

Common Carrier Pipeline

# ANNUAL REPORT

For Year Ending December 31, 2016

OF

Phillips 66 Carrier LLC

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 2016

	System		Montana	
	Bal Begin Year	Bal End Year	Bal Beg Year	Bal End Year
<b>GATHERING LINES</b>				
Land .....	0	480,788	0	0
Right of Way .....	12,933,190	16,684,381	0	0
Line Pipe .....	4,498,573	36,845,785	0	0
Line Pipe Fittings .....	1,881,291	23,771,235	0	0
Pipeline Construction .....	12,417,938	56,326,332	0	0
Buildings .....	1,127,526	4,867,635	0	0
Boilers .....	0	0	0	0
Pumping Equipment .....	362,327	16,427,913	0	0
Machine Tools & Machinery .....	0	678,799	0	0
Other Station Equipment .....	14,087,586	89,901,170	0	0
Oil Tanks .....	0	27,054,660	0	0
Delivery Facilities .....	413,566	6,220,640	0	0
Communication Systems .....	0	1,151,918	0	0
Office Furniture and Equipment .....	10,961	332,944	0	0
Vehicles & Other Work Equipment .....	0	515,591	0	0
Other Property .....	0	(8,516)	0	0
Asset Retirement Costs for Gathering Lines	3,494	1,968,489	0	0
<b>TOTAL</b> .....	<b>47,736,452</b>	<b>283,219,764</b>	<b>0</b>	<b>0</b>
<b>TRUNK LINES</b>				
Land .....	1,207,628	2,900,234	0	707,587
Right of Way .....	4,462,344	29,962,444	0	500,129
Line Pipe .....	45,826,075	266,996,633	0	35,257,095
Line Pipe Fittings .....	20,984,455	83,621,899	0	15,539,554
Pipeline Construction .....	71,844,170	307,367,233	0	56,750,924
Buildings .....	9,355,187	19,996,600	0	3,979,642
Boilers .....	0	0	0	0
Pumping Equipment .....	9,981,592	37,472,928	0	10,444,187
Machine Tools & Machinery .....	65,933	457,927	0	200,055
Other Station Equipment .....	48,985,854	169,529,265	0	50,530,002
Oil Tanks .....	70,119,862	102,811,184	0	20,659,489
Delivery Facilities .....	90,050,443	111,124,049	0	823,889
Communication Systems .....	1,013,915	2,766,246	0	1,101,385
Office Furniture and Equipment .....	964,747	1,809,876	0	340,615
Vehicles & Other Work Equipment .....	865,706	2,597,408	0	236,092
Other Property .....	(1,439)	138,073	0	134,393
Asset Retirement Costs for Trunk Lines	1,695,914	3,918,882	0	0
<b>TOTAL</b> .....	<b>377,422,386</b>	<b>1,143,470,881</b>	<b>0</b>	<b>197,205,038</b>
<b>GENERAL</b>				
Land .....	0	1,724	0	0
Buildings .....	0	23,944	0	0
Machine Tools & Machinery .....	0	0	0	0
Communications Systems .....	0	0	0	0
Office Furniture .....	0	0	0	0
Vehicles & Other Work Equipment .....	0	0	0	0
Other Properties .....	0	0	0	0
Asset Retirement Costs for General Property	0	0	0	0
Construction Work in Progress .....	4,519,090	26,808,175	0	1,036,616
<b>TOTAL</b> .....	<b>4,519,090</b>	<b>26,833,843</b>	<b>0</b>	<b>1,036,616</b>
<b>GRAND TOTAL</b> .....	<b>429,677,928</b>	<b>1,453,524,488</b>	<b>0</b>	<b>198,241,654</b>

