



Gary Hanson, Chair
Chris Nelson, Vice Chair
Commissioner - Appointment
Pending

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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July 19, 2011

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

**Re: EL11-017 - In the Matter of the Joint Request for an Electric Service Rights
Exception between West River Electric Association and Black Hills Power**

Dear Ms. Van Gerpen:

On June 23, 2011, West River Electric Association (WREA) and Black Hills Power (BHP) jointly filed a request for Commission approval of an electric service territory exception. At the request of the customer, the City of Rapid City, the parties have agreed to allow BHP to provide electric service to the Northridge Water Tower located in WREA's electric service territory.

Staff recommends Commission approval of the request for territorial exception.

According to 49-34A-55, electric utilities may exchange electric distribution service rights by mutual agreement if approved by the Commission. Commission approval of exchange agreements is to be based on the public interest. The factors to consider include; (i) the elimination or avoidance of unnecessary duplication of facilities, (ii) providing adequate electric service to all areas and customers affected, and (iii) the promotion of the efficient and economical use and development of the electric systems of the contracting electric utilities.

Approval of the exception satisfies the requirements of SDCL 49-34A-55. The exception will result in substantial savings to Rapid City in costs associated with the interconnection. Also, it will avoid

the unnecessary duplication of facilities as BHP currently support infrastructure very near to the water tower.

As stated in the request, the interconnection does not attempt to change service territory boundaries. The exception is anticipated to continue for a period of only five years, or until WREA installs lines within proximity to the water tower.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Soye", with a long horizontal line extending to the right.

Ryan Soye
Staff Attorney