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PUBLIC SERVICE  
COMMISSION

**Common Carrier Pipeline**

# **ANNUAL REPORT**

**FOR YEAR ENDING DECEMBER 31, 2010**

**CENEX PIPELINE LLC**

to

**The Public Service Commission**

**OF THE STATE OF MONTANA**

**Dept Use Only**

Received	
Date	_____
By	_____

# OPERATING PROPERTY

## FOR YEAR ENDING: DECEMBER 31, 2010

	System		Montana	
	Balance Begin Year	Bal End Year	Balance Begin Year	Bal End Year
<b>GATHERING LINES</b>				
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 & Equipment .....				
Vehicles & Other Work Equipment .....				
Other Property .....				
TOTAL .....				
<b>TRUNK LINES</b>				
Land .....	88,612	88,612	59,711	59,711
Right of Way .....	3,489,687	3,605,504	868,152	983,969
Line Pipe .....	17,299,634	19,109,398	7,611,418	9,357,290
Line Pipe Fittings .....	2,194,692	2,262,418	1,584,354	1,652,080
Pipeline Construction .....	26,555,815	28,589,244	15,737,367	17,566,062
Buildings .....	540,271	540,271	464,033	464,033
Boilers .....			0	0
Pumping Equipment .....	1,936,577	1,954,669	1,110,940	1,418,572
Machine Tools & Machinery .....	156,362	163,722	156,361	163,721
Other Station Equipment .....	4,341,672	4,341,672	3,194,616	2,905,078
Oil Tanks .....	29,288	29,288	5,692	5,692
Delivery Facilities .....			0	0
Communication Systems .....	185,531	185,531	185,531	185,531
Office Furniture & Equipment .....	410,567	410,567	410,031	410,031
Vehicles & Other Work Equipment .....			0	0
Other Property .....	6,896,140	7,017,796	2,121,998	2,243,654
TOTAL .....	<b>64,124,848</b>	<b>68,298,692</b>	<b>33,510,204</b>	<b>37,415,425</b>
<b>GENERAL</b>				
Land .....				
Buildings .....				
Machine Tools & Machinery .....				
Communication Systems .....				
Office Furniture & Equipment .....				
Vehicles & Other Work Equipment .....				
Other Property .....				
Construction Work in Progress .....	219,381	772,505	219,381	772,505
TOTAL .....	219,381	772,505	219,381	772,505
<b>GRAND TOTAL .....</b>	<b>64,344,229</b>	<b>69,071,197</b>	<b>33,729,585</b>	<b>38,187,930</b>



# INCOME ACCOUNT

MONTANA

DECEMBER 31, 2010

	This Year	Last Year
<b>Operating Revenues</b>		
Pipeline Operating Revenues .....	8,097,283	7,285,112
Other Earnings from Operations .....		
Total Operating Revenues.....	8,097,283	7,285,112
<b>Operating Expenses</b>		
Pipeline Trans. & Other Oper. Expenses.....	2,349,890	2,351,293
Rental Expenses .....		
General Expenses .....		
Total .....	2,349,890	2,351,293
Depreciation .....	1,437,743	1,394,706
Taxes, Federal Excluded.....	1,264,838	1,209,426
Federal Taxes.....		
Total Operating Expenses.....	2,702,581	2,604,132
Net Operating Expenses.....	5,052,471	4,955,425
Non-Operating Revenues (Net).....		
Gross Income .....	3,044,812	2,329,687
<b>Deductions From Gross Income</b>		
Interest on Funded Debt.....	0	0
Interest on Other Debt .....		
Other Deductions .....	-756,847	-509,638
Total .....	-756,847	-509,638
Net Income .....	3,801,659	2,839,325
<b>Disposition Of Net Income</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

CENEX PIPELINE COMPANY LLC

DECEMBER 31, 2010

BASIC DATA	SYSTEM	MONTANA	BALANCE OF SYSTEM
<b>INVESTMENT</b>			
Lines of Pipe.....	\$ 60,966,180.00	\$ 32,791,910.00	\$ 28,174,270.00
Other(included CWIP, M & S)....	\$ 7,118,836.34	\$ 5,396,020.04	\$ 1,722,816.30
<b>USE</b>			
Barrell Miles.....	4,329,438,644	2,868,616,774	1,460,821,870
<b>TERMINAL</b>			
Originating Barrels.....	15,028,082	12,629,633	2,389,124
Terminating Barrels.....	15,018,757	6,123,617	8,895,140
<b>MILES</b>			
Pipe.....	709.94	323.98	385.96

**Notes:**

# PROPERTIES IN MONTANA PURCHASED OR SOLD DURING THE YEAR 2009

TYPE	LOCATION	PURCHASE OR SALES PRICE
Glendive Incoming Filter Installation	DAWSON	485
Glendive Incoming Filter Installation	DAWSON	12,611
Glendive Incoming Filter Installation	DAWSON	1,439
BLG TO GLEN MAINLINE REPLACEMENT S Central		22,761
BLG TO GLEN MAINLINE REPLACEMENT S Central		2,033,429
BLG TO GLEN MAINLINE REPLACEMENT S Central		29,218
BLG TO GLEN MAINLINE REPLACEMENT S Central		67,725
BLG TO GLEN MAINLINE REPLACEMENT S Central		115,817
BLG TO GLEN MAINLINE REPLACEMENT S Central		1,809,764
BLG TO GLEN MAINLINE REPLACEMENT S Central		7,360
ENGINEERING DESIGN-GLENDIVE POWER Central		51,592
ENGINEERING DESIGN-GLENDIVE POWER Central		15,775
ENGINEERING DESIGN-GLENDIVE POWER Central		4,043
ENGINEERING DESIGN-GLENDIVE POWER Central		1,824

4,173,842

AFFIDAVIT

STATE OF MONTANA ) ss  
County of Yellowstone )

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 Cenex Pipeline, 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.

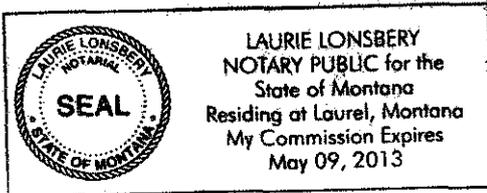
John Inceger  
(Signature)

PRESIDENT AND CHIEF OPERATING OFFICER  
(Official Title)

SUBSCRIBED AND SWORN to before me at this 15<sup>th</sup> day of April 2011

CENEX PIPELINE LLC

Laurie Lonsbery / Laurie Lonsbery  
Signature of Notary Public



Laurel, Montana  
(Residing at)

My Commission Expires: May 9<sup>th</sup>, 2013