

MONTANA PUBLIC SERVICE COMMISSION – NEWS RELEASE

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ONEOK Pipeline Certified as Common Carrier in Eastern Montana

The Montana Public Service Commission (PSC) voted 5-0 last week to agree to allow ONEOK's natural gas liquids (NGLs) Bakken Pipeline originating near Sidney, going south parallel to the state line, and terminating in Colorado, to be considered a "common carrier" pipeline under Montana law.

The certification requires the pipeline to file data with the Commission about its production, and to open its pipeline to all producers of NGLs who wish to ship their product on the line. NGLs are produced as a natural byproduct of oil drilling in the Bakken oil play. The legislature gives common carriers of petroleum and petroleum products the power of eminent domain.

"There was a time when natural gas coming off an oil well in both its liquid and gaseous form would have been flared or discarded. I'm glad that time is passed, and that we have found ways to market all the valuable products coming off the Bakken. One of the biggest problems Montana faces in terms of energy development is getting its valuable products to market. This pipeline will help." said PSC Chairman Travis Kavulla, who represents Richland and Wibaux counties, which the pipeline will traverse.

"Now it is the pipeline company's responsibility to be conscientious in its dealings with landowners, who deserve respectful and straightforward treatment when negotiating leases," Kavulla added. "Especially at a time when eminent domain and pipeline safety have dominated headlines, it's up to ONEOK to be a responsible developer and to nurture a good working relationship with landowners so that the same problems some other projects have encountered will not plague this pipeline."

ONEOK says that the pipeline is planned to begin construction in 2012 and be completed in 2013. It will use 12-inch diameter piping and be buried at least three feet beneath the ground.

Made up of 5 elected commissioners, the PSC works to ensure that Montanans receive safe and reliable service from regulated public utilities while paying reasonable rates. Utilities regulated by the PSC generally include private investor-owned natural gas, electric, telephone, water, and sewer companies. In addition, the PSC regulates certain motor carriers, and oversees natural gas pipeline safety and intrastate railroad safety.

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