

**AGREEMENT BETWEEN CITY OF FT. PIERRE AND
WEST CENTRAL ELECTRIC COOPERATIVE WITH RESPECT TO
TERRITORIAL SERVICE AREAS**

RECEIVED
AUG 16 2002

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

THIS AGREEMENT made and entered into this 6th day of AUGUST, 2002, by and between the City of Ft. Pierre, South Dakota, hereinafter referred to as "City", and West Central Electric Cooperative, Inc., hereinafter referred to as "West Central", WITNESSETH:

WHEREAS, the City and West Central have heretofore entered into a Territorial Agreement pursuant to the provisions of Chapter 49-34A, SDCL, which Agreement was approved and ratified by the Public Utilities Commission for the State of South Dakota, and

WHEREAS, the parties hereto deem it to be in the best interest of themselves and their respective customers to provide certain stability in various service areas, which could be affected by annexation, now therefore,

FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES, CONDITIONS AND TERMS CONTAINED HEREIN, THE PARTIES DO HEREBY COVENANT, CONTRACT AND AGREE AS FOLLOWS, TO-WIT:

1.

West Central is currently providing service to various customers in its territory located north of the existing city boundaries of Ft. Pierre, described as follows, to-wit:

The South One-half of the Southeast One-Fourth (S $\frac{1}{2}$ SE $\frac{1}{4}$) of Section Seventeen (17), and the South One-half of the Southwest One-fourth (S $\frac{1}{2}$ SW $\frac{1}{4}$) of Section Sixteen (16), Township Five (5) North, Range Thirty-one (31) East of the Fifth Principal Meridian, Stanley County, South Dakota, and land immediately to the east thereof, extending to the Missouri River, which provides the eastern boundary of said area, the foregoing parcels lying adjacent and immediately north of the north boundary line of the city limits of the City of Ft. Pierre.

2.

It is agreed that the above described territory shall

become the service territory of the City of Ft. Pierre upon the effective date of this Agreement, and that any present and any future customers located therein shall become the customers of the City of Ft. Pierre.

3.

As partial consideration therefore, West Central agrees that it will transfer its electrical facilities located in said area as of January 1, 2002, to the City and in consideration therefore, the City agrees to pay to West Central an agreed upon price of \$75,000.00, less \$10,000.00 for transformers retained by West Central. In addition, until such time as this Agreement shall be approved and the transfer shall take place, in the event that West Central shall be required to provide service to additional customers within the above area, City shall reimburse West Central the actual cost of providing service to said additional customers. As a further consideration for the transfer, West Central agrees to waive and City shall not be obligated to pay the 25% of gross revenues from said territory as contemplated by SDCL 49-34A-50.

4.

As further consideration herein, City agrees, subject to paragraph 13 herein, that it shall not exercise its option to purchase upon annexation as provided in SDCL 49-34A-49, any of West Central's existing service territory lying north of the north boundary line of the above described City's newly acquired territory, including any of said territory located in Sections 7, 8, 9, 16, 17 and 18 of Township Five (5) North, Range Thirty-one (31) East of the 5th P.M., Stanley County, South Dakota. City further agrees, subject to paragraph 13 herein, that in the event it shall ultimately extend its boundaries north into West Central's service territories, that the City shall forever waive its statutory fee as provided in SDCL 49-34A-46 and West Central shall be relieved of any and all obligation to pay same to City.

5.

It is acknowledged by the parties that this Agreement must be approved by the South Dakota Public Utilities Commission. Following the execution of this document, City shall apply to the South Dakota Public Utilities Commission for approval of this Agreement and West Central shall cooperate with and support the City in seeking approval.

6.

It is understood and agreed that the above transfer of property and customers to the City shall take place as soon as is reasonably practicable following approval by appropriate authorities, but no later than one year following approval by the South Dakota Public Utilities Commission. The parties agree to work together to effect the smooth transition causing the least inconvenience to electric patrons located within said area.

7.

It is agreed that West Central shall continue providing service to its customers located in the City's extended service area until such time as the City shall complete the change-over.

8.

West Central agrees to refund to its customers, as of the date of possession, any refundable deposits and there shall be no assumption by the City of such refundable deposits. From and after the date of possession, West Central agrees to indemnify and save harmless the City against any and all claims based upon transactions occurring prior to the date of possession.

9.

At the time of transfer of individual consumers, the consumer meters shall be jointly read by representatives of the City and West Central. This reading shall be used to determine the final bill to be issued by West Central and the initial reading for use by the City. West Central shall be entitled to all revenues derived from sales prior to said meter readings and shall be responsible for collection of those revenues.

10.

West Central's cash retirement of consumer retained capital credits shall be consistent with its policies from time to time.

11.

West Central shall assign to the City all right-of-way easements of record pertaining to the facilities and existing within the newly acquired territory.

12.

This Agreement is intended to supercede and replace that certain letter of understanding between the parties with respect to the Suiter, McQuiston and Fogal Properties approved by the South Dakota Public Utilities Commission on May 24, 1994.

13.

This Agreement may be modified by agreement of the parties or by action of the South Dakota Public Utilities Commission. This paragraph shall not prevent either party from advocating their respective positions on any issues before the South Dakota Public Utilities Commission or judicial review therefrom.

IN WITNESS WHEREOF, the parties have hereunto set their hand and seal as authorized by the respective corporate bodies as indicated.

CITY OF FT. PIERRE

(SEAL)

By: _____

Mayor

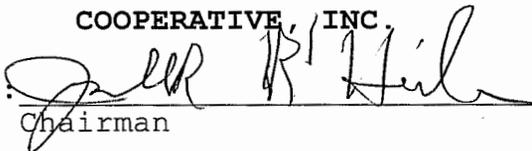
ATTEST:

Doree Page
City Finance Officer

I do hereby certify that the foregoing Agreement was approved by the Ft. Pierre City Council and the Mayor was authorized to execute same by virtue of a Resolution adopted the 5th day of August, 2002.

WEST CENTRAL ELECTRIC
COOPERATIVE, INC.

(SEAL)

By: 
Chairman

ATTEST:

Charles H. Oller
Secretary

I do hereby certify that the foregoing Agreement was duly approved by Resolution adopted by the Board of Directors of West Central Cooperative, Inc., on the 14th day of August, 2002.

Charles H. Oller
Secretary

South Dakota Public Utilities Commission
WEEKLY FILINGS
For the Period of August 15, 2002 through August 21, 2002

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact
Delaine Kolbo within five business days of this report. Phone: 605-773-3705 Fax: 605-773-3809

ELECTRIC

EL02-017 In the Matter of the Joint Request for an Electric Service Territory Boundary Change between the City of Fort Pierre and West Central Electric Cooperative, Inc.

On August 16, 2002, the City of Fort Pierre and West Central Electric filed for approval an agreement with respect to territorial service areas. The joint agreement provides that the following territory shall become the service territory of the City of Fort Pierre: the South one-half of the Southeast one-fourth of Section 17, and the South one-half of the Southwest one-fourth of Section 16, Township 5 North, Range 31 East of the Fifth Principal Meridian, Stanley County, South Dakota, and land immediately to the east thereof, extending to the Missouri River, which provides the eastern boundary of said area, the foregoing parcels lying adjacent and immediately north of the north boundary line of the city limits of the City of Fort Pierre.

Staff Analyst: Michele Farris
Staff Attorney: Karen Cremer
Date Docketed: 08/16/02
Intervention Deadline: 09/06/02

EL02-018 In the Matter of the Request for an Electric Service Territory Exception between Clay-Union Electric Corporation and the City of Vermillion.

On August 19, 2002, Clay-Union Electric Corporation filed a request for approval for the transfer of an electric service customer. Clay-Union Electric has agreed to release Rollie and Sue French's electric service to the City of Vermillion. All parties are in agreement to the electric service exchange.

Staff Analyst: Michele Farris
Staff Attorney: Kelly Frazier
Date Docketed: 08/19/02
Intervention Deadline: 09/04/02

TELECOMMUNICATIONS

TC02-107 In the Matter of the Filing by VP Telecom, Inc. for Approval of its Intrastate Switched Access Tariff and for an Exemption from Developing Company Specific Cost-Based Switched Access Rates.

VP Telecom has filed a request for an exemption from developing company-specific cost-based switched access rates contained in ARSD 20:10:27:07. The Company indicates that it does not have the available resources to determine company-specific cost-based intrastate switched access rates. VP Telecom is also requesting a waiver from the process to determine switched access rates under ARSD 20:10:27:12.

Staff Analyst: Heather Forney
Staff Attorney: Karen Cremer
Date Docketed: 08/15/02
Intervention Deadline: 09/06/02

TC02-108 In the Matter of the Filing for Approval of an Amendment to an Interconnection Agreement Between Qwest Corporation and New Edge Network, Inc. dba New Edge Networks.

On August 21, 2002, the Commission received for approval a filing of an Amendment for DC Power Reduction Procedure, Collocation Transfer of Responsibility, Collocation Decommission and Collocation Cancellation to the Interconnection Agreement Between Qwest Corporation (Qwest) and New Edge Networks (New Edge) for the State of South Dakota. According to the filing, the Agreement is Amended by adding the terms and conditions (and associated rates where applicable) for DC Power Reduction Procedure, Collocation Transfer of Responsibility, Collocation Decommission and Collocation Cancellation as set forth in Attachments 1 through 4, and Exhibit A, attached to the filing. Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than September 10, 2002. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly Frazier
Date Docketed: 08/21/02
Initial Comments Due: 09/10/02

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You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc>**

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September 9, 2002

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SEP 09 2002

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

HAND DELIVERED

Debra Elofson, Executive Director
Public Utilities Commission
State Capitol
500 East Capitol Avenue
Pierre, South Dakota 57501

RE: **FRONTIER ROAD HOMEOWNERS ASSOCIATION; ELECTRIC SERVICE AREA
BOUNDARY CHANGE**

Docket: EL02-017

Our file: 0038

Dear Debra:

Enclosed are original and ten copies of a Petition to Intervene,
which please file.

