ONEOK INC /NEW/
Form 424B5
June 19, 2018
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying base prospectus are not an offer to sell these securities and they are not soliciting any offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 19, 2018

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus Dated July 6, 2017)

$

ONEOK, Inc.

$ % Notes due 2028

$ % Notes due 2048

The notes due 2028 will bear interest at the rate of % per year and will mature on , 2028. The notes due 2048 will bear interest at a rate of % per year and will mature on , 2048. We refer to the 2028 notes and the 2048 notes collectively as the notes. Interest on the notes is payable on and of each year, beginning on , . We may redeem the 2028 notes and the 2048 notes, in whole or in part, at any time at the redemption prices described under Description of the Notes Optional Redemption.

The notes will be senior unsecured obligations of ours and will rank equally in right of payment with all of our existing and future unsecured senior debt.

The notes will be fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by certain of our subsidiaries. Each guarantee will rank equally in right of payment with all of such guarantor s existing and future unsecured senior debt. The notes and the guarantees will be effectively junior to any secured indebtedness of ours or any guarantor to the extent of the value of the assets securing such indebtedness and structurally subordinated to all indebtedness and other obligations of our subsidiaries that do not guarantee the notes.

Investing in the notes involves risks. See “Risk Factors” beginning on page S-6 of this prospectus supplement and on page 7 of the accompanying base prospectus.

	Offering Price to Public(1)	Underwriting Discounts	Proceeds to us Before Expenses
Per 2028 note	%	%	%
Total	$	$	$
Per 2048 note	%	%	%
Total	$	$	$

(1) Plus accrued interest, if any, from , 2018, if settlement occurs after that date.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes will not be listed on any national securities exchange. Currently, there is no public market for the notes. We expect that the notes will be ready for delivery in registered book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, *societé anonyme*, and Euroclear Bank S.A./N.V., as operator of the Euroclear System, against payment in New York, New York, on or about , 2018.

Joint Book-Running Managers

Citigroup **BofA Merrill Lynch** **Mizuho Securities** **Wells Fargo Securities**

The date of this prospectus supplement is , 2018.

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This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying base prospectus, which gives more general information, some of which may not apply to this offering of notes. Generally, when we refer only to the prospectus, we are referring to both parts combined. If information varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus supplement, the accompanying base prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus supplement or the accompanying base prospectus will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement, the accompanying base prospectus or in any other subsequently filed document that is also incorporated by reference into this prospectus supplement modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying base prospectus. Please read Where You Can Find More Information and Incorporation by Reference in this prospectus supplement and the accompanying base prospectus.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights certain information about ONEOK. It is not complete and does not contain all the information that you should consider before investing in the notes. You should carefully read this prospectus supplement, the accompanying base prospectus and the other documents incorporated by reference herein and therein to understand fully ONEOK, the terms of the notes and the tax and other considerations that are important in making your investment decision. Please read Risk Factors and the other cautionary statements in this prospectus supplement, the accompanying base prospectus and our Annual Report on Form 10-K for the year ended December 31, 2017, which is incorporated by reference herein, for information regarding risks you should consider before investing in the notes.

Unless we otherwise indicate or unless the context requires otherwise, all references in this prospectus supplement to we, our, us, the Company, ONEOK or similar references mean ONEOK, Inc. and its consolidated subsidiaries and predecessors. References to ONEOK Partners refer to ONEOK Partners, L.P., our wholly-owned subsidiary. References to the Intermediate Partnership refer to ONEOK Partners Intermediate Limited Partnership, a wholly-owned subsidiary of ONEOK Partners, L.P.

ONEOK, Inc.

ONEOK is a corporation incorporated under the laws of the state of Oklahoma, and our common stock is listed on the New York Stock Exchange, or NYSE, under the trading symbol OKE. We are a leading midstream service provider and own one of the nation s premier natural gas liquids (NGLs) systems, connecting NGL supply in the Mid-Continent, Permian and Rocky Mountain 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.

