ONEOK INC /NEW/
Form 424B5
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Registration 333-104318

Prospectus Supplement

(To Prospectus dated August 4, 2003)

9,500,000 shares

Common stock

Westar Industries, Inc., a wholly owned subsidiary of Westar Energy, Inc., is selling 9,500,000 shares of our common stock as described in this prospectus supplement and the accompanying base prospectus. We will not receive any proceeds from the offering. In this prospectus supplement, we refer to Westar Industries, Inc. and Westar Energy, Inc. collectively as Westar. In addition, we sometimes refer to Westar in this prospectus supplement as the selling stockholder.

Our common stock is listed on the New York Stock Exchange under the symbol OKE. On August 5, 2003, the last reported sales price of our common stock on the New York Stock Exchange was $19.05 per share.

	Per share	**Total**
Public offering price	$19.00	$180,500,000
Underwriting discounts and commissions	$ 0.38	$ 3,610,000
Proceeds to Westar, before expenses	$18.62	$176,890,000

The underwriter has an option for a period of 30 days to purchase up to 1,425,000 additional shares from Westar at the public offering price to cover over-allotments.

The underwriter expects to deliver the shares to purchasers on or about August 11, 2003.

Investing in our common stock involves risks. You should carefully review and consider the information under the heading Risk factors beginning on page S-11 of this prospectus supplement before investing in our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

JPMorgan

August 6, 2003

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Prospectus Supplement

Prospectus

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of the shares of our common stock by Westar and includes information about us and our financial condition. The second part is the accompanying prospectus, which provides more general information. Unless otherwise specified, when we refer to the prospectus, we are referring to both parts of this document combined. In addition unless we otherwise indicate or unless the context requires, all references in this prospectus to ONEOK, we, our, us, or similar references mean ONEOK, Inc. and its subsidiaries, predecessors and acquired businesses.

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Incorporation of certain documents by reference

The Securities and Exchange Commission allows us to incorporate by reference information filed with the Securities and Exchange Commission. This means that we can disclose important information to you by referring you to those documents. The following documents which we have previously filed with the Securities and Exchange Commission pursuant to the Exchange Act are incorporated into this prospectus by reference:

1. Our Annual Report on Form 10-K for the fiscal year ended December 31, 2002;

2. Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2003 and June 30, 2003;

3. Our current reports on Form 8-K dated January 6, 2003 (two reports), January 9, 2003, January 14, 2003 (two reports), January 17, 2003, January 23, 2003, January 31, 2003, February 3, 2003, February 5, 2003, February 6, 2003, February 25, 2003, February 28, 2003, March 3, 2003, April 30, 2003, May 6, 2003, July 31, 2003, August 4, 2003 and August 5, 2003;

4. The description of our Common Stock contained in our Form 8-A registration statement filed with the Securities and Exchange Commission on November 21, 1997, including any amendment or report filed for the purpose of updating that description; and

5. The description of our preferred share purchase rights contained in our Form 8-A registration statement, as amended, filed with the Securities and Exchange Commission on February 6, 2003, including any amendment or report filed for the purpose of updating that description.

All documents we file pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and before all of the common stock offered by this prospectus is sold are incorporated by reference in this prospectus from the date of filing of the documents.

Information that we file with the Securities and Exchange Commission will automatically update and may replace information in this prospectus and information previously filed with the Securities and Exchange Commission.

You may request a copy of the filings incorporated by reference in this prospectus, at no cost, by writing or calling us at: ONEOK, Inc., 100 West Fifth Street, Tulsa, Oklahoma 74103 (Telephone: 918-588-7000).

About this prospectus supplement

This prospectus supplement is a supplement to the accompanying prospectus that is also a part of this document. This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission using a shelf registration process. Under the shelf registration process, Westar may sell from time to time, in one or more offerings, up to (1) 21,815,386 shares of $0.925 Series D Non-Cumulative Convertible Preferred Stock, which we refer to in this prospectus supplement as our Series D convertible preferred stock (or an equal number of shares of common stock into which the shares of Series D convertible preferred stock are converted), and (2) 4,714,434 shares of common stock. This offering is a part of that shelf registration process. In this prospectus supplement, we provide you with specific information about the terms of this offering of our common stock. Both this prospectus supplement and the accompanying prospectus include important information about us, our common stock and other information you should know before investing in our common stock. This prospectus supplement also adds to, updates and changes some of the information contained in the accompanying prospectus. To the extent that any statement that we make in this prospectus supplement is inconsistent with the statements made in the accompanying prospectus, the

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statements made in the accompanying prospectus are deemed modified or superseded by the statements made in this prospectus supplement. You should read both this prospectus supplement and the accompanying prospectus as well as the additional information described under the heading Where You Can Find More Information beginning on page 3 of the accompanying prospectus before investing in our common stock.