With a copy of this letter, I am sending copies of the Petition
to the service list.

Yours truly,

MAY, ADAM, GERDES & THOMPSON LLP

BY: 

DAG:mw

Enclosures

cc/enc: Sam Tidball

Joe Hieb

Michele Farris

Karen Cremer

RECEIVED

SEP 09 2002

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

IN THE MATTER OF THE JOINT REQUEST) EL02-017
FOR AN ELECTRIC SERVICE TERRITORY)
BOUNDARY CHANGE BETWEEN THE CITY)
OF FORT PIERRE AND WEST CENTRAL) **PETITION TO INTERVENE**
ELECTRIC COOPERATIVE, INC.)

Pursuant to ARSD 20:10:01:15.02 the Frontier Road Homeowners Association by its undersigned counsel petitions the Commission as follows:

1. The Frontier Road Homeowners Association ("Homeowners") is an unincorporated association of homeowners located within one of the areas described in the agreement between the City of Fort Pierre ("City") and West Central Electric Cooperative ("West Central") which is now before the Commission in this docket.

2. City and West Central have filed for approval of an agreement concerning territorial service areas, asking that it be approved by the Commission. Among other things the agreement provides that West Central will cede to City the right to serve electrical service in that geographical area described in paragraph 1 of the agreement, and that West Central will retain the right to serve that area described in paragraph 4 of the agreement. City specifically agrees in the agreement not to exercise its option to purchase West Central's service as authorized by SDCL § 49-34A-49, in the event City annexes the service area described in paragraph 4, and in which Homeowners are located. In so providing, City and West Central discriminate against Homeowners.

3. In a 1999 annexation study prepared by the City of Fort Pierre, the financial benefit to a family of five of annexation where the City purchases the electrical service territory is estimated to be \$1,165.48. These savings were cited by the City as offsetting most or all of the increased taxes that Homeowners would incur by being annexed into the City. Under the agreement now before the Commission, those persons located in the geographical area described in paragraph 1 of the agreement will receive these benefits if annexed, while Homeowners will not receive the benefits if annexed. In 1999 the City proposed to treat both geographical areas identically, but now it proposes to discriminate against Homeowners.

4. It is true that a significant number of the persons living in the Frontier Road area (who are members of Homeowners) do not wish to be annexed. However, Homeowners believes it to be discriminatory and at least facially conspiratorial for City and West Central to agree in advance, before annexation, that the very area that City sought to annex in 1999 will now be penalized in the future if the area is annexed by City. It is discriminatory for the reasons set forth above. It is facially conspiratorial because West Central initially allied itself with Homeowners in fighting the proposed annexation in 1999 and shortly thereafter mysteriously decided to abandon opposition to the annexation and left Homeowners high and dry without support. This gives rise at least to the inference that City and West Central struck this deal in 1999 that caused West Central to back out of its opposition. If the City truly wishes to cede potential electric service jurisdiction over the Frontier Road area, then it should agree not to annex the area as well. Otherwise, in the event of eventual annexation, the cost to Homeowners will be significantly greater than the cost to those persons identified in paragraph 1 of the proposed agreement.

5. Homeowners have a direct interest in the outcome of this proceeding. They strongly believe that the City, which once treated both areas equally, should not now be permitted to discriminate against one and favor the other.

WHEREFORE Homeowners prays that the Commission permit its intervention and participation in this proceeding to examine and cross-examination witnesses and offer evidence on its own behalf.

Dated this 9th day of September, 2002.

MAY, ADAM, GERDES & THOMPSON LLP

BY 
DAVID A. GERDES

Attorneys for Frontier Road Homeowners
Association
503 South Pierre Street
P.O. Box 160
Pierre, South Dakota 57501-0160
Telephone: (605)224-8803
Telefax: (605)224-6289

CERTIFICATE OF SERVICE

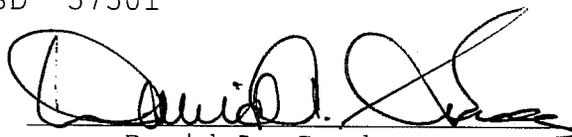
David A. Gerdes of May, Adam, Gerdes & Thompson LLP hereby certifies that on the 9th day of September, 2002, he mailed by United States mail, first class postage thereon prepaid, a true and correct copy of the foregoing in the above-captioned action to the following at their last known addresses, to-wit:

Sam Tidball
Mayor City of Fort Pierre
P.O. Box 927
Fort Pierre, SD 57532

Joe Hieb
President
West Central Electric
P.O. Box 17
Murdo, SD 57559

Karen Cremer
Staff Attorney
Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

Michele Farris
Staff Analyst
Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501



David A. Gerdes

LAW OFFICES
MAY, ADAM, GERDES & THOMPSON LLP

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September 25, 2002

OF COUNSEL
WARREN W. MAY

GLENN W. MARTENS 1881-1963
KARL GOLDSMITH 1885-1966

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SEP 25 2002

HAND DELIVERED

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Debra Elofson, Executive Director
Public Utilities Commission
State Capitol
500 East Capitol Avenue
Pierre, South Dakota 57501

RE: **FRONTIER ROAD HOMEOWNERS ASSOCIATION; ELECTRIC SERVICE AREA
BOUNDARY CHANGE**
Docket: EL02-017
Our file: 0038

Dear Debra:

Enclosed are original and ten copies of two sets of Interrogatories, Request for Production and Requests for Admission, which please file. One set is directed to the City of Fort Pierre and the other set is directed to West Central Electric Cooperative.

With a copy of this letter, I am forward copies of the enclosures to the service list.

Yours truly,

MAY, ADAM, GERDES & THOMPSON LLP

BY: 

DAG:mw

Enclosures

cc/enc: Sam Tidball
Joe Hieb
Michele Farris
Karen Cremer
Alan Glover

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

IN THE MATTER OF THE JOINT REQUEST) EL02-017
FOR AN ELECTRIC SERVICE TERRITORY)
BOUNDARY CHANGE BETWEEN THE CITY)
OF FORT PIERRE AND WEST CENTRAL)
ELECTRIC COOPERATIVE, INC.)

RECEIVED

SEP 25 2002

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

**INTERROGATORIES, REQUEST FOR PRODUCTION AND REQUESTS
FOR ADMISSION TO THE CITY OF FORT PIERRE**

TO: THE CITY OF FORT PIERRE.

YOU ARE HEREBY REQUESTED to answer the following interrogatories, request for production and requests for admission proposed by the Frontier Road Homeowners Association within the time and in the manner required by SDRCP 33, SDRCP 34, SDRCP 36 and ARSD 20:10:01:22.01. Where knowledge or information in the possession of a party is requested, such request includes knowledge of the party's agents, representatives and attorneys. A request for the location of documents constitutes a request for the present address at which such documents are kept, if known, and if not known, the last address known and information as to their disposition. "Custodian" means the person who has possession or control of documents and a request for the identity of a custodian constitutes a request for the name and present address of the custodian.

These interrogatories, requests for production and requests for admission shall be deemed continuing so as to require reasonable supplemental answers if you, your agents, representatives or attorneys obtain further information between the time answers are served and the time of trial.

Terms used in these interrogatories have the following meaning:

- (a) "Identify" as to a document means to describe the document, give its date and provide the name, address and occupation of its custodian; as to a person means to

provide the name, present address, occupation and telephone number of the person.

- (b) "Document, memorandum, plan, tariff, cost estimate, report or record," means both paper copies of records and electronic copies of records. A reference to documents, memoranda, plans, tariffs, cost estimates, reports or records includes a reference to e-mails (and attachments), whether preserved in paper or electronic form.

INTERROGATORIES

1. State the name, present age, address and occupation of the person or persons answering these interrogatories.

2. State the name, present age, address and occupation of all persons furnishing information or assisting in answering these interrogatories.

3. State the name, present address and occupation of all persons known to you who have personal knowledge of any facts relevant to the subject matter of this proceeding, and particularly concerning the manner in which the proposed agreement between the City of Fort Pierre ("the City") and West Central Electric Cooperative ("West Central") which is the subject of this docket ("The Agreement") was developed, the persons conducting negotiations and the persons collecting or analyzing facts and figures concerning the proposed transaction represented by The Agreement.

4. As to all persons listed in your answer to the previous interrogatory, state whether any of them have created or commented upon all or part of any document, report or record concerning the subject matter of this proceeding, and particularly the manner in which either party to The Agreement arrived at the terms and conditions set forth in The Agreement, including the modification of the statutory buyout price to be paid by the City. If so, identify each such commenting document, report or record.

5. State the name, address and present occupation of each person whom you have consulted as an expert and whether you have received a report from any such expert.

6. State the name, address and present occupation of each person whom you intend to call at the hearing as an expert witness, together with the subject matter on which the expert is expected to testify, the substance of the facts and opinions to which the expert is expected to testify and a summary of the grounds for each opinion. Please also state whether you have received a report from any such expert.

7. State the full professional curriculum vitae for any expert mentioned in your answers to these interrogatories.

8. State the name, address and occupation of each witness that you intend to call at the hearing not otherwise mentioned in your answers to these interrogatories.

9. Describe the manner in which the decision was made to enter into The Agreement, including:

(a) Identify all persons for both the City and West Central who conducted negotiations at any time prior to approval of The Agreement by both entities;

(b) Describe the date, time and place, and identify all persons present, of each negotiating contact between the parties;

(c) Identify all documents exchanged between the parties during the course of negotiations; and

(d) Identify all minutes, exhibits and other documents associated with approval of The Agreement by the City.

