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DOCKET NO.

In the Matter of

IN THE MATTER OF THE FILING FOR APPROVAL OF CHANGES TO ASSIGNED SERVICE AREAS OF INTERCOUNTY ELECTRIC ASSOCIATION, INC. AND TRI-COUNTY ELECTRIC ASSOCIATION, INC.

Public Utilities Commission of the State of South Dakota

DATE

MEMORANDA

10/24/99 Received;
 11/9/99 Docketed;
 11/12/99 Weekly Filing;
 12/8/99 Order Approving Territorial Transfer;
 12/18/99 Docket Closed.

P.O. BOX 850 • 1420 NORTH MAIN
MITCHELL, SOUTH DAKOTA 57301-0850
605-996-7516 • S.D. TOLL FREE: 1-800-477-2892

FAX: 605-996-0869
E-MAIL: ice@sunrisenet.com
WEB: <http://www.intercountyrec.com>

Intercounty
Electric Association, Inc.

September 30, 1999

RECEIVED

OCT 14 1999

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Willard Bullard, Executive Director
South Dakota Public Utilities Commission
State Capitol
Pierre, SD 57501-5070

Dear Mr. Bullard:

At the Annual Meetings of Intercounty Electric Association of Mitchell, SD (Intercounty) on March 20, 1999 and Tri-County Electric Association of Plankinton, SD (Tri-County) on April 8, 1999 the memberships approved the consolidation of these two Cooperatives. The new organization to be formed on January 1, 2000 will be Central Electric Cooperative, Inc. Activities are in place to make this transition effective January 1, 2000.

Tri-County Electric and Intercounty Electric hereby request of the South Dakota Public Utilities Commission to transfer the existing territorial Agreements of the two existing entities to Central Electric Cooperative, Inc., effective on January 1, 2000. We believe this request meets all the requirements as outlined in SDCL 49-34A-55 pertaining to the following items:

- elimination or avoidance of unnecessary duplication of facilities,
- providing adequate electric service to all areas and customers affected and,
- the promotion of the efficient and economical use and development of the electric system.

We have enclosed several items for your review pertaining to this consolidation of Tri-County Electric and Intercounty Electric to form Central Electric Cooperative, Inc. Those items are as follows:

1. A copy of the approved Plan for Consolidation by the members at their Annual Meetings held on March 22, 1999 and March 23, 1999.
2. Minutes of each Cooperative's respective Annual Meeting.
3. A copy of the Articles of Consolidation/Incorporation, as approved by the Secretary of State of the State of South Dakota.

A Touchstone EnergySM Partner



Providing Electric Energy and Service, Internet Access and Security Systems

Mr. Willard Bullard

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Please feel free to give myself or Office Manager/Staff Assistant Scott Kroger a call if you have any questions or need additional information.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Loren Noess".

Loren Noess
General Manager

Enclosures

Cc: Adolf Zoss, Intercounty Electric Board President
Lyle Pawlowski, Tri-County Electric Board President

MINUTES OF THE ANNUAL MEETING
INTERCOUNTY ELECTRIC ASSOCIATION, INC.
MARCH 23, 1999

The fifty fourth (54th) Annual Meeting of the members of Intercounty Electric Association, Inc. was held on Tuesday, March 23, 1999 at the Corn Palace in Mitchell, South Dakota. The meeting was called to order at 7:30 p.m. by President, Adolf Zoss. It was noted that 352 registered members were present at the time the meeting began. Don Petersen was appointed recording secretary.

President Zoss called upon Reverend Victor Doorn of Mitchell, who pronounced the invocation. President Zoss then led the Pledge of Allegiance.

President Zoss requested a motion to approve the Order of Business as it appears on the Program. A motion was made by Mr. Cecil Hemminger and seconded by Mr. Don McLean to approve the Order of Business. Motion carried.

Secretary Ron Utecht read the Notice of Annual Meeting and the Affidavit as to Mailing. President Zoss explained that we are conducting the meeting according to parliamentary procedure by Robert's Rules of Order, as set out in parliamentary procedure at a glance, by O. Garfield Jones.

President Zoss asked for a motion to approve the minutes of the previous meeting as corrected. A motion was made by Mr. Michael Roster and seconded by Mr. Erv Goldammer to approve the minutes as corrected of the previous meeting. Motion carried.

President Zoss gave his report to the membership. He discussed the consolidation and thanked the employees, board, board member's wives and members for another successful year.

President Zoss called on Manager Noess for his report to the membership. Manager Noess mentioned what great attendance there was at the meeting. Manager Noess also discussed the consolidation proposal. Manager Noess presented a John Green print to Betty Bruer in appreciation of John's 22 years of dedicated service on the board of directors.

At this time Attorney Petersen conducted the vote of the membership on the Consolidation between Intercounty Electric and Tri-County Electric.

President Zoss called on Mark Hofer to discuss the Treasurer's report with the membership. He reviewed the balance sheet and the income statement for 1998.

