. Adjusted EBITDA for each segment is defined as net income adjusted for interest expense, depreciation and amortization, noncash impairment charges,

income taxes, allowance for equity funds used during construction, noncash compensation expense, and other noncash items. This calculation may not be comparable with similarly titled measures of other companies.

See Note Q for our segments disclosures.

Reclassifications - Certain reclassifications have been made in the prior-year financial statements to conform to the current-year presentation.

Recently Issued Accounting Standards Update - Changes to GAAP are established by the FASB in the form of ASUs to the FASB Accounting Standards Codification. We consider the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or clarifications of ASUs previously issued or listed below. Except as discussed below, there have been no new accounting pronouncements that have become effective or have been issued that are of significance or potential significance to us. The following table provides a brief description of recently adopted accounting pronouncements and our analysis of the effects on our financial statements:

Standard	Description	Date of Adoption	Effect on the Financial Statements or Other Significant Matters
<i>Standards that were adopted as of December 31, 2020</i>			
ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments"	The standard requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented net of the allowance for credit losses to reflect the net carrying value at the amount expected to be collected on the financial asset; and the initial allowance for credit losses for purchased financial assets, including available-for-sale debt securities, to be added to the purchase price rather than being reported as a credit loss expense.	First quarter 2020	The impact of adopting this standard was not material.
ASU 2017-04, "Intangibles- Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment"	The standard simplifies the subsequent measurement of goodwill by eliminating the requirement to calculate the implied fair value of goodwill under step 2. Instead, an entity will recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The standard does not change step zero or step 1 assessments.	First quarter 2020	We adopted and implemented this standard prior to recording noncash impairment charges related to our goodwill, as described above.
ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting"	The standard provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met.	First quarter 2020	The impact of adopting this standard was not material.
<i>Standards that are not yet adopted as of December 31, 2020</i>			
ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes"	The standard simplifies certain concepts in Topic 740, Income Taxes.	First quarter 2021	We adopted this standard in January 2021, and the impact of adopting this standard was not material.

B. FAIR VALUE MEASUREMENTS

Recurring Fair Value Measurements - The following tables set forth our recurring fair value measurements for the periods indicated:

	December 31, 2020					
	Level 1	Level 2	Level 3	Total - Gross	Netting (a)	Total - Net
	<i>(Thousands of dollars)</i>					
Derivative assets						
Commodity contracts						
Financial contracts	\$ 6,697	\$ —	\$ 103,801	\$ 110,498	\$ (110,498)	\$ —
Total derivative assets	\$ 6,697	\$ —	\$ 103,801	\$ 110,498	\$ (110,498)	\$ —

	December 31, 2020					
	Level 1	Level 2	Level 3	Total - Gross	Netting (a)	Total - Net
	<i>(Thousands of dollars)</i>					
Derivative liabilities						
Commodity contracts						
Financial contracts	\$ (10,489)	\$ —	\$ (135,122)	\$ (145,611)	\$ 145,611	\$ —
Interest-rate contracts	—	(203,407)	—	(203,407)	—	(203,407)
Total derivative liabilities	\$ (10,489)	\$ (203,407)	\$ (135,122)	\$ (349,018)	\$ 145,611	\$ (203,407)

(a) - Derivative assets and liabilities are presented in our Consolidated Balance Sheet on a net basis. We net derivative assets and liabilities when a legally enforceable master-netting arrangement exists between the counterparty to a derivative contract and us. At December 31, 2020, we held no cash and posted \$63.1 million of cash with various counterparties, including \$35.1 million of cash collateral that is offsetting derivative net liability positions under master-netting arrangements in the table above. The remaining \$28.0 million of cash collateral in excess of derivative net liability positions is included in other current assets in our Consolidated Balance Sheet.

	December 31, 2019					
	Level 1	Level 2	Level 3	Total - Gross	Netting (a)	Total - Net
	<i>(Thousands of dollars)</i>					
Derivative assets						
Commodity contracts						
Financial contracts	\$ 10,892	\$ —	\$ 55,557	\$ 66,449	\$ (28,588)	\$ 37,861
Interest-rate contracts	—	581	—	581	—	581
Total derivative assets	\$ 10,892	\$ 581	\$ 55,557	\$ 67,030	\$ (28,588)	\$ 38,442

	December 31, 2019					
	Level 1	Level 2	Level 3	Total - Gross	Netting (a)	Total - Net
	<i>(Thousands of dollars)</i>					
Derivative liabilities						
Commodity contracts						
Financial contracts	\$ (4,811)	\$ —	\$ (24,785)	\$ (29,596)	\$ 28,588	\$ (1,008)
Interest-rate contracts	—	(201,941)	—	(201,941)	—	(201,941)
Total derivative liabilities	\$ (4,811)	\$ (201,941)	\$ (24,785)	\$ (231,537)	\$ 28,588	\$ (202,949)

(a) - Derivative assets and liabilities are presented in our Consolidated Balance Sheet on a net basis. We net derivative assets and liabilities when a legally enforceable master-netting arrangement exists between the counterparty to a derivative contract and us. At December 31, 2019, we held no cash and posted \$8.8 million of cash with various counterparties, which is included in other current assets in our Consolidated Balance Sheet.

The following table sets forth a reconciliation of our Level 3 fair value measurements for the periods indicated:

Derivative Assets (Liabilities)	Years Ended December 31,	
	2020	2019
	<i>(Thousands of dollars)</i>	
Net assets at beginning of period	\$ 30,772	\$ 40,484
Total changes in fair value:		
Settlements included in net income (a)	(31,660)	(40,344)
New Level 3 derivatives included in other comprehensive loss (b)	(36,568)	30,627
Unrealized change included in other comprehensive loss (b)	6,135	5
Net assets (liabilities) at end of period	\$ (31,321)	\$ 30,772

(a) - Included in commodity sales revenues/cost of sales and fuel in our Consolidated Statements of Income.

(b) - Included in change in fair value of derivatives in our Consolidated Statements of Comprehensive Income.

During the years ended December 31, 2020 and 2019, there were no transfers in or out of Level 3 of the fair value hierarchy.

Other Financial Instruments - The approximate fair value of cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings is equal to book value due to the short-term nature of these items. Our cash and cash equivalents are composed of bank and money market accounts and are classified as Level 1. Our short-term borrowings are classified as Level 2 since the estimated fair value of the short-term borrowings can be determined using information available in the commercial paper market.

The estimated fair value of our consolidated long-term debt, including current maturities, was \$16.3 billion and \$13.8 billion at December 31, 2020 and 2019, respectively. The book value of our consolidated long-term debt, including current maturities, was \$14.2 billion and \$12.5 billion at December 31, 2020 and 2019, respectively. The estimated fair value of the aggregate senior notes outstanding was determined using quoted market prices for similar issues with similar terms and maturities. The estimated fair value of our consolidated long-term debt is classified as Level 2.

Nonrecurring Fair Value Measurements - In 2020, we incurred noncash impairment charges for certain long-lived assets and equity investments. The valuation of these assets and investments required the use of significant unobservable inputs. To estimate the fair value, we used two generally accepted valuation approaches, an income approach and a market approach. Under the income approach, our discounted cash flow analysis included the following inputs that are not readily available: a discount rate reflective of industry cost of capital, our estimated contract rates, volumes, operating margins, operating and maintenance costs and capital expenditures. Under the market approach, our inputs included EBITDA multiples, which were estimated from recent peer acquisition transactions, and forecasted EBITDA, which incorporates inputs similar to those used under the income approach. The estimated fair value of these assets is classified as Level 3. See Note A for additional information about our impairment charges.

C. RISK-MANAGEMENT AND HEDGING ACTIVITIES USING DERIVATIVES

Risk-management Activities - We are sensitive to changes in natural gas, crude oil and NGL prices, principally as a result of contractual terms under which these commodities are processed, purchased and sold. We are also subject to the risk of interest-rate fluctuation in the normal course of business. We use physical-forward purchases and sales and financial derivatives to secure a certain price for a portion of our natural gas, condensate and NGL products; to reduce our exposure to commodity price and interest-rate fluctuations; and to achieve more predictable cash flows. We follow established policies and procedures to assess risk and approve, monitor and report our risk-management activities. We have not used these instruments for trading purposes.

Commodity price risk - Commodity price risk refers to the risk of loss in cash flows and future earnings arising from adverse changes in the price of natural gas, NGLs and condensate. We may use the following commodity derivative instruments to reduce the near-term commodity price risk associated with a portion of the forecasted sales of these commodities:

- **Futures contracts** - Standardized contracts to purchase or sell natural gas and crude oil for future delivery or settlement under the provisions of exchange regulations;
- **Forward contracts** - Nonstandardized commitments between two parties to purchase or sell natural gas, crude oil or NGLs for future physical delivery. These contracts are typically nontransferable and can only be canceled with the consent of both parties;
- **Swaps** - Exchange of one or more payments based on the value of one or more commodities. These instruments transfer the financial risk associated with a future change in value between the counterparties of the transaction, without also conveying ownership interest in the asset or liability; and
- **Options** - Contractual agreements that give the holder the right, but not the obligation, to buy or sell a fixed quantity of a commodity at a fixed price within a specified period of time. Options may either be standardized and exchange-traded or customized and nonexchange-traded.

We may also use other instruments, including collars, to mitigate commodity price risk. A collar is a combination of a purchased put option and a sold call option, which places a floor and a ceiling price for commodity sales being hedged.

In our Natural Gas Gathering and Processing segment, we are exposed to commodity price risk as a result of retaining a portion of the commodity sales proceeds associated with our fee with POP contracts. Under certain fee with POP contracts, our fees and POP percentage may increase or decrease if production volumes, delivery pressures or commodity prices change relative to specified thresholds. In certain commodity price environments, our contractual fees on these certain fee with POP contracts may decrease, which impacts the average fee rate in our Natural Gas Gathering and Processing segment. We also are exposed to basis risk between the various production and market locations where we buy and sell commodities. As part of our hedging

strategy, we use the previously described commodity derivative financial instruments and physical-forward contracts to reduce the impact of price fluctuations related to natural gas, NGLs and condensate.

In our Natural Gas Liquids segment, we are primarily exposed to commodity price risk resulting from the relative values of the various NGL products to each other, the value of NGLs in storage and the relative value of NGLs to natural gas. We are also exposed to location price differential risk as a result of the relative value of NGL purchases at one location and sales at another location, primarily related to our optimization and marketing business. As part of our hedging strategy, we utilize physical-forward contracts and commodity derivative financial instruments to reduce the impact of price fluctuations related to NGLs.

In our Natural Gas Pipelines segment, we are primarily exposed to commodity price risk on our intrastate pipelines because they consume natural gas in operations and retain natural gas from our customers for operations or as part of our fee for services provided. When the amount consumed in operations differs from the amount provided by our customers, our pipelines must buy or sell natural gas, or store or use natural gas inventory, which can expose this segment to commodity price risk depending on the regulatory treatment for this activity. To the extent that commodity price risk in our Natural Gas Pipelines segment is not mitigated by fuel cost-recovery mechanisms, we may use physical-forward sales or purchases to reduce the impact of natural gas price fluctuations. At December 31, 2020 and 2019, there were no financial derivative instruments with respect to our natural gas pipeline operations.

Interest-rate risk - We manage interest-rate risk through the use of fixed-rate debt, floating-rate debt and interest-rate swaps. Interest-rate swaps are agreements to exchange interest payments at some future point based on specified notional amounts.

In 2020, we settled \$750 million of our forward-starting interest-rate swaps related to our underwritten public offerings of \$1.75 billion senior unsecured notes resulting in a loss of \$152.5 million, which is included in accumulated other comprehensive loss and amortized to interest expense over the term of the related debt. We also settled the remaining \$1.3 billion of our interest-rate swaps used to hedge our LIBOR-based interest payments resulting in a loss of \$48.3 million, which was recognized into interest expense upon repayment of the remaining balance of our \$1.5 Billion Term Loan Agreement.

At December 31, 2020, and December 31, 2019, we had forward-starting interest-rate swaps with notional amounts totaling \$1.1 billion and \$1.8 billion, respectively, to hedge the variability of interest payments on a portion of our forecasted debt issuances. At December 31, 2019, we had interest-rate swaps with notional amounts totaling \$1.3 billion to hedge the variability of our LIBOR-based interest payments, all of which have settled as of December 31, 2020. All of our interest-rate swaps are designated as cash flow hedges.

Fair Values of Derivative Instruments - See Note A for a discussion of the inputs associated with our fair value measurements. The following table sets forth the fair values of our derivative instruments presented on a gross basis for the periods indicated:

Location in our Consolidated Balance Sheets	December 31, 2020		December 31, 2019		
	Assets	(Liabilities)	Assets	(Liabilities)	
<i>(Thousands of dollars)</i>					
Derivatives designated as hedging instruments					
Commodity contracts (a)					
Financial contracts (b)	Other current assets	\$ 107,461	\$ (142,573)	\$ 64,858	\$ (26,997)
	Other deferred credits	—	—	1,591	(2,599)
Interest-rate contracts	Other current liabilities	—	—	—	(90,161)
	Other assets/other deferred credits	—	(203,407)	581	(111,780)
Total derivatives designated as hedging instruments		107,461	(345,980)	67,030	(231,537)
Derivatives not designated as hedging instruments					
Commodity contracts (a)					
Financial contracts (b)		3,037	(3,038)	—	—
Total derivatives not designated as hedging instruments		3,037	(3,038)	—	—
Total derivatives		\$ 110,498	\$ (349,018)	\$ 67,030	\$ (231,537)

(a) - Derivative assets and liabilities are presented in our Consolidated Balance Sheets on a net basis when a legally enforceable master-netting arrangement exists between the counterparty to a derivative contract and us.

(b) - At December 31, 2020, our derivative net liability positions under master-netting arrangements for financial contracts were fully offset by \$35.1 million of cash collateral.

Notional Quantities for Derivative Instruments - The following table sets forth the notional quantities for derivative instruments held for the periods indicated:

	Contract Type	December 31, 2020		December 31, 2019	
		Net Purchased/Payor (Sold/Receiver)			
Derivatives designated as hedging instruments: (a)					
Cash flow hedges					
Fixed price					
-Natural gas (Bcf)	Futures	(43.3)			(59.0)
-Crude oil and NGLs (MMBbl)	Futures	(4.6)			(9.5)
Basis					
-Natural gas (Bcf)	Futures	(43.3)			(59.0)
Interest-rate contracts (Billions of dollars)	Swaps	\$ 1.1	\$		3.1

(a) - Notional amounts for derivatives not designated as hedging instruments are excluded from the table above due to fully offsetting notional quantities of 0.8 Bcf for crude oil and NGLs fixed priced derivative instruments for the year ended December 31, 2020.

Cash Flow Hedges - The following table sets forth the unrealized change in fair value of cash flow hedges in other comprehensive income (loss) for the periods indicated:

	Years Ended December 31,		
	2020	2019	2018
	(Thousands of dollars)		
Commodity contracts	\$ (5,699)	\$ 38,819	\$ 53,217
Interest-rate contracts	(208,616)	(230,771)	(60,584)
Total unrealized change in fair value of cash flow hedges in other comprehensive income (loss)	\$ (214,315)	\$ (191,952)	\$ (7,367)

The following table sets forth the effect of cash flow hedges on net income for the periods indicated:

Derivatives in Cash Flow Hedging Relationships	Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Net Income	Years Ended December 31,		
		2020	2019	2018
		(Thousands of dollars)		
Commodity contracts	Commodity sales revenues	\$ 85,436	\$ 94,547	\$ (37,596)
	Cost of sales and fuel	(19,170)	(44,202)	8,000
Interest-rate contracts (a)	Interest expense	(93,676)	(23,230)	(18,287)
Total change in fair value of cash flow hedges reclassified from accumulated other comprehensive loss into net income on derivatives		\$ (27,410)	\$ 27,115	\$ (47,883)

(a) - The year ended December 31, 2020, includes a loss of \$48.3 million on the settlement of our remaining \$1.3 billion interest-rate swaps used to hedge our LIBOR-based interest payments.

Credit Risk - We monitor the creditworthiness of our counterparties and compliance with policies and limits established by our Risk Oversight and Strategy Committee. We maintain credit policies with regard to our counterparties that we believe minimize overall credit risk. These policies include an evaluation of potential counterparties' financial condition (including credit ratings, bond yields and credit default swap rates), collateral requirements under certain circumstances and the use of standardized master-netting agreements that allow us to net the positive and negative exposures associated with a single counterparty. We use internally developed credit ratings for counterparties that do not have a credit rating.

Our financial commodity derivatives are generally settled through a NYMEX or ICE clearing broker account with daily margin requirements. However, we may enter into financial derivative instruments that contain provisions that require us to maintain an investment-grade credit rating from S&P, Fitch and/or Moody's. If our credit ratings on our senior unsecured long-term debt were to decline below investment grade, the counterparties to the derivative instruments could request collateralization on derivative instruments in net liability positions. There were no financial derivative instruments with contingent features related to credit risk at December 31, 2020.

The counterparties to our derivative contracts typically consist of major energy companies, financial institutions and commercial and industrial end users. This concentration of counterparties may affect our overall exposure to credit risk, either positively or negatively, in that the counterparties may be affected similarly by changes in economic, regulatory or other conditions. Based on our policies, exposures, credit and other reserves, we do not anticipate a material adverse effect on our financial position or results of operations as a result of counterparty nonperformance.

At December 31, 2020, the credit exposure from our derivative assets is with investment-grade companies in the financial services sector.

D. PROPERTY, PLANT AND EQUIPMENT

The following table sets forth our property, plant and equipment by property type, for the periods indicated:

	Estimated Useful Lives (Years)	December 31, 2020	December 31, 2019
<i>(Thousands of dollars)</i>			
Nonregulated			
Gathering pipelines and related equipment	5 to 40	\$ 4,143,752	\$ 4,316,936
Processing and fractionation and related equipment	3 to 40	5,084,802	4,439,332
Storage and related equipment	3 to 54	798,785	684,635
Transmission pipelines and related equipment	5 to 54	810,434	797,678
General plant and other	2 to 60	647,675	610,013
Construction work in process	—	1,265,736	1,645,663
Regulated			
Storage and related equipment	5 to 25	9,180	9,180
Natural gas transmission pipelines and related equipment	5 to 77	1,569,268	1,552,546
NGL transmission pipelines and related equipment	5 to 88	8,423,544	6,126,056
General plant and other	2 to 50	72,535	66,507
Construction work in process	—	247,224	1,802,946
Property, plant and equipment		23,072,935	22,051,492
Accumulated depreciation and amortization - nonregulated		(2,514,328)	(2,471,649)
Accumulated depreciation and amortization - regulated		(1,403,679)	(1,231,158)
Net property, plant and equipment		\$ 19,154,928	\$ 18,348,685

The average depreciation rates for our regulated property are set forth, by segment, in the following table for the periods indicated:

	Years Ended December 31,		
	2020	2019	2018
Natural Gas Liquids	2.2%	2.0%	1.9%
Natural Gas Pipelines	2.1%	2.1%	2.1%

We incurred costs for construction work in process that had not been paid at December 31, 2020, 2019 and 2018, of \$151.7 million, \$544.8 million and \$388.3 million, respectively. Such amounts are not included in capital expenditures (less AFUDC and capitalized interest) on the Consolidated Statements of Cash Flows.

Impairment Charges - In 2020, we evaluated our Natural Gas Gathering and Processing segment asset groups and determined that the carrying value of certain long-lived asset groups in the Powder River Basin, western Oklahoma and Kansas were not recoverable and exceeded their estimated fair value. As a result, we recorded noncash impairment charges of \$362.3 million, which includes a natural gas processing plant and infrastructure in the Powder River Basin and its related supply contracts and natural gas processing plants and infrastructure in western Oklahoma and Kansas. In our Natural Gas Liquids segment, we recorded noncash impairment charges of \$71.6 million related primarily to certain inactive assets, as our expectation for future use of the assets changed. These charges are included within impairment charges in our Consolidated Statement of Income for the year ended December 31, 2020. For additional information on our impairment charges, see Note A.

E. GOODWILL AND INTANGIBLE ASSETS

Goodwill - The following table sets forth our goodwill, by segment, for the periods indicated:

	December 31, 2020	December 31, 2019
	<i>(Thousands of dollars)</i>	
Natural Gas Gathering and Processing	\$ —	\$ 153,404
Natural Gas Liquids	371,217	371,217
Natural Gas Pipelines	156,375	156,375
Total goodwill	\$ 527,592	\$ 680,996

Impairment Charges - Based on the results of our goodwill impairment test in the first quarter 2020, we concluded that the carrying value of the Natural Gas Gathering and Processing reporting unit exceeded its estimated fair value, resulting in a noncash impairment charge of \$153.4 million, which is included within impairment charges in our Consolidated Statement of Income for the year ended December 31, 2020. For additional information on our impairment charges, see Note A.

Intangible Assets - Our intangible assets relate primarily to contracts acquired through acquisitions in our Natural Gas Liquids and Natural Gas Gathering and Processing segments, which are being amortized over periods of 15 to 40 years. Amortization expense for intangible assets was \$10.8 million in 2020 and \$11.9 million in 2019 and 2018, and the aggregate amortization expense for each of the next five years is estimated to be \$10.4 million. The following table reflects the gross carrying amount and accumulated amortization of intangible assets for the periods presented:

	December 31, 2020	December 31, 2019
	<i>(Thousands of dollars)</i>	
Gross intangible assets	\$ 381,435	\$ 414,345
Accumulated amortization	(135,304)	(137,508)
Net intangible assets	\$ 246,131	\$ 276,837

Impairment Charges - In our Natural Gas Gathering and Processing segment, we recorded noncash impairment charges to intangible assets of \$19.9 million related to supply contracts associated with our natural gas processing plant in the Powder River Basin, which was also impaired. These charges are included within impairment charges in our Consolidated Statement of Income for the year ended December 31, 2020. For additional information on our impairment charges, see Note A.

F. DEBT

The following table sets forth our consolidated debt for the periods indicated:

	December 31, 2020	December 31, 2019
	<i>(Thousands of dollars)</i>	
Commercial paper outstanding, bearing a weighted-average interest rate of 2.16% as of December 31, 2019	\$ —	\$ 220,000
Senior unsecured obligations:		
\$1,500,000 term loan at 2.70% as of December 31, 2019, due November 2021	—	1,250,000
\$700,000 at 4.25% due February 2022	541,877	547,397
\$900,000 at 3.375% due October 2022	895,814	900,000
\$425,000 at 5.0% due September 2023	425,000	425,000
\$500,000 at 7.5% due September 2023	500,000	500,000
\$500,000 at 2.75% due September 2024	500,000	500,000
\$500,000 at 4.9% due March 2025	500,000	500,000
\$400,000 at 2.2% due September 2025	387,000	—
\$600,000 at 5.85% due January 2026	600,000	—
\$500,000 at 4.0% due July 2027	500,000	500,000
\$800,000 at 4.55% due July 2028	800,000	800,000
\$100,000 at 6.875% due September 2028	100,000	100,000
\$700,000 at 4.35% due March 2029	700,000	700,000
\$750,000 at 3.4% due September 2029	714,251	750,000
\$850,000 at 3.1% due March 2030	780,093	—
\$600,000 at 6.35% due January 2031	600,000	—
\$400,000 at 6.0% due June 2035	400,000	400,000
\$600,000 at 6.65% due October 2036	600,000	600,000
\$600,000 at 6.85% due October 2037	600,000	600,000
\$650,000 at 6.125% due February 2041	650,000	650,000
\$400,000 at 6.2% due September 2043	400,000	400,000
\$700,000 at 4.95% due July 2047	689,006	700,000
\$1,000,000 at 5.2% due July 2048	1,000,000	1,000,000
\$750,000 at 4.45% due September 2049	713,676	750,000
\$500,000 at 4.5% due March 2050	451,270	—
\$300,000 at 7.15% due January 2051	300,000	—
Guardian Pipeline		
Weighted average 7.85% due December 2022	13,657	21,307
Total debt	14,361,644	12,813,704
Unamortized portion of terminated swaps	13,314	15,032
Unamortized debt issuance costs and discounts	(138,887)	(121,329)
Current maturities of long-term debt	(7,650)	(7,650)
Short-term borrowings (a)	—	(220,000)
Long-term debt	\$ 14,228,421	\$ 12,479,757

(a) - Individual issuances of commercial paper under our commercial paper program generally mature in 90 days or less.

\$2.5 Billion Credit Agreement - In May 2019, we extended the term of our \$2.5 Billion Credit Agreement by one year to June 2024. Our \$2.5 Billion Credit Agreement is a revolving credit facility and contains certain financial, operational and legal covenants. Among other things, these covenants include maintaining a ratio of indebtedness to adjusted EBITDA (EBITDA, as defined in our \$2.5 Billion Credit Agreement, adjusted for all noncash charges and increased for projected EBITDA from certain lender-approved capital expansion projects). In June 2020, we amended our \$2.5 Billion Credit Agreement by, among other things, modifying the leverage ratio so that we may net up to \$700 million of cash on hand against our consolidated indebtedness for purposes of calculating the ratio's numerator for the fiscal quarters ending June 30, 2020, September 30, 2020, and December 31, 2020. In October 2020, we acquired additional interest in one of our equity investments and a related asset for \$27 million, which allowed us to elect an acquisition adjustment period under our \$2.5 Billion Credit Agreement and, as a result, increased our leverage ratio covenant to 5.5 to 1 for the fourth quarter 2020 and the two following quarters. Thereafter, the covenant will decrease to 5.0 to 1.

Our \$2.5 Billion Credit Agreement includes a \$100 million sublimit for the issuance of standby letters of credit and a \$200 million sublimit for swingline loans. Under the terms of our \$2.5 Billion Credit Agreement, we may request an increase in the size of the facility to an aggregate of \$3.5 billion by either commitments from new lenders or increased commitments from existing lenders. Our \$2.5 Billion Credit Agreement contains provisions for an applicable margin rate and an annual facility fee, both of which adjust with changes in our credit ratings. Based on our current credit ratings, borrowings, if any, will accrue at LIBOR, or alternate benchmark rate, plus 110 basis points, and the annual facility fee is 15 basis points. At December 31, 2020, our ratio of indebtedness to adjusted EBITDA was 4.6 to 1, and we were in compliance with all covenants under our \$2.5 Billion Credit Agreement.

At December 31, 2020 and 2019, we had letters of credit issued totaling \$7.7 million and \$4.7 million, respectively, and no borrowings outstanding under our \$2.5 Billion Credit Agreement.

Senior Unsecured Obligations - All notes are senior unsecured obligations, ranking equally in right of payment with all of our existing and future unsecured senior indebtedness, and are structurally subordinate to any of the existing and future debt and other liabilities of any non-guarantor subsidiaries.

Issuances - In May 2020, we completed an underwritten public offering of \$1.5 billion senior unsecured notes consisting of \$600 million, 5.85% senior notes due 2026; \$600 million, 6.35% senior notes due 2031; and \$300 million, 7.15% senior notes due 2051. The net proceeds, after deducting underwriting discounts, commissions and offering expenses, were \$1.48 billion. A portion of the proceeds was used to repay the outstanding borrowings under our \$1.5 Billion Term Loan Agreement. The remainder was used for general corporate purposes.

In March 2020, we completed an underwritten public offering of \$1.75 billion senior unsecured notes consisting of \$400 million, 2.2% senior notes due 2025; \$850 million, 3.1% senior notes due 2030; and \$500 million, 4.5% senior notes due 2050. The net proceeds, after deducting underwriting discounts, commissions and offering expenses, were \$1.73 billion. A portion of the proceeds was used to pay all outstanding amounts under our commercial paper program. The remainder was used for general corporate purposes, which included repayment of other existing indebtedness and funding capital expenditures.

In August 2019, we completed an underwritten public offering of \$2.0 billion senior unsecured notes consisting of \$500 million, 2.75% senior notes due 2024; \$750 million, 3.4% senior notes due 2029; and \$750 million, 4.45% senior notes due 2049. The net proceeds, after deducting underwriting discounts, commissions and offering expenses, were \$1.97 billion. The proceeds were used for general corporate purposes, including repayment of existing indebtedness and funding capital expenditures.

In March 2019, we completed an underwritten public offering of \$1.25 billion senior unsecured notes consisting of \$700 million, 4.35% senior notes due 2029 and an additional issuance of \$550 million of our existing 5.2% senior notes due 2048. The net proceeds, after deducting underwriting discounts, commissions and offering expenses, and exclusive of accrued interest, were \$1.23 billion. The proceeds were used for general corporate purposes, including repayment of existing indebtedness and funding capital expenditures.

In November 2018, we entered into our \$1.5 Billion Term Loan Agreement with a syndicate of banks, which was fully drawn as of June 30, 2019. The proceeds were used for general corporate purposes, including repayment of existing indebtedness and funding capital expenditures.

In July 2018, we completed an underwritten public offering of \$1.25 billion senior unsecured notes consisting of \$800 million, 4.55% senior notes due 2028 and \$450 million, 5.2% senior notes due 2048. The net proceeds, after deducting underwriting discounts, commissions and offering expenses, were \$1.23 billion. The proceeds were used for general corporate purposes, which included repayment of existing indebtedness and funding capital expenditures.

