

ONEOK INC /NEW/  
Form 11-K  
June 25, 2004  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

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**FORM 11-K**

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x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2003.

“ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-13643

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A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**THRIFT PLAN FOR EMPLOYEES OF ONEOK, INC.**  
**AND SUBSIDIARIES**

**B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:**

**ONEOK, Inc.**

**100 West Fifth Street**

**Tulsa, Oklahoma 74103**

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**REQUIRED INFORMATION**

The following financial statements prepared in accordance with the financial reporting requirements of ERISA and exhibits are filed for the Thrift Plan for Employees of ONEOK, Inc. and Subsidiaries:

**Financial Statements and Schedules**

Report of Independent Registered Public Accounting Firm

Statements of Net Assets Available for Benefits - December 31, 2003 and 2002

Statement of Changes in Net Assets for Benefits - December 31, 2003

Notes to Financial Statements, December 31, 2003 and 2002

Schedule H, Line 4i - Schedule of Assets (Held at End of Year), December 31, 2003

**Exhibits**

23 Consent of Independent Registered Public Accounting Firm

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**THRIFT PLAN FOR EMPLOYEES OF  
ONEOK, Inc. AND SUBSIDIARIES**

Financial Statements and Supplemental Schedule

December 31, 2003 and 2002

(With Report of Independent Registered Public Accounting Firm)

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**THRIFT PLAN FOR EMPLOYEES OF  
ONEOK, INC. AND SUBSIDIARIES**

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All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 are omitted as they are inapplicable or not required.

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**Report of Independent Registered Public Accounting Firm**

The Administrative Committee

Thrift Plan for Employees of ONEOK, Inc. and Subsidiaries:

We have audited the accompanying statements of net assets available for benefits of the Thrift Plan for Employees of ONEOK, Inc. and Subsidiaries as of December 31, 2003 and 2002, and the related statement of changes in net assets available for benefits for the year ended December 31, 2003. These statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Thrift Plan for Employees of ONEOK, Inc. and Subsidiaries as of December 31, 2003 and 2002, and the changes in net assets available for benefits for the year ended December 31, 2003, in conformity with generally accepted accounting principles in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule included herein is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP

Tulsa, Oklahoma

June 15, 2004

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**THRIFT PLAN FOR EMPLOYEES OF  
ONEOK, INC. AND SUBSIDIARIES**

Statements of Net Assets Available for Benefits

December 31, 2003 and 2002

(In thousands)

	<u>2003</u>	<u>2002</u>
Investments, at fair value:		
Money market funds	\$ 28,141	\$ 28,936
Mutual funds	193,127	139,808
Guaranteed investment contract fund	13,329	14,079
Government securities	437	589
Common stock of ONEOK, Inc.	148,808	123,918
Common stock of Westar Energy, Inc.	2,671	1,417
Participant loans	17,920	16,447
	<u>          </u>	<u>          </u>
Net assets available for benefits	<u>\$ 404,433</u>	<u>\$ 325,194</u>

See accompanying notes to financial statements.

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**THRIFT PLAN FOR EMPLOYEES OF  
ONEOK, INC. AND SUBSIDIARIES**

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2003

(In thousands)

	<b>2003</b>
<b>Additions to net assets attributed to:</b> Investment income:	
Net appreciation in fair value of investments	\$ 60,764
Dividends	7,719
Interest	1,143
<b>Total investment income</b>	<b>69,626</b>
<b>Contributions:</b> Employee	15,450
Employer	10,249
Rollover	9,974
<b>Total contributions</b>	<b>35,673</b>
<b>Total additions</b>	<b>105,299</b>
<b>Deductions to net assets attributed to:</b> Transfers	2,440
Withdrawals by participants	23,620
<b>Total deductions</b>	<b>26,060</b>
Net increase in net assets available for benefits	79,239
Net assets available for benefits, beginning of period	325,194
<b>Net assets available for benefits, end of period</b>	<b>\$ 404,433</b>

See accompanying notes to financial statements.



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**THRIFT PLAN FOR EMPLOYEES OF  
ONEOK, INC. AND SUBSIDIARIES**

Notes to Financial Statements

December 31, 2003 and 2002

**(1) Description of Plan**

A brief description of the Thrift Plan for Employees of ONEOK, Inc. and Subsidiaries (the Plan) follows and is provided for general information only. Participants should refer to the full text of the Plan document for more complete information. As noted in the Plan document the following funds are frozen and no new monies may be added: SEI Stable Asset Fund, Federated Capital Preservation Fund, Series E and EE Savings Bonds, and Westar Energy, Inc. Common Stock.