10. Identify all documents not otherwise mentioned in your answers to these interrogatories associated with the computation, review or analysis of the assets to be acquired by the City, as mentioned in paragraph 3 of The Agreement.

11. Identify all drafts of the contract which were exchanged between the parties before The Agreement was approved by the parties.

12. Identify the letter of understanding between the parties with respect to the Suiter, McQuiston and Fogal properties mentioned in paragraph 12 of The Agreement.

13. State each and every reason that the residents of Frontier Road have been treated differently than the residents of the Hamilton Addition, in that the residents of the Hamilton Addition will be offered the financial benefits of City electrical service upon annexation, while the residents of Frontier Road will be denied the financial benefits of City electrical service upon annexation.

14. If you claim any of the foregoing documents are privileged, identify those documents and specify the legal reason for your claim of privilege. Will you provide these documents under a confidentiality agreement? If not, specify the legal reason you will not do so.

REQUEST FOR PRODUCTION

Please produce copies of the following documents in the form and in the manner contemplated by SDRCP 34 and ARSD 20:10:01:22.01, as follows:

1. All documents identified in the foregoing interrogatories.

REQUESTS FOR ADMISSION

Please admit that the following documents are genuine, or that the following facts are true, as contemplated by SDRCP 36 and ARSD 20:10:01:22.01, as follows:

1. That Exhibit A attached hereto is a true and correct copy of the 1999 Annexation Study prepared by the City of Fort Pierre, is genuine and is factual.

2. That paragraph 4 of The Agreement is not a prerequisite for the Hamilton Addition to be annexed into the City of Fort Pierre, and that SDCL § 49-34A-49 and related statutes provide full authority for the City to purchase West Central's electrical distribution properties within the annexed area together with West Central's service rights to the area.

3. That the City's 1999 Annexation Study contemplated annexation of the Frontier Road area.

4. That the residents of Frontier Road are being penalized by The Agreement for having opposed the proposed annexation of the Frontier Road area according to the 1999 Annexation Resolution and Study.

5. That paragraph 4 of The Agreement relinquishes the option of the City at any time in the future to annex and provide service to considerably more territory than the City had proposed to annex pursuant to the 1999 study, including any service territory of West Central located in Section 7, the West Half of Section 8, the West Half of Section 17 and all of Section 18, Township 5 North, Range 31, East of the 5th Principal Meridian.

6. That the proposed relinquishment described in the previous paragraph is inconsistent with the needs of the City to expand and provide services north of the existing City limits articulated in Exhibit A, and in particular on pages 8 and 9 thereof.

Dated this 25th day of September, 2002.

MAY, ADAM, GERDES & THOMPSON LLP

BY: 

DAVID A. GERDES

Attorneys for Frontier Road Homeowners
Association

P.O. Box 160

Pierre, South Dakota 57501-0160

Telephone: (605)224-8803

Telefax: (605)224-6289

CERTIFICATE OF SERVICE

David A. Gerdes of May, Adam, Gerdes & Thompson LLP hereby certifies that on the 25th day of September, 2002, he mailed by United States mail, first class postage thereon prepaid, a true and correct copy of the foregoing in the above-captioned action to the following at their last known addresses, to-wit:

Sam Tidball
Mayor City of Fort Pierre
P.O. Box 927
Fort Pierre, SD 57532

Joe Hieb
President
West Central Electric
P.O. Box 17
Murdo, SD 57559

Karen Cremer
Staff Attorney
Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

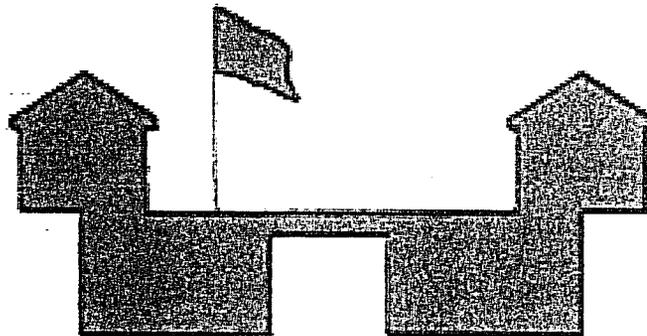
Michele Farris
Staff Analyst
Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501



David A. Gerdes

CITY OF FORT PIERRE

1999 ANNEXATION STUDY



CITY OF FORT PIERRE

ELECTED & APPOINTED OFFICIALS

ELECTED OFFICIALS:

Mayor—————Sam Tidball
President—Ward II—————Robert Ricketts
Vice-President—Ward I—————Robert Cronin
Alderman—Ward II—————Jerry Wheeler
Alderman—Ward I—————Gordon Paul
Alderman—Ward III—————Carl Rathbun
Alderman—Ward III—————Allen McNeely

STAFF:

Finance Officer—————David Page
Director of Public Works—————Brad Lawrence
City Attorney—————Tieszen Law Office

PLANNING & ZONING COMMISSIONERS:

Chairman—————Dave LaRoche
Vice-Chairman—————Robert Jeffries
Commissioner—————Nancee Johnson
Commissioner—————Mark Drees
Commissioner—————Sherman Monroe

TECHNICAL ASSISTANCE PROVIDED BY:

City of Pierre
Clark Engineering, Inc.

RESOLUTION NO. 1999-084

RESOLUTION OF INTENT TO ANNEX

A RESOLUTION DECLARING THE INTENTION BY THE CITY OF FORT PIERRE, SOUTH DAKOTA, TO ANNEX CERTAIN TERRITORY INTO THE CORPORATE LIMITS OF THE CITY OF FORT PIERRE, SOUTH DAKOTA.

WHEREAS, the City of Fort Pierre has determined that it is in the best interests of said City that the territory hereinafter described is contiguous with the existing boundaries of Fort Pierre and should be annexed into the corporate limits of the City of Fort Pierre, South Dakota, and;

WHEREAS, a study has been completed pursuant to SDCL 9-4-4.1, and;

WHEREAS, such study is incorporated in this resolution, and;

WHEREAS, it is the intention of the City of Fort Pierre, South Dakota, to annex such territory into the corporate limits of the City of Fort Pierre, South Dakota, that is legally described on page one (1) of the attachment, now therefore

BE IT RESOLVED, by the City of Fort Pierre that it is the intention of the City to annex the territory herein described.

Dated this _____ day of _____, _____.

Ayes:

Nays:

Sam Tidball, Mayor

ATTEST:

(seal)

David Page, Finance Officer

Description and Boundaries of the Territory to be Annexed.

The City of Fort Pierre proposes to extend its boundaries to include the following territory:

The point of beginning is located by starting at the most northeasterly corner of the city limits of the City of Fort Pierre, South Dakota, said point also being the southeasterly corner of the Hamilton Subdivision a subdivision of Gov't Lot 5 and Accretion Lot 3, all in Section 16-5-3; hence northerly along the Missouri River approximately 5 miles to the northeast corner of the Williamson Subdivision, a subdivision of Accretion Lot 4A in Section 9-5-31; thence westwardly approximately 3 miles across Highway 1806 to the northwest corner of the SW ¼ SE ¼ of Section 8-5-31; thence southerly to the southwest corner of the W ½ SE ¼ of Section 17-5-31; thence easterly along the centerline of the Eighth Street right-of-way to the place of beginning, all in Stanley County, South Dakota.

A map of the proposed territory to be annexed is displayed in Attachment A. Attachment B displays the current boundaries as of 1999.

The following platted subdivisions are proposed for inclusion in the territory to be annexed:

Hamilton
Forney
Frontier
Williamson

Municipal Resources to Accommodate Annexed Area.

The city proposes to provide the following resources:

Administration. Administrative staffing includes a Finance Officer, Director of Public Works, Utility Superintendent, Secretary, and Utility Clerk. The current level of administrative staffing is sufficient to handle the addition of the proposed territory to be annexed; however, the addition of one (1) FTE for water and sanitary sewer operations has been budgeted in Fiscal Year 2000.

Public Safety. Civil defense, law enforcement, and fire protection would be equal to the current level of service in terms of protection and cost.

Library. Residents of the proposed territory to be annexed do not have any library services available; however, these residents would be eligible to purchase a single or family membership at Rawlins Library in Pierre if the annexation occurs.

Snow Removal. Snow removal by city crews would be available if the annexation occurs. The city has five plow trucks, a maintainer, four-wheel drive backhoe, and payloader, which is sufficient to handle the additional load.

Streets. Streets will initially be designed as "Rural Sections," which do not require curb, gutter, or sidewalks. Maintenance and repair of the street system in the proposed territory to be annexed would be the responsibility of the city. Initial improvements include an all-weather

roadway. Future street construction, not including current roadways, would be the responsibility of the developer.

Utilities. The city proposes to extend water, electric, and sanitary sewer utilities into the proposed territory to be annexed.

Natural Gas. Natural gas service is not available in the proposed territory to be annexed. Montana-Dakota Utilities has a franchise agreement with the city.

Cable Television. The city has a cable franchise agreement with Midcontinent Communication for their provision of cable television.

Bonded indebtedness during Fiscal Year 2000 will differ dramatically from the current fiscal year, as the city will be relieved of significant debt. Table I displays the level of debt after Fiscal Year 2000:

Table I

| Fund | Bond Type | Purpose | Maturity Date | Balance |
|---------------|-----------|-----------|---------------|--------------|
| 2nd Sales Tax | Revenue | Sewer | Nov. 2005 | \$174,749.10 |
| 2nd Sales Tax | Revenue | HUSTAN | July 2007 | \$265,228.33 |
| General | Revenue | Expo Bldg | March 2004 | \$143,260.25 |

The 1999 Annual Financial Report and FY 2000 Budget are available to the general public at the city office, upon request, when each becomes available.

Estimated Timetable for Completion of Municipal Services.

