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SDPUC Chairman Nelson,

Upon review of the SDPUC website it was noticed by Southeastern Electric Cooperative, Inc., (SEC) Attorney Alan Peterson and brought to my attention that you had posted and item titled "EL 11-025 Map Proposal" on 2-21-2012. I must admit that I am somewhat unsure of responding to "opinion" postings by the SDPUC Commission and Staff, but, never-the-less, I felt compelled to comment on your most recent posting. As you noted in your letter relating to the associated map "one of the key considerations in drawing this map was to allow Southeastern to utilize as much of their existing build out as possible". On behalf of the Board of Directors, Management and Staff, we sincerely appreciate your perspective on that due to the fact that those are costs invested and paid for by the members of SEC to serve that entire area. I believe that the option you have provided may cause more confusion along half block property lines. It also extends service by Xcel Energy into SEC territory that is not in the disputed area as per all the hearing exhibits, considerations and the map that I submitted to the South Dakota Public Utility Commission (SDPUC) on 2-17-2012 titled "Attachment #2 Explanation Page Compromise offer 9-7-2011".

I offer the comments listed here relating to your map of 2-21-2012 and referencing several notes explaining my position included in an attachment titled "2-21-2012 Nelson map explanations". SEC believes that the territorial line between Xcel Energy and SEC was established in 2009 and, in a worst case scenario for SEC, the territory split with Xcel Energy (forgetting any changes approved by SDPUC action EL09-021) is depicted by the red line. SEC's undisputed service area prior to EL09-021 is shown in the green clouded area. In that green clouded area, if my count is correct, there are 150 lots (of the 263) that are completely in SEC's service territory. Your 2-21-2012 posting transfers 50+ lots (shown in the big black box) of future SEC members over to Xcel Energy that are not even in the disputed area as noted by the SDPUC Staff and both parties testimony. Furthermore, your "key consideration" noted above is compounded with (lot line) boundaries that are more difficult to define and more importantly even more difficult to serve with our electric facilities currently in place and those that will be needed in the future.

In an effort to avoid the entire dispute process, I offered "Attachment #2 Explanation Page Compromise offer 9-7-2011" verbally to Mr. Wilcox of Xcel Energy on 9-7-2011. After our second face-to-face meeting in Mr. Wilcox's office I again proposed SEC's offer and sent it in a written email prior to Xcel Energy's formal complaint filing hopefully to save all of us time and

unnecessary costs. We believe that EL09-021 changed the boundary lines and to avoid a territorial dispute SEC's offer (in my opinion) maximizes your "key consideration" for both SEC and Xcel Energy. With the compromise that we offer, SEC can utilize, to a lesser extent than planned, the current infrastructure that we have installed based on EL09-021. Xcel Energy can then extend it's facilities south an additional ½ block to East Tree Top Street for a clean territorial line along an established street. With SEC's offer we would have only one (lot line) boundary with four lots to contend with along South WestWind Avenue where SEC is currently serving a member at this time as noted in the green boxed areas on attachment "2-21-2012 Nelson map explanations".

I would also like to note that the impetus for this whole dispute began in August 2011 when SEC Operations Manager, Mr. Tim Chance had a discussion with an Xcel Employee (? Mr. Aaron Bickett). That discussion revolved around Xcel Energy serving 3 lots in SEC's service territory as show on the "2-21-2012 Nelson map explanations" in the blue boxes. That is part of the reasoning behind the offer I made with Mr. Wilcox on 9-7-2011 to help resolve the situation and provide a reasonable division of the disputed area. The SEC Compromise data is included with my response to Commissioner Hanson's specific request for information funneled through SDPUC General Counsel, Smith and SDPUC Administrative Assistant, Joy Irving on 2-16-2012.

I want to again "thank you" for your thoughtful consideration of this issue and the long term benefit of SEC members in relation to continuity of service and duplication of facilities in the disputed area. If you have any questions with the material provided here responding to your opinion or in my prior posting to Commissioner Hanson, please feel free to contact me or have a SDPUC Staff member notify me of your concerns or further postings.

Thanks,



Brad Schardin,
General Manager