

Pipeline

ANNUAL REPORT

For Year Ending December 31, 2020

OF

Abaco Energy Services, LLC

to

THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MONTANA

1701 Prospect Avenue

PO Box 202601

Helena, MT 59620-2601

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.

Gas Annual Report

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Schedules 2, 3 & 4

Identification/Officers/Corporate Structure

Schedules 5-7 Do not apply

For Year Ended: First Year reported 2020

Date Abaco Energy Services, LLC Purchased Assets from Northwestern Energy July 25, 2007

Date Abaco Energy Services, LLC was deemed "regulated" by the MT PSC December 22, 2016

Telephone Number: 701-751-1661

Document Prepared By: Su-Lin Tschider
Chief Financial Officer
5359 Mica Dr.
Bismarck, ND 58503

Officers & 100 % Owned by the following:

Jeffrey D. Jonson
Chief Executive Officer
1825 Harbor Dr.
Bismarck, ND 58504

Su-Lin Tschider
Chief Financial Officer
5359 Mica Dr.
Bismarck, ND 58503

Stacy L. Tschider
President
8606 Island Road
Bismarck, ND 58503

Deborah A. Jonson
Executive Officer/Secretary
1825 Harbor Dr.
Bismarck, ND 58504

Abaco Energy Services, LLC is a Limited Liability Company

Schedule 8-10

Montana Utility Income Statement

	This Year	This Year
Operating Revenues:		
Commercial	\$ 934,400	
Residential	\$ 275,255	
Miscellaneous Revenues	\$ 33	
Total Operating Revenue		<u>\$ 1,209,687</u>
Propane Supply Expense	\$ 652,343	
Operation and Maintenance Expense	\$ 522,943	
Total Operating Expenses		<u>\$ 1,175,286</u>
Depreciation Expense	\$ 76,025	
Rate Case Expense	\$ -	
Taxes Other Than Income	\$ 7,983	
Total Expenses		<u>\$ 1,259,294</u>
Net Income Before Taxes & without rate case		<u><u>\$ (49,607)</u></u>

Schedule 11

Montana Taxes Other Than Income

Description:	This Year	
Real Estate Taxes	\$	1,821
Consumer Counsel	\$	1,220
Public Service Commission	\$	4,942
Total Taxes Other Than Income	<u>\$</u>	<u>7,983</u>

Schedule 12**Payment for Services****Schedule 13 does not apply**

	Name or Recipient	Nature of Service	Total
1	Farstad	Propane supply	\$337,048
2	Midstream LPG	Propane supply	\$336,968
3	Aon Risk Services Central, Inc.	Insurance	\$43,112
4	Browning, Kaleczyc, Berry & Hoven, P.C.	Legal services	\$31,337
5	Concentric	Rate Case consultant	\$27,500
6	Blue Cross Blue Schield of ND	Health insurance	\$26,277
7	Kevin Shuttlesworth	Engineering/consulting fees	\$8,400
8	Pro Team Plowing	Snow removal services	\$7,500
9	One Call Locators, LTD DBA ELM Locating	Location services	\$6,236
10	Centennial Plaza	rent	\$6,188
11	Widmer Roel PC	Payroll and tax services	\$5,000

Schedule 13 does not apply

Schedule 14

Pension Costs

Abaco Energy Services, LLC-Simple IRA

Plan Name: 5304 Savings Incentive Match Plan for Employees
of Small Employers(SIMPLE)

MT Employees Covered: 1

Employer Contribution: \$2,366

Schedule 15 does not apply

Schedule 16

Top Ten MT Compensated Employees

Schedule 17 does not apply

Name/Title	Base Salary	Other*
Joey McMullen, General Manager	\$ 78,848	\$ 12,199

* Includes health insurance, retirement contribution, and Christmas gift.

