



**SIoux VALLEY
SOUTHWESTERN
ELECTRIC**

P.O. Box 216 • Colman, South Dakota 57017-0216

EL 96-002

Phone: 605-534-3535
Toll-Free: 1-800-234-1960
Fax: 605-534-3522

March 25, 1996

William Bullard, Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

Dear Mr. Bullard:

Enclosed for filing please find an "Agreement for Customer Transfer, Service Territory Exception and Sale of Property" between the City of Volga and Sioux Valley-Southwestern Electric Cooperative. Also enclosed are copies of Letters of Consent signed by the customers involved in this agreement.

The parties have agreed, and seek the Commission's approval of the Agreement, which provides for the following service territory accommodations:

- Electric service to the Dwayne Lanam residence located within the service territory of the City of Volga would be permanently transferred from Sioux Valley-Southwestern Electric to the City of Volga.
- By the way of an exception to the service territory, the City of Volga would be allowed to provide electric service to the Henry Meyer farm located in the SE 1/4 of the NE 1/4 of Section 14, T110N, R51W, and to the John Cotton pasture pump located in the SW 1/4 of the NW 1/4 of Section 13, T110N, R51W. These services lie within Sioux Valley-Southwestern Electric's service territory, but service from the City would eliminate unnecessary costs associated with the construction of a new transmission line by the City.
- The City would purchase electric facilities dedicated to providing electric service to these customers from Sioux Valley-Southwestern.

Sioux Valley-Southwestern Electric respectfully requests South Dakota Public Utilities Commission consideration and an order approving this agreement.

Sincerely,

James M. Kiley by Jelen E. Miller
James M. Kiley
General Manager

Enclosures

cc: City of Volga

RECEIVED
MAR 28 1996
SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

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AGREEMENT
for CUSTOMER TRANSFER, SERVICE TERRITORY EXCEPTION and
SALE OF PROPERTY
between the CITY OF VOLGA and
SIoux VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE

THIS AGREEMENT made and entered into this 19 day of March, 1996 by and between SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE hereinafter referred to as the "Cooperative" and the MUNICIPAL UTILITY BOARD for the CITY OF VOLGA, SOUTH DAKOTA, hereinafter referred to as the "City",
WITNESSETH:

WHEREAS, the Cooperative and the City entered into a Territorial Agreement dated January 19, 1976, pursuant to the provisions of Chapter 49-34A, SDCL, which Agreement was approved and ratified by the Public Utilities Commission for the State of South Dakota, and

WHEREAS, the City plans to construct a 69 KV transmission line along right-of-way presently occupied by a Cooperative owned distribution line which is providing electric service to three Cooperative customers. One of the customers is located within the service territory of the City, the other two customers are located near the service territory boundary between the City and the Cooperative, and

WHEREAS, the Parties desire to eliminate unnecessary cost and duplication of facilities in the construction of said 69 KV transmission line, now therefore,

FOR AND IN CONSIDERATION of the mutual promises, conditions, and terms contained herein, the parties do hereby covenant, contract, and agree as follows, to-wit:

1. CUSTOMER TRANSFER - Subject to the approval of the South Dakota Public Utilities Commission (PUC) and the affected customer, the Cooperative agrees to relinquish to the City its right to provide electric service to the Dwayne Lanam residence located in the SW 1/4 of Section 13, T110N, R51W, as identified on the drawing attached hereto as "Exhibit A".

2. SERVICE TERRITORY EXCEPTION - Subject to the consent of the affected customers, the Parties shall jointly request that the PUC approve an exception to the existing electric service territorial agreement to permit the City to provide electric service to the Henry Meyer farm located in the SE 1/4 of the NE 1/4 of Section 14, T110N, R51W, and to the John Cotton pasture pump located in the SW 1/4 of the NW 1/4 of Section 13, T110N, R51W.