The timetable for completion of water, electric, and sanitary sewer utilities assumes a conflict-less design and/or construction phase of the project(s). The following describes each utility:

Water.

The extension of water service into the proposed territory to be annexed will start as soon as the city has ascertained receipt of the no-match grant from the U.S. Corps of Engineers (corps). The city has employed Clark Engineering, Inc. to develop preliminary cost opinions and conceptual designs to qualify for the grant. Engineering design and bid specifications need to be developed. Final installation for each phase of construction is scheduled for completion within one (1) to one and one-half (1 ½) years after receipt of the grant.

Sanitary Sewer.

The extension of sanitary sewer service into the proposed territory to be annexed will start as soon as the city has ascertained receipt of the no-match grant from the corps. The city has employed Clark Engineering, Inc. to develop preliminary cost opinions and conceptual designs to qualify for the grant. Engineering design and bid specifications need to be developed. Final installation for each phase of construction is scheduled for completion within one (1) to one and one-half (1 ½) years after receipt of the grant.

Electric.

Electric service is currently provided by West Central Electric. The city will negotiate for the purchase of the existing infrastructure. The current system will need to be converted to 7.2 kV from 14.4 kV and a few transformers will need to be replaced. Conversion of the system

would begin immediately after approval of the purchase agreement. The estimated timeframe for complete conversion is unknown at this time, because the timeframe is dependent upon the time required for successful negotiation with West Central Electric Cooperative. No interruption of service is planned.

Estimated Cost of the Extended Service to the Residents of the Contiguous Territory and the Municipality.

Utility Infrastructure Extension.

The city proposes to extend water and sanitary sewer mains into the territory to be annexed at no cost to the affected landowners, contingent upon receipt of a no-match grant from the corps. Currently, the city is negotiating with the corps for the proposed "buyout" plan that would grant the monies to the city for the purpose of water and sanitary sewer extensions. The corps may require annexation of the proposed territory in order to receive the grant.

Clark Engineering, Inc. is developing preliminary cost opinions and conceptual designs for water and sanitary sewer extensions to qualify for the grant. The cost for water and sanitary sewer extensions is unknown at this time but is projected to cost approximately \$2,000,000. An engineering firm will be hired to design both water and sanitary sewer bid specifications.

The city is prohibited by state statute from extending electric service outside of its corporate limits; however water and sanitary sewer services can be extended outside of the city limits.

The city has hired Dalager Engineering Co. to prepare a cost estimate to connect the city's existing electric system grid to West Central's grid and convert the existing system to the appropriate voltage. The estimated cost opinion to connect the two electric systems and step up the voltage is approximately \$56,400 in addition to changing out transformers, which is estimated to cost approximately \$20,000.

The purchase price for the existing electric infrastructure is unknown at this time. South Dakota Codified Law stipulates the process to be followed when a municipality annexes a territory and purchases a rural electric cooperative. The city has not made a formal request to purchase the electric infrastructure in the territory to be annexed.

The cost for municipal electric infrastructure to the proposed territory would not be assessed specifically to the affected residents and businesses.

Utility Rates.

The residential, commercial, and industrial consumers within the territory to be annexed would be charged the same rates and fees for services as residents and businesses within the current city limits, if the territory is annexed. However, Fort Pierre city ordinances stipulate that utility charges for water and sanitary sewer are doubled for all areas outside of the city limits.

Table II displays the current residential rate schedule within corporate limits for municipal utilities.

Table II

| Residential Utility Rates Inside Corporate Limits As of December 1999 | | |
|---|--------------------|--|
| Type | Minimum Monthly | Overage |
| Water | \$14.00 | Over 7,000 gal. then \$.65 per 1,000 gallons |
| Electric | \$12.00 | First 500 Kwh/month \$.065 per Kwh Over 500 Kwh / month \$.045 per Kwh |
| Sewer | \$11.00 | 3,000 to 7,000 gal equal \$1.00 per 1,000 gallons Over 7,000 gal. \$.80 per 1,000 gallons |

A table displaying other general government and utility fees and services is available upon request. Property taxes will be explained later in the report.

The city's utility rate schedule is compared with the current cost of utility service in the proposed territory to be annexed in Table III. The comparison utilizes typical usage of two and five-person family households.

Table III

| Comparison of Utility Rates Inside Corporate Limits Rate Schedule Versus West Central Cooperative & Mni Wiconi Rate Schedules | | | | | |
|--|-------------|---------|-------------------|-------------------|-------------------|
| Utility Type | Family Size | Usage | City | Rural | Savings |
| Electric | 2 | 7,801 | \$469.18 | \$809.04 | \$339.86 |
| Water | 2 | 58,900 | \$170.08 | \$745.59 | \$575.51 |
| Sewer | 2 | N/A | \$147.25 | \$75.00 | -\$72.25 |
| Totals | | | \$786.51 | \$1,629.63 | \$843.12 |
| Utility Type | Family Size | Usage | City | Rural | Savings |
| Electric | 5 | 21,299 | \$1,018.72 | \$1,650.60 | \$631.88 |
| Water | 5 | 119,900 | \$190.72 | \$852.32 | \$661.60 |
| Sewer | 5 | N/A | \$203.00 | \$75.00 | -\$128.00 |
| Totals | | | \$1,412.44 | \$2,577.92 | \$1,165.48 |

The above information for rural electric and water was provided by West Central Electric Cooperative and Mni Wiconi rural water system. Currently, Mni Wiconi rural water is not available to landowners within the proposed territory to be annexed.

As the table displays, residents within the annexed territory will pay less in utility charges due primarily to lower cost municipal electricity. Sewer service is not currently available in the territory, but residents rely upon septic sewer system, which is estimated to cost residents approximately \$150 every two (2) years.

Mni Wiconi rural water is not available to residents in the territory, but is used for comparison purposes only. Landowners should note that the total cost for all three municipal utility services

would still be less expensive than the estimated cost for just rural electricity. The addition of rural water adds further to the cost of utility services to the affected landowners.

Water and sanitary sewer services may serve customers outside the city limits, but the minimum monthly rate is doubled, as can be seen by Table IV.

Table IV

| Residential Utility Rates Outside Corporate Limits As of December 1999 | | |
|--|--------------------|---|
| Type | Minimum Monthly | Overage |
| Water | \$28.00 | Over 7,000 gal. then \$.65 per 1,000 gallons |
| Electric | N/A | This utility service is not available outside city limits West Central would continue to serve residents |
| Sewer | \$22.00 | 3,000 to 7,000 gal equal \$1.00 per 1,000 gallons Over 7,000 gal. \$.80 per 1,000 gallons |

The city's utility rate schedule for areas outside of the city limits is compared with the current cost of utility service in the territory to be annexed in Table V. The below table utilizes typical usage from two and five-person households. The city will not be able to provide electricity to the territory unless the area is annexed.

As the below table indicates, a significant savings on utility charges is not achieved unless the city annexes the area and provides municipal electricity.

Table V

| Comparison of Utility Rates Outside Corporate Limits Rate Schedule Versus West Central Cooperative & Mni Wiconi Rate Schedules | | | | | |
|---|-------------|---------|-------------------|-------------------|-----------------|
| Utility Type | Family Size | Usage | City | Rural | Savings |
| Electric | 2 | 7,801 | \$809.04 | \$809.04 | \$0.00 |
| Water | 2 | 58,900 | \$338.08 | \$745.59 | \$407.51 |
| Sewer | 2 | N/A | \$279.25 | \$75.00 | -\$204.25 |
| Totals | | | \$1,426.37 | \$1,629.63 | \$203.26 |
| Utility Type | Family Size | Usage | City | Rural | Savings |
| Electric | 5 | 21,299 | \$1,650.60 | \$1,650.60 | \$0.00 |
| Water | 5 | 119,900 | \$358.72 | \$852.32 | \$493.60 |
| Sewer | 5 | N/A | \$335.00 | \$75.00 | -\$260.00 |
| Totals | | | \$2,344.32 | \$2,577.92 | \$233.60 |

Construction of Utility Service.

The U.S. Corps of Engineers will provide financial assistance in the form of a no-match grant to the city of Fort Pierre to extend water and sanitary sewer utilities to the proposed territory to be annexed. Receipt of this grant would enable the city to extend the two aforementioned utilities to the proposed territory to be annexed at no cost to the residents within the area. However, this grant may be contingent upon the city's ability to annex the proposed area.

The impact of the addition of the proposed territory will be a significant load upon the wastewater system. Consequently, proceeds from the grant will benefit current sanitary sewer customers for construction of improvements to the existing system to more than adequately handle the additional flow and improve the wastewater system for residents within the current corporate limits.

Without the proposed Flood Mitigation Plan grant assistance, the city would need to issue revenue obligation bonds for the proposed water and sanitary sewer extensions. The cost of the improvements could then be assessed to landowners that benefited from the improvements or the costs would be placed upon all water and sanitary sewer customers within the rate structure.

The city would utilize the existing West Central Cooperative's electric lines with some modifications. The process to convert the system would be conducted in phases to minimize disruptions. This would maximize the use of the existing system. Electric Fund cash on hand would be utilized to pay for both the purchase of West Central's existing infrastructure and construction to connect to the city's grid system.

Estimated Difference in Mil Levy for the Residents in the Contiguous Territory.

The Final 1999 Abstract Value for the city of Fort Pierre equals \$52,515,809 according to the S.D. Department of Revenue, which totals an increase of \$7,573,985 in valuation, or 16.85%. Growth, as defined as new construction, equals a 4.02% increase over the Final 1998 Adjusted Value of the city of Fort Pierre.

