

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of March 15, 2001 through March 21 , 2001

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CONSUMER COMPLAINTS

CT01-012 In the Matter of the Complaint filed by Richard and Nancie Haggar, Sioux Falls, South Dakota, against WebNet Communications, Inc. Regarding Misrepresenting Rates.

The Complainants claim that they were promised seven cents per minute everyday plus a \$100 check for signing up. The Complaints claim they did not get the check or the promised rates. The Complainants are requesting \$100, rerating of their billings, plus all hearing expenses paid.

Date Filed: 03-15-01
Staff Analyst: Leni Healy
Staff Attorney: Karen Cremer
Intervention Deadline: NA

NATURAL GAS

NG01-004 In the Matter of the Filing by Floyd Nightingale for a Master Metering Variance Request for Five Apartment Buildings in Huron, South Dakota.

Mr. Nightingale has requested a master metering variance for five apartment buildings in Huron, South Dakota in accordance with ARSD 20:10:26:04(3) and 20:10:26:04(6). Currently each unit has four gas meters which supply gas to four furnaces, two water heaters, and one gas dryer and one electric meter serving all four apartments. Mr. Nightingale has requested a hearing on the master metering variance request.

Staff Analyst: Michele Farris
Staff Attorney: Karen Cremer
Date Docketed: 03/19/01
Intervention Deadline: 04/06/01

TELECOMMUNICATIONS

TC01-024 In the Matter of the Filing for Approval of an Adoption Wireline Interconnection Agreement between Qwest Corporation and Avera Communication, L.L.C.

On March 16, 2001, an agreement for interconnection between Qwest Corporation (Qwest) and Avera Communication, L.L.C. (Avera), was filed with the Commission for approval. According to the parties the agreement is a negotiated agreement with the parties adopting the terms related to UNE Combinations and Reciprocal Compensation - Bill and Keep of the negotiated interconnection agreement between McLeodUSA Telecommunications Services, Inc. and Qwest, which was originally approved by the Commission effective July 23, 1999 in Docket No. TC99-057 with Amendments No. 1 and 2. Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than April 5, 2001. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments

Staff Attorney: Kelly Frazier
Date Docketed: 03/16/01
Initial Comments Due: 04/05/01

TC01-025 In the Matter of the Filing for Approval of a Fifth Amendment to an Interconnection Agreement between Qwest Corporation and New Edge Network, Inc. d/b/a New Edge Networks.

On March 16, 2001, a Fifth Amendment to the Interconnection Agreement between Qwest Corporation f/k/a U S WEST Communications, Inc. (Qwest) and New Edge Network, Inc. d/b/a New Edge Networks (New Edge) was filed with the Commission for approval. The agreement is a negotiated agreement between Qwest and New Edge which was approved by the Commission effective January 12, 2000, in Docket No. TC99-109. According to the parties the amendment is made in order to replace the Interim Line Sharing Agreement entered into between New Edge and U S WEST Communications, Inc. on April 24, 2000 and to replace Amendment No. 1 to the Underlying Agreement with the terms, conditions and rates set forth in Attachment 1 to this Amendment and replace both with the terms, conditions and rates as set forth in Attachment 1 to the Amendment. Any party wishing to comment on the Amendment may do so by filing written comments with the Commission and the parties to the agreement no later than April 5, 2001. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments

Staff Attorney: Kelly Frazier
Date Docketed: 03/16/01
Initial Comments Due: 04/05/01

TC01-026 In the Matter of the Application of The South Dakota Association of the Deaf d/b/a Communication Service for the Deaf for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

The South Dakota Association of the Deaf, d/b/a Communication Services for the Deaf (CSD) is seeking a Certificate of Authority to provide interexchange telecommunication

services throughout South Dakota. CSD intends to sell prepaid calling cards to the general public.

Staff Analyst: Heather Forney
Staff Attorney: Kelly Frazier
Date Docketed: 03/19/01
Intervention Deadline: 04/06/01

TC01-027 In the Matter of the Application of West End Communications Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

West End Communications Inc. is seeking a Certificate of Authority to provide interexchange telecommunication services in South Dakota. The applicant is a reseller which intends to offer interexchange services, including 1+ and 101XXXX outbound dialing, toll-free inbound dialing, directory assistance, data services, travel card services and prepaid calling card services.

Staff Analyst: Keith Senger
Staff Attorney: Karen Cremer
Date Docketed: 3/21/01
Intervention Deadline: 4/06/01

TC01-028 In the Matter of the Application of Comtel Network, LLC for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.

Comtel Network, LLC (Comtel) is seeking a Certificate of Authority to provide resold intrastate telecommunications services within the state of South Dakota. Comtel intends to provide message toll service, incoming 800/888 and travel card services.

Staff Analyst: Heather Forney
Staff Attorney: Kelly Frazier
Date Docketed: 03/21/01
Intervention Deadline: 04/06/01

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE FILING BY FLOYD)	ORDER FOR AND NOTICE
NIGHTINGALE FOR A MASTER METERING)	OF HEARING
VARIANCE REQUEST FOR FIVE APARTMENT)	
BUILDINGS IN HURON, SOUTH DAKOTA)	NG01-004

On March 19, 2001, the Public Utilities Commission (Commission) received a gas master metering variance request from Floyd Nightingale (Nightingale) for five apartment buildings located at 333 21st Street S.E., 335 21st Street S.E., 337 21st Street S.E., 339 21st Street S.E., and 341 21st Street S.E., Huron South Dakota. Nightingale requested to be present at the hearing.

Pursuant to ARSD 20:10:26:07, if an applicant requests a hearing, the Commission shall serve notice of the hearing on the affected utility company and set a procedural schedule. The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-34A, including 49-34A-27, and ARSD Chapter 20:10:26.

A hearing shall be held on April 18, 2001, beginning at 1:30 o'clock P.M., in Room 412 of the State Capitol Building, 500 E. Capitol, Pierre, South Dakota. All persons testifying will be subject to cross-examination by the parties.

The issue at the hearing is whether a master metering variance shall be granted to Nightingale for the apartment buildings listed above.

The hearing shall be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights shall be forfeited if not exercised at the hearing. If you or your representative fail to appear at the time and place set for the hearing, the Final Decision will be based solely on the testimony and evidence provided, if any, during the hearing or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearing, the Commission will consider all evidence and testimony that was presented at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. As a result of the hearing, the Commission shall determine whether a master metering variance shall be granted to Nightingale for the apartment buildings listed above. The Commission's Final Decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law. It is therefore

ORDERED, that a hearing shall be held at the time and place specified above on the issue of whether a master metering variance shall be granted to Nightingale for the apartment buildings listed above.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 4th day of April, 2001.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By: *DeLaine Kallas*

Date: *4/4/01*

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION

 James A. Burg
JAMES A. BURG, Chairman
 Pam Nelson
PAM NELSON, Commissioner



South Dakota Public Utilities Commission

File Copy



State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota 57501-5070

April 19, 2001

Susan Anderson Bachman
125 S Dakota Avenue
Suite 1100
Sioux Falls, SD 57104-6403

Dear Susan:

On April 18, 2001, a hearing was held on Docket NG01-004 regarding a master metering variance request from Mr. Floyd Nightingale. Mr. Nightingale owns five four-plexes in Huron. The four-plexes have one electric meter and four individual gas meters serving four furnaces, two hot water heaters, and a gas dryer. Mr. Nightingale is responsible for the bills for each of the meters. During the hearing the Commissioners had two questions for the utility. Please respond to the following questions by April 30, 2001.

