

Common Carrier Pipeline

ANNUAL REPORT

For Year Ending December 31, 2016

OF

Phillips 66 Pipeline LLC

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 2016

	System		Montana	
	Bal Begin Year	Bal End Year	Bal Beg Year	Bal End Year
GATHERING LINES				
Land	482,683	482,683	0	0
Right of Way	2,660,865	2,660,865	65,667	65,667
Line Pipe	18,114,426	18,114,426	0	0
Line Pipe Fittings	19,629,167	19,629,167	0	0
Pipeline Construction	25,096,411	25,096,411	23,261	23,261
Buildings	3,586,659	3,586,659	0	0
Boilers	0	0	0	0
Pumping Equipment	10,852,379	10,852,379	0	0
Machine Tools & Machinery	684,877	684,877	0	0
Other Station Equipment	47,683,899	47,683,899	0	0
Oil Tanks	22,978,696	22,978,696	0	0
Delivery Facilities	6,170,868	6,170,868	0	0
Communication Systems	759,563	759,563	0	0
Office Furniture and Equipment	408,826	408,826	0	0
Vehicles & Other Work Equipment	386,798	386,798	0	0
Other Property	(8,516)	(8,516)	0	0
Asset Retirement Costs for Gathering Lines	0	0	0	0
TOTAL	159,487,601	159,487,601	88,928	88,928
TRUNK LINES				
Land	4,455,974	4,455,974	707,587	
Right of Way	29,664,672	29,664,672	731,508	231,379
Line Pipe	212,347,353	212,347,353	31,212,649	558,485
Line Pipe Fittings	59,866,326	59,866,326	15,254,557	2,044,688
Pipeline Construction	360,579,785	360,579,785	59,451,643	2,765,638
Buildings	18,482,903	18,482,903	3,882,638	25,409
Boilers	0	0		
Pumping Equipment	35,022,545	35,022,545	10,571,182	248,872
Machine Tools & Machinery	414,734	414,734	200,055	0
Other Station Equipment	153,327,090	153,327,090	50,504,379	427,333
Oil Tanks	57,006,947	57,006,947	20,446,067	0
Delivery Facilities	20,299,966	20,299,966	823,889	0
Communication Systems	14,763,637	14,763,637	1,119,598	18,213
Office Furniture and Equipment	39,473,196	39,473,196	302,541	43,351
Vehicles & Other Work Equipment	9,243,543	9,243,543	77,125	18,625
Other Property	651,122	651,122	134,393	
Asset Retirement Costs for Trunk Lines	(4,257,409)	(4,257,409)		
TOTAL	1,011,342,384	1,011,342,384	195,419,811	6,381,993
GENERAL				
Land	1,725	1,725		
Buildings	23,944	23,944		
Machine Tools & Machinery	26,377	26,377		
Communications Systems	0	0		
Office Furniture	1,341,118	1,341,118		
Vehicles & Other Work Equipment	(1,825)	(1,825)		
Other Properties	1,324,961	1,324,961		
Asset Retirement Costs for General Property	0	0		
Construction Work in Progress	63,585,440	63,585,440		
TOTAL	66,301,740	66,301,740	0	0
GRAND TOTAL	1,237,131,725	1,237,131,725	195,508,739	6,470,921

INCOME ACCOUNT**MONTANA**

As of December 31, 2016

	This Year	Last Year
OPERATING REVENUES		
Pipeline Operating Revenues	35,652,784	47,810,539
Other Earnings from Operations	0	0
Total Operating Revenues	35,652,784	47,810,539
OPERATING EXPENSES		
Pipeline Trans. & Other Oper. Expenses	8,873,971	14,236,920
Rental Expense	5,111,908	1,985,103
General Expense	246,148	478,689
Total	14,232,027	16,700,712
Depreciation	437,771	4,945,713
Taxes, Federal Excluded	5,268,948	7,621,459
Federal Taxes	0	0
Total Operating Expenses	19,938,746	29,267,884
Net Operating Expenses	15,714,038	18,542,655
Non-Operating Revenues (Net)	3,987,841	2,133,081
Gross Income	19,701,879	20,675,736
DEDUCTIONS FROM GROSS INCOME		
Interest on Funded Debt		
Interest on Other Debt		
Other Deductions		
Total	0	0
Net Income	19,701,879	20,675,736
DISPOSITION OF NET INCOME	Not Allocated Among States	
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 PIPELINE LLC

As of December 31, 2016

BASIC DATA	SYSTEM	MONTANA	BALANCE OF SYSTEM
INVESTMENT			
Lines of Pipe	\$1,173,546,285	\$6,470,921	\$1,167,075,364
Other (included CWIP, M & S)	\$63,585,440	\$0	\$63,585,440
USE			
Barrel Miles	35,439,033,404	5,298,000,265	30,141,033,139
TERMINAL			
Originating Barrels	311,437,151	6,716,669	304,720,482
Terminating Barrels	309,812,834	23,833,317	285,979,517
MILES			
Pipe	2,889	128	2,761

NOTES:

The Glacier and Seminole pipeline were contributed to an affiliate in the 4th quarter of 2016.

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

TYPE	LOCATION	PURCHASE OR SALES PRICE
Glacier Pipeline - Contributed to Phillips 66 Carrier	Montana	151,103,826.85
Seminole Pipeline - Contributed to Phillips 66 Carrier	Montana	44,619,091.19
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		195,722,918.04

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 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 and 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 W Castleberry
(Signature)

Carl W. Castleberry
Coordinator, Regulatory Reporting
(Official Title)

SUBSCRIBED AND SWORN to before me at Bartlesville, Oklahoma
this 25th day of April, 2017.

LaDonna Miller
(Notary Public)

LaDonna Miller
(Name printed or typed)

My Commission Expires: 6-19-18