There was a motion by Mr. David Johnson and seconded by Mr. Fred Geisler to accept the Treasurer's report. Motion carried.

President Zoss announced that registration has closed and that the total number of registered members is 352.

The President called Don Petersen, Attorney, to preside over the election of Directors. Mr. Petersen announced there is one candidate running for Director-At-Large. He then introduced Mr. Adolf Zoss, Director-At-Large.

Mr. Petersen stated that no nominating petitions were submitted prior to the annual meeting as required by the Bylaws, a motion was requested to close nominations. Said motion was made by Mr. Brad Fluth and seconded by Mr. Harry Northrup. Motion carried.

President Zoss introduced Mr. Jeff Nelson, East River Electric Power Coop. Mr. Nelson talked to the membership about the NPCCO agreement and the new Touchstone Energy Logo.

President Zoss called on Ken Schlimgen, Member Services Director, who explained the Washington Youth Tour. Ken then asked this past year's winner, Dustin Lefdal, to report on the Washington Youth Tour.

President Zoss called for any unfinished business. None was brought forth. President Zoss called for any new business. None was brought forth.

Attorney Petersen and Attorney Susan Steele announced the vote of the membership on the consolidation. Intercounty Electric's vote was 293 in favor and 38 opposed. Tri-County's vote was 210 in favor and 87 opposed. The consolidation passed and will be effective January 1, 2000.

There being no further business, it was moved by Mr. Harold Thue and seconded by Mr. Marvin Goehring that the meeting be adjourned.

President

Secretary

Tri-County Electric Association, Inc.
Minutes of the Special Membership Meeting
March 22nd, 1999

A special meeting of the members of Tri-County Electric Association, Inc., was held on March 22nd, 1999, at 7:30 p.m. in the High School Auditorium, Plankinton, South Dakota.

Registration of members started at 6:15 p.m. A pork sandwich dinner was catered by Johna's Catering Service of Plankinton, South Dakota.

Lyle Pawlowski, President of the Board of Directors, called the meeting to order at approximately 7:30 p.m. Pawlowski called upon Keith Kleppin, Secretary of the Board of Directors, who read the Notice Of Special Meeting and Affidavit of Mailing And Posting, and declared a quorum present. A total of 300 members registered to vote.

President Pawlowski asked General Manager Loren Noess to explain the reason for calling the Special Membership Meeting. Manager Noess provided an overview of the issues relating to consolidation, and reported on the four district informational meetings. Copies of the Proposition For Consolidation of Intercounty Electric Association, Inc. and Tri-County Electric Association, Inc. and Articles of Consolidation were mailed to the members with the Notice of Special Meeting. Manager Noess also called for any questions or comments from the members present.

President Pawlowski called upon Attorney Susan Steele to conduct the voting. Attorney Steele explained that the Board of Directors recommended to the membership that the Resolution entitled Proposal To Defer Counting Vote be adopted at the Special Meeting in order that the ballots concerning the consolidation proposal be counted and announced, the next day, on March 23rd, 1999. In this way the vote could be announced at the same time as the Intercounty vote on consolidation. A motion was made and seconded to approve the Proposal To Defer Counting Vote and the motion carried by a majority of the members voting by voice vote.

Attorney Susan Steele next called for the marking of the ballots regarding the consolidation. The ballot stated: "Shall the Proposition for Consolidation of Intercounty Electric Association, Inc. and Tri-County Electric Association, Inc. and the Articles of Consolidation be approved?" The ballots were collected by the members of the Election Committee. The ballots were deposited into ballot boxes which were locked and sealed in the presence of the members of the Election Committee.

Having conducted the business for which the Special Meeting was called, the drawings for the energy certificates were held prior to the adjournment sine die.

The Election Committee convened on the 23rd day of March, 1999, at 7:00 p.m., in the board room of the cooperative headquarters of Tri-County Electric Association, Inc., Plankinton, South Dakota, for the purpose of breaking the seals of the ballot boxes and counting the ballots pertaining to the consolidation vote.

The Election Committee tabulated the votes and made the following report: Members voting yes (in favor of consolidation) - 210; and Members voting no (against consolidation) - 87. The vote was announced publically at the same time as the announcement of the vote of Intercounty Electric, as provided for in the Proposal to Defer Counting Vote, a copy of which is attached hereto.

Having concluded the business of the membership, the meeting was adjourned.

