

ONEOK INC /NEW/
Form 424B5
February 05, 2004
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Filed pursuant to Rule 424(b)(5)

Registration No. 333-82717

Prospectus Supplement

(To Prospectus Dated April 15, 2003)

6,900,000 Shares

ONEOK, Inc.

Common Stock

ONEOK is a diversified energy company. We are involved in oil and gas production, natural gas processing, gathering, storage and transmission in the mid-continent areas of the United States. Our energy marketing and trading operations provide service to customers in most states. We are the largest natural gas distributor in Kansas and Oklahoma and the third largest natural gas distributor in Texas.

Our common stock is listed and traded on the New York Stock Exchange, or NYSE, under the symbol OKE. On February 3, 2004, the last reported sale price of our common stock on the NYSE was \$22.45 per share.

We are selling 6,900,000 shares of our common stock to the underwriter at a price of \$21.93 per share.

	<u>Per Share</u>	<u>Total</u>
Offering price	\$ 22.00	\$ 151,800,000
Underwriting discounts	\$ 0.07	\$ 483,000
Proceeds, before expenses, to ONEOK	\$ 21.93	\$ 151,317,000

In addition to the underwriting discount, the underwriter will receive a commission from investors in the amount of \$0.05 for each share of common stock sold to those investors in this offering.

Investing in our common stock involves risks. See Risk Factors beginning on page S-8 of this prospectus supplement.

ONEOK has granted the underwriter a 30-day option to purchase up to 1,035,000 additional shares of common stock on the same terms and conditions as set forth above to cover over-allotments, if any.

Neither the 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 prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Sole Book-Running Manager

Citigroup

The date of this prospectus supplement is February 3, 2004.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with information other than that contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. The information in this prospectus supplement and the accompanying prospectus may be accurate only as of their respective dates.

We are offering to sell, and are seeking offers to buy, the common stock only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the common stock in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about and observe any restrictions relating to the offering of the common stock and the distribution of this prospectus supplement and the accompanying prospectus outside the United States. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus supplement and the accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

This prospectus supplement and the accompanying prospectus are directed only at persons who (i) are outside the United Kingdom or (ii) have professional experience in matters relating to investments or (iii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (all such persons together being referred to as relevant persons). This prospectus supplement and the accompanying prospectus must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this prospectus supplement and the accompanying prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

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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, we may sell any combination of the securities described in the accompanying prospectus up to a total dollar amount of \$1,000,000,000 of which this offering is a part. 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 statements made in the accompanying prospectus are deemed modified or superseded by the statements made in this prospectus supplement.

Unless we otherwise indicate or unless the context requires otherwise, all references in this prospectus supplement to we, our, us, ONEOK or similar references mean ONEOK, Inc. and its subsidiaries, predecessors and acquired businesses.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. You can read and copy any materials we file with the Securities and Exchange Commission at its Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You can obtain information about the operations of the Securities and Exchange Commission Public Reference Room by calling the Securities and Exchange Commission at 1-800-SEC-0330. The Securities and Exchange Commission also maintains a Web site that contains information we file electronically with the Securities and Exchange Commission, which you can access over the Internet at <http://www.sec.gov>. Our common stock is listed on the New York Stock Exchange (NYSE: OKE), and you can obtain information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

This prospectus supplement is part of a registration statement we have filed with the Securities and Exchange Commission. As permitted by Securities and Exchange Commission rules, this prospectus supplement does not contain all of the information we have included in the registration statement and the accompanying exhibits. You may refer to the registration statement and the exhibits for more information about us and our securities. The registration statement and the exhibits are available at the Securities and Exchange Commission's Public Reference Room or through its Web site.

The Securities and Exchange Commission allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to those documents. All information incorporated by reference is part of this document, unless and until that information is updated and superseded by the information contained in this document or any information subsequently incorporated by reference. We incorporate by reference the documents listed below.

our annual report on Form 10-K for the year ended December 31, 2002;

our quarterly reports on Form 10-Q for the quarters ended March 31, 2003, June 30, 2003 and September 30, 2003;

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our current reports on Form 8-K dated August 4, 2003, August 5, 2003, August 19, 2003, September 19, 2003, September 22, 2003, September 24, 2003, October 6, 2003, October 14, 2003, October 29, 2003, November 21, 2003, December 22, 2003, December 31, 2003, January 15, 2004, January 20, 2004, January 22, 2004, January 23, 2004, January 28, 2004 and January 30, 2004;

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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

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.

You may request a copy of these filings (other than an exhibit to the filings unless we have specifically incorporated that exhibit by reference into the filing) at no cost, by writing or telephoning us at the following address:

ONEOK, Inc.

100 West Fifth Street

Tulsa, Oklahoma 74103

Attention: Chief Financial Officer

Telephone: (918) 588-7000

We also incorporate by reference all future filings we make with the Securities and Exchange Commission under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 on or after the date of this prospectus supplement and prior to the closing of the related offering made hereby. Those documents will become a part of this prospectus supplement from the date that the documents are filed with the Securities and Exchange Commission.

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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 East Texas gas and oil properties and related gathering systems acquired from Wagner & Brown, Ltd. in December 2003 and 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 East Texas properties acquired from Wagner & Brown, Ltd. and 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 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;

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

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

the profitability of assets or businesses acquired by us;

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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 estimates for oil and gas 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;

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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 conditions 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, including the Federal Energy Regulatory Commission;

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

the risk of a significant slowdown in growth or decline in the U.S. economy, the risk of delay in growth or 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 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 and the third largest distributor in Texas, 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, Kansas), and our largest markets in Texas are the Austin and El Paso metropolitan areas. Our energy marketing and trading operations provide service to customers in most states.

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 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

Approval of ONG Rate Adjustment. On January 30, 2004, the Oklahoma Corporation Commission approved a plan that will allow Oklahoma Natural Gas Company (ONG), a division of ONEOK, Inc., to adjust its rates in order to recover certain costs not reflected in its current rate structure. The plan, jointly submitted by ONG, the staff of the Commission's Public Utility Division and the Oklahoma Attorney General's office, allows ONG additional annual revenue of \$17,650,000. The agreement authorizes the new rates to be in effect for a maximum of 18 months and categorizes a portion of the total additional revenues as interim and subject to refund until a final determination in ONG's next general rate case.

Common Stock Dividend Increase. On January 15, 2004, our board of directors declared an increase in the quarterly dividend on our common stock to \$0.19 per share. The dividend is payable on February 16, 2004 to shareholders of record at the close of business on January 30, 2004. The new dividend rate represents an increase of approximately 5.5% from the quarterly dividend of \$0.18 per share paid in the third quarter of 2003.

Acquisition of Wagner & Brown Assets. On December 22, 2003, we closed the purchase of approximately \$240 million of East Texas gas and oil properties and related gathering systems from Wagner & Brown, Ltd. The acquisition was financed through short-term borrowings. We anticipate that capital expenditures related to the Wagner & Brown assets for 2004 will be approximately \$18.7 million and operating income for the Wagner & Brown properties for 2004 will be \$37.7 million.

Westar's Ownership of ONEOK Stock and Related Transactions. On November 21, 2003, we announced that Westar had sold all of its remaining equity in the company, which included all the shares of common stock Westar owned and all of the shares of our Series D Convertible Preferred Stock, which converted to shares of common stock immediately prior to sale. In connection with this sale, the company has retired all of its Series D Convertible Preferred Stock, and all of such stock has become authorized but unissued preferred stock, undesignated as to series.

ONEOK was organized in May 1997 and acquired the gas business of Westar Energy, Inc. and its affiliates 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 the information described under the caption *Where You Can Find More Information* on page S-1 of this prospectus supplement.

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The Offering

Issuer	ONEOK, Inc.
Common stock offered	6,900,000 shares
Common stock to be outstanding after this offering	102,210,187 shares ¹
NYSE symbol	OKE
Common stock price range (September 30, 2003 through February 3, 2004)	\$19.49 \$23.12
Dividend policy	We recently declared an increase in the quarterly dividend to our common shareholders to \$0.19 per share from \$0.18 per share, payable on February 16, 2004 to shareholders of record at the close of business on January 30, 2004. Based on the increased dividend level, the indicated annual dividend on our common stock is \$0.76 per share of common stock. 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	We estimate that the net proceeds from the sale of common stock in this offering, after deducting underwriting discounts and commissions and the estimated expenses of this offering payable by us, will be approximately \$151.0 million, or \$173.7 million if the underwriter exercises its over-allotment option in full to purchase additional shares of common stock. We anticipate using the net proceeds from this offering to reduce short-term debt.
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 Based on the number of shares outstanding as of January 30, 2004 and excluding shares reserved for issuance under the exercise of options granted or otherwise available pursuant to our employee or director compensation plans existing as of the date hereof.