Forward-looking information

Some of the statements contained and incorporated in this prospectus supplement and the accompanying prospectus are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements relate to: anticipated financial performance, including anticipated operating income for the Texas properties acquired from Southern Union Company early in January 2003, a reduction in operating income and a recognition of gains from the sale of some of the assets of our production segment and a reduction in operating income from the sale of some of our midstream natural gas assets; management s plans and objectives for future operations, including anticipated capital expenditures related to the Texas properties acquired from Southern Union Company and anticipated reductions in capital expenditures related to the sale of some of the assets of our production segment; expectations relating to pending or possible acquisitions and dispositions; expectations as to the dividend level on our common stock; business prospects; outcome of regulatory proceedings; market conditions; and other matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements in certain circumstances. 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 information concerning possible or assumed future results of our operations and other statements contained or incorporated in this prospectus supplement or the accompanying prospectus identified by words such as anticipate, estimate, expect, intend, believe, projection or goal.

You should not place undue reliance on the 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 the 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:

risks associated with any reduction in our credit ratings;

the effects of weather and other natural phenomena on sales and prices;

competition from other energy suppliers as well as alternative forms of energy;

the capital intensive nature of our business;

competitive changes in the natural gas gathering, transportation and storage business resulting from deregulation, or unbundling, of the natural gas business;

further deregulation, or unbundling, of the natural gas business;

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the profitability of assets or businesses acquired by us;

risks of marketing, trading and hedging activities as a result of changes in energy prices or the financial condition of our trading partners;

economic climate and growth in the geographic areas in which we do business;

the uncertainty of estimates, including accruals and gas and oil reserves;

the timing and extent of changes in commodity prices for natural gas, natural gas liquids, electricity and crude oil;

the effects of changes in governmental policies and regulatory actions, including with respect to income taxes, environmental compliance, authorized rates or recovery of gas costs;

the impact of recently issued and future accounting pronouncements and other changes in accounting policies;

the possibility of future terrorist attacks or the possibility or occurrence of an outbreak of, or changes in, hostilities or changes in the political dynamics in the Middle East or elsewhere;

the impact of unforeseen changes in interest rates, equity markets, inflation rates, economic recession and other external factors over which we have no control, including the effect on pension expense and funding resulting from changes in stock market returns;

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 results of administrative proceedings and litigation involving the Oklahoma Corporation Commission, Kansas Corporation Commission, Texas regulatory authorities or any other local, state or federal regulatory body;

our ability to access capital at competitive rates or on terms acceptable to us;

actions taken by Westar or its affiliates with respect to its investment in ONEOK, including, without limitation, the effect of a sale of our shares of common stock and preferred stock beneficially owned by Westar;

the risk of a significant slowdown in growth or a decline in the U.S. economy, the risk of delay in growth in recovery in the U.S. economy or the risk of increased cost for insurance premiums, security and other items as a consequence of the September 11, 2001 terrorist attacks; and

the other risks and other factors listed in the reports we have filed and may file with the Securities and Exchange Commission, which are incorporated by reference.

Other factors and assumptions not identified above were also involved in the making of the forward-looking statements. The failure of those assumptions to be realized, as well as other factors, may also cause actual results to differ materially from those projected. We have no obligation and make no undertaking to update publicly or revise any forward-looking information.

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Summary

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. This summary may not contain all of the information that may be important to you. You should read carefully all of the information contained in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus, including the information set forth under the caption   Risk factors   in this prospectus supplement and our consolidated financial statements and the related notes thereto incorporated by reference herein, before making a decision to invest in our common stock. Except as otherwise noted, all information in this prospectus supplement assumes no exercise of the underwriter s over-allotment option.