Keith Kleppin, Secretary

State of South Dakota

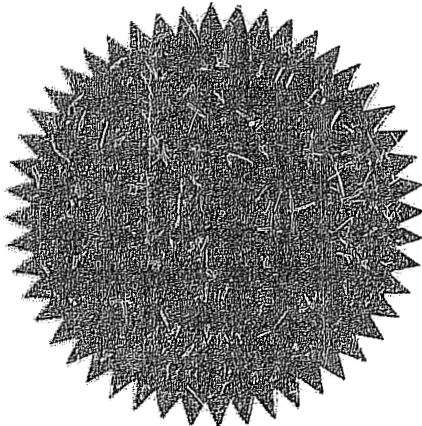


OFFICE OF THE SECRETARY OF STATE

Certificate of Consolidation

I, **JOYCE HAZELTINE**, Secretary of State of the State of South Dakota, hereby certify that duplicate of the originals of the Certificate of Consolidation duly signed and verified pursuant to the provisions of the South Dakota Corporation Acts, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I hereby issue this Certificate of Consolidation to **INTERCOUNTY ELECTRIC ASSOCIATION, INC.** and **TRI-COUNTY ELECTRIC ASSOCIATION, INC.** to form **CENTRAL ELECTRIC COOPERATIVE, INC.** and attach hereto a duplicate of the Articles of Consolidation.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this October 8, 1999.

Joyce Hazeltine
Secretary of State

ARTICLES OF CONSOLIDATION
OF
CENTRAL ELECTRIC COOPERATIVE, INC.

RECEIVED

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S.D. SEC. OF STATE

These Articles of Consolidation are executed pursuant to the provisions of SDCL Section 47-21-22.

ARTICLE ONE - CONSOLIDATING COOPERATIVES

The name of each consolidating cooperative and the address of its principal office is as follows:

Intercounty Electric Association, Inc.
1420 North Main Street
Mitchell, SD 57301

Tri-County Electric Association, Inc.
P.O. Box 130, 102 South Main Street
Plankinton, SD 57368

ARTICLE TWO - NEW COOPERATIVE

The name of the new cooperative and the address of its principal office are as follows:

Central Electric Cooperative, Inc.
1420 North Main Street
Mitchell, SD 57301

ARTICLE THREE - STATEMENT OF AGREEMENT

The consolidating cooperatives, Intercounty Electric Association, Inc. and Tri-County Electric Association, Inc. hereby agree to the consolidation.

ARTICLE FOUR - DIRECTORS

The names and addresses of directors of the new cooperative are as follows:

Lyle Pawlowski
HC2 Box 19
Gann Valley, SD 57341-9602

Mark Hofer
25108 - 429th Avenue
Spencer, SD 57374

Gerald Millier
RR 1 Box 138
Howard, SD 57349

Michael Johnson
RR 1 Box 24
Plankinton, SD 57368-9720

Janelle Janish
RR 1 Box 67J
Kimball, SD 57355-9610

Raphael Jarding
42263 - 257th Street
Alexandria, SD 57311

Adolf Zoss
RR 2 Box 11
Letcher, SD 57359

Arlan Feistner
39294 - 236th Street
Woonsocket, SD 57385-6402

Keith Kleppin
37038 - 231st Street
Wessington Springs, SD 57382-5600

James Johnson
24628 - 394th Avenue
Mt. Vernon, SD 57363

Ron Uttecht
RR 1 Box 550
Woonsocket, SD 57385

James Headley
RR 1 Box 43
White Lake, SD 57383

Duane Wolbrink
26775 - 381st Avenue
Stickney, SD 57375-6130

Robert Ruml
23984 SD Hwy. 37
Letcher, SD 57359

LaRoy Feltman
RR 1 Box 22
Chamberlain, SD 57325-9717

Roger Mentzer
RR 1 Box 64
Kimball, SD 57355-9609

The above-named persons shall serve as directors until such time as the Proposition for Consolidation designates.

ARTICLE FIVE - TERMS AND CONDITIONS

The terms and conditions of the consolidation and the mode of carrying the same into effect are as set forth in the Proposition for Consolidation, which was duly adopted by the Boards of Directors and membership of both consolidating cooperatives.

ARTICLE SIX - MEMBERSHIP

All members of the consolidating cooperatives shall become members of the consolidated cooperative. Other persons may become members of the consolidated cooperative as set forth in the consolidated cooperative's bylaws. Each member shall be entitled and restricted to only one (1) vote in the affairs of this cooperative.

ARTICLE SEVEN - PURPOSE

The purposes for which this consolidated Cooperative corporation is formed are:

1. To furnish electric service to its members, consistent with the proper maintenance of its electric distribution lines and other facilities;

1. To construct, purchase, lease, acquire or reconstruct, and in any manner to own, hold, maintain, use, sell or dispose of electric distribution substations, offices, warehouse facilities, and all equipment and accessories necessary to the purposes herein stated;
2. To purchase, lease or acquire in any manner and to own, hold, use, sell, mortgage or dispose of any real estate or personal property, or any interest therein, deemed necessary, convenient or appropriate to the purposes and uses of this Cooperative;
3. To acquire, own, hold, use and exercise, and, to the extent permitted by law, to sell, pledge, hypothecate, and in any manner dispose of franchises, rights, privileges, licenses, rights-of-way and easements appropriate, convenient or necessary to the purposes of the Cooperative;
4. To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for moneys borrowed or in payment for property acquired, or for any of the other objects or purposes of the Cooperative; to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, any or all of the property, rights, privileges or permits of the Cooperative, wheresoever situated, acquired or to be acquired;
5. To contract for purchase of electric power and energy from generation and transmission electric cooperatives in such manner as shall be deemed to the best interest of the Cooperative; and
6. To furnish DBS/Internet services or any other service or activity either of the consolidating cooperatives are providing at the time of consolidation.
7. To do and perform any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes, or any other lawful purpose as set forth under the elected cooperative laws of the State of South Dakota; and to exercise any of its power anywhere.

