

Service Date: July 8, 2005

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application of)
Yellowstone Pipe Line Company To)
Increase Rates And Charges For Its)
Billings, Montana to Bozeman, Helena,)
Great Falls, Missoula and Alkali Creek)
Junction Montana Petroleum Products)
Common Carrier Pipeline, and To Decrease)
Rates And Charges on its Billings, Montana)
To Bozeman, Helena, Great Falls and)
Missoula, Montana Common Carrier)
Pipeline Canceling the Bitterroot Surcharge)

UTILITY DIVISION
DOCKET NO. D2005.5.89
ORDER NO. 6672

* * * * *

DEFAULT ORDER

FINDINGS OF FACT

1. On May 23, 2005, the Montana Public Service Commission (PSC) received an application from Yellowstone Pipeline Company (Yellowstone) for authority to increase rates and charges for transportation of refined petroleum products on its common carrier pipeline from Billings, Montana to Bozeman, Helena, Great Falls, Missoula and Alkali Creek Junction Montana. The request also included a decrease in rates and charges for the section between Billings, Montana and Bozeman, Helena, Great Falls and Missoula, Montana.

2. The proposed tariff increase of approximately 5.4 percent is to recover \$2.7 million in expenses incurred in 2003 associated with hydrostatic testing required by the U.S. Department of Transportation, Office of Pipeline Safety under Yellowstone's Integrity Management Program. The proposed tariff decrease of approximately 18.5 percent cancels a previously approved Bitterroot Surcharge used to recover costs associated with the Bitterroot

Project. An agreement with shippers removed this surcharge when the project costs were recovered.

3. The current shippers have concurred with both the increase of 5.4 percent and the decrease of 18.5 percent.

4. On June 7, 2005, the PSC issued and published a Notice of Application and Intervention Deadline, requiring intervention by June 22, 2005, in order to conduct a public hearing. The PSC received no petitions for intervention.

5. The proposed versus the current rates are as follows:

<u>SEGMENT</u>	<u>CURRENT (\$/BBL)</u>	<u>PROPOSED (\$/BBL)</u>
Bozeman	\$0.5451	\$0.4848
Helena	\$0.7229	\$0.6429
Great Falls	\$0.9362	\$0.8327
Missoula	\$1.0191	\$0.9064
Alkali Creek	\$0.2250	\$0.2372

6. The PSC has reviewed the Application and finds the proposed increase and decrease acceptable.

CONCLUSIONS OF LAW

1. The Montana Public Service Commission has jurisdiction over the rates and charges of common carrier pipelines pursuant to Title 69, Chapter 13, Montana Code Annotated (MCA).

2. Yellowstone Pipe Line Company is a common carrier pipeline transporting refined petroleum products and therefore is subject to the jurisdiction of the Commission.

ORDER

IT IS HEREBY ORDERED THAT:

1. The PSC approves the rates and charges as follows for Yellowstone Pipe Line Co.

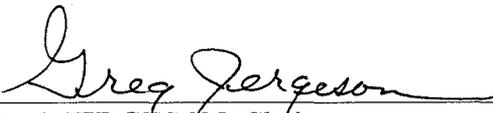
<u>SEGMENT</u>	<u>\$/BBL</u>
Bozeman	\$0.4848
Helena	\$0.6429
Great Falls	\$0.8327
Missoula	\$0.9064
Alkali Creek	\$0.2372

2. This Order shall be effective for service rendered on and after July 7, 2005.

DONE IN OPEN SESSION at Helena, Montana on this 7th day of July, 2005 by a 5-0

vote.

BY THE ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION


GREG JERGESON, Chairman

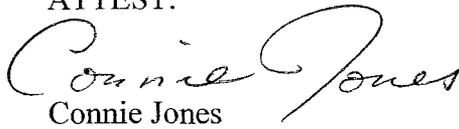

BRAD MOLNAR, Vice Chairman


DOUG MOOD, Commissioner


ROBERT H. RANEY, Commissioner


THOMAS J. SCHNEIDER, Commissioner

ATTEST:


Connie Jones
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.