Schedule 18
Balance Sheet

Description	12/31/2020	Subtotal
Assets		
CURRENT ASSETS		
Cash - Paypal	\$ 1,002	
Cash - Checking - Flex Ben	\$ 3,000	
Cash - Checking Account & MMDA	\$ 117,142	
		<u>\$ 121,143</u>
A/R Year End	\$ 202,901	
		<u>\$ 202,901</u>
Inventory - Propane	\$ 47,852	
Inventory - Parts, Meters, etc.	\$ 6,167	
Prepaid Expenses	\$ 18,542	
TOTAL CURRENT ASSETS		<u>\$ 396,605</u>
PROPERTY & EQUIPMENT		
Plant and Equipment*	\$ 1,587,152	
Accumulated Dep (P&E)	\$ (914,068)	
Plant and Equipment - Customer	\$ 174,135	
Accumulated Dep (Customer P&E)	\$ (26,161)	
TOTAL PROPERTY & EQUIP		<u>\$ 821,058</u>
INTANGIBLE ASSETS		
Covenant not to Compete	\$ 1,000	
Accum Amort - Non Compete	\$ (650)	
Finders Fee	\$ 50,000	
Accum Amort - Finders Fee	\$ (32,500)	
Organizational Costs	\$ 1,998	
Accum Amort - Org Costs	\$ (1,299)	
Goodwill	\$ 24,000	
Accum Amort - Goodwill	\$ (15,600)	
TOTAL OTHER ASSETS		<u>\$ 26,949</u>
TOTAL ASSETS		<u><u>\$ 1,568,657</u></u>

Liabilities

CURRENT LIABILITIES		
Accounts Payable	\$	185,698
Employer Match Safe Harbor	\$	19
Due to (from) Tschider	\$	52,500
Due to (from) Jonson	\$	52,500
Accrued Interest - Owners	\$	2,096
Federal Payroll Taxes Payable	\$	26,468
State Payroll Taxes Payable	\$	1,481
Customer Deposits	\$	800
TOTAL CURRENT LIABILITIES		<u>\$ 321,561</u>
LONG-TERM LIABILITIES		
Non-Current LTD	\$	-
TOTAL LONG-TERM LIABILITIES		<u>\$ -</u>
TOTAL LIABILITIES		<u>\$ 321,561</u>
Donated Capital		
Customer Contributed Plant	\$	174,135
Less Amortization	\$	(26,161)
		<u>\$ 147,974</u>
TOTAL LIABILITIES AND DONATED CAPITAL		<u>\$ 469,535</u>
Capital		
Other Equity *	\$	1,148,729
Net Income	\$	(49,607)
TOTAL CAPITAL		<u>\$ 1,099,122</u>
TOTAL LIABILITIES AND CAPITAL		<u><u>\$ 1,568,657</u></u>

Footnotes:

* Balance sheet adjustment to reflect change to a regulated company from a previously non-regulated company. Using Settlement Proposed Plant with current year additions and agreed upon Rate Case Expense for 2020 to be amortized over 4 years beginning June 2021.

Schedule 19

MT Plant in Service

PLANT	12/31/2019	Acquisitions	Deletions	12/31/2020
Total Plant	\$ 1,771,877	\$ 66,408		\$ 1,838,285
Less:				
Customer Contributed	\$ 174,135	\$ -		\$ 174,135
Intangible Assets	\$ 76,998	\$ -		\$ 76,998
Total Utility Plant	\$ 1,520,744	\$ 66,408	\$ -	\$ 1,587,152

Schedule 20

MT Depreciation Summary

	Accumulated Depreciation 12/31/2019	Depreciation Expense 2020	Accumulated Depreciation 12/31/2020
Physical Plant	\$ 841,893	\$ 72,175	\$ 914,068
Customer Contributed	\$ 21,474	\$ 4,687	\$ 26,161
Rate Case Expense	\$ -	\$ -	\$ -
	<u>\$ 863,367</u>	<u>\$ 76,862</u>	<u>\$ 940,229</u>

INTANGIBLES

Amortized

Covenant not to compete	\$ 600	\$ 50	\$ 650
Finders Fee	\$ 30,000	\$ 2,500	\$ 32,500
Organizational Costs	\$ 1,199	\$ 100	\$ 1,299
Goodwill	\$ 14,400	\$ 1,200	\$ 15,600
	<u>\$ 46,199</u>	<u>\$ 3,850</u>	<u>\$ 50,049</u>
Less Customer Contributed	\$ (21,474)	\$ (4,687)	\$ (26,161)
	<u>\$ 888,092</u>	<u>\$ 76,025</u>	<u>\$ 964,117</u>

Schedule 21**MT Materials and Supplies**

Inventory - Propane	\$47,852
Inventory - Parts, Meters, etc.	\$6,167
Prepaid Expenses	\$18,542
	<hr/>
	\$72,560
	<hr/> <hr/>