This consent on the part of the Cooperative is limited to the above described services and will automatically terminate upon removal or abandonment of such services. This exception is not to be construed as having any impact upon or indicating a desire to change the service areas assigned by the South Dakota Public Utilities Commission. The Parties agree that each such future instance where territory boundaries become a factor should be dealt with on an individual basis. This agreement is subject to the approval of the South Dakota Public Utilities Commission.

3. PROPERTY SALE - The Cooperative hereby agrees to sell and the City hereby agrees to purchase approximately nine-tenths mile of electric line and facilities which are dedicated to providing electric service to the above described customers, and which are identified in the attached Exhibit A and inventoried on the schedule attached as "Exhibit B".

4. COMPENSATION - The purchase price for facilities being sold to the City shall be \$2,917, as itemized and set forth in said Exhibit B attached. The City furthermore agrees to pay \$2,892 to the Cooperative as compensation for service rights to the above described customers.

5. PUC APPLICATION - The Parties agree to jointly apply to the South Dakota Public Utilities Commission of the State of South Dakota for the transfer and assignment of the Cooperative's certified service territory to the City.

6. POSSESSION - It is understood and agreed that the Date of Possession of said facilities shall be within 30 days following PUC approval. The parties agree to work together to effect a smooth transition causing the least inconvenience to electric patrons located within the above described area. In addition to the compensation specified in paragraph 4, the City agrees to reimburse the Cooperative for any costs incurred related to accommodating the construction of the referenced 69 KV transmission line in proximity to the Cooperative's lines.

7. CUSTOMER DEPOSITS - The Cooperative agrees to refund to its customers, as of, or prior to the Date of Possession, any refundable deposits and there shall be no assumption by the City of such refundable deposits. From and after the Date of Possession, the Cooperative agrees to indemnify, and save harmless the City against any and all claims based upon transactions occurring prior to the Date of Possession with respect to refundable deposits.

8. CUSTOMER BILLING - At the time of transfer of individual consumers, the consumer meters shall be jointly read by representatives of the City and the Cooperative. This reading shall be used to determine the final bill to be issued by the Cooperative and the initial reading for use by the City. The Cooperative shall be entitled to all revenues derived from sales prior to said meter reading, and shall be responsible for collection of those revenues, except: any receivables still outstanding 60 days following the transfer date shall be purchased by the City, and further collection shall be the responsibility of the City. The Cooperative shall make diligent effort to collect its revenues within the 60 day period.

9. CUSTOMER CAPITAL CREDIT RETIREMENT - The Cooperative's cash retirement of consumers' retained capital credits shall be consistent with Cooperative policy.

IN WITNESS WHEREOF the parties have hereunto set their hand and seal the day and date first above written.

SIoux VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE

(SEAL)

By Charles M. Larson
President

ATTEST

Gerald Lange
Secretary

CITY OF VOLGA UTILITIES BOARD

(SEAL)

