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South Dakota

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Patricia Van Gerpen, Executive Director
South Dakota PUC
500 E Capitol Ave
Pierre, SD 57501

RE: Staff Request to Open A New Electric Docket Titled, "In the Matter of the Request by the Good Samaritan Society for a Variance from the Individual Metering Requirement in ARSD 20:10:26:03 for a 50 Unit Project in Rapid City, SD"

Ms. Van Gerpen,

On March 1, 2017, Staff was forwarded a letter from the Evangelical Lutheran Good Samaritan Society regarding a gas and electric master metering exception at Rapid City Good Samaritan Housing Development in Rapid City, SD (Project). The letter requested Commission confirmation that pursuant to ARSD 20:10:26:04(6) the Project, due to a central water heating system, is an exception to the individual metering requirement for natural gas. Further, the letter requested the Commission provide a variance in order to allow for the Project's electric service to be master metered. Staff reviewed the letter in accordance with the Commission's *Order Establishing Procedure for Consideration of Notices of Exception (6) from Master Metering Prohibition* in docket AA14-002.

As staff understands the project, the Good Samaritan Society plans to construct a 50-unit building for low income elderly housing in Rapid City, SD. The Project will include a central water heating system with three natural-gas high efficiency water heaters and gas will not be used in each individual apartment. Gas service to the Project will be provided by Montana Dakota Utilities Company. The Project will have a common HVAC system for corridors, stairwells, and a significant quantity of common spaces (e.g. laundry and lunchroom services). Staff is not certain what HVAC system will be used to heat and cool the Project's individual apartments. Electric service to the project will be provided by Black Hills Energy.

In regard to gas service, Staff finds that the Project meets the exception set forth in ARSD 20:10:26:04(6) and does not need a variance from the Commission to master meter gas service. Therefore, no further action is needed by the Good Samaritan Society or the Commission for gas service.

In regard to electric service, Staff finds that the Project may be required to have individual metering pursuant to ARSD 20:10:26:03 and, therefore, the Good Samaritan Society should pursue its request for a variance from the individual metering requirements of ARSD 20:10:26:03 in order to master meter electric service. With this letter, Staff requests a new electric docket be opened to process the individual metering variance request made by the Good Samaritan Society. Attached to this letter is the letter dated March 1, 2017, that was received from the Good Samaritan Society for filing in the new docket.

Sincerely,

Darren Kearney and Kristen Edwards
South Dakota Public Utilities Commission Staff