1. Would Northwestern Public Service be willing to enter into some type of aggregate billing arrangement with Mr. Nightingale in order to reduce the number of bills Mr. Nightingale receives in a month? If so, please provide details of what the arrangement would be.
2. Would Northwestern Public Service agree to master metering each four-plex and continue to sub-meter the apartments? If so, explain what the charges would be to Mr. Nightingale on a monthly basis per four-plex.

As NPS' response will be admitted into the docket, please have your client submit its response under oath. If you have any questions, please do not hesitate to contact me.

Sincerely,

Karen E. Cremer
Staff Attorney

Cc: Michele Farris
Floyd Nightingale

Capitol Office
Telephone (605)773-3201
FAX (605)773-3809

Transportation/
Warehouse Division
Telephone (605)773-5280
FAX (605)773-3225

Consumer Hotline
1-800-332-1782

TTY Through
Relay South Dakota
1-800-877-1113

Internet Website
www.state.sd.us/puc/

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THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

APR 21

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

_____)
IN THE MATTER OF THE FILING BY)
FLOYD NIGHTINGALE FOR A)
MASTER METERING VARIANCE REQUEST) NG01-004
FOR FIVE APARTMENT BUILDINGS IN)
HURON, SOUTH DAKOTA)
_____)

HEARD BEFORE THE PUBLIC UTILITIES COMMISSION

PROCEEDINGS: April 18, 2001
1:30 P.M.
Room 412, Capitol Building
Pierre, South Dakota

PUC COMMISSION: Jim Burg, Chairman
Pam Nelson, Vice-Chairman

COMMISSION STAFF
PRESENT: Rolayne Ailts Wiest
Karen Cremer
Gregory A. Rislov
Michele Farris
Sue Cichos

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P R O C E E D I N G S

CHAIRMAN BURG: Good afternoon. Yes, it is 1:30, the designated time for the meeting. I will begin the hearing in Docket NG01-004, In the Matter of the Filing by Floyd Nightingale for a Master Metering Variance Request for Five Apartment Buildings in Huron, South Dakota.

The time is approximately 1:30 p.m.; the date is April 18th, 2001; and the location of the hearing is in Room 412, State Capitol, Pierre, South Dakota. I am Jim Burg, Commission Chairman. Commissioner Pam Nelson is also present. I am presiding over this hearing. This hearing was noticed pursuant to the Commission's Order For and Notice of Hearing issued April 4th, 2001. The issue at this hearing is whether a master metering variance shall be granted to Nightingales for the five apartment buildings.

All parties have the right to be present and to be

1 represented by an attorney. All persons so testifying
2 will be sworn in and subject to cross-examination by the
3 parties. The Commission's final decision may be appealed
4 by the parties to the State Circuit Court and the State
5 Supreme Court.

6 Rolayne Wiest will act as Commission counsel. She
7 may provide recommended rulings on procedural and
8 evidentiary matters. The Commission may overrule its
9 counsel's preliminary rulings throughout the hearing. If
10 not overruled, the preliminary rulings will become final
11 rulings. At this time I will turn it over to Rolayne to
12 conduct the actual hearing.

13 MS. WIEST: First I'll take appearances of the
14 parties. Mr. Nightingale, are you representing yourself;
15 is that correct?

16 MR. NIGHTINGALE: Yes.

17 MS. WIEST: And Commission staff.

18 MS. CREMER: Karen Cremer for Commission staff and
19 Michele Farris will be the witness.

20 MS. WIEST: Are there any opening statements
21 before we get to the testimony from anyone? Staff?

22 MS. CREMER: I have none.

23 MS. WIEST: Mr. Nightingale, if you would like to
24 come up to the chair and give the reasons why you would
25 like the variance. First we need to swear you in. And

1 after you give your reasons, the Commissioners or
2 Commission staff might have some questions for you.

3 MR. NIGHTINGALE: Could I change that swear to
4 affirm?

5 MS. WIEST: Yes.

6 **FLOYD NIGHTINGALE,**

7 called as a witness, affirmed to tell the truth,
8 was examined and testified as follows:

9 DIRECT EXAMINATION

10 MS. WIEST: You could sit down. If you could
11 begin by stating your name and address for the record and
12 if you could, just state why you want a variance and for
13 what and the reasons for the variance.

14 THE WITNESS: Thank you. Yes, I would. I'm Floyd
15 Nightingale, and I would like to have this variance for a
16 number of reasons.

17 One would be that each of those five four-plexes
18 that we have, each unit has only one electric meter and --
19 and we also have two apartments serving -- one hot water
20 heater serving two apartments. So it's very -- I cannot
21 determine who uses what for as far as the gas is
22 concerned. And also there's only one electric -- or one
23 gas dryer, which the four apartments use as combined
24 together.

25 And, therefore, it's in my opinion, I'm already a

1 master meter insofar that they're sharing the hot water
2 heater and the dryer. They each have their own furnace
3 and cooling system but only have one electric meter.
4 Never had more than one electric meter in the building.
5 That will be the main reason. And of course if I could
6 eliminate three meters or, instead of four, that would be
7 approximately 180 less bills to prepare a year. And
8 there's a fee for reading a meter. That would be another
9 900 bucks a year. That would be another reason why I
10 would like to have it changed.

11 As far as conserving gas, I could not prove that I
12 can conserve gas that way, but it would certainly make a
13 lot less hassle.

14 MS. WIEST: Anything else?

15 CHAIRMAN BURG: Why don't we do cross first.
16 Ms. Cremer, do you have any questions?

17 MS. CREMER: I would just have a few.

18 CROSS-EXAMINATION

19 BY MR. CREMER:

20 Q. Do you want to tell us the addresses on those
21 apartments?

22 A. Yes. They're in one -- they're 333, 335, 337,
23 339, and 341, all on 21st Street, Southeast, Huron.

24 Q. And do you want to just describe for us how --
25 what you have? Was that five separate buildings?

1 A. Five four-plexes.

2 Q. Okay. And if I understood you right, then, you
3 have one electric meter in each of those?

4 A. In each one.

5 Q. And two -- there's four apartments all together
6 and two of those are on a water heater so you have two --

7 A. Yes.

8 Q. -- two meters for the water heater; is that
9 right?

10 A. Yes, two meters.

11 Q. Okay. And then each apartment has its own
12 furnace?

13 A. Uh-huh.

14 Q. So you have four meters there?

15 A. Uh-huh.

16 Q. And I think you said you had one meter for one gas
17 dryer; is that right?

18 A. No, the gas drier is just taking off of
19 somewheres.

20 Q. Okay.

21 A. I have four meters. I have four meters for four
22 apartments.

23 Q. Okay.

24 A. But the two apartments share a hot water heater,
25 these two.

1 Q. Okay. I just wanted to make sure we all
2 understood.

3 A. Sure.

4 CHAIRMAN BURG: Can I stop there? Because I think
5 it would be easier to explain it. If two apartments share
6 one water heater, who pays for the gas?

7 THE WITNESS: I don't know.

8 MRS. NIGHTINGALE: We do.

9 THE WITNESS: We do.

10 COMMISSIONER NELSON: That's the question, do you
11 pay all the utilities?

12 THE WITNESS: We pay the utilities and all the
13 older retired people in there. There's none working in
14 those. Is that right, there's none?

15 MRS. NIGHTINGALE: I don't think so.

16 THE WITNESS: I don't think there's any of them
17 working. They're all retired and older folks.

18 CHAIRMAN BURG: Okay. Let Karen finish.

19 Q. (BY MS. CREMER) Okay. That was one of my
20 questions. How is rent determined? Is it a
21 month-to-month rent or is it a yearly lease they sign?