Repayments - In May 2020, we repaid the remaining \$1.25 billion of our \$1.5 Billion Term Loan Agreement with cash on hand from our May 2020 public offering of \$1.5 billion senior unsecured notes.

In 2020, we repurchased in the open market outstanding principal of certain of our senior notes in the amount of \$224.4 million for an aggregate repurchase price of \$199.6 million with cash on hand. In connection with these open market repurchases, we recognized \$22.3 million of net gains on extinguishment of debt, which is included in other income in our Consolidated Statement of Income for the year ended December 31, 2020.

In September 2019, we redeemed our \$300 million, 3.8% senior notes due March 2020 at a redemption price of \$308.0 million, including the outstanding principal, plus accrued and unpaid interest, with cash on hand from our public offering of \$2.0 billion senior unsecured notes in August 2019. In connection with this early redemption, we incurred a \$2.7 million loss on extinguishment of debt, which is included in other expense in our Consolidated Statements of Income for the year ended December 31, 2019.

In August 2019, we repaid \$250 million of our \$1.5 Billion Term Loan agreement with cash on hand.

In March 2019, we repaid our \$500 million, 8.625% senior notes at maturity with a combination of cash on hand and short-term borrowings.

In 2018, we repaid our \$425 million, 3.2% senior notes due September 2018 with cash on hand and the remaining \$500 million of the ONEOK Partners Term Loan Agreement due 2019 with a combination of cash on hand and short-term borrowings.

The aggregate maturities of long-term debt outstanding as of December 31, 2020, for the years 2021 through 2025 are shown below:

	Senior Unsecured Obligations	Guardian Pipeline	Total
<i>(Millions of dollars)</i>			
2021	\$ —	\$ 7.7	\$ 7.7
2022	\$ 1,437.7	\$ 6.0	\$ 1,443.7
2023	\$ 925.0	\$ —	\$ 925.0
2024	\$ 500.0	\$ —	\$ 500.0
2025	\$ 887.0	\$ —	\$ 887.0

Covenants - Our senior notes are governed by indentures containing covenants, including among other provisions, limitations on our ability to place liens on our property or assets and to sell and leaseback our property. The indentures governing our 6.875% senior notes due 2028 include an event of default upon acceleration of other indebtedness of \$15 million or more, and the indentures governing the remainder of our senior notes include an event of default upon the acceleration of other indebtedness of \$100 million or more. Such events of default would entitle the trustee or the holders of 25% in aggregate principal amount of the outstanding senior notes to declare those senior notes immediately due and payable in full. The indenture for the 7.5% notes due 2023 also contains a provision that allows the holders of the notes to require ONEOK to offer to repurchase all or any part of their notes if a change of control and a credit rating downgrade occur at a purchase price of 101% of the principal amount, plus accrued and unpaid interest, if any.

We may redeem our senior notes, in whole or in part, at any time prior to their maturity at a redemption price equal to the principal amount, plus accrued and unpaid interest and a make-whole premium. We may redeem the balance of our senior notes due 2022, 2023, 2024, 2025, 2026, 2027, 2028 (4.55%), 2029, 2030, 2031, 2041, 2043, 2047, 2048, 2049, 2050 and 2051 at a redemption price equal to the principal amount, plus accrued and unpaid interest, starting one to six months before the maturity date as stipulated in the respective contract terms. Our senior notes are senior unsecured obligations, ranking equally in right of payment with all of our existing and future unsecured senior indebtedness.

Guardian Pipeline Senior Notes - These senior notes were issued under a master shelf agreement dated November 8, 2001, with certain financial institutions. Principal payments are due quarterly through 2022. Guardian Pipeline's senior notes contain financial covenants that require the maintenance of certain financial ratios as defined in the master shelf agreement based on Guardian Pipeline's financial position and results of operations. Upon any breach of these covenants, all amounts outstanding under the master shelf agreement may become due and payable immediately. At December 31, 2020, Guardian Pipeline was in compliance with its financial covenants.

Other - We amortize premiums, discounts and expenses incurred in connection with the issuance of long-term debt consistent with the terms of the respective debt instrument.

Debt Guarantees - ONEOK, ONEOK Partners and the Intermediate Partnership have cross guarantees in place for our and ONEOK Partners' indebtedness.

G. EQUITY

Noncontrolling Interests - In July 2018, we acquired the remaining 20% interest in West Texas LPG Pipeline Limited Partnership for \$195 million with cash on hand. We are now the sole owner of ONEOK West Texas NGL, formerly known as West Texas LPG.

Series A and B Convertible Preferred Stock - There are no shares of Series A or Series B Preferred Stock currently issued or outstanding.

Equity Issuances - In July 2020, we established an “at-the-market” equity program for the offer and sale from time to time of our common stock up to an aggregate offering price of \$1.0 billion. The program allows us to offer and sell common stock at prices we deem appropriate through a sales agent, in forward sales transactions through a forward seller or directly to one or more of the program’s managers acting as principals. Sales of our common stock may be made by means of ordinary brokers’ transactions on the NYSE, in block transactions or as otherwise agreed to between us and the sales agent. We are under no obligation to offer and sell common stock under the program. No shares have been sold through our “at-the-market” program as of the date of this report.

In June 2020, we completed an underwritten public offering of 29.9 million shares of our common stock at a public offering price of \$32.00 per share, generating net proceeds, after deducting underwriting discounts, commissions and offering expenses, of \$937.0 million. A portion of the proceeds was, and we anticipate the remainder will be, used for general corporate purposes, including repayment of existing indebtedness and funding capital expenditures.

In January 2018, we completed an underwritten public offering of 21.9 million shares of our common stock at a public offering price of \$54.50 per share, generating net proceeds of \$1.2 billion. We used the net proceeds from this offering to fund capital expenditures and for general corporate purposes, which included repaying a portion of our outstanding indebtedness.

Dividends - Holders of our common stock share equally in any dividend declared by our Board of Directors, subject to the rights of the holders of outstanding Series E Preferred Stock. Dividends paid totaled \$1.6 billion, \$1.5 billion and \$1.3 billion for 2020, 2019 and 2018, respectively. In addition to the increase in dividends paid per share outlined in the table below, dividends paid increased due to the increase in number of shares outstanding as a result of our equity issuances. The following table sets forth the quarterly dividends per share paid on our common stock in the periods indicated:

	Years Ended December 31,				
	2020		2019		2018
First Quarter	\$	0.935	\$	0.860	\$ 0.770
Second Quarter		0.935		0.865	0.795
Third Quarter		0.935		0.890	0.825
Fourth Quarter		0.935		0.915	0.855
Total	\$	3.74	\$	3.53	\$ 3.245

Additionally, in February 2021, we maintained and paid a quarterly dividend of \$0.935 per share (\$3.74 per share on an annualized basis), which was paid to shareholders of record as of February 1, 2021.

The Series E Preferred Stock pays quarterly dividends on each share of Series E Preferred Stock, when, as and if declared by our Board of Directors, at a rate of 5.5% per year. We paid dividends for the Series E Preferred Stock of \$1.1 million in 2020, 2019 and 2018. We paid quarterly dividends totaling \$0.3 million for the Series E Preferred Stock in February 2021.

H. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table sets forth the balance in accumulated other comprehensive loss for the periods indicated:

	Risk- Management Assets/Liabilities (a)	Retirement and Other Postretirement Benefit Plan Obligations (a) (b)	Risk- Management Assets/Liabilities of Unconsolidated Affiliates (a)	Accumulated Other Comprehensive Loss (a)
<i>(Thousands of dollars)</i>				
January 1, 2019	\$ (64,660)	\$ (121,785)	\$ (1,794)	\$ (188,239)
Other comprehensive loss before reclassifications	(147,803)	(19,490)	(7,275)	(174,568)
Amounts reclassified to net income (c)	(21,057)	9,794	70	(11,193)
Other comprehensive loss	(168,860)	(9,696)	(7,205)	(185,761)
December 31, 2019	(233,520)	(131,481)	(8,999)	(374,000)
Other comprehensive loss before reclassifications	(165,023)	(40,341)	(8,635)	(213,999)
Amounts reclassified to net income (c)	21,097	14,187	1,266	36,550
Other comprehensive loss	(143,926)	(26,154)	(7,369)	(177,449)
December 31, 2020	\$ (377,446)	\$ (157,635)	\$ (16,368)	\$ (551,449)

(a) - All amounts are presented net of tax.

(b) - Includes amounts related to supplemental executive retirement plan.

(c) - See Note C for details of amounts reclassified to net income for risk-management assets/liabilities and Note K for retirement and other postretirement benefit plan obligations.

The following table sets forth information about the balance of accumulated other comprehensive loss at December 31, 2020, representing unrealized gains (losses) related to risk-management assets and liabilities:

	Risk- Management Assets/Liabilities (a)
<i>(Thousands of dollars)</i>	
Commodity derivative instruments expected to be realized within the next 24 months (b)	\$ (27,303)
Settled interest-rate swaps to be recognized over the life of the long-term, fixed-rate debt (c)	(193,519)
Interest-rate swaps with future settlement dates expected to be amortized over the life of long-term debt	(156,624)
Accumulated other comprehensive loss at December 31, 2020	\$ (377,446)

(a) - All amounts are presented net of tax.

(b) - Based on December 31, 2020, commodity prices, we expect \$27.0 million in net losses, net of tax, over the next 12 months and \$0.3 million in net losses, net of tax, thereafter.

(c) - We expect net losses of \$30.5 million, net of tax, will be reclassified into earnings during the next 12 months.

The remaining amounts in accumulated other comprehensive loss relate primarily to our retirement and other postretirement benefit plan obligations, which are expected to be amortized over the average remaining service period of employees participating in these plans.

I. EARNINGS PER SHARE

The following tables set forth the computation of basic and diluted EPS for the periods indicated:

	Year Ended December 31, 2020			Per Share Amount
	Income	Shares		
<i>(Thousands, except per share amounts)</i>				
Basic EPS				
Net income available for common stock	\$ 611,709	431,105	\$	1.42
Diluted EPS				
Effect of dilutive securities	—	677		
Net income available for common stock and common stock equivalents	\$ 611,709	431,782	\$	1.42

	Year Ended December 31, 2019		
	Income	Shares	Per Share Amount
	<i>(Thousands, except per share amounts)</i>		
Basic EPS			
Net income available for common stock	\$ 1,277,477	413,560	\$ 3.09
Diluted EPS			
Effect of dilutive securities	—	1,884	
Net income available for common stock and common stock equivalents	\$ 1,277,477	415,444	\$ 3.07

	Year Ended December 31, 2018		
	Income	Shares	Per Share Amount
	<i>(Thousands, except per share amounts)</i>		
Basic EPS			
Net income attributable to ONEOK available for common stock	\$ 1,150,603	411,485	\$ 2.80
Diluted EPS			
Effect of dilutive securities	—	2,710	
Net income attributable to ONEOK available for common stock and common stock equivalents	\$ 1,150,603	414,195	\$ 2.78

J. SHARE-BASED PAYMENTS

Our Equity Compensation Plan (ECP) and Long-Term Incentive Plan (LTIP) historically provided for the granting of stock-based compensation, including incentive stock options, nonstatutory stock options, stock bonus awards, restricted stock unit awards and performance unit awards to eligible employees and the granting of stock awards to non-employee directors. The ECP was terminated immediately following the issuance of new awards in February 2018. The awards issued prior to the termination remain subject to the terms of the ECP and the applicable award agreement. Similarly, the LTIP was terminated in May 2018, and the awards issued under the LTIP prior to the termination date remain subject to the terms of the LTIP and the applicable award agreement. In May 2018, our shareholders approved the ONEOK, Inc. Equity Incentive Plan (EIP), which has been used for all new equity awards since such date. We have reserved 8.5 million shares of common stock for issuance under the EIP and at December 31, 2020, we had 6.9 million shares available for issuance under the plan. This calculation of available shares reflects shares issued and estimated shares expected to be issued upon vesting of outstanding awards granted under the EIP, excluding estimated forfeitures expected to be returned to the plan.

Restricted Stock Units - We have granted restricted stock units to key employees that vest at the end of a three-year period and entitle the grantee to receive shares of our common stock. Restricted stock unit awards are measured at fair value as if they were vested and issued on the grant date and adjusted for estimated forfeitures. Restricted stock unit awards accrue dividend equivalents in the form of additional restricted stock units prior to vesting. Compensation expense is recognized on a straight-line basis over the vesting period of the award.

Performance Unit Awards - We have granted performance unit awards to key employees that vest at the end of a three-year period. Upon vesting, a holder of outstanding performance units is entitled to receive a number of shares of our common stock equal to a percentage (0% to 200%) of the performance units granted, based on our total shareholder return over the vesting period, compared with the total shareholder return of a peer group of other energy companies over the same period. Performance unit awards are measured at fair value on the grant date based on a Monte Carlo model and adjusted for estimated forfeitures. Performance unit awards accrue dividend equivalents in the form of additional performance units prior to vesting. Compensation expense is recognized on a straight-line basis over the vesting period of the award.

Stock Compensation for Non-Employee Directors

The EIP provides for the granting of nonstatutory stock options and stock bonus awards to non-employee directors, including performance unit awards and restricted stock unit awards. Under the EIP, awards may be granted by the Executive Compensation Committee at any time, until grants have been made for all shares authorized under the EIP. The maximum number of shares of common stock and cash-based awards that can be issued to a participant under the EIP during any year is limited to \$0.8 million in value as of the grant date. No performance unit awards or restricted stock unit awards have been made to non-employee directors, and there are no options outstanding.

General

For all awards outstanding, we used a 3% forfeiture rate based on historical forfeitures under our share-based payment plans. We currently use treasury stock to satisfy our share-based payment obligations.

Compensation expense for our share-based payment plans was \$29.4 million, \$46.5 million and \$33.2 million during 2020, 2019 and 2018, respectively, before related tax benefits of \$14.1 million, \$31.7 million and \$12.2 million, respectively.

Restricted Stock Unit Activity

As of December 31, 2020, we had \$16.7 million of total unrecognized compensation cost related to our nonvested restricted stock unit awards, which is expected to be recognized over a weighted-average period of 1.8 years. The following tables set forth activity and various statistics for our restricted stock unit awards:

	Number of Units	Weighted Average Price
Nonvested December 31, 2019	698,990	\$ 54.05
Granted	216,392	\$ 76.49
Released to participants	(240,576)	\$ 46.58
Forfeited	(28,519)	\$ 65.20
Nonvested December 31, 2020	646,287	\$ 63.85

	2020	2019	2018
Weighted-average grant date fair value (per share)	\$ 76.49	\$ 58.07	\$ 46.94
Fair value of units granted (thousands of dollars)	\$ 16,552	\$ 15,238	\$ 13,907
Grant date fair value of units vested (thousands of dollars)	\$ 11,204	\$ 10,691	\$ 9,552

Performance Unit Activity

As of December 31, 2020, we had \$25.0 million of total unrecognized compensation cost related to the nonvested performance unit awards, which is expected to be recognized over a weighted-average period of 1.8 years. The following tables set forth activity and various statistics related to the performance unit awards and the assumptions used in the valuations at the respective grant dates:

	Number of Units	Weighted Average Price
Nonvested December 31, 2019	937,821	\$ 66.67
Granted	283,029	\$ 88.43
Released to participants	(300,423)	\$ 58.99
Forfeited	(86,181)	\$ 74.83
Nonvested December 31, 2020	834,246	\$ 75.96

	2020	2019	2018
Volatility (a)	21.70%	27.10%	39.20%
Dividend yield	4.87%	5.05%	5.49%
Risk-free interest rate	1.39%	2.47%	2.44%

(a) - Volatility was based on historical volatility over three years using daily stock price observations.

	2020	2019	2018
Weighted-average grant date fair value (per share)	\$ 88.43	\$ 68.02	\$ 59.57
Fair value of units granted (thousands of dollars)	\$ 25,028	\$ 23,020	\$ 22,081
Grant date fair value of units vested (thousands of dollars)	\$ 17,722	\$ 15,018	\$ 12,545

Employee Stock Purchase Plan

We have reserved a total of 11.6 million shares of common stock for issuance under our Employee Stock Purchase Plan (the ESPP). Subject to certain exclusions, all employees are eligible to participate in the ESPP. Employees can choose to have up

to 10% of their base pay withheld from each paycheck during the offering period to purchase our common stock, subject to terms and limitations of the plan. The purchase price of the stock is 85% of the lower of its grant date or exercise date market price. Approximately 68%, 62% and 60% of employees participated in the plan in 2020, 2019 and 2018, respectively. Under the plan, we sold 359,977 shares at a weighted average of \$27.78 per share in 2020, 171,590 shares at a weighted average of \$51.24 per share in 2019 and 165,877 shares at a weighted average of \$45.53 per share in 2018.

Employee Stock Award Program

Under our Employee Stock Award Program, we issue, for no monetary consideration, to all eligible employees one share of our common stock when the per-share closing price of our common stock on the NYSE is at or above each one dollar increment above its previous high closing price. The total number of shares of our common stock available for issuance under this program is 900,000. Shares issued to employees under this program during 2020, 2019 and 2018 totaled 2,871, 14,022 and 2,553, respectively. Compensation expense related to the Employee Stock Award Program was \$0.2 million, \$1.0 million and \$0.2 million for 2020, 2019 and 2018, respectively. As of the date of this report, the next award will be issued when our common stock closes at or above \$78.

Deferred Compensation Plan for Non-Employee Directors

Our Deferred Compensation Plan for Non-Employee Directors provides our non-employee directors the option to defer all or a portion of their compensation for their service on our Board of Directors. Under the plan, directors may elect either a cash deferral option or a phantom stock option. Under the cash deferral option, directors may elect to defer the receipt of all or a portion of their annual retainer fees, which will be credited with interest during the deferral period. Under the phantom stock option, directors may defer all or a portion of their annual retainer fees and receive such fees on a deferred basis in the form of shares of common stock under our EIP, which earn the equivalent of dividends declared on our common stock. Shares are distributed to non-employee directors at the fair market value of our common stock at the date of distribution.

K. EMPLOYEE BENEFIT PLANS

Retirement and Other Postretirement Benefit Plans

Retirement Plans - We have a defined benefit pension plan covering certain employees and former employees hired prior to January 1, 2005. In addition, we have a supplemental executive retirement plan for the benefit of certain officers who participate in our defined benefit pension plan. Our defined benefit pension plan and our supplemental executive retirement plan are both closed to new participants. We fund our defined benefit pension plan at a level needed to maintain or exceed the minimum funding levels required by the Employee Retirement Income Security Act of 1974, as amended, and the Pension Protection Act of 2006.

All employees are eligible to make salary deferrals and receive company matching contributions under our 401(k) Plan, and employees that do not participate in our defined benefit pension plan are also eligible to receive quarterly and annual profit-sharing contributions under our 401(k) Plan.

Other Postretirement Benefit Plans - We sponsor health and welfare plans that provide postretirement medical and life insurance benefits to employees hired prior to 2017 who retire with at least five years of full-time service. The postretirement medical plan for pre-Medicare participants is contributory, with retiree contributions adjusted periodically, and contains other cost-sharing features such as deductibles and coinsurance. The postretirement medical plan for Medicare-eligible participants is an account-based plan under which participants may elect to purchase private insurance policies under a private exchange and/or seek reimbursement of other eligible medical expenses.

Obligations and Funded Status - The following table sets forth our retirement and other postretirement benefit plans benefit obligations and fair value of plan assets for the periods indicated:

	Retirement Benefits		Other Postretirement Benefits	
	December 31,		December 31,	
	2020	2019	2020	2019
<i>(Thousands of dollars)</i>				
Change in benefit obligation				
Benefit obligation, beginning of period	\$ 534,849	\$ 466,994	\$ 52,309	\$ 46,840
Service cost	8,154	7,825	460	468
Interest cost	18,318	20,528	1,771	2,038
Plan participants' contributions	—	—	1,032	1,142
Actuarial loss	37,951	55,954	2,860	5,101
Benefits paid	(16,200)	(16,452)	(3,917)	(3,280)
Benefit obligation, end of period	583,072	534,849	54,515	52,309
Change in plan assets				
Fair value of plan assets, beginning of period	346,792	290,684	39,060	30,800
Actual return on plan assets (a)	36,400	58,060	(15,699)	8,087
Employer contributions	12,100	14,500	—	2,000
Plan participants' contributions	—	—	1,032	1,142
Benefits paid	(16,200)	(16,452)	(3,519)	(2,969)
Fair value of plan assets, end of period	379,092	346,792	20,874	39,060
Balance at December 31	\$ (203,980)	\$ (188,057)	\$ (33,641)	\$ (13,249)
Current liabilities	\$ (4,679)	\$ (4,616)	\$ —	\$ —
Noncurrent liabilities	(199,301)	(183,441)	(33,641)	(13,249)
Balance at December 31	\$ (203,980)	\$ (188,057)	\$ (33,641)	\$ (13,249)

(a) - Other Postretirement Benefits for the year ended December 31, 2020, includes a \$13.2 million tax loss incurred from the exit of an investment in an insurance contract.

The table above includes the supplemental executive retirement plan obligation. ONEOK has investments included in other assets on the Consolidated Balance Sheets, which totaled \$116.2 million and \$98.9 million at December 31, 2020 and 2019, respectively, for the purpose of offsetting the obligation. These assets are excluded from the table above as the assets are maintained in a rabbi trust and are not treated as assets of the supplemental executive retirement plan.

The accumulated benefit obligation for our retirement plans was \$548.2 million and \$498.8 million at December 31, 2020 and 2019, respectively.

The actuarial losses impacting our benefit obligations for our retirement and other postretirement benefit plans are due primarily to changes in the discount rate assumptions discussed in the "Actuarial Assumptions" section below.

Components of Net Periodic Benefit Cost - The following table sets forth the components of net periodic benefit cost for our retirement and other postretirement benefit plans for the periods indicated:

	Retirement Benefits			Other Postretirement Benefits		
	Years Ended December 31,			Years Ended December 31,		
	2020	2019	2018	2020	2019	2018
<i>(Thousands of dollars)</i>						
Components of net periodic benefit cost						
Service cost	\$ 8,154	\$ 7,825	\$ 7,339	\$ 460	\$ 468	\$ 845
Interest cost	18,318	20,528	17,659	1,771	2,038	2,108
Expected return on plan assets	(24,964)	(23,600)	(23,917)	(2,894)	(2,285)	(2,690)
Amortization of prior service cost (credit)	114	—	—	—	(227)	(1,662)
Amortization of net loss	18,306	12,649	17,060	5	297	1,338
Net periodic benefit cost (income)	\$ 19,928	\$ 17,402	\$ 18,141	\$ (658)	\$ 291	\$ (61)

Other Comprehensive Income (Loss) - The following table sets forth the amounts recognized in other comprehensive income (loss) related to our retirement and other postretirement benefits for the periods indicated:

	Retirement Benefits			Other Postretirement Benefits		
	Years Ended December 31,			Years Ended December 31,		
	2020	2019	2018	2020	2019	2018
	<i>(Thousands of dollars)</i>					
Net gain (loss) (a)	\$ (31,016)	\$ (25,389)	\$ (16,351)	\$ (21,453)	\$ 700	\$ 6,545
Prior service cost	—	(601)	—	—	—	—
Amortization of prior service cost (credit) (b)	114	—	—	—	(227)	(1,662)
Amortization of net loss (b)	18,306	12,649	17,060	5	297	1,338
Deferred income taxes (c)	2,897	3,068	(18,928)	4,933	(177)	(2,831)
Total recognized in other comprehensive income (loss)	\$ (9,699)	\$ (10,273)	\$ (18,219)	\$ (16,515)	\$ 593	\$ 3,390

(a) - Other Postretirement Benefits for the year ended December 31, 2020, includes a \$13.2 million tax loss incurred from the exit of an investment in an insurance contract.

(b) - These components are recognized in accumulated other comprehensive loss and are reclassified to other expense in our Consolidated Statements of Income, with related income tax benefits of \$4.2 million, \$2.9 million and \$3.8 million reclassified to income tax expense for the years ended December 31, 2020, 2019, and 2018, respectively.

(c) - Year ended December 31, 2018, includes the impact of adopting ASU 2018-02, "Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income."

The table below sets forth the amounts in accumulated other comprehensive loss that had not yet been recognized as components of net periodic benefit expense for the periods indicated:

	Retirement Benefits		Other Postretirement Benefits	
	December 31,		December 31,	
	2020	2019	2020	2019
	<i>(Thousands of dollars)</i>			
Prior service cost	\$ (487)	\$ (601)	\$ —	\$ —
Accumulated loss (a)	(185,662)	(172,952)	(25,558)	(4,110)
Accumulated other comprehensive loss	(186,149)	(173,553)	(25,558)	(4,110)
Deferred income taxes	49,251	46,354	6,322	1,389
Accumulated other comprehensive loss, net of tax	\$ (136,898)	\$ (127,199)	\$ (19,236)	\$ (2,721)

(a) - Other Postretirement Benefits for the year ended December 31, 2020, includes a \$13.2 million tax loss incurred from the exit of an investment in an insurance contract.

Actuarial Assumptions - The following table sets forth the weighted-average assumptions used to determine benefit obligations for retirement and other postretirement benefits for the periods indicated:

	Retirement Benefits		Other Postretirement Benefits	
	December 31,		December 31,	
	2020	2019	2020	2019
Discount rate	3.00%	3.50%	2.75%	3.50%
Compensation increase rate	3.60%	3.70%	NA	NA

The following table sets forth the weighted-average assumptions used to determine net periodic benefit costs for the periods indicated:

	Years Ended December 31,		
	2020	2019	2018
Discount rate - retirement plans	3.50%	4.50%	3.75%
Discount rate - other postretirement plans	3.50%	4.50%	3.75%
Expected long-term return on plan assets	7.50%	7.50%	8.00%
Compensation increase rate	3.70%	3.65%	3.00%

We determine our overall expected long-term rate of return on plan assets based on our review of historical returns and economic growth models.

We determine our discount rates annually utilizing portfolios of high quality bonds matched to the estimated benefit cash flows of our retirement and other postretirement benefit plans. Bonds selected to be included in the portfolios are only those rated by S&P or Moody's as an AA or Aa2 rating or better and exclude callable bonds, bonds with less than a minimum issue size, yield outliers and other filtering criteria to remove unsuitable bonds.

Health Care Cost Trend Rates - The following table sets forth the assumed health care cost-trend rates for the periods indicated:

	2020	2019
Health care cost-trend rate assumed for next year	6.50%	7.00%
Rate to which the cost-trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2024	2024

Plan Assets - Our investment strategy is to invest plan assets in accordance with sound investment practices that emphasize long-term fundamentals. The goal of this strategy is to maximize investment returns while managing risk in order to meet the plan's current and projected financial obligations. The investment allocation for our other postretirement benefit plans is to target a diversified mix of approximately 30% fixed income and 70% equity securities. The investment allocation for our defined benefit pension plan follows a glide path approach of liability-driven investing that shifts a higher portfolio weighting to fixed income as the plan's funded status increases. The purpose of liability-driven investing is to structure the asset portfolio to more closely resemble the pension liability and thereby more effectively hedge against changes in the liability. The plan's current investments include a diverse blend of various domestic and international equities, investments in various classes of debt securities, real estate and hedge funds. The target allocation for the assets of our retirement plan as of December 31, 2020, is as follows:

Domestic and international equities	42 %
Long duration fixed income	30 %
Return-seeking credit	11 %
Hedge funds	10 %
Real estate funds	7 %
Total	100 %

As part of our risk management for the plans, minimums and maximums have been set for each of the asset classes listed above.

The following tables set forth the plan assets by fair value category as of the measurement date for our defined benefit pension and other postretirement benefit plans:

Asset Category	Pension Benefits December 31, 2020					Measured at NAV (d)	Total
	Level 1	Level 2	Level 3	Subtotal			
<i>(Thousands of dollars)</i>							
Investments:							
Equity securities (a)	\$ 43	\$ —	\$ —	\$ 43	\$ 164,099	\$ 164,142	
Real estate funds	—	—	—	—	24,134	24,134	
Government obligations	—	—	—	—	45,237	45,237	
Corporate obligations (b)	—	—	—	—	101,626	101,626	
Common/collective trusts	—	4,890	—	4,890	—	4,890	
Other investments (c)	—	—	—	—	39,063	39,063	
Fair value of plan assets	\$ 43	\$ 4,890	\$ —	\$ 4,933	\$ 374,159	\$ 379,092	

(a) - This category represents securities of the respective market sector from diverse industries.

(b) - This category represents bonds from diverse industries.

(c) - This category represents alternative investments in limited partnerships, which can be redeemed with a 30-day notice with no further restrictions. There are no unfunded capital commitments.

(d) - Plan asset investments measured at fair value using the net asset value per share.