## NON-OPERATING PROPERTY

As of December 31, 2016

(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
Pasadena, Texas Truck Rack	6/1/2013	19,150,097		
Hartford, Illinois Truck Rack	6/1/2013	31,060,096		
Wichita, Kansas Truck Rack	3/1/2014	19,267,937		
Kansas City, Kansas Truck Rack	3/1/2014	23,908,390		
East St. Louis, Missouri Truck Rack	3/1/2014	8,868,068		
Jefferson City, Missouri Truck Rack	3/1/2014	16,470,310		
Gold Line System Tankage, Paola Kansas	3/1/2014	3,011,438		
Cushing, Oklahoma Truck Rack	10/1/2016	2,239,175		
Casper, Wyoming Truck Rack	10/1/2016	22,004,202		
N Texas Gathering Sys Terminal-Wich Falls LACT	10/1/2016	2,463,577		
Proprietary Acadian and Sorrento Pipelines, Louisiana	10/1/2016	94,591,081		
Minor items, less than \$1,000,000.	10/1/2016	4,031,115		
<b>TOTAL</b>		<b>247,065,486</b>		

**INCOME ACCOUNT****MONTANA**

As of December 31, 2016

	This Year	Last Year
<b>OPERATING REVENUES</b>		
Pipeline Operating Revenues .....	10,573,805	0
Other Earnings from Operations .....	0	0
Total Operating Revenues .....	10,573,805	0
<b>OPERATING EXPENSES</b>		
Pipeline Trans. & Other Oper. Expenses .....	2,964,814	0
Rental Expense .....	578,660	0
General Expense .....	1,611,099	0
Total .....	5,154,572	0
Depreciation .....	1,019,174	0
Taxes, Federal Excluded .....	1,597,422	0
Federal Taxes .....	0	0
Total Operating Expenses .....	7,771,169	0
Net Operating Expenses .....	2,802,636	0
Non-Operating Revenues (Net) .....	60,418	0
Gross Income .....	2,863,054	0
<b>DEDUCTIONS FROM GROSS INCOME</b>		
Interest on Funded Debt .....		
Interest on Other Debt .....		
Other Deductions .....		
Total .....	0	0
Net Income .....	2,863,054	0
<b>DISPOSITION OF NET INCOME</b>	<b>Not Allocated</b>	<b>Among States</b>
Dividends .....		
Surplus or Deficit for Year .....		
Surplus or Deficit Beginning of Year .....		
Adjustments During Year .....		
Surplus or Deficit at Close of Year .....		

## ALLOCATION INFORMATION

## PHILLIPS 66 CARRIER LLC

As of December 31, 2016

BASIC DATA	SYSTEM	MONTANA	BALANCE OF SYSTEM
<b>INVESTMENT</b>			
Lines of Pipe .....	\$1,426,716,313	\$197,205,038	\$1,229,511,275
Other (included CWIP, M & S) .....	\$26,808,175	\$1,036,616	\$25,771,559
<b>USE</b>			
Barrel Miles .....	24,914,763,244	1,211,535,632	23,703,227,612
<b>TERMINAL</b>			
Originating Barrels .....	303,862,239	1,539,471	302,322,768
Terminating Barrels .....	303,380,400	4,760,284	298,620,116
<b>MILES</b>			
Pipe .....	4,986	759	4,227

NOTES:

**PROPERTIES IN MONTANA PURCHASED OR SOLD DURING  
THE YEAR 2016**

<b>TYPE</b>	<b>LOCATION</b>	<b>PURCHASE OR SALES PRICE</b>
Glacier Pipeline - Contributed from Phillips 66 Pipeline	Montana	151,103,827
Seminole Pipeline - Contributed from Phillips 66 Pipeline	Montana	44,619,091
		<hr/> 195,722,918

**AFFIDAVIT**

STATE OF OKLAHOMA )  
 ) ss.  
County of WASHINGTON )

I, the undersigned, on oath do say that the foregoing return and any accompanying schedules have been prepared from the original books, papers and records of Phillips 66 Carrier LLC; 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.

Carl Castleberry  
(Signature)

Carl Castleberry  
Coordinator, Regulatory Reporting  
(Official Title)

SUBSCRIBED AND SWORN to before me at Bartlesville, Oklahoma

this 11<sup>th</sup> day of April, 2017.

Ladonna Miller  
(Notary Public)

LADONNA MILLER  
NOTARY PUBLIC  
STATE OF OKLAHOMA  
MY COMMISSION EXPIRES: 6-19-18  
COMMISSION #06005952

(Name printed on box)  
My Commission Expires: \_\_\_\_\_