Our company

ONEOK is a diversified energy company. We purchase, gather, process, transport, store and distribute natural gas. We drill for and produce oil and natural gas, extract, sell and market natural gas liquids and are engaged in the natural gas, crude oil, natural gas liquids and electricity marketing and trading business. We are the largest natural gas distributor in Kansas and Oklahoma, providing service as a regulated public utility to wholesale and retail customers. Our largest markets in Oklahoma are the Oklahoma City and Tulsa metropolitan areas and in Kansas are Wichita, Topeka and Johnson County, which includes Overland Park. In addition, as a result of the completion of our acquisition of certain assets in Texas early in January 2003, we are the third largest natural gas distributor in Texas. Our largest markets in Texas are the Austin and El Paso metropolitan areas. Our energy marketing and trading segment provides service to customers throughout the United States and also owns and operates an electric generating facility in Oklahoma.

The following chart illustrates the principal segments in which we report operations, separated into our regulated and our nonregulated operations.

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Our business strategy

Our business strategy is focused on the maximization of shareholder value by vertically integrating our business operations across the natural gas energy chain from the wellhead to the burner tip. In order to implement this strategy, we plan to:

look for acquisition opportunities, when advantageous, that complement and strengthen our geographic footprint and core lines of business;

maximize the earnings potential of existing assets through rationalization and consolidation;

maintain and improve upon our strong financial condition while remaining committed to our practice of consistent dividend payments;

pursue regulatory initiatives that benefit us and our customers; and

trade around physical assets and minimize high-risk activities.

Recent developments

Westar s ownership of ONEOK stock and related transactions. Westar currently owns 4,714,434 shares of our common stock and 21,815,386 shares of our Series D convertible preferred stock. Subject to various terms and conditions, the Series D convertible preferred stock is convertible into shares of our common stock on a one-for-one basis. In February 2003, we repurchased approximately $300 million of ONEOK preferred stock from Westar and entered into a series of agreements with Westar relating to its continued ownership of ONEOK stock. These agreements are summarized under Transaction Agreement with Westar and Description of Capital Stock in the accompanying prospectus and relate, among other things, to:

prohibitions on Westar taking various actions, including with respect to our securities or business combination transactions involving us;

restrictions on Westar s ability to transfer our equity securities;

Westar s agreement to vote all ONEOK voting securities it owns in a specified manner;

Westar s right to designate one director to our board; and

ONEOK s obligation to register ONEOK securities owned by Westar for resale under the Securities Act of 1933.

On August 4, 2003, we entered into a new transaction agreement with Westar, which, among other things, amended various of these agreements. Under the new transaction agreement, Westar has agreed to use its commercially reasonable efforts to effect an underwritten public offering of shares of our common stock issuable upon conversion of a portion of the shares of our Series D convertible preferred stock it currently owns. The new transaction agreement further provides that, if the gross proceeds of this offering exceed $150 million, we will purchase from Westar, immediately following the consummation of this offering, a number of shares of our common stock currently owned by Westar equal to $50 million divided by the per share public offering price of our common stock in this offering. If the gross proceeds of the offering exceed $150 million, under the new transaction agreement, the shares sold by Westar in this offering, to the extent of the excess, may consist, at Westar s option, of shares of our common stock that it currently owns, excluding shares of our common stock that we have agreed to repurchase from Westar, or shares of our common stock issuable upon conversion of shares of Series D convertible preferred stock, or both. Westar has indicated that any excess shares will consist primarily of shares of our common stock that it currently owns.

For a more complete description of our prior transactions with Westar and the terms of the various agreements to which Westar is a party, see the information set forth under Westar s

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ownership of our stock; transactions with Westar in this prospectus supplement and Transaction Agreement with Westar and Description of Capital Stock in the accompanying prospectus.

In this prospectus supplement, we sometimes refer to this offering, the issuance of shares of common stock upon the conversion of Series D convertible preferred stock in connection with this offering and the repurchase of common stock from Westar as the Transactions.

Kansas Gas Service rate case. In January 2003, our Kansas Gas Service business filed a rate case with the Kansas Corporation Commission to increase annual rates by approximately $76 million. On July 11, 2003, the Kansas Corporation Commission staff submitted testimony and recommended an increase in annual rates of $28.7 million. Intervenors in the case have recommended annual rate increases ranging from $31 million to $59 million. Kansas Gas Service submitted its rebuttal testimony on August 4, 2003. Kansas Gas Service and the Kansas Corporation Commission staff will present their testimonies to the commissioners of the Kansas Corporation Commission during hearings scheduled to begin August 18, 2003. The Kansas Corporation Commission has until September 29, 2003 to issue a final order in the rate case. If approved, the new rates will be effective in the third quarter of 2003. Until a final order is received, Kansas Gas Service will continue to operate under the current rate schedules. Should recovery of any regulatory assets, or portions thereof, be denied by the Kansas Corporation Commission, these costs may no longer meet the criteria of FAS Statement 71 and, accordingly, may be required to be written-off.