ARTICLE EIGHT - POWER TO INDEMNIFY

To the fullest extent permitted by the South Dakota Codified Law, as it now exists or may hereafter be amended, a director of the consolidated cooperative shall not be personally liable of monetary damages for breach of fiduciary duty as a director. However, this provision does not eliminate or limit the liability of a director for a breach of the director's duty of loyalty to the cooperative or its members for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, for any violation of Sections 47-5-15 to 47-5-19, inclusive, or for any transaction from which the director derived an improper personal benefit.

ARTICLE NINE - DURATION

The corporate life of the consolidated cooperative shall begin January 1, 2000, and shall be perpetual, unless changed by an amendment to these Articles of Consolidation or terminated by dissolution.

ARTICLE TEN - DISSOLUTION OR LIQUIDATION

In the event of dissolution or liquidation of this cooperative, after (a) all debts and liabilities of the cooperative shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in the bylaws, the remaining property and assets of the cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the Ten (10) years next preceding the date of the filing of the certificate of dissolution or, if the cooperative shall not have been in existence for such period, during the period of its existence.

ARTICLE ELEVEN - BOARD OF DIRECTORS

The government of this cooperative and the management of its affairs shall be vested in a board of directors, the number of which shall be as set forth in the bylaws of the cooperatives, who shall be elected by and from the members, for such terms as the bylaws may prescribe. The board of directors shall have power to make and adopt such rules and regulations not consistent with these Articles of Consolidation or the bylaws of the cooperative, as it may deem advisable for the management, administration, and regulation of the business and affairs of the cooperative.

ARTICLE TWELVE - AMENDMENTS

These Articles of Consolidation may be amended in the manner provided by law or by the vote of two-thirds (2/3) of the members at a meeting of members provided that notice of such meeting shall have contained a copy of the proposed alternation, amendment, or repeal.

IN WITNESS WHEREOF, we have executed these Articles of Consolidation on the 24 day of September, 1999.

INTERCOUNTY ELECTRIC ASSOCIATION, INC.

(cooperative seal)

By Adolf T Zoss
Its President

ATTEST:

Ron W. Mahrt
Secretary

TRI-COUNTY ELECTRIC ASSOCIATION, INC.

(cooperative seal)

By *Adolf Zoss*
Its President

ATTEST:

Loren Nais
Secretary

STATE OF SOUTH DAKOTA
SS
COUNTY OF DAVISON

On this the 24 day of September, 1999, before me, the undersigned officer, personally appeared Adolf Zoss, who acknowledged himself to be the President of Intercounty Electric Association, Inc., a South Dakota electric cooperative, and that he as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the cooperative by himself as President.

In Witness Whereof I hereunto set my hand and official seal

Loren Nais
Notary Public

My Commission Expires: 6-9-2003

STATE OF SOUTH DAKOTA
SS
COUNTY OF DAVISON

On this the 24 day of September, 1999, before me, the undersigned officer, personally appeared Ron Uttecht, who acknowledged himself to be the Secretary, of Intercounty Electric Association, Inc., a South Dakota electric cooperative, and that he as such Secretary being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the cooperative by himself as Secretary.

In Witness Whereof I hereunto set my hand and official seal

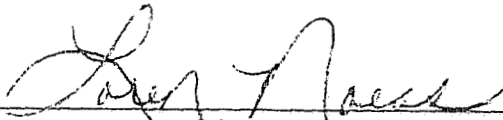
Loren Nais
Notary Public

My Commission Expires: 6-9-2002

STATE OF SOUTH DAKOTA
SS
COUNTY OF AURORA

On this the 27 day of September, 1999, before me, the undersigned officer, personally appeared Lyle Pawlowski, who acknowledged himself to be the President of Tri-County Electric Association, Inc., a South Dakota electric cooperative, and that he as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the cooperative by him as President.

In Witness Whereof I hereunto set my hand and official seal.



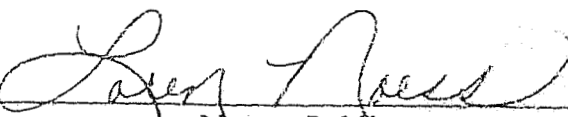
Notary Public

My Commission Expires: 6-4-2002

STATE OF SOUTH DAKOTA
SS
COUNTY OF AURORA

On this the 27 day of September, 1999, before me, the undersigned officer, personally appeared Keith Kleppin, who acknowledged himself to be the Secretary of Tri-County Electric Association, Inc., a South Dakota electric cooperative, and that he as such Secretary being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the cooperative by himself as Secretary.

