



**YELLOWSTONE PIPE LINE COMPANY**

P. O. Box 4428  
Houston, TX 77210-4428

Alan Fairwell  
Director, Tariffs

May 18, 2018

Yellowstone Pipe Line Company  
2331 City West Blvd  
N 790-02  
Houston, TX 77042  
PH (832) 765-1608 Fax: (918) 977-8537

Transmittal 26  
Mr. Joel Tierney  
Montana Public Service Commission ("MPSC")  
1701 Prospect Avenue  
Helena, MT 59620

Re: Proposed Indexation of rates for MPSC Tariff Nos. 48.6 and 49.10

Dear Mr. Tierney:

In accordance with MPSC Order No. 6893 (Indexing), Yellowstone Pipe Line Company ("YPL") is hereby proposing to increase rates by 10% (4.4087% FERC index and 5.5913% catch up to move closer to ceiling) on all pipeline movements originating in Billings, MT (Alkali Creek is excluded). Alkali Creek will only increase by the FERC index of 4.4087%. The rates in MPSC Tariff No. 49.9 are significantly below the ceiling, so YPL must raise rates more than the FERC index to reduce the gap between current rates and the ceiling rates. The index calculations are attached as Exhibit II.

Attached hereto are three (3) copies each of the proposed Tariffs:

- P.S.C. No. 48.6, which cancels P.S.C. No. 48.5 (Alkali Creek)
- P.S.C. No. 49.10, which cancels P.S.C. No. 49.9 (Bozeman, Helena, Great Falls and Missoula)

An August 1 effective date is requested.

YPL currently moves products for Phillips 66 Company, ExxonMobil Company, Cenex Harvest States Cooperative (CHS) and the Burlington Northern Railroad. Refineries having access to the YPL System include Phillips 66 Company and ExxonMobil Company at Billings, Montana, and CHS at Laurel, Montana.

Attached as Exhibit I & II are the list of the Montana Intrastate Shippers impacted by this adjustment and the Index calculation for all rate changes.

If the MPSC desires any further information concerning the data provided, please contact me at 832-765-1608. Your consideration of this filing is appreciated.

Sincerely,

Alan Fairwell  
Director of Tariffs

## Exhibit I

### YELLOWSTONE PIPE LINE COMPANY MONTANA INTRASTATE SHIPPERS

Customers that may be affected by this newly proposed intrastate tariff:

Phillips 66 LLC  
 Product Supply & Trading  
 P. O. Box 4428  
 Houston, TX 77210-4428

ExxonMobil Company  
 Supply Department  
 P. O. Box 2180  
 Houston, TX 77001

CHS  
 Supply Department  
 5500 Cenex Drive  
 Inver Grove Heights, MN 55077

Burlington Northern Railroad  
 Manager Fuel Supply  
 176 East 5<sup>th</sup> Street  
 St. Paul, MN 55101

## Exhibit II

Derivation of Ceiling Calculations for the Montana Public Service Commission

<u>Origin</u>	<u>Destination</u>	<u>Current Tariff No</u>	<u>Current Rate</u>	<u>Current Ceiling</u>	<u>7/1/2018 Ceiling</u>	<u>Proposed Rate</u>	<u>New Tariff No.</u>	<u>Pre-Index Headroom</u>	<u>Post-Index Headroom</u>
						4.4087% Incr			
Billings, MT	Alkali Creek, Junction, MT	48.5	38.00	38.00	39.68	39.68	48.6	0.00	0.00
						10% Incr			
Billings, MT	Bozeman, MT	49.9	63.55	77.65	81.07	69.91	49.10	14.10	11.16
Billings, MT	Helena, MT	49.9	84.28	102.97	107.51	92.71	49.10	18.69	14.80
Billings, MT	Great Falls, MT	49.9	109.15	133.37	139.25	120.07	49.10	24.22	19.18
Billings, MT	Missoula, MT	49.9	118.81	145.17	151.57	130.69	49.10	26.36	20.88

No supplement to this tariff will be issued

Except for the purpose of cancelling the  
Tariff unless otherwise specifically  
Authorized by the Commission

# Yellowstone Pipe Line Company

Local Tariff  
Applying On  
Petroleum Products

Subject to the Rules and Regulations Named Herein

From	To	Rate in Cents per Barrel of 42 United States Gallons
Billings, Montana	Alkali Creek Junction, Montana	[I] 39.68

Filed in accordance with MPSC Order No. 6893 (Indexing).

