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PUBLIC SERVICE
COMMISSION

Common Carrier Pipeline

ANNUAL REPORT

For Year Ending December 31, 2007

OF

Yellowstone Pipe Line Company

to

THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MONTANA

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Date	
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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 2007

	System		Montana	
	Bal Begin Year	Bal End Year	Bal Beg Year	Bal End Year
GATHERING LINES				
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				
TRUNK LINES				
Land	152,582	152,582	133,934	133,934
Right of Way	525,911	525,911	346,240	346,240
Line Pipe	12,286,807	12,286,807	9,207,797	9,207,797
Line Pipe Fittings	1,607,746	1,748,225	1,053,424	1,119,452
Pipeline Construction	23,983,644	23,983,644	14,441,581	14,441,581
Buildings	1,079,414	1,141,116	702,091	702,091
Boilers	0	0	0	0
Pumping Equipment	4,308,678	4,392,887	2,385,773	2,458,012
Machine Tools & Machinery	255,902	255,902	197,140	197,140
Other Station Equipment	10,491,086	11,041,389	7,751,782	8,089,714
Oil Tanks	314,821	314,821	0	0
Delivery Facilities	3,467,601	3,977,346	3,226,680	3,263,125
Communication Systems	31,063	31,063	7,738	7,738
Office Furniture and Equipment	6,145	8,713	5,623	8,191
Vehicles & Other Work Equipment	34,327	34,327	34,327	34,327
Other Property	627,116	627,116	498,036	498,036
Asset Retirement Costs for Trunk Lines	0	0		
TOTAL	59,172,843	60,521,849	39,992,165	40,507,378
GENERAL				
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	1,548,562	869,770	776,237	544,721
TOTAL	1,548,562	869,770	776,237	544,721
GRAND TOTAL	60,721,405	61,391,619	40,768,402	41,052,099

ALLOCATION INFORMATION
YELLOWSTONE PIPE LINE COMPANY

As of December 31, 2007

BASIC DATA	SYSTEM	MONTANA	BALANCE OF SYSTEM
INVESTMENT			
Lines of Pipe	\$60,521,849	40,507,378	\$20,014,471
Other (included CWIP, M & S)	\$869,770	\$544,721	\$325,049
USE			
Barrel Miles	7,016,291,993	5,931,748,371	1,084,543,622
TERMINAL			
Originating Barrels	35,743,929	30,133,335	5,610,594
Terminating Barrels	35,724,438	21,851,991	13,872,447
MILES			
Pipe	690	481	209

NOTES:

INCOME ACCOUNT**MONTANA****As of December 31, 2007**

	This Year	Last Year
OPERATING REVENUES		
Pipeline Operating Revenues	18,122,736	18,318,666
Other Earnings from Operations	0	0
Total Operating Revenues	18,122,736	18,318,666
OPERATING EXPENSES		
Pipeline Trans. & Other Oper. Expenses	8,833,723	7,321,726
Rental Expense	22,980	54,451
General Expense	7,009	6,119
Total	8,863,712	7,382,296
Depreciation	785	0
Taxes, Federal Excluded	1,397,899	1,296,618
Federal Taxes	1,555,975	4,177,341
Total Operating Expenses	11,818,371	12,856,255
Net Operating Expenses	6,304,365	5,462,411
Non-Operating Revenues (Net)	79,849	69,019
Gross Income	6,384,214	5,531,430
DEDUCTIONS FROM GROSS INCOME		
Interest on Funded Debt		0
Interest on Other Debt		0
Other Deductions		0
Total	0	0
Net Income	6,384,214	5,531,430
DISPOSITION 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		

**PROPERTIES IN MONTANA PURCHASED OR SOLD DURING
THE YEAR 2007**

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 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 Clendenning
(Signature)

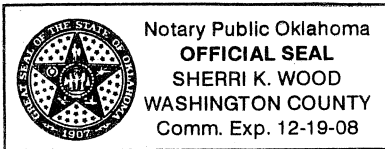
Gary L. Clendenning
Coordinator, Regulatory Reporting
(Official Title)

SUBSCRIBED AND SWORN to before me at Bartlesville, Oklahoma

this 21ST day of April, 2008

Sherril K Wood
(Notary Public)

Sherril K Wood
(Name printed or typed)



My Commission Expires: 12/19/08