Except as otherwise indicated, all information in this prospectus supplement assumes no exercise of the underwriter's over-allotment option.

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 this prospectus supplement and the accompanying prospectus, which provide more detail about the rights, before investing in our common stock.

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RISK FACTORS

Investing in the common stock involves risks, including the risks described below that are not specific to the 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 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 represented 67% and 64% of our total operating income for the nine months ended September 30, 2003 and 2002, respectively, and 60% and 55% of our total operating income for the years ended December 31, 2002 and 2001, respectively. We expect to continue investing in nonregulated projects, including natural gas marketing, gas production, gas processing and trading and other projects. These projects could involve risks associated with operational factors such as competition and dependence on certain suppliers and customers, and financial, economic and political factors, such as rapid and significant changes in prices of hydrocarbons and energy, the cost and availability of capital and counterparty risk, including the inability of a trading counterparty, customer or supplier to fulfill a contractual obligation.

Our regulated and nonregulated businesses are subject to market and credit risks.

We are exposed to market and credit risks in all of our operations. To minimize the risk of market price and volume fluctuations, we enter into financial derivative instrument contracts to hedge purchase and sale commitments, fuel requirements and inventories of natural gas, natural gas liquids and electricity. However, financial derivative instrument contracts do not eliminate the risks. Specifically, such risks include commodity price changes, market supply shortages, interest rate changes and counterparty default. The impact of these variables could result in our inability to fulfill contractual obligations, significantly higher energy or fuel costs relative to corresponding sales contracts or increased interest expense.

Any reduction in our credit ratings could materially and adversely affect our business, financial condition, liquidity and results of operations.

Our senior unsecured debt has been assigned a rating by Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc., which we refer to as S&P, of A- (stable outlook) and by Moody's Investors Service, Inc., which we refer to as Moody's, of Baa1 (negative outlook). We will seek to maintain a solid investment grade rating through prudent capital management and financing structures. However, we cannot assure you 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 a rating agency if, in its judgment, circumstances in the future so warrant. In particular, if S&P or Moody's were to downgrade our long-term rating, particularly below investment grade, our borrowing costs would increase, which would adversely affect our financial results, and our potential pool of investors and funding sources could decrease. Further, if our short-term ratings were to fall below A-2 or P-2, the current ratings assigned by S&P and Moody's, respectively, it could significantly limit our access to the commercial paper market. Any such downgrade of our long- or short-term ratings could increase our cost of capital and reduce the availability of capital and, thus, have a material adverse effect on our business, financial condition, liquidity and results of operations. Ratings from credit agencies are not

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recommendations to buy, sell or hold our securities. Each rating should be evaluated independently of any other rating.

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We may not be able to successfully make additional strategic acquisitions or integrate businesses we acquire into our operations.

Our ability to successfully make strategic acquisitions and investments will depend on: (1) the extent to which acquisitions and investment opportunities become available; (2) our success in bidding for the opportunities that do become available; (3) regulatory approval, if required, of the acquisitions on favorable terms; and (4) our access to capital and the terms upon which we obtain capital. If we are unable to make strategic investments and acquisitions we may be unable to grow. Our ability to successfully integrate acquired businesses into our operations will depend on: (1) the adequacy of our implementation plans; and (2) our ability to achieve desired operating efficiencies. If we are unable to successfully integrate new businesses into our operations, we could experience increased costs and losses on our investments.

We are subject to risks associated with recent events affecting capital markets and changes in business climate, which could limit our access to capital, thereby increasing our costs and adversely affecting our results of operations.

We have grown rapidly in the last several years as a result of acquisitions, both in regulated and nonregulated businesses. Further acquisitions may require additional external capital. The September 11, 2001 attack on the United States and the ongoing war against terrorism by the United States have resulted in greater uncertainty in the financial markets. In addition, the availability and cost of capital for our business and those of our competitors has been adversely affected by the bankruptcy of Enron Corporation and disclosures by Enron and other energy companies of their trading practices involving energy products. These events have constrained and are expected to continue to constrain the capital available to our industry and could limit our access to funding for our operations. If we are not able to access capital at competitive rates, our strategy of enhancing the earnings potential of our existing assets, including through acquisitions of complementary assets or businesses, will be adversely affected. A number of other factors could adversely affect our ability to access capital, including (1) general economic conditions; (2) capital market conditions; (3) market prices for gas and other hydrocarbons; (4) the overall health of the energy and related industries; (5) our ability to maintain our investment-grade credit ratings; and (6) our capital structure. Much of our business is capital intensive, and achievement of our long-term growth targets is dependent, at least in part, upon our ability to access capital at rates and on terms we determine to be attractive. If our ability to access capital becomes significantly constrained, our interest costs will likely increase and our financial condition and future results of operations could be significantly harmed.

We are subject to risks associated with our prior sale of claims involved in the Enron bankruptcies.

Enron North America was the counterparty in certain financial instruments with one of our wholly owned subsidiaries as discussed in our Annual Report on Form 10-K for the year-ended December 31, 2001. Enron Corporation and certain of its subsidiaries, including Enron North America, filed for protection from creditors under Chapter 11 of the United States Bankruptcy Code on December 3, 2001. In 2001, we recorded a charge of \$37.4 million to provide an allowance for forward financial positions and to establish an allowance for uncollectible accounts related to previously settled financial and physical positions with Enron. We then sold our claims related to the Enron Corporation and Enron North America bankruptcies to a third party for \$22.1 million resulting in a gain of \$14.0 million in the first quarter of 2002. The sale was subject to normal representations as to the validity, but not collectibility, of the claims and guarantees from Enron. The claims were sold on a recourse basis under some circumstances.

Recently, Enron Corporation filed several avoidance actions against many claimants in its bankruptcy proceedings to avoid liability under various guaranties of indebtedness or obligations of Enron North America. The avoidance action relating to the Enron Corporation claims we sold could potentially cause some or all of these claims related to these guaranties to be reassigned to us. If some or all of the Enron Corporation claims are reassigned, we would be required to refund some or all of the sales price of the Enron Corporation claims to the

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third party and would be responsible for enforcement of the claims in the Enron Corporation bankruptcy proceedings, which might result in an ultimate payment to us of less than our sales price of the Enron Corporation claims. Although it is too early to accurately evaluate the possible effect of this reassignment and the ultimate value of the claims in the Enron Corporation bankruptcy, based on current information available to us we do not expect this matter to have a material adverse effect on the company.

We are subject to comprehensive energy regulation by governmental agencies and the recovery of our costs is dependent on regulatory action.

We are subject to comprehensive regulation by several federal, state and municipal utility regulatory agencies, which significantly influences our operating environment and our ability to recover our costs from utility customers. The utility regulatory authorities in Kansas, Oklahoma and Texas regulate many aspects of our utility operations, including customer service and the rates that we can charge customers. Federal, state and local agencies also have jurisdiction over many of our other activities, including regulation by the Federal Energy Regulatory Commission of our storage and interstate pipeline assets. The profitability of our regulated operations is dependent on our ability to pass costs related to providing energy and other commodities through to our customers. The current regulatory environment applicable to our regulated businesses could impair our ability to recover costs historically absorbed by our customers.