**(a) General**

The Plan is a defined contribution plan which covers substantially all employees of ONEOK, Inc. and Subsidiaries (the Company) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**(b) Participation and Contributions**

An employee may begin participation on the first day of the month following employment. There is no minimum service or age requirement. Participants may make pre-tax deferrals of any whole percentage of their compensation up to a maximum of 14 percent if certain deferral limitations are not exceeded. Participants may make after tax deposits of any whole percentage of their compensation up to a maximum of 6 percent as long as the total of pre-tax deferrals and after tax deposits does not exceed 18 percent.

The Company match is as follows:

For participants not covered by a collective bargaining agreement, after one year of service the Company matches 100 percent of pre-tax deferrals and after tax deposits up to a maximum of 6 percent.

For participants who are members of the International Brotherhood of Electric Workers Union (IBEW) beginning July 20, 2003, after one year of service the Company matches 100 percent of the pre-tax deferrals and after tax deposits up to a maximum of 6 percent. Prior to July 20, 2003, for participants who are members of the IBEW after one year of service the Company matched 75 percent of pre-tax deferrals and after tax deposits up to a maximum of 6 percent.

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For participants covered by other collective bargaining agreements, after one year of service the Company matches 75 percent of pre-tax deferrals and after tax deposits up to a maximum of 6 percent. These participants have approved an agreement that is anticipated to be effective July 1, 2004, where after one year of service the Company will match 100 percent of the pre-tax deferrals and after tax deposits up to a maximum of 6 percent. This change is subject to approval by the ONEOK, Inc. board of directors.

The combined total of pre-tax deferrals, after tax deposits, and Company matching contributions cannot exceed the lesser of \$40,000 or 100 percent of the participant's annual compensation.

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**THRIFT PLAN FOR EMPLOYEES OF  
ONEOK, INC. AND SUBSIDIARIES**

Notes to Financial Statements

December 31, 2003 and 2002

The Plan contains a Power of Choice feature for dividends paid on the ONEOK, Inc. common stock. Participants holding ONEOK, Inc. common stock have the option to receive 100 percent of the dividend in cash, receive 50 percent of the dividend in cash and 50 percent of the dividend reinvested in ONEOK, Inc. common stock, or reinvest 100 percent of the dividend in ONEOK, Inc. common stock. Dividends reinvested are considered pre-tax contributions, but are not subject to Plan limits or limits under applicable rules of the Internal Revenue Service (IRS).

***(c) Participant Accounts***

Participants have the right to designate the investment of their account balances, including their contributions and deferrals and the Company's matching contributions. If no investment option is elected by a participant, the funds are invested in the American Performance U.S. Treasury Fund. Participants may direct the investment of their account balances to more than one option. However, the minimum investment that can be directed to any one option is 1 percent and whole increments of 1 percent must be used.

Participants may direct the sale or other disposition of securities in their account and may change their investment instructions to the trustee of the Plan (Plan Trustee) on a daily basis except during scheduled blackout periods. Neither the Company nor the Plan Trustee guarantees the value of the investments nor do they indemnify any employee against any loss that may result from such investments.

All interest, dividends, and other income received by the Plan Trustee and all gains and losses from the sale of securities are credited or charged to the respective participant's account. The cost charged to a participant's account for securities purchased is the average cost for all such securities purchased during the day. Brokerage commissions, transfer taxes, and other charges and expenses in connection with the purchase or sale of securities by the Plan are either added to the cost of the securities purchased or deducted from the proceeds of the sale.

***(d) Vesting***

Company contributions to the account of a participant and income and earnings, if any, attributable to the account of the participant are immediately and fully vested for the benefit of that participant upon receipt by the Plan Trustee (subject to subsequent loss, if any, through decline in value of investments).

***(e) Distributions and Withdrawals***

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Participants may borrow from the Plan in accordance with Section 408(b)(1) of ERISA, as amended. A participant may borrow a minimum of \$1,000 with a maximum amount not to exceed \$50,000 or 50 percent of the non-forfeitable accrued benefit of the participant, whichever is less. The Plan allows two outstanding loans from a participant's account at any time. Participant loans are stated at cost, which represents estimated market value.