In Witness Whereof I hereunto set my hand and official seal.



Notary Public

My Commission Expires: 6-4-2003

AFFIDAVIT OF COMPLIANCE

OCT 03 '99
S.D. SEC. OF STATE

Lyle Pawlowski, President of Tri-County Electric Association, Inc., being first duly sworn on his oath, states that the provisions of SDCL Section 47-21-27 and SDCL Section 47-21-26 in respect of such Articles of Consolidation were duly complied with by Tri-County Electric Association, Inc.

Dated this 27 day of September, 1999.

(cooperative seal)

TRI-COUNTY ELECTRIC ASSOCIATION, INC.

By Lyle Pawlowski
its President

STATE OF SOUTH DAKOTA
SS
COUNTY OF DAVISON

On this the 27 day of September, 1999, before me, the undersigned officer, personally appeared Lyle Pawlowski, who acknowledged himself to be the President of Tri-County Electric Association, Inc., a South Dakota electric cooperative, and that he as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

In Witness Whereof I hereunto set my hand and official seal.

Loren A. Ness
Notary Public

My Commission Expires: 6-9-2003

AFFIDAVIT OF COMPLIANCE

OCT 08 '99
S.D. SEC. OF STATE

Adolf Zoss, President of Intercounty Electric Association, Inc., being first duly sworn on his oath, states that the provisions of SDCL Section 47-21-27 and SDCL Section 47-21-26 in respect of such Articles of Consolidation were duly complied with by Intercounty Electric Association, Inc.

Dated this 24 day of September, 1999.

(cooperative seal)

INTERCOUNTY ELECTRIC ASSOCIATION, INC.

By Adolf Zoss
Its President

STATE OF SOUTH DAKOTA
SS
COUNTY OF DAVISON

On this the 24 day of September, 1999, before me, the undersigned officer, personally appeared Adolf Zoss, who acknowledged himself to be the President of Intercounty Electric Association, Inc, a South Dakota electric cooperative, and that he as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the cooperative by himself as President.

In Witness Whereof I hereunto set my hand and official seal.

[Signature]
Notary Public

My Commission Expires: 6-9-2003

PROPOSITION FOR CONSOLIDATION
OF
INTERCOUNTY ELECTRIC ASSOCIATION, INC.
AND
TRI-COUNTY ELECTRIC ASSOCIATION, INC.

This Proposition for Consolidation is approved as of the 15th day of February, 1999, by the Board of Directors of Intercounty Electric Association, Inc. and as of the 18th day of February, 1999 by the Board of Directors of Tri-County Electric Association, Inc. (hereinafter referred to as the consolidating cooperatives) both parties being South Dakota Rural Electric Cooperatives, organized under SDCL Chapter 47-21.

WHEREAS, it is deemed to be to the advantage of the members of both consolidating cooperatives in the promotion and encouragement of the fullest possible use of electric energy, practicing all conservation guidelines in the territories now served by the consolidating cooperatives, at the lowest cost consistent with sound economy and prudent management, that said cooperatives be consolidated under the laws of the State of South Dakota; and

WHEREAS, the board of directors of each of the consolidating cooperatives, after a review of the consolidation study, deem it advisable and in the best interests of each cooperative and its respective members that Intercounty Electric Association, Inc. and Tri-County Electric Association, Inc., consolidate to become a single cooperative.

NOW, THEREFORE, it is mutually agreed by and between the consolidating cooperatives, acting pursuant to the provisions of SDCL Chapter 47-21, that the consolidating cooperatives shall consolidate and form one South Dakota Rural Electric Cooperative on the following terms and conditions.

I.
CONSOLIDATION PROCEDURE

Intercounty Electric Association, Inc. at its annual meeting in March 1999 and Tri-County Electric Association, Inc. at a special meeting called for the purpose of considering this Proposition for Consolidation to be held in March 1999, or such other date as the board of directors of each cooperative shall approve, shall cause to be submitted to their respective memberships, the consolidation of the two cooperatives.

II.
EFFECTIVE DATE OF CONSOLIDATION

Although the members of each cooperative will vote on consolidation in March 1999, the actual consolidation will not occur until January 1, 2000 at 12:01 o'clock a.m., or such later date as may be required for compliance with all statutory and legal requirements for consolidation. During this interim period, the consolidating

cooperatives shall continue to conduct their separate business in the usual and ordinary course of said business. HOWEVER, neither of the consolidating cooperatives will do or perform any extraordinary act without the consent of the other. The consolidating cooperatives shall be limited to their respective normal business practice in the declaring of or retiring of dividends or credits in its membership capital accounts.

