

March 1, 2017

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

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

Dear Ms. Van Gerpen,

We are applying to South Dakota Housing Development Authority for a Low Income Housing Tax Credit project that will be 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 plan is to include master metering for natural gas and electric power, similar to our current low-income housing project adjacent to this site called Echo Glen. Utilities will be included in the monthly rent for each resident. We anticipate our application to be submitted on August 31, 2017 and that construction will commence in 2018.

Gas Metering

The project will include a central water heating system to include three (3) natural-gas high efficient tank-type water heaters, recirculating hot water, etc. Natural gas to the project will be provided by Montana-Dakota Utilities Company.

This letter is a request for Commission confirmation, pursuant to ARSD20:10:26:04(6) that the project, due to a central water heating system, is an exception to the individual metering requirement for natural gas.

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 \$161,000. 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,

A handwritten signature in blue ink, consisting of a stylized first name 'A' followed by a last name 'Bakker'.

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

Cc: Tyler Arens, Shannon Clark, Andy Yackley