22 A. We have no yearly lease. It's month-to-month,
23 each month they pay their --

24 Q. And that includes all their utility bills?

25 A. Right. But if one washes every day and one washes

1 once a week, it wouldn't really be fair because they pay
2 the same.

3 Q. And how do you determine what everybody pays?

4 A. We have a set rule so much.

5 Q. Do you add up all -- I'm just trying to figure
6 out -- I assume they pay their rent in advance?

7 A. Yes.

8 Q. But your utility bills come in the following
9 month. I'm just trying to figure out how do you decide
10 how much to charge for utilities? Is it like \$100 an
11 apartment, or you added up last year's utility bills and
12 divide it by that square footage, or the number of
13 apartments, or the people, the number of people in the
14 apartment?

15 A. We averaged it out. The two front apartments have
16 two bedrooms. The two back apartments have one bedroom,
17 and we get a little bit more for the two bedrooms than we
18 do for the one bedrooms, but it's -- the rent is
19 included -- the utilities are included in the rent.

20 Q. Just --

21 A. A lump.

22 Q. Just a guess on your part?

23 A. I guess. We took an estimate about what the
24 utilities were, you know, from a year or something.

25 Q. Okay. Now, this last winter when natural gas

1 prices went up so, did you adjust rent to account for
2 that?

3 A. No, I haven't, but April 1st this month we went up
4 on each apartment equally.

5 Q. Do you encourage your tenants to practice energy
6 conservation?

7 A. Yes. We have all older folks and they come
8 through the thirties. They know what it's like. And
9 they're very -- I'm very happy with the way they conserve.

10 Q. Okay. Would you agree with me that if the tenants
11 paid their own utility bills, that they would be more
12 likely to conserve energy than they are when you pay their
13 utility bills?

14 A. I don't know if I could or not, really truthfully.

15 Q. But if they have no idea what they're really
16 paying for utilities, do you suppose they maybe run their
17 apartments one or two degrees warmer than they would if
18 they were paying it themselves?

19 A. I just doubt it.

20 Q. Okay.

21 A. Let me say this: I have one tenant that I think
22 would, but it's not in any one of these, it's in a duplex.
23 And she likes to have lights on and she likes to, you
24 know...

25 Q. If would you agree with me that if tenants were

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1 paying their own utility bills, that that would ultimately
2 force a landlord to participate in energy conservation
3 programs because the tenants would be demanding weather
4 stripping on their windows and doors, they would be
5 demanding insulation, things like that, and so that if
6 tenants pay their own bills and want to be able to
7 conserve energy, that would then force landlords -- and
8 maybe not you in general. I'm not saying your apartments
9 aren't that way, but would force landlords in general to
10 participate in conservation programs?

11 A. Oh, I think it would have a bearing. If they were
12 paying their bills, they would want to have tight windows
13 and tight doors and everything. We did --

14 Q. I'm sorry.

15 A. Now, again, just last fall or last summer we blew
16 in more insulation in the attics again and, you know, to
17 try and conserve more energy.

18 Q. Okay. If you were to be granted the master
19 metering variance, would there be any cost savings to the
20 tenants? Are they going to recognize --

21 A. I don't think there would.

22 Q. Okay. You're not planning on lowering the rent --

23 A. No.

24 Q. -- due to that?

25 A. Huh-uh, because we haven't raised the rent for

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1 years. And it was getting to where it was -- I mean we
2 needed to get -- this April we went up \$30 on each
3 apartment.

4 Q. What do you charge for rent in those apartments?

5 A. Two -- we were getting 285; right, Betty? 285 and
6 we added \$30 on for each one. That was for a what?

7 MRS. NIGHTINGALE: Well, the two-bedroom we rented
8 for 300.

9 A. Yeah, the two-bedroom was 300 and one-bedroom was
10 285.

11 Q. And then both of those went up \$30 a month as of
12 April 1?

13 A. Uh-huh.

14 Q. If you had to do any repiping or other work, if
15 you're allowed the master metering variance, is that cost
16 going to be passed on to the tenant?

17 A. No, no, it wouldn't be. The repiping, I don't
18 know how it could hardly -- it would be a very big expense
19 to me if I was supposed to repipe it, so -- well, it would
20 cost for another two hot water heaters, you know.

21 Q. If you were granted the master metering variance,
22 do you know will there have to be any work done if you're
23 allowed to go?

24 A. No, no.

25 Q. Okay. So if you're allowed to master meter, the

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tenants' rent isn't going to change in any way, shape, or form?

A. No. Could you explain to me -- let me see, my other -- 20:10:26:4, number three?

Q. Well, at this point --

A. Or is that --

Q. Yeah, I'm asking questions.

A. Okay, sorry.

Q. It's kind of a legal interpretation.

A. Yeah.

Q. If a tenant -- the way you're currently configured, they have their furnaces on a meter; right? The bill is not being sent to them, but their furnace is and they share a water heater with someone else?

A. Uh-huh.

Q. If, for whatever reason, the tenant wanted to put the natural gas service in their own name, could they do that if they wanted to know how much it was costing them a month? Could they do that and work out something with you in terms of, you know, paying less rent then?

A. They could if they didn't use any hot water heater or didn't use the washer -- the dryer.

Q. There was some way they could figure out who they were sharing water with and get them to contribute to that. But because these are individually metered at this

1 point, the furnace, they could have that put in their
2 name; right?

3 A. I think so.

4 Q. Okay. Have you done any type of remodeling
5 lately?

6 A. No, I haven't, but I had planned -- one of my
7 first letters that I wrote here, I had planned to remodel.
8 My windows are the Thermopane windows, but they're getting
9 old, and I had thought of re-siding it and put on
10 insulation on the outside and putting in new windows and
11 doors.

12 Q. Okay.

13 A. For conservative.

14 Q. That would be on all the four-plexes?

15 A. I would do them as I could, one or two at a time.

16 MS. CREMER: That's all I have.

17 MS. WIEST: Commissioners?

18 COMMISSIONER NELSON: Have you thought about not
19 paying the utilities and not master metering and let
20 everybody pay their own utilities?

21 THE WITNESS: I have, but as of right now I don't
22 know how I would get -- how I would redo all the piping
23 for the hot water heaters and the dryer. It would be
24 nearly impossible to tear out -- to get into the plumbing
25 and change that.

1 COMMISSIONER NELSON: Okay. That's all I have.

2 CHAIRMAN BURG: So right now what you do is you
3 read each of these separate meters?

4 THE WITNESS: Public Service does.

5 CHAIRMAN BURG: Public Service does and bills you
6 separately for each one of them?

7 THE WITNESS: Yes, I get a stack.

8 CHAIRMAN BURG: Do you understand the reason for
9 this law or for this requirement of no master meter?

10 THE WITNESS: Yes.

11 CHAIRMAN BURG: It is a federal requirement and
12 we're required to enforce it. And do you understand the
13 reasons behind it?

14 THE WITNESS: Well, the conservative part, right.

15 CHAIRMAN BURG: Yeah, the conservation. I mean
16 the fact being that if people are paying the same rate, if
17 they use a lot or use a little, there's no incentive to
18 conserve. And this actually happened back in the oil
19 embargo years of the Carter years to try to get some
20 energy conservation. It was implemented to make everybody
21 aware of what their actual energy costs were so there was
22 an incentive to conserve.

23 So our job is to look at that and say is there a
24 reason here why we should vary from that? Some of the
25 reasons usually that occur if we have a business

1 commercial building where you have space that is centrally
2 heated and air-conditioned and panels move around with
3 different tenants and things like that. That's one reason
4 that usually comes into it.

