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PUBLIC SERVICE
COMMISSION

Common Carrier Pipeline

ANNUAL REPORT

For Year Ending December 31, 2008

OF

Yellowstone Pipe Line Company

to

THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MONTANA

Dept. Use Only

Received	
Date	_____
By	_____

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 2008

	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	1,748,225	1,826,626	1,119,452	1,177,917
Pipeline Construction	23,983,644	23,983,644	14,441,581	14,441,581
Buildings	1,141,116	1,280,486	702,091	824,631
Boilers	0		0	
Pumping Equipment	4,392,887	4,392,887	2,458,012	2,458,012
Machine Tools & Machinery	255,902	255,902	197,140	197,140
Other Station Equipment	11,041,389	11,204,402	8,089,714	8,138,112
Oil Tanks	314,821	314,821	0	
Delivery Facilities	3,977,346	4,367,417	3,263,125	3,634,555
Communication Systems	31,063	31,063	7,738	7,738
Office Furniture and Equipment	8,713	8,713	8,191	8,191
Vehicles & Other Work Equipment	34,327	34,327	34,327	34,327
Other Property	627,116	627,116	498,036	498,037
Asset Retirement Costs for Trunk Lines	0			
TOTAL	60,521,849	61,292,704	40,507,378	41,108,212
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	869,770	3,449,782	544,721	586,375
TOTAL	869,770	3,449,782	544,721	586,375
GRAND TOTAL	61,391,619	64,742,486	41,052,099	41,694,587

NON-OPERATING PROPERTY

As of December 31, 2008

(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
Land at Big Timber - HT-MPT Station		3,685		
TOTAL				

INCOME ACCOUNT**MONTANA****As of December 31, 2008**

	This Year	Last Year
OPERATING REVENUES		
Pipeline Operating Revenues	21,180,511	18,122,736
Other Earnings from Operations	0	0
Total Operating Revenues	21,180,511	18,122,736
OPERATING EXPENSES		
Pipeline Trans. & Other Oper. Expenses	8,665,702	8,833,723
Rental Expense	24,317	22,980
General Expense	(6,769)	7,009
Total	8,683,250	8,863,712
Depreciation	0	785
Taxes, Federal Excluded	1,427,155	1,397,899
Federal Taxes	3,942,419	1,555,975
Total Operating Expenses	14,052,824	11,818,371
Net Operating Expenses	7,127,687	6,304,365
Non-Operating Revenues (Net)	55,954	79,849
Gross Income	7,183,641	6,384,214
DEDUCTIONS FROM GROSS INCOME		
Interest on Funded Debt	0	0
Interest on Other Debt	0	0
Other Deductions	0	0
Total	0	0
Net Income	7,183,641	6,384,214
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		

ALLOCATION INFORMATION

YELLOWSTONE PIPE LINE COMPANY

As of December 31, 2008

BASIC DATA	SYSTEM	MONTANA	BALANCE OF SYSTEM
INVESTMENT			
Lines of Pipe	\$61,292,704	\$41,108,212	\$20,184,492
Other (included CWIP, M & S)	\$3,449,782	\$586,375	\$2,863,407
USE			
Barrel Miles	7,744,623,342	6,515,315,226.00	1,229,308,116
TERMINAL			
Originating Barrels	37,534,846	33,033,904	4,500,942
Terminating Barrels	37,518,676	23,738,772	13,779,904
MILES			
Pipe	690	481	209

NOTES:

**PROPERTIES IN MONTANA PURCHASED OR SOLD DURING
THE YEAR 2008**

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 29th day of April, 2009.

Jana Harder
(Notary Public)



Jana Harder
(Name printed or typed)

My Commission Expires: 1-13-11