

April 17, 2018

SD Public Utilities Commission 500 E Capital Ave Pierre, SD 57501

Dear Commission,

In 2011, Central Electric and Excel Energy jointly agreed to allow Excel Energy provide electric service to a three phase grain bin site service located at 23355 430th Ave, near Howard SD. The grain bin site is located within Central's electric service territory in The Track one of Clark's Addition in SE ¹/₄ Sec 12-106-57 in Miner County, South Dakota.

David Clark, owner of the above mentioned grain bin site, wishes to construct a new 30×50 shop building on the same mentioned grain bin site. David Clark also wishes to have the shop served by three phase facilities.

While the parcel of land for this shop building resides within existing Central Service Territory as established in 1975 by the South Dakota Legislature and codified in SDCL 49-34A-42, Excel Energy's electric facilities are more conveniently located relative to providing service to this customer. Central's three phase service is located four miles from the new building while Excel Energy has existing three phase service 300 feet and would not require to build any line extension.

Central has concluded that, in this instance, the customers' best interest will be best served by receiving electric service for this shop building, located on the same mentioned grain bin service, from Excel Energy.

Central agrees that each such instance where territory boundaries become a factor will be dealt with on an individual basis. This consent on the part of Central is limited to the shop building 3 phase service as an acceptable change to the service territory exception agreement between Excel Energy and Central Electric that was signed in May of 2011 and is attached to this letter.

This 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.

Best Regards,

Sellengen

Ken Schlimgen General Manager

> 25487 403rd Ave., PO Box 850, Mitchell, SD 57301 605-996-7516 • 1-800-477-2892 • Fax: 605-996-0869 www.centralec.coop • cec@centralec.coop

SERVICE TERRITORY EXCEPTION AGREEMENT BETWEEN XCEL ENERGY AND CENTRAL ELECTRIC COOPERATIVE

Central Electric Cooperative (Central) and Xcel Energy jointly agree to allow Xcel Energy to provide electric service to a three phase grain bin site service located at 23355 430th Ave, near Howard, SD. The grain bin site is located within Central's electric service territory in The Track one of Clark's Addition in SE ¼ Sec 12-106-57 in Miner County, South Dakota.

While the parcel of land resides within the existing Central Service Territory as established in 1975 by the South Dakota Legislature and codified in SDCL 49-34A-42, Xcel Energy's electric facilities are more conveniently located relative to providing service to this customer. Central's three phase facilities are four miles from the grain bin site, while Xcel Energy has an existing 12.5KV power line running along Hwy 34 that can be extended approximately .5 miles order to provide service to this customer.

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

In addition, Central and Xcel Energy jointly agree to allow Xcel Energy to provide electric service to a farm site service located at 23315 430th Ave, near Howard, SD. The farm site is located within Central's electric service territory in The South Half (S1/2) of the Northeast Quarter (NE1/4) of Section Twelve (12), Township One Hundred Six (106) North, Range Fifty-seven (57), West 5th P.M., Miner County, South Dakota. The farm site can be provided service from Xcel's three phase line extended for the David Clark service and allow Central Electric Cooperative to remove its existing single phase line eliminating duplicate services.

A drawing of the service site is attached to this agreement as exhibit A. Dave Hahn, customer, desires that Xcel Energy connects this facility and serves the electrical load.

Central and Xcel Energy have concluded that, in this instance, the customer's interests will be best service 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 Central is limited to the said services described in this agreement and this territory exception 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 to jointly submit these agreed upon changes to the South Dakota Public Utilities Commission for approval.

CENTRAL ELECTRIC COOPERATIVE

Loren Noess, General Manager

XCEL ENERGY

Laura McCarten, Vice President

DATE May 4, 2011

CONSENT

The undersigned, David Clark, customer, hereby approves the joint petition set forth above.

Customer

13 DATE

CONSENT

The undersigned, Dave Hahn, customer, hereby approves the joint petition set forth above.

Customer

5/13/1 DATE_