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**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Jim Wilcox, Manager,
Government & Regulatory Affairs
500 West Russell Street
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Telephone (605) 339-8350 fax 612/573-9083
internet - james.c.wilcox@xcelenergy.com

July 24, 2008

Patty Van Gerpen, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Dear Patty:

Enclosed for filing please find an original copy of an executed "Service Territory Exception Agreement" between Xcel Energy and Sioux Valley Energy.

This agreement seeks an exception to our existing service territory near Ramona, South Dakota for grain bins. The agreement specifies the legal description of the location.

Mr. David Pitts is constructing a grain facility at this location. The site is located within Sioux Valley Energy's service territory, but because of proximity the grain bins will be more economically connected to the Xcel Energy's power system nearby.

Mr. Pitts supports this request and a consent letter is included from him here.

The accompanying drawing provides additional graphical detail to this request. Xcel Energy respectfully requests that the South Dakota Public Utilities Commission approve this agreement.

If anyone has any questions, please call me at 339-8350

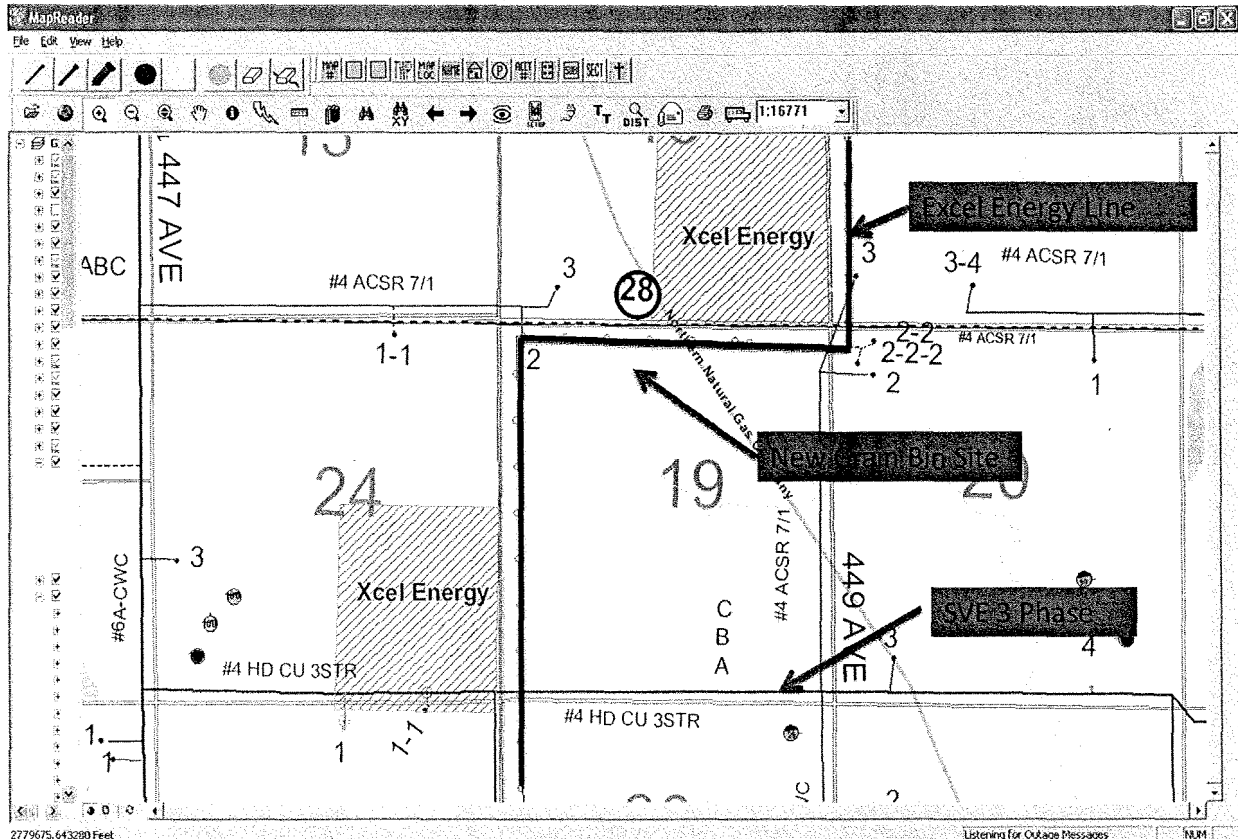
Sincerely,

A handwritten signature in cursive script that reads 'J Wilcox'.