Asset Category	Pension Benefits December 31, 2019					Measured at NAV (d)	Total
	Level 1	Level 2	Level 3	Subtotal			
<i>(Thousands of dollars)</i>							
Investments:							
Equity securities (a)	\$ 47	\$ —	\$ —	\$ 47	\$ 149,985	\$ 150,032	
Real estate funds	—	—	—	—	23,885	23,885	
Government obligations	—	—	—	—	50,708	50,708	
Corporate obligations (b)	—	—	—	—	85,898	85,898	
Common/collective trusts	—	3,263	—	3,263	—	3,263	
Cash	63	—	—	63	—	63	
Other investments (c)	—	—	—	—	32,943	32,943	
Fair value of plan assets	\$ 110	\$ 3,263	\$ —	\$ 3,373	\$ 343,419	\$ 346,792	

(a) - This category represents securities of the respective market sector from diverse industries.

(b) - This category represents bonds from diverse industries.

(c) - This category represents alternative investments in limited partnerships, which can be redeemed with a 30-day notice with no further restrictions. There are no unfunded capital commitments.

(d) - Plan asset investments measured at fair value using the net asset value per share.

Asset Category	Other Postretirement Benefits December 31, 2020				Total
	Level 1	Level 2	Level 3		
<i>(Thousands of dollars)</i>					
Investments:					
Equity securities (a) (b)	\$ 15,116	\$ —	\$ —	\$ —	\$ 15,116
Money market funds	—	808	—	—	808
Municipal obligations (b)	4,950	—	—	—	4,950
Fair value of plan assets	\$ 20,066	\$ 808	\$ —	\$ —	\$ 20,874

(a) - This category represents securities of the respective market sector from diverse industries.

(b) - Net proceeds of \$16.2 million from the exit of an investment in an insurance contract were reinvested in various equity securities and municipal obligations.

Asset Category	Other Postretirement Benefits December 31, 2019				Total
	Level 1	Level 2	Level 3		
<i>(Thousands of dollars)</i>					
Investments:					
Equity securities (a)	\$ 2,043	\$ —	\$ —	\$ —	\$ 2,043
Money market funds	—	2,428	—	—	2,428
Insurance and group annuity contracts	—	34,589	—	—	34,589
Fair value of plan assets	\$ 2,043	\$ 37,017	\$ —	\$ —	\$ 39,060

(a) - This category represents securities of the respective market sector from diverse industries.

Contributions - During 2020, we made \$12.1 million in contributions to our defined benefit pension plan and no contributions to our other postretirement plans. We contributed \$11.2 million to our defined benefit pension plan in January 2021 and do not expect to make any contributions to our other postretirement plans in the remainder of 2021.

Pension and Other Postretirement Benefit Payments - Benefit payments for our defined benefit pension and other postretirement benefit plans for the period ending December 31, 2020, were \$16.2 million and \$3.9 million, respectively. The following table sets forth the defined benefit pension and other postretirement benefits payments expected to be paid in 2021 through 2030:

	Pension Benefits	Other Postretirement Benefits
Benefits to be paid in:	<i>(Thousands of dollars)</i>	
2021	\$ 19,460	\$ 3,297
2022	\$ 20,325	\$ 3,408
2023	\$ 21,216	\$ 3,371
2024	\$ 22,234	\$ 3,335
2025	\$ 23,260	\$ 3,322
2026 through 2030	\$ 127,038	\$ 15,848

The expected benefits to be paid are based on the same assumptions used to measure our benefit obligation at December 31, 2020, and include estimated future employee service.

Other Employee Benefit Plans

401(k) Plan - We have a 401(k) Plan covering all employees, and employee contributions are discretionary. We match 100% of employee 401(k) Plan contributions up to 6% of each participant's eligible compensation, subject to certain limits. We also make profit-sharing contributions under our 401(k) Plan for employees who do not participate in our defined benefit pension plan. We generally make a quarterly profit sharing contribution equal to 1% of each profit-sharing participant's eligible compensation during the quarter and an annual discretionary profit-sharing contribution equal to a percentage of each profit-sharing participant's eligible compensation. Our contributions made to the plan, including profit-sharing contributions, were \$27.1 million, \$30.4 million and \$28.0 million in 2020, 2019 and 2018, respectively.

Nonqualified Deferred Compensation Plan - The 2020 Nonqualified Deferred Compensation Plan and its predecessor nonqualified deferred compensation plans (collectively, the NQDC Plan) provide a select group of management and highly compensated employees, as approved by our Chief Executive Officer, with the option to defer portions of their compensation and receive notional employer contributions that generally are not available due to limitations on employer and employee contributions to qualified defined contribution plans under federal tax laws. Our contributions to the plan were not material in 2020, 2019 and 2018.

L. INCOME TAXES

The following table sets forth our provision for income taxes for the periods indicated:

	Years Ended December 31,		
	2020	2019	2018
	<i>(Thousands of dollars)</i>		
Current tax expense (benefit)			
Federal	\$ 980	\$ (1,278)	\$ 260
State	1,797	963	1,633
Total current tax expense (benefit)	2,777	(315)	1,893
Deferred tax expense			
Federal	154,068	327,806	319,551
State	32,662	44,923	41,459
Total deferred tax expense	186,730	372,729	361,010
Total provision for income taxes	\$ 189,507	\$ 372,414	\$ 362,903

The following table is a reconciliation of our income tax provision for the periods indicated:

	Years Ended December 31,		
	2020	2019	2018
	<i>(Thousands of dollars)</i>		
Income before income taxes	\$ 802,316	\$ 1,650,991	\$ 1,517,935
Less: Net income attributable to noncontrolling interests	—	—	3,329
Net income attributable to ONEOK before income taxes	802,316	1,650,991	1,514,606
Federal statutory income tax rate	21.0 %	21.0 %	21.0 %
Provision for federal income taxes	168,486	346,708	318,067
State income taxes, net of federal benefit	13,580	34,545	38,668
Deferred tax rate change, inclusive of valuation allowance	20,879	11,340	5,552
Excess tax benefits from share-based compensation	(7,380)	(20,983)	(4,644)
Other, net	(6,058)	804	5,260
Income tax provision	\$ 189,507	\$ 372,414	\$ 362,903

The following table sets forth the tax effects of temporary differences that gave rise to significant portions of the deferred tax assets and liabilities for the periods indicated:

	December 31,	
	2020	2019
	<i>(Thousands of dollars)</i>	
Deferred tax assets		
Employee benefits and other accrued liabilities	\$ 96,741	\$ 99,510
Federal net operating loss	1,473,093	858,030
State net operating loss and benefits	258,929	171,779
Derivative instruments	134,499	83,710
Other	12,894	12,769
Total deferred tax assets	1,976,156	1,225,798
Valuation allowance for state net operating loss and tax credits		
Carryforward expected to expire prior to utilization	(121,212)	(94,794)
Net deferred tax assets	1,854,944	1,131,004
Deferred tax liabilities		
Excess of tax over book depreciation	87,021	84,631
Investment in partnerships (a)	2,437,620	1,582,436
Total deferred tax liabilities	2,524,641	1,667,067
Net deferred tax assets (liabilities)	\$ (669,697)	\$ (536,063)

(a) Due primarily to excess of tax over book depreciation.

The majority of our tax benefits relate to federal and state net operating losses and carry forward indefinitely. Due to the Tax Cuts and Jobs Act and the impact of increased expensing for capital investment, we believe that it is more likely than not that the tax benefits of certain carryforwards will not be utilized prior to their expirations; therefore, we recorded a valuation allowance of \$20.9 million, \$11.3 million and \$5.6 million through net income related to these tax benefits in 2020, 2019 and 2018, respectively.

M. UNCONSOLIDATED AFFILIATES

Investments in Unconsolidated Affiliates - The following table sets forth our investments in unconsolidated affiliates for the periods indicated:

	Net Ownership Interest	December 31, 2020	December 31, 2019
<i>(Thousands of dollars)</i>			
Northern Border Pipeline	50%	\$ 291,987	\$ 307,209
Overland Pass Pipeline	50%	409,573	417,473
Roadrunner	50%	66,794	80,816
Other (a)	Various	36,678	56,346
Investments in unconsolidated affiliates (b)		\$ 805,032	\$ 861,844

(a) - Year ended December 31, 2020, includes the impact of noncash impairment charges of \$37.7 million related to the equity investments discussed below, offset partially by an acquisition of additional equity interest for \$20.0 million.

(b) - Equity-method goodwill (Note A) was \$16.5 million and \$38.8 million at December 31, 2020 and 2019, respectively.

Equity in Net Earnings from Investments and Impairments - The following table sets forth our equity in net earnings (loss) from investments for the periods indicated:

	Years Ended December 31,		
	2020	2019	2018
<i>(Thousands of dollars)</i>			
Northern Border Pipeline	\$ 75,409	\$ 68,871	\$ 67,854
Overland Pass Pipeline	38,618	63,698	65,887
Roadrunner	29,017	26,839	22,993
Other	197	(4,867)	1,649
Equity in net earnings from investments	\$ 143,241	\$ 154,541	\$ 158,383
Impairment of equity investments	\$ (37,730)	\$ —	\$ —

Impairment Charges - In 2020, we incurred a noncash impairment charge of \$30.5 million related to our 10.2% investment in Venice Energy Services Company in our Natural Gas Gathering and Processing segment, which includes \$22.3 million related to equity-method goodwill, and a \$7.2 million noncash impairment charge related to our 50% investment in Chisholm Pipeline Company in our Natural Gas Liquids segment. These impairment charges are included within impairment of equity investments in our Consolidated Statement of Income for the year ended December 31, 2020. For additional information on our impairment charges, see Note A.

We incurred expenses in transactions with unconsolidated affiliates of \$135.4 million, \$164.7 million and \$153.9 million for 2020, 2019 and 2018, respectively, primarily related to Overland Pass Pipeline and Northern Border Pipeline. Accounts payable to our equity-method investees at December 31, 2020 and 2019, were \$8.4 million and \$13.5 million, respectively.

Northern Border Pipeline - The Northern Border Pipeline partnership agreement provides that distributions to Northern Border Pipeline's partners are to be made on a pro rata basis according to each partner's percentage interest. The Northern Border Pipeline Management Committee determines the amount and timing of such distributions. Any changes to, or suspension of, the cash distribution policy of Northern Border Pipeline requires the unanimous approval of the Northern Border Pipeline Management Committee. Cash distributions are equal to 100% of distributable cash flow as determined from Northern Border Pipeline's financial statements based upon EBITDA less interest expense and maintenance capital expenditures. As determined by the Northern Border Pipeline Management Committee, we received an additional distribution of \$50.0 million from Northern Border Pipeline during the year ended December 31, 2019. Loans or other advances from Northern Border Pipeline to its partners or affiliates are prohibited under its credit agreement. In 2020, 2019 and 2018, we made no contributions to Northern Border Pipeline.

Northern Border Pipeline entered into a settlement with shippers that was approved by the FERC in February 2018. The settlement provides for tiered rate reductions beginning January 1, 2018, that reduced tariff rates 12.5% by January 2020, compared with previous tariff rates, and requires new rates to be established by January 2024. The impact of lower tariff rates on Northern Border Pipeline's earnings and cash distributions was not material to us.

Overland Pass Pipeline - The Overland Pass Pipeline agreement provides that distributions to Overland Pass Pipeline's members are to be made on a pro rata basis according to each member's percentage interest. The Overland Pass Pipeline Company Management Committee determines the amount and timing of such distributions. Any changes to, or suspension of, the cash distributions from Overland Pass Pipeline requires the unanimous approval of the Overland Pass Pipeline Company Management Committee. Cash distributions are equal to 100% of available cash as defined in the limited liability company agreement. In 2020, 2019 and 2018, our contributions to Overland Pass Pipeline were not material.

Roadrunner - The Roadrunner agreement provides that distributions to members are made on a pro rata basis according to each member's ownership interest. As the operator, we have been delegated the authority to determine such distributions in accordance with, and on the frequency set forth in, the Roadrunner agreement. Cash distributions are equal to 100% of available cash, as defined in the limited liability company agreement. In 2020, 2019 and 2018, our contributions to Roadrunner were not material.

We have an operating agreement with Roadrunner that provides for reimbursement or payment to us for management services and certain operating costs. Reimbursements and payments from Roadrunner included in operating income in our Consolidated Statements of Income for the years ended December 31, 2020, 2019 and 2018, were not material.

N. COMMITMENTS AND CONTINGENCIES

Commitments - Firm transportation and storage contracts are fixed-price contracts that provide us with firm transportation and storage capacity. The following table sets forth our firm transportation and storage contract payments for the periods indicated:

	Firm Transportation and Storage Contracts	
	<i>(Millions of dollars)</i>	
2021	\$	70.9
2022		60.9
2023		55.8
2024		53.4
2025		47.9
Thereafter		227.8
Total	\$	516.7

Environmental Matters and Pipeline Safety - The operation of pipelines, plants and other facilities for the gathering, processing, fractionation, transportation and storage of natural gas, NGLs, condensate and other products is subject to numerous and complex laws and regulations pertaining to health, safety and the environment. As an owner and/or operator of these facilities, we must comply with laws and regulations that relate to air and water quality, hazardous and solid waste management and disposal, cultural resource protection and other environmental and safety matters. The cost of planning, designing, constructing and operating pipelines, plants and other facilities must incorporate compliance with these laws, regulations and safety standards. Failure to comply with these laws and regulations may trigger a variety of administrative, civil and potentially criminal enforcement measures, including citizen suits, which can include the assessment of monetary penalties, the imposition of remedial requirements and the issuance of injunctions or restrictions on operation or construction. Management does not believe that, based on currently known information, a material risk of noncompliance with these laws and regulations exists that will affect adversely our consolidated results of operations, financial condition or cash flows.

Legal Proceedings - We are a party to various litigation matters and claims that have arisen in the normal course of our operations. While the results of these litigation matters and claims cannot be predicted with certainty, we believe the reasonably possible losses from such matters, individually and in the aggregate, are not material. Additionally, we believe the probable final outcome of such matters will not have a material adverse effect on our consolidated results of operations, financial position or cash flows.

O. LEASES

We adopted Topic 842 using the modified retrospective method and the optional transition method to record the adoption impact through a cumulative-effect adjustment to retained earnings as of January 1, 2019. Results for reporting periods

beginning after January 1, 2019, are presented under Topic 842, while prior periods are not adjusted and continue to be reported under the accounting standards in effect for those periods.

We lease certain buildings, warehouses, office space, pipeline capacity, land and equipment, including pipeline equipment, rail cars and information technology equipment. Our lease payments are generally straight-line and the exercise of lease renewal options, which vary in term, is at our sole discretion. We include renewal periods in a lease term if we are reasonably certain to exercise available renewal options. We apply the short-term policy election, which allows us to exclude from recognition leases with an initial term of 12 months or less. Our lease agreements do not include any residual value guarantees or material restrictive covenants.

Through ONEOK Leasing Company, L.L.C. and ONEOK Parking Company, L.L.C., we own an office building and a parking garage and lease excess space in these facilities to affiliates and others. Our consolidated lease income is not material.

In December 2019, we entered into an operating lease for pipeline capacity with a lease term of 10 years that commenced January 1, 2020. In connection with this lease, we recognized an operating lease right-of-use asset and a lease liability with remaining balances of \$69.0 million and \$69.9 million, respectively, as of December 31, 2020.

The following table sets forth information about our lease assets and liabilities included in our Consolidated Balance Sheet for the periods indicated:

Leases	Location in our Consolidated Balance Sheet	December 31, 2020	December 31, 2019
<i>(Thousands of dollars)</i>			
Assets			
Operating leases	Other assets	\$ 100,154	\$ 15,147
Finance lease	Property, plant and equipment	28,286	28,286
Finance lease	Accumulated depreciation	(2,451)	(1,320)
Total leased assets		\$ 125,989	\$ 42,113
Liabilities			
Current			
Operating leases	Operating lease liability	\$ 13,610	\$ 1,883
Finance lease	Other current liabilities	2,153	1,949
Noncurrent			
Operating leases	Operating lease liability	87,610	13,509
Finance lease	Other deferred credits	22,143	24,296
Total lease liabilities		\$ 125,516	\$ 41,637

The following table sets forth supplemental cash flow information related to our leases:

	Years Ended December 31,	
	2020	2019
<i>(Thousands of dollars)</i>		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows for operating leases	\$ 13,245	\$ 6,213
Financing cash flows for finance lease	\$ 1,949	\$ 1,764
Right-of-use assets obtained in exchange for operating lease liabilities (noncash)	\$ 99,547	\$ 4,097

The following table sets forth information about our lease costs for the periods indicated:

	Location in our Consolidated Statement of Income	Years Ended December 31,	
		2020	2019
<i>(Thousands of dollars)</i>			
Operating leases	Operations and maintenance	\$ 17,162	\$ 6,803
Finance lease			
Amortization of lease assets	Depreciation and amortization	1,131	1,131
Interest on lease liabilities	Interest expense	2,537	2,721
Total lease cost		\$ 20,830	\$ 10,655

The following table sets forth information about our leases for the periods indicated:

	December 31, 2020	December 31, 2019
Weighted average remaining lease term (years)		
Operating leases	8.3	10.4
Finance lease	7.8	8.8
Weighted average discount rate (a)		
Operating leases	3.20%	4.58%
Finance lease	10.00%	10.00%

(a) - Our weighted-average discount rates represent the rate implicit in the lease or our incremental borrowing rate for a term equal to the remaining term of the lease.

The following table sets forth the maturity of our lease liabilities as of December 31, 2020:

	Finance Lease	Operating Leases
<i>(Millions of dollars)</i>		
2021	\$ 4.5	\$ 16.5
2022	4.5	15.1
2023	4.5	13.8
2024	4.5	12.5
2025	4.5	11.1
2026 and beyond	12.6	47.1
Total lease payments	35.1	116.1
Less: Interest	10.8	14.9
Present value of lease liabilities	\$ 24.3	\$ 101.2

P. REVENUES

Accounting Policies - See Note A for revenue recognition accounting policies.

Contract Assets and Contract Liabilities - Our contract asset balances at the beginning and end of the years ended December 31, 2020 and 2019, are not material. The following table sets forth the changes in our contract liability balances for the periods indicated:

Contract Liabilities	<i>(Millions of dollars)</i>	
Balance at January 1, 2019	\$	31.7
Revenue recognized included in beginning balance		(15.6)
Net additions		41.0
Balance at December 31, 2019 (a)		57.1
Revenue recognized included in beginning balance (c)		(36.1)
Net additions		20.4
Balance at December 31, 2020 (b)	\$	41.4

(a) - Contract liabilities of \$22.2 million and \$34.9 million are included in other current liabilities and other deferred credits, respectively, in our Consolidated Balance Sheet.

(b) - Contract liabilities of \$23.7 million and \$17.7 million are included in other current liabilities and other deferred credits, respectively, in our Consolidated Balance Sheet.

(c) - Includes a contract settlement of revenue previously deferred.

Receivables from Customers and Revenue Disaggregation - Substantially all of the balances in accounts receivable on our Consolidated Balance Sheets at December 31, 2020 and 2019, relate to customer receivables. Revenues sources are disaggregated in Note Q.

Practical Expedients - We do not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) variable consideration on contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.

Transaction Price Allocated to Unsatisfied Performance Obligations - The following table presents aggregate value allocated to unsatisfied performance obligations as of December 31, 2020, and the amounts we expect to recognize in revenue in future periods, related primarily to firm transportation and storage contracts with remaining contract terms ranging from one month to 23 years:

Expected Period of Recognition in Revenue	<i>(Millions of dollars)</i>	
2021	\$	328.2
2022		263.0
2023		235.4
2024		197.9
2025 and beyond		762.0
Total estimated transaction price allocated to unsatisfied performance obligations	\$	1,786.5

The table above excludes variable consideration allocated entirely to wholly unsatisfied performance obligations, wholly unsatisfied promises to transfer distinct goods or services that are part of a single performance obligation and consideration we determine to be fully constrained. Information on the nature of the variable consideration excluded and the nature of the performance obligations to which the variable consideration relates can be found in the description of the major contract types discussed in Note A. The amounts we determined to be fully constrained relate to future sales obligations under long-term sales contracts where the transaction price is not known and minimum volume agreements, which we consider to be fully constrained until invoiced.

Q. SEGMENTS

Segment Descriptions - Our operations are divided into three reportable business segments, as follows:

- our Natural Gas Gathering and Processing segment gathers, treats and processes natural gas;
- our Natural Gas Liquids segment gathers, treats, fractionates and transports NGLs and stores, markets and distributes NGL products; *and*

- our Natural Gas Pipelines segment transports and stores natural gas via regulated intrastate and interstate natural gas transmission pipelines and natural gas storage facilities.

Other and eliminations consist of corporate costs, the operating and leasing activities of our headquarters building and related parking facility and eliminations necessary to reconcile our reportable segments to our Consolidated Financial Statements.

Accounting Policies - The accounting policies of the segments are described in Note A.

For each of the years ended December 31, 2020, 2019 and 2018, we had no single customer from which we received 10% or more of our consolidated revenues.

Operating Segment Information - The following tables set forth certain selected financial information for our operating segments for the periods indicated:

Year Ended December 31, 2020	Natural Gas Gathering and Processing	Natural Gas Liquids (a)	Natural Gas Pipelines (b)	Total Segments
	<i>(Thousands of dollars)</i>			
NGL and condensate sales	\$ 889,388	\$ 6,409,332	\$ —	\$ 7,298,720
Residue natural gas sales	771,486	—	8,693	780,179
Gathering, processing and exchange services revenue	141,943	488,574	—	630,517
Transportation and storage revenue	—	182,915	470,097	653,012
Other	17,304	9,192	1,192	27,688
Total revenues (c)	1,820,121	7,090,013	479,982	9,390,116
Cost of sales and fuel (exclusive of depreciation and operating costs)	(843,976)	(5,108,558)	(6,809)	(5,959,343)
Operating costs	(326,938)	(412,900)	(141,713)	(881,551)
Equity in net earnings (loss) from investments	(1,123)	39,938	104,426	143,241
Noncash compensation expense and other	1,952	8,748	1,540	12,240
Segment adjusted EBITDA	\$ 650,036	\$ 1,617,241	\$ 437,426	\$ 2,704,703
Depreciation and amortization	\$ (247,010)	\$ (271,900)	\$ (55,739)	\$ (574,649)
Impairment charges	\$ (566,145)	\$ (78,785)	\$ —	\$ (644,930)
Investments in unconsolidated affiliates	\$ 22,757	\$ 423,494	\$ 358,781	\$ 805,032
Total assets	\$ 6,499,908	\$ 13,636,109	\$ 2,100,213	\$ 22,236,230
Capital expenditures	\$ 446,142	\$ 1,655,759	\$ 71,918	\$ 2,173,819

(a) - Our Natural Gas Liquids segment has regulated and nonregulated operations. Our Natural Gas Liquids segment's regulated operations had revenues of \$2.0 billion, of which \$1.8 billion related to sales within the segment, and cost of sales and fuel of \$520.6 million.

(b) - Our Natural Gas Pipelines segment has regulated and nonregulated operations. Our Natural Gas Pipelines segment's regulated operations had revenues of \$298.5 million and cost of sales and fuel of \$30.4 million.

(c) - Intersegment revenues are primarily commodity sales which are based on the contracted selling price, which is generally index-based and settled monthly, and for the Natural Gas Gathering and Processing segment totaled \$865.6 million. Intersegment revenues for the Natural Gas Liquids and Natural Gas Pipelines segments were not material.

Year Ended December 31, 2020	Total Segments	Other and Eliminations	Total
	<i>(Thousands of dollars)</i>		
Reconciliations of total segments to consolidated			
NGL and condensate sales	\$ 7,298,720	\$ (820,851)	\$ 6,477,869
Residue natural gas sales	780,179	(10,860)	769,319
Gathering, processing and exchange services revenue	630,517	—	630,517
Transportation and storage revenue	653,012	(14,599)	638,413
Other	27,688	(1,564)	26,124
Total revenues (a)	\$ 9,390,116	\$ (847,874)	\$ 8,542,242
Cost of sales and fuel (exclusive of depreciation and operating costs)	\$ (5,959,343)	\$ 849,197	\$ (5,110,146)
Operating costs	\$ (881,551)	\$ (4,653)	\$ (886,204)
Depreciation and amortization	\$ (574,649)	\$ (4,013)	\$ (578,662)
Impairment charges	\$ (644,930)	\$ —	\$ (644,930)
Equity in net earnings from investments	\$ 143,241	\$ —	\$ 143,241
Investments in unconsolidated affiliates	\$ 805,032	\$ —	\$ 805,032
Total assets	\$ 22,236,230	\$ 842,524	\$ 23,078,754
Capital expenditures	\$ 2,173,819	\$ 21,562	\$ 2,195,381

(a) - Noncustomer revenue for the year ended December 31, 2020, totaled \$65.8 million related primarily to gains from derivatives on commodity contracts.

Year Ended December 31, 2019	Natural Gas Gathering and Processing	Natural Gas Liquids (a)	Natural Gas Pipelines (b)	Total Segments
	<i>(Thousands of dollars)</i>			
NGL and condensate sales	\$ 1,224,378	\$ 7,910,833	\$ —	\$ 9,135,211
Residue natural gas sales	966,149	—	1,244	967,393
Gathering, processing and exchange services revenue	164,299	414,238	—	578,537
Transportation and storage revenue	—	197,483	466,266	663,749
Other	13,813	9,962	4,477	28,252
Total revenues (c)	2,368,639	8,532,516	471,987	11,373,142
Cost of sales and fuel (exclusive of depreciation and operating costs)	(1,302,310)	(6,690,918)	(4,628)	(7,997,856)
Operating costs	(368,352)	(456,892)	(157,230)	(982,474)
Equity in net earnings (loss) from investments	(6,292)	65,123	95,710	154,541
Noncash compensation expense and other	10,965	15,936	2,977	29,878
Segment adjusted EBITDA	\$ 702,650	\$ 1,465,765	\$ 408,816	\$ 2,577,231
Depreciation and amortization	\$ (219,519)	\$ (196,132)	\$ (57,250)	\$ (472,901)
Investments in unconsolidated affiliates	\$ 34,426	\$ 439,393	\$ 388,025	\$ 861,844
Total assets	\$ 6,795,744	\$ 12,551,476	\$ 2,094,072	\$ 21,441,292
Capital expenditures	\$ 926,489	\$ 2,796,604	\$ 99,221	\$ 3,822,314

(a) - Our Natural Gas Liquids segment has regulated and nonregulated operations. Our Natural Gas Liquids segment's regulated operations had revenues of \$1.4 billion, of which \$1.2 billion related to revenues within the segment, and cost of sales and fuel of \$496.8 million.

(b) - Our Natural Gas Pipelines segment has regulated and nonregulated operations. Our Natural Gas Pipelines segment's regulated operations had revenues of \$285.3 million and cost of sales and fuel of \$20.0 million.

(c) - Intersegment revenues are primarily commodity sales which are based on the contracted selling price, which is generally index-based and settled monthly, and for the Natural Gas Gathering and Processing segment totaled \$1.2 billion. Intersegment revenues for the Natural Gas Liquids and Natural Gas Pipelines segments were not material.

Year Ended December 31, 2019	Total Segments	Other and Eliminations	Total
<i>(Thousands of dollars)</i>			
Reconciliations of total segments to consolidated			
NGL and condensate sales	\$ 9,135,211	\$ (1,190,424)	\$ 7,944,787
Residue natural gas sales	967,393	(1,418)	965,975
Gathering, processing and exchange services revenue	578,537	—	578,537
Transportation and storage revenue	663,749	(15,646)	648,103
Other	28,252	(1,287)	26,965
Total revenues (a)	\$ 11,373,142	\$ (1,208,775)	\$ 10,164,367
Cost of sales and fuel (exclusive of depreciation and operating costs)	\$ (7,997,856)	\$ 1,209,816	\$ (6,788,040)
Operating costs	\$ (982,474)	\$ (390)	\$ (982,864)
Depreciation and amortization	\$ (472,901)	\$ (3,634)	\$ (476,535)
Equity in net earnings from investments	\$ 154,541	\$ —	\$ 154,541
Investments in unconsolidated affiliates	\$ 861,844	\$ —	\$ 861,844
Total assets	\$ 21,441,292	\$ 370,829	\$ 21,812,121
Capital expenditures	\$ 3,822,314	\$ 26,035	\$ 3,848,349

(a) - Noncustomer revenue for the year ended December 31, 2019, totaled \$139.6 million related primarily to gains from derivatives on commodity contracts.