By Bill Kuhns Mayze
Chairman

ATTEST

Marcia J. Thompson
Secretary

8136.12.4

EXHIBIT A

Twp. 110N-R51W

#BA-CWC

Proposed City of Volga
69 KV Line

14 Henry Meyer 1

John Cotton

13

Territory Boundary

2-3

SWSW Service Territory

Volga Service Territory

3

Dwayne Lanam

Volga Soy Bean Plant

Four Valley Southwestern Electric-
City of Volga Agreement

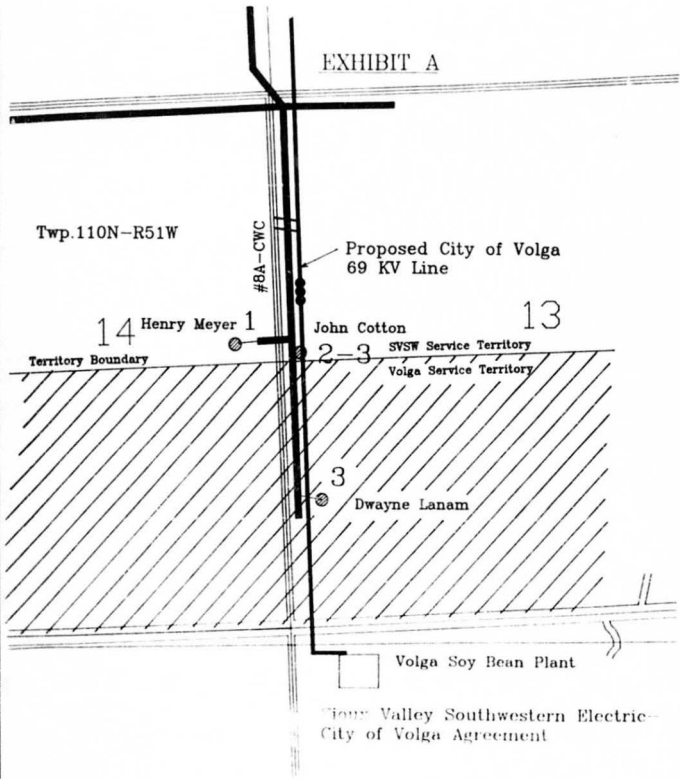


EXHIBIT B
Facilities Sale To The City Of Volga

DESCRIPTION	QTY	CONST COST	DEPRECIATION	NET COST
Material to be sold				
30-6 POLE	5	\$1,028.05	801.88	\$226.17
30-7 POLE	3	528.87	475.98	52.89
35-5 POLE	1	169.00	149.78	19.22
35-6 POLE	4	737.56	459.13	278.43
35-7 POLE	2	336.18	302.56	33.62
40-4 POLE	1	367.66	198.54	169.12
40-6 POLE	3	620.52	558.47	62.05
A1	12	499.08	375.56	123.52
A1-1	1	48.92	44.03	4.89
A2	1	61.30	33.10	28.20
A4	1	132.06	118.85	13.21
A5	2	175.20	144.54	30.66
A5-1	1	87.60	78.84	8.76
A5-3	2	171.70	141.65	30.05
G65	2	248.26	104.27	143.99
G66	1	124.11	111.70	12.41
M2-1	6	269.88	176.77	93.11
M2-11	2	87.98	72.58	15.40
M2-4R	1	44.98	40.48	4.50
E1-2	3	210.09	168.07	42.02
E3-2	2	193.82	159.90	33.92
E3-3	2	191.84	172.66	19.18
E10	2	37.10	33.39	3.71
E3-10	2	37.10	27.83	9.28
F1-2	5	508.05	411.52	96.53
F1-3	1	101.62	91.46	10.16
F6-3	1	206.58	185.92	20.66
K11c	1	10.73	8.05	2.68
J10	3	28.11	23.89	4.22
M5-1	3	124.50	105.83	18.68
M5-4	2	42.02	34.67	7.35
ML-36	1	66.20	31.78	34.42
ML113	1	337.80	162.14	175.66
M82X200DT	1	508.13	457.32	50.81
#2 GRIPS	2	11.10	8.33	2.78
1/0 GRIPS	2	12.18	10.96	1.22
TROH #2	95	71.25	53.44	17.81
TROH 1/0	150	153.00	137.70	15.30
8A CWC	9630	3081.60	2,576.64	504.96
3 KVA 1 PH PL MT TRANS	1	250.00	125.00	125.00
10 KVA 1 PH PL MT TRAN	1	410.25	196.92	213.33
15 KVA 1 PH PL MT. TRAN	1	446.65	401.99	44.67
1PH SOCKET	3	99.18	48.60	50.58
2.5 AMP 1 PH. METER	1	42.32	38.09	4.23
30 AMP 1 PH. METER	2	80.48	22.94	57.54
		\$13,000.61	\$10,083.73	\$2,916.88

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Letter of Consent

To: Council Members of the City of Volga
Directors of Sioux Valley - Southwestern Electric
Commissioners of the South Dakota Public Utility Commission.