The total 1999 municipal mil levy for taxes paid in 2000, based upon the Final 1998 Adjusted Value, equals 7.61 mils per thousand of valuation, while the total 1998 municipal mil levy for taxes paid in 1999 equal 8.48. This equates into a 10.26% decrease from the Final 1998 Adjusted Value to the Final 1999 Abstract Value.

Table VI summarizes the tax rate for both inside and outside the city of Fort Pierre.

Table VI

| Tax Rate Summary Owner Occupied For Calendar Year 2000 | | | | | | |
|--|------|---------------|--------|-----------------|--------|-------|
| Tax Ratios by Jurisdiction | | | | | | |
| District Name | City | City Other | County | Fire / Roads | School | Total |
| Fort Pierre | 6.86 | 0.75 | 4.16 | 0.00 | 9.34 | 21.11 |
| County | 0.00 | 0.00 | 4.16 | 0.39 | 9.34 | 13.89 |

Stanley County residents outside of the corporate limits of Fort Pierre pay separately in their county mil levy for fire protection and secondary roads, and Fort Pierre residents pay for fire protection in the city mil levy.

The city currently has an additional mil levy of .75 to service a general obligation debt for sanitary sewer improvements. This additional mil levy will no longer be assessed upon landowners after Fiscal Year 2000. The proposed annexation will be effective after the additional mil levy ceases to be assessed.

As Table VI indicates, landowners in the territory to be annexed will have a higher mil levy in the amount of 6.86 per \$1,000 of valuation to support municipal services, however greater savings in municipal utility services will be achieved through dramatically cheaper municipal electricity.

Table VII displays a cost comparison between property taxes for homes residing both within the corporate limits and outside of the corporate limits of Fort Pierre.

Table VII

| Comparison of Property Taxes Owner-Occupied Inside Versus Outside the City of Fort Pierre 2000 Tax Rates | | | |
|--|--------------------|---------------------|------------------------|
| Taxable Value | Inside City | Outside City | Cost Difference |
| \$350,000 | \$7,126 | \$4,862 | \$2,265 |
| \$325,000 | \$6,617 | \$4,514 | \$2,103 |
| \$300,000 | \$6,108 | \$4,167 | \$1,941 |
| \$275,000 | \$5,599 | \$3,820 | \$1,779 |
| \$250,000 | \$5,090 | \$3,473 | \$1,618 |
| \$225,000 | \$4,581 | \$3,125 | \$1,456 |
| \$220,000 | \$4,479 | \$3,056 | \$1,423 |
| \$210,000 | \$4,276 | \$2,917 | \$1,359 |
| \$200,000 | \$4,072 | \$2,778 | \$1,294 |
| \$190,000 | \$3,868 | \$2,639 | \$1,229 |
| \$180,000 | \$3,665 | \$2,500 | \$1,165 |
| \$175,000 | \$3,563 | \$2,431 | \$1,132 |
| \$160,000 | \$3,258 | \$2,222 | \$1,035 |
| \$150,000 | \$3,054 | \$2,084 | \$971 |
| \$140,000 | \$2,850 | \$1,945 | \$906 |
| \$130,000 | \$2,647 | \$1,806 | \$841 |
| \$125,000 | \$2,545 | \$1,736 | \$809 |
| \$120,000 | \$2,443 | \$1,667 | \$776 |
| \$110,000 | \$2,240 | \$1,528 | \$712 |
| \$100,000 | \$2,036 | \$1,389 | \$647 |
| \$75,000 | \$1,527 | \$1,042 | \$485 |
| \$50,000 | \$1,018 | \$695 | \$324 |

The term "Taxable Value" is defined as 85% of assessed valuation. Consult your assessment value notice to determine your respective taxable value.

When the territory is annexed, landowners within the area will pay more in annual property taxes, as displayed in Table VIII, due to the additional city mil levy; however, utility customers will pay less in utility rates, as displayed in Table III.

For example, the typical residential home with a taxable value of \$150,000 with a family of five will pay \$971 more in property taxes yet the same home will save approximately \$1,165 in utility rates. Thus, this family will save nearly \$200 annually. This savings for landowners is achieved primarily because the city is capable of providing quality, low-cost municipal electricity.

Property tax increases will eclipse estimated utility rate savings for homes with a taxable value above \$180,000.

Additionally, affected landowners in the territory to be annexed will have access to all municipal services that currently are not available to landowners in the affected area. Finally, landowners will have access to a municipally provided water main system, which will relate to a corresponding decrease in the homeowner's insurance rating causing a decrease in annual premiums because of the enhanced ability of the Fort Pierre Volunteer Fire Department to suppress fires.

Non-arbitrariness of Boundary Line Changes.

The proposed change in boundary line is based upon current northward growth patterns. The city forecasts an increase in the current rate of growth in the city limits north of S.D. Hwy 14/34 once the respective area is platted and municipal services are extended. Currently, many new plats are being proposed for platting for either residential or commercial development immediately north of the current city limits.

Within the past few years, the predominant number of proposed plats for development have come from the northern section of the city limits. City staff concludes that this direction in growth is attributable to:

- Suitability for construction
- Accessibility to public utilities
- Pleasing esthetic nature of riverfront property
- Hills on the south and west are unstable
- Accessibility to state highway system

Thus, the decision to proceed forward with a proposal of a change in boundary to include territory to the north of the city limits is based upon market forces directing growth patterns northward toward the dam between S.D. Hwy. 1806 and the Missouri River.

Reasonable Present or Demonstrable Future Need for Annexing the Contiguous Territory.

The city of Fort Pierre is experiencing extreme growth in residential, commercial, and industrial areas and suitable lots to be developed will soon be depleted. Many lots are available but are not suitable for any type of development due to river elevation requirements or the unstableness of the hills to the south and west of the community.

Status of Growth in Fort Pierre.

Building permit data is displayed in Table VIII. In 1994, the Marion's Gardens apartment complex was issued a building permit that skews building permit values abnormally upward.

Table VIII

| Building Permits Year by Year Comparison 1994 to 1999 | | |
|---|--------|-------------|
| Year | Number | Value |
| 1994 | 96 | \$3,713,714 |
| 1995 | 58 | \$1,028,741 |
| 1996 | 61 | \$1,539,362 |
| 1997 | 64 | \$2,464,562 |
| 1998 | 72 | \$4,202,150 |
| 1999 | 76 | \$2,438,280 |

As the data in Table VIII indicates, building permit values in Fort Pierre have increased upward in the number of permits and value between 1998 and 1999 over the 1995 to 1997 period. Several local and national factors have contributed to this trend.

Table IX displays the annual rate of growth, as defined as new construction, for the fiscal years 1995 to 1999.

As Tables VIII and IX show, the city has experienced tremendous growth in recent years necessitating planning for future growth in order to accomplish a goal of managing growth to maximize the effectiveness of municipal services and efficiently manage the city's resources.

Population Estimate.

The 1990 U.S. Census equaled 1,854 persons. To determine an estimate of the current population, the city takes the number of residential electric meters multiplied by the number of persons per households. The source for information for Persons Per Household is provided by the U.S. Census Bureau and equals 2.65 persons per household. Population estimates for the city is projected in Table X.

Table IX

| Annual Growth Rates 1995 to 1999 * | |
|---------------------------------------|------------------------------|
| Year | Percentage Rate of Growth |
| 1999 | 4.02 |
| 1998 | 3.36 |
| 1997 | 5.58 |
| 1996 | 2.55 |
| 1995 | 4.77 |

Table X

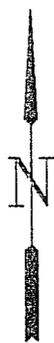
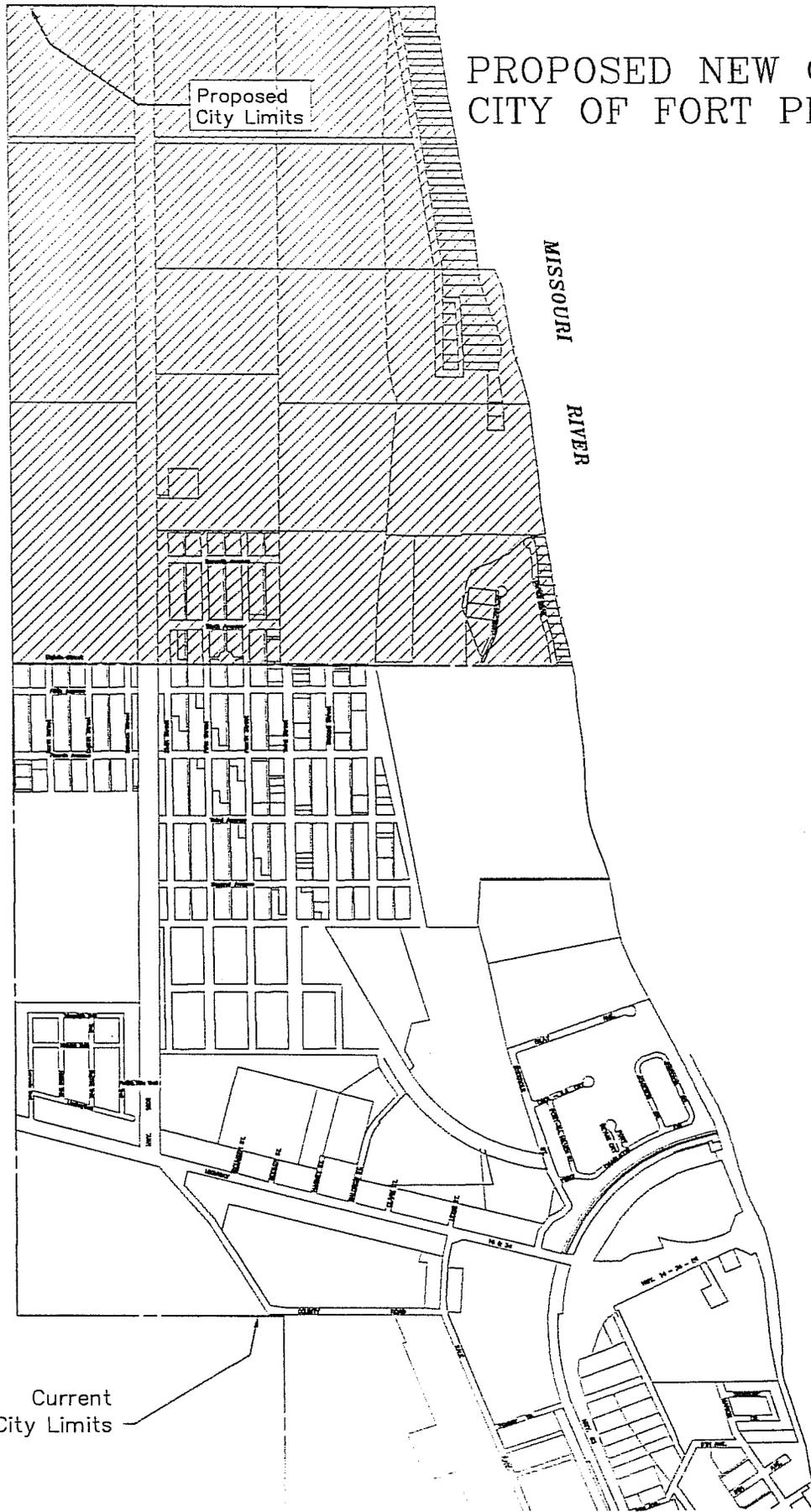
| Population - Actual & Projected Based upon Electric Meters | | |
|---|------------|-------------------|
| Year | Population | Percent Growth |
| 2001 - Estimate | 2,720 | 3.97% |
| 2000 - Estimate | 2,616 | 10.00% |
| 1999 - Actual | 2,378 | 3.61% |
| 1998 - Actual | 2,295 | 23.78% |
| 1990 | 1,854 | ----- |