Schedule 22**MT Regulatory Capital Structure****Schedule 23**

Description	Balance	Ratio
Debt	\$ 105,000	8.72%
Equity	\$ 1,099,122	91.28%
	<u>\$ 1,204,122</u>	<u>100.00%</u>

Schedule 24**Long Term Debt****Schedule 25-26 do not apply**

Issuer	Date issued	Date Matures	Issued	Interest	Monthly Payments	12/31/2020 Balance
Stacy Tschider	12/31/2014		\$26,250	4.00%	\$0	\$26,250
Su-Lin Tschider	12/31/2014		\$26,250	4.00%	\$0	\$26,250
Jeff Jonson	12/31/2014		\$26,250	4.00%	\$0	\$26,250
Deb Jonson	12/31/2014		\$26,250	4.00%	\$0	\$26,250
					<u>\$0</u>	<u>\$105,000</u>

Schedule 27**MT Earned Rate of Return**

Net Income Before Taxes		<u>\$ (49,607)</u>
Net Plant	\$821,058	
Net Intangibles	\$26,949	
Inventory, Materials and Supplies	\$72,560	
Total Rate Base		<u>\$920,567</u>
Earned Rate of Return Before Taxes		<u>-5.39%</u>

Schedule 28

MT Composite Statistics

Plant	
Plant:	\$ 1,587,152
Depreciation and amortization:	\$ 76,025
Net Plant:	\$ 821,058

Revenues & Expenses	
Total Operating Revenue	\$ 1,209,687
Propane Supply Expense	\$ 652,343
Operation and Maintenance Expense	\$ 522,943
Depreciation Expense	\$ 76,025
Taxes Other Than Income	\$ 7,983
Total Expenses	\$ 1,259,294
Net Income	\$ (49,607)

Customers	
Residential	224
Commercial	16

Schedule 29**MT Customer Information**

Commercial Customers	16
Residential Customers	224
Total MT Customers	<u>240</u>

Schedule 30

MT Employee Count

MT Employee Count: 1

Schedule 31

MT Construction Budget

Do not prepare

Schedule 32**Distribution and Storage Systems**

2020	Total Propane Volumes
Jan	125,214.00
Feb	122,437.00
Mar	87,688.00
Apr	32,156.00
May	23,562.00
Jun	17,913.00
Jul	27,603.00
Aug	24,199.00
Sep	24,500.00
Oct	40,373.00
Nov	74,937.00
Dec	115,078.00
Total 2020	715,660

Avg Residential 20.4%
Avg Commercial 79.6%

-Based upon volumes.

Schedule 33**Sources of Propane Supply****Schedule 34 do not apply**

Name of Supplier	Dekatherm Volumes-2020	Average Commodity Cost-2020
Farstad/Midstream	89,375	\$7.30

Schedule 35

MT Consumption and Revenues

Schedule 36a-36b do not apply

	<u>Commercial</u>		<u>Retail</u>		<u>Total</u>
Revenues					
Commodity (Gallons)	569,479		146,182		715,661
Propane Revenue	\$ 526,312	\$	143,315	\$	669,627
O & M Revenue	\$ 194,762	\$	49,994	\$	244,756
Distribution Revenue	\$ 213,327	\$	71,205	\$	284,532
Total Operating Revenue	\$ 408,088	\$	121,200	\$	529,288
Total Annual Service Charge		\$	10,740	\$	10,740
Total Revenue	\$ 934,400	\$	275,255	\$	1,209,655

AFFIDAVIT

STATE OF North Dakota)
County of Burleigh) ss.

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 Abaco Energy Services LLC 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 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.

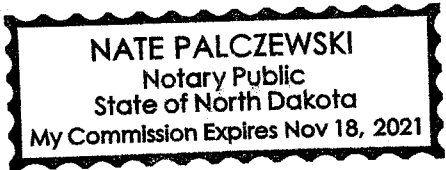
Gu-Lin Bohde
(Signature)

CFO
(Official Title)

SUBSCRIBED AND SWORN to before me at Burleigh County, ND
this 4th day of June, 2021.

[Signature]
(Notary Public)

Nate Palczewski
(Name printed or typed)



My Commission Expires: 11-18-21