

Common Carrier Pipeline

ANNUAL REPORT

For Year Ending December 31, 2005

OF

ConocoPhillips Pipe Line Company

to

THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MONTANA

PUBLIC SERVICE
COMMISSION

2006 MAY -4 AM 10:19

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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 2005

	System		Montana	
	Bal Begin Year	Bal End Year	Bal Beg Year	Bal End Year
GATHERING LINES				
Land	568,519	568,520	2,107	2,107
Right of Way	2,926,126	2,927,053	56,049	56,049
Line Pipe	19,968,672	21,844,055	2,892,713	2,892,713
Line Pipe Fittings	4,847,898	5,020,463	732,699	732,699
Pipeline Construction	29,825,024	35,749,015	3,961,388	3,961,388
Buildings	1,769,489	1,798,967	203,838	203,838
Boilers		0		
Pumping Equipment	3,827,003	3,855,920	499,727	499,727
Machine Tools & Machinery	919,685	919,685	20,675	20,675
Other Station Equipment	19,738,277	23,123,991	1,254,292	1,254,292
Oil Tanks	8,008,783	8,680,170	1,214,458	1,214,458
Delivery Facilities	(52,304)	(43,394)	3,239	3,239
Communication Systems	923,980	1,090,576	13,730	13,730
Office Furniture and Equipment	194,322	192,596	10,216	10,216
Vehicles & Other Work Equipment	(153,338)	(103,087)	(78,065)	(78,065)
Other Property	43,040	43,040	43,798	43,798
Asset Retirement Costs for Gathering Lines	0	0	0	0
TOTAL	93,355,176	105,667,570	10,830,864	10,830,864
TRUNK LINES				
Land	2,880,474	4,247,656	172,174	172,174
Right of Way	8,580,596	18,788,771	612,912	612,912
Line Pipe	120,478,755	184,662,284	21,917,704	21,917,704
Line Pipe Fittings	14,953,310	28,386,995	4,881,132	5,143,984
Pipeline Construction	129,283,193	274,880,309	30,537,493	30,566,005
Buildings	6,477,624	17,273,451	2,504,063	2,524,651
Boilers		3,560,859		
Pumping Equipment	18,189,624	33,013,366	7,932,235	7,952,565
Machine Tools & Machinery	658,368	658,396	193,446	193,446
Other Station Equipment	64,666,450	154,848,199	34,423,403	35,153,808
Oil Tanks	16,914,263	63,842,815	4,007,182	4,069,624
Delivery Facilities	5,500,218	69,088,015	(28)	(28)
Communication Systems	1,009,779	3,662,035	285,096	285,096
Office Furniture and Equipment	90,668	12,989,320	26,499	26,499
Vehicles & Other Work Equipment	12,720	10,931,725	(128,763)	(99,593)
Other Property	486,702	644,347	134,393	134,393
Asset Retirement Costs for Trunk Lines	0	49,881,300	0	0
TOTAL	390,182,744	931,359,843	107,498,941	108,653,240
GENERAL				
Land	1,724	1,724	0	
Buildings	23,944	23,944	0	
Machine Tools & Machinery	26,377	26,377	0	
Communications Systems	0	0	0	
Office Furniture	1,525,204	1,525,204	0	
Vehicles & Other Work Equipment	(1,668)	(1,668)	0	
Other Properties	1,324,961	1,324,961	0	
Asset Retirement Costs for General Property	0	0	0	
Construction Work in Progress	19,315,002	53,782,649	646,586	4,007,294
TOTAL	22,215,544	56,683,191	646,586	4,007,294
GRAND TOTAL	505,753,464	1,093,710,604	118,976,391	123,491,398

NON-OPERATING PROPERTY

As of December 31, 2005

(Include only the Noncarrier Property which is included on the Balance Sheet)