Our Principal Executive Offices

Our principal executive offices are located at 100 West Fifth Street, Tulsa, Oklahoma, 74103-4298, and our telephone number at that address is (918) 588-7000. The information above concerning us is only a summary and does not purport to be comprehensive. We maintain a website at www.oneok.com that provides information about our business and operations. Information contained on this website, however, is not incorporated into or otherwise a part of this prospectus supplement or the accompanying base prospectus.

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The Offering

References to we, us and our in this section titled The Offering refer to ONEOK, Inc. and not to any of its subsidiaries.

Issuer	ONEOK, Inc.
Notes Offered	$ million aggregate principal amount of % notes due 2028 (the 2028 notes). $ million aggregate principal amount of % notes due 2048 (the 2048 notes). We refer to the 2028 notes and the 2048 notes collectively as the notes.
Maturity	The 2028 notes will mature on , 2028. The 2048 notes will mature on , 2048.
Interest Rate	The 2028 notes will bear interest at the rate of % per annum, accruing from , 2018. The 2048 notes will bear interest at the rate of % per annum, accruing from , 2018.
Interest Payment Dates	Interest on the 2028 notes and the 2048 notes will be payable semi-annually in arrears on and of each year, beginning on , , and at maturity or, if applicable, upon their earlier redemption.
Optional Redemption	Prior to , 2028 (months prior to their maturity date) in the case of the 2028 notes, and prior to , 2048 (months prior to their maturity date) in the case of the 2048 notes, we may redeem the notes of the applicable series, in whole or in part, at any time and from time to time, at our option, at the redemption price described in this prospectus supplement under Description of the Notes Optional Redemption. On or after , 2028 (months prior to their maturity date), we may redeem the 2028 notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount

of the notes being redeemed plus accrued and unpaid interest to the redemption date. On or after , 2048 (months prior to their maturity date), we may redeem the 2048 notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest to the redemption date.

Guarantees

The notes will be fully and unconditionally guaranteed, jointly and severally, on an unsecured basis by ONEOK Partners and the Intermediate Partnership.

Ranking

The notes will be unsecured and unsubordinated obligations and will rank equally with all of our other existing and future unsecured and unsubordinated debt and ONEOK Partners existing and future unsecured and unsubordinated debt that we guarantee. The notes will be structurally subordinated to all indebtedness and liabilities of our

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subsidiaries, other than ONEOK Partners and the Intermediate Partnership, which will guarantee the notes. As of March 31, 2018, after giving effect to this offering, we and the guarantors would have had approximately $ billion of indebtedness. Assuming we had completed this offering on March 31, 2018, after giving effect to the application of the net proceeds as described in Use of Proceeds in this prospectus supplement, the notes and the guarantees would have been structurally subordinated to approximately $34.7 million of outstanding indebtedness of our non-guarantor subsidiaries.

The guarantee of the notes by ONEOK Partners and the Intermediate Partnership will be unsecured and unsubordinated obligations of ONEOK Partners and the Intermediate Partnership and will rank equally with their guarantees of our existing $2.5 billion revolving credit agreement, our approximately $2.7 billion of notes outstanding (excluding the notes contemplated hereby) and certain of our existing and future unsecured and unsubordinated debt. In addition, the guarantee of the notes by ONEOK Partners will rank equally with its existing $5.3 billion of notes outstanding and certain of its existing and future unsecured and unsubordinated debt.

Covenants

We will issue the notes under an indenture containing covenants for your benefit. The covenants restrict our ability, with certain exceptions, to:

- merge or consolidate with another entity or transfer all or substantially all of our property and assets;
- incur liens; and
- enter into sale and leaseback transactions.

The indenture will not limit the amount of unsecured debt we or our subsidiaries may incur. The indenture restricts our and certain of our subsidiaries ability to incur secured indebtedness (subject to certain exceptions) unless the same security is also provided for the benefit of holders of the notes.