[I] Increase [W] Change in Wording Only

Issued May 18, 2018

Effective August 1, 2018

Issued by  
Dave Gipson, President  
Yellowstone Pipe Line Company  
P. O. Box [W] ~~421959~~ 4428  
Houston, TX [W] ~~77242-1959~~ 77240-4428

Compiled by  
Alan Fairwell - Director, Tariffs  
P. O. Box [W] ~~421959~~ 4428  
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832-765-1608  
FAX 918-977-8537

## Rules and Regulations

### 1. Definitions

- A. "Barrel" as used herein refers to forty-two (42) U.S. gallons.
- B. "Petroleum Products" as used herein refers to petroleum fuel oil distillate.
- C. "Carrier" as used herein refers to Yellowstone Pipe Line Company.

### 2. Specifications Required

Petroleum Products will be accepted for transportation at such time as Petroleum Products of same quality and specifications are currently being transported from receiving point to destination.

All additives and inhibitors to be included in shippers' Petroleum Products must first be approved by the Carrier before such Petroleum Products will be accepted for transportation.

### 3. Minimum Shipment

Shipments of Petroleum Products will be accepted for transportation in quantities of not less than 10,000 Barrels for any one commodity of quality and specifications as described herein at one point or origin from one shipper. Any shipper desiring pipeline transportation of Petroleum Products hereunder will, on or before the 15th day of the month, submit to the Carrier a notice of shipment of the quantity of Petroleum Products to be shipped during the following month. Unless such notification be made, Carrier will be under no obligation to accept Petroleum Products for transportation.

### 4. Pipeage Contracts Required

Separate pipeage contracts in accord with this tariff and these regulations covering further details may be required of the proposed shipper before any duty of transportation shall arise.

### 5. Acceptance – Free From Liens or Charges

Carrier may decline to accept Petroleum Products for transportation which are involved in litigation or which are not free from liens or charges.

### 6. Gauging and Testing

Twenty-four (24) hours prior to acceptance of Petroleum Products for transportation, Carrier may test such Petroleum Products and may require from shipper a certificate setting forth in detail the specifications of each shipment of Petroleum Products which must indicate all additives and inhibitors included. Where shipment originates over system of a connecting pipeline, Carrier may require certificate setting forth in detail the specifications of each shipment of Petroleum Products to be identified by batch number from the connecting pipeline twenty-four (24) hours prior to delivery of the shipment to Carrier. Quantities of Petroleum Products accepted for transportation and quantities delivered to shipper will be gauged or metered at Carrier's option. Both the Carrier and the shipper will have the privilege of witnessing gauges, meter readings, and tests to which shipments of Petroleum Products are subjected.

### 7. Temperature Corrections

In measuring the quantity of Petroleum Products received and delivered, correction shall be made from volume at actual or observed temperature to volume at 60° Fahrenheit.

### 8. Identity of Shipment

Petroleum Products will be accepted for transportation hereunder only on condition that same shall be subject to such changes in gravity, color, quality, or characteristics while in transit as may result from its mixture with other Petroleum Products. The Carrier may inject corrosion inhibitor compound in the product to be transported, and the shipper will accept deliveries of shipments at destinations containing portions of the corrosion inhibitor compound.

Because of the impracticability of maintaining the exact identity of Petroleum Products accepted for transportation, Carrier reserves the right to substitute for delivery a like volume of the same kind and quality.

**9. Origin and Destination Facilities**

Carrier will provide no storage facilities at origin and destination stations. Petroleum Products will be accepted for transportation only when shipper has provided equipment and facilities satisfactory to the Carrier for delivery of such shipments at Carrier's origin station and for receipt at Carrier's destination station at a pumping rate equal to Carrier's current rate of pumping and for receiving same without delay upon arrival at destination.