III. NAME AND PRINCIPAL OFFICE

The name of the consolidated cooperative shall be Central Electric Cooperative, Inc., (hereinafter referred to as the consolidated cooperative). The general offices and principal places of business of the consolidating cooperatives are now located at 1420 North Main Street, Mitchell, SD and 102 South Main Street, P.O. Box 130, Plankinton, SD. Following the consolidation, the principal office of the consolidated cooperative shall be designated as 1420 North Main Street, Mitchell, SD. Existing operational facilities at Plankinton shall be maintained, as well as cooperative out-posts.

IV. DIRECTORS, OFFICERS & MANAGEMENT

- A. Until the 2001 annual meeting of the consolidated cooperatives, there shall be a transitional Board of Directors.
1. The transitional Board of Directors shall consist of up to eighteen (18) Directors, which shall be the existing directors of the consolidating cooperatives at the time the consolidation is effective (January 1, 2000).
 2. If any director on the transitional Board of Directors resigns, retires or becomes ineligible to continue to serve as a director, such position shall not be filled, unless such vacancy causes one of the consolidating cooperative's districts to have no representation on the existing board.
 3. While the transitional Board of Directors is serving, all decisions of the board shall be by a "super majority," other than the election of officers and representatives to other boards, which shall be by a simple majority. "Super majority" is defined as two-thirds (2/3) or more of the then present and voting board. A quorum of the consolidated Board of Directors shall be the attendance of two-thirds (2/3) of the then serving board membership.
 4. The transitional Board of Directors shall elect the officers of the consolidated cooperative at a reorganizational meeting called for that purpose on or before January 1, 2000. The newly elected officers shall assume office on the effective date of the consolidation and shall hold office as set forth in the consolidated cooperative's bylaws.

3. A Manager designated by the Board of Directors will direct the operations of the Cooperative. The Manager shall be responsible for the management and direction of the work force.
- B. The consolidated cooperative shall be governed by a board of directors made up of nine directors, one director to be elected from each district and one director at large. At the 2001 annual meeting of members of the consolidated cooperative, an election will be conducted from among the current directors, for the purpose of electing one director from each district and one director at large. Prior to that annual meeting, the consolidated Board of Directors shall determine in which district directors will serve a one (1) year term, a two (2) year term, and a three (3) year term. Thereafter, all directors will be elected to a three (3) year term. The service territory of the consolidating cooperatives shall be divided into eight (8) director districts, with each district consisting of one county being served by the consolidating cooperatives and one director at large, who may be a resident of any one of the eight districts. The director districts will be as follows: Aurora County, Brule County, Buffalo County, Davison County, Hanson County, Jerauld County, Miner County and Sanborn County.
- C. After the consolidation vote by the two cooperatives scheduled for March 1999, but prior to the effective date of consolidation (scheduled for January 2006) (assuming an affirmative vote by both cooperatives to consolidate), should a director of either of the consolidating cooperatives determine not to seek re-election to the Board of Directors of a consolidating cooperative, or should a director resign, retire or become ineligible to continue to serve as a director, the consolidating cooperatives' Board of Directors may in its discretion determine not to fill such position unless such vacancy causes one of the consolidating cooperatives' existing districts to have no representation. In the event there is a conflict between this provision and either of the consolidating cooperatives' existing bylaws, the provisions contained within this section shall prevail.

V. CONDITIONS OF CONSOLIDATION

Upon said consolidation becoming effective and without any other or additional action:

- A. Each and all of the members of the consolidating cooperatives and all of the credits in the accounts of such members shall be converted into and become a member of or a creditor in the accounts of the consolidated cooperative.
- B. The assigned service territories of the consolidating cooperatives shall be assigned to and become the assigned service territory of the consolidated cooperative.

- C. All of the assets of the consolidating cooperatives shall then become the assets of the consolidated cooperative. At the same time all of the liabilities of the consolidating cooperatives shall then become the liabilities of the consolidated cooperative.
- D. It is acknowledged that the consolidating cooperatives use different methods for the general retirement of membership capital. Therefore, the consolidated Board of Directors shall establish an equitable system for the retirement of membership capital.
- E. No regular full-time employees of the consolidating cooperatives will be terminated as a direct result of the consolidation. All such employees will be retained by the consolidated cooperative in substantially similar pay grades and overall compensation. HOWEVER, the consolidated cooperative (as the employer) retains an at-will employment relationship with the employees of the consolidating cooperatives. All employees shall be subject to the employment policies and procedures established by the consolidated cooperative. Retirements, voluntary termination, or any other reason not directly resulting from the consolidation may occasion reductions in force.
- F. Board policies of the consolidating cooperatives will be reviewed by a joint policy committee, which will propose a new set of board policies to the consolidated Board of Directors. Until such time as the new board policies are adopted, the policies of the separate cooperatives shall continue to be in effect for the former members of that cooperative.
- G. Following the approval of the consolidation, the transitional Board of Directors shall take action to adopt the Articles of Consolidation. The transitional Board of Directors shall also take action to adopt the proposed bylaws, which shall remain in effect until the membership meeting to be held in 2000, at which time the membership shall adopt and ratify the bylaws.
- H. Following the consolidation, if the Board of Directors of the consolidated cooperative shall consider or deem it advisable that any instrument or further assurance be desirable in order to evidence the vesting in the consolidated cooperative of the title of any property, assets or rights, the appropriate Officers of the consolidated cooperative are hereby authorized to execute and acknowledge all such instruments and to do any and all other additional acts or things as the Board of Directors may deem necessary or desirable to carry out the purposes or provisions of this Proposition for Consolidation.

