

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF THE COMPLAINT
OF SHOSHONE CONDOMINIUM
HOTEL OWNERS ASSOCIATION, A
MONTANA CORPORATION,
Complainant,

v.

ABACO ENERGY SERVICES, LLC a
North Dakota Limited Company,
Defendant.

UTILITY DIVISION

Docket No. D2013.9.71

**PREFILED DIRECT TESTIMONY OF SU-LIN TSCHIDER
MARCH 29, 2016**

1 **Q. Please state your name, title, and business address for the record**

2 A. My name is Su-Lin Tschider. I am the Chief Financial Officer of ABACO
3 Energy Services, LLC and my business address is 4024 Downing Street, Bismark ND
4 58504. I am submitting this testimony on behalf of ABACO Energy Services, LLC
5 (“ABACO”).

6 **Q. Have you testified to this Commission before?**

7 A. No, I have not.

8 **Q. Please describe your educational background.**

9 A. I have a Bachelor of Accountancy from the University of North Dakota.

10 **Q. Please describe your professional background.**

11 A. I have been the CFO of ABACO Energy Services, LLC since 2007. Prior to that,
12 I worked in the energy industry for four years and the banking industry for five years,
13 both in various financial management departments. I have more than 20 years of
14 accounting experience and am a Certified Public Accountant.

15 **Q. Was the propane distribution system at issue in this Docket ever regulated by**
16 **the Montana Public Service Commission prior to ABACO’s acquisition of the**
17 **system from NWE in 2007?**

18 A. No; not to my knowledge. ABACO does comply with all federal and state
19 pipeline safety regulations.

20 **Q. Does ABACO file annual reports with the Commission?**

21 A. Yes, we have filed annual reports with the Commission since our acquisition of
22 the system in 2007. Therefore, the Commission has been aware of our ownership and our
23 operations since 2007. Likewise, it is our understanding that both NWE and MPC also
24 filed annual reports with the Commission related to the system at the Big Sky Mountain
25 Village, so the Commission has been aware of its existence since its construction in the
26 mid-1990’s.

27

1 **Q. How much propane does ABACO sell to Boyne, USA annually?**

2 A. Under the written contract, Boyne, USA is obligated to purchase a minimum of
3 600,000 gallons of propane annually. However, Boyne, USA typically purchases
4 approximately 700,000 gallons of propane from ABACO annually.

5 **Q. Does ABACO sell propane to Shoshone?**

6 A. No. ABACO sells propane to Boyne, USA and delivers that propane to various
7 meters and locations designated by Boyne, USA. One such delivery point is the meter
8 outside of the Shoshone. ABACO does not deliver propane to the boilers as claimed by
9 Shoshone. Rather, ABACO delivers the contracted amount to Boyne at the meter.

10 Where the propane goes from there, and who is responsible for it after the delivery point,
11 are issues solely between Boyne, Shoshone, and the Shoshone end users. ABACO is not
12 consulted and has no say in the distribution of the propane after the delivery point, or in
13 the charges the end users might pay. Boyne USA purchases the propane at the delivery
14 point under the 2007 Agreement to Provide Propane Services. ABACO invoices Boyne,
15 USA, mails that invoice to the address designated by Boyne, and Boyne pays for the
16 propane. ABACO has only communicated with Boyne, USA for all invoices and
17 payments for services for propane delivered to the meter servicing Shoshone; and, as
18 reflected in the representative check attached to my testimony as **Exhibit 1**, it is Boyne,
19 USA who makes the payments to ABACO for those services.

20 **Q. Does ABACO set prices to any ultimate end users in Shoshone or any other**
21 **Boyne, USA properties?**

22 A. No. ABACO has no ability to set prices to unit owners within Shoshone or other
23 Boyne developments. What contractual relationship Boyne, USA may have with its end
24 users, what Boyne, USA charges its end users for propane, or how Boyne, USA may
25 allocate propane use to its many end users is out of ABACO's control and is an issue
26 solely between those end users and Boyne, USA. ABACO is not consulted on any such
27 decisions and is not a party to any such contracts, negotiations, or decisions. Any and all

1 propane ABACO delivers to the meter at Shoshone is counted towards the 600,000
2 gallons that Boyne is required to purchase under its 2007 contract with ABACO.

