

Common Carrier Pipeline

# ANNUAL REPORT

For Year Ending December 31, 2005

OF

Yellowstone Pipe Line Company

to

THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MONTANA

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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
<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 .....				
Asset Retirement Costs for Gathering Lines				
TOTAL .....				
<b>TRUNK LINES</b>				
Land .....	152,582	152,582	133,933	133,934
Right of Way .....	536,021	525,911	346,240	346,240
Line Pipe .....	12,308,252	12,286,807	9,274,237	9,207,797
Line Pipe Fittings .....	1,792,948	1,607,746	1,191,551	1,053,424
Pipeline Construction .....	23,725,566	23,394,110	14,346,180	14,295,233
Buildings .....	1,030,995	1,079,414	695,590	702,091
Boilers .....	0	0	0	0
Pumping Equipment .....	2,093,548	2,203,312	1,980,494	2,051,130
Machine Tools & Machinery .....	262,914	255,902	198,837	197,140
Other Station Equipment .....	11,166,451	10,385,948	7,968,453	7,719,423
Oil Tanks .....	298,010	290,450	0	0
Delivery Facilities .....	805,379	3,417,871	576,911	3,239,117
Communication Systems .....	72,079	31,063	21,983	7,738
Office Furniture and Equipment .....	18,804	6,145	5,623	5,623
Vehicles & Other Work Equipment .....	49,578	34,327	46,514	34,327
Other Property .....	627,116	627,116	498,036	498,036
Asset Retirement Costs for Trunk Lines	0	0	0	0
TOTAL .....	54,940,243	56,298,704	37,284,582	39,491,253
<b>GENERAL</b>				
Land .....				
Buildings .....				
Machine Tools & Machinery .....				
Communications Systems .....				
Office Furniture .....				
Vehicles & Other Work Equipment .....				
Other Properties .....				
Asset Retirement Costs for General Property				
Construction Work in Progress .....	3,101,791	2,902,350	2,865,392	420,164
TOTAL .....	3,101,791	2,902,350	2,865,392	420,164
<b>GRAND TOTAL</b> .....	<b>58,042,034</b>	<b>59,201,054</b>	<b>40,149,974</b>	<b>39,911,417</b>



**INCOME ACCOUNT**

MONTANA

As of December 31, 2005

	This Year	Last Year
<b>OPERATING REVENUES</b>		
Pipeline Operating Revenues .....	19,313,228	20,568,917
Other Earnings from Operations .....	0	21,721
<b>Total Operating Revenues</b> .....	<b>19,313,228</b>	<b>20,590,638</b>
<b>OPERATING EXPENSES</b>		
Pipeline Trans. & Other Oper. Expenses .....	7,034,107	5,983,516
Rental Expense .....	18,486	29,621
General Expense .....	11,212	2,981,416
<b>Total</b> .....	<b>7,063,805</b>	<b>8,994,553</b>
Depreciation .....	516,689	586,755
Taxes, Federal Excluded .....	1,416,538	666,673
Federal Taxes .....	3,992,572	1,912,083
<b>Total Operating Expenses</b> .....	<b>12,989,604</b>	<b>12,160,064</b>
<b>Net Operating Expenses</b> .....	<b>6,323,624</b>	<b>8,430,574</b>
Non-Operating Revenues (Net) .....	79,276	0
<b>Gross Income</b> .....	<b>6,402,900</b>	<b>8,430,574</b>
<b>DEDUCTIONS FROM GROSS INCOME</b>		
Interest on Funded Debt .....		0
Interest on Other Debt .....		83,477
Other Deductions .....		0
<b>Total</b> .....	<b>0</b>	<b>83,477</b>
<b>Net Income</b> .....	<b>6,402,900</b>	<b>8,347,097</b>
<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

## YELLOWSTONE PIPE LINE COMPANY

As of December 31, 2005

BASIC DATA	SYSTEM	MONTANA	BALANCE OF SYSTEM
<b>INVESTMENT</b>			
Lines of Pipe .....	\$56,298,704	\$39,491,253	\$16,807,451
Other (included CWIP, M & S) .....	\$2,902,350	\$420,164	\$2,482,186
<b>USE</b>			
Barrel Miles .....	7,493,053,131	6,328,089,587	1,164,963,544
<b>TERMINAL</b>			
Originating Barrels .....	39,050,147	32,228,426	6,821,721
Terminating Barrels .....	38,994,218	22,999,037	15,995,181
<b>MILES</b>			
Pipe .....	690	481	209

NOTES:

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

<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 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 1 day of May, 2006.

Sherri K Wood  
(Notary Public)

Sherri K. Wood  
(Name printed or typed)

My Commission Expires: 12/19/08

