



500 West Russell Street  
Sioux Falls, SD 57104

July 11, 2018

—Via Electronic Filing—

Ms. Patricia Van Gerpen, Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building, 1<sup>st</sup> Floor  
500 East Capitol Avenue  
Pierre, SD 57501-5070

RE: JOINT SERVICE EXCEPTION AGREEMENT  
DOCKET NO. EL11-011

Dear Ms. Van Gerpen:

Enclosed for filing, as Exhibit A, please find an executed “Service Territory Exception Agreement” between Xcel Energy and Central Electric Cooperative (“Central”).

This agreement seeks to create an exception to the existing service territory boundaries in rural Miner County in South Dakota, and relates to an exception agreement that was previously approved by the Commission in Docket No. EL11-011.

In Docket No. EL11-011, Central and Xcel Energy jointly agreed to allow Xcel Energy to provide three phase electric service to a grain bin site located at 23355 430<sup>th</sup> Avenue, in the SE ¼ of T106N R57 S12, near Howard, South Dakota. On June 29, 2011, the Commission issued an Order Granting Approval of an Exception to the Assigned Electric Service Territory in Docket No. EL11-011.

The retail customer who owns the grain bin at 23355 430<sup>th</sup> Avenue now wishes to have three phase service to a shed in close proximity to the grain bins. While the shed is in Central’s assigned service territory (see Exhibits B), it is approximately 100 feet to the southwest of the grain bins served by Xcel Energy pursuant to the exception agreement approved in Docket No. EL11-011. This location can also be referenced in Exhibit B1 “Vilas Areas” which was Exhibit L in Docket # EL13-043, the territory boundary agreement between Xcel Energy and Central Electric.

On April 23, 2018, Central filed a letter in Docket No. EL11-011, attached as Exhibit C, describing this particular situation and concluding 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 Xcel Energy.” As can be seen on Exhibit C, page 4 of 4, the customer also agrees to the territory exception.<sup>1</sup> Xcel Energy similarly agrees to the exception in this instance, and worked with Central on the attached agreement.

Pursuant to South Dakota Codified Laws 49-34A-42, “[n]o electric utility shall render or extend electric service at retail within the assigned service area of another electric utility unless such other electric utility consents thereto in writing and the agreement is approved by the commission consistent with § 49-34A-55. Under South Dakota Codified Laws 49-34A-55, the Commission’s consideration of such an agreement “shall be based on the public interest” and the factors to consider shall include “the 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 systems of the contracting electric utilities.”

For the reasons stated below, Xcel Energy and Central believe this agreement is in the public interest.

#### **A. Duplication of facilities avoided.**

As described in more detail in Central’s letter (Exhibit C), the customer is requesting three phase service. Central’s three phase service is located four miles from the shed, while Xcel Energy’s existing three phase service is approximately 300 feet away from the shed.

#### **B. Adequate electric service provided.**

Xcel Energy is positioned to safely and reliably serve the Customer’s requested shed which is located in the SE ¼ of T106N R57 S12, and serving the shed will not impact its ability to service its other customers in the area.

#### **C. Efficient and economical use and development of electric systems.**

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<sup>1</sup> While Xcel Energy takes seriously the confidentiality of its customers, in this instance the customer has agreed for this filing to be made publicly. See Exhibit D.

Xcel Energy and Central and its customer base are not materially harmed by allowing this three phase service exception.

Therefore, Xcel Energy and Central respectfully request that the South Dakota Public Utilities Commission approve the executed agreement and allow Xcel Energy to serve the customer's three phase electric service.

If there are any questions, please call me at 605-339-8350.

Sincerely,

A handwritten signature in cursive script that reads "Steve Kolbeck". The signature is written in black ink and is positioned above the printed name and title.

STEVEN T. KOLBECK  
PRINCIPAL MANAGER

Enclosures