

Common Carrier Pipeline

# ANNUAL REPORT

For Year Ending December 31, 2012

OF

Phillips 66 Pipeline LLC

to

THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MONTANA

Dept. Use Only

Received	
Date	_____
By	_____

## INSTRUCTIONS

Section 69-13-301, MCA, Requirements in ARM 38.7.102, **Rule II: ANNUAL REPORTS** (1) Each Intrastate Common Carrier Pipeline Company shall file with the Commission, at its office in Helena, MT an annual report for each calendar year. This Report shall be filed not later than the 30th day of April next following the year for which the report is made. The report shall show the names of officers, directors and the residences of each; amount of capital stock and bonded indebtedness outstanding; capital investment with additional investments made during the year; assets and liabilities; revenues and expenditures; depreciation; statistical data as to petroleum delivered and lost during transportation (as it relates to Montana).

(2)... The above stated ARM 38.7.102 may be fulfilled by submission of Federal Energy Regulatory Commission (FERC) Form 6 Annual Report of oil pipeline companies, supplemented by such other forms as the Commission may prescribe. The supplemental forms shall be duly verified under oath by an officer of the company.

## OPERATING PROPERTY

For Year 2012

	System		Montana	
	Bal Begin Year	Bal End Year	Bal Beg Year	Bal End Year
<b>GATHERING LINES</b>				
Land .....	573,156	573,156	0	0
Right of Way .....	2,981,737	2,986,711	65,667	65,667
Line Pipe .....	20,291,465	20,308,284	0	0
Line Pipe Fittings .....	9,272,496	9,385,378	0	0
Pipeline Construction .....	28,752,147	29,214,421	23,261	23,261
Buildings .....	1,885,857	2,391,366	0	0
Boilers .....	0	0	0	0
Pumping Equipment .....	3,646,168	3,694,944	0	0
Machine Tools & Machinery .....	929,345	929,345	0	0
Other Station Equipment .....	21,440,717	25,149,696	0	0
Oil Tanks .....	16,880,037	21,637,291	0	0
Delivery Facilities .....	507,745	604,218	0	0
Communication Systems .....	1,114,674	1,114,674	0	0
Office Furniture and Equipment .....	74,279	109,591	0	0
Vehicles & Other Work Equipment .....	177,390	170,117	0	0
Other Property .....	755	755	0	0
Asset Retirement Costs for Gathering Lines	0	0	0	0
<b>TOTAL</b> .....	<b>108,527,968</b>	<b>118,269,947</b>	<b>88,928</b>	<b>88,928</b>
<b>TRUNK LINES</b>				
Land .....	4,952,580	3,752,580	173,913	173,913
Right of Way .....	18,924,602	18,930,661	747,023	747,023
Line Pipe .....	183,263,607	179,350,688	22,595,427	22,783,676
Line Pipe Fittings .....	68,477,171	73,011,084	11,479,432	11,777,080
Pipeline Construction .....	306,250,496	309,367,059	32,659,672	34,602,837
Buildings .....	18,628,020	20,046,961	2,879,937	2,879,938
Boilers .....	1,283,935	1,283,935	0	0
Pumping Equipment .....	40,876,897	40,982,805	12,584,240	12,589,847
Machine Tools & Machinery .....	424,462	424,462	200,055	200,055
Other Station Equipment .....	153,482,767	157,436,562	37,013,276	38,018,708
Oil Tanks .....	81,242,005	74,929,068	6,266,847	6,266,847
Delivery Facilities .....	70,080,699	75,943,315	261,604	698,709
Communication Systems .....	12,842,330	12,820,088	125,904	135,231
Office Furniture and Equipment .....	20,011,437	23,470,928	58,578	2,587,843
Vehicles & Other Work Equipment .....	9,146,467	9,189,054	39,437	47,257
Other Property .....	651,122	651,122	134,393	134,393
Asset Retirement Costs for Trunk Lines	16,551,348	(1,743,813)		
<b>TOTAL</b> .....	<b>1,007,089,945</b>	<b>999,846,559</b>	<b>127,219,738</b>	<b>133,643,357</b>
<b>GENERAL</b>				
Land .....	1,724	1,724		
Buildings .....	23,944	23,944		
Machine Tools & Machinery .....	26,377	26,377		
Communications Systems .....	0	0		
Office Furniture .....	1,341,118	1,341,118		
Vehicles & Other Work Equipment .....	(1,823)	(1,823)		
Other Properties .....	1,324,962	1,324,962		
Asset Retirement Costs for General Property	0	0		
Construction Work in Progress .....	23,167,946	69,602,567	1,525,523	18,542,326
<b>TOTAL</b> .....	<b>25,884,248</b>	<b>72,318,869</b>	<b>1,525,523</b>	<b>18,542,326</b>
<b>GRAND TOTAL</b> .....	<b>1,141,502,161</b>	<b>1,190,435,375</b>	<b>128,834,189</b>	<b>152,274,611</b>



