

B. 84. 2310/K

EL 95-016

DOCKET NO. EL 95-016

In the Matter of _____

IN THE MATTER OF THE APPLICATION OF
BLACK HILLS POWER AND LIGHT COMPANY
AND BLACK HILLS ELECTRIC
COOPERATIVE, INC. FOR APPROVAL OF
TRANSFER OF SERVICE TERRITORY FOR
JAMES F. AND PATTY WATKINS

Public Utilities Commission of the State of South Dakota

DATE

MEMORANDA

06/07 95 OPEN Docket;
06/29 95 GRANTING APPROVAL of the Consent + Agreement for ELECTRIC SERVICE
in Assigned SERVICE TERRITORY of Another ELECTRIC SUPPLIER.
07/29 95 Docket CLOSED

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EL 95-016

BLACK HILLS POWER AND LIGHT COMPANY

P.O. BOX 1400 409 DEADWOOD AVENUE
RAPID CITY, SOUTH DAKOTA 57709

JAMES MATTERN
VICE PRESIDENT OF ADMINISTRATION

TELEPHONE
(605) 342-3200

June 5, 1995

RECEIVED

JUN 07 1995

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Ms Leni Hook
Consumer Representative
SD Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre SD 57501-5070

Dear Leni:

I am enclosing the following three letters as they relate to the Watkins property transfer to Black Hills Electric Cooperative from Black Hills Power and Light Company.

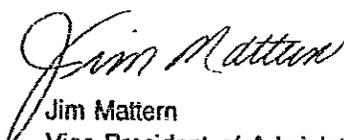
The letters are:

1. Letter from BHP&L to BHEC informing them of the transfer of property.
2. Letter from BHEC to BHP&L acknowledging that they agree to accepting this property transfer and willingness to serve this property.
3. Letter from the Watkins to Jim Mattern, BHP&L, agreeing to the transfer of their property to BHEC.

If additional information is needed, please do not hesitate to contact me.

Thank you.

Sincerely,



Jim Mattern
Vice President of Administration

jmv/cc

Enclosures

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BLACK HILLS POWER AND LIGHT COMPANY

P.O. BOX 1400 409 DEADWOOD AVENUE
RAPID CITY, SOUTH DAKOTA 57709

JAMES MATTERN
VICE PRESIDENT OF ADMINISTRATION

TELEPHONE
(605) 342-3200

May 19, 1995

Mr Creden Huber
Black Hills Electric Cooperative Inc
PO Box 112
Custer SD 57730

Dear Creden:

This letter will summarize the telephone conversation we had on Friday, May 19, 1995. Black Hills Power and Light Company will transfer the property located in Section 10 and 15 of Township 7 south, Range 3 east of the Black Hills Meridian located in Fall River County, South Dakota, to Black Hills Electric Cooperative, Inc. This territory owned by Jim and Patty Watkins will now become territory served by Black Hills Electric Cooperative, Inc.

We further discussed and determined there would be no kWh for kWh exchange between the two utilities as it relates to the Watkins transfer. However, as the two utilities continue to work on another territory trade, we may consider the kWh's in the Watkins transfer as an "equalizer" in obtaining a closer kWh for kWh exchange.

Black Hills Power and Light Company has informed Mr. and Mrs. Watkins of this transfer and they are agreeable to it.

Thank you and the best of luck in your new job.

Sincerely,



Jim Mattern
Vice President of Administration

c: Jim and Patty Watkins, RR 1 Box 75H, Custer, SD 57730
Leni Hook, SD Public Utilities Commission



**Black Hills
Electric Cooperative, Inc.**

P.O. Box 112
Custer, SD 57730
Telephone: 605/673-4461
Toll Free: 800/742-0085

May 30, 1995

Jim Mattern
Vice President of Administration
Black Hills Power and Light Company
PO Box 1400
Rapid City SD 57709-1400

Dear Jim:

Thank you for your letter to former Black Hills Electric Cooperative General Manager Creden Huber summarizing the transfer of territory owned by Jim and Patty Watkins. As you are aware, Black Hills Electric Cooperative at no time solicited the territory. The expenses involved in building, maintaining, and operating the line will never be recovered by anticipated revenue. We accept the territory only as a favor to Mr. and Mrs. Watkins and to BHP.

As we continue to work on additional trades, we will consider all past exchanges as "equalizers" for inequities. When trades are roughly equivalent we will work to complete them as a benefit to the customers regardless of which utility may receive momentary minimal advantage. We encourage BHP to look for ways to serve customers within its territory. We will continue to resist building long line extensions to serve customers in your territory. Short extensions by either utility to help customers are desirable. It is our belief that BHP received the better deal on the Watkins transaction and that the advantage realized by BHP should be included as part of any future negotiations requiring an "equalizer".

We do not believe that these small individual trades will have significant impact on the bottom line of either your corporation or our cooperative. Our intent is to seek relative equality in trades without letting minor differences adversely impact customers. We trust that your objectives are similar and look forward to future negotiations.

Thank you.

Sincerely,

BLACK HILLS ELECTRIC COOPERATIVE, INC.

A handwritten signature in cursive script that reads "Dan".

Daniel E. Hutt
Interim General Manager

xc: Leni Hook, SD Public Utilities Commission

8132406

May 31, 1995

Jim Mattern
Vice President
Black Hills Power and Light Company
PO Box 1400
Rapid City SD 57709

Dear Jim:

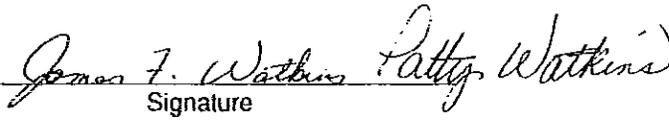
We agree and support the transfer of our property as described below from Black Hills Power and Light Company to Black Hills Electric Cooperative, Inc. This property will now become territory served by Black Hills Electric Cooperative, Inc.

Property description:

Section 10 and 15 of township 7 south, range 3 east of the
Black Hills Meridian, Fall River County, South Dakota

Thank you.

Sincerely,


Signature

c: Leni Hook, SD Public Utilities Commission