

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE PETITION
FOR DESIGNATION OF MONTANA-
DAKOTA UTILITIES CO. AS
ELECTRIC SERVICE PROVIDER FOR
THE NEW NORTH CENTRAL
FARMERS ELEVATOR LOCATION IN
BOWDLE, SOUTH DAKOTA, AS A
LARGE LOAD CUSTOMER.

DOCKET NUMBER EL06-011

AFFIDAVIT OF KEITH HAINY

State of South Dakota)
) ss
County of Edmunds)

I, Keith Hainy, having been first duly sworn upon my oath, state as follows:

1. I am the General Manager of North Central Farmers Elevator ("North Central"), which is located in Ipswich, South Dakota. North Central is planning to build a new grain handling facility in Bowdle, South Dakota (the "Facility" or the "Bowdle Facility").

2. The Bowdle Facility is located within the assigned service territory of FEM Electric Association, Inc. ("FEM"). North Central is a current customer of FEM, as is North Central's grain handling plant located in Craven, South Dakota ("Craven Elevator").

3. I have been engaged in ongoing negotiations with FEM for provisioning of electric service to the Bowdle Facility. As current FEM customers, it is North Central's desire to expand its current business relationship with FEM by having FEM provide electric services to the Bowdle Facility.

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4. Montana Dakota Utilities Company ("MDU") will provide natural gas to the Bowdle Facility. MDU asked to be allowed to submit a bid for electric service to the Bowdle Facility, which MDU assumed was a large load.

5. I did not take any action on MDU's proposal. Instead, I entered into an agreement for electrical services to the Bowdle Facility with FEM on or about April 13, 2006. In this Electrical Service Agreement, there is not a specified contracted minimum load of over two thousand kilowatts.

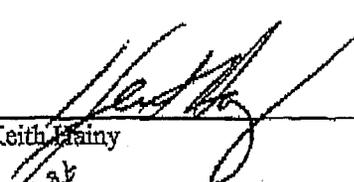
6. It is my opinion, based upon North Central's analysis and previous experience, that the Bowdle Facility will not require a minimum demand of 2,000 kilowatts. I base this opinion on the electric utility requirements of the Craven Elevator. In 2005, Craven Elevator loaded more BNSF shuttle trains than any other handling facility in South Dakota. Craven Elevator, it uses less than 1,500 kilowatts of power. The Bowdle Facility is not anticipated to handle the volume of grain that the Craven Elevator handles. Thus, I do not believe that the Bowdle Facility will have an electrical demand of more than 2,000 kilowatts.

8. In addition to not being a large biddable load under SDCL § 49-34A-56, it is North Central's clear and stated preference for FEM to be the electric service provider of the Bowdle Facility, which is evidenced by the Electric Service Agreement between the parties. Because the Bowdle Facility is within FEM's service territory, no Commission action is necessary, and North Central did not petition the Commission for approval of an alternative electric service provider.

9. Time is of the essence for construction of the electrical sub-station to serve the Bowdle Facility, and it is a great hardship to my company to be involved in unnecessary

litigation improperly initiated by a competing electric service provider. I request that the Commission dismiss the petition of MDU because 1) this load is not over 2,000 kilowatts, and 2) it is North Central's preference to have FEM serve the Bowdle Facility.

DATED this 21st day of June, 2006.



Keith Hainy

Subscribed and sworn to before me this 21st day of June, 2006.



Deanne J. Hoyle
Notary Public

My commission expires: 4-3-2011

Notary Print Name: Deanne J. Hoyle

(SEAL)