

Pipeline

ANNUAL REPORT

For Year Ending December 31, 2021

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	

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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: 2021

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:		
Operating Revenues	\$ 1,473,078	
Miscellaneous Revenues		
Total Operating Revenue		<u>\$ 1,473,078</u>
Propane Supply Expense	\$ 806,593	
Operation and Maintenance Expense	\$ 564,582	
Total Operating Expenses		<u>\$ 1,371,175</u>
Depreciation Expense	\$ 72,391	
Rate Case Expense	\$ -	
Taxes Other Than Income	\$ 7,045	
Total Expenses		<u>\$ 1,450,611</u>
Net Income Before Taxes		<u><u>\$ 22,467</u></u>

Schedule 11**Montana Taxes Other Than Income**

Description:	This Year	
Real Estate Taxes	\$	1,635
Consumer Counsel	\$	789
Public Service Commission	\$	4,621
Total Taxes Other Than Income	\$	<u>7,045</u>

Schedule 12

Payment for Services

Schedule 13 does not apply

	Name or Recipient	Nature of Service	Total
1	Midstream LPG	Propane supply	\$381,112
2	Farstad	Propane supply	\$330,261
3	Concentric	Rate Case consultant	\$67,711
4	Browning, Kaleczyc, Berry & Hoven, P.C.	Legal services	\$51,582
5	Aon Risk Services Central, Inc.	Insurance	\$47,039
6	Blue Cross Blue Schield of ND	Health insurance	\$27,956
7	One Call Locators, LTD DBA ELM Locating	Location services	\$15,709
8	Centennial Plaza	rent	\$12,375
9	Eide Bailly, LLP	HR salary consultation	\$9,438
10	Alpine Professional	Snow removal services	\$8,860
11	Kevin Shuttlesworth	Engineering/consulting fees	\$8,400
12	Widmer Roel PC	Payroll and tax services	\$6,150

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: \$2,478

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	\$ 12,729

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

Schedule 18
Balance Sheet

Description	12/31/2021	Subtotal
Assets		
CURRENT ASSETS		
Cash - Paypal	\$ 828	
Cash - Checking - Flex Ben	\$ 3,000	
Cash - Checking Account & MMDA	\$ 17,048	
		<u>\$ 20,876</u>
A/R Year End	\$ 215,514	
		<u>\$ 215,514</u>
Inventory - Propane	\$ 38,176	
Inventory - Parts, Meters, etc.	\$ 6,493	
Prepaid Expenses	\$ 20,228	
TOTAL CURRENT ASSETS		<u>\$ 301,287</u>
PROPERTY & EQUIPMENT		
Plant and Equipment*	\$ 1,715,883	
Accumulated Dep (P&E)	\$ (958,721)	
Plant and Equipment - Customer	\$ 174,135	
Accumulated Dep (Customer P&E)	\$ (30,848)	
TOTAL PROPERTY & EQUIP		<u>\$ 900,449</u>
INTANGIBLE ASSETS		
Covenant not to Compete	\$ 1,000	
Accum Amort - Non Compete	\$ (700)	
Finders Fee	\$ 50,000	
Accum Amort - Finders Fee	\$ (35,000)	
Organizational Costs	\$ 1,998	
Accum Amort - Org Costs	\$ (1,399)	
Goodwill	\$ 24,000	
Accum Amort - Goodwill	\$ (16,800)	
TOTAL OTHER ASSETS		<u>\$ 23,099</u>
TOTAL ASSETS		<u><u>\$ 1,461,225</u></u>

Liabilities**CURRENT LIABILITIES**

Accounts Payable	\$ 123,035
Employer Match Safe Harbor	\$ 607
Due to (from) Tschider	\$ 52,500
Due to (from) Jonson	\$ 52,500
Accrued Interest - Owners	\$ 1,059
Federal Payroll Taxes Payable	\$ 27,991
State Payroll Taxes Payable	\$ 1,526
Customer Deposits	\$ 900

TOTAL CURRENT LIABILITIES	<u>\$ 260,118</u>
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LONG-TERM LIABILITIES

Non-Current LTD	\$ -
TOTAL LONG-TERM LIABILITIES	<u>\$ -</u>

TOTAL LIABILITIES	<u>\$ 260,118</u>
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Donated Capital

Customer Contributed Plant	\$ 174,135
Less Amortization	\$ (30,848)
	<u>\$ 143,287</u>

TOTAL LIABILITIES AND DONATED CAPITAL	<u>\$ 403,405</u>
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Capital

Other Equity *	\$ 1,035,354
Net Income	\$ 22,467
TOTAL CAPITAL	<u>\$ 1,057,821</u>

TOTAL LIABILITIES AND CAPITAL	<u>\$ 1,461,225</u>
	<u>\$ -</u>

Footnotes:

* Balance sheet adjustment to reflect change to a regulated company from a previously non-regulated company. Rate Case Settlement in progress as of 12/31/2021.