Use of Proceeds

We estimate the net proceeds from the sale of the notes in this offering, after deducting underwriting discounts and the estimated expenses of this offering payable by us, will be approximately $ billion. We anticipate using the net proceeds from this offering for general corporate

	purposes, which may include repayment of existing indebtedness and funding of capital expenditures. See Use of Proceeds.
Further Issues	We may, at any time, without notice to or consent of the holders of the 2028 notes or 2048 notes, create and issue further notes ranking equally and ratably in all respects with the 2028 notes or 2048 notes, as applicable, so that such further notes will be consolidated and form a single series with either, the 2028 notes or 2048 notes, as applicable, with the same terms as the applicable series of notes. See Description of the Notes Further Issues.

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Risk Factors	An investment in the notes involves risks. See Risk Factors in this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying base prospectus for a discussion of factors you should carefully consider before deciding to invest in the notes.
Governing Law	The indenture and the notes will be governed by the laws of the State of New York.
Trustee	U.S. Bank National Association.

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Summary Consolidated Financial and Other Data

Set forth below is our summary historical consolidated financial data for the periods indicated. The operating data for the years ended December 31, 2015, 2016, and 2017 has been derived from our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017, which is incorporated by reference into this prospectus supplement. The operating data for the three months ended March 31, 2018 and 2017 has been derived from our unaudited financial statements included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, which is incorporated by reference into this prospectus supplement. In the opinion of our management, the unaudited interim data includes normal recurring adjustments necessary for a fair statement of the results for these interim periods. Our summary historical results are not necessarily indicative of results to be expected in future periods.

The summary financial data should be read together with, and is qualified in its entirety by reference to, our historical consolidated financial statements, the accompanying notes and Management s Discussion and Analysis of Financial Condition and Results of Operations, which are set forth in our Annual Report on Form 10-K for the year ended December 31, 2017 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, each of which is incorporated by reference herein.

	Years Ended December 31,			Three Months Ended March 31,	
	2015	2016	2017	2017	2018
	(thousands of dollars, except share and per share data)				
Operating data:					
Total revenues	$ 7,763,206	$ 8,920,934	$ 12,173,907	$ 2,749,611	$ 3,102,077
Cost of sales and fuel	5,641,052	6,496,124	9,538,045	2,143,843	2,368,026
Operating and maintenance	605,748	668,335	735,190	162,052	181,181
Depreciation and amortization	354,620	391,585	406,335	99,419	104,237
Impairment of long-lived assets	83,673		15,970		
General taxes	87,583	88,849	98,396	27,153	29,023
(Gain)/loss on sale of assets	(5,629)	(9,635)	(924)	7	(89)
Operating income	996,159	1,285,676	1,380,895	317,137	419,699
Equity in net earnings from investments	125,300	139,690	159,278	39,564	40,187
Impairment of equity investments	(180,583)		(4,270)		
Allowance for equity funds used during construction	2,179	209	107	13	230
Other income	368	6,091	15,385	4,341	738
Other expense	(4,760)	(4,059)	(24,936)	(3,467)	(3,309)
Interest expense (net of capitalized interest of $36,572, $10,591 and $5,510, $1,441 and $2,038, respectively)	(416,787)	(469,651)	(485,658)	(116,462)	(115,725)
Income before income taxes	521,876	957,956	1,040,801	241,126	341,820
Income taxes	(136,600)	(212,406)	(447,282)	(54,941)	(75,771)
Income from continuing operations	385,276	745,550	593,519	186,185	266,049
Income (loss) from discontinued operations, net of tax	(6,081)	(2,051)			
Net income	379,195	743,499	593,519	186,185	266,049

Less: Net income attributable to noncontrolling interests		134,218		391,460		205,678		98,824		1,541
Net income attributable to ONEOK	$	244,977	$	352,039	$	387,841	$	87,361	$	264,508
Earnings per share of common stock from continuing operations										
Net earnings per share, basic	$	1.19	$	1.68	$	1.30	$	0.41	$	0.65
Net earnings per share, diluted	$	1.19	$	1.67	$	1.29	$	0.41	$	0.64
Earnings per share of common stock										
Net earnings per share, basic	$	1.17	$	1.67	$	1.30	$	0.41	$	0.65
Net earnings per share, diluted	$	1.16	$	1.66	$	1.29	$	0.41	$	0.64
Average shares *(thousands)*										
Basic		210,208		211,128		297,477		211,619		409,676
Diluted		210,541		212,383		299,780		213,602		412,173
Dividends declared per share of common stock	$	2.43	$	2.46	$	2.72	$	0.615	$	0.77