I have been informed of a proposal to change my electric power supplier from Sioux Valley-Southwestern Electric (SVSW) to the City of Volga (City).

The City plans to construct a 69 KV transmission line along right-of-way presently occupied by a SVSW owned distribution line which is providing electric service to me in the SW 1/4 of Section 13, T110N, R51W, and two other SVSW customers. Because the City and SVSW desire to eliminate unnecessary cost and duplication of facilities in the construction of this new line, they are proposing that the City provide my electric service.

I understand that this proposal is subject to the approval of the City Council, SVSW Board of Directors, and the South Dakota Public Utilities Commission, and I want to inform these officials that I have no objection to the proposed change.

At the time of transfer, my electric meter will be jointly read by representatives of the City and SVSW, and this reading will be used to determine my final bill from SVSW and the initial meter reading for use by the City. SVSW will refund to me any refundable deposits that I have made.

SVSW's cash retirement of the retained capital credits derived from my patronage on this account shall be consistent with SVSW retirement policy.

CONSENT:

I concur with the provisions described above.

BY Mrs. Dwayne Lanam
Mrs. Dwayne Lanam

DATE 3-15-90

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Letter of Consent

To: Council Members of the City of Volga
Directors of Sioux Valley - Southwestern Electric
Commissioners of the South Dakota Public Utility Commission.

I have been informed of a proposal to change my electric power supplier from Sioux Valley-Southwestern Electric (SVSW) to the City of Volga (City).

The City plans to construct a 69 KV transmission line along right-of-way presently occupied by a SVSW owned distribution line which is providing electric service to me in the SE 1/4 of the NE 1/4 of Section 14, T110N, R51W, and two other SVSW customers. Because the City and SVSW desire to eliminate unnecessary cost and duplication of facilities in the construction of this new line, they are proposing that the City provide my electric service.

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SVSW's cash retirement of the retained capital credits derived from my patronage on this account shall be consistent with SVSW retirement policy.

CONSENT:

I concur with the provisions described above.

BY Henry Meyer
Henry Meyer

DATE: 3/15/96

0136:12:8

Letter of Consent

To: Council Members of the City of Volga
Directors of Sioux Valley - Southwestern Electric
Commissioners of the South Dakota Public Utility Commission.

I have been informed of a proposal to change my electric power supplier from Sioux Valley-Southwestern Electric (SVSW) to the City of Volga (City).

The City plans to construct a 69 KV transmission line along right-of-way presently occupied by a SVSW owned distribution line which is providing electric service to me in the SW 1/4 of the NW 1/4 of Section 13, T110N, R51W, and two other SVSW customers. Because the City and SVSW desire to eliminate unnecessary cost and duplication of facilities in the construction of this new line, they are proposing that the City provide my electric service.

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SVSW's cash retirement of the retained capital credits derived from my patronage on this account shall be consistent with SVSW retirement policy.

CONSENT:

I concur with the provisions described above.

BY


John Cotton

DATE

3/15/96

City of
Volga

EL 96-002

mayor

finance officer

utilities department

April 3, 1996

William Bullard, Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

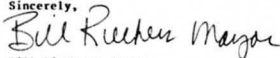
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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Dear Mr. Bullard:

The City of Volga concurs with Sioux Valley-Southwestern in regard to agreements for customer transfer, service territory exception and sale of property affecting the Dwayne Lanam residence, the Henry Meyer farm and the John Cotton pasture pump.

We would also request your consideration in approving these agreements at your earliest convenience.

Sincerely,



Bill Riechers, Mayor
City of Volga

refer to enclosed copy of letter from Sioux Valley Southwestern Elect.