In this regard, we recorded a \$34.6 million charge against earnings in the fourth quarter of 2001 as a result of the Oklahoma Corporation Commission's issuance of an order denying our Oklahoma Natural Gas utility division the right to collect \$34.6 million in gas procurement costs incurred during the 2000-2001 winter season. A joint stipulation approved by the Oklahoma Corporation Commission on May 16, 2002 allowed the recovery of \$14.2 million in gas costs written off in the fourth quarter of 2001. In October 2003, Oklahoma Natural Gas filed an application with the Oklahoma Corporation Commission requesting that we be allowed to recover costs incurred since 2000 when we assumed responsibility for our customer's service lines and enhanced our efforts to protect pipelines from corrosion. Oklahoma Natural Gas also sought to recover costs related to our investment in gas in storage and rising levels of fuel-related bad debts. The application sought a total of \$24 million in additional annual revenue. At a hearing on January 7, 2004, Oklahoma Natural Gas, the Oklahoma Corporation Commission Staff and the Oklahoma Attorney General presented a stipulated agreement to the Oklahoma Corporation Commission for approval. The stipulation provides for an annual revenue increase in the amount of \$17,650,000, which shall be in effect for a period of 18 months or until an order is issued in our next rate proceeding, whichever is earlier. Oklahoma Natural Gas has committed to filing a rate case application no later than January 31, 2005. The amount of the annual revenue increase to be considered interim and subject to refund in the next rate proceeding is \$10,700,000. The stipulation also provides that Oklahoma Natural Gas shall be allowed to defer as regulatory assets the costs it has and will incur in connection with its homeland security measures. An order approving the stipulation was signed January 30, 2004.

Our Kansas Gas Service utility division's rate moratorium expired in November 2002. On January 31, 2003, Kansas Gas Service filed a rate case to increase annual rates by \$76 million. On September 17, 2003, the Kansas Corporation Commission issued an order approving a \$45 million rate increase for our distribution customers in Kansas pursuant to a stipulated settlement agreement with Kansas Gas Service.

We are unable to predict the impact on our operating results from the future regulatory activities of these agencies. Changes in regulations or the imposition of additional regulations could have an adverse impact on our business, financial condition and results of operations.

We are subject to the impact of recent accounting pronouncements, which could have a material impact on our financial condition and results of operations.

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In January 2003, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 46 (FIN 46), Consolidation of Variable Interest Entities, an interpretation of ARB No. 51. This interpretation

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addresses the method of evaluating a business enterprise in order to determine whether it has a controlling financial interest in an entity through means other than voting rights and, accordingly, whether it should consolidate the entity. Application of FIN 46 is required in financial statements of public entities that have interests in variable interest entities or potential variable interest entities (commonly referred to as special-purpose entities) for periods ending after December 15, 2003. Application by public entities for all other types of entities is required in financial statements for periods ending after March 15, 2004. Any changes to our accounting for existing variable interest entities as a result of the adoption of the provisions of FIN 46 will be reported as a cumulative effect of a change in accounting principle on January 1, 2004. The Company has not yet determined the impact of FIN 46.

Increased competition could have a significant adverse financial impact on us.

Although there are no major distributors marketing natural gas sales service in our service area, marketing firms do arrange direct purchase contracts between large users in our service area and producers outside our area, taking advantage of the open-access status of the pipeline systems that we use to transport natural gas to our customers. In addition, we may face competition from natural gas distribution operations that may enter the market in the future. Our ability to compete also depends upon general market conditions, which may change. Demand for natural gas is primarily a function of customer usage rates, weather, production volumes, economic conditions, competing distribution operations, prices for competing products and price for service.

Furthermore, retail competition and the unbundling of regulated energy and gas service could have a significant financial impact on us and our subsidiaries due to an impairment of assets, a loss of retail customers, lower profit margins or increased costs of capital. The total impact of restructuring may have a significant financial impact on our financial position, results of operations and cash flows. We cannot predict when we will be subject to changes in legislation or regulation, nor can we predict the impact of these changes on our financial position, results of operations or cash flows. Although we believe that the prices our utility operations charge for gas and the quality and reliability of their service currently place them in a position to compete effectively in the energy market, there can be no assurances that this will be true in the future.

The impact of these variables in conjunction with regulatory constraints on the components of our capital structure could also result in our inability to access capital funding sources adequate to finance our capital expenditure and nonregulated investment plan.

Our business could be adversely affected by strikes or work stoppages by our unionized employees.

As of January 27, 2004, approximately 825 of our 4,323 employees were represented by labor unions under collective bargaining agreements. We are involved periodically in discussions with labor unions representing some of our employees to negotiate or renegotiate labor agreements. We cannot predict the results of these negotiations, including whether any failure to reach new agreements will have a negative effect on our business, financial condition and results of operations or whether we will be able to reach agreement at all with the unions. Any failure to reach agreement on new labor contracts might result in a work stoppage. Any future work stoppage could, depending on the operations and the length of the work stoppage, have a material adverse effect on our business, financial condition and results of operations.

Recent events that are beyond our control have increased the level of public and regulatory scrutiny of our industry. Governmental and market reactions to these events may have negative effects on our business, financial condition and access to capital.

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As a result of the energy crisis in California during the summer of 2001, the recent volatility of natural gas prices in North America, the bankruptcy filing by Enron Corporation, recently discovered accounting irregularities at public companies in general and energy companies in particular and investigations by governmental authorities into energy trading activities, companies in the regulated and unregulated utility business have been under a generally increased amount of public and regulatory scrutiny and suspicion.

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In addition, recently discovered accounting irregularities at public companies in general have caused regulators and legislators to review current accounting practices, financial disclosures and companies' relationships with their independent auditors. The capital markets and ratings agencies also have increased their level of scrutiny. We believe that we are complying with all applicable laws and accounting standards, but it is difficult or impossible to predict or control what effect these types of events may have on our business, financial condition or access to the capital markets.

In the light of these events, Congress passed the Sarbanes-Oxley Act of 2002. It is unclear what additional laws or regulations may develop, and we cannot predict the ultimate impact of any future changes in accounting regulations or practices in general with respect to public companies, the energy industry or our operations specifically. Any new accounting standards could affect the way we are required to record revenues, expenses, assets and liabilities. These changes in accounting standards could have a negative effect on reported earnings or increase liabilities that could, in turn, adversely affect our reported results of operations.

We do not fully hedge against price changes in commodities. This could result in increased costs, thereby resulting in lower margins and adversely affecting our results of operations.

We enter into contracts to purchase and sell natural gas. We attempt to manage our exposure by establishing risk limits and entering into contracts to offset some of our positions (i.e., to hedge our exposure to demand, market effects of weather and other changes in commodity prices). However, we cannot always hedge the entire exposure of our operations from commodity price volatility. To the extent we do not hedge against commodity price volatility or our hedges are not effective, our results of operations and financial position may be diminished.

We are subject to environmental regulations that could be difficult and costly to comply with.

We are subject to multiple environmental laws and regulations affecting many aspects of our present and future operations, including air emissions, water quality, wastewater discharges, solid wastes and hazardous material and substance management. These laws and regulations generally require us to obtain and comply with a wide variety of environmental registrations, licenses, permits, inspections and other approvals. Failure to comply with these laws, regulations, permits and licenses may expose us to fines, penalties and/or interruptions in our operations that could be material to our results of operations. If an accidental leak or spill of hazardous materials occurs from our lines or facilities, in the process of transporting natural gas, or at any facilities that we own, operate or otherwise use, we could be held jointly and severally liable for all resulting liabilities, including investigation and clean up costs, which could materially affect our results, operations and cash flow. In addition, emission controls required under the Federal Clean Air Act and other similar federal and state laws could require unexpected capital expenditures at our facilities. We cannot assure you that existing environmental regulations will not be revised or that new regulations will not be adopted or become applicable to us. Revised or additional regulations that result in increased compliance costs or additional operating restrictions, particularly if those costs are not fully recoverable from our customers, could have a material adverse effect on our business, financial condition and results of operations.

We own or retain legal responsibility for the environmental conditions at 12 former manufactured gas sites in Kansas. These sites may contain potentially harmful materials that are subject to control or remediation under various environmental laws and regulations. A consent agreement with the Kansas Department of Health and Environment (KDHE) presently governs all work at these sites. The terms of the consent agreement allow us to investigate these sites and set remediation priorities based upon the results of the investigations and risk analysis. We have commenced or have completed active remediation on three sites and assessment at the remaining sites, and have achieved regulatory closure at two of these locations. We have not completed a comprehensive study of the remaining nine sites and therefore cannot accurately estimate individual or aggregate costs to satisfy our remedial obligations. Through September 30, 2003, the costs of the investigations and risk analysis related to these manufactured gas sites have been immaterial.