**10. Transportation Charges**

Transportation charges accruing on any shipment of Petroleum Products will be based on rates named herein on the quantity actually delivered at destination. Carrier may require that transportation charges be prepaid at point of origin or paid at destination prior to release of products from Carrier's custody. Petroleum Products accepted for transportation shall be subject to a lien for all lawful charges. In-transit storage in shipper's facilities will be permitted. Shipper will be charged monthly for all products received at intermediate points and thereafter for the difference, if any, in rates attributable to those volumes delivered to further destinations.

**11. Liability of Carrier**

While in possession of Petroleum Products for shipment, the Carrier shall not be liable for any loss thereof or damage thereto or delay, caused by the acts of God, public enemy, civil disorder, quarantine, authority of law, strikes, riots, fire, floods, or act or default of shipper or from any other cause not due to the negligence of the Carrier whether similar or dissimilar to the causes herein enumerated. Any such loss or damage shall be apportioned to each shipment in the same proportion that such shipment, or part thereof, received and undelivered at the time such loss or damage occurs bears to the total of all shipments, or part thereof, then in the custody of the Carrier for transportation. Each shipper shall be entitled to receive only that portion of his shipment remaining after deducting his proportion, as so determined, of such loss or damage, and transportation charges shall be assessed only on the quantity delivered.

The Carrier will not be liable for discoloration, contamination, or deterioration of Petroleum Products transported, unless such discoloration, contamination, or deterioration results from negligence of the Carrier in movement or handling of the product through the facilities of the Carrier. In the event of such damage, each owner's share of the damaged product shall be in the same proportion as its share of the total quantity of shipments involved, and each such owner shall be allocated only its proportionate share of damaged product. The Carrier shall prepare and submit a statement to the owners showing the apportionment of the damaged product among the owners involved.

**12. Claims, Time for Filing**

Except where property is lost or damaged in transit by carelessness or negligence of the Carrier, claims for loss or damage must be made in writing to the Carrier within nine (9) months after delivery of the property or, in case of a failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed. Suits for loss or damage shall be instituted only within two (2) years and one (1) day after delivery of the property or, in case of a failure to make delivery, then within two (2) years and one (1) day after a reasonable time for delivery has elapsed; provided, however, that where claims have been duly filed with the Carrier, suit must be brought within two (2) years and one (1) day after notice in writing is given by the Carrier to the claimant that the Carrier has disallowed the claim or any part or parts thereof specified in the notice. Where claims for loss or damage are not filed or suits are not instituted thereon in accordance with the foregoing provisions, such claims will not be paid and the Carrier will not be liable.

**13. Use of Communication Facilities**

Where Carrier maintains private communication facilities, transmission of messages incident to a shipment may be made by Carrier for the shipper without additional charge. Carrier, however, assumes no liability for nondelivery of messages, for error or delay in transmission, or for interruption of service.

**14. Proration of Pipeline Capacity**

If total volume for shipment during any one month exceeds the pipeline capacity for such month, Petroleum Products offered by each shipper for transportation will be transported in such quantities and at such time to the limit of capacity so as to avoid discrimination among shippers and will be in accordance with Carrier's "Proration Policy For Yellowstone Pipe Line Company" dated November 15, 2000. A copy is available on request or may be obtained from the tariff website at:

<http://www.phillips66pipeline.com/EN/tariffs/Pages/index.aspx>

No supplement to this tariff will be issued  
Except for the purpose of canceling the  
Tariff unless otherwise specifically  
Authorized by the Commission

Montana P.S.C. No. 49.10  
Cancels Montana P.S.C. No. 49.9

## YELLOWSTONE PIPE LINE COMPANY

Local Tariff  
Applying On  
Petroleum Products

Subject to the Rules and Regulations Named Herein

From	To	Rate in Cents per Barrel of 42 United States Gallons
Billings, Montana	Bozeman, Montana	[I] 69.91
	Helena, Montana	[I] 92.71
	*Great Falls, Montana	[I] 120.07
	Missoula, Montana	[I] 130.69

\*Note Special Facilities Required in Section 10, Page 3 of this tariff.

