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Steve Kolbeck, Vice Chair
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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

500 East Capitol Avenue
Pierre, South Dakota 57501-5070
www.puc.sd.gov

Capitol Office
(605) 773-3201
1-866-757-6031 fax

Warehouse
(605) 773-5280
(605) 773-3225 fax

Consumer Hotline
1-800-332-1782

March 5, 2008

Public Utilities Commission
Patricia Van Gerpen
500 E. Capitol Ave
Pierre, SD 57501

VIA E-MAIL ONLY

RE: EL08-006

Dear Ms. Van Gerpen:

This docket is a result of the work of Brookings Municipal Electric and Commission Staff to clarify current service territories in the Brookings municipal area. Through our joint effort, it was discovered that two agreements to modify service territory, both with special circumstances, were not approved by the Commission when entered into by Brookings Municipal Electric. On February 29, 2008, Mr. Richard Helsper filed a letter specifying both areas subject to such special circumstances and consequently the modified service territory agreements. Commission Staff recommends approval of both, yet believes additional information is necessary for the Commission to completely understand the current situation and history of the service territory exchanges.

First in 2003, recorded in Brookings Resolution 38-03, attached hereto for your review, the City of Brookings properly annexed contiguous land. The annexation originally involved the incorporation of all Western Estates Trailer Court. Subsequently, however, the owner of property on the north end of the trailer court excluded his property from the annexation. Consequently, several homes located in the excluded areas remained in the Sioux Valley Electric service territory. In an effort not to strand Sioux Valley Electric equipment in those cut-out areas, Brookings Municipal Utilities agreed to purchase and serve the residents in those areas north of the trailer court. The Agreement, labeled A03.3 is included for your review. Commission Staff agrees with Brookings Municipal Electric the Agreement eliminated the unnecessary duplication of facilities, provided adequate electric services and was an economical and efficient use and development of the electric system for both contracting parties.

Second, in 2004 the City of Brookings and Sioux Valley-Southwestern Electric Cooperative, Inc. agreed to the transfer of a customer located outside the service territory. Please see the attached Agreement labeled A05.1. The City properly annexed contiguous land in Resolution 19-04 and 44-04, also attached for your review. The annexation included property on which a transformer, also serving a church adjacent to the annexed property, was located. The church is the only building being served outside the city limits. Commission Staff agrees with Brookings Municipal Electric that the agreement to allow Brookings to service the church eliminated the unnecessary duplication of facilities, provides adequate electric service and promotes the efficient and economic use and development of the electric system of both contracting parties.

In conclusion, Brookings Municipal Utilities served the affected customers for several years without any complaint or problem. Clearly, the unique situations affected by Brookings' annexation were handled with economical and effective use of the electric system in mind. Staff recommends approval of both territory agreements.

Sincerely,

A handwritten signature in black ink, appearing to read "Kara Semmler". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kara Semmler

cc. Richard Helsper