

K.W.B.  
Pipeline Corporation

RECEIVED BY

April 27, 2011

Mr. Leroy Beeby, Utility Rate Analyst  
Montana Public Service Commission  
1701 Prospect Ave.  
P.O. Box 202601  
Helena, MT 59620-2601

2011 APR 28 11:49 AM  
4643 South Ulster Street  
Suite 1100  
Denver, CO 80237  
Phone (303) 694-2667  
Fax (303) 694-2763  
PUBLIC SERVICE COMMISSION

RE: Pipe Line Company Annual Report: 2010 Calendar Year

In accordance with 38.7.102, KWB Pipeline Corp. is providing the annual report for the KWB Pipeline in Stillwater County to the Public Service Commission of the State of Montana. While the full report follows, this letter serves as a summary.

The officers and directors, and their residences are listed in the table below.

OFFICERS		DIRECTORS	
Name	Address	Name	Address
Clark Clement, <i>President</i>	245 Commerce Green Blvd. Suite 270 Sugar Land, TX 77478	John Mork, <i>Chairman</i>	4643 S. Ulster Street, Suite 1100 Denver, CO 80237
Dennis L. McGowan, <i>Vice Pres. /Treasurer</i>	4643 S. Ulster Street, Suite 1100 Denver, CO 80237	Dennis L. McGowan	4643 S. Ulster Street, Suite 1100 Denver, CO 80237
Julie Ann Kitano, <i>Secretary</i>	4643 S. Ulster Street, Suite 1100 Denver, CO 80237	Clark Clement	245 Commerce Green Blvd. Suite 270 Sugar Land, TX 77478

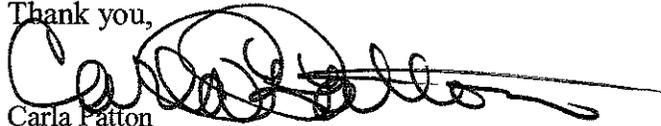
The financial data, as of and for the period ending December 31, 2010 is summarized in the following table.

Item	Amount (USD)
Capital Stock	\$1,000
Bonded Indebtedness	\$0
Total Capital Investment	\$4,024,660
Current Year Capital Investment	\$0
Assets	\$1,713,933
Liabilities	\$1451,655
Operating Revenues	\$0
Operating Expenses	\$76,702
Depreciation	\$276,027

The pipeline has been shut in so there has been no natural gas delivered or lost during the transportation process.

Please let me know if you have any questions or if you need more information.

Thank you,



Carla Patton

Production Analyst, Energy Corporation of America  
(281) 277-4300, cpatton@energycorporationofamerica.com

Common Carrier Pipeline

# ANNUAL REPORT

For Year Ending December 31, 2010

OF

KWB PIPELINE

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 Ended December 31, 2010

	System		Montana	
	Bal Begin Year	Bal End Year	Bal Beg Year	Bal End Year
<b>GATHERING LINES</b>				
Land				
Right of Way (Net)	171,528	147,730	171,528	147,730
Line Pipe (Net)	1,792,932	1,544,179	1,792,932	1,544,179
Line Pipe Fittings				
Pipeline Construction				
Buildings				
Boilers				
Pumping Equipment				
Machine Tools & Machinery				
Other Station Equipment				
Oil Tanks				
Delivery Facilities				
Communication Systems (Net)	769	662	769	662
Office Furniture and Equipment				
Vehicles & Other Work Equipment				
Other Property: Meters (Net)	24,295	20,922	24,295	20,922
<b>TOTAL (Net)</b>	<b>1,989,524</b>	<b>1,713,493</b>	<b>1,989,524</b>	<b>1,713,493</b>
<b>TRUNK 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 and Equipment				
Vehicles & Other Work Equipment				
Other Property				
<b>TOTAL</b>				
<b>GENERAL</b>				
Land				
Buildings				
Machine Tools & Machinery				
Communications Systems				
Office Furniture				
Vehicles & Other Work Equipment				
Other Properties				
Construction Work in Progress				
<b>TOTAL</b>				
<b>GRAND TOTAL (Net)</b>	<b>1,989,524</b>	<b>1,713,493</b>	<b>1,989,524</b>	<b>1,713,493</b>



**INCOME ACCOUNT****MONTANA**

As of December 31, 2010

	This Year	Last Year
<b>OPERATING REVENUES</b>		
Pipeline Operating Revenues _____	-	-
Other Earnings from Operations _____		
Total Operating Revenues _____	-	-
<b>OPERATING EXPENSES</b>		
Pipeline Trans. & Other Oper. Expenses _____	62,251	61,131
Rental Expense _____	14,451	29,185
General Expense _____	-	85,865
Total _____	76,702	176,181
Depreciation _____	276,027	628,270
Taxes, Federal Excluded _____	-	30
Federal Taxes _____	(138,471)	(359,284)
Total Operating Expenses _____	214,258	445,197
Net Operating Expenses _____	214,258	445,197
Non-Operating Revenues (Net) _____	-	-
Gross Income _____	-	-
<b>DEDUCTIONS FROM GROSS INCOME</b>		
Interest on Funded Debt _____		
Interest on Other Debt _____	-	93,839
Other Deductions _____		
Total _____	-	93,839
Net Income _____	(214,258)	(539,036)
<b>DISPOSITION OF NET INCOME</b>		
Dividends _____	-	-
Surplus or Deficit for Year _____	(214,258)	(539,036)
Surplus or Deficit Beginning of Year _____	474,572	1,013,608
Adjustments During Year _____		
Surplus or Deficit at Close of Year _____	260,314	474,572

# ALLOCATION INFORMATION

## KWB PIPELINE

As of December 31, 2010

BASIC DATA	SYSTEM	MONTANA	BALANCE OF SYSTEM
<b>INVESTMENT</b>			
Lines of Pipe _____	\$	\$	\$
Other (included CWIP, M & S) _____	\$	\$	\$
<b>USE</b>			
Barrel Miles _____			
<b>TERMINAL</b>			
Originating Barrels _____			
Terminating Barrels _____			
<b>MILES</b>			
Pipe _____			

NOTES:

**PROPERTIES IN MONTANA PURCHASED OR SOLD DURING  
THE YEAR ENDED DECEMBER 31, 2010**

<b>TYPE</b>	<b>LOCATION</b>	<b>PURCHASE OR SALES PRICE</b>
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**AFFIDAVIT**

STATE OF TEXAS )  
 ) ss.  
County of Fort Bend )

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 K.W.B. Pipeline Corporation; 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.

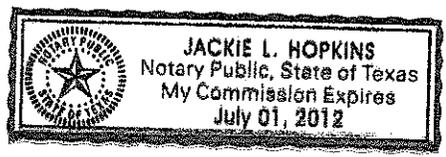
Clark Clement  
(Signature)

Clark Clement  
President  
\_\_\_\_\_  
(Official Title)

BEFORE ME, the undersigned, a Notary Public, on this 27th day of April, 2011, personally appeared Clark Clement to me known to be the identical person(s) described in and who executed the foregoing instrument, as President of K.W.B. Pipeline Corporation.

IN WITNESS THEREOF, I have set my hand and affixed my seal the date above written.

J. Hopkins  
(Notary Public)



Jackie Hopkins  
\_\_\_\_\_  
(Name printed or typed)

My Commission Expires: 7-1-12