

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

IN THE MATTER OF THE APPLICATION FOR A MASTER METERING VARIANCE REQUEST FOR THE WESTERN MALL, SIOUX FALLS, SOUTH DAKOTA))))	ORDER GRANTING A MASTER METERING VARIANCE AND CLOSING DOCKET EL03-022
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On June 16, 2003, the Public Utilities Commission (Commission) received a letter of application from TSP, on behalf of the owner of the Western Mall, Sioux Falls, South Dakota, applying for a master meter variance in accordance with ARSD 20:10:26:04, et seq. According to the application, the Western Mall is currently served by a central physical plant, which is nearing the end of its useful life and needs to be upgraded. The physical plant is currently served with a single electric meter. The owner is proposing individual roof top units for each of the tenants. Therefore, they are requesting a variance, in accordance with ARSD 20:10:26, to allow the continued use of a single master meter.

On June 19, 2003, the Commission electronically transmitted notice of the filing and the intervention deadline of July 7, 2003, to interested individuals and entities. No petitions to intervene or comments were filed.

Commission Staff (Staff) sent a data request to TSP on June 19, 2003, requesting additional information. Included in the data request was a question regarding how the cost of the electricity was allocated to the tenants. Staff received a response to that data request on August 25, 2003. Staff requested a copy of a sample billing for one month. Upon review of the sample billing it became apparent that Xcel was billing the Western Mall for electrical usage at an interruptible rate which provided lower rates. The Western Mall recalculated the electrical bill for each tenant using Xcel's tariff rates. Based on the information received for the August billing, the Western Mall was billed \$40,268.46 for electric utility service and received \$59,487.34 from its tenants. Staff notified the Western Mall that the manner in which it billed its tenants for electrical service was improper.

On September 19, 2003, Staff met with the consultant, Western Mall management and Xcel officials regarding the variance request. During this meeting Staff again explained the problem with the billing. Also during this meeting Staff became aware that the adjacent Scheels facility, located at 2101 W. 41st St., Sioux Falls, South Dakota, which had recently been constructed, had been master metered without prior Commission approval. Staff requested that the Western Mall send notification to the Commission regarding the design of the facility and why it was master metered.

On November 14, 2003, Staff received the information requested to determine if the changes to the Western Mall met the definition of ARSD 20:10:26:03(3). Upon review of the information Staff determined that requiring individual meters would indeed be uneconomical.

On January 6, 2004, the Commission considered the application of the Western Mall. Staff recommended that the Commission grant the variance request based on the economics of the renovation, see ARSD 20:10:26:03(3). Staff further recommended the following conditions:

- a) The Western Mall management shall not charge its tenants for electrical energy above that amount billed by Xcel Energy.

- b) The Western Mall management must submit to Staff, within 14 days of issuance of this order, a detailed description of how the electrical costs will be allocated to each tenant, including the Scheels complex.
- c) The Western Mall management shall submit to Staff a copy of the monthly billings from Xcel to the Western Mall, including the Scheels billing, for the three months following issuance of this order.
- d) The Western Mall management shall submit to Staff a compilation of the monthly billing to the Western Mall tenants to correspond to the billings from Xcel for the three months following issuance of this order.
- e) The Western Mall management shall submit to Staff, within 14 days of issuance of this order, a letter explaining the design of the Scheels facility and how it came to be master metered without prior Commission approval.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-34A, including 49-34A-4, and ARSD Chapter 20:10:26.

Based upon the application, responses to data requests, and the recommendation of Staff, the Commission finds that the applicant's request for approval of a master meter variance shall be granted with the conditions as recommended by Staff. It is therefore

ORDERED, that the request for a master meter variance is granted to the Western Mall and to the Scheels addition, Sioux Falls, South Dakota, with the following conditions:

- a) The Western Mall management shall not charge its tenants for electrical energy above that amount billed by Xcel Energy.
- b) The Western Mall management must submit to Staff, within 14 days of issuance of this order, a detailed description of how the electrical costs will be allocated to each tenant, including the Scheels complex.
- c) The Western Mall management shall submit to Staff a copy of the monthly billings from Xcel to the Western Mall, including the Scheels billing, for the three months following issuance of this order.
- d) The Western Mall management shall submit to Staff a compilation of the monthly billing to the Western Mall tenants to correspond to the billings from Xcel for the three months following issuance of this order.
- e) The Western Mall management shall submit to Staff, within 14 days of issuance of this order, a letter explaining the design of the Scheels facility and how it came to be master metered without prior Commission approval.

It is further

ORDERED, that this docket is closed.

Dated at Pierre, South Dakota, this 29th day of January, 2004.

<p style="text-align: center;">CERTIFICATE OF SERVICE</p> <p>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.</p> <p>By: <u> Adrian Kolbo </u></p> <p>Date: <u> 1/29/04 </u></p> <p style="text-align: center;">(OFFICIAL SEAL)</p>
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BY ORDER OF THE COMMISSION:

 Robert K. Sahr
ROBERT K. SAHR, Chairman

 Gary Hanson
GARY HANSON, Commissioner

 James A. Burg
JAMES A. BURG, Commissioner