5 But as a rule, we tend to think that individual
6 homes are better individually metered so the people are
7 aware of what they are. I understand the situation
8 because regardless of our decision, I doubt if you're
9 going to turn around and make these people sign up for
10 individual gas themselves. And you have elderly people
11 who are used to this process and, like you say, are
12 basically conservative.

13 THE WITNESS: Right.

14 CHAIRMAN BURG: The thing is we also look at the
15 long-term part of the building which is are you always
16 going to own the building? Is it always going to be
17 elderly? And there's a reason it should be that way. I,
18 personally, have been trying to figure out a way that we
19 could accomplish some of both. Did you have any comments
20 or questions, Greg?

21 MR. RISLOW: I had a few questions I would like to
22 ask. My name is Greg Rislow with the Commission. Do the
23 number of people residing in each apartment cause you to
24 alter the amount of rent they pay based on the utilities
25 they use? For instance, if there were two people in an

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1 apartment, would you assign a smaller cost to that
2 apartment than if say there were three?

3 THE WITNESS: We have only one in each one of the
4 four-plexes, only one person in each one of the
5 four-plexes. We do have some duplexes and there we make a
6 variance if there's one person or two persons.

7 MR. RISLOV: But for these five buildings there's
8 only one person in each apartment?

9 THE WITNESS: There's one person in each one.

10 MR. RISLOV: Some just out for the two-bedroom
11 versus the single bedroom.

12 THE WITNESS: A little extra storage, another
13 extra bedroom.

14 MR. RISLOV: So the two-bedroom apartments are
15 larger than the single apartment?

16 THE WITNESS: Yes, a little bit.

17 MR. RISLOV: Are your gas dryers located in each
18 building open-use gas dryers, or are they coin-operated,
19 for instance?

20 THE WITNESS: No, they're -- I pay the bills on
21 the gas. It's not a coin-operated one.

22 MRS. NIGHTINGALE: There are a couple now.

23 THE WITNESS: Not in the four-plexes. Not on the
24 dryer, Dear. It's the washer. We started first with the
25 washers and dryers all being I pay the bills on them. We

1 have now two washers, which wouldn't affect this, that we
2 put coin-operated in because we had to replace them. The
3 dryer is still original gas dryers, and we pay the bills
4 for --

5 MR. RISLOV: Of course the point I'm making is if
6 they were coin-operated, it's really irrelevant whether or
7 not you pay the bill.

8 THE WITNESS: Reimbursed back to them, right.

9 MR. RISLOV: Is there a plan that you may change
10 out of those dryers when they wear out to coin-operated
11 dryers instead of open-use type of dryer?

12 THE WITNESS: I hadn't really planned to, no. I
13 have nothing in my plans on that. A gas dryer, they're
14 little trouble it seems like, so I've gotten along very
15 well.

16 MR. RISLOV: I'm a little confused on a number of
17 bills you actually pay, and I was trying to put together
18 some sort of tabulation. But from what I understand, each
19 furnace has its own meter and each apartment its own
20 furnace; is that correct?

21 THE WITNESS: Right.

22 MR. RISLOV: But you pay all the bills for those
23 furnaces?

24 THE WITNESS: Right.

25 MR. RISLOV: Is there any recognition of what's on

1 the meter for each furnace when you make that payment or
2 is it just again averaged across 20 apartments? Do you
3 read the meter off each furnace before you allocate what
4 the utility responsibility would be?

5 THE WITNESS: Public Service, my bills come right
6 to Public Service. At the end of the month I compare.
7 Every month they send us a statement, you know, what each
8 unit -- apartment 330 -- say for instance, 333, apartment
9 one, two, three, and four, gas. Apartment 333, electric.
10 I compare this unit with these other units. And you would
11 be surprised on how equal they are. I don't have anybody
12 that's really running way up, and it's within a few
13 dollars sometimes from one building to another.

14 MR. RISLOV: So you average that furnace gas cost
15 out over 20, then, just divide by 20?

16 MRS. NIGHTINGALE: He wants to know --

17 THE WITNESS: They are separately priced. I mean
18 like apartment one has its price.

19 MR. RISLOV: Let me explain it this way: Let's
20 say you've labeled your apartments apartment one through
21 apartment five.

22 THE WITNESS: Yeah.

23 MR. RISLOV: And each apartment has within it
24 apartment building one through five and each apartment has
25 four apartments, which would be building one, apartment

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1 one. And you get a bill for the furnace usage, gas usage,
2 I believe; is that correct?

3 THE WITNESS: Right.

4 MR. RISLOV: Now, when it comes time to assign
5 costs to the tenant living in the apartment one, do you
6 specifically bill them for that cost of gas, or do you
7 average it over all the units?

8 THE WITNESS: No, I average it. We've averaged it
9 through the apartments.

10 MR. RISLOV: You do the same thing for the water
11 heaters and you do the same thing for the dryers?

12 THE WITNESS: For the gas dryer.

13 MR. RISLOV: So how many bills do they end up
14 sending you? Do they send you a separate bill for each
15 furnace?

16 THE WITNESS: Yes.

17 MR. RISLOV: So for each furnace you'll get 20 --
18 for your furnaces you'll get 20 bills each month?

19 THE WITNESS: Uh-huh.

20 MR. RISLOV: For your water heaters you'll get ten
21 bills each month?

22 THE WITNESS: Right.

23 CHAIRMAN BURG: And for your electricity you would
24 get five?

25 THE WITNESS: Five.

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CHAIRMAN BURG: So you'll get 35 bills just for --
well, for the dryers you would get five bills as well
then?

THE WITNESS: No, the dryer is hooked up to
something. I don't know even know which one.

CHAIRMAN BURG: So your dryers would be included
in those 30 bills we talked about already?

THE WITNESS: Right, uh-huh.

CHAIRMAN BURG: And, okay. And for electric you
would get five bills?

THE WITNESS: Right.

CHAIRMAN BURG: So you're going to get 35 bills
each month?

THE WITNESS: Right. Plus we have quite --

COMMISSIONER NELSON: And you add them all up and
pay them with one or write 35 checks?

THE WITNESS: We used to do it ourselves but now
we have it with the bank. The bank -- Public Service.

COMMISSIONER NELSON: It's an automatic
withdrawal.

THE WITNESS: Yes, gives us a statement what they
have taken out of the account.

MR. RISLOW: Do you have to pay a separate
customer charge for each of those 35 bills you get?

THE WITNESS: No, Greg, you don't.

1 CHAIRMAN BURG: Do you happen to have a bill with
2 you? In other words, each bill has a minimum amount of
3 \$6.00, \$5.00.

4 COMMISSIONER NELSON: I'm sure he has to pay the
5 separate customer bill.

6 MR. RISLOV: Do you get 35 separate \$6.00 payments
7 on top of usage?

8 THE WITNESS: No.

9 MR. RISLOV: You just get one charge?

10 THE WITNESS: Right. What I understood Public
11 Service says the \$5.00 meter reading fee is so much, so
12 many therms already.

13 MS. WIEST: You don't have a bill with you?

14 THE WITNESS: No, I don't.

15 MRS. NIGHTINGALE: We can send you one.

16 CHAIRMAN BURG: If they're getting the \$5.00 --

17 MR. RISLOV: It's going to be different for gas
18 and electric. But if you get billed the minimum amount
19 for each bill, would that apply to each of the 35 bills?
20 For instance, the customer charge of five -- and I'm
21 throwing this number out. I don't have a tariff. But
22 let's say it's \$6.00 minimum charge whether you use any
23 gas or not.

24 THE WITNESS: Uh-huh.

25 MR. RISLOV: And then so much for each therm of

1 gas that you use. Do you know if you're getting billed
2 that minimum customer charge for each of the 35 bills?