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Our preliminary review of similar cleanup efforts at former manufactured gas sites reveals that costs can range from \$100,000 to \$10 million per site. These estimates do not give effect to potential insurance recoveries, recoveries through rates or from unaffiliated parties, to which we may be entitled. At this time, we are not recovering any environmental amounts in rates. We have completed remediation consistent with the consent decree at the Parsons and Leavenworth sites and have commenced remediation at the Kansas City site. Costs to date relating to these three sites have not been material to our financial condition or results of operations. We expect total remedial costs for each of the remaining sites to exceed \$250,000, but we cannot assure you that costs to investigate and remediate the remaining sites will not be significantly higher. To the extent that actual remediation costs are not recovered, the costs could be material to our results of operations and cash flows depending on the remediation done and number of years over which the remediation is completed.

In January 2001, the Yaggy gas storage facility's operating parameters were changed as mandated by the KDHE following natural gas explosions and eruptions of natural gas geysers in or near Hutchison, Kansas. In July 2002, the KDHE issued an administrative order that assessed an \$180,000 civil penalty against us, based on alleged violations of several KDHE regulations. A status conference was held on June 27, 2003 regarding progress toward reaching an agreed upon consent order. The matter was continued pending further settlement negotiations. We believe there are no adverse long-term environmental effects.

Two class action lawsuits have been filed against us in connection with the natural gas explosions and eruptions of natural gas geysers that occurred at and in the vicinity of the Yaggy facility. These class action lawsuits claim that the explosions were caused by the releases of natural gas from our operations. In addition to the two pending class action matters, sixteen additional lawsuits have been filed against us or our subsidiaries seeking recovery for various claims related to the Yaggy incident, including property damage, personal injury, loss of business and, in some instances, punitive damages. Although no assurances can be given, we believe that the ultimate resolution of these matters will not have a material adverse effect on our financial position or results of operations. We are vigorously defending all claims in these cases and believe that our insurance coverage will provide coverage for any material liability associated with these cases.

Future sales of our common stock or the perception that those sales might occur may cause our stock price to decline.

If our shareholders sell substantial amounts of our common stock in the public market following this offering or the market perceives that those sales might occur, the market price of our common stock could decline. These sales might also make it more difficult for us to sell additional equity securities at a time and price that we deem appropriate. Based on outstanding shares as of January 30, 2004, upon completion of this offering, we will have 102,210,187 shares of common stock outstanding.

We and our officers and directors have agreed that, subject to limited exceptions, including those described under the caption "Underwriting," for a period of 90 days from the date of this prospectus supplement, we and they will not, without the prior written consent of Citigroup Global Markets Inc., the underwriter in this offering, dispose of or hedge any shares of our common stock or any securities convertible into or exchangeable for shares of our common stock. However, the underwriter, in its sole discretion, may release any of the securities subject to lock-up agreements at any time and without notice.

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USE OF PROCEEDS

Our net proceeds from the sale of common stock in this offering, after deducting the estimated expenses of this offering payable by us, will be approximately \$151.0 million, or \$173.7 million if the underwriter exercises its over-allotment option in full to purchase additional shares of common stock.

We will use the proceeds of the offering to repay short-term debt having a maturity of 30 days or less and a weighted average interest rate of approximately 1.17%.

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Table of Contents**PRICE RANGE OF COMMON STOCK AND DIVIDENDS**

Our common stock is currently listed on the NYSE under the symbol OKE. The following table sets forth the high and low closing prices for transactions involving our common stock for each calendar quarter, as reported on the NYSE Composite Tape, and related dividends paid per common share during such periods.

	<u>High</u>	<u>Low</u>	<u>Dividend</u>
2004:			
First Quarter (through February 3, 2004)	\$ 23.12	\$ 21.74	\$
2003:			
Fourth Quarter	\$ 22.22	\$ 19.49	\$ 0.18
Third Quarter	\$ 21.68	\$ 19.05	\$ 0.17
Second Quarter	\$ 20.95	\$ 18.45	\$ 0.17
First Quarter	\$ 19.96	\$ 16.44	\$ 0.17
2002:			
Fourth Quarter	\$ 19.57	\$ 17.42	\$ 0.155
Third Quarter	\$ 21.65	\$ 15.21	\$ 0.155
Second Quarter	\$ 22.77	\$ 20.09	\$ 0.155
First Quarter	\$ 20.92	\$ 16.68	\$ 0.155

On February 3, 2004, the last reported sale price of our common stock on the NYSE was \$22.45 per share.

Dividends on our common stock are paid as declared by ONEOK's board of directors. On January 15, 2004 our board of directors declared an increase in the quarterly dividend on our common stock to \$0.19 per share. The dividend is payable on February 16, 2004 to shareholders of record as of the close of business January 30, 2004. On September 18, 2003, our board of directors declared a dividend of \$0.18 per share, which was paid on November 14, 2003 to shareholders of record as of October 31, 2003. On January 23, 2003, our board of directors declared a dividend of \$0.17 per share to be paid to shareholders of record as of February 3, 2003. Dividends are typically paid on or about the 15th of February, May, August and November. Dividends can be paid by check or electronic deposit, or can be reinvested.

Future dividends will depend on future earnings, which, in large part, are dependent upon our cash position, financial condition and other factors. At the increased common stock dividend rate described above, after giving effect to the issuance of the shares of common stock offered hereby, our quarterly dividend payments on our outstanding common stock would be approximately \$19.4 million.

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MATERIAL U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a summary of the material United States federal income and estate tax consequences of the acquisition, ownership and disposition of our common stock purchased pursuant to this offering by holders that are non-U.S. holders, as we define that term below. This summary is based on the Internal Revenue Code of 1986, as amended, Treasury regulations, administrative pronouncements and judicial decisions, all as in effect on the date of this prospectus supplement and all of which are subject to change or differing interpretations, possibly with retroactive effect. No ruling from the Internal Revenue Service (the "IRS") has been requested with respect to any of the tax consequences discussed in this prospectus supplement and there can be no assurance that the IRS will not take a position contrary to the tax consequences discussed below or that any position taken by the IRS would not be sustained.

This discussion is limited to holders that will hold our common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code. This discussion does not address all aspects of taxation that may be relevant to particular non-U.S. holders in light of their personal investment or tax circumstances or to persons that are subject to special tax rules, such as banks, insurance companies, tax-exempt entities, financial institutions, broker-dealers, persons holding our common stock as part of a hedging or conversion transaction or as part of a straddle, or United States expatriates. In addition, this discussion specifically does not address the United States federal income and estate tax rules applicable to partnerships or entities treated as partnerships for United States federal tax purposes or to any persons who hold our common stock through entities treated as partnerships for United States federal tax purposes. Finally, this discussion does not address any state, local or foreign tax considerations.

WE URGE YOU TO CONSULT YOUR TAX ADVISOR ABOUT THE UNITED STATES FEDERAL TAX CONSEQUENCES OF ACQUIRING, HOLDING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES THAT MAY ARISE UNDER THE TAX LAWS OF ANY STATE, LOCAL OR FOREIGN JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

For purposes of this discussion, a "non-U.S. holder" is a beneficial owner of our common stock that is an individual, a partnership, a corporation, an estate or trust other than a U.S. person. A "U.S. person" is:

an individual who is a citizen or resident alien individual of the United States for United States federal income tax purposes;

a corporation or partnership (or entity treated as a corporation or partnership for United States federal tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate the income of which is subject to United States federal income taxation regardless of its source; or

a trust, the administration of which is subject to the primary supervision of a United States court and one or more U.S. persons have the authority to control all substantial decisions of the trust, or a trust with a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

Dividends

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Dividends paid to non-U.S. holders of our common stock generally will be subject to United States federal withholding tax at the rate of 30% or such lower rate as may be specified by an applicable income tax treaty. A non-U.S. holder who wishes to claim the benefit of an applicable income tax treaty generally will be required to provide a properly executed IRS Form W-8BEN and satisfy certain certification and other requirements. Non-U.S. holders are urged to consult their tax advisors regarding their entitlement to benefits under an applicable income tax treaty and the manner of claiming the benefits of such treaty.