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RISK FACTORS

An investment in the notes involves risks. You should carefully consider all of the information contained in this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying base prospectus as provided under Where You Can Find More Information, including our Annual Report on Form 10-K for the year ended December 31, 2017 and the risk factors described under Risk Factors therein. This prospectus supplement, the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying base prospectus also contain forward-looking statements that involve risks and uncertainties. Please read Cautionary Statement Regarding Forward-Looking Statements in this prospectus supplement and in the accompanying base prospectus. Our actual results could differ materially from those anticipated in such forward- looking statements as a result of certain factors, including the risks described elsewhere in this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying base prospectus. If any of these risks occur, our business, financial condition or results of operation could be adversely affected.

Risks Related to the Notes

Our indebtedness and guarantee obligations could impair our financial condition and our ability to fulfill our obligations, including our obligations under the notes.

As of March 31, 2018, prior to giving effect to this offering, we had total consolidated indebtedness of approximately $8.1 billion. See Capitalization.

Our indebtedness and guarantee obligations could have significant consequences to you. For example, they could:

- make it more difficult for us to satisfy our obligations with respect to the notes and our 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 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.

If we are unable to meet our debt-service obligations, 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.

We are not prohibited under the indenture governing the notes from incurring additional indebtedness. Our incurrence of significant additional indebtedness could exacerbate the negative consequences mentioned above and could materially adversely affect our ability to repay the notes.

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We have a holding company structure in which our subsidiaries and affiliates conduct our operations and own our operating assets, causing us to be dependent upon their distributions to make payments on the notes.

As we are a holding company, our subsidiaries and affiliates conduct a substantial portion of our operations and own a substantial portion of our operating assets. As a result, our ability to make required payments on the notes depends on the performance of our subsidiaries and their ability to make distributions, dividends, loans or advances to us. The ability of our subsidiaries to make distributions, dividends, loans or advances to us may be restricted by, among other things, future credit facilities, applicable state partnership laws and other laws and regulations. If we are unable to obtain the funds necessary to pay the principal amount of the notes at maturity, we may be required to adopt one or more alternatives, such as a refinancing of the notes. We cannot assure you that we would be able to refinance the notes on acceptable terms or at all.

As a result of our holding company structure, the notes will be structurally subordinated to liabilities and indebtedness of our subsidiaries other than ONEOK Partners and the Intermediate Partnership, which guarantee the notes, and effectively subordinated to any of our and the guarantors secured indebtedness to the extent of the assets securing such indebtedness.

A substantial portion of our operating assets are in our subsidiaries or our affiliates. The notes are not guaranteed by our subsidiaries or other affiliates, other than ONEOK Partners and the Intermediate Partnership, and our subsidiaries and such affiliates are not prohibited under the indenture from incurring additional indebtedness. As a result, holders of the notes will be structurally subordinated to claims of third-party creditors, including holders of indebtedness, of these non-guarantor subsidiaries and such affiliates. Claims of those other creditors, including trade creditors, secured creditors, governmental authorities, and holders of indebtedness or guarantees issued by our non-guarantor subsidiaries, will generally have priority as to the assets of our non-guarantor subsidiaries over claims by the holders of the notes. As a result, rights of payment of holders of our indebtedness, including the holders of the notes, will be structurally subordinated to all those claims of creditors of our non-guarantor subsidiaries. Assuming we had completed this offering on March 31, 2018, after giving effect to the application of the net proceeds as described in Use of Proceeds in this prospectus supplement, the notes and the guarantees would have been structurally subordinated to approximately $34.7 million of outstanding indebtedness of our non-guarantor subsidiaries. In addition, if either of ONEOK Partners or the Intermediate Partnership is no longer our subsidiary or no longer has any capital markets debt securities outstanding or guarantees any capital markets debt securities issued by us or the other guarantor, in each case other than the notes, so long as no default or event of default under the indenture has occurred or is continuing, they will be released from their obligations under the indenture, and its guarantees will no longer be in effect.