3 THE WITNESS: I'm sure I am because he said that
4 it would be an advantage to me if they were master metered
5 because of after a certain amount of therms like in
6 summertime when there's very little -- my bills are the
7 same from month to month, some of those, so that means I'm
8 at minimum.

9 MR. RISLOV: Has NWPS offered to aggregate these
10 bills for you without the Commission going through this
11 proceeding? In other words, have they said they would be
12 willing to forego the minimum customer charge on every
13 bill?

14 THE WITNESS: I haven't visited with them about
15 that.

16 MR. RISLOV: Okay.

17 THE WITNESS: He termed it a meter reading fee. I
18 mean Public Service did. I don't know whether that -- is
19 that what you call a customer?

20 MR. RISLOV: In some cases the utility, if you
21 have multiple locations and meters, they will allow you
22 to -- they will assess you fewer customer charges than
23 what would normally apply for each meter.

24 THE WITNESS: Oh, that I don't know.

25 MR. RISLOV: And I don't know if they're even

1 presenting that as an option. We don't have it in tariff
2 right now with them. We could certainly, of course, file
3 something like that. We have other utilities who have
4 done that. But it's just a question I asked if that had
5 been presented to you.

6 THE WITNESS: Sure, thank you.

7 COMMISSIONER NELSON: But they will have to put in
8 a new meter; right?

9 MS. WIEST: If he master metered, would you
10 just -- wouldn't you just have one meter? Wouldn't there
11 be some charges associated with that changing it out so
12 it's just one meter as opposed to four in each apartment
13 building?

14 THE WITNESS: Public Service said if we had
15 permission, they would give me a figure what it would cost
16 to redo. Is that what you're thinking?

17 MS. WIEST: Yes.

18 THE WITNESS: To redo the piping outside for where
19 they can get to it.

20 COMMISSIONER NELSON: Do we know what that is?

21 THE WITNESS: They have never given me a figure.

22 MR. RISLOV: Would that leave you one meter per
23 building?

24 THE WITNESS: One meter per building instead of
25 five.

1 MS. WIEST: And then just to clarify, you have one
2 hot water heater serving two apartments?

3 THE WITNESS: Right.

4 MS. WIEST: But that that is a separate meter,
5 each water heater has a separate meter?

6 THE WITNESS: Right.

7 MS. WIEST: Or are they hooked up with one of the
8 apartments? Is it a gas water heater?

9 THE WITNESS: Gas water heater.

10 MS. WIEST: Is that like the dryer, it's hooked up
11 to one of the apartment's meter or is it a separate meter?

12 THE WITNESS: No, the dryer is hooked onto one of
13 those.

14 MS. WIEST: And the hot water heater though is
15 separate?

16 THE WITNESS: The dryer is hooked up to --

17 MS. WIEST: Right, but the hot water heater has
18 its own meter, each hot water heater?

19 THE WITNESS: Yes, each hot water heater. It's
20 only two but it serves two apartments.

21 COMMISSIONER NELSON: I guess I would be
22 interested in knowing what NWPS is going to charge to hook
23 up the master meter, what it would charge versus to hook
24 up separate meters for all these people and then they pay
25 the bills.

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1 CHAIRMAN BURG: Is there any other gas like
2 cooking stove, is any of that gas?

3 THE WITNESS: No, that's electric.

4 CHAIRMAN BURG: That's all electric.

5 COMMISSIONER NELSON: It just seems to me, though,
6 I think that the amount that they're being charged is more
7 than reasonable. It would be more equitable if everybody
8 was paying for what they actually used.

9 THE WITNESS: You mean the price we're paying --
10 that they're giving us for an apartment?

11 COMMISSIONER NELSON: I think it's more than
12 reasonable what you rent these places with the utilities
13 for. In fact. I don't know how you can do that at that
14 price given what you paid for gas this winter. But I
15 still think that overall it's fairer to everybody if
16 everybody pays for what they use. And maybe since they're
17 all elderly people at this time, their uses are very
18 similar.

19 But there's no way of knowing down the line that
20 you're always going to have people in those places that
21 always have similar uses because there's a lot of
22 difference between one person using facilities in there
23 and you have a family there with children or younger
24 people or whatever.

25 So it just seems like this isn't a very equitable

1 way to figure out what those people should be paying in
2 terms of utility costs. And I don't think it's fair to
3 you either that you should have to pay all those customer
4 service charges.

5 CHAIRMAN BURG: Somebody is going to have to pay
6 them. It all adds up to part of the bill. It still adds
7 up, the total, same amount would come out of those
8 buildings. And the interesting thing on this one is he
9 has got 20 apartments and each one of them has one person
10 in it, so the variation from one to the other is not going
11 to be very much.

12 COMMISSIONER NELSON: But you don't know there's
13 always going to be.

14 CHAIRMAN BURG: That's right.
15 COMMISSIONER NELSON: But I guess somehow down the
16 line I would like to know from someone how much it's going
17 to cost to do the master metering changeover versus what
18 it would cost if you changed over and had everybody paying
19 for their own usage on their meters. Then you wouldn't be
20 paying those service charges, those other people would.

21 THE WITNESS: Well, I would say that it would be a
22 very minimum what they would charge me to put a master
23 meter in there towards what it would cost me to repipe it,
24 to redo it so they would have their own separate. That's
25 the sticker, I mean that's the main thing.

1 CHAIRMAN BURG: Well, right now they have their
2 own separate although -- yeah, they have their own
3 separate and you would be master metering for the hot
4 water and the -- you don't know what the clothes dryer --
5 one of the apartments has got for the whole -- they're not
6 paying for it because he's paying it all.

7 I tell you the compromise that I would like to do
8 is to allow the master metering and maintain the
9 submetering so that you don't -- in other words, you don't
10 take out the individual apartment meter but they would not
11 be used for your payment purposes. And that way we
12 haven't -- we still have them there if the apartments ever
13 change types of usage.

14 THE WITNESS: Not change the piping? You would
15 change the other piping to one meter?

16 CHAIRMAN BURG: You wouldn't change one piping
17 because you already have it all coming in at one point and
18 they would put a master meter on one point, which is what
19 they said they would do anyway, just the fact they would
20 not take out the other four meters. They would stay there
21 for usage if it changed.

22 THE WITNESS: Run the main line into one master
23 meter regardless and then we would be paying on that
24 instead of --

25 CHAIRMAN BURG: Right, and the other meters would

1 be maintained is what's called submetering and that way
2 they would still be there for any -- you know, to me, it
3 would not -- it would still be individually metered but
4 you would have the ability to only pay the one bill.

5 THE WITNESS: Would Public Service charge me for
6 reading those other meters?

7 CHAIRMAN BURG: There wouldn't be any reading of
8 them necessary is what I would see at this point. I don't
9 know. It's not a perfect answer.

10 THE WITNESS: Does Public Service charge for a
11 meter? I don't know.

12 MS. WIEST: Different utilities have different
13 tariffs with respect to submetering, and I'm not sure what
14 this utility would have.

15 CHAIRMAN BURG: That's why I think we would
16 like -- I'd like to see what because evidently
17 Northwestern Public Service is the one that indicated to
18 you that you had this.

19 MS. CREMER: We have Michele.

20 CHAIRMAN BURG: I didn't know we would let her
21 testify. Let's do that. Let's go ahead with that. We're
22 getting too far into the decision at this point.