Year Ended December 31, 2018	Natural Gas Gathering and Processing	Natural Gas Liquids (a)	Natural Gas Pipelines (b)	Total Segments
<i>(Thousands of dollars)</i>				
NGL and condensate sales	\$ 1,775,991	\$ 10,319,847	\$ —	\$ 12,095,838
Residue natural gas sales	1,084,162	—	9,772	1,093,934
Gathering, processing and exchange services revenue	163,194	404,897	—	568,091
Transportation and storage revenue	—	199,018	414,969	613,987
Other	11,230	10,816	6,994	29,040
Total revenues (c)	3,034,577	10,934,578	431,735	14,400,890
Cost of sales and fuel (exclusive of depreciation and operating costs)	(2,041,448)	(9,176,813)	(15,984)	(11,234,245)
Operating costs	(368,939)	(394,115)	(144,259)	(907,313)
Equity in net earnings from investments	410	67,126	90,847	158,383
Noncash compensation expense and other	7,007	9,829	3,912	20,748
Segment adjusted EBITDA	\$ 631,607	\$ 1,440,605	\$ 366,251	\$ 2,438,463
Depreciation and amortization	\$ (196,090)	\$ (174,007)	\$ (55,118)	\$ (425,215)
Investments in unconsolidated affiliates	\$ 42,630	\$ 451,040	\$ 475,480	\$ 969,150
Total assets	\$ 6,078,473	\$ 9,663,640	\$ 2,131,669	\$ 17,873,782
Capital expenditures	\$ 694,611	\$ 1,306,341	\$ 119,185	\$ 2,120,137

(a) - Our Natural Gas Liquids segment has regulated and nonregulated operations. Our Natural Gas Liquids segment's regulated operations had revenues of \$1.2 billion, of which \$1.1 billion related to revenues within the segment, and cost of sales and fuel of \$506.0 million.

(b) - Our Natural Gas Pipelines segment has regulated and nonregulated operations. Our Natural Gas Pipelines segment's regulated operations had revenues of \$266.6 million and cost of sales and fuel of \$26.0 million.

(c) - Intersegment revenues are primarily commodity sales which are based on the contracted selling price, which is generally index-based and settled monthly, and for the Natural Gas Gathering and Processing segment totaled \$1.8 billion. Intersegment revenues for the Natural Gas Liquids and Natural Gas Pipelines segments were not material.

Year Ended December 31, 2018	Total Segments	Other and Eliminations	Total
<i>(Thousands of dollars)</i>			
Reconciliations of total segments to consolidated			
NGL and condensate sales	\$ 12,095,838	\$ (1,794,342)	\$ 10,301,496
Residue natural gas sales	1,093,934	(2,832)	1,091,102
Gathering, processing and exchange services revenue	568,091	(21)	568,070
Transportation and storage revenue	613,987	(10,550)	603,437
Other	29,040	51	29,091
Total revenues (a)	\$ 14,400,890	\$ (1,807,694)	\$ 12,593,196
Cost of sales and fuel (exclusive of depreciation and operating costs)	\$ (11,234,245)	\$ 1,811,537	\$ (9,422,708)
Operating costs	\$ (907,313)	\$ 245	\$ (907,068)
Depreciation and amortization	\$ (425,215)	\$ (3,342)	\$ (428,557)
Equity in net earnings from investments	\$ 158,383	\$ —	\$ 158,383
Investments in unconsolidated affiliates	\$ 969,150	\$ —	\$ 969,150
Total assets	\$ 17,873,782	\$ 357,889	\$ 18,231,671
Capital expenditures	\$ 2,120,137	\$ 21,338	\$ 2,141,475

(a) - Noncustomer revenue for the year ended December 31, 2018, totaled \$(16.2) million related primarily to losses from derivatives on commodity contracts.

	Years Ended December 31,		
	2020	2019	2018
<i>(Thousands of dollars)</i>			
Reconciliation of net income to total segment adjusted EBITDA			
Net income	\$ 612,809	\$ 1,278,577	\$ 1,155,032
Add:			
Interest expense, net of capitalized interest	712,886	491,773	469,620
Depreciation and amortization	578,662	476,535	428,557
Income tax expense	189,507	372,414	362,903
Impairment charges	644,930	—	—
Noncash compensation expense	8,540	26,699	37,954
Other corporate costs and equity AFUDC (a)	(42,631)	(68,767)	(15,603)
Total segment adjusted EBITDA	\$ 2,704,703	\$ 2,577,231	\$ 2,438,463

(a) - The year ended December 31, 2020, includes corporate net gains of \$22.3 million on extinguishment of debt related to open market repurchases. The year ended December 31, 2019, includes higher equity AFUDC related to our capital-growth projects compared with 2020 and 2018.

R. QUARTERLY FINANCIAL DATA (UNAUDITED)

Year Ended December 31, 2020	First Quarter (a)	Second Quarter (b)	Third Quarter (c)	Fourth Quarter (c)
<i>(Thousands of dollars, except per share amounts)</i>				
Total revenues	\$ 2,136,672	\$ 1,660,729	\$ 2,174,264	\$ 2,570,577
Operating income (loss)	\$ (83,469)	\$ 355,730	\$ 550,433	\$ 538,663
Net income (loss)	\$ (141,857)	\$ 134,321	\$ 312,316	\$ 308,029
Net income (loss) available to common shareholders	\$ (142,132)	\$ 134,046	\$ 312,041	\$ 307,754
Earnings (loss) per share total				
Basic	\$ (0.34)	\$ 0.32	\$ 0.70	\$ 0.69
Diluted	\$ (0.34)	\$ 0.32	\$ 0.70	\$ 0.69

(a) - Due to historic events as a result of COVID-19 impacting supply, demand and commodity prices, we evaluated our goodwill, certain long-lived asset groups and equity investments for impairment and recorded \$641.8 million in impairment charges.

(b) - In the second quarter 2020, due to the commodity price environment and continued global and regional economic disruptions due primarily to COVID-19, many of our crude oil and natural gas producers curtailed production, which significantly reduced volumes on our system.

(c) - In the third quarter 2020, many of our producers reversed curtailments, bringing volumes back to pre-COVID-19 levels as prices and demand improved from second quarter 2020 lows and remained stable.

Year Ended December 31, 2019	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	<i>(Thousands of dollars except per share amounts)</i>			
Total revenues	\$ 2,779,958	\$ 2,457,575	\$ 2,263,228	\$ 2,663,606
Operating income	\$ 468,742	\$ 476,146	\$ 482,151	\$ 487,314
Net income	\$ 337,208	\$ 311,963	\$ 309,155	\$ 320,251
Net income available to common shareholders	\$ 336,933	\$ 311,688	\$ 308,880	\$ 319,976
EPS total				
Basic	\$ 0.82	\$ 0.75	\$ 0.75	\$ 0.77
Diluted	\$ 0.81	\$ 0.75	\$ 0.74	\$ 0.77

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer) have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report based on the evaluation of the controls and procedures required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, we evaluated the effectiveness of our internal control over financial reporting based on the framework in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Based on our evaluation under that framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2020.

The effectiveness of our internal control over financial reporting as of December 31, 2020, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein (Item 8).

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2020, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors of the Registrant

Information concerning our directors is set forth in our 2021 definitive Proxy Statement and is incorporated herein by this reference.

Executive Officers of the Registrant

Information concerning our executive officers is included in Part I, Item 1, Business, of this Annual Report.

Compliance with Section 16(a) of the Exchange Act

Information on compliance with Section 16(a) of the Exchange Act is set forth in our 2021 definitive Proxy Statement and is incorporated herein by this reference.

Code of Ethics

Information concerning the code of ethics, or code of business conduct, is set forth in our 2021 definitive Proxy Statement and is incorporated herein by this reference.

Nominating Committee Procedures

Information concerning the Nominating Committee procedures is set forth in our 2021 definitive Proxy Statement and is incorporated herein by this reference.

Audit Committee

Information concerning the Audit Committee is set forth in our 2021 definitive Proxy Statement and is incorporated herein by this reference.

Audit Committee Financial Experts

Information concerning the Audit Committee Financial Experts is set forth in our 2021 definitive Proxy Statement and is incorporated herein by this reference.

ITEM 11. EXECUTIVE COMPENSATION

Information on executive compensation is set forth in our 2021 definitive Proxy Statement and is incorporated herein by this reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**Security Ownership of Certain Beneficial Owners**

Information concerning the ownership of certain beneficial owners is set forth in our 2021 definitive Proxy Statement and is incorporated herein by this reference.

Security Ownership of Management

Information on security ownership of directors and officers is set forth in our 2021 definitive Proxy Statement and is incorporated herein by this reference.

Equity Compensation Plan Information

The following table sets forth certain information concerning our equity compensation plans as of December 31, 2020:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b) (3)	Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities in Column (a)) (c)
Equity compensation plans approved by security holders (1)	2,854,622	—	7,937,940
Equity compensation plans not approved by security holders (2)	295,620	\$ 38.38	—
Total	3,150,242	\$ 38.38	7,937,940

(1) - Includes shares granted under our Employee Stock Purchase Plan, Employee Stock Award Program and restricted stock incentive unit awards and performance unit awards granted under our former Long-Term Incentive Plan, our former Equity Compensation Plan and our Equity Incentive Plan. For a brief description of the material features of these plans, see Note J of the Notes to Consolidated Financial Statements in this Annual Report. Column (c) includes 1,031,485, 130,204 and 6,776,251 shares available for future issuance under our Employee Stock Purchase Plan, Employee Stock Award Program and Equity Incentive Plan, respectively.

(2) - Includes our NQDC Plan, Deferred Compensation Plan for Non-Employee Directors and our former Stock Compensation Plan for Non-Employee Directors. For a brief description of the material features of these plans, see Notes K and J of the Notes to Consolidated Financial Statements in this Annual Report.

(3) - There is no exercise price associated with restrictive stock incentive unit awards and performance unit awards. Compensation deferred into our common stock under our Deferred Compensation Plan for Non-Employee Directors is distributed to participants at fair market value on the date of distribution. The price used for these plans to calculate the weighted-average exercise price in the table is \$38.38, which represents the 2020 year-end closing price of our common stock on the NYSE.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information on certain relationships and related transactions and director independence is set forth in our 2021 definitive Proxy Statement and is incorporated herein by this reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information concerning the principal accountant's fees and services is set forth in our 2021 definitive Proxy Statement and is incorporated herein by this reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

<u>(1) Financial Statements</u>	<u>Page No.</u>
(a) Report of Independent Registered Public Accounting Firm	57-59
(b) Consolidated Statements of Income for the years ended December 31, 2020, 2019 and 2018	60
(c) Consolidated Statements of Comprehensive Income for the years ended December 31, 2020, 2019 and 2018	61
(d) Consolidated Balance Sheets as of December 31, 2020 and 2019	62-63
(e) Consolidated Statements of Cash Flows for the years ended December 31, 2020, 2019 and 2018	65
(f) Consolidated Statements of Changes in Equity for the years ended December 31, 2020, 2019 and 2018	66-67
(g) Notes to Consolidated Financial Statements	68-106

(2) Financial Statements Schedules

All schedules have been omitted because of the absence of conditions under which they are required.

(3) Exhibits

3	Amended and Restated Certificate of Incorporation of ONEOK, Inc., dated July 3, 2017, as amended (incorporated by reference from Exhibit 3.2 to ONEOK, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, filed November 1, 2017 (File No. 1-13643)).
3.1	Amended and Restated Bylaws of ONEOK, Inc. (incorporated by reference from Exhibit 3.1 to ONEOK, Inc.'s Current Report on Form 8-K filed September 20, 2018 (File No. 1-13643)).
4	Certificate of Designation for Convertible Preferred Stock of WAI, Inc. (now ONEOK, Inc.) filed November 21, 2008 (incorporated by reference from Exhibit 3.1 to ONEOK, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, filed August 1, 2012 (File No. 1-13643)).
4.1	Certificate of Designation for Series C Participating Preferred Stock of ONEOK, Inc. filed November 21, 2008 (incorporated by reference from Exhibit No. 3.1 to ONEOK, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, filed August 1, 2012 (File No. 1-13643)).
4.2	Fifth Supplemental Indenture, dated as of June 30, 2017, by and among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and The Bank of New York Mellon Trust, as trustee (incorporated by reference from Exhibit 4.1 to ONEOK Inc.'s Current Report on Form 8-K filed July 3, 2017 (File No. 1-13643)).
4.3	Form of Common Stock Certificate (incorporated by reference from Exhibit 1 to ONEOK, Inc.'s Registration Statement on Form 8-A filed November 21, 1997 (File No. 1-13643)).

- 4.4 [Indenture, dated September 24, 1998, between ONEOK, Inc. and Chase Bank of Texas, as trustee \(incorporated by reference from Exhibit 4.1 to ONEOK, Inc.'s Registration Statement on Form S-3 filed August 26, 1998 \(File No. 333-62279\)\).](#)
- 4.5 [Indenture dated December 28, 2001, between ONEOK, Inc. and SunTrust Bank, as trustee \(incorporated by reference from Exhibit 4.1 to Amendment No. 1 to ONEOK, Inc.'s Registration Statement on Form S-3 filed December 28, 2001 \(File No. 333-65392\)\).](#)
- 4.6 [First Supplemental Indenture dated September 24, 1998, between ONEOK, Inc. and Chase Bank of Texas, as trustee, with respect to the 6.50% Senior Insured Quarterly Notes due 2028 \(incorporated by reference from Exhibit 5\(a\) to ONEOK, Inc.'s Current Report on Form 8-K/A filed October 2, 1998 \(File No. 1-13643\)\).](#)
- 4.7 [Second Supplemental Indenture dated September 25, 1998, between ONEOK, Inc. and Chase Bank of Texas, as trustee, with respect to the 6.875% Debentures due 2028 \(incorporated by reference from Exhibit 5\(b\) to ONEOK, Inc.'s Current Report on Form 8-K/A filed October 2, 1998 \(File No. 1-13643\)\).](#)
- 4.8 [Third Supplemental Indenture, dated as of June 30, 2017, by and among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee \(incorporated by reference from Exhibit 4.2 to ONEOK Inc.'s Current Report on Form 8-K filed July 3, 2017 \(File No. 1-13643\)\).](#)
- 4.9 [Thirteenth Supplemental Indenture, dated March 20, 2015, among ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and Wells Fargo Bank, N.A., as trustee, with respect to the 3.80% Senior Notes due 2020 \(incorporated by reference to Exhibit 4.2 to ONEOK Partners, L.P.'s Current Report on Form 8-K filed on March 20, 2015 \(File No. 1-12202\)\).](#)
- 4.10 [Fourteenth Supplemental Indenture, dated March 20, 2015, among ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and Wells Fargo Bank, N.A., as trustee, with respect to the 4.90% Senior Notes due 2025 \(incorporated by reference to Exhibit 4.3 to ONEOK Partners, L.P.'s Current Report on Form 8-K filed on March 20, 2015 \(File No. 1-12202\)\).](#)
- 4.11 [Fourth Supplemental Indenture, dated as of July 13, 2017, by and among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 4.00% Senior Notes due 2027 \(incorporated by reference from Exhibit 4.1 to ONEOK Inc.'s Current Report on Form 8-K filed July 13, 2017 \(File No. 1-13643\)\).](#)
- 4.12 [Fifth Supplemental Indenture, dated as of July 13, 2017, by and among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 4.95% Senior Notes due 2047 \(incorporated by reference from Exhibit 4.2 to ONEOK Inc.'s Current Report on Form 8-K filed July 13, 2017 \(File No. 1-13643\)\).](#)
- 4.13 [Fifteenth Supplemental Indenture, dated as of June 30, 2017, by and among ONEOK Partners, L.P., ONEOK, Inc., ONEOK Partners Intermediate Limited Partnership and Wells Fargo Bank, N.A., as trustee \(incorporated by reference from Exhibit 4.1 to ONEOK, Partners, L.P.'s Current Report on Form 8-K filed July 3, 2017 \(File No. 1-12202\)\).](#)
- 4.14 [Certificate of Designation, Preferences and Rights of Series E Non-Voting Perpetual Preferred Stock of ONEOK, Inc. filed April 20, 2017 \(incorporated by reference from Exhibit No. 3.1 to ONEOK, Inc.'s Current Report on Form 8-K filed April 20, 2017 \(File No. 1-13643\)\).](#)
- 4.15 [Third Supplemental Indenture, dated June 17, 2005, between ONEOK, Inc. and SunTrust Bank, as trustee, with respect to the 6.00% Senior Notes due 2035 \(incorporated by reference from Exhibit 4.3 to ONEOK, Inc.'s Current Report on Form 8-K filed June 17, 2005 \(File No. 1-13643\)\).](#)

- 4.16 [Tenth Supplemental Indenture, dated September 12, 2013, among ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and Wells Fargo Bank, N.A., as trustee, with respect to the 3.200% Senior Notes due 2018 \(incorporated by reference to Exhibit 4.2 to ONEOK Partners, L.P.'s Current Report on Form 8-K filed September 12, 2013 \(File No. 1-12202\)\).](#)
- 4.17 [Eleventh Supplemental Indenture, dated September 12, 2013, among ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and Wells Fargo Bank, N.A., as trustee, with respect to the 5.000% Senior Notes due 2023 \(incorporated by reference to Exhibit 4.3 to ONEOK Partners, L.P.'s Current Report on Form 8-K filed September 12, 2013 \(File No. 1-12202\)\).](#)
- 4.18 [Twelfth Supplemental Indenture, dated September 12, 2013, among ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and Wells Fargo Bank, N.A., as trustee, with respect to the 6.200% Senior Notes due 2043 \(incorporated by reference to Exhibit 4.4 to ONEOK Partners, L.P.'s Current Report on Form 8-K filed September 12, 2013 \(File No. 1-12202\)\).](#)
- 4.19 [Indenture, dated September 25, 2006, between ONEOK Partners, L.P. and Wells Fargo Bank, N.A., as trustee \(incorporated by reference to Exhibit 4.1 to ONEOK Partners, L.P.'s Current Report on Form 8-K filed September 26, 2006 \(File No. 1-12202\)\).](#)
- 4.20 [Third Supplemental Indenture, dated September 25, 2006, among ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and Wells Fargo Bank, N.A., as trustee, with respect to the 6.65% Senior Notes due 2036 \(incorporated by reference to Exhibit 4.4 to ONEOK Partners, L.P.'s Current Report on Form 8-K filed September 26, 2006 \(File No. 1-12202\)\).](#)
- 4.21 [Fourth Supplemental Indenture, dated September 28, 2007, among ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and Wells Fargo Bank, N.A., as trustee, with respect to the 6.85% Senior Notes due 2037 \(incorporated by reference to Exhibit 4.2 to ONEOK Partners, L.P.'s Current Report on Form 8-K filed September 28, 2007 \(File No. 1-12202\)\).](#)
- 4.22 [Fifth Supplemental Indenture, dated March 3, 2009, among ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and Wells Fargo Bank, N.A., as trustee, with respect to the 8.625% Senior Notes due 2019 \(incorporated by reference to Exhibit 4.2 to ONEOK Partners, L.P.'s Current Report on Form 8-K filed March 3, 2009 \(File No. 1-12202\)\).](#)
- 4.23 [Ninth Supplemental Indenture, dated September 13, 2012, among ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and Wells Fargo Bank, N.A., as trustee, with respect to the 3.375% Senior Notes due 2022 \(incorporated by reference from Exhibit 4.3 to ONEOK Partners, L.P.'s Current Report on Form 8-K filed September 13, 2012 \(File No. 1-12202\)\).](#)
- 4.24 [Form of Class B unit certificate of ONEOK Partners, L.P. \(incorporated by reference to Exhibit 4.1 to Northern Border Partners, L.P.'s Current Report on Form 8-K filed April 12, 2006 \(File No. 1-12202\)\).](#)
- 4.25 [Seventh Supplemental Indenture, dated January 26, 2011, among ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and Wells Fargo Bank, N.A., as trustee, with respect to the 6.125% Senior Notes due 2041 \(incorporated by reference from Exhibit 4.3 to ONEOK Partners, L.P.'s Current Report on Form 8-K filed January 26, 2011 \(File No. 1-12202\)\).](#)
- 4.26 [Indenture, dated January 26, 2012, among ONEOK, Inc. and U.S. Bank National Association, as trustee \(incorporated by reference to Exhibit 4.1 to ONEOK, Inc.'s Current Report on Form 8-K filed January 26, 2012 \(File No. 1-13643\)\).](#)
- 4.27 [First Supplemental Indenture, dated January 26, 2012, among ONEOK, Inc. and U.S. Bank National Association, as trustee, with respect to the 4.25% Senior Notes due 2022 \(incorporated by reference to Exhibit 4.2 to ONEOK, Inc.'s Current Report on Form 8-K filed January 26, 2012 \(File No. 1-13643\)\).](#)

- 4.28 [Second Supplemental Indenture, dated August 21, 2015, between ONEOK, Inc. and U.S. Bank National Association, as trustee, with respect to the 7.50% Notes due 2023 \(incorporated by reference to Exhibit 4.1 to ONEOK, Inc.'s Current Report on Form 8-K filed August 21, 2015 \(File No. 1-13643\)\).](#)
- 4.29 [Fourth Supplemental Indenture, dated as of June 30, 2017, by and among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 6.00% Senior Notes due 2035 \(incorporated by reference from Exhibit 4.3 to ONEOK Inc.'s Current Report on Form 8-K filed July 3, 2017 \(File No. 1-13643\)\).](#)
- 4.30 [Sixth Supplemental Indenture, dated as of July 2, 2018, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 4.55% Senior Notes due 2028 \(incorporated by reference from Exhibit No. 4.1 to ONEOK, Inc.'s Current Report on Form 8-K filed July 2, 2018 \(File No. 1-13643\)\).](#)
- 4.31 [Seventh Supplemental Indenture, dated as of July 2, 2018, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 5.20% Senior Notes due 2048 \(incorporated by reference from Exhibit No. 4.2 to ONEOK, Inc.'s Current Report on Form 8-K filed July 2, 2018 \(File No. 1-13643\)\).](#)
- 4.32 [Eighth Supplemental Indenture, dated as of March 13, 2019, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 4.35% Senior Notes due 2029 \(incorporated by reference from Exhibit No. 4.2 to ONEOK, Inc.'s Current Report on Form 8-K filed March 13, 2019 \(File No. 1-13643\)\).](#)
- 4.33 [Ninth Supplemental Indenture, dated as of March 13, 2019, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 5.20% Senior Notes due 2048 \(incorporated by reference from Exhibit No. 4.3 to ONEOK, Inc.'s Current Report on Form 8-K filed March 13, 2019 \(File No. 1-13643\)\).](#)
- 4.34 [Tenth Supplemental Indenture, dated as of August 15, 2019, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 2.75% Senior Notes due 2024 \(incorporated by reference from Exhibit No. 4.1 to ONEOK, Inc.'s Current Report on Form 8-K filed August 15, 2019 \(File No. 1-13643\)\).](#)
- 4.35 [Eleventh Supplemental Indenture, dated as of August 15, 2019, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 3.40% Senior Notes due 2029 \(incorporated by reference from Exhibit No. 4.2 to ONEOK, Inc.'s Current Report on Form 8-K filed August 15, 2019 \(File No. 1-13643\)\).](#)
- 4.36 [Twelfth Supplemental Indenture, dated as of August 15, 2019, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 4.45% Senior Notes due 2049 \(incorporated by reference from Exhibit No. 4.3 to ONEOK, Inc.'s Current Report on Form 8-K filed August 15, 2019 \(File No. 1-13643\)\).](#)
- 4.37 [Thirteenth Supplemental Indenture, dated as of March 10, 2020, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 2.200% Senior Notes due 2025 \(incorporated by reference from Exhibit No. 4.1 to ONEOK, Inc.'s Current Report on Form 8-K filed March 10, 2020 \(File No. 1-13643\)\).](#)
- 4.38 [Fourteenth Supplemental Indenture, dated as of March 10, 2020, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 3.100% Senior Notes due 2030 \(incorporated by reference from Exhibit No. 4.2 to ONEOK, Inc.'s Current Report on Form 8-K filed March 10, 2020 \(File No. 1-13643\)\).](#)

- 4.39 [Fifteenth Indenture, dated as of March 10, 2020, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 4.500% Senior Notes due 2050 \(incorporated by reference from Exhibit No. 4.3 to ONEOK, Inc.'s Current Report on Form 8-K filed March 20, 2020 \(File No. 1-13643\)\).](#)
- 4.40 [Sixteenth Supplemental Indenture, dated as of May 7, 2020, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 5.850% Senior Notes due 2026 \(incorporated by reference from Exhibit No. 4.1 to ONEOK, Inc.'s Current Report on Form 8-K filed May 7, 2020 \(File No. 1-13643\)\).](#)
- 4.41 [Seventeenth Supplemental Indenture, dated as of May 7, 2020, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 6.350% Senior Notes due 2031 \(incorporated by reference from Exhibit No. 4.2 to ONEOK, Inc.'s Current Report on Form 8-K filed May 7, 2020 \(File No. 1-13643\)\).](#)
- 4.42 [Eighteenth Supplemental Indenture, dated as of May 7, 2020, among ONEOK, Inc., ONEOK Partners, L.P., ONEOK Partners Intermediate Limited Partnership and U.S. Bank National Association, as trustee, with respect to the 7.150% Senior Notes due 2051 \(incorporated by reference from Exhibit No. 4.3 to ONEOK, Inc.'s Current Report on Form 8-K filed May 7, 2020 \(File No. 1-13643\)\).](#)
- 4.43 [Description of securities](#)
- 10 [ONEOK, Inc. Long-Term Incentive Plan \(incorporated by reference from Exhibit 10\(a\) to ONEOK, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2001, filed March 14, 2002 \(File No. 1-13643\)\).](#)
- 10.1 [ONEOK, Inc. Stock Compensation Plan for Non-Employee Directors \(incorporated by reference from Exhibit 99 to ONEOK, Inc.'s Registration Statement on Form S-8 filed January 25, 2001 \(File No. 333-54274\)\).](#)
- 10.2 [ONEOK, Inc. Supplemental Executive Retirement Plan terminated and frozen December 31, 2004 \(incorporated by reference from Exhibit 10.1 to ONEOK, Inc.'s Current Report on Form 8-K filed December 20, 2004 \(File No. 1-13643\)\).](#)
- 10.3 [ONEOK, Inc. 2005 Supplemental Executive Retirement Plan, as amended and restated, dated December 18, 2008 \(incorporated by reference from Exhibit 10.3 to ONEOK, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed February 25, 2009 \(File No. 1-13643\)\).](#)
- 10.4 [Credit Agreement, dated as of April 18, 2017, among ONEOK, Inc., Citibank, N.A., as administrative agent, a swingline lender, a letter of credit issuer and a lender, and the other lenders, swingline lenders and letter of credit issuers parties thereto \(incorporated by reference from Exhibit 10.1 to ONEOK, Inc.'s Current Report on Form 8-K filed April 19, 2017 \(File No. 1-13643\)\).](#)
- 10.5 [Form of Indemnification Agreement between ONEOK, Inc. and ONEOK, Inc. officers and directors, as amended \(incorporated by reference from Exhibit 10.5 to ONEOK, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed February 25, 2015 \(File No. 1-13643\)\).](#)
- 10.6 [Amended and Restated ONEOK, Inc. Annual Officer Incentive Plan \(incorporated by reference from Exhibit 10.1 to ONEOK, Inc.'s Current Report on Form 8-K filed May 27, 2009 \(File No. 1-13643\)\).](#)
- 10.7 [ONEOK, Inc. Employee Nonqualified Deferred Compensation Plan, as amended and restated December 16, 2004 \(incorporated by reference from Exhibit 10.3 to ONEOK, Inc.'s Current Report on Form 8-K filed December 20, 2004 \(File No. 1-13643\)\).](#)