Dividends that are effectively connected with a non-U.S. holder's conduct of a trade or business in the United States and, if provided in an applicable income tax treaty, that are attributable to a permanent establishment or, in the case of an individual, a fixed base in the United States, are generally not subject to the

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United States federal withholding tax, but instead are subject to United States federal income tax on a net income basis in the manner applicable to a U.S. person at the tax rates applicable to dividends. Certain certification and other requirements must be satisfied in order for effectively connected dividends to be exempt from the 30% United States federal withholding tax described above. In addition, dividends received by a foreign corporation that are effectively connected with the conduct of a trade or business in the United States may be subject to a branch profits tax at a 30% rate, or a lower rate specified in an applicable income tax treaty.

A non-U.S. holder who claims the benefit of an applicable income tax treaty generally will be required to satisfy applicable certification and other requirements. However,

in the case of common stock held by a foreign partnership, the certification requirement will generally be applied to the partners of the partnership and the partnership will be required to provide certain information;

in the case of common stock held by a foreign trust, the certification requirement will generally be applied to the trust or the beneficial owners of the trust depending on whether the trust is a foreign complex trust, foreign simple trust or foreign grantor trust as defined in the U.S. Treasury regulations; and

look-through rules will apply for tiered partnerships, foreign simple trusts and foreign grantor trusts.

A non-U.S. holder that is a foreign partnership or a foreign trust is urged to consult its own tax advisor regarding its status under these U.S. Treasury regulations and the certification requirements applicable to it.

A non-U.S. holder that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the U.S. Internal Revenue Service.

Gain on Sale or Other Disposition

A non-U.S. holder generally will not be subject to United States federal income tax, including by way of withholding, on gain recognized on a sale or other disposition of our common stock unless any one of the following is true:

the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States (and if, an income tax treaty applies, is attributable, to a United States permanent establishment maintained by such non-U.S. holder);

the non-U.S. holder is an individual who is present in the United States for 183 or more days in the taxable year of the sale, exchange or other disposition and certain other requirements are met; or

we are or have been a United States real property holding corporation for United States federal income tax purposes at any time during the shorter of the period during which you have held our common stock or the five-year period ending on the date you dispose of our common stock.

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Non-U.S. holders who are subject to United States federal income tax because the gain is effectively connected with a trade or business in the United States (and if an income tax treaty applies, is attributable to a permanent establishment maintained in the United States) will be subject to United States federal income tax on the net gain derived from the sale or other disposition at applicable graduated tax rates. Individual non-U.S. holders who are subject to United States federal income tax because the holder was present in the United States for 183 days or more during the year of sale or other disposition will be subject to a flat 30% tax on the gain derived from the sale or other disposition, which may be offset by applicable United States losses from the disposition of other capital assets during the year.

Generally, a corporation is a United States real property holding corporation if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. We have not determined if we are, or have been in the past five years, a United States real property holding corporation. If we

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were determined to be a United States real property holding corporation, a non-U.S. holder still would not be subject to United States federal income tax on gain from the disposal of our common stock if our common stock is considered to be regularly traded on an established securities market for United States federal income tax purposes and such non-U.S. holder does not own, actually or constructively, at any time within the shorter of the two periods described above, more than 5% of our common stock. However, no assurance can be given that our common stock will be considered regularly traded on an established securities market when a non-U.S. Holder sells its shares of common stock. If any gain is taxable because we are or were a United States real property holding corporation, the buyer of our common stock will be required to withhold a tax equal to 10% of the amount realized on the sale.

United States Federal Estate Taxes

Our common stock owned or treated as owned by an individual who at the time of death is a non-U.S. holder will be included in his or her estate for United States federal estate tax purposes and may be subject to United States federal estate tax, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

A non-U.S. holder may have to comply with specific certification procedures to establish that the holder is not a U.S. person as described above in order to avoid backup withholding tax at a current rate of 28% with respect to our payments of dividends on our common stock. Under Treasury regulations, we must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to that non-U.S. holder and the tax withheld with respect to those dividends. This information reporting requirement applies even if withholding was not required because the dividends were effectively connected dividends or withholding was reduced or eliminated by an applicable tax treaty. Pursuant to an applicable tax treaty, that information may also be made available to the tax authorities in the country in which the non-U.S. holder resides.

The payment of the proceeds of the sale or other disposition of common stock by a non-U.S. holder to or through the United States office of a broker generally will be reported to the IRS and reduced by backup withholding (at a current rate of 28%) unless the non-U.S. holder either certifies its status as a non-U.S. holder under penalties of perjury or otherwise establishes an exemption and the broker does not have actual knowledge to the contrary. The payment of the proceeds on the sale or other disposition of common stock by a non-U.S. holder to or through a non-United States office of a non-U.S. broker generally will not be reduced by backup withholding or reported to the IRS. However, U.S. information reporting, but not backup withholding, will generally apply to a payment of sales proceeds, even if that payment is made outside the United States, if you sell your common stock through a non-U.S. office of a broker that:

is a U.S. Person;

derives 50% or more of its gross income in specific periods from the conduct of a trade or business in the United States;

is a controlled foreign corporation for U.S. tax purposes; or

is a foreign partnership, if at any time during its tax year:

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one or more of its partners are U.S. persons who in the aggregate hold more than 50% of the income or capital interests in the partnership; or

the foreign partnership is engaged in a U.S. trade or business,

unless the broker has documentary evidence in its files that you are a non-U.S. person and certain other conditions are met or you otherwise establish an exemption.

Backup withholding is not an additional tax. Any amounts that we withhold under the backup withholding rules will be refunded or credited against the non-U.S. holder's United States federal income tax liability if certain required information is furnished to the IRS. Non-U.S. holders are urged to consult their own tax advisors regarding the application of backup withholding in their particular circumstance and the availability of and procedure for obtaining an exemption from backup withholding under current Treasury regulations.

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UNDERWRITING

We are offering the shares of common stock described in this prospectus supplement through Citigroup Global Markets Inc. (the Underwriter). Subject to the terms and conditions of the underwriting agreement dated the date of this prospectus supplement (the Underwriting Agreement), the Underwriter has agreed to purchase, and we have agreed to sell to it, 6,900,000 shares of our common stock.

The Underwriting Agreement provides that the obligations of the Underwriter to purchase the shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The Underwriter is obligated to purchase all the shares, other than those covered by the over-allotment option described below.

Over-Allotment Option

If the Underwriter sells more shares than the total number set forth above, the Underwriter has an option to buy at the offering price, less the discount and commissions to the Underwriter, up to an additional 1,035,000 shares from us to cover these sales. It may exercise that option within 30 days from the date of this prospectus supplement.

Commissions and Discounts

The underwriter initially will offer shares to the public at the offering price specified on the cover page of this prospectus supplement. If all the shares are not sold at the offering price, the Underwriter may change the offering price and the other selling terms. The common stock is offered subject to a number of conditions, including:

receipt and acceptance of our common stock by the Underwriter; and

the right to reject orders in whole or in part.

The following table shows the per share and total underwriting discounts and commissions to be paid to the Underwriter assuming both no exercise and full exercise of the Underwriter s option to purchase additional shares.

	Paid by ONEOK	
	No Exercise	Full Exercise
Per share	\$0.07	\$ 0.07
Total	\$ 483,000	\$ 555,450

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In addition to the underwriting discount, the underwriter will receive a commission from investors in the amount of \$0.05 for each share of common stock sold to those investors in this offering.

No Sales of Similar Securities

We have agreed, with exceptions, not to sell or transfer any of our common stock for 90 days after the date of this prospectus supplement without first obtaining the written consent of Citigroup Global Markets Inc. Specifically, we have agreed not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act of 1933 relating to, any shares of our common stock or securities convertible into or exchangeable for any shares of our common stock, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing.

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This agreement does not apply to (1) issuances pursuant to employee or director compensation plans existing on the date hereof, including issuances pursuant to the exercise of stock options currently outstanding, (2) grants of employee stock options pursuant to the terms of a plan currently in effect, (3) issuances pursuant to the exercise of those stock options, (4) the filing of registration statements on Form S-8 and amendments thereto in connection with those stock options or employee stock purchase plans currently in place, (5) issuances pursuant to direct stock purchase or dividend reinvestment plans currently in place, and (6) issuances of shares or options in acquisitions in which the acquiror of those shares or options agrees to the foregoing restrictions.