23 MR. RISLOV: Do you know when these buildings were
24 built approximately?

25 CHAIRMAN BURG: 1970.

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1 THE WITNESS: Yeah, they're older. I know there's
2 a clause about '80, is that when that one --

3 CHAIRMAN BURG: You stated here that they were
4 built in the late seventies.

5 THE WITNESS: Yeah.

6 MS. WIEST: Any other questions at this time? If
7 not, thank you. And Ms. Farris may testify.

8 MS. CREMER: Did you want to put his application
9 in, that letter? Do you want to put that in as an
10 exhibit?

11 MS. WIEST: Maybe we should.

12 MS. CREMER: Why don't we do that?

13 MS. WIEST: I have it.

14 (EXHIBIT NO. 1 WAS MARKED FOR
15 IDENTIFICATION.)

16 MS. WIEST: Exhibit 1 has been offered and
17 received.

18 MICHELE FARRIS,
19 called as a witness, being first duly sworn,
20 was examined and testified as follows:

21 DIRECT EXAMINATION

22 BY MS. CREMER:

23 Q. Would you state your name and address for the
24 record?

25 A. Michele Farris, 500 East Capitol, Pierre, South

1 Dakota.

2 Q. What's your educational background?

3 A. I have a bachelor's of science degree in
4 electrical engineering and a master's of science degree in
5 civil engineering.

6 Q. And can you tell us your work experience since
7 college?

8 A. I spent four years as an aerospace engineer for
9 Martin Marietta and Associates in Denver, two years as an
10 environmental consultant with an environmental consulting
11 firm in Denver, and six years with the Air Quality Program
12 at the Department of Environment and Natural Resources,
13 and two years with the Public Utilities Commission.

14 Q. In what capacity are you employed by the Public
15 Utilities Commission?

16 A. I'm a utility analyst.

17 Q. And were you the analyst assigned to review this
18 docket?

19 A. Yes, I was.

20 Q. And could you tell us what your understanding of
21 what Mr. Nightingale currently has for metering?

22 A. My understanding was there are four gas meters
23 serving four furnaces, one for each unit; two hot water
24 heaters, which are shared by two units; and a gas dryer.
25 So it's my understanding that between the five units

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1 there's 20 meters.

2 Q. Okay. And do you know how many bills per month
3 does he receive?

4 A. On the gas he receives 20.

5 Q. Okay. And if he were to master meter that would
6 go to 15 -- or he would have five?

7 A. Correct.

8 Q. So he has 15 less bills a month times the 12,
9 which is what gives him the 180?

10 A. The 180, correct.

11 Q. Okay. Do you know is there a monthly customer
12 charge --

13 A. Yes, there is.

14 Q. -- that he pays? Do you know what that is?

15 A. In the tariff it's listed as \$6.00, and then
16 there's also the \$6.00 minimum charge. And --

17 Q. Go ahead.

18 A. There's also a difference in the rate after the
19 first 30 therms are billed at a certain rate and after 30
20 therms it's a separate rate, which is lower.

21 Q. The second 30?

22 A. Anything after 30 you pay less for.

23 Q. Okay. If a tenant had a disconnection concern,
24 would staff be able to help them the way they're currently
25 configured with their metering?

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1 A. Yes.

2 Q. And how is that? What would come into play?

3 A. If the landlord were not paying the bill and there
4 was a problem with disconnect, in our rules in
5 20:10:20:09, there's landlord/tenant rules that the
6 utility, if they're aware that there is a landlord/tenant
7 relationship, would approach the tenant and offer them the
8 ability to put the meter in their name and cover the cost
9 and then there would be no disconnect.

10 Q. Okay. And if the meters were to be master
11 metered, would they then lose that protection afforded by
12 the Commission in those rules?

13 A. It would be very difficult to determine on one
14 meter how to split it out four ways.

15 Q. They would have to take on the responsibility of
16 the whole master meter?

17 A. Correct.

18 Q. Michele, based on your expertise and your
19 education, do you believe that granting this application
20 is in the public interest?

21 A. No.

22 Q. And why is that?

23 A. The fact that there's 20 separate tenants. I
24 understand there's 20 separate bills, but if they were on
25 their own individual meter, they would be paying the same

1 as any regular customer of NWPS. And also the
2 conservation issue, if you were more aware of what you're
3 using, you tend to conserve more; and being on an
4 individual meter you would have that ability to find out
5 what you're using.

6 Q. So do you have a recommendation for the
7 Commission?

8 A. I would recommend that the meters be left as
9 individual meters.

10 MS. CREMER: Okay. That's all I have.

11 MS. WIEST: Mr. Nightingale, do you have any
12 questions of the staff's witness?

13 MR. NIGHTINGALE: No, that's fine.

14 MS. WIEST: Commissioners, do you have any
15 questions?

16 CHAIRMAN BURG: I have one. There seems to be a
17 discrepancy whether there is ten more meters for water
18 heaters or not. He indicated that each water heater had a
19 separate meter.

20 THE WITNESS: Right. What I'm going off of is the
21 letter that was just entered in as Exhibit 1. He talks
22 about having 180 less bills. If you take 15 times 12,
23 that gives you the 180. And then if you look up at the
24 second paragraph where he explains it says he has four gas
25 meters and then he goes on to explain the four furnaces,

1 the two water heaters and the dryer. I could be wrong. I
2 guess that would be for Mr. Nightingale to clear up, but
3 that was my interpretation from the application.

4 CHAIRMAN BURG: And the way you've calculated,
5 presuming that the people are paying for their gas through
6 their rent, there is actually no savings to the customer
7 whichever way it is; is that correct?

8 THE WITNESS: Well, actually there is a savings
9 when you -- if you go to a master meter there would be
10 more savings because you would get that lower per therm
11 rate when you aggregate all of those into one bill.

12 CHAIRMAN BURG: Right.

13 THE WITNESS: Currently they're paying what I
14 would pay if I were on my own.

15 CHAIRMAN BURG: Right. Currently there is no
16 savings for the way it's being done because the full
17 charges are there for everybody. Presumably it's being
18 passed on.

19 THE WITNESS: That's correct.

20 MS. WIEST: Did you have any thoughts on the issue
21 of submetering?

22 THE WITNESS: I looked in the tariff and there was
23 no restrictions on submetering. My opinion, I think it's
24 a good option.

25 MS. WIEST: Any other questions?

1 COMMISSIONER NELSON: No.

2 MS. WIEST: Any redirect?

3 MS. CREMER: I don't have any.

4 MS. WIEST: Thank you. Do you have anything
5 further that you would like to add, Mr. Nightingale, based
6 on Ms. Farris's testimony?

7 THE WITNESS: Well, not really, I don't think.

8 CHAIRMAN BURG: I guess I'd like to try to clear
9 that up for sure. How many meters are in each building,
10 total meters?

11 MR. NIGHTINGALE: There's four gas meters and then
12 one electric meter.

13 CHAIRMAN BURG: Okay. So the water heaters are
14 actually being charged through those four that are there?

15 MR. NIGHTINGALE: Right.

16 CHAIRMAN BURG: That was a confusion that we had
17 between the two.

18 MR. NIGHTINGALE: Right.

19 MS. WIEST: Would the Commissioners like to take
20 it under advisement, or do you need any additional
21 information?

22 CHAIRMAN BURG: I guess I'd like to do one of two
23 things and not make a decision today. I'd like to have --
24 I'd like to find out two things: Whether NSP -- NWPS in
25 this case would be willing to do any aggregation of bills

1 and give this individual some savings, and what the costs
2 of master metering or submetering would be.

3 The reason this is a little more difficult for me
4 is because I do believe you're really giving a service to
5 these elderly people. I think it's convenient for them to
6 have one bill. I think that there wouldn't be that much
7 savings or that much change in the gain that we have here,
8 and yet I don't believe this is the kind of situation
9 where master metering was specifically designed for
10 because I don't know that these apartments will always
11 have this kind of usage and they could have mixed families
12 and this kind of thing where there is a tremendous lot of
13 difference in usage in the future.