- 10.8 [ONEOK, Inc. 2005 Nonqualified Deferred Compensation Plan, as amended and restated, dated December 18, 2008 \(incorporated by reference from Exhibit 10.8 to ONEOK, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed February 25, 2009 \(File No. 1-13643\)\).](#)
- 10.9 [ONEOK, Inc. Deferred Compensation Plan for Non-Employee Directors, as amended and restated, dated December 18, 2008 \(incorporated by reference from Exhibit 10.9 to ONEOK, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed February 25, 2009 \(File No. 1-13643\)\).](#)
- 10.10 [First Amendment to the Term Loan Agreement, dated as of April 18, 2017, among ONEOK Partners, L.P., Mizuho Bank, Ltd., as administrative agent and a lender, and the other lenders parties thereto \(including the Amended and Restated Term Loan Agreement attached as an annex thereto\) \(incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed by ONEOK Partners, L.P. on April 19, 2017 \(File No. 1-12202\)\).](#)
- 10.11 [Guaranty Agreement, dated as of June 30, 2017, by and between ONEOK Partners, L.P. and ONEOK Partners Intermediate Limited Partnership, in favor of Citibank, N.A., as administrative agent, under the Credit Agreement, dated as of April 18, 2017, by and among ONEOK, Inc., Citibank, N.A. and the other lenders parties thereto \(incorporated by reference from Exhibit 10.1 to ONEOK, Inc.'s Current Report on Form 8-K filed July 3, 2017 \(File No. 1-13643\)\).](#)
- 10.12 [Extension Agreement, dated as of June 18, 2018, among ONEOK, Inc., Citibank, N.A., as administrative agent, a swingline lender, a letter of credit issuer and a lender, and the other lenders, swingline lenders and letter of credit issuers parties thereto \(incorporated by reference from Exhibit No. 10.1 to ONEOK, Inc.'s Current Report on Form 8-K filed June 18, 2018 \(File No. 1-13643\)\).](#)
- 10.13 [First Amendment and Extension Agreement, dated as of May 24, 2019, among ONEOK, Inc., Citibank, N.A., as administrative agent, a swingline lender, a letter of credit issuer and a lender, and the other lenders, swingline lenders and letter of credit issuers parties thereto \(incorporated by reference from Exhibit No. 10.1 to ONEOK, Inc.'s Current Report on Form 8-K filed May 29, 2019 \(File No. 1-13643\)\).](#)
- 10.14 [Amended and Restated Limited Liability Company Agreement of Overland Pass Pipeline Company LLC entered into between ONEOK Overland Pass Holdings, L.L.C. and Williams Field Services Company, LLC dated May 31, 2006 \(incorporated by reference to Exhibit 10.6 to ONEOK Partners, L.P.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2006, filed August 4, 2006 \(File No. 1-12202\)\).](#)
- 10.15 [Form of ONEOK, Inc. Officer Change in Control Severance Plan \(incorporated by reference from Exhibit 10.1 to ONEOK, Inc.'s Current Report on Form 8-K filed July 22, 2011 \(File No. 1-13643\)\).](#)
- 10.16 [Guaranty Agreement, dated as of June 30, 2017, by ONEOK, Inc. in favor of Mizuho Bank, Ltd., as administrative agent, under the Term Loan Agreement, dated as of January 8, 2016, as amended by the First Amendment to the Term Loan Agreement, dated as of April 18, 2017, by and among ONEOK Partners, L.P., Mizuho Bank, Ltd. and the other lenders parties thereto \(incorporated by reference from Exhibit 10.2 to ONEOK, Inc.'s Current Report on Form 8-K filed July 3, 2017 \(File No. 1-13643\)\).](#)
- 10.17 [Form of 2018 Restricted Unit Stock Award Agreement dated February 21, 2018 \(incorporated by reference to Exhibit 10.17 to ONEOK, Inc.'s Annual Report on Form 10-K filed on February 27, 2018 \(File No. 1-13643\)\).](#)
- 10.18 [Form of 2018 Performance Unit Award Agreement dated February 21, 2018 \(incorporated by reference to Exhibit 10.18 to ONEOK, Inc.'s Annual Report on Form 10-K filed on February 27, 2018 \(File No. 1-13643\)\).](#)
- 10.19 [Form of 2017 Restricted Unit Stock Award Agreement dated February 22, 2017 \(incorporated by reference to Exhibit 10.57 to ONEOK, Inc.'s Annual Report on Form 10-K filed on February 28, 2017 \(File No. 1-13643\)\).](#)

- 10.20 [Form of 2017 Performance Unit Award Agreement dated February 22, 2017 \(incorporated by reference to Exhibit 10.58 to ONEOK, Inc.'s Annual Report on Form 10-K filed on February 28, 2017 \(File No. 1-13643\)\).](#)
- 10.21 [Term Loan Agreement, dated as of January 8, 2016, among ONEOK Partners, L.P., Mizuho Bank, Ltd., as administrative agent and a lender, and the other lenders parties thereto \(incorporated by reference to Exhibit 10.1 to ONEOK Partners, L.P.'s Current Report on Form 8-K filed on January 12, 2016 \(File No. 1-12202\)\).](#)
- 10.22 [Guaranty Agreement, dated as of January 8, 2016, by ONEOK Partners Intermediate Limited Partnership in favor of Mizuho Bank, Ltd., as administrative agent, under the above-referenced Term Loan Agreement \(incorporated by reference to Exhibit 10.2 to ONEOK Partners, L.P.'s Current Report on Form 8-K filed on January 12, 2016 \(File No. 1-12202\)\).](#)
- 10.23 [Term Loan Agreement, dated as of November 19, 2018, among ONEOK, Inc., Mizuho Bank, Ltd., as administrative agent and a lender, and the other lenders parties thereto \(incorporated by reference from Exhibit No. 10.1 to ONEOK, Inc.'s Current Report on Form 8-K filed November 21, 2018 \(File No. 1-13643\)\).](#)
- 10.24 [Guaranty Agreement, dated as of November 19, 2018, by ONEOK Partners Intermediate Limited Partnership and ONEOK Partners, L.P. in favor of Mizuho Bank, Ltd., as administrative agent, under the above-referenced Term Loan Agreement \(incorporated by reference from Exhibit No. 10.2 to ONEOK, Inc.'s Current Report on Form 8-K filed November 21, 2018 \(File No. 1-13643\)\).](#)
- 10.25 [ONEOK, Inc. Equity Incentive Plan \(incorporated by reference to Appendix A to ONEOK, Inc.'s definitive proxy statement on Schedule 14A filed on April 5, 2018 \(File No. 1-13643\)\).](#)
- 10.26 [ONEOK, Inc. Profit Sharing Plan, dated January 1, 2005 \(incorporated by reference from Exhibit 99 to ONEOK, Inc.'s Registration Statement on Form S-8 filed December 30, 2004 \(File No. 333-121769\)\).](#)
- 10.27 [ONEOK, Inc. Equity Compensation Plan, as amended and restated, dated December 18, 2008 \(incorporated by reference from Exhibit 10.44 to ONEOK, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed February 25, 2009 \(File No. 1-13643\)\).](#)
- 10.28 [Equity Distribution Agreement, dated July 23, 2020, among ONEOK, Inc., and Credit Suisse Securities \(USA\) LLC, BofA Securities, Inc., Goldman Sachs & Co. LLC, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, RBC Capital Markets, LLC, Scotia Capital \(USA\) Inc., SMBC Nikko Securities America, Inc., SunTrust Robinson Humphrey, Inc. and TD Securities \(USA\) LLC as sales agents, principals and/or forward sellers, and Credit Suisse Capital LLC, Bank of America, N.A., Goldman Sachs & Co. LLC, Mizuho Markets Americas LLC, Morgan Stanley & Co. LLC, Royal Bank of Canada, The Bank of Nova Scotia and The Toronto-Dominion Bank as forward purchasers \(incorporated by reference from Exhibit 1.1 to ONEOK, Inc.'s Current Report on Form 8-K with a filing date of July 24, 2020 \(File No. 1-13643\)\).](#)
- 10.29 [Form of Master Forward Confirmation \(incorporated by reference from Exhibit 1.2 to ONEOK Inc.'s Current Report on Form 8-K with a filing date of July 24, 2020 \(File No. 1-13643\)\).](#)
- 10.30 [Second Amendment to Credit Agreement, dated as of June 26, 2020, among ONEOK, Inc., Citibank, N.A., as administrative agent, a swingline lender, a letter of credit issuer and a lender, and the other lenders, swingline lenders and letter of credit issuers parties thereto \(incorporated by reference from Exhibit 10.1 to ONEOK Inc.'s Current Report on Form 8-K, filed June 30, 2020 \(File No. 1-13643\)\).](#)
- 10.31 [Form of 2019 Restricted Unit Award Agreement, dated February 20, 2019 \(incorporated by reference to Exhibit 10.54 to ONEOK, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed February 26, 2019 \(File No. 1-13643\)\).](#)

10.32	Form of 2019 Performance Unit Award Agreement, dated February 20, 2019 (incorporated by reference to Exhibit 10.55 to ONEOK Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed February 26, 2019 (File No. 1-13643)).
10.33	Form of 2021 Restricted Unit Award Agreement.
10.34	Form of 2021 Performance Unit Award Agreement.
10.35	Form of 2020 Restricted Unit Award Agreement (incorporated by reference to Exhibit 10.35 to ONEOK, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed February 25, 2020 (File No. 1-13643)).
10.36	Form of 2020 Performance Unit Award Agreement (incorporated by reference to Exhibit 10.36 to ONEOK, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed February 25, 2020 (File No. 1-13643)).
10.37	ONEOK, Inc. Employee Stock Purchase Plan as amended and restated effective May 23, 2012 (incorporated by reference to Exhibit 10.2 to ONEOK, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, filed August 1, 2012 (File No. 1-13643)).
10.38	Form of First Amendment to 2019 Performance Unit Award Agreement (incorporated by reference to Exhibit 10.38 to ONEOK, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed February 25, 2020 (File No. 1-13643)).
10.39	Form of First Amendment to 2018 Performance Unit Award Agreement (incorporated by reference to Exhibit 10.39 to ONEOK, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed February 25, 2020 (File No. 1-13643)).
10.40	ONEOK, Inc. 2020 Nonqualified Deferred Compensation Plan dated July 24, 2019 and effective as of January 1, 2020.
21	Required information concerning the registrant's subsidiaries.
22	List of subsidiary guarantors and issuers of guaranteed securities.
23	Consent of Independent Registered Public Accounting Firm - PricewaterhouseCoopers LLP.
31.1	Certification of Terry K. Spencer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Walter S. Hulse III pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Terry K. Spencer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished only pursuant to Rule 13a-14(b)).
32.2	Certification of Walter S. Hulse III pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished only pursuant to Rule 13a-14(b)).
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.

101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definitions Document.
101.LAB	Inline XBRL Taxonomy Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

Attached as Exhibit 101 to this Annual Report are the following Inline XBRL-related documents: (i) Document and Entity Information; (ii) Consolidated Statements of Income for the years ended December 31, 2020, 2019 and 2018; (iii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2020, 2019 and 2018; (iv) Consolidated Balance Sheets at December 31, 2020 and 2019; (v) Consolidated Statements of Cash Flows for the years ended December 31, 2020, 2019 and 2018; (vi) Consolidated Statements of Changes in Equity for the years ended December 31, 2020, 2019 and 2018; and (vii) Notes to Consolidated Financial Statements.

ITEM 16. FORM 10-K SUMMARY

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ONEOK, Inc.
Registrant

Date: February 23, 2021

By: /s/ Walter S. Hulse III
Walter S. Hulse III
Chief Financial Officer, Treasurer and
Executive Vice President, Strategy
and Corporate Affairs
(Principal Financial Officer)

Pursuant to the requirements of the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on this 23rd day of February 2021.

/s/ John W. Gibson
John W. Gibson
Chairman of the Board

/s/ Terry K. Spencer
Terry K. Spencer
President, Chief Executive Officer and
Director

/s/ Walter S. Hulse III
Walter S. Hulse III
Chief Financial Officer, Treasurer and
Executive Vice President, Strategy
and Corporate Affairs

/s/ Mary M. Spears
Mary M. Spears
Vice President and
Chief Accounting Officer

/s/ Brian L. Derksen
Brian L. Derksen
Director

/s/ Julie H. Edwards
Julie H. Edwards
Director

/s/ Mark W. Helderman
Mark W. Helderman
Director

/s/ Randall J. Larson
Randall J. Larson
Director

/s/ Steven J. Malcolm
Steven J. Malcolm
Director

/s/ Jim W. Mogg
Jim W. Mogg
Director

/s/ Pattye L. Moore
Pattye L. Moore
Director

/s/ Eduardo A. Rodriguez
Eduardo A. Rodriguez
Director

/s/ Gerald B. Smith
Gerald B. Smith
Director

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES
EXCHANGE ACT OF 1934**

ONEOK has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: our common stock. Throughout this exhibit, references to “we,” “us” and “our” refer to ONEOK, Inc. and not to any of its subsidiaries.

The following description is a summary of the material provisions of our common stock and various provisions of our certificate of incorporation and bylaws. This summary is not intended to be complete and is qualified by reference to the provisions of applicable law and our certificate of incorporation and bylaws included as exhibits to the Annual Report on Form 10-K of which this Exhibit 4.43 is a part.

Authorized Shares

We are authorized to issue a total of 1,300,000,000 shares of all classes of capital stock. Of those authorized shares, 1,200,000,000 are shares of common stock, \$0.01 par value per share, and 100,000,000 are shares of preferred stock, \$0.01 par value per share.

Our board of directors is authorized to issue shares of preferred stock, in one or more series or classes, and to fix for each series or class the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications, or terms or redemption, as are permitted by Oklahoma law and as are stated in the resolution or resolutions adopted by the board providing for the issuance of shares of that series or class.

On April 20, 2017, through a wholly-owned subsidiary, we contributed 20,000 shares of our Series E Non-Voting Perpetual Preferred Stock (the “Series E Preferred Stock”), par value \$0.01 per share, to the ONEOK Foundation, Inc. The terms of the Series E Preferred Stock are set forth in the Certificate of Designation, Preferences and Rights of Series E Non-Voting Perpetual Preferred Stock of ONEOK, Inc.

Dividends and Liquidation Rights

Subject to any preferential rights of any prior ranking class or series of capital stock, including the cumulative quarterly cash dividend payable at a rate of 5.5% per annum on the Series E Preferred Stock and any other series of preferred stock established by our board of directors, holders of our common stock are entitled to receive dividends on that stock, payable either in cash, property or shares out of assets legally available for distribution when, as and if authorized and declared by our board of directors.

Subject to the Series E Preferred Stock’s liquidation preference of \$1,000 per share, holders of our common stock are entitled to share ratably in our assets legally available for distribution to our shareholders in the event of liquidation, dissolution or winding-up.

Subject to various exceptions, we will not be able to pay any dividend or make any distribution of assets on shares of our common stock until we pay dividends on any shares of preferred stock then outstanding with dividend or distribution rights senior to our common stock.

Voting Rights

Holders of our common stock are entitled to one vote per share on all matters voted on by our shareholders, including the election of directors. Our certificate of incorporation does not provide for cumulative voting for the election of directors, which means that holders of more than one-half of the outstanding shares of our voting securities will be able to elect all of the directors then standing for election and holders of the remaining shares will not be able to elect any director.

Other Matters

The issued and outstanding shares of common stock are validly issued, fully paid and non-assessable. Holders of our common stock will have no conversion, sinking fund or redemption rights. No holder of any class of our stock has any preemptive or preferential right to acquire or subscribe for any unissued shares of any class of stock or any unauthorized securities, convertible into or carrying any right, option or warrant to subscribe for or acquire shares of any class of stock.

Anti-Takeover Provisions

Oklahoma Takeover Statute

We are subject to Section 1090.3 of the Oklahoma General Corporation Act. In general, Section 1090.3 prevents an “interested shareholder” from engaging in a “business combination” with an Oklahoma corporation for three years following the date that person became an interested shareholder, unless:

- prior to the date that person became an interested shareholder, our board of directors approved the business combination or the transaction in which the interested shareholder became an interested shareholder;
- upon consummation of the transaction that resulted in the interested shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding stock held by directors who are also officers of the corporation and stock held by certain employee stock plans; or
- on or subsequent to the date of the transaction in which that person became an interested shareholder, the business combination was approved by our board of directors and authorized at a meeting of shareholders by the affirmative vote of the holders of at least two-thirds of the outstanding voting stock of the corporation not owned by the interested shareholder.

Section 1090.3 defines a “business combination” to include:

- any merger or consolidation involving the corporation and an interested shareholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving an interested shareholder;
- subject to limited exceptions, any transaction that results in the issuance or transfer by the corporation of the stock of the corporation to an interested shareholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested shareholder; or
- the receipt by an interested shareholder of any loans, guarantees, pledges or other financial benefits provided by or through the corporation.

For purposes of the description above and Section 1090.3, the term “corporation” also includes our majority-owned subsidiaries. In addition, Section 1090.3, defines an “interested shareholder” as an entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by that entity or person.

Oklahoma Control Share Provisions

Our certificate of incorporation provides that we are not subject to the control share provisions of the Oklahoma General Corporation Act. With exceptions, these provisions prevent holders of more than 20% of the voting power of the stock of an Oklahoma corporation from voting their shares. If we were to become subject to the control share provisions of the Oklahoma General Corporation Act in the future, this provision may delay the time it takes anyone to gain control of us.



Shareholder Action; Special Meetings of Shareholders

Our certificate of incorporation eliminates the ability of our shareholders to act by written consent. Our bylaws provide that special meetings of our shareholders may be called only by a majority of the members of our board of directors.

Advance Notice Requirements for Shareholder Proposals

At any annual meeting of our shareholders, the only business that shall be brought before the meeting is that which is brought:

- pursuant to our notice of meeting;
- by or at the discretion of our board of directors; or
- by any of our shareholders of record at the time the notice is given, who are entitled to vote at the meeting and who comply with the notice procedures set forth in our bylaws

Higher Vote for Some Business Combinations and Other Actions

Subject to various exceptions, including acquiring 85% of the outstanding shares less shares owned by related persons in a single transaction, a business combination (including, but not limited to, a merger or consolidation, the sale, lease, exchange, mortgage, pledge, transfer or other disposition of our assets in excess of \$5,000,000, various issuances and reclassifications of securities and the adoption of a plan or proposal for liquidation or dissolution) with or upon a proposal by a related person, who is a person that is the direct or indirect beneficial owner of more than 10% of the outstanding voting shares of our stock (subject to various exceptions), and any affiliates of that person, shall require, in addition to any approvals required by law, the approval of the business combination by either:

- a majority vote of all of the independent directors; or
- the holders of at least 66-2/3% of the outstanding shares otherwise entitled to vote as a single class with the common stock to approve the business combination, excluding any shares owned by the related person.

In addition, our certificate of incorporation provides that our bylaws may only be adopted, amended or repealed by a majority of the board of directors or by 80% of our shareholders, voting as a class. Our certificate of incorporation also requires the affirmative vote of 80% of our shareholders to amend, repeal or adopt provisions in our certificate of incorporation relating to, among other things:

- the number of directors and the manner of electing those directors, including the election of directors to newly created directorships;
- provisions relating to changes in the bylaws;
- a director's personal liability to us or our shareholders;
- shareholder ratification of various contracts, transactions and acts; and
- voting requirements for approval of business combinations.

Proxy Access

Our bylaws permit a shareholder, or a group of up to 20 shareholders, owning 3 percent or more of our common stock continuously for a period of at least three (3) years, to nominate for election to our Board and have such director nominations included in our proxy materials, a number of director candidates equal to the greater of (i) two individuals or (ii) the closest whole number that does not exceed 20 percent of our Board, provided that the shareholder(s) and the nominee(s) satisfy certain requirements specified in our bylaws.

Liability of Directors and Officers

Exculpation

Our certificate of incorporation provides that our directors and officers will not be personally liable for monetary damages for any action taken, or any failure to take any action, unless:

- the director or officer has breached his or her duty of loyalty to ONEOK or its shareholders;
- the breach or failure to perform constitutes an act or omission not in good faith or which involves intentional misconduct or a knowing violation of law;
- the director served at the time of payment of an unlawful dividend or an unlawful stock purchase or redemption, unless the director was absent at the time the action was taken or dissented from the action; or
- the director or officer derived an improper personal benefit from the transaction.

Indemnification

We will generally indemnify any person who was, is, or is threatened to be made, a party to a proceeding by reason of the fact that he or she:

- is or was our director, officer, employee or agent; or
- is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise or as a member of any committee or similar body.

Any indemnification of our directors, officers or others pursuant to the foregoing provisions for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act"), are, in the opinion of the Securities and Exchange Commission, against public policy as expressed in the Securities Act and are unenforceable.

Listing and Transfer Agent

Our common stock is listed on the New York Stock Exchange under the trading symbol "OKE." The current transfer agent and registrar for our common stock is Equiniti Trust Company d/b/a EQ Shareowner Services.

ONEOK, INC. EQUITY INCENTIVE PLAN RESTRICTED UNIT AWARD AGREEMENT

This Restricted Unit Award Agreement (the “Agreement”) is entered into as of the ____ day of _____, 2021 by and between ONEOK, Inc. (the “Company”) and «Employee Name» (the “Grantee”), an employee of the Company or a Subsidiary thereof, pursuant to the terms of the ONEOK, Inc. Equity Incentive Plan (the “Plan”).

1. Restricted Unit Award. This Agreement and the Notice of Restricted Unit Award and Agreement dated February 17, 2021, a copy of which is attached hereto and incorporated herein by reference, establishes the terms and conditions for the Company’s grant of an Award of «No of Restricted Units» Restricted Units (the “Award”) to the Grantee pursuant to the Plan. This Agreement, when executed by the Grantee, constitutes an agreement between the Company and the Grantee. Capitalized terms not defined in this Agreement shall have the meaning ascribed to them in the Plan.

2. Restricted Period; Vesting. The Restricted Units granted pursuant to the Award will vest in accordance with the following terms and conditions:

(a) Grantee’s rights with respect to the Restricted Units shall be restricted during the period beginning February 17, 2021 (the “Grant Date”), and ending on February 17, 2024 (the “Restricted Period”).

(b) Except as otherwise provided in this Agreement or the Plan, the Grantee shall vest in the Restricted Units granted by this Award (including any Dividend Equivalents, as described below) at the end of the Restricted Period if the Grantee’s employment by the Company does not terminate during the Restricted Period. Upon vesting, the Grantee shall become entitled to receive one (1) share of the Company’s common stock (“Common Stock”) for each such Restricted Unit. No fractional shares shall be issued, and any amount attributable to a fractional share shall instead be withheld to satisfy any withholding tax obligation.

(c) If the Grantee’s employment with the Company terminates prior to the end of the Restricted Period by reason of (i) voluntary termination other than Retirement or (ii) involuntary Termination for Cause, the Grantee shall forfeit all right, title and interest in the Restricted Units and any Common Stock otherwise payable pursuant to this Agreement. For purposes of this Agreement, employment with any Subsidiary of the Company shall be treated as employment with the Company. Likewise, a termination of employment shall not be deemed to occur by reason of a transfer of employment between the Company and any Subsidiary.

(d) In the event of termination of the Grantee’s employment with the Company during the Restricted Period by reason of (i) involuntary termination other than a Termination for Cause, (ii) Retirement, (iii) Disability or (iv) death, then the Grantee shall be partially vested in, and the Grantee shall be entitled to receive, the percentage of the Restricted Units which is determined by

dividing the number of full months which have elapsed under the Restricted Period at the time of such event by the number of full months in the Restricted Period.

(e) Unless the Committee provides otherwise prior to a Change in Control, in the event of a Change in Control (as defined below), the vesting or forfeiture of the Restricted Units will be subject to the terms and conditions of Article 11 of the Plan.

(f) For purposes of the Award and this Agreement, the term “voluntary termination” shall mean that the Grantee had an opportunity to continue employment with the Company, but did not do so. An “involuntary termination” shall mean that the Company has ended the Grantee’s employment without the Grantee having an opportunity to continue employment with the Company. A “Termination for Cause” of the Grantee’s employment shall mean that the Company has ended such employment by reason of (i) the Grantee’s conviction in a court of law of a felony, or any crime or offense involving misuse or misappropriation of money or property, (ii) the Grantee’s violation of any covenant, agreement or obligation not to disclose confidential information regarding the business of the Company, (iii) any violation by the Grantee of any covenant not to compete with the Company, (iv) any act of dishonesty by the Grantee which adversely affects the business of the Company, (v) any willful or intentional act of the Grantee which adversely affects the business of, or reflects unfavorably on the reputation of the Company, including any material breach of a Company policy (determined in the discretion of the Company) (vi) the Grantee’s use of alcohol or drugs which interferes with the Grantee’s duties as an employee of the Company, or (vii) the Grantee’s failure or refusal to perform the specific directives of the Company’s Board of Directors or officers. “Retirement” shall mean a voluntary termination of employment with the Company if the Grantee has both completed five (5) years of service with the Company and attained age fifty (50). “Years of service” for this purpose excludes any service with any predecessor employer that was not considered within the controlled group (determined in accordance with Code section 414(c)) of the Company as of the date of the grant, unless explicitly required by the agreement executed in connection with such asset or stock acquisition, merger or other similar transaction “Disability” shall have the meaning provided in the Plan. The term “Change in Control” shall have the meaning provided in the Plan unless the Award is or becomes subject to Code Section 409A, in which event the term “Change in Control” shall mean a Change in Control as defined in the Plan that also qualifies as a “change in control event” as defined in Treasury Regulations Section 1.409A-3(i)(5).

3. Dividend Equivalents. During the Restricted Period, before payment or forfeiture of the Award, the Award will be increased by a number of additional Restricted Units (“Dividend Equivalents”) representing all cash dividends that would have been paid to the Grantee if one share of Common Stock had been issued to the Grantee on the Grant Date for each Restricted Unit granted pursuant to this Agreement. The Dividend Equivalents credited during the Restricted Period will include fractional shares; provided, however, the shares of Common Stock actually issued upon vesting of the Dividend Equivalents shall be paid only in whole shares of Common Stock, and any fractional shares of Common Stock in an amount of cash equal to the Fair Market Value of such fractional shares of Common Stock shall be withheld to satisfy any withholding tax obligation. Dividend Equivalents shall be subject to the same vesting provisions and other terms and conditions of this Agreement, and shall be paid on the same date, as the Restricted Units to which they are attributable. Moreover, references in this Agreement to Restricted Units shall be deemed to include any Restricted Units attributable to Dividend Equivalents.

4. Non-Transferability of Restricted Units.

(a) The Restricted Units may not be sold, assigned, transferred, pledged, encumbered or otherwise disposed of by Grantee or any other person until the expiration of the Restricted Period. Any such attempt shall be wholly ineffective and will result in immediate forfeiture of all such amounts.

(b) Notwithstanding the foregoing, the Grantee may transfer any part or all rights in the Restricted Units to members of the Grantee's immediate family, to one or more trusts for the benefit of such immediate family members or to partnerships in which such immediate family members are the only partners, in each case only if the Grantee does not receive any consideration for the transfer. In the event of any such transfer, the Restricted Units shall remain subject to the terms and conditions of this Agreement. For any such transfer to be effective, the Grantee must provide prior written notice thereof to the Committee, unless otherwise authorized and approved by the Committee, in its sole discretion; and the Grantee shall furnish to the Committee such information as it may request with respect to the transferee and the terms and conditions of any such transfer. For purposes of this Agreement, "immediate family" shall mean the Grantee's spouse, children and grandchildren.

(c) The Grantee also may designate a Beneficiary, using the form attached hereto as Exhibit A or such other form as may be approved by the Committee, to receive any rights of the Grantee which may become vested in the event of the death of the Grantee under procedures and in the form established by the Committee. In the absence of such designation of a Beneficiary, any such rights shall be deemed to be transferred to the estate of the Grantee.

5. Distribution of Common Stock. Subject to Section 13 of this Agreement, the Common Stock or cash the Grantee becomes entitled to receive upon vesting of any Restricted Units shall be distributed to the Grantee as soon as practicable after the vesting date for such Restricted Units, as determined by the Committee in its discretion, but in no event later than 75 days after the vesting date. The Grantee shall not be permitted, directly or indirectly, to designate the form of payment or the taxable year in which any payment is to be made.

6. Administration of Award; Ratification of Actions. The Award shall be subject to such other rules as the Committee, in its sole discretion, may determine to be appropriate with respect to administration thereof. This Agreement shall be subject to discretionary interpretation and construction by the Committee. Day-to-day authority and responsibility for administration of the Plan, the Award and this Agreement have been delegated to the Company's Benefit Plan Administration Committee and its authorized representatives, and all actions taken thereby shall be entitled to the same deference as if taken by the Committee itself. The Grantee shall take all actions and execute and deliver all documents as may from time to time be requested by the Committee. By receiving this Award or other benefit under the Plan, Grantee and each person claiming under or through Grantee shall conclusively be deemed to have indicated acceptance and ratification of, and consent to, any action taken under the Plan or the Award by the Company, the Board, the Committee or the Benefit Plan Administration Committee.

7. Tax Liability and Withholding. The Grantee agrees to pay to the Company any applicable federal, state or local income, employment, social security, Medicare or other

withholding tax obligation arising in connection with the Award to the Grantee, which the Company shall determine; and the Company shall have the right, without the Grantee's prior approval or direction, to satisfy such withholding tax by withholding all or any part of the Common Stock or cash that would otherwise be distributed or paid to the Grantee, with any shares of Common Stock so withheld to be valued at the Fair Market Value on the date of such withholding. The Grantee, with the consent of the Company, may satisfy such withholding tax by transferring cash or Common Stock to the Company, with any shares of Common Stock so transferred to be valued at the Fair Market Value on the date of such transfer. Any payment of required withholding taxes in the form of Common Stock shall not exceed the maximum amount of tax that may be required to be withheld by law (or such other amount that would result in an accounting charge with respect to such shares used to pay such taxes). Income tax withholding shall occur on the date of actual distribution. Notwithstanding the foregoing, the ultimate liability for Grantee's share of all tax withholding is the Grantee's responsibility, and the Company makes no tax-related representations in connection with the grant or vesting of Restricted Units or the distribution of Common Stock or cash to Grantee.

8. Adjustment Provisions. If, prior to the expiration of the Restricted Period, any change is made to the outstanding Common Stock or in the capitalization of the Company, the Restricted Units granted pursuant to this Award shall be equitably adjusted or terminated to the extent and in the manner provided under the terms of the Plan.