Recent results. On July 31, 2003, we announced net income of $22.5 million, or 23 cents per diluted share of common stock, for the second quarter of fiscal year 2003 compared with $35.4 million, or 29 cents per diluted share of common stock, for the same quarter one year ago. Results for the six month period ended June 30, 2003 included:

Increased operating income for most of our business segments, with significant gains in the production, gathering and processing, and marketing and trading segments;

Operating income of $294.4 million, compared with $220.7 million for the same period one year ago; included in operating income for 2003 is only $25.2 million for mark-to-mark earnings;

Income from continuing operations of $148.2 million, or $1.43 per diluted share of common stock, compared with $104 million, or 86 cents per diluted share of common stock, for the same period one year ago; and

Total net income of $45 million, or 51 cents per diluted share of common stock, compared with $108 million, or 89 cents per diluted share of common stock, for the same period one year ago.

ONEOK was organized in May 1997 and acquired the gas business of Westar in November 1997. We are the successor to a company founded in 1906 as Oklahoma Natural Gas Company. Our principal executive offices are located at 100 West Fifth Street, Tulsa, Oklahoma 74103, telephone (918) 588-7000.

The information above concerning us is only a summary and does not purport to be comprehensive. For additional information concerning ONEOK, you should refer to the information under the caption Our company on page S-17 of this prospectus supplement and to the information described under the caption Where You Can Find More Information on page 3 of the accompanying prospectus.

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The offering

Issuer	ONEOK, Inc.
Selling stockholder	Westar Industries, Inc.
Common stock offered	9,500,000 shares
Common stock to be repurchased by us from Westar	2,631,579 shares(1)
Common stock to be outstanding after the Transactions	80,385,200 shares(2)
New York Stock Exchange symbol	OKE
Common stock price range (January 1, 2003 through August 5, 2003)	$15.73 $21.28
Dividend policy	As a result of an increase in the quarterly dividend on our common stock to $0.17 per share from $0.155 per share effected in the first quarter of 2003, we now pay a per share quarterly dividend to our common shareholders of $0.68 on an annualized basis. We expect to maintain that dividend level; however, the payment of dividends will be determined from time to time by our board of directors.
Use of proceeds	Westar, as the selling stockholder, will receive all net proceeds from this offering. We will not receive any proceeds from this offering. See Use of proceeds.
Risk factors	See Risk factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

(1) The number of shares to be repurchased by us from Westar was calculated by dividing $50 million by the per share public offering price of our common stock in this offering of $19.00 . See Westar s ownership of our stock; transactions with Westar.

(2) The number of shares shown to be outstanding after the consummation of the Transactions is based on the number of shares of our common stock outstanding as of July 31, 2003, and does not include shares reserved for issuance upon the exercise of options granted or available under our stock option and other compensation plans. As of July 31, 2003, we had outstanding options to purchase 3,289,168 shares of our common stock with a weighted average exercise price of $18.68 per share. The number of shares assumes that 7,894,737 shares of common stock sold in this offering consist of shares issuable upon the conversion of Series D convertible preferred stock and that 1,605,263 shares of common stock currently owned by Westar are also sold in this offering. In addition, the number of shares gives effect to our expected repurchase of 2,631,579 shares of common stock from Westar. The repurchase is expected to be consummated immediately following the closing of this offering. The number of shares does not give effect to the conversion of any other shares of Series D convertible preferred stock.

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Except as otherwise indicated, all information in this prospectus supplement assumes no exercise of the underwriter s over-allotment option and assumes the repurchase by us from Westar immediately following the consummation of this offering of 2,631,579 shares of common stock currently owned by Westar.

Our common stock includes associated rights to purchase preferred stock pursuant to our rights agreement. Each right entitles its registered holder to purchase from or exchange with us preferred or common stock pursuant to the terms of the rights agreement. You should read the accompanying prospectus, which provides more detail about the rights, before investing in our common stock.

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Summary consolidated financial data

The table below sets forth summary consolidated financial data for the periods indicated. We derived the summary consolidated statements of income data for the years ended December 31, 2002, 2001 and 2000 from our consolidated financial statements, which have been audited by KPMG LLP, our independent auditors. We derived the summary consolidated statement of income data for the six months ended June 30, 2003 and 2002 and the summary consolidated balance sheet data as of June 30, 2003 from our unaudited consolidated financial statements, which include all adjustments, consisting only of normal recurring adjustments, that management considers necessary for a fair presentation of the information shown.

