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August 25, 2014

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Dear Ms. Van Gerpen:

Enclosed for filing please find a copy of an executed "Service Territory Exception Agreement between Xcel Energy and Sioux Valley Southwestern Electric Cooperative Inc."

This agreement seeks to modify an existing service territory of Xcel Energy's by means of an exception in section 10 of T103N R47W in Minnehaha County, South Dakota.

Attached Exhibit A to the new agreement provides additional graphical detail to this request. The "Exception Area" is labeled as "Bergin Tract No.1". Attachment B provides the legal description for the territory exception. Attachment C provides customer acknowledgement of this agreement.

Although the property is within the service territory boundaries of Xcel Energy, the customer presently receives service from Sioux Valley Southwestern Electric Cooperative Inc. Sioux Valley has been serving the property since South Dakota territory boundaries were established in 1975. The customer seeks to add service to one 400 amp 1-phase service on property adjacent to the existing service location. The parties agree that Xcel Energy may serve any expansion of service on the property. However, the Cooperative's facilities are in close proximity to the customer while Xcel Energy's facilities are further away. Accordingly, we have agreed to this service territory exception so that the customer can proceed with this additional service.

Xcel Energy respectfully requests that the South Dakota Public Utilities Commission approve this agreement.

Please call me at 605-339-8303 with any questions regarding this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Eric Pauli', written over a light blue horizontal line.

Eric Pauli
Xcel Energy
Manager, Community Relations