9. Clawbacks, Insider Trading and Other Company Policies. The Grantee acknowledges and agrees that this Award is subject to all applicable clawback or recoupment, insider trading, share ownership and retention and other policies that the Company's Board of Directors may adopt from time to time. Notwithstanding anything in the Plan or this Agreement to the contrary, all or a portion of the Award made to the Grantee under this Agreement is subject to being called for repayment to the Company or reduced in any situation where the Board of Directors or a Committee thereof determines that fraud, negligence, or intentional misconduct by the Grantee was a contributing factor to the Company having to restate all or a portion of its financial statement(s). The Committee may determine whether the Company shall effect any such repayment or reduction: (i) by seeking repayment from the Grantee, (ii) by reducing (subject to applicable law and the terms and conditions of the Plan or any other applicable plan, program, policy or arrangement) the amount that would otherwise be awarded or payable to the Grantee under the Award, the Plan or any other compensatory plan, program, or arrangement maintained by the Company, (iii) by withholding payment of future increases in compensation (including the payment of any discretionary bonus amount) or grants of compensatory awards that would otherwise have been made in accordance with the Company's otherwise applicable compensation practices, or (iv) by any combination of the foregoing. The determination regarding the Grantee's conduct, and repayment or reduction under this provision shall be within the sole discretion of the Committee and shall be final and binding on the Grantee and the Company. The Grantee, in consideration of the grant of the Award, and by the Grantee's execution of this Agreement, acknowledges the Grantee's understanding of this provision and hereby agrees to make and allow an immediate and complete repayment or reduction in accordance with this provision in the event of a call for repayment or other action by the Company or Committee to effect its terms with respect to the Grantee, the Award and/or any other compensation described in this Agreement.

10. Stock Reserved. The Company shall at all times during the term of the Award reserve and keep available such number of shares of its Common Stock as will be sufficient to satisfy the Award issued and granted to Grantee and the terms stated in this Agreement. It is intended by the Company that the Plan and shares of Common Stock covered by the Award are to be registered under the Securities Act of 1933, as amended, prior to the grant date; provided, that in the event such registration is for any reason not effective for such shares, the Grantee agrees that all shares acquired pursuant to the grant will be acquired for investment and will not be available for sale or tender to any third party.

11. No Rights as Shareholder. The issuance and transfer of Common Stock shall be subject to compliance by the Company and the Grantee with all applicable laws, rules, regulations and approvals. No shares of Common Stock shall be issued or transferred unless and until any then-applicable legal requirements have been fully met or obtained to the satisfaction of the Company and its counsel. Except as otherwise provided in this Agreement, the Grantee shall have no rights as a shareholder of the Company in respect of the Restricted Units or Common Stock for which the Award is granted. The Grantee shall not be considered a record owner of shares of Common Stock with respect to the Restricted Units until the Common Stock is actually distributed to Grantee.

12. Continued Employment; Employment at Will. In consideration of the Company's granting the Award as incentive compensation to Grantee pursuant to this Agreement, the Grantee agrees to all of the terms of this Agreement and to continue to perform services for the Company in a satisfactory manner as directed by the Company. Provided, however, no provision in this Agreement shall confer any right to the Grantee's continued employment, limit the right of the Company to terminate the Grantee's employment at any time or create any contractual right to receive any future awards under the Plan. Moreover, unless specifically provided under the terms thereof, the value of the Award will not be included as compensation or earnings when calculating the Grantee's benefits under any employee benefit plan sponsored by the Company.

13. Code Section 409A. This Award and Agreement are intended to comply with Code Section 409A or an exemption therefrom and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Code Section 409A. Notwithstanding any other provision of the Agreement, any distributions or payments due hereunder that are subject to Code Section 409A may only be made upon an event and in a manner permitted by Code Section 409A. "Termination of employment" or words of similar import used in this Agreement shall mean, with respect to any payments of deferred compensation subject to Code Section 409A, a "separation from service" as defined in Code Section 409A. Each payment of compensation under this Agreement, including installment payments, shall be treated as a separate payment of compensation for purposes of applying Code Section 409A. Except as permitted under Code Section 409A, Grantee may not, directly or indirectly, designate the calendar year of settlement, distribution or payment. To the extent that an Award is or becomes subject to Code Section 409A and Grantee is a Specified Employee (within the meaning of Code Section 409A) who becomes entitled to a distribution on account of a separation from service, no payment shall be made before the date which is six (6) months after the date of the Grantee's separation from service or, if earlier, the date of Grantee's death (the "Delayed Payment Date"), if required by Code Section 409A. The accumulated amounts shall be distributed or paid in a lump sum payment on the Delayed Payment Date unless the Delayed Payment Date is the date of the

Grantee's death, in which event the accumulated amounts shall be paid in a lump sum payment by December 31 following the year of Grantee's death. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Code Section 409A and shall not be liable for all or any taxes, penalties, interest or other expenses that may be incurred by the Grantee on account of non-compliance with Code Section 409A.

14. Entire Agreement; Severability; Conflicts. This Agreement contains the entire terms of the Award, and may not be changed other than by a written instrument executed by both parties or an amendment of the Plan, except where such change or modification does not adversely affect in a material way the terms of this Agreement, as provided in Section 15.4 of the Plan. This Agreement supersedes any prior agreements or understandings, and there are no other agreements or understandings relating to its subject matter. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law. Should there be any inconsistency between the provisions of this Agreement and the terms of the Award as stated in the resolutions and records of the Board of Directors or the Plan, the provisions of such resolutions and records of the Board of Directors and the Plan shall control.

15. Successors and Assigns. The Award evidenced by this Agreement shall inure to the benefit of and be binding upon the heirs, legatees, legal representatives, successors, and assigns of the parties hereto.

16. Governing Law; Mandatory Claims Procedures. This Agreement shall be construed in accordance with, and subject to, the laws of the State of Oklahoma applicable to contracts made and to be entirely performed in Oklahoma and wholly disregarding any choice of law provisions or conflict of law principles that might otherwise be contrary to this express intent. If Grantee or any person acting on Grantee's behalf (the "Claimant") has any claim or dispute related in any way to the Award or to the Plan, the Claimant must follow the claims and arbitration procedures set forth in Article 13 of the Plan. All claims must be brought no later than one year following the date on which the facts forming the basis of the claim are known or should have been known by the claimant, whichever is earlier. Any claim that is not submitted within the applicable time limit shall be waived.

The Grantee hereby acknowledges receipt of this Agreement, the Notice of Restricted Unit Award and Agreement and a copy of the Plan, and accepts the Award under the terms and conditions stated in this Agreement, subject to all terms and provisions of the Plan, by signing this Agreement as of the date indicated. In the absence of a signed acceptance, the Grantee will be deemed to have accepted this Award on the Grant Date, and all its associated terms and conditions, including the mandatory claims and arbitration procedures, unless the Grantee notifies the Company of the Grantee's non-acceptance of the Award by contacting the stock plan administrator, in writing within sixty (60) days of the Grant Date.

Date

«Employee_Name»
Grantee

Exhibit A

Beneficiary Designation Form

I, _____ (“Plan Participant”), state that I am a participant in the ONEOK, Inc. Equity Incentive Plan, the ONEOK, Inc. Equity Compensation Plan, or any other stock compensation plan sponsored by ONEOK, Inc. (individually and collectively, the “Plan”), and the holder of one or more Awards granted to me under the Plan. With the understanding that I may change the following beneficiary designations at any time by furnishing written notice thereof to the Committee (provided that such change does not affect the time and form of payment of any amounts subject to an existing deferral election), I hereby designate the following individuals (or entities) as my beneficiaries to receive any and all benefits payable to me under the Plan and to exercise all rights, benefits and features of the Awards described below, in accordance with the terms of the Plan and any associated award agreement, in the event of my death as follows:

1. **Primary Beneficiary (Beneficiaries)**

The Primary Beneficiaries named below shall have first priority to any and all Awards described below and to exercise all rights, benefits and features of the Awards described below, in accordance with the terms of the Plan and any associated award agreement, in the event of my death.

<u>Name</u>	<u>Relationship</u>	<u>SSN</u>	<u>Percentage of Total</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If a designated Primary Beneficiary named dies or ceases to exist prior to receiving the share designated for such Primary Beneficiary, such share shall be transferred proportionately to other surviving and existing designated Primary Beneficiaries.

2. **Contingent Beneficiary (or Beneficiaries)**

The Contingent Beneficiaries named below, if any, shall receive all Awards described below and to exercise, enjoy and receive all rights, benefits and features of the Awards described below (including Awards that I have elected to defer under the Plan or the ONEOK, Inc. 2005 Nonqualified Deferred Compensation Plan, if applicable) in accordance with the Plan and the terms and provisions of such Awards in the event of my death if no Primary Beneficiary named above survives me or exists.

<u>Name</u>	<u>Relationship</u>	<u>SSN</u>	<u>Percentage of Total</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

3. **Awards Covered By Beneficiary Designation**

This Beneficiary Designation is applicable to and covers the following Awards:

(Check one)

_____ All Awards previously granted to me under the Plan and all Awards to be granted to me under the Plan in the future; or

_____ The following Awards that have been granted to me under the Plan:

(List Awards Covered)

<u>Award</u>	<u>Grant Date</u>	<u>Number of Shares of Stock</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. **General Terms**

This instrument does not modify, extend or increase any rights or benefits otherwise provided for by any Award under the Plan. All terms used in this instrument shall have the meaning provided for under the Plan, unless otherwise indicated herein. This instrument is not applicable to Common Stock of ONEOK, Inc. that I have acquired outright and without any restrictions or limitations under the Plan prior to my death. This instrument revokes and supersedes any prior designation of a Beneficiary (or Beneficiaries) made by me with respect to the Awards covered by this Beneficiary Designation as set forth in Paragraph 3.

IN WITNESS WHEREOF, I have signed this instrument this __ day of _____, _____.

Plan Participant

Witness

Witness

RECEIVED AND ACKNOWLEDGED this ____ day of _____, 20__.

For the Committee

ONEOK, INC. EQUITY INCENTIVE PLAN PERFORMANCE UNIT AWARD AGREEMENT

This Performance Unit Award Agreement (the “Agreement”) is entered into as of the ____ day of _____, 2021, by and between ONEOK, Inc. (the “Company”) and **«Officer Name»** (the “Grantee”), an employee of the Company or a Subsidiary thereof, pursuant to the terms of the ONEOK, Inc. Equity Incentive Plan (the “Plan”).

1. Performance Unit Award. This Performance Unit Award Agreement and the Notice of Performance Unit Award and Agreement dated February 17, 2021, a copy of which is attached hereto and incorporated herein by reference, establishes the terms and conditions for the Company’s grant of an Award of **«No_of_Perf_Units»** Performance Units (the “Award”) to the Grantee pursuant to the Plan. This Agreement, when executed by the Grantee, constitutes an agreement between the Company and the Grantee. Capitalized terms not defined in this Agreement shall have the meaning ascribed to them in the Plan.

2. Performance Period; Vesting. The Performance Units granted pursuant to the Award will vest in accordance with the following terms and conditions:

(a) Grantee’s rights with respect to the Performance Units shall be restricted during the period beginning February 17, 2021 (the “Grant Date”) and ending on February 17, 2024 (the “Performance Period”).

(b) Except as otherwise provided in this Agreement or the Plan, the Grantee shall vest in a percentage of the number of Performance Units granted by this Award (including any Dividend Equivalents, as described below) at the end of the Performance Period, as provided for in Exhibit A and Exhibit B attached hereto, based upon the Company’s ranking for Total Stockholder Return against the ONEOK Peer Group listed in Exhibit C attached hereto, all as determined by the Committee in its sole discretion. Upon vesting, the Grantee shall become entitled to receive one (1) share of the Company’s common stock (“Common Stock”) for each such Performance Unit. No fractional shares shall be issued, and any amount attributable to a fractional share shall instead be withheld to satisfy any withholding tax obligation.

(c) If the Grantee’s employment with the Company terminates prior to the end of the Performance Period other than by reason of Retirement, Disability, death or Change in Control, the Grantee shall forfeit all right, title and interest in the Performance Units and any Common Stock otherwise payable pursuant to this Agreement. For purposes of this Agreement, employment with any Subsidiary of the Company shall be treated as employment with the Company. Likewise, a termination of employment shall not be deemed to occur by reason of a transfer of employment between the Company and any Subsidiary.

(d) If the Grantee’s employment with the Company is terminated during the Performance Period by reason of (i) Retirement, (ii) Disability or (iii) death, then the Grantee shall be partially vested in, and the Grantee shall be entitled to receive, a prorated amount of Performance Units. The prorated amount is determined by multiplying the original Award times the percentage certified by the Committee at the end of the Performance Period, which is then multiplied by a fraction consisting of the number of 30-day periods that have elapsed under the

Performance Period at the time of such event divided by the total number of 30-day periods in the Performance Period.

(e) Unless the Committee provides otherwise prior to a Change in Control, in the event of a Change in Control, (as defined below), the vesting or forfeiture of the Performance Units will be subject to the terms and conditions of Article 11 of the Plan; provided, however, the following shall be substituted for Plan Sections 11.1(b) and 11.2(b): the amount to be paid with respect to any outstanding Performance Units otherwise due and payable as a result of an event described in either Plan Section 11.1 or 11.2, shall be based on the greater of (x) the target number of Performance Units (100% Performance Multiplier) granted for the Performance Period, prorated for a Grantee whose employment terminates before the end of the Performance Period based upon the number of 30-day periods within the Performance Period completed as of the date of the Grantee's termination of employment (or the effective date of the Change in Control for the events described in Section 11.2 of the Plan), divided by the total number of 30-day periods in the Performance Period, or (y) the percentage of Performance Units earned for the Performance Period based upon the actual performance level attained as of the date of the Change in Control, in each case after giving effect to the accumulation of Dividend Equivalents.

(f) For purposes of the Award and this Agreement, "Retirement" shall mean a voluntary termination of employment if the Grantee has both completed five (5) years of service with the Company and attained age fifty (50). "Years of service" for this purpose excludes any service with any predecessor employer that was not considered within the controlled group (determined in accordance with Code section 414(c)) of the Company as of the date of the grant, unless explicitly required by the agreement executed in connection with such asset or stock acquisition, merger or other similar transaction and "voluntary termination" shall mean that the Grantee had an opportunity to continue employment with the Company, but did not do so. "Disability" shall have the meaning provided in the Plan. The term "Change in Control" shall have the meaning provided in the Plan unless the Award is or becomes subject to Code Section 409A, in which event the term "Change in Control" shall mean a "change in control event" as defined in Treasury Regulations Section 1.409A-3(i)(5).

3. Dividend Equivalents. During the Performance Period, before payment or forfeiture of the Award, the Award will be increased by a number of additional Performance Units ("Dividend Equivalents") representing all cash dividends that would have been paid to the Grantee if one share of Common Stock had been issued to the Grantee on the Grant Date for each Performance Unit granted pursuant to this Agreement. The Dividend Equivalents credited during the Performance Period will include fractional shares; provided, however, the shares of Common Stock actually issued upon vesting of the Dividend Equivalents shall be paid only in whole shares of Common Stock, and any fractional shares of Common Stock in an amount of cash equal to the Fair Market Value of such fractional shares of Common Stock shall be withheld to satisfy any withholding tax obligation. Dividend Equivalents shall be subject to the same vesting provisions and other terms and conditions of this Agreement, and shall be paid on the same date, as the Performance Units to which they are attributable. Moreover, references in this Agreement to Performance Units shall be deemed to include any Performance Units attributable to Dividend Equivalents.

4. Non-Transferability of Performance Units.

(a) The Performance Units may not be sold, assigned, transferred, pledged, encumbered or otherwise disposed of by Grantee or any other person until the end of the Performance Period. Any such attempt shall be wholly ineffective and will result in immediate forfeiture of all such amounts.

(b) Notwithstanding the foregoing, the Grantee may transfer any part or all rights in the Performance Units to members of the Grantee's immediate family, to one or more trusts for the benefit of such immediate family members or to partnerships in which such immediate family members are the only partners, in each case only if the Grantee does not receive any consideration for the transfer. In the event of any such transfer, the Performance Units shall remain subject to the terms and conditions of this Agreement. For any such transfer to be effective, the Grantee must provide prior written notice thereof to the Committee, unless otherwise authorized and approved by the Committee, in its sole discretion; and the Grantee shall furnish to the Committee such information as it may request with respect to the transferee and the terms and conditions of any such transfer. For purposes of this Agreement, "immediate family" shall mean the Grantee's spouse, children and grandchildren.

(c) The Grantee also may designate a Beneficiary, using the form attached hereto as Exhibit D or such other form as may be approved by the Committee, to receive any rights of the Grantee which may become vested in the event of the death of the Grantee under procedures and in the form established by the Committee. In the absence of such designation of a Beneficiary, any such rights shall be deemed to be transferred to the estate of the Grantee.

5. Distribution of Common Stock. Subject to any payment restrictions under Code Section 409A or other applicable law, the Common Stock or cash the Grantee becomes entitled to receive upon vesting of the Performance Units shall be distributed to the Grantee no later than 75 days after the first to occur of (i) the last day of the Performance Period, (ii) the date of the Grantee's separation from service in the event of a payment subject to Plan Section 11.1, or (iii) the effective date of a Change in Control in the event of a payment subject to Plan Section 11.2. Payment upon or after a Change in Control shall be made in cash or shares of Common Stock, as determined by the Committee.

6. Administration of Award; Ratification of Actions. The Award shall be subject to such other rules as the Committee, in its sole discretion, may determine to be appropriate with respect to administration thereof. This Agreement shall be subject to discretionary interpretation and construction by the Committee. Day-to-day authority and responsibility for administration of the Plan, the Award and this Agreement have been delegated to the Company's Benefit Plan Administration Committee and its authorized representatives, and all actions taken thereby shall be entitled to the same deference as if taken by the Committee itself. The Grantee shall take all actions and execute and deliver all documents as may from time to time be requested by the Committee. By receiving this Award or other benefit under the Plan, Grantee and each person claiming under or through Grantee shall conclusively be deemed to have indicated acceptance and ratification of, and consent to, any action taken under the Plan or the Award by the Company, the Board, the Committee or the Benefit Plan Administration Committee.

7. Tax Liability and Withholding. The Grantee agrees to pay to the Company any applicable federal, state or local income, employment, social security, Medicare or other

withholding tax obligation arising in connection with the Award to the Grantee, which the Company shall determine; and the Company shall have the right, without the Grantee's prior approval or direction, to satisfy such withholding tax by withholding all or any part of the shares of Common Stock or cash that would otherwise be distributed or paid to the Grantee, with any shares of Common Stock so withheld to be valued at the Fair Market Value on the date of such withholding. The Grantee, with the consent of the Company, may satisfy such withholding tax by transferring cash or Common Stock to the Company, with any shares of Common Stock so transferred to be valued at the Fair Market Value on the date of such transfer. Any payment of required withholding taxes in the form of Common Stock shall not exceed the maximum amount of tax that may be required to be withheld by law (or such other amount that would result in an accounting charge with respect to such shares used to pay such taxes). Income tax withholding shall occur on the date of actual distribution. Notwithstanding the foregoing, the ultimate liability for Grantee's share of all tax withholding is the Grantee's responsibility, and the Company makes no tax-related representations in connection with the grant or vesting of Performance Units or the distribution of Common Stock or cash to the Grantee.

8. Adjustment Provisions. If, prior to the expiration of the Performance Period, any change is made to the outstanding Common Stock or in the capitalization of the Company, the Performance Units granted pursuant to this Award shall be equitably adjusted or terminated to the extent and in the manner provided under the terms of the Plan.

9. Clawbacks, Insider Trading and Other Company Policies. The Grantee acknowledges and agrees that this Award is subject to all applicable clawback or recoupment, insider trading, share ownership and retention and other policies that the Company's Board of Directors may adopt from time to time. Notwithstanding anything in the Plan or this Agreement to the contrary, all or a portion of the Award made to the Grantee under this Agreement is subject to being called for repayment to the Company or reduced in any situation where the Board of Directors or a Committee thereof determines that fraud, negligence, or intentional misconduct by the Grantee was a contributing factor to the Company having to restate all or a portion of its financial statement(s). Moreover, any Performance Units awarded under the Plan in this or any prior year to any Participant who is a current or former "executive officer" (as defined in Securities and Exchange Commission Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended) is subject to any clawback policy adopted or amended by the Company from time to time (including, but not limited to, any clawback policy adopted to comply with Section 954 of the Dodd-Frank Act or guidance issued thereunder by any governmental agency or national securities exchange), regardless of whether such clawback policy is adopted or amended before or after the date on which such Performance Units are granted, determined or paid. A Participant's acceptance of any Award under the Plan in any year shall constitute full and adequate consideration for the Company's right to recover amounts paid to such Participant under the Plan in any prior year. The Committee may determine whether the Company shall effect any such repayment or reduction: (i) by seeking repayment from the Grantee, (ii) by reducing (subject to applicable law and the terms and conditions of the Plan or any other applicable plan, program, policy or arrangement) the amount that would otherwise be awarded or payable to the Grantee under the Award, the Plan or any other compensatory plan, program, or arrangement maintained by the Company, (iii) by withholding payment of future increases in compensation (including the payment of any discretionary bonus amount) or grants of compensatory awards that would otherwise have been made in accordance with the Company's otherwise applicable compensation

practices, or (iv) by any combination of the foregoing. The determination regarding the Grantee's conduct, and repayment or reduction under this provision shall be within the sole discretion of the Committee and shall be final and binding on the Grantee and the Company. The Grantee, in consideration of the grant of the Award, and by the Grantee's execution of this Agreement, acknowledges the Grantee's understanding of this provision and hereby agrees to make and allow an immediate and complete repayment or reduction in accordance with this provision in the event of a call for repayment or other action by the Company or Committee to effect its terms with respect to the Grantee, the Award and/or any other compensation described in this Agreement.

10. Stock Reserved. The Company shall at all times during the term of the Award reserve and keep available such number of shares of its Common Stock as will be sufficient to satisfy the Award issued and granted to Grantee and the terms stated in this Agreement. It is intended by the Company that the Plan and shares of Common Stock covered by the Award are to be registered under the Securities Act of 1933, as amended, prior to the grant date; provided, that in the event such registration is for any reason not made effective for such shares, the Grantee agrees that all shares acquired pursuant to the grant will be acquired for investment and will not be available for sale or tender to any third party.

11. No Rights as Shareholder. The issuance and transfer of Common Stock shall be subject to compliance by the Company and the Grantee with all applicable laws, rules, regulations and approvals. No shares of Common Stock shall be issued or transferred unless and until any then-applicable legal requirements have been fully met or obtained to the satisfaction of the Company and its counsel. Except as otherwise provided in this Agreement, the Grantee shall have no rights as a shareholder of the Company in respect of the Performance Units or Common Stock for which the Award is granted. The Grantee shall not be considered a record owner of shares of Common Stock with respect to the Performance Units until the Performance Units are fully vested and Common Stock is actually distributed to the Grantee.

12. Continued Employment; Employment at Will. In consideration of the Company's granting the Award as incentive compensation to Grantee pursuant to this Agreement, the Grantee agrees to all of the terms of this Agreement and to continue to perform services for the Company in a satisfactory manner as directed by the Company. Provided, however, no provision in this Agreement shall confer any right to the Grantee's continued employment, limit the right of the Company to terminate the Grantee's employment at any time or create any contractual right to receive any future awards under the Plan. Moreover, unless specifically provided under the terms thereof, the value of the Award will not be included as compensation or earnings when calculating the Grantee's benefits under any employee benefit plan sponsored by the Company.

13. Code Section 409A. This Award and Agreement are intended to comply with Code Section 409A or an exemption therefrom and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Code Section 409A. Notwithstanding any other provision of the Agreement, any distributions or payments due hereunder that are subject to Code Section 409A may only be made upon an event and in a manner permitted by Code Section 409A. "Termination of employment," separation from service or words of similar import used in this Agreement shall mean, with respect to any payments of deferred compensation subject to Code Section 409A, a "separation from service" as defined in Code Section 409A. Each payment of compensation under this Agreement,

including installment payments, shall be treated as a separate payment of compensation for purposes of applying Code Section 409A. Except as otherwise permitted under Code Section 409A, Grantee may not, directly or indirectly, designate the calendar year of settlement, distribution or payment. To the extent that an Award is or becomes subject to Code Section 409A and Grantee is a Specified Employee (within the meaning of Code Section 409A) who becomes entitled to a distribution upon separation from service, no payment shall be made before the date which is six (6) months after the date of the Grantee's separation from service or, if earlier, the date of Grantee's death (the "Delayed Payment Date"), if required by Code Section 409A. The accumulated amounts shall be distributed or paid in a lump sum payment on the Delayed Payment Date unless the Delayed Payment Date is the date of Grantee's death, in which event the accumulated amounts shall be paid in a lump sum payment by December 31 following the year of Grantee's death. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Code Section 409A and shall not be liable for all or any taxes, penalties, interest or other expenses that may be incurred by the Grantee on account of non-compliance with Code Section 409A.

14. Entire Agreement; Severability; Conflicts. This Agreement contains the entire terms of the Award, and may not be changed other than by a written instrument executed by both parties or an amendment of the Plan, except where such change or modification does not adversely affect in a material way the terms of this Agreement, as provided in Section 15.4 of the Plan. This Agreement supersedes any prior agreements or understandings, and there are no other agreements or understandings relating to its subject matter. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law. Should there be any inconsistency between the provisions of this Agreement and the terms of the Award as stated in the resolutions and records of the Board of Directors or the Plan, the provisions of such resolutions and records of the Board of Directors and the Plan shall control.

15. Successors and Assigns. The Award evidenced by this Agreement shall inure to the benefit of and be binding upon the heirs, legatees, legal representatives, successors, and assigns of the parties hereto.

16. Governing Law; Mandatory Claims Procedures. This Agreement shall be construed in accordance with, and subject to, the laws of the State of Oklahoma applicable to contracts made and to be entirely performed in Oklahoma and wholly disregarding any choice of law provisions or conflict of law principles that might otherwise be contrary to this express intent. If Grantee or any person acting on Grantee's behalf (the "Claimant") has any claim or dispute related in any way to the Award or to the Plan, the Claimant must follow the claims and arbitration procedures set forth in Article 13 of the Plan. All claims must be brought no later than one year following the date on which the facts forming the basis of the claim are known or should have been known by the claimant, whichever is earlier. Any claim that is not submitted within the applicable time limit shall be waived.

The Grantee hereby acknowledges receipt of this Agreement, the Notice of Performance Unit Award and Agreement and a copy of the Plan, and accepts the Award under the terms and conditions stated in this Agreement, subject to all terms and provisions of the Plan, by signing

this Agreement as of the date indicated. In the absence of a signed acceptance, the Grantee will be deemed to have accepted this Award on the Grant Date, and all its associated terms and conditions, including the mandatory claims and arbitration procedures, unless the Grantee notifies the Company of the Grantee's non-acceptance of the Award by contacting the stock plan administrator, in writing within sixty (60) days of the Grant Date.

Date

«Officer_Name»
Grantee

Exhibit A

Performance Unit Criteria
2021-2024 Performance Period

ONEOK Total Stockholder Return (TSR) Ranking vs. ONEOK Peer Group	Percentage of Performance Units Earned (Performance Multiplier)
90 th percentile and above	200%
75 th percentile	150%
50 th percentile	100%
25 th percentile	50%
Below 25 th percentile	0%

If ONEOK's TSR ranking within the ONEOK Peer Group at the end of the Performance Period is between any two of the stated percentile levels in the above table, the percentage of the Performance Units earned (the performance multiplier) will be interpolated between the earning levels. No Performance Units are earned based on performance if ONEOK's TSR ranking at the end of the Performance Period is below the 25th percentile within its Peer Group.

Exhibit B

Illustration of Hypothetical 2021-2024 Performance Period
Performance Unit Award Calculation

The illustrations below assume that 500 Performance Units are awarded to Grantee in February 2021.

ONEOK Total Stockholder Return (TSR) Ranking vs. ONEOK Peer Group
<p><u>Hypothetical 1:</u> If ONEOK's TSR Ranking for 2021-2024 is at the 40th percentile within the ONEOK Peer Group, then the performance multiplier would be 80 percent, as interpolated between a 50 percent multiplier (25th percentile within Peer Group) and a 100 percent multiplier (50th percentile within Peer Group) from Exhibit A.</p>
<p><u>Hypothetical 2:</u> If ONEOK's TSR Ranking for 2021-2024 is at the 60th percentile within the ONEOK Peer Group, then the performance multiplier would be 120 percent, as interpolated between a 100 percent multiplier (50th percentile within Peer Group) and a 150 percent multiplier (75th percentile within Peer Group) from Exhibit A.</p>

Percentage of Performance Units Earned
<p><u>Hypothetical 1:</u> 80% x 500 PUs = 400 shares of Common Stock payable to Grantee in 2024.</p>
<p><u>Hypothetical 2:</u> 120% x 500 PUs = 600 shares of Common Stock payable to Grantee in 2024.</p>

Exhibit C

2021-2024 ONEOK TSR Peer Group*

<u>Company Name</u>	<u>Sym</u>				
DCP Midstream LP	DCP				
Enable Midstream Partners LP	ENBL				
Energy Transfer LP	ET				
EnLink Midstream, LLC	ENLC				
Enterprise Products Partners	EPD				
Kinder Morgan Inc.	KMI				
Magellan Midstream Partners	MMP				
MPLX LP	MPLX				
NuStar Energy LP	NS				
Plains All American Pipeline LP	PAA				
Targa Resources Corp	TRGP				
Williams Companies Inc.	WMB				

* In the event that any member of the 2021-2024 ONEOK Peer Group liquidates or reorganizes under the United States Bankruptcy Code (U.S.C. Title 11) such entity shall remain in the 2021-2024 ONEOK Peer Group but shall be deemed to have a TSR of -100% for purposes of calculating the Performance Multiplier. If any member of the 2021-2024 ONEOK Peer Group is acquired by an unrelated entity before the end of the Performance Period, such member shall be removed from the 2021-2024 ONEOK Peer Group for purposes of calculating the Performance Multiplier. In all other cases involving merger, reorganization or other material change in ownership, legal structure or business operations of any member of the 2021-2024 ONEOK Peer Group including acquisition by a related entity before the end of the Performance Period, the Committee shall have discretionary authority to retain, remove or replace such member for purposes of calculating the Performance Multiplier.