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**THRIFT PLAN FOR EMPLOYEES OF  
ONEOK, INC. AND SUBSIDIARIES**

Notes to Financial Statements

December 31, 2003 and 2002

Participant loans have a repayment schedule of no more than 60 months with the exception of a loan used to purchase a principal residence, in which case the term of the loan repayment may be for a period not to exceed 120 months. The participant has the option to repay the loan in full at any time without penalty.

The interest rate on participant loans is the prime rate of interest published in The Wall Street Journal on the first day of the month in which the loan was requested. The interest rate remains the same throughout the term of the loan. Interest rates on loans outstanding at December 31, 2003, ranged from 4.0 percent to 12.5 percent.

Hardship withdrawals from a participant's account are allowed after a participant has exhausted all participant loans and has submitted an application to the Plan showing current proof of qualifying hardship. If a hardship withdrawal is approved, the participant is ineligible to make contributions to the Plan or to receive matching contributions from the Company during the following six months. Hardship withdrawals may only be made once in a 12-month period except when the participant requests a hardship withdrawal for the purpose of tuition and related educational fees, in which case two hardship withdrawals may be made in a 12-month period.

In-service withdrawals from a participant's account are permitted under specific circumstances. After tax contributions can be withdrawn for at least \$500 or the full value of the participant's after tax contributions. If earnings are included in the withdrawal, there is a six month suspension of Company matching contributions on new contributions by the participant into the Plan. When participants reach age 59 1/2, they are allowed a one-time withdrawal from the Plan at any time and for any reason, without qualifying for a hardship withdrawal or suspending Plan contributions or Company matching contributions. In addition, former Western Resources, Inc. transferred employees have grandfathered withdrawal options based on their account balances as of January 11, 1999.

***(f) Rollovers and Transfers***

On January 3, 2003, the Company purchased the Texas gas distribution business and other assets from Southern Union Company which resulted in increased rollovers into the Plan due to individuals who became participants in the Plan as a result of accepting employment with the Company in connection with the purchase.

On December 13, 2002, the Company sold a portion of its midstream natural gas assets to Mustang Fuel Corporation which resulted in a transfer in 2003 from the Plan to Mustang Fuel Corporation's thrift plan due to accounts of participants who accepted employment with Mustang Fuel Corporation in connection with the sale.

*(g) Plan Termination*

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan at any time subject to the provisions of ERISA. Upon termination of the Plan, each of the participants would receive distribution of the entire balance of their Plan account.

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**THRIFT PLAN FOR EMPLOYEES OF  
ONEOK, INC. AND SUBSIDIARIES**

Notes to Financial Statements

December 31, 2003 and 2002

**(2) Summary of Significant Accounting Policies**

***(a) Basis of Presentation***

The accompanying financial statements of the Plan have been prepared on an accrual basis of accounting.

***(b) Investment Valuation and Income Recognition***

The Guaranteed Investment Contract Fund is the result of the Plan's investment in the Federated Capital Preservation Fund which primarily invests in guaranteed investment contracts and synthetic guaranteed investment contracts. Investments in the Guaranteed Investment Contract Fund are stated at cost, which approximates market value. All other investments are stated at fair value based on the current market value of the respective investments at the end of the year. All investments are held by Bank of Oklahoma, N.A., as Plan Trustee. When available, current market value is determined based on published market quotes and trading activity of the underlying investment securities.

Dividend income is recorded as of the ex-dividend date and is allocated to participants' accounts on the date of payment.

The Plan provides for investments in various investment securities, which, in general, are exposed to risks, such as interest rate, credit and overall price and market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities held in participants' accounts will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

***(c) Gains and Losses from Sale of Investments***

Gains and losses resulting from the sale of investments are differences between the average cost of specific investments sold and proceeds received. Transactions are recorded on a trade date basis.

***(d) Administrative Costs***

The Company pays all costs and expenses for administering the Plan, including expenses of the ONEOK, Inc. Benefits Committee and fees and expenses of the Plan Trustee, except for brokerage commissions, investment management fees and transfer taxes applicable to investment of securities or investments acquired or sold for a participant's account and loan origination fees. The costs incurred by the Company will not be reimbursed by the Plan.

*(e) Payment of Benefits*

Benefits or withdrawals are recorded when paid.

