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December 22, 2016

Public Utilities Commission
ATTN: Darren Kearney
Capitol Building 1st Floor
500 E. Capitol Avenue
Pierre, SD 57501

Re: Trinity Point Limited Partnership (Trinity) Request for Master-metering Variance

Dear Mr. Kearney:

Pursuant to SDAR 20:10:26:05 we are requesting, on behalf of Trinity Point Limited Partnership, a variance to the separate metering requirement in SDAR 20:10:26:05.

The project for which a variance is request is a 48-unit multi-family housing structure designed to provide affordable housing to the community of Sioux Falls. We have submitted an application for LIHTC/HOME and HTC funds and the project has been awarded. The project intends to begin construction early in 2017. Lloyd Companies is providing planning, design, construction, and management services and makes this request on behalf of our client. We are requesting to master meter the project for electrical and gas services.

The project is located the northeast corner of East Blarney Place and Foss Avenue, approximately 650 feet north of Rosa Parks Elementary school and Fred Dawley Park in Sioux Falls, South Dakota.

The appropriate utility companies have been copied on this letter, pursuant to SDAR 20:10:26:05. No hearing is requested by Trinity Point Limited Partnership.

(1) Type of Project

We are building a multi-family housing structure to provide affordable housing to the community. It includes 48 units in total. Nine of the units will be accessible for individuals with impairments. Twelve one-bedroom units have been designated for people with disabilities through HUD Section 811 Rental Assistance.

The heating system is an electric forced air furnace for each unit.

The cooling system is an electric central air system with an outdoor condensing unit for each unit.

APARTMENTS
CONSTRUCTION
DEVELOPMENT
MANAGEMENT
RESIDENTIAL AND COMMERCIAL REAL ESTATE

(2) Justification

Under the lease structure on this project, the Landlord is going to pay all utilities. Therefore, a separate metering would create an additional up front construction and would create an additional administrative burden. Further, the property is going to be equipped with central domestic hot water heating system which will service the entire facility.

The central domestic hot water heating system brings the project within the scope of SDAR 20:10:26:04(6), which provides an exception for multi-occupancy building providing central systems to the building. The design and character of the project within the scope of an exception to master metering requirements and the addition up front and continued expense of separately metering the project make it most appropriate to master meter this project for all utilities.

On a project of this nature, separate metering would result in increased costs of \$2000.00 per unit, and an annual operating cost increase of \$5,800.

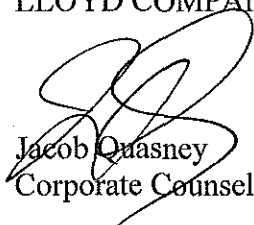
As a part of our tax credit application, we have agreed to include the cost of utilities in the rent paid by our tenants. As a result, we are bound to include those costs in the rents. If the units were separately metered, that would create 48 additional invoices which would need to be processed at our corporate office, with no effect on the end user.

Central domestic hot water systems provide us energy efficiency as well as construction efficiency and allow us to maximize the space we provide to our tenants. To aid in energy conservation in a project where utilities are provided we will install regulated thermometers which restrict the temperature range in the units.

If you have any questions, comments, or concerns, please contact me. Thank you for your time and consideration on this matter.

Sincerely,

LLOYD COMPANIES



Jacob Quasney
Corporate Counsel

JQ: clj
cc: Sioux Valley Energy
Mid-American Energy