

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Shorestone Development
Master Meter Waiver
Approval

Case No. PU-10-601

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Cara DeSaye deposes and says that:

she is over the age of 18 years and not a party to this action and, on the 21st day of **October, 2010**, she deposited in the United States Mail, at Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:


Order

The envelope was addressed as follows:

David Thompson
Toman Engineering Company
501 1st St NW
Mandan ND 58554

Cert. No. 7009 2820 0002 9238 0163

The address shown is the respective addressee's last reasonably ascertainable post office address.

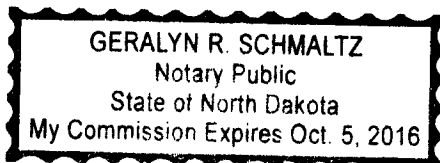


Subscribed and sworn to before me
this 21st day of **October, 2010**.



Notary Public

SEAL



**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Shorestone Development
Master Meter Waiver
Approval**

PU-10-601

ORDER

October 20, 2010

On October 5, 2010 Shorestone Development filed a petition to master meter electric service for heating and cooling at two new 25-plex apartment buildings being constructed at 4301 21st St. SE in Mandan, ND. Shorestone plans to install a single meter for metering separate combination heating/cooling units in each apartment. Shorestone would install separate meters for each apartment's remaining electric usage. Electric service to the buildings is to be provided by Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU). A similar metering arrangement was approved by the Commission in Case No. PU-07-752 for a 44-plex constructed by Shorestone in 2008.

North Dakota Administrative Code section 69-09-02-37 generally prohibits master metering, but provides that the Commission may approve a petition for master metering if "the owner or builder effectively demonstrates to the satisfaction of the Commission that the costs of purchasing and installing separate meters in such building exceed the long run benefits of separate metering to the customers in such building."

69-09-02-37. Electric master metering prohibited - Exception.

1. Applicability. This section is applicable to any new or substantially remodeled commercial or residential building containing more than one unit or any other multiple use facility in which the occupant of each unit has control over a portion of the electric energy used in the building or facility. This section is applicable to those buildings or facilities on which construction or substantial remodeling is commenced on or after November 1, 1980. This section is not applicable to hotels, motels, dormitories, nursing homes, homes for the elderly, or similar facilities, or to low income rental housing in which the cost of electricity is included in the rent and where the amount of the rental payment is based upon the tenant's ability to pay.
2. Master metering of electric service in new or substantially remodeled buildings is prohibited, except to the extent determined appropriate by the commission pursuant to subsection 3.
3. An owner or builder of a new or substantially remodeled building may petition the commission for approval of master metering of electric service. The commission may approve the petition if the owner or builder affirmatively demonstrates to the satisfaction of the commission that the costs of purchasing and installing separate meters in such

building exceed the long-run benefits of separate metering to the customers in such building.

Shorestone asserts that heating and cooling are basic needs with limited potential for conservation such that any long-run benefits of separate metering would be minimal compared to the costs.

Shorestone's engineering consultant estimates the initial capital cost for installing larger meter sockets and panels to carry the additional electric load for heating and cooling each apartment through 50 separate meters to be approximately \$34,200 more than the costs for installing a master meter.

Shorestone contends that the costs of purchasing and installing separate meters includes the loss of ongoing electric cost savings to tenants expected from master metering under MDU's General Electric Space Heating Rate 32.

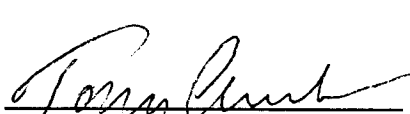
Having considered this matter, the Commission finds that Shorestone has affirmatively demonstrated to the satisfaction of the Commission that the ongoing costs of purchasing and installing separate meters exceed the long-run benefits of separate metering.

Order

The Commission Orders:

1. The petition of Shorestone Development to master meter electric service is GRANTED.
2. Shorestone is reminded that both sub-metering and resale of electricity are prohibited under section 69-09-02-15 of the North. Dakota. Administrative Code.

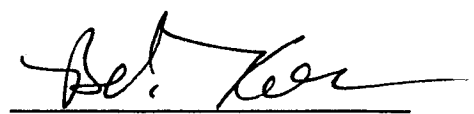
PUBLIC SERVICE COMMISSION



Tony Clark
Commissioner



Kevin Cramer
Chairman



Brian P. Kalk
Commissioner