3 **Q. Does ABACO hold itself out as being open to the public?**

4 A. No; ABACO does not hold itself as open to the public in general. As noted
5 above, ABACO serves only particular customers. ABACO reserves the right to refuse
6 service to any new customers. ABACO is not obligated to enroll new customers onto its
7 system, and can choose (and has chosen) to offer service or not at its sole discretion.
8 ABACO does not advertise for its services, does not solicit new customers, has not
9 contacted any of the many developers or real estate agents in Big Sky to offer services,
10 nor has it applied for any permits to expand its existing pipeline system beyond its
11 current service area. ABACO does not operate outside of the limited Boyne Resort area
12 which is at the base of the ski lifts or within a short walking distance. All of the units
13 and small businesses ABACO serves were either transferred by Boyne, USA after Boyne
14 developed and sold those properties to third parties, or were customers of the system
15 prior to ABACO's ownership and thus were transferred to ABACO from NWE. ABACO
16 does not solicit new customers and has no intent to expand its system or its system's
17 capacity to provide broader service. ABACO does, on occasion, make public safety
18 announcements and adheres to general public awareness safety policies within federal
19 and state pipeline safety regulations.

20 **Q. Has ABACO ever made any service calls to Shoshone?**

21 A. No. We do not service facilities or equipment downstream of the meters. If
22 someone calls us for such service, we refer them to outside vendors and contractors.

23 **Q. On ABACO's web site, you have posted an Application for Customer
24 Service. If you do not offer services to the general public, why is this Application
25 listed on your web site?**

26 A. Our current non-Boyne customers each own their units individually, and some of
27 them rent them out to third parties under longer-term rental agreements. Therefore, when
28 such customers sell their units, or when their tenants change, we need the new owners or

1 the new tenants to complete a new application so we can approve credit, prepayment, and
2 auto pay elections by those new individuals. While the individual responsible for paying
3 for the service might change over time, the unit itself has always been a customer of the
4 system. We have not, and have no intent to, add new units or developments to our
5 system that do not otherwise fall under our contractual agreement with Boyne. The
6 application is listed on our web site only to facilitate access of necessary paperwork to
7 our existing customers when they transfer ownership or contract with a new tenant.

8 **Q. Does this conclude your pre-filed direct testimony?**

9 A. Yes.

EXHIBIT 1

DETACH AND RETAIN THIS STATEMENT
 THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
 IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY.

REFERENCE NO	DATE	GROSS AMOUNT	DISCOUNT %	DISCOUNT TAKEN	COMMENTS	NET PAYABLE
FEBRUARY 2016	2/29/2016	62,660.78	.00			62,660.78
		62,660.78	.00			62,660.78

PLEASE DETACH CHECK BEFORE DEPOSITING

THIS CHECK IS VOID WITHOUT A BLUE & BURGUNDY BACKGROUND AND AN ARTIFICIAL WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

BIG SKY RESORT
 PO BOX 160001
 BIG SKY, MT 59716
 (406) 995-5816

Wells Fargo Bank, NA
 420 Montgomery Ave.
 San Francisco, CA 94104

56-382
 412

VENDOR NO.
 ABACOE

DATE
 3/11/2016

CHECK NO.
 57617

AMOUNT
 \$*****62,660.78

PAY Sixty-Two Thousand Six Hundred Sixty Dollars and Seventy-Eight Cents

TO THE ORDER OF:

ABACO ENERGY SERVICES
 4024 DOWNING STREET
 BISMARCK ND 58504

[Handwritten Signature]
 AUTHORIZED SIGNATURE

SIGNATURE: IAS A COLORED BACKGROUND - BORDER CON...

⑈ 5 7 6 1 7 ⑈ ⑆ 0 4 1 2 0 3 8 2 4 ⑆ 9 6 3 0 0 0 0 5 3 8 ⑈

CUSTOMER ID	DESCRIPTION	FC	AMOUNT
ABACO ENERGY SERVICES			
2/29/2016			
005-900-9000-80100		\$	62,247.85
005-800-8700-79860		\$	412.93
005-900-9000-80100		\$	-
CUSTOMER ID	DESCRIPTION	FC	AMOUNT
01-00264661-00-4	6 BUFFALO HIDE RD - MAINT SHOP	\$	1,979.88
01-00267191-00-5	42 LOW DOG RD #D KTCHN- Andiamo	\$	947.21
01-00141242-00-9	MOUNTAIN MALL PROPANE	\$	4,304.33
01-00165332-00-5	MTN MALL - DANTE'S INFERNO UNIT O	\$	1,167.69
01-00215758-00-9	100 BEAVERHEAD TRL #3 - Patrol Lockers	\$	95.71
01-00000208-00-3	SNOWCREST HSE MTR + PROPANE	\$	9,596.69
01-00000362-00-2	SHOSHONE LODGE PROPANE METER	\$	41,038.84
01-00208715-00-8	HUNTLEY LODGE PROPANE	\$	303.55
01-00218835-00-4	HUNTLEY LODGE PROPANE	\$	2,641.67
01-00264671-00-7	4 MANITOU LOOP- Powder ridge Fractional (50)	\$	210.57
01-00264648-00-5	9 MANITOU LOOP- Powder Ridge Fractional (45)	\$	202.36
01-00124571-00-0	MOUNTAIN MALL - BURGER BAR ON...	\$	455.00