Members of our board of directors and our executive officers have agreed under lock-up agreements that, without the prior written consent of Citigroup Global Markets Inc., they will not offer, sell or otherwise dispose of any shares of our capital stock or any securities that may be converted into or exchanged for any shares of our capital stock for a period ending 90 days after the date of this prospectus supplement.

Citigroup Global Markets Inc. in its sole discretion, may release any of the securities subject to these lock-up agreements at any time without notice.

Indemnification

We will indemnify the Underwriter against certain liabilities, including liabilities under the Securities Act of 1933, or contribute to payments the Underwriter may be required to make in respect of those liabilities.

Stock Exchange Listing

Our common stock is listed and traded on the NYSE under the symbol OKE. The shares of common stock offered hereby will also be listed on the NYSE.

Price Stabilization and Short Positions

In connection with this offering, the Underwriter may engage in stabilizing transactions, which involve making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress.

These stabilizing transactions may include making short sales of the common stock, which involves the sale by the Underwriter of a greater number of shares of common stock than it is required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be covered shorts, which are short positions in an amount not greater than the Underwriter's over-allotment option referred to above, or may be naked shorts, which are short positions in excess of that amount.

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The Underwriter may close out any covered short position either by exercising its over-allotment option, in whole or in part, or by purchasing shares in the open market. In making this determination, the Underwriter will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the Underwriter may purchase shares through the over-allotment option.

A naked short position is more likely to be created if the Underwriter is concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchased in this offering. To the extent that the Underwriter creates a naked short position, it will purchase shares in the open market to cover the position. The Underwriter may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids.

As a result of these activities, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the Underwriter commences these activities, it may discontinue them at any time. The Underwriter may carry out these transactions on the NYSE, in the over-the-counter-market or otherwise.

Neither we nor the Underwriter makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we nor the Underwriter makes any representation that the Underwriter will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

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Sales to United Kingdom Persons

The Underwriter represents and agrees that it has not offered or sold and, prior to the expiration of the period of six months from the closing date for the issue of the common stock, will not offer or sell any common stock to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances that have not resulted and will not result in an offer to the public in the United Kingdom, within the meaning of the Public Offers of Securities Regulations 1995; it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (FSMA)) received by it in connection with the issue or sale of any common stock in circumstances under which section 21(1) of the FSMA does not apply to ONEOK; and it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the common stock in, from or otherwise involving the United Kingdom.

Other Relationships

The Underwriter or its affiliates has from time to time provided investment banking, financial advisory and lending or other commercial banking services to us and our affiliates in the ordinary course of business for which it has received customary fees. The Underwriter and its affiliates may from time to time engage in future transactions with us and our affiliates and provide services to us and our affiliates in the ordinary course of its businesses.

Electronic Delivery

In connection with this offering, the Underwriter or securities dealers may distribute prospectuses electronically.

LEGAL MATTERS

Various legal matters, including the validity of the common stock offered by this prospectus supplement, will be passed on for ONEOK by Gable & Gotwals, Tulsa, Oklahoma. Certain other legal matters will be passed on for ONEOK by Fried, Frank, Harris, Shriver & Jacobson LLP, New York, New York. Various legal matters relating to the offering will be passed on for the Underwriter by Shearman & Sterling LLP, New York, New York. Shearman & Sterling LLP will pass only on questions of New York and federal law.

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\$1,000,000,000

ONEOK, Inc.

**Debt Securities, Common Stock,
Purchase Contracts, Purchase Contract Units,
Preferred Stock and Junior Subordinated Debentures**

ONEOK Capital Trust I

ONEOK Capital Trust II

Trust Preferred Securities

Guaranteed as set forth herein by

ONEOK, Inc.

ONEOK may offer from time to time in one or more issuances, (1) one or more series of debt securities, which may be senior or subordinated notes or debentures, or other senior or subordinated evidences of indebtedness, and which may include terms permitting or requiring holders to convert or exchange their debt securities for common stock, preferred stock or other securities, (2) shares of our common stock, (3) purchase contracts, (4) purchase contract units that consist of (a) a purchase contract and (b) senior or subordinated debt securities, junior subordinated debentures, preferred stock or trust preferred securities, U.S. Treasury securities or other debt obligations of third parties, that may be used to secure the holders' obligations under a purchase contract, (5) shares of our preferred stock, which may include terms permitting or requiring holders to convert or exchange their preferred stock for common stock or other securities, and (6) junior subordinated debentures. ONEOK Capital Trust I and ONEOK Capital Trust II, which are Delaware statutory trusts, may offer from time to time trust preferred securities guaranteed by ONEOK to the extent set forth in this prospectus. The aggregate initial offering price of the securities that are offered will not exceed \$1,000,000,000. We will offer the securities in an amount and on terms to be determined by market conditions at the time of the offering.

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We will provide you with the specific terms of the particular securities being offered in supplements to this prospectus. You should read this prospectus and each related supplement carefully before you invest. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

Our common stock, par value \$0.01 per share, is listed on the New York Stock Exchange under the symbol OKE .

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

The date of this Prospectus is April 15, 2003.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using a shelf registration process. Using this shelf process, we may offer the securities described in this prospectus in one or more offerings with a total initial offering price of up to \$1,000,000,000. This prospectus provides you with a general description of the securities we may offer. Each time we offer securities, we will provide you a prospectus supplement or a pricing supplement that will contain information about the specific terms of that particular offering. The prospectus supplement or pricing supplement may also add, update, supplement or change information contained in this prospectus. To obtain additional information that may be important to you, you should read the exhibits filed by us with the registration statement of which this prospectus is a part and our other filings with the Securities and Exchange Commission. You also should read this prospectus and any prospectus supplement or pricing supplement together with the additional information described under the heading Where You Can Find More Information.

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;

Westar mean, collectively, Westar Energy, Inc. and Westar Industries, Inc.;

common stock mean our common stock, par value \$0.01 per share;

Series D Convertible Preferred Stock means our \$0.925 Series D Non-Cumulative Convertible Preferred Stock;

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securities mean the debt securities, common stock, purchase contracts, purchase contract units, preferred stock, guarantees, junior subordinated debentures and trust preferred securities described in this prospectus;

preferred securities means trust preferred securities; and

share information are adjusted for our June 11, 2001 two-for-one stock split.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. You can read and copy any materials we file with the Securities and Exchange Commission at its Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You can obtain information about the operations of the Securities and Exchange Commission Public Reference Room by calling the Securities and Exchange Commission at 1-800-SEC-0330. The Securities and Exchange Commission also maintains a Web site that contains information we file electronically with the Securities and Exchange Commission, which you can access over the Internet at <http://www.sec.gov>. Our common stock is listed on the New York Stock Exchange (NYSE: OKE), and you can obtain information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

This prospectus is part of a registration statement we have filed with the Securities and Exchange Commission. As permitted by Securities and Exchange Commission rules, this prospectus does not contain all of the information we have included in the registration statement and the accompanying exhibits. You may refer to the registration statement and the exhibits for more information about us and our securities. The registration statement and the exhibits are available at the Securities and Exchange Commission's Public Reference Room or through its Web site.

The Securities and Exchange Commission allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to those documents. All information incorporated by reference is part of this document, unless and until that information is updated and superseded by the information contained in this document or any information subsequently incorporated by reference. We incorporate by reference the documents listed below.

our annual report on Form 10-K for the year ended December 31, 2002;

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, and March 3, 2003;

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

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.

You may request a copy of these filings (other than an exhibit to the filings unless we have specifically incorporated that exhibit by reference into the filing), at no cost, by writing or telephoning us at the following address:

ONEOK, Inc.

100 West Fifth Street

Tulsa, Oklahoma 74103

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Attention: Chief Financial Officer

Telephone: (918) 588-7000

We also incorporate by reference all future filings we make with the Securities and Exchange Commission under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 on or (i) after the date of the filing of the registration statement containing this prospectus and prior to the effectiveness of the registration statement and (ii) after the date of this prospectus and prior to the closing of the related offering made hereby. Those documents will become a part of this prospectus from the date that the documents are filed with the Securities and Exchange Commission.