14 So we have to look at the long term uses of them,
15 not just what's occurring today. But I would be
16 personally willing to look at master metering if that
17 shows up -- with submetering, if that shows up as a
18 savings and the company would be willing to do that. But
19 right at this time I'm not sure what the company is
20 willing to do, or as Greg brought up, there might be an
21 option of some aggregation that could accomplish you the
22 same thing without making any changes. And I guess I'd
23 like the opportunity to investigate that.

24 MS. WIEST: Commissioner Nelson, do you need any
25 more information besides that?

1 COMMISSIONER NELSON: Generally speaking, when
2 people come in and ask for the request, does the company
3 participate in this process?

4 MS. CREMER: They were sent notice. And by rule,
5 the rule sets out that the utility company is sent notice.
6 And they have been kept appraised the whole time, but they
7 have not had any contact with us.

8 MS. WIEST: What I would ask then if staff would
9 find the answers to the question and then just write a
10 letter to be put in the docket, that would give us those
11 answers?

12 MS. CREMER: What I was thinking if we did a data
13 request and asked them to do it under their response and
14 then couldn't we put that in? And I'll make sure
15 Mr. Nightingale gets a copy of that, obviously, but then I
16 think that would clear up any of the evidentiary problem
17 you would have.

18 MS. WIEST: Yeah, that would work.

19 MR. RISLOV: There's been mention of the declining
20 block rate effect of lowering the bill, and I guess I have
21 this question following that up. Do you separate the
22 utility costs from monthly rent on what you charge your
23 tenants, or is it just one amount that they are to pay?

24 MR. NIGHTINGALE: It has been one amount for
25 years.

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1 MR. RISLOV: So it's like say \$1,500 a month each
2 apartment owner has to pay? It's not separated between
3 the building and the utility? I'm pulling out a
4 fictitious number.

5 MR. NIGHTINGALE: No, I understand that, right.

6 MR. RISLOV: When you send your bill to the people
7 living in your apartments, is there one number, like you
8 pay \$350 a month, or is it you pay 350 plus another 25 for
9 utilities?

10 MR. NIGHTINGALE: We send them no bill.

11 MR. RISLOV: So they're paying you a flat amount
12 each month? There's no breakup between utility and
13 whatever?

14 MR. NIGHTINGALE: Winter, summer, straight
15 through.

16 MR. RISLOV: One amount. Thank you.

17 MS. WIEST: If there's nothing further, then, the
18 Commission will wait for that additional information. And
19 then we will inform you -- what we usually do is that once
20 the Commission is ready to make a decision, they have that
21 information, they usually put it on the agenda. And you
22 will be informed of when that will be decided and then at
23 your option you can join us by phone at our cost and
24 listen to that decision and, of course, you also get a
25 written decision after that.

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1 MR. NIGHTINGALE: I would like to say that I like
2 Mr. Burg's idea. I mean that would be fine to put a
3 master meter there and leave them; and if things would
4 change -- I know we don't live forever and, you know, that
5 would be --

6 MS. WIEST: Okay. Thank you for coming.

7 CHAIRMAN BURG: As far as feeling it necessary to
8 come when we make the decision, that won't be necessary
9 because at this time we've had all the testimony and we
10 wouldn't allow any more input anyway. I don't want you to
11 feel you have to be there for the decision.

12 (The hearing concluded at 2:15 p.m.)

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NG01-004 Huron S.D.

March 14 - 2001

Dear Sirs

... Application for a variance of metering gas from Multiple Meters to one Master Meter for the following five Existing apt Bldgs, built in the late 1970's .. address 333-335-337 339 + 341 21st St SE Huron S.D.

Each unit has 4 gas meters which supply gas to 4 - furnaces (1 for each apt)

Already Master Metered Chapter 20:10:26 04 #6 } 2 - water heaters (serving all 4 apts)
1 - gas dryer (serving all 4 apts)

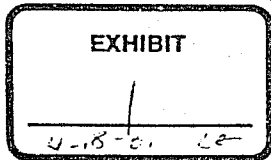
Each unit has only 1 Electric Meter (Serving all 4 APPT'S)

Refer to Chapter 20:10:26:4 #3

Reasons -

Impossible to determine individual use. Also electricity is Master Metered 180 less bills to be processed per year \$900.00 less per year for Meter fee & Reading

Should like to be present at hearing



Telephone # 645-352-3470

RECEIVED

MAR 19 2001

Sincerely

Floyd R. Hestegale

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

NorthWestern™

Energy & Communications Solutions

April 30, 2001

Ms. Karen E. Cremer
Staff Attorney
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, SD 57501-5070

Re: Docket No. NG01-004
Mr. Floyd Nightingale – Master Metering Variance Request

Dear Karen:

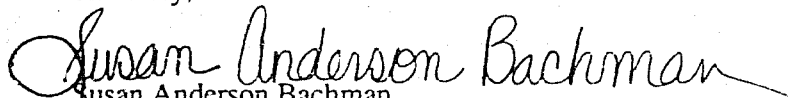
We are in receipt of your letter dated April 19, 2001 in the above-referenced matter. We are continuing to gather information on this matter to answer the questions posed in your letter and to potentially offer a solution to this matter.

On behalf of NorthWestern, I apologize for not being involved in this matter at an earlier timeframe, especially at the hearing on April 18, 2001. A notice of this matter did not come to our attention.

We respectfully request to be given until April 10, 2001 to respond to the questions posed in your letter.

If you have any questions or concerns, please contact me at 605-782-5524.

Sincerely,


Susan Anderson Bachman
Vice President – Legal Services

600 Market Street W
Huron, SD 57350-1500
Telephone 605 352-8411
Toll Free 800-345-2977
Facsimile 605 353-7560
www.northwesternonline.com

RECEIVED

MAY 01 2001

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

FAX Received APR 30 2001



125 S. Dakota Avenue
Sioux Falls, SD 57104-6403
Telephone: 605-978-2908
Facsimile: 605-978-2910
www.northwestern.com

May 9, 2001

Karen E. Cremer
Staff Attorney
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

RECEIVED

MAY 10 2001

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Re: NG01-004
Master Metering Variance Report – Mr. Floyd Nightingale

Dear Karen:

Enclosed are the original and ten copies of the affidavit from NorthWestern Public Service in the above referenced matter. This is intended as service upon you by mail.

If you have any questions or concerns, please call me at 605-782-5524.

Sincerely,


Susan Anderson Bachman
Vice President – Legal Services

Enclosures

cc: Mr. Floyd Nightingale

RECEIVED

MAY 10 2001

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN RE:)
NORTHWESTERN PUBLIC SERVICE) Docket No. NG01-004
A division of NorthWestern Corporation)

AFFIDAVIT OF SUSAN ANDERSON BACHMAN

STATE OF SOUTH DAKOTA)
COUNTY OF MINNEHAHA) SS

Susan Anderson Bachman, being first duly sworn, deposes and says:

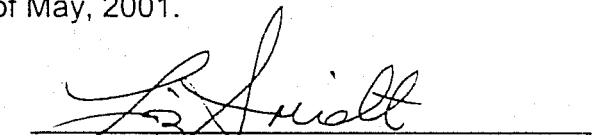
1. She is the attorney for NorthWestern Public Service, a Division of NorthWestern Corporation ("NorthWestern").
2. She received a letter dated April 19, 2001 from Karen E. Cremer, Staff Attorney ("Commission Letter") for the South Dakota Public Utilities Commission ("Commission") asking for a response to questions raised by the Commission in Docket NG01-004 regarding a master metering variance request from Mr. Floyd Nightingale, Huron, South Dakota.
3. The Commission Letter asked for NorthWestern to answer the following questions:
 - A. Would NorthWestern Public Service be willing to enter into some type of aggregate billing arrangement with Mr. Nightingale in order to reduce the number of bills Mr. Nightingale receives in a month? If so, please provide details of what the arrangement would be.
 - B. Would NorthWestern Public Service agree to master meter each four-plex and continue to sub-meter the apartments? If so, explain what the charges would be to Mr. Nightingale on a monthly basis per four-plex.
4. Upon information and belief, NorthWestern believes that Mr. Nightingale currently owns five four-plexes in Huron.
5. NorthWestern serves these four-plexes with natural gas and electric service.
6. Upon information and belief, each four-plex has four individual gas meters serving four furnaces, two hot water heaters, and a gas dryer.