As Table X displays, the city has experienced a growth rate of 27.39% from the 1990 U.S. Census to 1999 and is poised to explode in the number of Fort Pierre residents when the annexation occurs and water, electric, and sanitary sewer services are extended northward.

ATTACHMENT A

Proposed Territory to be Annexed

PROPOSED NEW CITY LIMITS CITY OF FORT PIERRE



SCALE 1" = 1600'

Current
City Limits

Proposed
City Limits

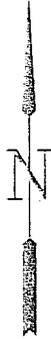
MISSOURI
RIVER

MISSOURI

ATTACHMENT B

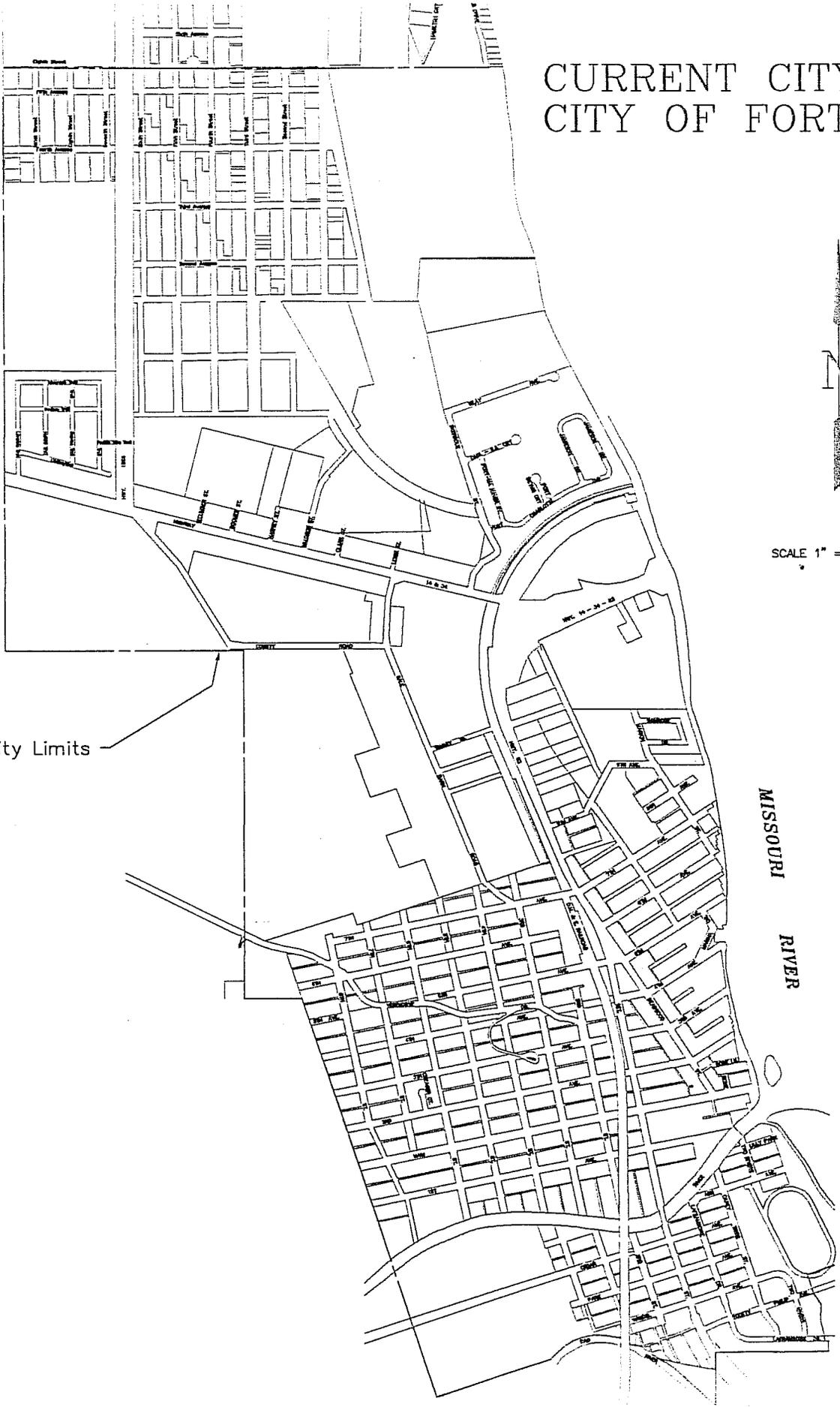
City Limits – 1999

CURRENT CITY LIMITS CITY OF FORT PIERRE



SCALE 1" = 1600'

City Limits



RECEIVED

SEP 25 2002

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

IN THE MATTER OF THE JOINT REQUEST) EL02-017
FOR AN ELECTRIC SERVICE TERRITORY)
BOUNDARY CHANGE BETWEEN THE CITY)
OF FORT PIERRE AND WEST CENTRAL)
ELECTRIC COOPERATIVE, INC.)

INTERROGATORIES, REQUEST FOR PRODUCTION AND REQUESTS
FOR ADMISSION TO ~~THE CITY OF FORT PIERRE~~ *West Central*

TO: WEST CENTRAL ELECTRIC COOPERATIVE

YOU ARE HEREBY REQUESTED to answer the following interrogatories, request for production and requests for admission proposed by the Frontier Road Homeowners Association within the time and in the manner required by SDRCP 33, SDRCP 34, SDRCP 36 and ARSD 20:10:01:22.01. Where knowledge or information in the possession of a party is requested, such request includes knowledge of the party's agents, representatives and attorneys. A request for the location of documents constitutes a request for the present address at which such documents are kept, if known, and if not known, the last address known and information as to their disposition. "Custodian" means the person who has possession or control of documents and a request for the identity of a custodian constitutes a request for the name and present address of the custodian.

These interrogatories, requests for production and requests for admission shall be deemed continuing so as to require reasonable supplemental answers if you, your agents, representatives or attorneys obtain further information between the time answers are served and the time of trial.

Terms used in these interrogatories have the following meaning:

- (a) "Identify" as to a document means to describe the document, give its date and provide the name, address and occupation of its custodian; as to a person means to provide the name, present address, occupation and telephone number of the person.

- (b) "Document, memorandum, plan, tariff, cost estimate, report or record," means both paper copies of records and electronic copies of records. A reference to documents, memoranda, plans, tariffs, cost estimates, reports or records includes a reference to e-mails (and attachments), whether preserved in paper or electronic form.

INTERROGATORIES

1. State the name, present age, address and occupation of the person or persons answering these interrogatories.

2. State the name, present age, address and occupation of all persons furnishing information or assisting in answering these interrogatories.

3. State the name, present address and occupation of all persons known to you who have personal knowledge of any facts relevant to the subject matter of this proceeding, and particularly concerning the manner in which the proposed agreement between West Central Electric Cooperative ("West Central") and the City of Fort Pierre ("the City") which is the subject of this docket ("The Agreement") was developed, the persons conducting negotiations and the persons collecting or analyzing facts and figures concerning the proposed transaction represented by The Agreement.

4. As to all persons listed in your answer to the previous interrogatory, state whether any of them have created or commented upon all or part of any document, report or record concerning the subject matter of this proceeding, and particularly the manner in which either party to The Agreement arrived at the terms and conditions set forth in The Agreement, including the modification of the statutory buyout price to be paid by the City. If so, identify each such commenting document, report or record.

5. State the name, address and present occupation of each person whom you have consulted as an expert and whether you have received a report from any such expert.

6. State the name, address and present occupation of each person whom you intend to call at the hearing as an expert witness, together with the subject matter on which the expert is expected to testify, the substance of the facts and opinions to which the expert is expected to testify and a summary of the grounds for each

opinion. Please also state whether you have received a report from any such expert.

7. State the full professional curriculum vitae for any expert mentioned in your answers to these interrogatories.

8. State the name, address and occupation of each witness that you intend to call at the hearing not otherwise mentioned in your answers to these interrogatories.