Exhibit D

Beneficiary Designation Form

I, _____ (“Plan Participant”), state that I am a participant in the ONEOK, Inc. Equity Incentive Plan, the ONEOK, Inc. Equity Compensation Plan, or any other stock compensation plan sponsored by ONEOK, Inc. (individually and collectively, the “Plan”), and the holder of one or more Awards granted to me under the Plan. With the understanding that I may change the following beneficiary designations at any time by furnishing written notice thereof to the Committee (provided that such change does not affect the time and form of payment of any amounts subject to an existing deferral election), I hereby designate the following individuals (or entities) as my beneficiaries to receive any and all benefits payable to me under the Plan and to exercise all rights, benefits and features of the Awards described below, in accordance with the terms of the Plan and any associated award agreement, in the event of my death as follows:

1. **Primary Beneficiary (Beneficiaries)**

The Primary Beneficiaries named below shall have first priority to any and all Awards described below and to exercise all rights, benefits and features of the Awards described below, in accordance with the terms of the Plan and any associated award agreement, in the event of my death.

<u>Name</u>	<u>Relationship</u>	<u>SSN</u>	<u>Percentage of Total</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If a designated Primary Beneficiary named dies or ceases to exist prior to receiving the share designated for such Primary Beneficiary, such share shall be transferred proportionately to other surviving and existing designated Primary Beneficiaries.

2. **Contingent Beneficiary (or Beneficiaries)**

The Contingent Beneficiaries named below, if any, shall receive all Awards described below and to exercise, enjoy and receive all rights, benefits and features of the Awards described below (including Awards that I have elected to defer under the Plan or the ONEOK, Inc. 2005 Nonqualified Deferred Compensation Plan, if applicable) in accordance with the Plan and the terms and provisions of such Awards in the event of my death if no Primary Beneficiary named above survives me or exists.

<u>Name</u>	<u>Relationship</u>	<u>SSN</u>	<u>Percentage of Total</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

3. **Awards Covered By Beneficiary Designation**

This Beneficiary Designation is applicable to and covers the following Awards:

(Check one)

_____ All Awards previously granted to me under the Plan and all Awards to be granted to me under the Plan in the future; or

_____ The following Awards that have been granted to me under the Plan:

(List Awards Covered)

<u>Award</u>	<u>Grant Date</u>	<u>Number of Shares of Stock</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. **General Terms**

This instrument does not modify, extend or increase any rights or benefits otherwise provided for by any Award under the Plan. All terms used in this instrument shall have the meaning provided for under the Plan, unless otherwise indicated herein. This instrument is not applicable to Common Stock of ONEOK, Inc. that I have acquired outright and without any restrictions or limitations under the Plan prior to my death. This instrument revokes and supersedes any prior designation of a Beneficiary (or Beneficiaries) made by me with respect to the Awards covered by this Beneficiary Designation as set forth in Paragraph 3.

IN WITNESS WHEREOF, I have signed this instrument this __ day of _____, _____.

Plan Participant

Witness

Witness

RECEIVED AND ACKNOWLEDGED this ____ day of _____, 20__.

For the Committee

ONEOK, INC. 2020 NONQUALIFIED DEFERRED COMPENSATION PLAN

(Effective January 1, 2020)

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ARTICLE 1. PURPOSE AND EFFECTIVE DATE

1.1 Purpose. The purpose of the Plan is to provide a select group of primarily management or highly compensated employees of the Employer the option to defer the receipt of portions of their compensation payable for services rendered to the Employer, and provide nonqualified deferred compensation benefits which are not available to such employees by reason of limitations on employer and employee contributions to qualified pension or profit-sharing plans under the federal tax laws.

1.2 Effective Date. The ONEOK, Inc. 2020 Nonqualified Deferred Compensation Plan is effective January 1, 2020, with respect to Base Compensation for payroll periods ending, and Incentive Compensation for services provided, on or after the Effective Date.

1.3 Definitions. Capitalized terms are defined in ARTICLE II.

ARTICLE 2. PARTICIPATION

2.1 Commencement of Participation. Each Eligible Employee shall become a Participant either upon the earlier of (i) the initial submission of an Election, or (ii) first receiving an allocation of Employer Contributions or Supplemental Retirement Contributions.

2.2 Special Rule for Initial Participation. Within 30 days after the date an individual first becomes an Eligible Employee, the individual may elect to commence participating with respect to compensation to be paid for services performed after the election is filed. This election relating to initial participation in the Plan is available only to Participants who do not participate in any Aggregated Plans. If an Employee whose participation in the Plan is terminated again becomes an Eligible Employee, he or she may elect to defer pursuant to this Section only if the Employee was ineligible to defer compensation in any Aggregated Plans for the 24 months preceding the date on which the Participant again became eligible to participate in this Plan.

2.3 Termination of Participation Subject to Section 3.5, regarding the irrevocability of a Participant's Election, the Committee may, for any reason, terminate a Participant's participation in the Plan and the Participant shall cease to be an Eligible Employee as of the date specified by the Committee. The terms of this Plan shall continue to govern Participant's Account until the Participant's Account is paid in full.

ARTICLE 3. PARTICIPANT ELECTIVE CONTRIBUTIONS

3.1 Deferral Agreement.

(a) **Base Compensation.** Each Eligible Employee may defer a portion of Base Compensation for such upcoming Plan Year by executing an Election deferring such Base Compensation during the Election Period.

(b) **Incentive Compensation.** Each Eligible Employee may defer a portion of Incentive Compensation for such upcoming Plan Year by executing an Election deferring such Incentive Compensation during the Election Period.

3.2 Amount of Deferral. An Eligible Employee may elect to defer between 2% and 90% of his or her Base Compensation and between 10% and 90% of his or her Incentive Compensation for a Plan Year; provided, however, that such deferrals shall be made in whole percentages. The deferral amount is the amount designated on the Participant's Election.

3.3 Evergreen. A Participant's Election shall remain in full force and effect for all subsequent years until modified or revoked in writing during an Election Period or terminated in accordance with Section 3.5. If a Participant's Election has been deemed continued for a Plan Year in accordance with this Section, it is irrevocable for such Plan Year.

3.4 Timing of Election.

(a) **Incentive Compensation.** The Election Period for Incentive Compensation shall be within the fourth fiscal quarter of the calendar year immediately preceding the calendar year in which the Incentive Compensation is earned with the specific time period determined annually in the discretion of the Committee (or designee thereof). Subject to Section 3.3, above, if a Participant desires to amend or modify the deferral of Incentive Compensation a new Election must be timely executed for each Plan Year during the applicable Election Period. An Eligible Employee who does not timely execute an Election during his or her initial Election Period to defer Incentive Compensation shall be deemed to have elected zero deferrals of Incentive Compensation for such Plan Year and each subsequent Plan Year until a timely Election is made.

Notwithstanding the foregoing, in the discretion of the Committee, the Committee may provide that the Election Period for Incentive Compensation (that also qualifies as performance based compensation within the meaning of Section 409A) for a Plan Year may begin on June 1st and end on June 30th of that Plan Year. If the Committee provides such Election Period for Incentive Compensation, in no event shall the last day of any Election Period to defer Incentive Compensation be later than the date that is six months before the end of the performance period, provided that the Participant performs services continuously from the later of the beginning of the performance period or the date the performance criteria are established through the date an election is made, and provided further that in no event may any Participant elect to defer Incentive Compensation after such compensation has become readily ascertainable.



(b) **Base Compensation.** The Election Period for Base Compensation shall be within the fourth calendar quarter of the year immediately preceding the calendar year in which the Base Compensation is earned with the specific time period determined annually in the discretion of the Committee (or designee thereof). Subject to Section 3.3, above, if a Participant desires to amend or modify the deferral of Base Compensation a new Election must be timely executed for each Plan Year during the applicable Election Period. An Eligible Employee who does not timely execute an Election during his or her initial Election Period shall be deemed to have elected zero deferrals of Base Compensation for such Plan Year and each subsequent Plan Year until a timely Election is made.

(c) **Pre-Effective Date Election Period.** For purposes of the initial Plan Year beginning January 1, 2020, the Election Period for Eligible Employees prior to the Effective Date of the Plan (who are identified to as eligible to become Participants in the Plan on January 1, 2020) shall be established by and in the Committee's discretion during the period of October 1, 2019 through December 31, 2019 and shall apply to all Base Compensation for payroll periods ending, and Incentive Compensation for services provided, on or after the Effective Date.

3.5 Irrevocability, Generally. Except as otherwise provided in Section 3.4, an Election with respect to a Plan Year may not be changed or revoked for that Plan Year after the last day of the Election Period. A Participant's deferral Election for the remainder of the Plan Year will be cancelled on account of the Participant's Disability in accordance with Treasury Regulation Section 1.409A-3(j)(4)(xii).

3.6 Withholding of Deferrals. The Employer shall have the sole discretion to withhold the percentage of Base Compensation, and Incentive Compensation specified in a Participant's Election for a Plan Year at the times and in the amounts that the Employer, in its sole discretion, selects, which need not be uniform either among Participants or as to payments to a single Participant; provided, however, that deferral amounts must be withheld not later than the end of the calendar year during which the Company would otherwise have paid the amounts to the Participant but for the Participant's Election. Deferrals of Base Compensation shall not be withheld during any period in which the Participant is on an unpaid leave of absence. All deferral amounts that are withheld in accordance with this Section shall be deemed for all purposes to comply with the Plan requirements regarding deferrals.

ARTICLE 4. EMPLOYER CONTRIBUTIONS

4.1 Employer Contributions.

(a) **Employer Contribution.** Each Plan Year, the Employer shall credit to the Account of each Participant who is an Eligible Employee on the last day of the Plan Year (except for any Participant whose Separation from Service was as a result of death, Disability or Retirement) an amount equal 6% of Eligible Compensation.

(b) **Supplemental Retirement Contribution** Each Plan Year, the Employer shall credit to the Account of each Participant who is not eligible for or participating in the ONEOK, Inc. 2005 Supplemental Executive Retirement Plan during the Plan Year and who is an Eligible Employee on the last day of the Plan Year (except for any Participant whose Separation from Service was as a result of death, Disability or Retirement) a Supplemental Retirement Contribution in an amount equal to the total of subsections: (i), (ii), and (iii, if any) as described below:

- (i) An amount equal 1% of Eligible Compensation.
- (ii) A discretionary percentage of Eligible Compensation generally based on the profit sharing contribution issued for the Plan Year to eligible employees under the ONEOK, Inc. 401(k) Plan for the Plan Year.
- (iii) A supplemental amount determined by the Committee, in its sole discretion.

4.2 Timing of Employer Contributions. Employer Contributions and Supplemental Employer Contributions shall be credited to the Participant's Account as soon as administratively practicable on or following the last day of each Plan Year.

ARTICLE 5. PAYMENT SCHEDULE AND FORM OF PAYMENT.

Subject to ARTICLE 6, Plan Accounts shall be distributed in accordance with the provisions of this Article.

5.1 Distribution Date. Amounts allocated to the Participant's Account shall be paid, or begin to be paid, upon the earliest of: (i) a date, specified in the Participant's Election, that is no earlier than the January 1 following the 5th anniversary of the Participant's Election; (ii) the Participant's Separation from Service; (iii) the Participant's death; (iv) the Participant's Disability, or (v) a Change in Control. If a Participant does not have an Election with respect to contributions for specific Plan Year, including an evergreen Election pursuant to Section 3.3, or if for any reason the Participant's Election for a Plan Year is invalid, the Participant's Account attributable to that Plan Year shall be paid upon the Participant's Separation from Service.

5.2 Form of Distribution. Upon the occurrence of a distribution date in Section 5.1, the Participant's Account shall be paid, or begin to be paid, in one of the following forms as specified in the Participant's Election (or Subsequent Election): (i) a single lump sum; (ii) annual installments over 5 years; or (iii) annual installments over 10 years. Notwithstanding the foregoing, at any time and in its discretion, the Committee may determine that the number of separate Elections as to the time and form of a distribution shall be limited. Following the Committee's decision to implement a limit, any Participant Election specifying additional times and forms of distribution in excess of such limit will be invalid. In the event there is no Participant Election with respect to a Participant's contributions for a specific Plan Year, or if for any reason the Participant's Election for a Plan Year is invalid, that portion of a Participant's Account shall be paid in a single lump sum.

5.3 Unforeseeable Emergency. A Participant may submit a written request for a distribution on account of an Unforeseeable Emergency. Upon approval by the Committee of a Participant's request, the Participant's Account, or that portion of a Participant's Account deemed necessary by the Committee to satisfy the Unforeseeable Emergency (determined in a manner consistent with Section 409A) plus amounts necessary to pay taxes reasonably anticipated because of the distribution, will be distributed in a single lump sum.

5.4 Distributions to Specified Employees. Notwithstanding any other provision of the Plan, if any payment or benefit provided to a Participant in connection with his or her Separation from Service is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code and the Participant is determined to be a "specified employee" as defined in Section 409A(a)(2)(b)(i) of the Code, then such payment or benefit shall not be paid, or commence to be paid, until (i) the first payroll date to occur following the six-month anniversary of the Separation from Service; or (ii) if earlier, on the Participant's death (the "Specified Employee Payment Date").

5.5 Subsequent Elections. In accordance with rules, procedures and forms specified from time to time by the Committee, a Participant may file a Subsequent Election to change the time on which the distribution is to commence or the form in which the Participant's Account is

distributed, or both. A Participant may file a Subsequent Election only if it complies with the provisions of section 409A of the Code and Treasury Regulations and the following conditions are met:

(a) The Subsequent Election shall not take effect until at least twelve (12) months after the date on which it is made;

(b) Except in the case of an election permitted under Section 409A and the Treasury Regulations §1.409A-3(a)(2) (payment on account of disability), § 1.409A-3(a)(3) (payment on account of death), or §1.409A-3(a)(6) (payment on account of the occurrence of an unforeseeable emergency), the payment with respect to which such Subsequent Election shall be deferred for a period of five (5) years from the date such payment would otherwise have been paid (or in the case of installment payments treated as a single payment, five (5) years from the date the first amount was scheduled to be paid); and

(c) Any Subsequent Election related to a payment described in Treasury Regulations §1.409A-3(a)(4) (payment at a specified time or pursuant to a fixed schedule) shall be made not less than twelve (12) months before the date the payment is scheduled to be paid (or in the case of a life annuity or installment payments treated as a single payment, twelve (12) months before the date the first amount was scheduled to be paid).

(d) A Participant who has made a prior Subsequent Election under the Plan shall be allowed to make another Subsequent Election in accordance with this Section 5.5 and other provisions of the Plan.

(e) The Committee, or its designee, shall be authorized to administer, construe and interpret the foregoing provisions and the Plan with respect to all Subsequent Elections to assure compliance with the intent thereof and the requirements of the Plan and of Section 409A of the Code and Treasury Regulations.

ARTICLE 6. SPECIAL DISTRIBUTION RULES

6.1 Permissible Accelerations of Distributions Except as otherwise provided in the Plan and except as may be allowed in guidance from the Secretary of the Treasury, distributions from a Participant's Account may not be made earlier than the time such amounts would otherwise be distributed pursuant to the terms of the Plan.

(a) **Taxes.** The Employer, in its sole discretion, may accelerate the time in which payment shall be made under the Plan to: (a) pay the FICA tax imposed under Code Sections 3101, 3121(a) and 3121(v)(2) on compensation deferred under the Plan, (b) pay the income tax at source on wages imposed under Code Section 3401 or the corresponding withholding provisions of the applicable, state, local or foreign tax laws as a result of the payment of any FICA tax described in clause (a), and to pay the additional income tax at source on wages attributable to the pyramiding Code Section 3401 wages and taxes, (c) pay state, local, or foreign tax obligations arising from participation in the Plan that apply to an amount deferred under the Plan before the amount is paid or made available to the Participant, (d) pay the income tax at source on wages imposed under Code Section 3401 as a result of the payment described in clause (d) and to pay the additional income tax at source on wages imposed under Code Section 3401 attributable to such additional Code Section 3401 wages and taxes, (e) pay the amount required to be included in gross income as a result of the failure of the Plan to comply with the requirements of Code Section 409A. The total payment under clauses (a) and (b) shall, in no event, exceed the aggregate of the FICA tax and the income tax withholding related to such FICA tax. The total payment under clause (c) shall, in no event, exceed the amount of such taxes due as a result of participation in the Plan. The total payment under clauses (c) and (d) shall, in no event, exceed the aggregate of the state, local, and foreign tax amount, and the income tax withholding related to such state, local, and foreign tax amount. The total payment under clause (e) shall, in no event, exceed the amount required to be included in income as a result of the failure to comply with requirements of Code Section 409A.

(b) **Compliance with Ethics Laws or Conflicts of Interests Laws.** The Committee is authorized, in its sole discretion, to accelerate the time or schedule of a payment to the extent reasonably necessary to avoid the violation of an applicable federal, state, local, or foreign ethics law or conflicts of interest law (including where such payment is reasonably necessary to permit the Participant to participate in activities in the normal course of his position in which the Participant would otherwise not be able to participate under an applicable rule), determined in accordance with Section 409A.

(c) **Small Accounts.** The Committee may, in its sole discretion, distribute in a single lump sum the aggregate amounts credited to the Participant's Account, along with any related earnings, provided: (i) the distribution results in the payment of the Participant's entire interest in the Account and all Aggregated Plans, and (ii) the total payment does not exceed the applicable dollar limit under Code section 402(g)(1)(B). The Committee shall notify the Participant in writing if the Committee exercises its discretion pursuant to this Section.



(d) **Settlement of a Bona Fide Dispute.** The Committee may, in its sole discretion, accelerate the time or schedule of a distribution as part of a settlement of a bona fide dispute between the Participant and the Employer over the Participant's right to a distribution provided that the distribution relates only to the deferred compensation in dispute and the Employer is not experiencing a downturn in financial health.

(e) **Settlement of Debt.** The Committee may, in its sole discretion, accelerate the time or schedule of a payment to satisfy the debt of a Participant to the Employer or any Related Employer where such debt is incurred in the ordinary course of the service relationship between the Participant and the Employer or Related Employer, as applicable, the entire amount of the reduction in any Plan year does not exceed \$5,000, and the reduction is made at the same time and in the same amount as the debt otherwise would have been due and collected from the Participant.

6.2 Permissible Delays in Payment. Distributions may be delayed beyond the date payment would otherwise occur in accordance with the Plan in any of the following circumstances:

(a) **Payments that would violate Federal Securities Laws or Other Applicable Law.** The Employer may also delay payment if it reasonably anticipates that the marking of the payment will violate Federal securities laws or other applicable laws provided payment is made at the earliest date on which the Employer reasonably anticipates that the making of the payment will not cause such violation.

(b) **Going Concern.** If the distribution would jeopardize the Employer's ability to continue as a going concern, provided that the delayed amount is distributed in the first calendar year in which the payment would not have such effect.

(c) **Inability to Calculate.** If calculation of the amount of the payment is not administratively practicable due to events beyond the control of the Participant (or Participant's Beneficiary), the payment will be treated as made upon the date contemplated by the Plan if the payment is made during the first calendar year in which the payment is administratively practicable.

(d) **Other Events and Conditions.** The Employer also reserves the right to delay payment upon such other events and conditions as the Secretary of the Treasury may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

6.3 General Timing Rules. The general rules in this section shall apply to all Plan distributions.

Except as otherwise provided in this section, if a distribution is required upon the occurrence of an event specified in Section 5.1, the distribution will commence between the date of the distribution event and the later of (i) the end of the year in which the distribution event occurs, and (ii) 15th day of the third calendar month following the distribution event; provided, however, the Participant will not be permitted, directly or indirectly, to designate the taxable year of the

distribution. If a Participant has elected to receive a distribution commencing during a specific calendar year, the distribution may occur any time during that year; provided, however, that if an Participant's Election specifies a particular month during which the distribution should commence, the distributions may not commence before the first day of the specified month. Any distribution that complies with this section shall be deemed for all purposes to comply with the Plan requirements regarding the time and form of distributions.

ARTICLE 7. ACCOUNTS AND CREDITS/OTHER ADJUSTMENTS

7.1 Contribution Credits to Account. A Participant's Account will be credited for each Plan Year with: (a) the amount of the Participant's elective deferrals in accordance with ARTICLE 3, and the amount of any Employer Contributions or Supplemental Retirement Contributions credited on his behalf annually under ARTICLE 4. Separate Accounts shall be maintained for each Participant for each Plan Year for which contributions are credited to the Participant.

7.2 Vesting. A Participant shall always be 100% vested in all contributions allocated to the Participant's Account.

7.3 Earnings Credits to Account. The Participant's Account shall be credited (or debited) on each Valuation Date with income (or loss) based upon a hypothetical investment in any one or more of the investment options available under the Plan, as prescribed by the Committee. In the absence of any affirmative investment decision by the Committee (or any delegate thereof), the investment options available under the Plan shall mirror the then current investment options offered to participants under the ONEOK, Inc. 401(k) Plan (or any successor thereto), excluding common stock of the Employer and any investment fund frozen to new contributions. The crediting or debiting on each Valuation Date of income (or loss) shall be made for each respective Account. All investments of a Participant's Account shall be valued at fair market value. Additionally, all distributions, investments and investment exchanges allowed and made under the Plan shall be as of the relevant Valuation Date at fair market value.

7.4 Adjustment of Accounts. Each Account maintained for a Participant shall be adjusted for interest credits and any expenses allocable under the terms of the Plan to the Account. The Account shall be adjusted as of each Valuation Date to reflect: (a) the earnings credits and expenses described under Section 7.3, above; (b) amounts credited pursuant to ARTICLE 3 and ARTICLE 4; and (c) distributions or withdrawals.

ARTICLE 8. AMENDMENT AND TERMINATION

8.1 Amendment by Employer. The Employer may at any time amend the Plan in whole or in part, except that no amendment may reduce the value of any Participant's Account. An amendment must be in writing and executed by a representative of the Employer authorized to take such action.

8.2 Plan Terminations.

(a) The Employer retains the discretion to terminate the Plan and distribute each Participant's Account in a single lump sum if (1) the termination does not occur proximate to a downturn in the financial health of the Employer; (2) all Aggregated Plans are terminated, (3) no payments other than payments that would be payable under the terms of the arrangements if the termination had not occurred are made within 12 months of the termination of the arrangements, (4) all payments are made within 24 months of the termination of the arrangements, and (5) neither the Employer nor any Related Employer adopts a new arrangement that would be aggregated with any terminated arrangement under Treasury Regulation Section 1.409A-1(c), if the same service provider participated in both arrangements, at any time with the three year period following the date of termination of the arrangement.

(b) **Automatic Termination following distribution of all Accounts.** The Plan will terminate automatically as of the date that no amounts remain to be distributed under the Plan.

(c) **In connection with change in control.** The Employer reserves the right to terminate the Plan and accelerate the time of payment of all amounts to be distributed under the Plan in accordance with the following provisions of this Section 8.2. The Employer may make an irrevocable election to terminate the Plan and distribute all amounts credited to all Participant Accounts within the 30 days preceding or the 12 months following a Change in Control. For this purpose, the Plan will be treated as terminated only if all other Aggregated Plans are terminated and liquidated with respect to each Participant that experienced the Change in Control, so that under the terms of the termination and liquidation all such Participants are required to receive all amounts of compensation deferred under the terminated arrangements within 12 months of the date the Employer irrevocably takes all necessary action to terminate and liquidate the Plan and such other arrangements.

ARTICLE 9. PLAN ADMINISTRATION

9.1 Committee; Duties. This Plan shall be administered by the Committee. The Committee shall have the authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as they may arise in such administration.

9.2 Binding Effect of Decisions. The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having any interest in the Plan.

9.3 Delegation of the Committee's Powers and Responsibilities. The Committee may appoint an entity or individual, who may be an employee of the Employer or a third party, to be the Committee's agent with respect to the day-to-day administration of the Plan. In addition, the Committee may, from time to time, employ other agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Employer.

(a) Except for settlor duties and responsibilities that are specifically reserved to the Employer, the Board or the Committee (including, but not limited to, the ability to terminate the Plan or approve amendments to the Plan), or which have been properly delegated to another person or entity under the terms of the Plan, all settlor duties and responsibilities with respect to the Plan are delegated to the ONEOK, Inc. Benefit Plan Sponsor Committee, with the exception of the following duties and responsibilities which shall be delegated to the President and Chief Executive Officer of the Employer:

- (i) Amendments which constitute routine, ministerial, clarifying or conforming amendments and do not materially modify the provision or intent of the Plan;
- (ii) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan, in its sole discretion, subject to review by the Committee; and
- (iii) To determine the amount of any benefit or contribution or to increase any benefit or contribution under the Plan (except for such increases which related to the delegate's own deferred compensation), so long as such increase does not exceed One Million Dollars (\$1,000,000) for any Plan Year.

(b) Except for such duties and responsibilities as may be specifically reserved to the Employer, the Board, the Committee or the ONEOK, Inc. Benefit Plan Sponsor Committee, or which have been properly delegated to another person or entity under the terms of the Plan, the

ONEOK, Inc. Benefit Plan Administration Committee shall be responsible for the discretionary administration of the Plan.

9.4 Indemnification. To the fullest extent allowed by law, the Employer shall indemnify and hold harmless each member of the Committee and each employee, officer, or director of the Employer or any Related Employer to whom is delegated duties, responsibilities, and authority with respect to the Plan against all claims, liabilities, fines and penalties, and all expenses reasonably incurred by or imposed upon him (including but not limited to reasonable attorneys' fees) which arise as a result of his actions or failure to act in connection with the operation and administration of the Plan to the extent lawfully allowable and to the extent that such claim, liability, fine, penalty, or expense is not paid for by liability insurance purchased or paid for by the Employer or and Related Employer. Notwithstanding the foregoing, the Employer shall not indemnify any person for any such amount incurred through any settlement or compromise of any action unless the Employer consents in writing to such settlement or compromise.

9.5 Claims and Review Procedures

(a) **Claims Procedure.** If any person believes he is being denied any rights or benefits under the Plan, such person (the "Claimant") may file a claim in writing with the Committee, or designee thereof (the "Claims Administrator"). If any such claim is wholly or partially denied, the Claims Administrator will notify such person of its decision in writing. Such notification will contain (i) specific reasons for the denial, (ii) specific reference to pertinent Plan provisions, (iii) a description of any additional material or information necessary for such person to perfect such claim and an explanation of why such material or information is necessary, and (iv) information as to the steps to be taken if the person wishes to submit a request for review. Such notification will be given within 90 days after the claim is received by the Claims Administrator (or within 180 days, if special circumstances require an extension of time for processing the claim, and if written notice of such extension and circumstances is given to such person within the initial 90 day period). If such notification is not given within such period, the claim will be considered denied as of the last day of such period and such person may request a review of his claim.

(b) **Review Procedure.** Within 60 days after the date on which a person receives a written notification of denial of claim (or, if written notification is not provided, within 60 days of the date denial is considered to have occurred), such person (or his duly authorized representative) may (i) file a written request with the Claims Administrator for a review of his denied claim and of pertinent documents and (ii) submit written issues and comments to the Claims Administrator. The Claims Administrator will notify such person of its decision in writing. Such notification will be written in a manner calculated to be understood by such person and will contain specific reasons for the decision as well as specific references to pertinent Plan provisions. The decision on review will be made within 60 days after the request for review is received by the Claims Administrator (or within 120 days, if special circumstances require an extension of time for processing the request, such as an election by the Claims Administrator to hold a hearing, and if written notice of such extension and circumstances is given to such person within the initial 60-day period). If the decision on review is not made within such period, the claim will be considered



denied. Except as otherwise provided in Section 9.5, the decision, action or inaction of the Claims Administrative shall be final, conclusive and binding on all persons having an interest in the Plan.

(c) **Mandatory Arbitration.** If, after exhausting the procedures set forth in this Section, a Claimant wishes to pursue legal action, any action by the Claimant with respect to a claim made under Section 9.5, must be resolved by arbitration in the manner described in this Section. This agreement to arbitrate shall be specifically enforceable. A party may apply to the United States District Court for the Northern District of Oklahoma for interim, injunctive or conservatory relief, including without limitation a proceeding to compel arbitration. If the arbitration provisions herein are determined by any court to be unenforceable, any further legal action must be filed only in the United States District Court for the Northern District of Oklahoma within the time limits, and shall be subject to the standard of review, all as set forth below.

