

**PUBLIC DOCUMENT  
TRADE SECRET DATA EXCISED**

**EXCEPTION AGREEMENT BETWEEN  
NORTHERN STATES POWER COMPANY  
AND  
SIOUX VALLEY SOUTHWESTERN ELECTRIC COOPERATIVE INC.**

This exception agreement entered into this 28th day of June, 2017, (the "Exception Agreement") between Northern States Power Company, doing business as Xcel Energy, with offices located at 500 W. Russell Street, Sioux Falls, South Dakota ("Xcel Energy"), and Sioux Valley Southwestern Electric Cooperative Inc. with its principal office located at PO Box 216, Colman, SD 57017 ("Sioux Valley") (collectively, the "Parties").

**RECITALS**

- A. Pursuant to SDCL 49-34A-42, et. Seq., both Parties have electric service territory established under South Dakota law.
- B. In Sioux Valley's Minnehaha County service territory lies an irrigation pivot service with the address of **[CONFIDENTIAL DATA BEGINS  
CONFIDENTIAL DATA ENDS]** which is in close proximity to Xcel Energy's distribution facilities. The location of this 200 amp 1-phase irrigation pivot service is further shown on Exhibit K.
- C. The Parties have come to a mutual agreement that will allow Xcel Energy to provide service by exception to one 200 amp 1-phase irrigation pivot service on the property.

NOW THEREFORE, in consideration of the promises exchanged herein, the Parties agree as follows:

- 1. Scope of Agreement. The scope of this Exception Agreement is limited to one 200 amp 1-phase irrigation pivot service on the property as specifically identified on Exhibit K.
- 2. Compensation. The Parties agree that no compensation is owed to Sioux Valley by Xcel Energy for the limited right to serve one 200 amp 1-phase irrigation pivot service by exception on the property.
- 3. Future Service Rights. The Parties acknowledge that the limited right to serve by exception one 200 amp 1-phase irrigation pivot service on the property as contemplated in this Exception Agreement does not convey permanent rights or rights to expand service beyond service to one 200 amp 1-phase irrigation pivot service.
- 4. Compensation for Facilities. If said 200 Amp 1-phase irrigation pivot service needs to be upgraded Sioux Valley reserves the right to serve upgraded service. If Sioux Valley elects to serve upgraded service, Xcel Energy will not be paid for any portion of the 200 Amp 1-phase irrigation pivot service by Sioux Valley.

5. Lost Revenue. The Parties acknowledge that no compensation was paid by Xcel Energy to Sioux Valley for the limited right to serve by exception, and agree that no compensation will be owed by Xcel Energy to Sioux Valley in the future for lost revenue related to the 200 amp 1-phase irrigation pivot service on the property.
6. Reservation of Rights. Except as specifically set forth herein, this Exception Agreement does not modify or limit the legal rights of any party.
7. No Precedent. The Parties recognize that this Exception Agreement is the result of negotiations between the Parties and that this Exception Agreement and the Commission's approval of this Exception Agreement does not represent any binding or legal precedent on any party in any other matter.
8. Request for Commission Approval of the Agreement. Coinciding with execution of this Exception Agreement by all Parties, Xcel Energy has prepared and filed a Joint Amended Petition to the Commission by the Parties to approve the newly executed Service Territory Exchange Agreement as filed on June 29 in docket EL17-020 along with this Exception Agreement.
9. Miscellaneous.
  - (a) Entire Exception Agreement and Modification. This Exception Agreement contains the entire exception agreement and understandings of the Parties hereto regarding the scope of the Exception Agreement and appropriate compensation for the 200 amp 1-phase irrigation pivot service on the property. All previous communications, or agreements, between the Parties hereto, either verbal or written, with reference to the subject matter of this Exception Agreement are hereby abrogated. No amendment, modification or waiver of, or consent with respect to any provision of this Exception Agreement shall be effective unless the same shall be in writing and signed by a duly appointed representative of all Parties and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.
  - (b) Assignment. None of the Parties shall assign, or sublet, this Exception Agreement, voluntarily, involuntarily or by operation of law, without the prior written consent of the other.
  - (c) Severability. If any provision of this Exception Agreement shall be found invalid or unenforceable, in whole or in part, by a court of competent jurisdiction or the Commission, then such provision shall be deemed to be modified or restricted to the extent and in a manner necessary to render the same valid and enforceable, or if that is not possible, such provision shall be stricken and deleted from this Exception Agreement, as the case may require, and this Exception Agreement shall then be construed and enforced to the maximum extent permitted by law and with the purpose to achieve the fundamental intent of the Parties.

- (d) Choice of Laws. This Exception Agreement shall be construed and interpreted in accordance with the laws of the State of South Dakota and excluding any choice of law or rules that may direct the application of laws of another jurisdiction.
- (e) Agreement Drafted Jointly. The Parties agree that none of the Parties shall be deemed solely responsible for drafting all or any portion of this Exception Agreement, and in the event of a dispute, responsibilities for any ambiguities arising from any provision of this Exception Agreement shall be shared equally among the Parties.
- (f) Regulation. The Parties acknowledge that this Exception Agreement is subject to the jurisdiction of the Commission.
- (g) Effective Date. The effective date of this Exception Agreement is the date upon which the Exception Agreement has been signed by a duly appointed representative of both Parties.
- (h) Notice. Any notice permitted or required by this Exception Agreement shall be made in writing and personally served or mailed (postage prepaid, return receipt requested) and shall be effective upon the date of personal service, or if by mail, upon the date of receipt.

IN WITNESS WHEREOF, the Parties hereto have executed this Exception Agreement as of the day and year first above written and the Parties agree to take such additional steps and actions including execution of such instruments and other documents as are reasonably necessary to effectuate the intentions expressed hereby.

Northern States Power Company, A Minnesota corporation
By: <u>Laura McCarten</u> Date: <u>July 6, 2017</u>
Laura McCarten Regional Vice President, NSP-MN

I consent to this agreement [CONFIDENTIAL DATA BEGINS Owner: [REDACTED] By: [REDACTED] Date: <u>7/6/17</u> [CONFIDENTIAL DATA ENDS]
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Sioux Valley Southwestern Electric Cooperative Inc.
By: <u>Tim McCarthy</u> Date: <u>7/3/17</u>
Tim McCarthy General Manager, CEO