Schedule 19**MT Plant in Service**

PLANT	12/31/2020	Acquisitions	Deletions	12/31/2021
Total Plant*	\$ 1,838,285	\$ 128,731	\$ -	\$ 1,967,016
Less:				
Customer Contributed	\$ 174,135	\$ -		\$ 174,135
Intangible Assets	\$ 76,998	\$ -		\$ 76,998
Total Utility Plant	\$ 1,587,152	\$ 128,731	\$ -	\$ 1,715,883

* Includes Rate Case/Settlement costs still in progress as of 12/31/2021.

Schedule 20**MT Depreciation Summary**

	Accumulated Depreciation 12/31/2020	Depreciation Expense 2021	Accumulated Depreciation 12/31/2021
Physical Plant	\$ 890,180	\$ 68,541	\$ 958,721
Customer Contributed	\$ 26,161	\$ 4,687	\$ 30,848
Rate Case Expense	\$ -	\$ -	\$ -
	<u>\$ 916,341</u>	<u>\$ 73,228</u>	<u>\$ 989,569</u>

INTANGIBLES**Amortized**

Covenant not to compete	\$ 650	\$ 50	\$ 700
Finders Fee	\$ 32,500	\$ 2,500	\$ 35,000
Organizational Costs	\$ 1,299	\$ 100	\$ 1,399
Goodwill	\$ 15,600	\$ 1,200	\$ 16,800
	<u>\$ 50,049</u>	<u>\$ 3,850</u>	<u>\$ 53,899</u>
Less Customer Contributed	\$ (26,161)	\$ (4,687)	\$ (30,848)
	<u>\$ 940,229</u>	<u>\$ 72,391</u>	<u>\$ 1,012,620</u>

Schedule 21**MT Materials and Supplies**

Inventory - Propane	\$38,176
Inventory - Parts, Meters, etc.	\$6,493
Prepaid Expenses	\$20,228
	<hr/>
	\$64,897
	<hr/>

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

Description	Balance	Ratio
Debt	\$ 105,000	9.03%
Equity	\$ 1,057,821	90.97%
	<u>\$ 1,162,821</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	12/31/2021 Balance
Stacy Tschider	12/31/2014		\$26,250	4.00%	\$1,050	\$26,250
Su-Lin Tschider	12/31/2014		\$26,250	4.00%	\$1,050	\$26,250
Jeff Jonson	12/31/2014		\$26,250	4.00%	\$1,050	\$26,250
Deb Jonson	12/31/2014		\$26,250	4.00%	\$1,050	\$26,250
					<u>\$4,200</u>	<u>\$105,000</u>

Schedule 27**MT Earned Rate of Return**

Net Income Before Taxes		<u>\$ 22,467</u>
Net Plant	\$900,449	
Net Intangibles	\$23,099	
Inventory, Materials and Supplies	\$64,897	
Total Rate Base		<u>\$988,445</u>
Earned Rate of Return Before Taxes		<u>2.27%</u>

Schedule 28**MT Composite Statistics**

Plant	
Plant:	\$ 1,715,883
Depreciation and amortization:	\$ 72,391
Net Plant:	\$ 900,449

Revenues & Expenses	
Total Operating Revenue	\$ 1,473,078
Propane Supply Expense	\$ 806,593
Operation and Maintenance Expense	\$ 564,582
Depreciation Expense	\$ 72,391
Taxes Other Than Income	\$ 7,045
Total Expenses	\$ 1,450,611
Net Income	\$ 22,467

Customers	
Total	219

Schedule 29

MT Customer Information

Total MT Customers	<u><u>219</u></u>
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2021

Schedule 30

MT Employee Count

MT Employee Count: 1

Schedule 31

MT Construction Budget

Do not prepare

Schedule 32**Distribution and Storage Systems**

2021	Total Propane Volumes
Jan	126,590.82
Feb	143,111.45
Mar	103,796.86
Apr	75,798.09
May	38,770.99
Jun	22,454.84
Jul	26,723.78
Aug	23,751.83
Sep	26,409.11
Oct	37,833.61
Nov	63,053.00
Dec	127,204.84
Total 2021	815,499

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

Name of Supplier	Dekatherm Volumes-2021	Average Commodity Cost-2021
Midstream/Farstad	101,843	\$7.92

Schedule 35**MT Consumption and Revenues****Schedule 36a-36b do not apply**

	<u>Total</u>
Revenues	
Commodity (Gallons)	815,499
Propane Revenue	\$ 806,593
Rate Case Revenue	\$ 649,770
Total Operating Revenue	<u>\$ 1,456,363</u>
Total Annual Service Charge	\$ 16,715
Total Revenue	<u><u>\$ 1,473,078</u></u>

AFFIDAVIT

STATE OF ND)
) ss.
 County of Burleigh)

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 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 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.

Melanie Schider
 (Signature)
 Melanie Tschider

CFO
 (Official Title)

SUBSCRIBED AND SWORN to before me at Bismark, ND
 this 29th day of April, 2022.

[Signature]
 (Notary Public)

Erin Still Day
 (Name printed or typed)

My Commission Expires: 10-8-24