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You should rely only on the information contained or incorporated by reference in this prospectus or in any prospectus supplement. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell, or soliciting an offer to buy, securities in any jurisdiction where the offer and sale is not permitted. You should assume that the information appearing or incorporated by reference in this prospectus, the applicable prospectus supplement or any applicable pricing supplement is accurate only as of the date of the documents containing the information, regardless of the time of its delivery or of any sale of our securities. Our business, financial condition, results of operations and prospects may have changed since those dates.

FORWARD-LOOKING INFORMATION

Some of the statements contained and incorporated in this 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, management's plans and objectives for future operations, 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 various 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 or the accompanying prospectus supplement 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 Risk Factors listed in our current report on Form 8-K dated January 14, 2003 and 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 gas and oil reserve estimates;

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

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the effects of changes in governmental policies and regulatory actions, including with respect to income taxes, environmental compliance, authorized rates and 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 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 decline in the U.S. economy, the risk of delay in growth or 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 or other 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.

ABOUT ONEOK

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 and natural gas liquids 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, Kansas. In addition, as a result of the completion of our recent acquisition of the Texas assets of Southern Union Company, we are now the third largest natural gas distributor in Texas. Our largest markets in Texas are the Austin and

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El Paso metropolitan areas. We also own and operate an electric generating plant and engage in wholesale marketing of electricity. Our energy marketing and trading operations provide service throughout the United States.

ABOUT THE ONEOK TRUSTS

ONEOK Capital Trust I and ONEOK Capital Trust II (the ONEOK Trusts or the trusts) are identical Delaware statutory trusts formed to raise capital for us by issuing trust preferred securities under this prospectus

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and a prospectus supplement, and investing the proceeds in junior subordinated debentures issued by us. We will directly or indirectly own all of the common securities of the trusts. The common securities will rank equally with, and the trusts will make payments on the common securities in proportion to, the trust preferred securities, except that if an event of default occurs under the declaration of trust of the trusts, our rights, as holder of the common securities, to payments will be subordinated to your rights as holder of the trust preferred securities. We will, directly or indirectly, acquire common securities in an aggregate liquidation amount equal to three percent of the total capital of the trusts.

As holder of the common securities of the trusts, we are entitled to appoint, remove or replace any of, or increase or decrease the number of, the trustees of our trusts provided that the number of trustees shall be at least two. The business and affairs of each trust will be conducted by the trustees we appoint. The trustees' duties and obligations under each trust are governed by the declaration of trust. Prior to the issuance of any trust preferred securities, we will ensure that one trustee of the trust is a financial institution, will not be an affiliate of ours and will act as property trustee and indenture trustee for purposes of the Trust Indenture Act of 1939, as amended (the Trust Indenture Act). In addition, unless the property trustee maintains a principal place of business in the State of Delaware and meets the other requirements of applicable law, one trustee of the trust will have its principal place of business or reside in the State of Delaware.

We will pay all of each trust's fees and expenses, including those relating to any offer of trust preferred securities. In addition, we will enter into a guarantee with respect to each series of trust preferred securities under which we will irrevocably and unconditionally agree to make certain payments to the holders of that series of trust preferred securities, subject to applicable subordination provisions, except that the guarantee will only apply when the trust has sufficient funds immediately available to make those payments but has not made them.

The trusts are special purpose entities, have no operating history or independent operations and are not engaged in and do not propose to engage in any activity other than holding our junior subordinated debentures as trust assets and issuing the trust preferred securities. Further, 100% of the outstanding voting securities of the trusts are or will be owned by us, and the trust preferred securities guarantee that we will issue in connection with any issuance of trust preferred securities by the trusts, together with our obligations under the junior subordinated debentures and related agreements and instruments, will in effect constitute a full and unconditional guarantee by us, on a subordinated basis, of payments due on the trust preferred securities. Accordingly, pursuant to Rule 3-10(b) of Regulation S-X under the Securities Act of 1933 and the Securities Exchange Act of 1934, no separate financial statements for the trusts have been included or incorporated by reference in the registration statement and, pursuant to Rule 12h-5 under the Securities Exchange Act of 1934, the trusts will not be subject to the information reporting requirements of the Securities Exchange Act of 1934.

Reference is made to the prospectus supplement relating to the trust preferred securities of each trust for further information concerning that trust.

USE OF PROCEEDS

Unless we inform you otherwise in the prospectus supplement, ONEOK will use the net proceeds from the sale of the offered securities for general corporate purposes. These purposes may include repayment and refinancing of debt, acquisitions, working capital, capital expenditures and repurchases and redemptions of securities. Pending any specific application, we may initially invest funds in marketable securities or apply them to the reduction of short-term indebtedness. Unless we inform you otherwise in the prospectus supplement, the ONEOK Trusts will use the net proceeds from the sale of the trust preferred securities to purchase junior subordinated debentures of ONEOK, which will in turn use the proceeds from the issuance of the junior subordinated debentures for the purposes stated above.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

Our ratio of earnings to fixed charges for each of the periods shown is as follows:

For the years ended December 31,			For the years ended August 31,	
2002	2001	2000	1999	1998
3.24x	1.74x	2.80x	3.89x	5.28x

For purposes of computing the ratio of earnings to fixed charges, earnings consists of income from continuing operations before cumulative effect of a change in accounting principle plus fixed charges and income taxes, less undistributed income for equity investees. Fixed charges consists of interest charges, the amortization of debt discounts and issue costs and the representative interest portion of operating leases.

RATIO OF EARNINGS TO COMBINED FIXED CHARGES**AND PREFERRED STOCK DIVIDEND REQUIREMENTS**

Our ratio of earnings to combined fixed charges and preferred stock dividend requirements for each of the periods shown is as follows:

For the years ended December 31,			For the years ended August 31,	
2002	2001	2000	1999	1998
2.12x	1.24x	1.88x	1.85x	2.42x

For purposes of computing the ratio of earnings to combined fixed charges and preferred stock dividend requirements, earnings consists of income from continuing operations before cumulative effect of a change in accounting principle plus fixed charges and income taxes, less undistributed income for equity investees. Fixed charges consists of interest charges, the amortization of debt discounts and issue costs and the representative interest portion of operating leases. Preferred dividend requirements consists of the pre-tax preferred dividend requirement.

TRANSACTION AGREEMENT WITH WESTAR**The Offering and The Repurchase**

On January 9, 2003, we entered into a Transaction Agreement with Westar pursuant to which we agreed to use commercially reasonable efforts to effect an offering of our common stock and other securities, as we determined, prior to February 28, 2003 if permitted by capital market

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conditions, as determined by us in our sole discretion. On January 28, 2003, we satisfied our obligation by making concurrent public offerings of 12,000,000 million shares of our common stock at a public offering price of \$17.19 per share and 14,000,000 of our 8.50% Equity Units, each with a stated value of \$25 per unit. Upon exercise of the underwriters' over-allotment options on January 30, 2003 and February 7, 2003, respectively, we issued an additional 2,100,000 of our 8.5% Equity Units and an additional 1,800,000 shares of our common stock on the same terms as the original offerings. On February 5, 2003 we used \$300 million to repurchase shares of our Series A Convertible Preferred Stock held by Westar. The price paid for each share of our Series A Convertible Preferred Stock in the repurchase was \$17.19 per share less the per share costs covered by Westar's share of the expenses of the offerings. Simultaneously with the repurchase, we modified the terms of the remaining shares of our Series A Convertible Preferred Stock by exchanging newly issued shares of our Series D Convertible Preferred Stock for all the shares of Series A Convertible Preferred Stock held by Westar that we did not repurchase.

On January 9, 2003, we also entered into a shareholder agreement and a registration rights agreement with Westar. These agreements became effective on February 5, 2003 and replaced the prior shareholder agreement.

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and the prior registration rights agreement with Westar. See Description of Capital Stock Shareholder Agreement and Description of Capital Stock Registration Rights Agreement.

Westar Lock-ups

Westar agreed that, other than the repurchase, it would not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock, whether any transaction described in clause (i) or (ii) is to be settled for delivery of common stock or other securities, in cash or otherwise for a period beginning on January 9, 2003 and ending on August 4, 2003 (the 180th day from the closing of the repurchase and exchange). Westar also agreed not to engage in various transactions involving our securities pursuant to the Registration Rights Agreement, dated January 9, 2003 between Westar and us which is described under Description of Capital Stock Registration Rights Agreement.