Jim Wilcox

c. Ted Smith, Sioux Valley Energy

David Pitts
44809 229th St
Ramona, SD 57054-6304



2779675,643280 Feet

Listening for Outage Messages

11/11

**SERVICE TERRITORY EXCEPTION AGREEMENT
BETWEEN
XCEL ENERGY AND SIOUX VALLEY ENERGY**

Sioux Valley Energy and Xcel Energy jointly agree to allow Xcel Energy to provide electric service to a grain handling facility located near the intersection of 448th Av and 229th Street, north and west of Madison, SD. The facility is located within Sioux Valley Energy's electric service territory in the NW ¼ of Section 19 of Farmington Township T107N R53W in Lake County, South Dakota.

While this parcel of land resides within the existing Sioux Valley Energy Electric Service Territory as established in 1975 by the South Dakota Legislature and codified in SDCL 49-34A-42, Xcel Energy electric facilities are more conveniently located relative to providing service to this customer. Sioux Valley Energy facilities are over one mile distant, while Xcel Energy has an existing 12.5KV power line running along 229th Street that can be more easily tapped into in order to provide service to this customer:

A drawing of the service site is attached to this agreement as exhibit A. David Pitts, customer, desires that Xcel Energy connect this facility and serve the electrical load.

Sioux Valley Energy and Xcel Energy have concluded that, in this instance, the customer's interests will be best served by receiving service from Xcel Energy and have agreed to this exception to the existing territorial agreement.

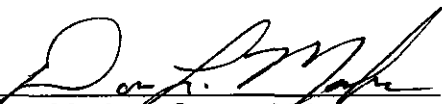
We also agree that each such instance where territory boundaries become a factor will be dealt with on an individual basis.

This consent on the part of Sioux Valley Energy is limited to the said service to the facility described and this territory exception will automatically terminate upon removal or abandonment of such service.

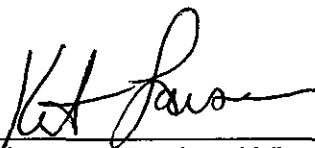
This exception is not to be construed as having any impact upon or indicating a desire to change the service areas assigned by the South Dakota Public Utilities Commission.

The Parties agree to jointly submit these agreed upon changes to the South Dakota Public Utilities Commission for approval.

SIOUX VALLEY SOUTHWESTERN
ELECTRIC COOPERATIVE
d/b/a Sioux Valley Energy

BY 
Don Marker, General Manager

Northern States Power Company – MN
d/b/a XCEL ENERGY

BY 
Kent Larson, Regional Vice President

DATE 7-7-08

DATE 7/22/08

Hamona, SD
June 9, 2008

Attn: Tom Neville
Sioux Valley Energy
Coleman, S.D.

Dear Tom,

My wife and I have the
quarter in Lake County - the
D.N.W. 1/4 19-107-53. Our sons,
Gary and Gregg, are putting
up 3 - 30,000 bu. storage
bins, each with 2 10-horse
ventilation fans and 1 10-
horse unloading motor.

I am planning on moving
an existing 17,000 bu. bin
to the site and putting
a ventilation fan on it.

We would like to hook up to
3-phase for the saving of energy
and have room for future
expansion.

Diox Valley has estimated it to be about 6,000 feet of new line at a cost of \$3.75 a foot, or \$22,500.00 to the customer, for a total cost of \$65,000.00.

Excel Energy has a main line servicing the town of Ramona, running by the end of the driveway to the bin sight which would be less than 100 feet from the first bin. This would be new construction and about 1/4 mile from the farm transformer which would not be changed.

We would appreciate your co-operation by allowing Excel Energy to serve this new site. There appears to be a significant savings for all involved. Thank You,
Pitts Farm
David Pitts