Filed in accordance with MPSC Order No. 6893 (Indexing)

[U] Unchanged Rate [I] Increase [W] Change in Wording Only

Issued May 18, 2018

Effective August 1, 2018

Issued by  
David Gipson, President  
Yellowstone Pipe Line Company  
P. O. Box [W] 421959 4428  
Houston, TX [W] 77242-1959 77240-4428

Compiled by  
Alan E. Fairwell - Director, Tariffs  
P. O. Box [W] 421959 4428  
Houston, TX [W] 77242-1959 77240-4428  
PH: 832-765-1608  
Fax: 918-977-8537

## Rules and Regulations

### 1. Definitions

- A. "Barrel" as used herein refers to forty-two (42) U.S. gallons.
- B. "Petroleum Products" as used herein refers to gasoline, petroleum fuel oil distillate, jet fuel, and/or kerosene.
- C. "Carrier" as used herein refers to Yellowstone Pipe Line Company.

### 2. Specifications Required

Petroleum Products will be accepted for transportation at such time as Petroleum Products of same quality and specifications are currently being transported from receiving point to destination.

All additives and inhibitors to be included in shippers' Petroleum Products must first be approved by the Carrier before such Petroleum Products will be accepted for transportation.

### 3. Minimum Shipment

Shipments of Petroleum Products will be accepted for transportation in quantities of not less than 10,000 Barrels for any one commodity of quality and specifications as described herein at one point or origin from one shipper. Any shipper desiring pipeline transportation of Petroleum Products hereunder will, on or before the 15th day of the month, submit to the Carrier a notice of shipment of the quantity of Petroleum Products to be shipped during the following month. Unless such notification be made, Carrier will be under no obligation to accept Petroleum Products for transportation.

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Separate pipeage contracts in accord with this tariff and these regulations covering further details may be required of the proposed shipper before any duty of transportation shall arise.

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### 6. Gauging and Testing

Twenty-four (24) hours prior to acceptance of Petroleum Products for transportation, Carrier may test such Petroleum Products and may require from shipper a certificate setting forth in detail the specifications of each shipment of Petroleum Products which must indicate all additives and inhibitors included. Where shipment originates over system of a connecting pipeline, Carrier may require certificate setting forth in detail the specifications of each shipment of Petroleum Products to be identified by batch number from the connecting pipeline twenty-four (24) hours prior to delivery of the shipment to Carrier. Quantities of Petroleum Products accepted for transportation and quantities delivered to shipper will be gauged or metered at Carrier's option. Both the Carrier and the shipper will have the privilege of witnessing gauges, meter readings, and tests to which shipments of Petroleum Products are subjected.

A tender deduction of [U].05 percent (1/20 of 1 percent) by volume will be made on the quantity of Petroleum Products accepted for transportation.

### 7. Temperature Corrections

In measuring the quantity of Petroleum Products received and delivered, correction shall be made from volume at actual or observed temperature to volume at 60° Fahrenheit.

### 8. Identity of Shipment

Petroleum Products will be accepted for transportation hereunder only on condition that same shall be subject to such changes in gravity, color, quality, or characteristics while in transit as may result from its mixture with other Petroleum Products. The Carrier may inject corrosion inhibitor compound in the product to be transported, and the shipper will accept deliveries of shipments at destinations containing portions of the corrosion inhibitor compound.

Because of the impracticability of maintaining the exact identity of Petroleum Products accepted for transportation, Carrier reserves the right to substitute for delivery a like volume of the same kind and quality.

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Carrier will provide no storage facilities at origin and destination stations. Petroleum Products will be accepted for transportation only when shipper has provided equipment and facilities satisfactory to the Carrier for delivery of such shipments at Carrier's origin station and for receipt at Carrier's destination station at a pumping rate equal to Carrier's current rate of pumping and for receiving same without delay upon arrival at destination.

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The Carrier will not be liable for discoloration, contamination, or deterioration of Petroleum Products transported, unless such discoloration, contamination, or deterioration results from negligence of the Carrier in movement or handling of the product through the facilities of the Carrier. In the event of such damage, each owner's share of the damaged product shall be in the same proportion as its share of the total quantity of shipments involved, and each such owner shall be allocated only its proportionate share of damaged product. The Carrier shall prepare and submit a statement to the owners showing the apportionment of the damaged product among the owners involved.

**12. Claims, Time for Filing**

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