Shelf Registration for Westar

We agreed to file a registration statement on Form S-3 by April 6, 2003 in order to register for resale all of the shares of our common stock and our Series D Convertible Preferred Stock held by Westar as well as all of the shares of our common stock issuable upon conversion of those shares of our Series D Convertible Preferred Stock. We plan to satisfy that obligation by filing a registration statement on Form S-3 for Westar by April 6, 2003 in addition to the registration statement of which this prospectus forms a part. We agreed to use commercially reasonable efforts to have the Westar resale shelf registration statement declared effective as promptly as practicable after filing and to use commercially reasonable efforts to maintain the effectiveness of that shelf registration statement. In connection with the filing of the Westar resale shelf registration statement, we agreed to use commercially reasonable efforts to cause our shares of Series D Convertible Preferred Stock, if permitted by New York Stock Exchange rules, and the shares of common stock issuable upon conversion of our Series D Convertible Preferred Stock, to be listed on the New York Stock Exchange prior to any sale, transfer or conversion of the shares of our Series D Convertible Preferred Stock held by Westar.

DESCRIPTION OF DEBT SECURITIES

The following description states the general terms and provisions of our debt securities. In this prospectus, debt securities means the debentures, notes, bonds and other evidences of indebtedness that we will issue under an Indenture that we entered into with SunTrust Bank, as trustee, on December 28, 2001 for the issuance of senior debt or an Indenture to be entered into with SunTrust Bank, as trustee, for the issuance of subordinated debt. In this section, references to Indenture are to either of our indentures, as applicable. Each prospectus supplement that we provide when we offer debt securities will describe the specific terms of the debt securities offered through that prospectus supplement and any general terms outlined in this section that will not apply to those debt securities. Unless otherwise specified in this prospectus, the term debt securities includes senior debt securities and subordinated debt securities and the descriptions of the debt securities describe both the senior debt securities and the subordinated debt securities unless otherwise specified in this prospectus or any prospectus supplement.

We have summarized the material terms and provisions of the Indenture in this section. The summary is not complete. We have filed the form of the Indenture as an exhibit to the registration statement of which this prospectus forms a part. You should read the form of Indenture for additional information before you buy any debt securities. The Indenture is qualified under the Trust Indenture Act. You should refer to the Trust Indenture Act for provisions that apply to the debt securities. This summary also is subject to and qualified by reference to

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the description of the particular terms of the debt securities described in the applicable prospectus supplement or supplements and pricing supplement or supplements. Capitalized terms used but not defined in this summary have the meanings specified in the Indenture.

Debt securities issued under the Indenture will be issued as part of a series that has been established pursuant to a supplemental indenture or other corporate action designating the specific terms of the series of debt securities. A prospectus supplement will describe these terms and will include, among other things, the following:

the title of the debt securities of the particular series and whether the debt securities will be senior debt securities or subordinated debt securities;

the total principal amount of those debt securities and the percentage of their principal amount at which we will issue those debt securities;

the date or dates on which the principal of those debt securities will be payable;

the interest rate, the method for determining the interest rate (if the interest rate is variable), the date from which interest will accrue, interest payment dates and record dates for interest payments;

the place or places where payments on those debt securities will be made, where holders may surrender their debt securities for transfer or exchange and where to serve notices or demands;

any provisions for optional redemption or early repayment;

any provisions that would obligate us to redeem, purchase or repay those debt securities;

any provisions for conversion or exchange of the debt securities;

whether payments on the debt securities of the particular series will be payable by reference to any index, formula or other method;

any deletions from, changes of or additions to the events of default or covenants described in this prospectus;

the portion of the principal amount of those debt securities that will be payable if the maturity is accelerated, if other than the entire principal amount;

any additional means of defeasance of all or any portion of those debt securities, any additional conditions or limitations to defeasance of those debt securities or any changes to those conditions or limitations;

any provisions granting special rights to holders of the debt securities of the particular series upon the occurrence of events identified in the prospectus supplement;

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if other than the trustee, the designation of any paying agent or security registrar for those debt securities and the designation of any transfer or other agents or depositories for those debt securities;

whether we will issue the debt securities of the particular series in individual certificates to each holder or in the form of temporary or permanent global securities that a depository will hold on behalf of holders;

the denominations in which we will issue the debt securities of the particular series or in which they may be owned, if other than \$1,000 or any integral multiple of \$1,000;

whether and in what circumstances any additional amounts may be payable on those debt securities to foreign holders; and

any other terms or conditions that are consistent with the Indenture, which may include the applicability of or change in the subordination provisions of the indenture or providing collateral, security, assurance or guarantee for a series of debt securities.

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We may sell the debt securities at a discount (which may be substantial) below their stated principal amount. These discounted debt securities may bear no interest or interest at a rate that at the time of issuance is below market rates. We will describe in the prospectus supplement any material United States federal income tax consequences and other special considerations.

Restrictive Covenants

We have agreed to two principal restrictions on our activities for the benefit of holders of the debt securities. The restrictive covenants summarized below will apply to a series of debt securities (unless waived or amended) as long as any of those debt securities are outstanding, unless the prospectus supplement for the series states otherwise. We have used in this summary description capitalized terms that we have defined below under *Glossary*. In this description of the covenants only, all references to us or we mean ONEOK and our principal subsidiaries, unless the context clearly indicates otherwise. Our principal subsidiaries are those that own or lease a Principal Property.

Other than the restrictions on Liens and Sale/Leaseback transactions described below, the Indenture and the debt securities do not contain any covenants or other provisions designed to protect holders of any debt securities in the event we participate in a highly leveraged transaction. The Indenture and the debt securities also do not contain provisions that give holders of the debt securities the right to require us to repurchase their securities in the event of change-in-control, recapitalization or similar restructuring or otherwise or upon a decline in our credit rating.

For these purposes, *debt* includes all notes, bonds, debentures or similar evidences of obligations for borrowed money.

Limitation on Liens

We have agreed that we will issue, assume or guarantee debt for borrowed money secured by any Lien upon a Principal Property or shares of stock or debt of any principal subsidiary only if we secure the debt securities equally and ratably with or prior to the debt secured by that Lien. If we secure the debt securities in this manner, we have the option to secure any of our other debt or obligations equally and ratably with or prior to the debt secured by the Lien and, accordingly, equally and ratably with the debt securities. This covenant has exceptions that permit:

Liens that exist on the date we first issue a series of debt securities under the Indenture;

Liens on any Principal Property or shares of stock or debt of any entity that constitutes a principal subsidiary existing at the time we merge or consolidate with that entity or acquire its property or at the time the entity becomes a principal subsidiary;

Liens on any Principal Property existing at the time we acquire that Principal Property so long as the Lien does not extend to any of our other Principal Property;

Liens on any Principal Property, and any Lien on the shares of stock of any principal subsidiary formed for the purpose of acquiring that Principal Property, either:

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securing all or part of the cost of acquiring, constructing, improving, developing or expanding the Principal Property that was incurred before, at or within 12 months after the latest of the acquisition or completion of the assets or their commencing commercial operation; or

securing debt to finance the purchase price of the Principal Property or the cost of constructing, improving, developing or expanding the assets that was incurred before, at or within 12 months after the latest of the acquisition or completion of the assets or their commencing commercial operation;

Liens on any Principal Property or shares of stock or debt of any principal subsidiary to secure debt owed to us;

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Liens securing industrial development, pollution control or other revenue bonds of a government entity;

Liens arising in connection with a project financed with, and securing, Non-Recourse Indebtedness;

statutory or other Liens arising in the ordinary course of business and relating to amounts that are not delinquent or remain payable without penalty or that we are contesting in good faith;

Liens (other than Liens imposed by the Employee Retirement Income Security Act of 1974) on our property incurred or required in connection with workmen's compensation, unemployment insurance and other social security legislation;

Liens securing taxes that remain payable without penalty or that we are contesting in good faith if we believe we have adequate reserves for the taxes in question;

rights that any governmental entity may have to purchase or order the sale of any of our property upon payment of reasonable compensation;

rights that any governmental entity may have to terminate any of our franchises, licenses or other rights or to regulate our pro