- (i) **Time Limits.** A Claimant seeking arbitration of any determination of the Claims Administrator must, within six (6) months of the date of the Claims Administrator's final decision, file a demand for arbitration with the American Arbitration Association submitting the claim to resolution by arbitration. A Claimant waives any claim not filed timely in accordance with this Section.
- (ii) **Rules Applicable to Arbitration.** The arbitration process shall be conducted in accordance with the Commercial Law Rules of the American Arbitration Association.
- (iii) **Venue.** The arbitration shall be conducted in Tulsa, Oklahoma.
- (iv) **Binding Effect.** The decision of the arbitrator with respect to the claim will be final and binding upon the Employer and the Claimant. By participating in the Plan, and accepting Plan Benefits, Participants, on behalf of themselves and any person with a Claim relating to Participant's Plan Benefits, agree to waive any right to sue in court or to pursue any other legal right or remedy that might otherwise be available in connection with the resolution of the Claim.
- (v) **Enforceability.** Judgment upon any award entered by an arbitrator may be entered in any court having jurisdiction over the parties.
- (vi) **Waiver of Class, Collective, and Representative Actions.** Any claim shall be heard without consolidation of such claims with any other person or entity. To the fullest extent permitted by law, whether in court or in arbitration, by participating in the Plan, Participants waive any right to commence, be a party to in any way, or be an actual or putative class member of any class, collective, or representative action arising out of or relating to any claim, and

Participants agree that any Claim may only be initiated or maintained and decided on an individual basis.

- (vii) **Standard of Review.** Any decision of an Arbitrator on a claim shall be limited to determining whether the Claim Administrator's decision or action was arbitrary or capricious or was unlawful. The Arbitrator shall adhere to and apply the deferential standard of review set out in *Conkright v. Frommert*, 559 U.S. 506 (2010), *Metropolitan Life Insurance Co. v. Glenn*, 554 U.S. 105 (2008), and *Firestone Tire and Rubber Co. v. Bruch*, 489 U.S. 101 (1989), and shall accord due deference to the determinations, interpretations, and construction of the Plan document of the Claims Administrator.
- (viii) **General Procedures.**
 - (1) **Arbitration Rules.** The arbitration hearing will be conducted under the AAA Commercial Arbitration Rules (as amended or revised from time to time by AAA) (hereinafter the "AAA Rules"), before one AAA arbitrator who is from the Large, Complex Case Panel and who has experience with matters involving executive compensation and equity compensation plans. The AAA Rules and the terms and procedures set forth here may conflict on certain issues. To the extent that the procedures set forth here conflict with the AAA Rules, the procedures set forth here shall control and be applied by the arbitrator. Notwithstanding the amount of the claim, the Procedures for Large, Complex Commercial Disputes shall not apply.
 - (2) **Substantive Law.** The arbitrator shall apply the substantive law (and the laws of remedies, if applicable), of Oklahoma or federal law, or both, depending upon the claim. Except to the extent required by applicable law, all arbitration decisions and awards shall be kept strictly confidential and shall not be disclosed by the Claimant to anyone other than the Claimant's spouse, attorney or tax advisor.
 - (3) **Authority.** The arbitrator shall have jurisdiction to hear and rule on prehearing disputes and is authorized to hold prehearing conferences by telephone or in person as the arbitrator deems necessary. The arbitrator will have the authority to hear a motion to dismiss and/or a motion for summary judgment by any party and in doing so shall apply the standards governing such motions under the Federal Rules of Civil Procedure.

- (4) Pre-Hearing Procedures. Each party may take the deposition of not more than one individual and the expert witness, if any, designated by another party. Each party will have the right to subpoena witnesses in accordance with the Arbitration Act. Additional discovery may be had only if the arbitrator so orders, upon a showing of substantial need.
- (5) Fees and Costs. Administrative arbitration fees and arbitrator compensation shall be borne equally by the parties, and each party shall be responsible for its own attorney's fees, if any; provided, however, that the Committee will authorize payment by the Employer of all administrative arbitration fees, arbitrator compensation and attorney's fees if the Committee concludes that a Claimant has substantially prevailed on his or her claims. Unless prohibited by statute, the arbitrator shall assess attorney's fees against a party upon a showing that such party's claim, defense or position is frivolous, or unreasonable, or factually groundless. If either party pursues a claim by any means other than those set forth in this Section, the responding party shall be entitled to dismissal of such action, and the recovery of all costs and attorney's fees and losses related to such action, unless prohibited by statute.
- (ix) Interstate Commerce and the Federal Arbitration Act. The Employer is involved in transactions involving interstate commerce, and the employee's employment with the Employer involves such commerce. Therefore, the Arbitration Act will govern the interpretation, enforcement, and all judicial proceedings regarding the arbitration procedures in this Section.

9.6 Disability Determinations. Whether a Participant has experienced a "Disability" as will be determined by the Social Security Administration or under the terms of the Company's long-term disability plan in accordance with those claims procedures. The claims procedures set forth in this ARTICLE 9 will not apply to that question, but will apply to any other issues relating to Plan benefits.

ARTICLE 10. MISCELLANEOUS

10.1 Unsecured General Creditor of the Employer. Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of the Employer or any Related Employer. For purposes of the payment of benefits under the plan, the assets of the Employer or of any Related Employer shall be, and shall remain, the general, unpledged, unrestricted assets of the Employer or of such Related Employer, respectively. The Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

10.2 Trusts; Transfers of Assets, Property. Notwithstanding the foregoing, in the event of a Change in Ownership or Control, the Employer shall create an irrevocable Trust, or before such time the Employer may create an irrevocable or revocable Trust, to hold funds to be used in payment of the obligations of the Employer or any Related Employer under the Plan.

10.3 Section 409A. It is intended that the Plan comply with the provisions of Section 409A, so as to prevent the inclusion in gross income of any amounts deferred hereunder in a taxable year that is prior to the taxable year or years in which such amounts would otherwise actually be paid or made available to Participants or Beneficiaries. This Plan shall be construed, administered, and governed in a manner that effects such intent, and the Committee shall not take any action that would be inconsistent with such intent. Each installment payment of compensation under this Plan shall be treated as a separate payment of compensation for purposes of applying Section 409A. Although the Committee shall use its best efforts to avoid the imposition of taxation, interest and penalties under Section 409A of the Code, the tax treatment of deferrals under this Plan is not warranted or guaranteed. Neither the Company, any Employer, the Board, any director, officer, employee and advisor, the Board nor the Committee (or any delegate thereof) shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any Participant, Beneficiary or other taxpayer as a result of the Plan. The Committee is authorized to make any adjustments (including any additional contributions, offsets, recovery or recoupment) that it deems necessary or advisable, in its sole discretion, to comply with Code Section 409A.

10.4 Employer's Liability. The Employer's liability for the payment of benefits under the Plan shall be defined only by the Plan and by the Elections entered into between a Participant and the Employer. The Employer shall have no obligation or liability to a Participant under the Plan except as provided by the Plan and an Election.

10.5 Limitation of Rights. Neither the establishment of the Plan, nor any amendment thereof, nor the creation of any fund or account, nor the payment of any benefits, will be construed as giving to the Participant or any other person any legal or equitable right against the Employer, the Committee or any Related Employer except as provided herein; and in no event will the terms of employment or service of the Participant be modified or in any way affected hereby.

10.6 Anti-Assignment. No right or interest of the eligible employees or retirees under this Plan shall be subject to involuntary alienation, assignment or transfer of any kind. The

Employer, the Board, the Committee and any of their delegates shall not review, confirm, guarantee or otherwise comment on the legal validity of any voluntary assignment.

10.7 Facility of Payment. If the Employer determines, on the basis of medical reports or other evidence satisfactory to the Employer, that the recipient of any benefit payments under the Plan is incapable of handling his affairs by reason of minority, illness, infirmity or other incapacity, the Employer may disburse such payments to a person or institution designated by a court which has jurisdiction over such recipient or a person or institution otherwise having the legal authority under State law for the care and control of such recipient. The receipt by such person or institution of any such payments, and any such payment to the extent thereof, shall discharge the liability of the Employer for the payment of benefits hereunder to such recipient.

10.8 Notices. Any notice or other communication required or permitted to be given in connection with the Plan shall be in writing and shall be deemed to have been duly given (i) upon request, if delivered personally or via courier, (ii) upon confirmation of receipt, if given by facsimile or electronic transmission, and (iii) on the third business day following mailing, if mailed first-class, postage prepaid, registered or certified mail as follows:

(a) If it is sent to the Employer or Employer, it will be at the address specified by the Employer; or

(b) If it is sent to a Participant or Beneficiary, it will be at the last address filed with the Employer by the Participant (or Beneficiary).

10.9 Tax Withholding. The Employer shall have the right to deduct from all payments or deferrals made under the Plan any tax required by law to be withheld. If the Employer concludes that tax is owing with respect to any deferral or payment hereunder, the Employer shall withhold such amounts from any payments due the Participant or his Beneficiary, as permitted by law, or otherwise make appropriate arrangements with the Participant or his Beneficiary for satisfaction of such obligation. Tax, for purposes of this section, means any federal, state, local, foreign or any other governmental income tax, employment or payroll tax, excise tax, or any other tax or assessment owing with respect to amounts deferred, any earnings thereon, and any payments made to Participants or Beneficiaries under the Plan.

10.10 No Guarantee or Employment or Participation. Nothing in the Plan shall interfere with or limit in any way the right of the Employer to terminate any Participant's employment at any time and for any reason, nor confer upon any Participant any right to continue in the employ of the Employer or any Related Employer. No employee of the Employer shall have a right to be selected as a Participant under the Plan or, if selected, to continue to participate for any Plan Year.

10.11 Unclaimed Benefit. Each Participant shall keep the Employer informed of his current address and the current address of his Beneficiary. The Employer shall not be obligated to search for the whereabouts of any person. If the location of a Participant is not made known to the Employer within three years after the date on which payment of the Participant's vested Account is

scheduled to be made (or to commence), payment may be made as though the Participant had died at the end of the three-year period. If within one additional year after such three-year period has elapsed, or, within three years after the actual death of a Participant, the Employer is unable to locate the Beneficiary of the Participant, then the Employer shall have no further obligation to pay any benefit hereunder to such Participant or Beneficiary or any other person and such benefit shall be irrevocably forfeited.

10.12 Governing Law. The Plan will be construed, administered and enforced according to the laws of the State of Oklahoma without regard to principles of conflicts of law to the extent not otherwise preempted by the Code or by ERISA.

10.13 Erroneous Payment. Any amount paid under this Plan in error to a Participant or to a Participant's Beneficiary shall be returned to the Employer. A payment made in error does not create on the part of the recipient a legally binding right to such payment. In addition, the Plan and its agents are authorized to (A) recoup overpayments plus any earnings or interest, and (B) if necessary, offset any overpayments that are not returned against other Plan benefits to which the recipient is or becomes entitled.

ARTICLE 11. DEFINITIONS

Pronouns used in the Plan are in the masculine gender but include the feminine gender unless the context clearly indicates otherwise. Wherever used herein, the following terms have the meanings set forth below, unless a different meaning is clearly required by the context:

“Account” means an account established for the purpose of recording amounts credited on behalf of a Participant, including (i) Participant deferrals of Base Compensation and Incentive Compensation; (ii) Employer Contributions; (iii) Supplemental Retirement Contributions; and (iv) any income, expenses, gains, losses or distributions included thereon. The Account shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant pursuant to the Plan.

“Aggregated Plans” means this Plan or a portion of this Plan and all other non-qualified deferred compensation plans which must be aggregated with the Plan or portion of the Plan in accordance with the plan aggregation rules of Section 409A.

“Base Compensation” means a Participant’s basic wage or salary paid by the Employer to the Participant without regard to any increases or decreases in such basic wage or salary as a result of (i) an Election to defer basic wage or salary under this Plan or (ii) an Election between benefits or cash provided under a plan of the Employer maintained pursuant to Sections 125 or 401(k) of the Code, after deductions and withholdings of all income and employment taxes and any other amounts required under uniform rules and procedures determined by the Committee and the Employer. The Base Compensation does not include any, long-term incentive awards or other cash bonus, stock or other equity paid to a Participant, nor any Incentive Compensation, as defined below.

“Beneficiary” means the persons, trusts, estates or other entities designated in writing by a Participant, or otherwise entitled to receive benefits under the Plan upon the death of a Participant. If a Participant fails to designate a Beneficiary, then the Participant’s Beneficiary shall be the Participant’s spouse or, if the Participant does not have a spouse on the Participant’s date of death, the Participant’s estate.

“Board” means the Board of Directors of ONEOK, Inc.

“Change in Control” shall mean any of the following events: (a) a person (or more than one person acting as a group) acquires ownership of stock of the Company that, together with the stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; provided, that, a Change in Control shall not occur if any person (or more than one person acting as a group) owns more than 50% of the total fair market value or total voting power of the Company’s stock and acquires additional stock; (b) one person (or more than one person acting as a group) acquires (or has acquired during the twelve-month period ending on the date of the most recent acquisition) ownership of the Company’s stock possessing 30% or more of the total voting power of the stock of such corporation; (c) A majority of the members of the Board are replaced during any twelve-month period by directors whose appointment or election is

not endorsed by a majority of the Board before the date of appointment or election; or (d) one person (or more than one person acting as a group), acquires (or has acquired during the twelve-month period ending on the date of the most recent acquisition) assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately before such acquisition(s).

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” means the Executive Compensation Committee of the Board or such other person(s) or committee(s) as may be appointed from time to time by the Board to supervise all or a portion of the administration of the Plan. Notwithstanding the foregoing, any ministerial duties assigned to the Committee pursuant to this Plan shall be able to be completed by a designee of the Committee in its discretion. To the extent that the Committee has delegated any of its duties and responsibilities, references to the Committee shall also refer to the delegate.

“Disabled” or “Disability” means a determination that the Participant is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Employer or any Related Employer. A Participant also will be considered disabled if he is determined (a) to be totally disabled by the Social Security Administration, or (b) to be disabled in accordance with a disability insurance program, provided that the definition of disability applied under such disability insurance program complies with the requirements of Treasury Regulation Section 1.409A-3(i)(4).

“Effective Date” generally means January 1, 2020.

“Election” means a Participant’s notice, in the form and manner prescribed by the Committee, electing to defer payment of a portion of his or her Incentive Compensation or Base Compensation in accordance with ARTICLE 3, and specify the time and form of distribution of the deferred Incentive Compensation, Base Compensation, Supplemental Retirement Contributions or Employer Contributions, in accordance with ARTICLE 54, as well any evergreen election described in Section 3.3. Elections shall be irrevocable except as otherwise provided in the Plan or pursuant to Treasury guidance.

“Election Period” means the applicable period during which an Eligible Employee must complete an Election.

“Eligible Compensation” means, for any Plan Year, the total amount by which the sum of a Participant’s Base Compensation and Incentive Compensation exceeds the current compensation limit as stated in Code Section 401(a)(17) in effect for that Plan Year.

“Eligible Employee” means an employee of the Employer who is designated by the Committee, by individual name or group or description as eligible to participate in the Plan and who is a management or highly compensated employee within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.

“Employer” means ONEOK, Inc. or any successor entity thereto, and any Related Employer which permits its Employees to participate in the Plan.

“Employer Contribution” means the contribution required by Section 4.1(a). **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.

“Incentive Compensation” means annual short-term bonuses paid to Eligible Employees under any applicable annual performance-based incentive compensation plans and which is not Base Compensation without regard to any decreases as a result of (i) an Election to defer all or any portion of such Incentive Compensation under this Plan or (ii) an Election between benefits or cash provided under any qualified retirement plan of the Employer maintained pursuant to Section 401(k) of the Code. Incentive Compensation does not include long-term incentive awards, stock, or other equity.

“Participant” means an Eligible Employee who commences participation in the Plan in accordance with Article 2.

“Plan” means this ONEOK, Inc. 2020 Nonqualified Deferred Compensation Plan, as amended from time to time.

“Plan Year” means the calendar year.

“Related Employer” means (a) any corporation that is a member of a controlled group of corporations as defined in Code Section 414(b) that includes the Employer, and (b) any trade or business that is under Common Control as defined in Code Section 414(c) that includes the Employer. **“Retirement”** means Separation from Service on or after age 50 with at least 5 years of service with any Related Employer.

“Separation from Service” means a Participant's termination of employment with the Employer or Related Employer for any reason other than death that meets the requirements of the definition of "separation from service" set forth in Treasury Regulation Section 1.409A-1(h). For purposes of determining whether a Separation from Service has occurred, the 20% default threshold set forth in Treasury Regulation Section 1.409A-1(h)(1)(ii) shall be utilized.

“Subsequent Election” means the election by a Participant to modify the time of distribution or form of payment of any prior Election in accordance with Section 5.5.

“Supplemental Retirement Contribution” means the contribution(s) required by Section 4.1(b).

“Unforeseeable Emergency” means an unanticipated emergency that is caused by an event beyond the control of the Participant that would result in severe financial hardship to the Participant resulting from (i) an illness or accident of the Participant or the Participant's spouse, the Participant's Beneficiary, or the Participant's dependent (as defined in Code section 152, without regard to Code sections 152(b)(1), (b)(2), and (d)(1)(B)), (ii) a loss of the Participant's property due to casualty, or (iii) such other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined in the sole discretion of the Administrator.

“Valuation Date” means the date or dates specified by the Committee.

As approved by the Executive Compensation Committee of the ONEOK, Inc. Board of Directors July 24, 2019.

ONEOK, Inc.

SUBSIDIARIES OF THE COMPANY
AS OF DECEMBER 31, 2020

<u>Subsidiaries</u>	<u>State of Incorporation or Organization</u>
Bighorn Gas Gathering, L.L.C. (49.0%)	Delaware
Black Mesa Holdings, Inc.	Delaware
Black Mesa Pipeline, Inc.	Delaware
Black Mesa Pipeline Operations, L.L.C.	Delaware
Black Mesa Technologies, Inc.	Oklahoma
Border Midwestern Company	Delaware
Chisholm Pipeline Company (50%)	Delaware
Chisholm Pipeline Holdings, L.L.C.	Delaware
Crestone Energy Ventures, L.L.C.	Delaware
Crestone Gathering Services, L.L.C.	Delaware
Crestone Powder River, L.L.C.	Delaware
Crestone Wind River, L.L.C.	Delaware
Fort Union Gas Gathering, L.L.C. (57.405%)	Delaware
Guardian Pipeline, L.L.C.	Delaware
Heartland Pipeline Company (general partnership) (50%)	Texas
Lost Creek Gathering Company, L.L.C. (35%)	Delaware
Mid Continent Market Center, L.L.C.	Kansas
Midwestern Gas Transmission Company	Delaware
Mont Belvieu I Fractionation Facility (joint venture) (80%)	Texas
Northern Border Pipeline Company (general partnership) (50%)	Texas
OkTex Pipeline Company, L.L.C.	Delaware
ONEOK Arbuckle II Pipeline, L.L.C.	Oklahoma
ONEOK Arbuckle North Pipeline, L.L.C.	Delaware
ONEOK Arbuckle Pipeline, L.L.C.	Delaware
ONEOK Bakken Pipeline, L.L.C.	Delaware
ONEOK Bushton Processing, L.L.C.	Delaware
ONEOK Elk Creek Pipeline, L.L.C.	Oklahoma
ONEOK Energy Services Company, II	Delaware
ONEOK Energy Services Company, L.P.	Texas
ONEOK Energy Services Holdings, L.L.C.	Oklahoma
ONEOK Field Services Company, L.L.C.	Oklahoma
ONEOK Gas Storage Holdings, L.L.C.	Delaware
ONEOK Gas Storage, L.L.C.	Oklahoma
ONEOK Gas Transportation, L.L.C.	Oklahoma
ONEOK Hydrocarbon GP, L.L.C.	Delaware
ONEOK Hydrocarbon Holdings, L.L.C.	Delaware
ONEOK Hydrocarbon Southwest, L.L.C.	Delaware
ONEOK Hydrocarbon, L.L.C.	Delaware
ONEOK Hydrocarbon, L.P.	Delaware
ONEOK ILP GP, L.L.C.	Delaware
ONEOK Leasing Company	Delaware

ONEOK MB I, L.P.	Delaware
ONEOK Midstream Gas Supply, L.L.C.	Oklahoma
ONEOK Mont Belvieu Properties, L.L.C.	Delaware
ONEOK Mont Belvieu Storage Company, L.L.C.	Delaware
ONEOK NGL Gathering, L.L.C.	Delaware
ONEOK NGL Pipeline, L.L.C.	Delaware
ONEOK North System, L.L.C.	Delaware
ONEOK Northern Border Pipeline Company Holdings, L.L.C.	Oklahoma
ONEOK Overland Pass Holdings, L.L.C.	Oklahoma
ONEOK Parking Company, L.L.C.	Delaware
ONEOK Partners GP, L.L.C.	Delaware
ONEOK Partners Intermediate Limited Partnership	Delaware
ONEOK Partners, L.P.	Delaware
ONEOK Permian NGL Operating Company, L.L.C.	Delaware
ONEOK Pipeline Holdings, L.L.C.	Delaware
ONEOK Rockies Investments, L.L.C.	Delaware
ONEOK Rockies Midstream, L.L.C.	Delaware
ONEOK Services Company, L.L.C.	Oklahoma
ONEOK Southeast Texas NGL Pipeline, L.L.C.	Oklahoma
ONEOK Sterling III Pipeline, L.L.C.	Oklahoma
ONEOK Texas Gas Storage, L.L.C.	Texas
ONEOK Underground Storage Company, L.L.C.	Kansas
ONEOK Unit Holdings, Inc.	Delaware
ONEOK VESCO Holdings, L.L.C.	Delaware
ONEOK West Texas NGL Pipeline, L.L.C.	Texas
ONEOK Western Trail Pipeline, L.L.C.	Oklahoma
ONEOK WesTex Transmission, L.L.C.	Delaware
Overland Pass Pipeline Company LLC (50%)	Delaware
Roadrunner Gas Transmission Holdings, LLC (50%)	Delaware
Roadrunner Gas Transmission, LLC (100% owned by Roadrunner Gas Transmission Holdings, LLC)	Delaware
Venice Energy Services Company, L.L.C. (10.1765%)	Delaware
Viking Gas Transmission Company	Delaware

**List of Subsidiary Guarantors and Issuers
of Guaranteed Securities**

As of December 31, 2020, the following entities guarantee the notes issued by ONEOK, Inc. (the "ONEOK Notes") and ONEOK Partners, L.P. (the "ONEOK Partners Notes").

Entity	Jurisdiction of Incorporation or Organization	ONEOK Notes	ONEOK Partners Notes
ONEOK, Inc.	Oklahoma	Issuer	Guarantor
ONEOK Partners, L.P.	Delaware	Guarantor	Issuer
ONEOK Partners Intermediate Limited Partnership	Delaware	Guarantor	Guarantor

As of December 31, 2020, the ONEOK Notes consisted of the following securities:

Issued under the Indenture dated as of September 24, 1998

6-7/8% Debentures due 2028

Issued under the Indenture dated as of December 28, 2001

6.00% Notes due 2035

Issued under the Indenture dated as of January 26, 2012

4.25% Notes due 2022
7.50% Notes due 2023
2.75% Notes due 2024
2.200% Notes due 2025
5.850% Notes due 2026
4.000% Notes due 2027
4.55% Notes due 2028
4.35% Notes due 2029
3.40% Notes due 2029
3.100% Notes due 2030
6.350% Notes due 2031
4.950% Notes due 2047
5.20% Notes due 2048
4.45% Notes due 2049
4.500% Notes due 2050
7.150% Notes due 2051

As of December 31, 2020, the ONEOK Partners Notes consisted of the following securities:

Issued under the Indenture dated as of September 25, 2006

3.375% Senior Notes due 2022
5.000% Senior Notes due 2023
4.90% Senior Notes due 2025
6.65% Senior Notes due 2036
6.85% Senior Notes due 2037
6.125% Senior Notes due 2041
6.200% Senior Notes due 2043

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-239363 and 333-239348) and Form S-8 (Nos. 333-185633, 333-182991, 333-75768, 333-140629, 333-152748, 333-157548, 333-165044, 333-171308, 333-178622, 333-194284, 333-226393, 333-228499 and 333-237869) of ONEOK, Inc. of our report dated February 23, 2021, relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Tulsa, Oklahoma
February 23, 2021

Certification

I, Terry K. Spencer, certify that:

I have reviewed this annual report on Form 10-K of ONEOK, Inc.;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2021

/s/ Terry K. Spencer

Terry K. Spencer

Chief Executive Officer

Certification

I, Walter S. Hulse III, certify that:

I have reviewed this annual report on Form 10-K of ONEOK, Inc.;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2021

/s/ Walter S. Hulse III
Walter S. Hulse III
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of ONEOK, Inc. (the "Registrant") for the period ending December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Terry K. Spencer, Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Terry K. Spencer
Terry K. Spencer
Chief Executive Officer

February 23, 2021

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to ONEOK, Inc. and will be retained by ONEOK, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of ONEOK, Inc. (the "Registrant") for the period ending December 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Walter S. Hulse III, Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Walter S. Hulse III
Walter S. Hulse III
Chief Financial Officer

February 23, 2021

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to ONEOK, Inc. and will be retained by ONEOK, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

BOARD OF DIRECTORS

Positions and ages as of February 27, 2021

Brian L. Derksen, 69
Retired Global Deputy Chief Executive Officer, Deloitte Touche Tohmatsu Limited
Dallas, Texas

Julie H. Edwards, 62
Former Chief Financial Officer, Southern Union Company;
Former Chief Financial Officer, Frontier Oil Corporation
Houston, Texas

John W. Gibson, 68
Chairman of the Board and Retired Chief Executive Officer, ONEOK, Inc.
Tulsa, Oklahoma

Mark W. Helderman, 62
Retired Managing Director and Co-Portfolio Manager, Sasco Capital Inc.
Westlake, Ohio

Randall J. Larson, 63
Retired Chief Executive Officer, TransMontaigne Partners L.P.
Tucson, Arizona

Steven J. Malcolm, 72
Retired Chairman, President and Chief Executive Officer, The Williams Companies, Inc.
Tulsa, Oklahoma

Jim W. Mogg, 72
Retired Chairman, DCP Midstream GP, L.L.C.
Hydro, Oklahoma

Patty L. Moore, 63
Retired Chair of the Board and interim Chief Executive Officer,
Red Robin Gourmet Burgers;
Former President, Sonic Corp.
Broken Arrow, Oklahoma

Eduardo A. Rodriguez, 65
President, Strategic Communications Consulting Group
El Paso, Texas

Gerald B. Smith, 70
Founder, Chairman and Chief Executive Officer, Smith Graham & Company
Investment Advisors
Houston, Texas

Terry K. Spencer, 61
President and Chief Executive Officer, ONEOK, Inc.
Tulsa, Oklahoma

OFFICERS

Positions and ages as of February 27, 2021

Terry K. Spencer, 61
President and Chief Executive Officer

Robert F. Martinovich, 63
Executive Vice President and Chief Administrative Officer

Walter S. Hulse III, 57
Chief Financial Officer, Treasurer and Executive Vice President,
Strategy and Corporate Affairs

Kevin L. Burdick, 56
Executive Vice President and Chief Operating Officer

Stephen B. Allen, 47
Senior Vice President, General Counsel and Assistant Corporate Secretary

Sheridan C. Swords, 51
Senior Vice President, Natural Gas Liquids

Charles M. Kelley, 62
Senior Vice President, Natural Gas

Mary M. Spears, 41
Vice President and Chief Accounting Officer

Patrick W. Cipolla, 55
Vice President, Associate General Counsel - Compliance and Ethics and
Corporate Secretary

CORPORATE INFORMATION

ANNUAL MEETING

The 2021 annual meeting of shareholders will be held Wednesday, May 26, 2021, at 9 a.m. Central Daylight Time as a virtual meeting only due to public health concerns related to COVID-19. The meeting will be held online, accessible through a live webcast.

AUDITORS

PricewaterhouseCoopers LLP
Two Warren Place
6120 South Yale Avenue, Suite 1850
Tulsa, OK 74136

DIRECT STOCK PURCHASE AND DIVIDEND REINVESTMENT PLAN

ONEOK's Direct Stock Purchase and Dividend Reinvestment Plan provides investors the opportunity to purchase shares of common stock without payment of any brokerage fees or service charges and to reinvest dividends automatically.

TRANSFER AGENT, REGISTRAR AND DIVIDEND DISBURSING AGENT

EQ Shareowner Services
P.O. Box 64854
St. Paul, MN 55164-0854
866-235-0232
www.shareowneronline.com

CREDIT RATINGS

S&P Global Ratings
Fitch Ratings, Inc.
Moody's Investors Service

OKE

BBB (stable)
BBB (stable)
Baa3 (stable)

INVESTOR RELATIONS

oneokinvestorrelations@oneok.com
877-208-7318

CORPORATE WEBSITE

www.oneok.com

Thank you for taking the time to read our annual report. We strive to make it informative, relevant and interesting. Please take a few minutes to complete the online survey to provide us feedback. Visit www.oneok.com/annualreportsurvey, or email corpcomm@oneok.com.



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Tulsa, Oklahoma 74102-0871

www.oneok.com