VI.

APPROVAL BY RUS, CFC, PUC & OTHERS

Upon approval of the consolidation by the memberships of the consolidating cooperatives, notice shall be given to the Rural Utilities Services (RUS), the National Rural Utilities Finance Corporation (CFC), the South Dakota Public Utilities Commission (PUC), East River Electric Power Cooperative, Inc., and any other public regulatory

bodies having jurisdiction over the consolidating cooperatives. The consolidation shall become effective on January 1, 2000.

VII.
APPROVAL RECOMMENDATIONS

This Proposition of Consolidation has been approved and adopted by the board of directors of each of the consolidating cooperatives and shall be submitted to a meeting of the members of each of the consolidating cooperatives in the manner provided by law. If approved by the requisite number of members voting thereon, this Proposition of Consolidation shall be adopted and shall become effective upon the dates set forth herein. The Boards of Directors of Intercounty Electric Association, Inc. and Tri-County Electric Association, Inc. approve and recommend to their members the adoption of this Proposition for Consolidation.

VIII.
INTERPRETATION OF CONFLICTS

In the event there is a conflict between this Proposition for Consolidation and the Bylaws of either of the consolidating cooperatives, the provisions contained within this Proposition for Consolidation shall prevail.

IN WITNESS WHEREOF, Intercounty Electric Association, Inc. has hereunto set its hand and seal on this the 15th day of February, 1999.

INTERCOUNTY ELECTRIC ASSOCIATION, INC.

(cooperative seal)

By Adolf J. Zass
Its President

ATTEST:

Ron U. Hecht
Secretary

IN WITNESS WHEREOF, Tri-County Electric Association, Inc. has hereunto set its hand and seal on this the 18th day of February, 1999.

TRI-COUNTY ELECTRIC ASSOCIATION, INC.

(corporate seal)

By Lyle Paulsen
Its President

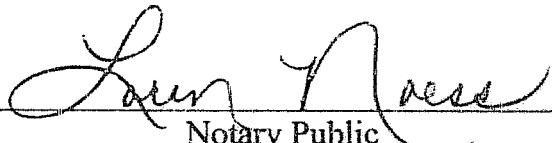
ATTEST:

Keith Fleppin
Secretary

STATE OF SOUTH DAKOTA
SS
COUNTY OF DAVISON

On this the 15th day of February, 1999, before me, the undersigned officer, personally appeared Adolf Zoss, who acknowledged himself to be the President of Intercounty Electric Association, Inc., a South Dakota electric cooperative, and that he as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the cooperative by himself as President.

In Witness Whereof I hereunto set my hand and official seal.


Notary Public

My Commission Expires: 6-9-2003

STATE OF SOUTH DAKOTA
SS
COUNTY OF DAVISON

On this the 15th day of February, 1999, before me, the undersigned officer, personally appeared Ron Uttecht, who acknowledged himself to be the Secretary, of Intercounty Electric Association, Inc., a South Dakota electric cooperative, and that he as such Secretary being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the cooperative by himself as Secretary.

In Witness Whereof I hereunto set my hand and official seal.

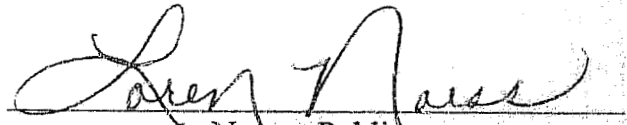

Notary Public

My Commission Expires: 6-9-2003

STATE OF SOUTH DAKOTA
SS
COUNTY OF AURORA

On this the 18th day of February, 1999, before me, the undersigned officer, personally appeared Lyle Pawlowski, who acknowledged himself to be the President of Tri-County Electric Association, Inc., a South Dakota electric cooperative, and that he as such President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the cooperative by him as President.

In Witness Whereof I hereunto set my hand and official seal.

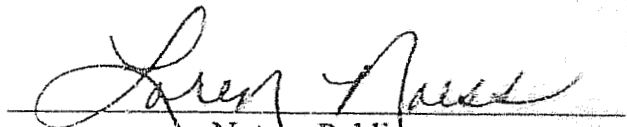

Notary Public

My Commission Expires: 6-9-2003

STATE OF SOUTH DAKOTA
SS
COUNTY OF AURORA

On this the 18th day of February, 1999, before me, the undersigned officer, personally appeared Keith Kleppin, who acknowledged himself to be the Secretary of Tri-County Electric Association, Inc., a South Dakota electric cooperative, and that he as such Secretary being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the cooperative by himself as Secretary.