You should read the summary consolidated financial data presented below in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, our consolidated financial statements and related notes and other financial information contained in our Annual Report on Form 10-K for the year ended December 31, 2002, and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, which we incorporate by reference in this prospectus supplement and the accompanying prospectus. See Where You Can Find More Information in the accompanying prospectus.

	Six months ended June 30,		Years ended December 31,		
	2003	2002	2002	2001	2000
(In millions, except per share data)	(unaudited)				
Consolidated statements of income data:					
Operating revenues, excluding energy trading revenues	$ 1,372.3	$ 916.0	$ 1,894.9	$ 1,814.2	$ 1,932.6
Energy trading revenues, net	172.8	137.8	209.4	101.8	63.6
Cost of gas	909.7	520.8	1,128.6	1,089.6	1,250.5
Net revenues	635.4	533.0	975.7	826.4	745.7
Operating expenses:					
Operations and maintenance	226.6	210.7	401.3	381.6	248.5
Depreciation, depletion and amortization	80.1	72.8	147.9	133.5	119.4
General taxes	34.3	28.8	55.0	55.7	53.3
Total operating expenses	341.0	312.3	604.2	570.8	421.2
Operating income	294.4	220.7	371.5	255.6	324.5
Other income (loss), net	1.8	4.4	(6.6)	0.9	18.5
Interest expense	53.5	54.0	106.4	140.1	118.6
Income taxes	94.5	67.1	102.5	37.5	86.7
Income from continuing operations	148.2	104.0	156.0	78.9	137.7
Income from operations of discontinued component, net of tax	2.3	4.0	10.6	24.9	5.8
Gain on sale of discontinued component, net of tax	38.4				
Cumulative effect of a change in accounting principle, net of tax	(143.9)			(2.2)	2.1
Net income	45.0	108.0	166.6	101.6	145.6
Preferred stock dividends	20.2	18.6	37.1	37.1	37.1

Income available for common stock	$ 24.8	$ 89.4	$ 129.5	$ 64.5	$ 108.5
Earnings per share of common stock:					
Basic	$ 0.74	$ 0.90	$ 1.40	$ 0.85	$ 1.23
Diluted	$ 0.51	$ 0.89	$ 1.39	$ 0.85	$ 1.23

	June 30, 2003	
	Actual	As adjusted(1)
(In millions)	(unaudited)	
Consolidated balance sheet data (at period end):		
Net working capital(2)	$ 93.7	$ 43.7
Property, plant and equipment, net	3,340.9	3,340.9
Total assets	5,618.7	5,568.7
Long-term debt, less current maturities(3)	1,913.4	1,913.4
Total shareholders equity(4)	1,234.6	1,184.6

(1) Adjusted to reflect our expected repurchase from Westar of shares of our common stock in an amount equal to $50 million, or 2,631,579 shares, based on the per share public offering price of our common stock in this offering of $19.00, pursuant to our new transaction agreement with Westar. The repurchase is expected to occur immediately following the closing of this offering. See Westar s ownership of our stock; transactions with Westar.

(2) Actual Net working capital includes current assets (including cash) less current liabilities. Net working capital on an as adjusted basis gives effect to the consummation of the Transactions.

(3) Includes impact of hedge accounting for interest rate swaps, which increases long-term debt, less current maturities, by approximately $93.4 million.

(4) Actual Total shareholders equity includes 21,815,386 outstanding shares of Series D convertible preferred stock held by Westar. Total shareholders equity on an as adjusted basis gives effect to the consummation of the Transactions.

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Risk factors

Investing in our common stock involves risks, including the risks described below that are not specific to our common stock and those that could affect us and our business. You should not purchase common stock unless you understand these investment risks. Although we have tried to discuss key factors, please be aware that other risks of which we are not currently aware 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. Before purchasing any common stock, you should carefully consider the following discussion of risks and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, including Forward-looking information.

Our nonregulated businesses are riskier than our traditional regulated businesses.

Our nonregulated operations have a higher level of risk than our regulated operations, which include our traditional utility and gas transportation and storage businesses. Our operating income from our nonregulated operations has increased significantly due to acquisitions and expansion of our nonregulated businesses, and repres