

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE COMPLAINT)	Docket No. EL11-025
FILED BY XCEL ENERGY REGARDING)	
A VIOLATION OF THE TERRITORY LAW)	
BY SOUTHEASTERN ELECTRIC)	RESPONSE OF
COOPERATIVE, INC.)	SOUTHEASTERN ELECTRIC
)	COOPERATIVE, INC., TO
)	COMPLAINT OF XCEL ENERGY

Comes now Southeastern Electric Cooperative, Inc., and hereby responds to Xcel Energy’s Complaint alleging a violation of territorial law as follows:

1. Paragraphs 1, 2 and 3 are admitted.

2. As to Paragraph 4, Southeastern Electric Cooperative, Inc., believes the current and proper territorial boundary in the contested area was established by the South Dakota Public Utilities Commission Order EL09-021, entered December 3, 2009, at the joint request of Xcel Energy and Southeastern Electric Cooperative, Inc., as submitted by Xcel Energy on October 23, 2009.

3. As to Paragraphs 5, 6, 7 and 8, Southeastern Electric Cooperative, Inc., does not dispute the specific factual allegations. Because of the uncertainty that arose over their respective territories resulting in the 2002 adjudication before this Board, in 2007 Xcel Energy requested that Southeastern Electric Cooperative, Inc., negotiate the territorial swap that Xcel now calls “inadvertent.” Southeastern Electric Cooperative, Inc. very intentionally and deliberately entered into negotiations over a territorial swap that was fully negotiated with Xcel Energy. This swap was initiated by Pam Osthus, a

Customer Service Representative for Xcel Energy, and the agreement was reviewed by Rollie Heidebrink, the Customer Service Field Supervisor for Xcel Energy. In light of the fact that the swap of territories was initiated by Xcel Energy and approved by Xcel Energy personnel, Southeastern Electric Cooperative, Inc., does not believe there was any mistake or inadvertency as to the negotiated submission dated October 12, 2009. That agreement was negotiated with Osthus and Heidebrink before it was approved by Xcel Energy's Vice President of Construction Operations and ultimately submitted to this body on behalf of Xcel Energy by Jim Wilcox on October 23, 2009. The Public Utility Commission Order EL 09-021 permanently altered the territorial map on the day of its entry. Southeastern Electric Cooperative, Inc., in reliance upon that boundary Order has invested time and resources in preparation and beginning activities to serve the area as agreed. At this time, Southeastern Electric Cooperative, Inc., has installed cable with sufficient capacity to serve the area now contested. On the west edge of the property, Southeastern Electric Cooperative Inc. has brought specific infrastructure in place to serve eight platted lots as well as developed capacity to serve the remainder of the area. Southeastern Electric Cooperative, Inc. has also placed cables crossing the now-contested territory in preparation to serve yet another residential development to the east, and provides current service through that cable for two residential services beyond the negotiated territory on the eastern edge. Southeastern Electric Cooperative, Inc. believes altering the territorial boundaries that has currently been accepted by all parties and ordered by the PUC would cause it to forfeit resources developed in reliance upon the stipulation that was previously approved by multiple levels of Xcel Energy personnel.

WHEREFORE, Southeastern Electric Cooperative, Inc., requests that the Commission dismiss the Complaint and leave intact its December 3, 2009. Order granting approval of electric service territory boundary changes enumerated EL09-021.

Dated this 30th day of September, 2011.

LYNN, JACKSON, SHULTZ & LEBRUN, P.C.

By: /s/ R. Alan Peterson

R. Alan Peterson

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Cooperative, Inc.

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CERTIFICATE OF SERVICE

I hereby certify that on the 3rd day of October, 2011, I electronically filed the foregoing **Response of Southeastern Electric Cooperative, Inc., to Complaint of Xcel Energy**, with the South Dakota Public Utilities Commission and certify that I sent a copy of the same by first class mail, postage prepaid, to:

Brett Koenecke
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P.O. Box 160
Pierre, South Dakota 57501-0160

Attorneys for Xcel Energy

relative to the above-entitled matter.

/s/ R. Alan Peterson

R. Alan Peterson

--Electronically Filed--