9. Identify all computations made by you or on your behalf of the value of your electric distribution properties located within the area described in paragraph 3 of the contract, including the statutory criteria stated SDCL § 49-34A-50. State the amount determined as a potential purchase price for the electric distribution properties of the utility located within the area to be annexed. This computation should include the statutory item described as the cost on a nonbetterment basis of constructing any necessary facilities to reintegrate West Central's system outside the annexed area after detaching the portion to be sold.

10. Identify all computations made by you or on your behalf to determine the compensation for service rights provided in SDCL § 49-34A-50 payable each year for a period of seven years equal to the sum of 25 percent of the gross revenues received from power sales to consumers of electric power within the annexed area during that seven-year period. State the total amount of compensation so calculated.

11. Identify all documents and work papers generated by the computations identified in the preceding two interrogatories.

12. Did West Central agree to assist the Frontier Road Homeowners Association in opposing the Frontier Road Addition annexation in 1999? Did West Central withdraw its support because of an agreement it had reached with the City for assignment of service areas? If not, why did West Central withdraw its support?

13. If you claim any of the foregoing documents are privileged, identify those documents and specify the legal reason for your claim of privilege. Will you provide these documents under a confidentiality agreement? If not, specify the legal reason you will not do so.

REQUEST FOR PRODUCTION

Please produce copies of the following documents in the form and in the manner contemplated by SDRCP 34 and ARSD 20:10:01:22.01, as follows:

1. All documents identified in the foregoing interrogatories.

REQUESTS FOR ADMISSION

Please admit that the following documents are genuine, or that the following facts are true, as contemplated by SDRCP 36 and ARSD 20:10:01:22.01, as follows:

1. That Exhibit A attached hereto is a true and correct copy of the 1999 Annexation Study prepared by the City of Fort Pierre, is genuine and is factual.

2. That paragraph 4 of The Agreement is not necessary for the Hamilton Addition to be annexed into the City of Fort Pierre, and that SDCL § 49-34A-49 and related statutes provide full authority for the City to purchase West Central's electrical distribution properties within the annexed area together with West Central's service rights to the area.

3. That the City's 1999 Annexation Study contemplated annexation of the Frontier Road area.

4. That the residents of Frontier Road are being penalized by The Agreement for having opposed the proposed annexation of the Frontier Road area according to the 1999 Annexation Resolution and Study.

5. That paragraph 4 of The Agreement relinquishes the option of the City at any time in the future to annex and provide service to considerably more territory than the City had proposed to annex pursuant to the 1999 study, including any service territory of West Central located in Section 7, the West Half of Section 8, the West Half of Section 17 and all of Section 18, Township 5 North, Range 31, East of the 5th Principal Meridian.

Dated this 25th day of September, 2002.

MAY, ADAM, GERDES & THOMPSON LLP

BY: 
DAVID A. GERDES
Attorneys for Frontier Road Homeowners
Association
P.O. Box 160
Pierre, South Dakota 57501-0160
Telephone: (605)224-8803
Telefax: (605)224-6289

CERTIFICATE OF SERVICE

David A. Gerdes of May, Adam, Gerdes & Thompson LLP hereby certifies that on the 25th day of September, 2002, he mailed by United States mail, first class postage thereon prepaid, a true and correct copy of the foregoing in the above-captioned action to the following at their last known addresses, to-wit:

Sam Tidball
Mayor City of Fort Pierre
P.O. Box 927
Fort Pierre, SD 57532

Joe Hieb
President
West Central Electric
P.O. Box 17
Murdo, SD 57559

Karen Cremer
Staff Attorney
Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

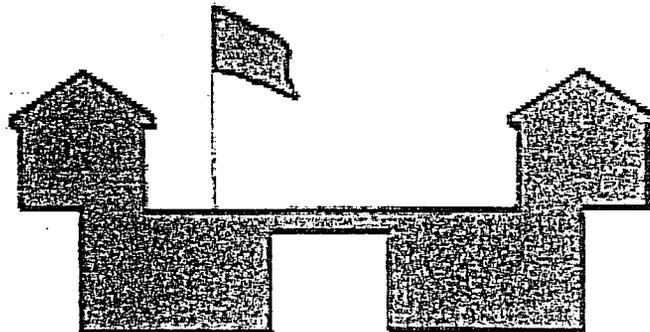
Michele Farris
Staff Analyst
Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501



David A. Gerdes

CITY OF FORT PIERRE

1999 ANNEXATION STUDY



CITY OF FORT PIERRE

ELECTED & APPOINTED OFFICIALS

ELECTED OFFICIALS:

Mayor _____ Sam Tidball
President—Ward II _____ Robert Ricketts
Vice-President—Ward I _____ Robert Cronin
Alderman—Ward II _____ Jerry Wheeler
Alderman—Ward I _____ Gordon Paul
Alderman—Ward III _____ Carl Rathbun
Alderman—Ward III _____ Allen McNeely

STAFF:

Finance Officer _____ David Page
Director of Public Works _____ Brad Lawrence
City Attorney _____ Tieszen Law Office

PLANNING & ZONING COMMISSIONERS:

Chairman _____ Dave LaRoche
Vice-Chairman _____ Robert Jeffries
Commissioner _____ Nancee Johnson
Commissioner _____ Mark Drees
Commissioner _____ Sherman Monroe

TECHNICAL ASSISTANCE PROVIDED BY:

City of Pierre
Clark Engineering, Inc.

RESOLUTION NO. 1999-084

RESOLUTION OF INTENT TO ANNEX

A RESOLUTION DECLARING THE INTENTION BY THE CITY OF FORT PIERRE, SOUTH DAKOTA, TO ANNEX CERTAIN TERRITORY INTO THE CORPORATE LIMITS OF THE CITY OF FORT PIERRE, SOUTH DAKOTA.

WHEREAS, the City of Fort Pierre has determined that it is in the best interests of said City that the territory hereinafter described is contiguous with the existing boundaries of Fort Pierre and should be annexed into the corporate limits of the City of Fort Pierre, South Dakota, and;

WHEREAS, a study has been completed pursuant to SDCL 9-4-4.1, and;

WHEREAS, such study is incorporated in this resolution, and;

WHEREAS, it is the intention of the City of Fort Pierre, South Dakota, to annex such territory into the corporate limits of the City of Fort Pierre, South Dakota, that is legally described on page one (1) of the attachment, now therefore

BE IT RESOLVED, by the City of Fort Pierre that it is the intention of the City to annex the territory herein described.

Dated this _____ day of _____, _____.

Ayes:

Nays:

Sam Tidball, Mayor

ATTEST:
(seal)

David Page, Finance Officer

Description and Boundaries of the Territory to be Annexed.

The City of Fort Pierre proposes to extend its boundaries to include the following territory:

The point of beginning is located by starting at the most northeasterly corner of the city limits of the City of Fort Pierre, South Dakota, said point also being the southeasterly corner of the Hamilton Subdivision a subdivision of Gov't Lot 5 and Accretion Lot 3, all in Section 16-5-3; hence northerly along the Missouri River approximately 5 miles to the northeast corner of the Williamson Subdivision, a subdivision of Accretion Lot 4A in Section 9-5-31; thence westwardly approximately 3 miles across Highway 1806 to the northwest corner of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 8-5-31; thence southerly to the southwest corner of the W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 17-5-31; thence easterly along the centerline of the Eighth Street right-of-way to the place of beginning, all in Stanley County, South Dakota.

A map of the proposed territory to be annexed is displayed in Attachment A. Attachment B displays the current boundaries as of 1999.

The following platted subdivisions are proposed for inclusion in the territory to be annexed:

Hamilton
Forney
Frontier
Williamson

Municipal Resources to Accommodate Annexed Area.

The city proposes to provide the following resources:

Administration. Administrative staffing includes a Finance Officer, Director of Public Works, Utility Superintendent, Secretary, and Utility Clerk. The current level of administrative staffing is sufficient to handle the addition of the proposed territory to be annexed; however, the addition of one (1) FTE for water and sanitary sewer operations has been budgeted in Fiscal Year 2000.

Public Safety. Civil defense, law enforcement, and fire protection would be equal to the current level of service in terms of protection and cost.

Library. Residents of the proposed territory to be annexed do not have any library services available; however, these residents would be eligible to purchase a single or family membership at Rawlins Library in Pierre if the annexation occurs.

Snow Removal. Snow removal by city crews would be available if the annexation occurs. The city has five plow trucks, a maintainer, four-wheel drive backhoe, and payload, which is sufficient to handle the additional load.

Streets. Streets will initially be designed as "Rural Sections," which do not require curb, gutter, or sidewalks. Maintenance and repair of the street system in the proposed territory to be annexed would be the responsibility of the city. Initial improvements include an all-weather

roadway. Future street construction, not including current roadways, would be the responsibility of the developer.

Utilities. The city proposes to extend water, electric, and sanitary sewer utilities into the proposed territory to be annexed.

Natural Gas. Natural gas service is not available in the proposed territory to be annexed. Montana-Dakota Utilities has a franchise agreement with the city.

Cable Television. The city has a cable franchise agreement with Midcontinent Communication for their provision of cable television.

Bonded indebtedness during Fiscal Year 2000 will differ dramatically from the current fiscal year, as the city will be relieved of significant debt. Table I displays the level of debt after Fiscal Year 2000:

Table I

| Fund | Bond Type | Purpose | Maturity Date | Balance |
|---------------|-----------|-----------|---------------|--------------|
| 2nd Sales Tax | Revenue | Sewer | Nov. 2005 | \$174,749.10 |
| 2nd Sales Tax | Revenue | HUSTAN | July 2007 | \$265,228.33 |
| General | Revenue | Expo Bldg | March 2004 | \$143,260.25 |

The 1999 Annual Financial Report and FY 2000 Budget are available to the general public at the city office, upon request, when each becomes available.

