



# SIOUX VALLEY ENERGY

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October 26, 2005

South Dakota Public Utilities Commission  
Mr. Bob Knadle  
500 East Capitol Avenue  
Pierre, SD 57501

RE: Service Territory Exchange Agreement (A05.5)

Mr. Knadle;

As you requested in our phone conversation yesterday afternoon, I am writing this letter to clarify our reasons for requesting an exception to the electric service territory boundaries, allowing the City of Madison to provide service to Paul and Lora Erslands' property on the north edge of Madison, SD. We feel it would not be prudent for Sioux Valley Energy to construct over 2,800 feet of new electrical line to provide service to one new home, when Madison Municipal Utilities have line essentially across the road from the property in question, thereby duplicating what already exists. Although we would be able to provide adequate capacity and service reliability, we feel the transfer of territory best promotes efficient and economical development of electric utility infrastructure between Sioux Valley Energy and Madison Municipal Utilities, in this specific case. This is why Sioux Valley Energy, Madison Municipal Utilities, and Paul and Lora Ersland have all mutually agreed to this transfer of service territory, as we feel it is in everyone's best interest.

I believe this addresses the issues you had for us. If you need any further information or clarification, please call me at 605-256-1640, or you can reach me by e-mail at [corey.kasuske@siouxvalleyenergy.com](mailto:corey.kasuske@siouxvalleyenergy.com).

Sincerely,

Corey Kasuske, PE  
Manager of Engineering

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