In Witness Whereof I hereunto set my hand and official seal.


Notary Public

My Commission Expires: 6-9-2003

South Dakota Public Utilities Commission

WEEKLY FILINGS

For the Period of November 4, 1999 through November 10, 1999

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this filing.

Phone: 605-773-3705 Fax: 605-773-3809

CONSUMER COMPLAINTS

CT99-053 In the Matter of the Complaint filed by Storbeck Trucking, Inc., Huron, South Dakota, against Sprint Communications Company L.P. Regarding Unauthorized Switching of Services.

The Commission received a formal complaint from Doris Storbeck of Storbeck Trucking, Inc., Huron, South Dakota, on November 5, 1999, alleging that their intrastate long distance service was switched to Sprint without authorization. The Complainant is requesting that the charges be removed and compensation for inconvenience be awarded.

Staff Analyst: Leni Healy
Staff Attorney: Karen Cremer
Date Filed: 11/05/99
Intervention Deadline: NA

CT99-054 In the Matter of the Complaint filed by Tom and Corliss Vergeldt, Aberdeen, South Dakota, against MCI WorldCom Regarding Switching Rates.

On November 8, 1999, the Commission received a formal complaint from Tom and Corliss Vergeldt, Aberdeen, South Dakota, against MCI. The Complainants allege that a telemarketer promised they would get a rate of 5 cents per minute, any time of the day or night. The Complainants claim they questioned the telemarketer twice to confirm the rate. When they received the material sent by MCI, the Complainants discovered that their rates were not as described by the telemarketer. The Complainants called the numbers provided several times to get the service canceled. A representative of MCI indicated that they were not customers of MCI. They received a billing with high rates from MCI. The Complainants are seeking to have the charges dismissed, a \$1000 damage award and \$20,000 fine.

Staff Analyst: Leni Healy
Staff Attorney: Karen Cremer
Date Filed: 11/08/99
Intervention Deadline: NA

CT99-055 In the Matter of the Complaint filed by L & M Land Management, Huron, South Dakota, against Accutel Communications, Inc. Regarding Unauthorized Switching of Services.

On November 9, 1999, the Commission received a formal complaint from Ardelle Fosheim on behalf of L & M Land Management. The Complainant alleges that Accutel added charges to their telecommunications billing without authorization. The Complainant seeks to have all charges associated with this activity removed and \$1000 for inconvenience.

Staff Analyst: Leni Healy
Staff Attorney: Camron Hoseck
Date Filed: 11/09/99
Intervention Date: NA

ELECTRIC

EL99-017 In the Matter of the Filing for Approval of Changes to Assigned Service Areas of Intercounty Electric Association, Inc. and Tri-County Electric Association, Inc.

Tri-County Electric and Intercounty Electric have requested that the Commission transfer the existing territorial Agreements of the two existing entities to Central Electric Cooperative, Inc., effective January 1, 2000.

Staff Analyst: Martin Bettmann
Staff Attorney: Karen Cremer
Date Filed: 10/14/99
Intervention Deadline: NA

EL99-018 In the Matter of the Filing for Approval of Changes to Assigned Service Areas of Lincoln-Union Electric Company and Turner-Hutchinson Electric Cooperative, Inc.

Lincoln-Union Electric and Turner-Hutchinson Electric have requested that the Commission transfer the existing territorial Agreements of the two existing entities to Southeastern Electric Cooperative, Inc., effective January 1, 2000.

Staff Analyst: Martin Bettmann
Staff Attorney: Karen Cremer
Date Filed: 10/14/99
Intervention Deadline: NA

NATURAL GAS

NG99-008 In the Matter of the Filing by MidAmerican Energy Company for Approval of a Contract with Deviations with the University of South Dakota.

On November 8, 1999, MidAmerican Energy filed a proposed contract with deviations to serve the University of South Dakota at Vermillion pursuant to its Competitive Pricing Transportation Service currently tariffed with the Commission. The contract is the result of negotiations taking place after the University notified MidAmerican that it intended to build pipeline facilities to bypass MidAmerican.

Staff Analyst: Dave Jacobson
Staff Attorney: Camron Hoseck
Date Filed: 11/08/99
Intervention Deadline: NA

TELECOMMUNICATIONS

TC99-104 In the Matter of the Application of Connect!LD, Inc. for a Certificate of Authority to Provide Telecommunications Services in South Dakota.

Connect!LD, Inc. (Connect!) seeks a Certificate of Authority to offer presubscribed "1+" and toll free inbound services throughout South Dakota. Connect! intends to offer its services to business and residential customers.

Staff Analyst: Heather Forney
Staff Attorney: Camron Hoseck
Date Filed: 11/04/99
Intervention Date: 11/26/99

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