In addition, holders of our and the guarantors secured indebtedness would have claims with respect to the assets constituting collateral for such indebtedness that are prior to your claims under the notes or the guarantees. We do not currently have any secured indebtedness, but may have secured indebtedness in the future. In the event of a default on such secured indebtedness or our bankruptcy, liquidation or reorganization, our assets would be available to satisfy obligations with respect to the indebtedness secured thereby before any payment could be made on the notes or the guarantees. While the indenture governing the notes places some limitations on our ability to create liens, there are significant exceptions to these limitations, including with respect to sale and leaseback transactions, which will allow us to secure some kinds of indebtedness without equally and ratably securing the notes. To the extent the value of the collateral is not sufficient to satisfy the secured indebtedness, the holders of that indebtedness would be entitled to share with the holders of the notes and the holders of other claims against us with respect to our other assets.

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Your ability to transfer the notes at a time or price you desire may be limited by the absence of an active trading market, which may not develop.

Each series of notes is a new issue of securities for which there is no established public market. Although we have registered the offer and sale of the notes under the U.S. Securities Act of 1933, as amended (the 1933 Act), we do not intend to apply for the listing of the notes on any securities exchange or for the quotation of the notes in any automated dealer quotation system. In addition, although the underwriters have informed us that they intend to make a market in each series of notes, as permitted by applicable laws and regulations, they are not obligated to do so, and they may discontinue their market making activities at any time without notice. An active market for the notes may not develop or, if developed, may not continue. In the absence of an active trading market, you may not be able to transfer the notes within a time or at a price you desire or at all.

An event of default may require us to offer to repurchase certain of our and ONEOK Partners senior notes, including the notes offered by this prospectus supplement, 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 senior notes and ONEOK Partners senior notes. Such events of default would entitle the trustee or the holders of 25% in aggregate principal amount of our or 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 (including any notes offered hereby), 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.

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USE OF PROCEEDS

We estimate the net proceeds from the sale of the notes in this offering, after deducting underwriting discounts and the estimated expenses of this offering payable by us, will be approximately $ billion. We anticipate using the net proceeds from this offering for general corporate purposes, which may include repayment of existing indebtedness and funding of capital expenditures.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2018, on:

a historical basis; and

as adjusted basis to give effect to our offering of the notes.

This table should be read in conjunction with our historical consolidated financial statements and the notes to those financial statements that are incorporated by reference into this prospectus supplement and the accompanying base prospectus. You should also read this table in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operation in our Annual Report on Form 10-K for the year ended December 31, 2017 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, each of which is incorporated by reference herein.

	March 31, 2018	
	Historical	As Adjusted
	(thousands of dollars)	
Cash and cash equivalents	$ 17,474	$
Debt, including current maturities:		
ONEOK		
% senior notes due 2028	$	$
% senior notes due 2048		
$2.5 billion revolving credit agreement (1)		
$2.5 billion commercial paper program (2)		
Current maturities of long-term debt		
Long-term debt, excluding current maturities	2,747,397	
Total ONEOK debt	2,747,397	
ONEOK Partners		
Current maturities of long-term debt	932,650	
Long-term debt, excluding current maturities	4,402,045	
Total ONEOK Partners debt	5,334,695	
Total debt	8,082,092	
Total shareholders equity	6,701,446	
Noncontrolling interest in consolidated subsidiaries	167,806	
Total equity	6,869,252	

Total capitalization	$ 14,951,344	$

(1) As of March 31, 2018, ONEOK had no borrowings outstanding under its revolving credit agreement.
(2)