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Common Carrier Pipeline

PUBLIC SERVICE  
COMMISSION

# ANNUAL REPORT

For Year Ending December 31, 2004

OF

Yellowstone Pipe Line Company

to

THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MONTANA

Dept. Use Only

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## 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 2004

	System		Montana	
	Bal Begin Year	Bal End Year	Bal Beg Year	Bal End Year
<b>GATHERING LINES</b>				
Land .....				
Right of Way .....				
Line Pipe .....				
Line Pipe Fittings .....				
Pipeline Construction .....				
Buildings .....				
Boilers .....				
Pumping Equipment .....				
Machine Tools & Machinery .....				
Other Station Equipment .....				
Oil Tanks .....				
Delivery Facilities .....				
Communication Systems .....				
Office Furniture and Equipment .....				
Vehicles & Other Work Equipment .....				
Other Property .....				
TOTAL .....				
<b>TRUNK LINES</b>				
Land .....	152,582	152,582	133,933	133,933
Right of Way .....	536,021	536,021	346,240	346,240
Line Pipe .....	12,308,252	12,308,252	9,208,289	9,274,237
Line Pipe Fittings .....	1,334,241	1,792,948	898,344	1,191,551
Pipeline Construction .....	22,302,515	23,725,566	13,988,494	14,346,180
Buildings .....	1,019,537	1,030,995	684,132	695,590
Boilers .....	0	0	0	0
Pumping Equipment .....	2,002,432	2,093,548	1,889,378	1,980,494
Machine Tools & Machinery .....	262,914	262,914	198,837	198,837
Other Station Equipment .....	9,911,153	11,166,451	6,732,135	7,968,453
Oil Tanks .....	264,420	298,010	0	0
Delivery Facilities .....	787,011	805,379	571,131	576,911
Communication Systems .....	72,079	72,079	21,983	21,983
Office Furniture and Equipment .....	18,804	18,804	5,623	5,623
Vehicles & Other Work Equipment .....	49,578	49,578	46,514	46,514
Other Property .....	627,116	627,116	498,037	498,036
TOTAL .....	<b>51,648,655</b>	<b>54,940,243</b>	<b>35,223,070</b>	<b>37,284,582</b>
<b>GENERAL</b>				
Buildings .....				
Machine Tools & Machinery .....				
Communications Systems .....				
Office Furniture .....				
Vehicles & Other Work Equipment .....				
Other Properties .....				
Construction Work in Progress .....	5,832,153	3,101,791	5,687,220	2,865,392
TOTAL .....	<b>5,832,153</b>	<b>3,101,791</b>	<b>5,687,220</b>	<b>2,865,392</b>
GRAND TOTAL .....	<b>57,480,808</b>	<b>58,042,034</b>	<b>40,910,290</b>	<b>40,149,974</b>



## INCOME ACCOUNT

## MONTANA

As of December 31, 2004

	This Year	Last Year
<b>OPERATING REVENUES</b>		
Pipeline Operating Revenues .....	20,568,917	21,329,780
Other Earnings from Operations .....	21,721	440
Total Operating Revenues .....	<b>20,590,638</b>	<b>21,330,220</b>
<b>OPERATING EXPENSES</b>		
Pipeline Trans. & Other Oper. Expenses .....	5,983,516	13,229,087
Rental Expense .....	29,621	216,442
General Expense .....	2,981,416	551,617
Total .....	<b>8,994,553</b>	<b>13,997,146</b>
Depreciation .....	586,755	1,088,861
Taxes, Federal Excluded .....	666,673	904,609
Federal Taxes .....	1,912,083	3,416,072
Total Operating Expenses .....	<b>12,160,064</b>	<b>19,406,688</b>
Net Operating Expenses .....	<b>8,430,574</b>	<b>1,923,532</b>
Non-Operating Revenues (Net) .....	0	9,606
Gross Income .....	<b>8,430,574</b>	<b>1,933,138</b>
<b>DEDUCTIONS FROM GROSS INCOME</b>		
Interest on Funded Debt .....	0	0
Interest on Other Debt .....	83,477	155,526
Other Deductions .....	0	0
Total .....	<b>83,477</b>	<b>155,526</b>
Net Income .....	<b>8,347,097</b>	<b>1,777,612</b>
<b>DISPOSITION OF NET INCOME</b>		
Dividends .....	<b>Not Allocated Between 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

## YELLOWSTONE PIPE LINE COMPANY

As of December 31, 2004

BASIC DATA	SYSTEM	MONTANA	BALANCE OF SYSTEM
<b>INVESTMENT</b>			
Lines of Pipe .....	54,787,661	37,150,649	17,637,012
Other (included CWIP, M & S) .....	3,258,058	3,003,010	255,048
<b>USE</b>			
Barrel Miles .....	7,568,040,352	6,377,288,967	1,190,751,385
<b>TERMINAL</b>			
Originating Barrels .....	36,570,538	32,415,029	4,155,509
Terminating Barrels .....	36,534,445	23,089,246	13,445,199
<b>MILES</b>			
Pipe .....	690	481	209

NOTES:

PROPERTIES IN MONTANA PURCHASED OR SOLD DURING  
THE YEAR 2004

TYPE	LOCATION	PURCHASE OR SALES PRICE
None to Report		

**AFFIDAVIT**

STATE OF OKLAHOMA )  
 ) ss.  
County of WASHINGTON )

I, the undersigned, on oat do say that the foregoing return and any accompanying schedules have been prepared from the original books, papers and records of Yellowstone Pipe Line Company; 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 ant 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 L. Clendenning  
(Signature)

Gary L. Clendenning  
Coordinator, Regulatory Reporting  
(Official Title)

SUBSCRIBED AND SWORN to before me at Bartlesville, Oklahoma

this 28<sup>th</sup> day of April, 2005.

Jana Harder  
(Notary Public)



Jana Harder  
(Name printed or typed)

My Commission Expires: 1-13-07