

May 19, 2015

Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
500 East Capital Avenue
Pierre, SD 57501-5070

RE: Master Metering Exception at Rapid City Good Samaritan Housing, Rapid City, SD

Dear Ms. Van Gerpen,

We are currently constructing a fifty (50) unit project located in southern Rapid City, near the intersection Minnesota Street and Wisconsin Avenue, and will provide low-income housing for older persons age 62 or older. Our current plans include master metering for natural gas and electric power. Utilities will be included in the monthly rent for each resident. We anticipate that construction will be completed in February 2016.

Gas Metering

As of May 4, 2015, we received notice from SD PUC that we qualify for master metered natural gas system.

Electric Metering

In regards to the electric metering, we are requesting for the Commission to provide a variance to allow for a master meter at our project. We will have the utilities, including electrical, gas, water/sewer, and trash, paid by the owner and included in the resident's monthly rent. In pursuant of tax credit funding from South Dakota Housing Development Authority (SDHDA), the owner has committed to forty (40) years of ownership in the project. After the forty (40) years, the owner anticipates maintaining ownership of the project and refinancing the project for additional years to maintain the affordable housing in Rapid City.

Additionally, we have been in contact with our electrical engineer and contractor for the project to quantify the cost impact of individual versus master metering. We have attached a document, prepared by James Stampe with Skyline Engineering, LLC, outlining the construction and cost impact of providing individual metering on this project. The estimated additional cost to install individual metering on this project would be approximately \$160,000. This additional cost would be a financial burden to this affordable housing project.

I have been in contact with Black Hills Power; they have no objection to master metering, and will follow whatever the SD PUC determines is the correct method for metering the building.

Thank you for your consideration regarding this matter. We look forward to your reply.

Sincerely,



Aaron S. Bakker, LEED AP BD+C
Construction & Design Consultant, Affordable Housing