Name & Description of Property held at close of year	Date Included as Noncarrier	Book Cost Close of Year	Market Value Close of Year	Remarks
Pipeline at Mt. Vernon/Belle, Missouri	12/31/1977	1,826,702		
Noncarrier Terminals leased to ConocoPhillips				
Arlington Terminal, Arlington, Texas		2,228,640		
Bettendorf Terminal, Bettendorf, Iowa		5,213,417		
Missouri City to Sweeny pipeline located in Texas		1,280,004		
Noncarrier Terminal owned by ConocoPhillips				
Pipe Line Company		1,424,125		
Rack Terminals moved to Noncarrier in 2002				
Laverne Terminal, Laverne, Oklahoma	1/1/2002	1,139,691		
LaJunta Terminal, LaJunta, Colorado	1/1/2002	1,580,112		
Denver Terminal, Denver, Colorado	1/1/2002	12,394,609		
Kansas City Terminal, Kansas City, Missouri	1/1/2002	11,749,738		
Jefferson City Terminal, Jefferson City, Missouri	1/1/2002	8,364,394		
St. Louis Terminal, St. Louis, Missouri	1/1/2002	3,214,721		
Wichita Terminal, Wichita, Kansas	1/1/2002	3,521,308		
Decatur Terminal, Decatur, Illinois	1/1/2002	7,310,844		
Kankakee Terminal, Kankakee, Illinois	1/1/2002	4,255,106		
East Chicago Terminal, East Chicago, Illinois	1/1/2002	32,871,431		
Minor Items, Less than \$1,000,000		7,047,431		
TOTAL		105,422,273		

INCOME ACCOUNT

MONTANA

As of December 31, 2005

	This Year	Last Year
OPERATING REVENUES		
Pipeline Operating Revenues	34,598,374	34,323,294
Other Earnings from Operations	0	703,070
Total Operating Revenues	34,598,374	35,026,364
OPERATING EXPENSES		
Pipeline Trans. & Other Oper. Expenses	12,268,086	10,148,163
Rental Expense	967,118	1,283,985
General Expense	832,888	957,810
Total	14,068,092	12,389,958
Depreciation	2,884,080	2,880,391
Taxes, Federal Excluded	2,066,034	2,042,677
Federal Taxes	10,368,989	(4,205,204)
Total Operating Expenses	29,387,195	13,107,822
Net Operating Expenses	5,211,179	21,918,542
Non-Operating Revenues (Net)	183,240	0
Gross Income	5,394,419	21,918,542
DEDUCTIONS FROM GROSS INCOME		
Interest on Funded Debt		
Interest on Other Debt		
Other Deductions		
Total	0	0
Net Income	5,394,419	21,918,542
DISPOSTION OF NET INCOME		
Dividends	Not Allocated Among States	
Surplus or Deficit for Year		
Surplus or Deficit Beginning of Year		
Adjustments During Year		
Surplus or Deficit at Close of Year		

ALLOCATION INFORMATION

CONOCOPHILLIPS PIPE LINE COMPANY

As of December 31, 2005

BASIC DATA	SYSTEM	MONTANA	BALANCE OF SYSTEM
INVESTMENT			
Lines of Pipe	\$1,039,927,955	\$119,484,104	\$920,443,851
Other (included CWIP, M & S)	\$53,782,649	\$4,007,294	\$49,775,355
USE			
Barrel Miles	61,409,011,313	5,489,239,122	55,919,772,191
TERMINAL			
Originating Barrels	534,484,322	12,481,404	522,002,918
Terminating Barrels	261,396,582	604,734	260,791,848
MILES			
Pipe	8,067	1,078	6,989

NOTES:

**PROPERTIES IN MONTANA PURCHASED OR SOLD DURING
THE YEAR 2005**

TYPE	LOCATION	PURCHASE OR SALES PRICE
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No acquisitions or dispositions of properties in Montana

AFFIDAVIT

STATE OF OKLAHOMA)
) ss.
County of WASHINGTON)

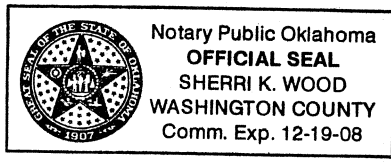
I, the undersigned, on oat do say that the foregoing return and any accompanying schedules have been prepared from the original books, papers and records of ConocoPhillips Pipe Line Company; that I have carefully examined the same; and declare the same to be a complete and correct statement of the business 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 2nd day of May, 2006.

Sherri K. Wood
(Notary Public)



Sherri K. Wood
(Name printed or typed)

My Commission Expires: 12/19/08