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**THRIFT PLAN FOR EMPLOYEES OF  
ONEOK, INC. AND SUBSIDIARIES**

Notes to Financial Statements

December 31, 2003 and 2002

***(f) Income Taxes***

The Plan is a qualified plan under Section 401(a) of the Internal Revenue Code of 1986 (the Code). The Plan trust is exempt from federal income tax under the provisions of Section 501(a) of the Code. The Plan received a favorable determination letter from the IRS dated November 4, 2002, stating that the Plan, as designed with the proposed amendments (which were adopted in the amendment and restatement effective January 1, 2003), was in compliance with the applicable requirements of the Code. The Company believes that the Plan is currently designed and being operated within the applicable requirements of the Code.

***(g) Cash and Cash Equivalents***

Cash equivalents are invested in shares of the American Performance U.S. Treasury Fund.

***(h) Use of Estimates***

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires a number of estimates and assumptions by the Company, which is the Plan Administrator, relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**(3) Investments**

The following table presents the fair values of individual investments that represent 5 percent or more of the Plan's net assets at December 31, 2003 and 2002 (in thousands):

	<b>2003</b>	<b>2002</b>
	<u>          </u>	<u>          </u>
American Performance U.S. Treasury Fund	\$ 28,141	\$ 28,936
Vanguard Primecap Fund	50,890	34,501
Vanguard Windsor Fund	39,941	28,498
Vanguard Institutional Index Fund	38,519	29,195

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Common stock of ONEOK, Inc.	148,808	123,918
Participant loans	*	16,447

\* Investment is less than 5% of the Plan's net assets at the date indicated.

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**THRIFT PLAN FOR EMPLOYEES OF  
ONEOK, INC. AND SUBSIDIARIES**

Notes to Financial Statements

December 31, 2003 and 2002

The following table presents the net appreciation (depreciation) in fair value for each class of investment which had net appreciation (depreciation) for the year ended December 31, 2003 (in thousands):

	<u>2003</u>
Mutual funds	\$ 40,054
Government securities	(115)
Common stock of ONEOK, Inc.	19,400
Common stock of Westar Energy, Inc.	1,425
	<u>          </u>
Net appreciation	<u>\$ 60,764</u>

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Schedule 1

**THRIFT PLAN FOR EMPLOYEES OF  
ONEOK, INC. AND SUBSIDIARIES**

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2003

(In thousands)

<i>Column (a)</i>	<i>Column (b)</i>	<i>Column (c)</i>	<i>Column (d)</i>	<i>Column (e)</i>
<b>Party-in - Interest Identification</b>	<b>Identity of Issue, Borrower, Lessor, or Similar Party</b>	<b>Description of Investment Including Maturity Date, Rate of Interest, Par or Maturity Value</b>	<b>Cost</b>	<b>Current Value</b>
*	American Performance U.S. Treasury Fund	Money Market Fund	**	\$ 28,141
	Ariel Growth Fund	Mutual Fund	**	19,247
	Putnam International Growth/Equity Fund	Mutual Fund	**	5,852
	Vanguard Primecap Fund	Mutual Fund	**	50,890
	Vanguard Windsor Fund	Mutual Fund	**	39,941
	Vanguard Asset Allocation Fund	Mutual Fund	**	16,753
	Vanguard Institutional Index Fund	Mutual Fund	**	38,519
	SEI Stable Asset Fund	Mutual Fund	**	4,530
	PIMCO Total Return Fund	Mutual Fund	**	17,395
	Federated Capital Preservation Fund	Guaranteed Investment Contracts	**	13,329
	Series E Bonds	U.S. Government securities	**	122
	Series EE Bonds	U.S. Government securities	**	315
*	ONEOK, Inc.	Common stock	**	148,808
*	Westar Energy, Inc.	Common stock	**	2,671
*	Participant loans	Participant loans at interest rates from 4.0% to 12.5% and various maturities	**	17,920
				\$ 404,433

\* Party-in-interest

\*\* This column is not applicable to participant directed investments.

See report of independent registered public accounting firm and notes to the financial statements.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Thrift Plan for Employees of ONEOK, Inc. and Subsidiaries has duly caused this annual report to be signed on its behalf by the undersigned, hereunto duly authorized.

Thrift Plan for Employees  
Of ONEOK, Inc. and Subsidiaries  
ONEOK, Inc.

Date: June 25, 2004

By: /s/ Jim Kneale

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Jim Kneale  
Senior Vice President, Treasurer and  
Chief Financial Officer  
(Principal Financial Officer)

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**EXHIBIT INDEX**

<b><u>EXHIBIT NUMBER</u></b>	<b><u>EXHIBIT</u></b>
23	Consent of Independent Registered Public Accounting Firm