7. Upon information and belief, Mr. Nightingale currently pays the electric and natural gas utility bills for the five four-plexes.
8. The electric service to each four-plex is currently master metered.
9. Through discussions with NorthWestern employees, Mr. Nightingale is aware that he would be responsible to pay for any modifications made to the existing metering configuration. A preliminary cost estimate to reconfigure for one gas meter to each four-plex is a total of \$800 - \$1000 for estimated time and materials.
10. To answer Question 1. from the Commission Letter, NorthWestern currently offers the ability to have a customer's monthly bills for multiple locations to be billed on the same billing cycle so that all monthly bills would be mailed during the same time period. At this time, NorthWestern's computerized billing system does not provide the ability to do aggregate billing by combining the monthly bills for multiple locations on one monthly bill.
11. If the Commission grants Mr. Nightingale a variance for master metering his gas service to each four-plex, NorthWestern would install a gas master meter for each four-plex and remove the existing gas meters thereby providing one gas meter to each four-plex.
12. To answer Question 2 from the Commission Letter on NorthWestern's willingness to master meter and sub-meter each four-plex, NorthWestern believes there are no provisions by statute or regulations that requires NorthWestern to provide sub-metering services if a dwelling is master metered. Also, NorthWestern believes no compelling reason exists to continue to sub-meter each four-plex if the Commission grants Mr. Nightingale's request for a master metering variance. NorthWestern's Gas Rate Schedule General Terms and Conditions (Section 5, Sheet No. 2, 2nd Revised), states "[s]ubmetering will not be permitted unless it is at the same premises and either the Customer or the Company have compelling reasons for not combining the existing services into one service and one meter." Given the current configuration at each four-plex of four furnaces, two hot water heaters and one gas dryer connected to four meters, NorthWestern submits that master metering each four-plex and sub-metering with this current configuration would not accomplish a true accounting of gas usage for each apartment.
13. NorthWestern is willing to work with Mr. Nightingale to provide a master gas meter at each four-plex if the Commission grants Mr. Nightingale's request for a master metering variance. NorthWestern is also willing (whether or not the Commission grants Mr. Nightingale's

request for a master metering variance) to place Mr. Nightingale's properties on the same billing cycle so that all monthly bills would be mailed during the same time period.


Susan Anderson Bachman

Subscribed and sworn to this 9th day of May, 2001.


Notary Public – South Dakota
My Commission Expires: 4/3/05

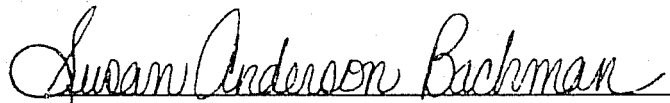
(Notary Seal)

CERTIFICATE OF SERVICE

I hereby certify that copies of the Affidavit from NorthWestern Public Service in Docket No. NG01-004 were served on the following by mailing the same to the South Dakota Public Utilities Commission by UPS Overnight mail, postage thereon paid, at the address shown below on this 9th day of May, 2001.

Ms. Karen E. Cremer
Staff Attorney
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

Mr. Floyd Nightingale
1924 Iowa Avenue SE
Huron, SD 57350



Susan Anderson Bachman
Attorney for NorthWestern Public Service,
A division of NorthWestern Corporation
125 S. Dakota Avenue
Sioux Falls, SD 57104
605-782-5524

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE FILING BY FLOYD)	FINDINGS OF FACT AND
NIGHTINGALE FOR A MASTER METERING)	CONCLUSIONS OF LAW;
VARIANCE REQUEST FOR FIVE APARTMENT)	NOTICE OF ENTRY OF
BUILDINGS IN HURON, SOUTH DAKOTA)	ORDER
)	NG01-004

On March 19, 2001, the Public Utilities Commission (Commission) received a gas master metering variance request from Floyd Nightingale for five apartment buildings located at 333 21st Street S.E., 335 21st Street S.E., 337 21st Street S.E., 339 21st Street S.E., and 341 21st Street S.E., Huron South Dakota. Mr. Nightingale requested to be present at the hearing.

The hearing was held as scheduled on April 18, 2001, beginning at 1:30 o'clock P.M., in Room 412 of the State Capitol Building, 500 E. Capitol, Pierre, South Dakota. The issue at the hearing was whether a master metering variance shall be granted to Mr. Nightingale for the apartment buildings listed above.

At the end of the hearing, Chairman Burg requested additional information from NorthWestern Public Service (NWPS). On May 10, 2001, NWPS provided the information by affidavit.

At its May 22, 2001, meeting, the Commission considered this matter. The Commission voted to deny the master metering variance request.

Based on the evidence of record, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Mr. Nightingale owns five apartment buildings located at 333 21st Street S.E., 335 21st Street S.E., 337 21st Street S.E., 339 21st Street S.E., and 341 21st Street S.E., Huron South Dakota. TR. at 5.
2. Each apartment building has four gas meters and one electric meter. TR. at 35. Each apartment has a gas furnace. TR. at 30. Each apartment building has one gas dryer and two water heaters. *Id.* Currently, Mr. Nightingale pays all of the gas utility bills. TR. at 7.
3. Mr. Nightingale estimated he could save around \$900.00 by master metering the apartment buildings. TR. at 5.
4. Michele Farris, utility analyst for the Commission, recommended that the variance be denied. TR. at 33. She explained that if the apartment buildings were master metered then it would be more difficult for a tenant to pay the utility bill in the event the landlord failed to pay the bill and the tenants were facing disconnection. TR. at 32. She further explained that individual meters promote conservation. TR. at 33.

5. Following the hearing, NWPS responded to some questions raised at the hearing. NWPS stated that its computerized billing system is unable to provide the ability to do aggregate billing by combining the monthly bills for multiple locations on one monthly bill. Affidavit of Susan Anderson Bachman, ¶¶ 10. NWPS also stated that its preliminary cost estimate to reconfigure for one gas meter to each four-plex is a total of \$800.00 to \$1000.00 for time and materials. Id. at ¶¶ 9.

6. The Commission denies Mr. Nightingale's request for a variance. The Commission finds individual meters will promote conservation in the event tenants are required to pay for their gas service in the future. The Commission further finds that individual meters will allow tenants to place the utility service in their names if a landlord failed to pay the gas bills in the future.

CONCLUSIONS OF LAW

1. The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-34A, including 49-34A-27, and ARSD Chapter 20:10:26.
2. The Commission denies Mr. Nightingale's request for a master metering variance.

NOTICE OF ENTRY OF ORDER

PLEASE TAKE NOTICE that this Order was duly entered on the 30th day of May, 2001. Pursuant to SDCL 1-26-32, this Order will take effect 10 days after the date of receipt or failure to accept delivery of the decision by the parties.

Dated at Pierre, South Dakota, this 30th day of May, 2001.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u>Melaine Koelb</u>
Date:	<u>5/30/01</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner