

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

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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.

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UTILITY DIVISION

Docket No. D2013.9.71

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**PREFILED DIRECT TESTIMONY OF KEVIN SHUTTLESWORTH  
MARCH 29, 2016**

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

2 A. My name is D. Kevin Shuttlesworth. I am a technical consultant for ABACO  
3 Energy Services, LLC and my business address is 105 Larkspur Lane, Butte, MT 59701.  
4 I am submitting this testimony on behalf of ABACO Energy Services, LLC (“ABACO”).

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

6 A. Not for ABACO, and only in an educational session for the Commissioners,  
7 representing NorthWestern Energy.

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

9 A. I have a B.S. in Electrical Engineering from MSU, Bozeman, 1981

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

11 A. I have worked for NorthWestern Energy for over 34 years. The first 10 years  
12 were electric transmission and distribution in various engineering functions. Then 24+  
13 years on the natural gas distribution, primarily in the area of standards, training,  
14 utilization, regulating equipment, metering, propane systems and pipeline safety.  
15 Currently the Gas and Electric Meter Shop Supervisor for NorthWestern Energy. I am a  
16 licensed professional engineer in the State of Montana. I have been consulting to  
17 ABACO since July of 2008.

18 **Q. What services do you provide for ABACO?**

19 A. Consultation in the areas of system operations, expansion, material, maintenance,  
20 metering, and overall pipeline safety compliance with 49 CFR part 192.

21 **Q. Please describe the propane distribution system that ABACO owns in the Big  
22 Sky Mountain Village at the Big Sky Ski Resort?**

23 A. The propane distribution system was originally constructed in 1996 by The  
24 Montana Power Company for Boyne, USA or at the request of Boyne, USA.  
25 NorthWestern Energy then acquired the system from MPC in or about 2002. The system  
26 is located entirely on private property owned by Boyne, USA and was created to provide  
27 propane service to Boyne, USA and to the buildings and housing developments  
28 constructed by Boyne, USA and their affiliates within a selected area of the Big Sky

1 Mountain Village at the Big Sky Ski Resort. The original system served primarily the  
2 Mountain Mall, Shoshone boilers, Huntley Lodge and the Huntley dining room. Boyne  
3 removed their single 15,000 gallon tank that served only the Shoshone boilers when the  
4 original system was installed by Montana Power Co. Sometime later, propane fireplaces  
5 were installed in the Shoshone Condominiums, they were connected to the customer  
6 piping, downstream of the meter serving the boiler, Boyne's meter. The next loads  
7 connected were the Summit Hotel, Snowcrest, and Medical buildings. At this time the  
8 snowmelt for the Mall was developed and the all patio area was redone. Other loads have  
9 developed and connected over the years as the system capacity and proximity has  
10 allowed. The system was never intended to provide propane services to all of the homes,  
11 condominiums, hotels, buildings, and business in the Big Sky Mountain Village; it  
12 simply does not have such a large capacity.

13 **Q. Would you please describe the system specifically, describing the assets of the**  
14 **system and how it operates?**

15 A. ABACO owns the tank farm and associated equipment, distribution main and  
16 service pipes and meters. Liquid propane is received via tank truck from the current  
17 contracted supplier. Under contract the supplier maintains minimum tank levels at the  
18 contracted price. The tank farm has 2-30,000 gallon storage tanks and has two means of  
19 creating propane vapor from the liquid: natural vaporization with-in the tank itself or  
20 through 2-500 gallon per hour vaporizers. The vaporizers are propane fueled, water bath  
21 units. The vaporizers are the primary source of vapor for the system, the tanks serve as  
22 backup vapor source. Most of the time the pressure in the tanks is high enough to push  
23 the liquid and vapor to supply the system, but when it is not, there are liquid pumps that  
24 maintain 50 psig. The created vapor is at the tank pressure, or minimum of 50 psig. This  
25 is not a suitable pressure for a propane vapor distribution system, in colder temperatures  
26 the vapor at these pressures would return to liquid state. There are four different and  
27 independent sets of vapor regulators. These regulators reduce the vapor pressure to 9 to  
28 15 psig. The propane vapor then leaves the plant and enters the distribution system. The

1 distribution system consists of 2", 3", 4", 6" and 8" plastic mains, over 18,400 feet (refer  
2 to response to data request SCHOA-003 for more detail), and ½" through 4" services,  
3 totaling 83 services. These services supply 228 meters of various sizes. The meters are  
4 read monthly, and the responsible party is billed for the propane used. ABACO owns  
5 the propane once delivered to the tank farm and retains ownership and control to the  
6 outlet of each of the customer meters. At that point Boyne, USA, building  
7 operator/owner, or condo owner becomes the owner (customer) of the propane, whoever  
8 is paying for the metered propane. ABACO does not own any assets downstream of the  
9 meter. It does not own or control pipes into the buildings, or boiler systems, or any  
10 utilization equipment or other assets downstream of the meter. ABACO does not service,  
11 maintain or repair, any assets or systems that it does not own. Nor does ABACO control  
12 or have any say in who uses or benefits from the use of the propane once it leaves the  
13 meter.

14 **Q. If the Commission or parties to the docket have questions relating to the**  
15 **operation of the system, the type of services offered, or ABACO's compliance with**  
16 **federal and state pipeline safety requirements, should those questions be directed to**  
17 **you?**

18 A. Yes, I assist ABACO in each of those areas and am very familiar with this  
19 system. I was an employee of The Montana Power Company when the system was first  
20 built and I have worked with this system for The Montana Power Company,  
21 NorthWestern Energy, and now ABACO.

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

23 A. Yes.