**INCOME ACCOUNT****MONTANA****As of December 31, 2012**

	This Year	Last Year
<b>OPERATING REVENUES</b>		
Pipeline Operating Revenues .....	30,386,429	31,969,690
Other Earnings from Operations .....	0	0
Total Operating Revenues .....	30,386,429	31,969,690
<b>OPERATING EXPENSES</b>		
Pipeline Trans. & Other Oper. Expenses .....	10,558,789	7,174,534
Rental Expense .....	1,949,664	2,003,651
General Expense .....	4,223,822	4,332,495
Total .....	16,732,275	13,510,680
Depreciation .....	3,110,394	2,996,002
Taxes, Federal Excluded .....	3,181,748	3,248,509
Federal Taxes .....	0	20,520,951
Total Operating Expenses .....	23,024,417	40,276,142
Net Operating Expenses .....	7,362,012	(8,306,452)
Non-Operating Revenues (Net) .....	46,140,402	478,304
Gross Income .....	53,502,414	(7,828,148)
<b>DEDUCTIONS FROM GROSS INCOME</b>		
Interest on Funded Debt .....		
Interest on Other Debt .....		
Other Deductions .....		
Total .....	0	0
Net Income .....	53,502,414	(7,828,148)
<b>DISPOSITION OF NET INCOME</b>		
Dividends .....	<b>Not Allocated Among States</b>	
Surplus or Deficit for Year .....		
Surplus or Deficit Beginning of Year .....		
Adjustments During Year .....		
Surplus or Deficit at Close of Year .....		

## ALLOCATION INFORMATION

### PHILLIPS 66 PIPELINE LLC

As of December 31, 2012

BASIC DATA	SYSTEM	MONTANA	BALANCE OF SYSTEM
<b>INVESTMENT</b>			
Lines of Pipe .....	\$1,120,832,808	\$133,732,285	\$987,100,523
Other (included CWIP, M & S) .....	\$69,602,567	\$18,542,326	\$51,060,241
<b>USE</b>			
Barrel Miles .....	49,924,226,672	5,452,814,428	44,471,412,244
<b>TERMINAL</b>			
Originating Barrels .....	496,016,237	8,936,672	487,079,565
Terminating Barrels .....	383,431,414	24,352,081	359,079,333
<b>MILES</b>			
Pipe .....	5,926	960	4,966

**NOTES:**

**PROPERTIES IN MONTANA PURCHASED OR SOLD DURING  
THE YEAR 2012**

<b>TYPE</b>	<b>LOCATION</b>	<b>PURCHASE OR SALES PRICE</b>
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No acquisitions or dispositions of properties in Montana

AFFIDAVIT

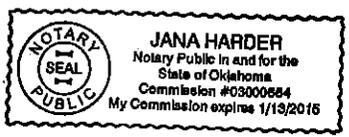
STATE OF OKLAHOMA )  
 ) ss.  
County of WASHINGTON )

I, the undersigned, on oath do say that the foregoing return and any accompanying schedules have been prepared from the original books, papers and records of Phillips 66 Pipeline LLC; that I have carefully examined the same; and declare the same to be a complete and correct statement of the business and affairs of the said company in respect to each and every matter and thing set forth, to the best of my knowledge and belief; and I further say that no deductions were made before stating the gross earnings or receipts herein set forth, except those shown in the foregoing accounts.

Gary Clendenning  
(Signature)

Gary Clendenning  
Coordinator, Regulatory Reporting  
(Official Title)

SUBSCRIBED AND SWORN to before me at Bartlesville, Oklahoma  
this 24th day of April, 2013.



Jana Harder  
(Notary Public)

Jana Harder  
(Name printed or typed)

My Commission Expires: 1-13-15