**SIOUX VALLEY
SOUTHWESTERN
ELECTRIC**

P.O. Box 216 • Colman, South Dakota 57017-0216

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March 25, 1996

William Bullard, Executive Director
South Dakota Public Utilities Commission
500 East Capitol
Pierre, SD 57501

Dear Mr. Bullard:

Enclosed for filing please find an "Agreement for Customer Transfer, Service Territory Exception and Sale of Property" between the City of Volga and Sioux Valley-Southwestern Electric Cooperative. Also enclosed are copies of Letters of Consent signed by the customers involved in this agreement.

The parties have agreed, and seek the Commission's approval of the Agreement, which provides for the following service territory accommodations:

- Electric service to the Dwayne Lanam residence located within the service territory of the City of Volga would be permanently transferred from Sioux Valley-Southwestern Electric to the City of Volga.
- By the way of an exception to the service territory, the City of Volga would be allowed to provide electric service to the Henry Meyer farm located in the SE 1/4 of the NE 1/4 of Section 14, T110N, R51W, and to the John Cotton pasture pump located in the SW 1/4 of the NW 1/4 of Section 13, T110N, R51W. These services lie within Sioux Valley-Southwestern Electric's service territory, but service from the City would eliminate unnecessary costs associated with the construction of a new transmission line by the City.
- The City would purchase electric facilities dedicated to providing electric service to these customers from Sioux Valley-Southwestern.

Sioux Valley-Southwestern Electric respectfully requests South Dakota Public Utilities Commission consideration and an order approving this agreement.

Sincerely,

James M. Kiley by John Ed Miller
James M. Kiley
General Manager

Enclosures

✓ cc: City of Volga

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

IN THE MATTER OF THE FILING BY SIOUX)	ORDER GRANTING
VALLEY-SOUTHWESTERN ELECTRIC FOR)	APPROVAL
APPROVAL OF AN AGREEMENT BETWEEN IT)	
AND THE CITY OF VOLGA.)	EL96-002

On March 28, 1996, the Public Utilities Commission (Commission) received a filing from Sioux Valley-Southwestern Electric (SVSE) for approval of an Agreement for Customer Transfer, Service Territory Exception and Sale of Property between the City of Volga (City) and Sioux Valley-Southwestern Electric Cooperative. Letters of Consent signed by the affected customers were also included in the filing. The filing stated: "The parties have agreed, and seek the Commission's approval of the Agreement, which provides for the following service territory accommodations:

-Electric service to the Dwayne Lanam residence located within the service territory of the City of Volga would be permanently transferred from SVSE.

-By the way of an exception to the service territory, the City of Volga would be allowed to provide electric service to the Henry Meyer farm located in the SE 1/4 of the NE 1/4 of Section 14, T110N, R51W, and to the John Cotton pasture pump located in the SW 1/4 of the NW 1/4 of Section 13, T110N, R51W. These services lie within SVSE's service territory, but service from the City would eliminate unnecessary costs associated with the construction of a new transmission line by the City.

-The City would purchase electric service facilities dedicated to providing electric service to these customers from SVSE."

On April 23, 1996, at its regularly scheduled meeting, the Commission considered the request. Commission Staff recommended approval.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A, specifically, 49-34A-4, 49-34A-42, and 49-34A-55. Further, the Commission finds that the customer transfer, service territory exchange and sale of property will eliminate unnecessary cost and duplication of facilities in the construction of the 69 KV transmission line. The Commission therefore concludes that the customer transfer, service territory exchange and sale of property is in the public interest and the request shall be granted. As the Commission's final decision in this matter, it is therefore

ORDERED that the request seeking approval of customer transfer, service territory exchange and sale of property is hereby granted.

Dated at Pierre, South Dakota, this 2nd day of May, 1996.

CERTIFICATE OF SERVICE

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.

By Aldaine Kalko

Date 5/3/96

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Kenneth Stofferahn
KENNETH STOFFERAHN, Chairman

James A. Burg
JAMES A. BURG, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner