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May 18, 2012

Patricia Van Gerpen Executive Director SD Public Utilities Commission 500 E. Capitol Ave. Pierre, SD 57501

Re:

NG12-003 - In the Matter of The Evangelical Lutheran Good Samaritan Society's Notice to the Commission and Request for Determination of an Exception to Individual Metering Requirements under ARSD § 20:10:26:04(6) for a planned 44-unit Residential Complex

Dear Ms. Van Gerpen:

On May 11, 2012, the Commission received a filing from The Evangelical Lutheran Good Samaritan Society (ELGSS) notifying the Commission of its plans to construct a forty-four (44) unit project and to incorporate a master metered gas and electric system. The housing project has been selected to receive a conditional reservation of housing tax credits by the South Dakota Housing Development Authority (SDHDA) and will serve as a low-income housing project for persons of sixty-two (62) years of age, or older. The project will be located in downtown Sioux Falls at the intersection of North Main Avenue and West Third Street.

Staff has reviewed this filing and recommends the Commission dismiss this docket as all issues identified in the petition fall outside the Commission's jurisdiction.

Upon contacting ELGSS, Staff was informed the proposed project will not be equipped with a master metered natural gas system. Instead, the petition refers to a natural gas central water heating system. This system will be fed by a single natural gas line and equipped with a single meter. Staff interprets ARSD 20:10:26:04(6) to provide an exception to individual metering requirements if a building is equipped with a central water heating system. The presence of a central water heating system is the basis for an exception to individual metering requirements; it is not a system that requires an exception. As the installation and use of a central watering heating system is not a regulated activity, ELGSS is free to install this system without the need for Commission approval.

Next, the filing states ELGSS plans to utilize a master metered electrical system. The proposed project falls within the electric service territory of the City of Sioux Falls. As a municipal utility provider, Sioux Falls is the appropriate decision making entity on the issue of whether a customer may install a master metered electric system. Under these circumstances, this is not a matter to be decided by the Commission as it is outside its regulatory jurisdiction.

Sincerely,

Ryan Soye / Staff Attorney