Estimated Timetable for Completion of Municipal Services.

The timetable for completion of water, electric, and sanitary sewer utilities assumes a conflict-less design and/or construction phase of the project(s). The following describes each utility:

Water.

The extension of water service into the proposed territory to be annexed will start as soon as the city has ascertained receipt of the no-match grant from the U.S. Corps of Engineers (corps). The city has employed Clark Engineering, Inc. to develop preliminary cost opinions and conceptual designs to qualify for the grant. Engineering design and bid specifications need to be developed. Final installation for each phase of construction is scheduled for completion within one (1) to one and one-half (1 ½) years after receipt of the grant.

Sanitary Sewer.

The extension of sanitary sewer service into the proposed territory to be annexed will start as soon as the city has ascertained receipt of the no-match grant from the corps. The city has employed Clark Engineering, Inc. to develop preliminary cost opinions and conceptual designs to qualify for the grant. Engineering design and bid specifications need to be developed. Final installation for each phase of construction is scheduled for completion within one (1) to one and one-half (1 ½) years after receipt of the grant.

Electric.

Electric service is currently provided by West Central Electric. The city will negotiate for the purchase of the existing infrastructure. The current system will need to be converted to 7.2 kV from 14.4 kV and a few transformers will need to be replaced. Conversion of the system

would begin immediately after approval of the purchase agreement. The estimated timeframe for complete conversion is unknown at this time, because the timeframe is dependent upon the time required for successful negotiation with West Central Electric Cooperative. No interruption of service is planned.

Estimated Cost of the Extended Service to the Residents of the Contiguous Territory and the Municipality.

Utility Infrastructure Extension.

The city proposes to extend water and sanitary sewer mains into the territory to be annexed at no cost to the affected landowners, contingent upon receipt of a no-match grant from the corps. Currently, the city is negotiating with the corps for the proposed "buyout" plan that would grant the monies to the city for the purpose of water and sanitary sewer extensions. The corps may require annexation of the proposed territory in order to receive the grant.

Clark Engineering, Inc. is developing preliminary cost opinions and conceptual designs for water and sanitary sewer extensions to qualify for the grant. The cost for water and sanitary sewer extensions is unknown at this time but is projected to cost approximately \$2,000,000. An engineering firm will be hired to design both water and sanitary sewer bid specifications.

The city is prohibited by state statute from extending electric service outside of its corporate limits; however water and sanitary sewer services can be extended outside of the city limits.

The city has hired Dalager Engineering Co. to prepare a cost estimate to connect the city's existing electric system grid to West Central's grid and convert the existing system to the appropriate voltage. The estimated cost opinion to connect the two electric systems and step up the voltage is approximately \$56,400 in addition to changing out transformers, which is estimated to cost approximately \$20,000.

The purchase price for the existing electric infrastructure is unknown at this time. South Dakota Codified Law stipulates the process to be followed when a municipality annexes a territory and purchases a rural electric cooperative. The city has not made a formal request to purchase the electric infrastructure in the territory to be annexed.

The cost for municipal electric infrastructure to the proposed territory would not be assessed specifically to the affected residents and businesses.

Utility Rates.

The residential, commercial, and industrial consumers within the territory to be annexed would be charged the same rates and fees for services as residents and businesses within the current city limits, if the territory is annexed. However, Fort Pierre city ordinances stipulate that utility charges for water and sanitary sewer are doubled for all areas outside of the city limits.

Table II displays the current residential rate schedule within corporate limits for municipal utilities.

Table II

| Residential Utility Rates Inside Corporate Limits As of December 1999 | | |
|---|--------------------|--|
| Type | Minimum Monthly | Overage |
| Water | \$14.00 | Over 7,000 gal. then \$.65 per 1,000 gallons |
| Electric | \$12.00 | First 500 Kwh/month \$.065 per Kwh Over 500 Kwh / month \$.045 per Kwh |
| Sewer | \$11.00 | 3,000 to 7,000 gal equal \$1.00 per 1,000 gallons Over 7,000 gal. \$.80 per 1,000 gallons |

A table displaying other general government and utility fees and services is available upon request. Property taxes will be explained later in the report.

The city's utility rate schedule is compared with the current cost of utility service in the proposed territory to be annexed in Table III. The comparison utilizes typical usage of two and five-person family households.

Table III

| Comparison of Utility Rates Inside Corporate Limits Rate Schedule Versus West Central Cooperative & Mni Wiconi Rate Schedules | | | | | |
|--|-------------|---------|-------------------|-------------------|-------------------|
| Utility Type | Family Size | Usage | City | Rural | Savings |
| Electric | 2 | 7,801 | \$469.18 | \$809.04 | \$339.86 |
| Water | 2 | 58,900 | \$170.08 | \$745.59 | \$575.51 |
| Sewer | 2 | N/A | \$147.25 | \$75.00 | -\$72.25 |
| Totals | | | \$786.51 | \$1,629.63 | \$843.12 |
| Utility Type | Family Size | Usage | City | Rural | Savings |
| Electric | 5 | 21,299 | \$1,018.72 | \$1,650.60 | \$631.88 |
| Water | 5 | 119,900 | \$190.72 | \$852.32 | \$661.60 |
| Sewer | 5 | N/A | \$203.00 | \$75.00 | -\$128.00 |
| Totals | | | \$1,412.44 | \$2,577.92 | \$1,165.48 |

The above information for rural electric and water was provided by West Central Electric Cooperative and Mni Wiconi rural water system. Currently, Mni Wiconi rural water is not available to landowners within the proposed territory to be annexed.

As the table displays, residents within the annexed territory will pay less in utility charges due primarily to lower cost municipal electricity. Sewer service is not currently available in the territory, but residents rely upon septic sewer system, which is estimated to cost residents approximately \$150 every two (2) years.

Mni Wiconi rural water is not available to residents in the territory, but is used for comparison purposes only. Landowners should note that the total cost for all three municipal utility services

would still be less expensive than the estimated cost for just rural electricity. The addition of rural water adds further to the cost of utility services to the affected landowners.

Water and sanitary sewer services may serve customers outside the city limits, but the minimum monthly rate is doubled, as can be seen by Table IV.

Table IV

| Residential Utility Rates Outside Corporate Limits As of December 1999 | | |
|--|--------------------|---|
| Type | Minimum Monthly | Overage |
| Water | \$28.00 | Over 7,000 gal. then \$.65 per 1,000 gallons |
| Electric | N/A | This utility service is not available outside city limits West Central would continue to serve residents |
| Sewer | \$22.00 | 3,000 to 7,000 gal equal \$1.00 per 1,000 gallons Over 7,000 gal. \$.80 per 1,000 gallons |

The city's utility rate schedule for areas outside of the city limits is compared with the current cost of utility service in the territory to be annexed in Table V. The below table utilizes typical usage from two and five-person households. The city will not be able to provide electricity to the territory unless the area is annexed.

As the below table indicates, a significant savings on utility charges is not achieved unless the city annexes the area and provides municipal electricity.

Table V

| Comparison of Utility Rates Outside Corporate Limits Rate Schedule Versus West Central Cooperative & Mni Wiconi Rate Schedules | | | | | |
|---|-------------|---------|-------------------|-------------------|-----------------|
| Utility Type | Family Size | Usage | City | Rural | Savings |
| Electric | 2 | 7,801 | \$809.04 | \$809.04 | \$0.00 |
| Water | 2 | 58,900 | \$338.08 | \$745.59 | \$407.51 |
| Sewer | 2 | N/A | \$279.25 | \$75.00 | -\$204.25 |
| Totals | | | \$1,426.37 | \$1,629.63 | \$203.26 |
| Utility Type | Family Size | Usage | City | Rural | Savings |
| Electric | 5 | 21,299 | \$1,650.60 | \$1,650.60 | \$0.00 |
| Water | 5 | 119,900 | \$358.72 | \$852.32 | \$493.60 |
| Sewer | 5 | N/A | \$335.00 | \$75.00 | -\$260.00 |
| Totals | | | \$2,344.32 | \$2,577.92 | \$233.60 |

Construction of Utility Service.

The U.S. Corps of Engineers will provide financial assistance in the form of a no-match grant to the city of Fort Pierre to extend water and sanitary sewer utilities to the proposed territory to be annexed. Receipt of this grant would enable the city to extend the two aforementioned utilities to the proposed territory to be annexed at no cost to the residents within the area. However, this grant may be contingent upon the city's ability to annex the proposed area.

The impact of the addition of the proposed territory will be a significant load upon the wastewater system. Consequently, proceeds from the grant will benefit current sanitary sewer customers for construction of improvements to the existing system to more than adequately handle the additional flow and improve the wastewater system for residents within the current corporate limits.

Without the proposed Flood Mitigation Plan grant assistance, the city would need to issue revenue obligation bonds for the proposed water and sanitary sewer extensions. The cost of the improvements could then be assessed to landowners that benefited from the improvements or the costs would be placed upon all water and sanitary sewer customers within the rate structure.

The city would utilize the existing West Central Cooperative's electric lines with some modifications. The process to convert the system would be conducted in phases to minimize disruptions. This would maximize the use of the existing system. Electric Fund cash on hand would be utilized to pay for both the purchase of West Central's existing infrastructure and construction to connect to the city's grid system.

**Estimated Difference in Mil Levy
for the Residents in the Contiguous Territory.**

The Final 1999 Abstract Value for the city of Fort Pierre equals \$52,515,809 according to the S.D. Department of Revenue, which totals an increase of \$7,573,985 in valuation, or 16.85%. Growth, as defined as new construction, equals a 4.02% increase over the Final 1998 Adjusted Value of the city of Fort Pierre.

The total 1999 municipal mil levy for taxes paid in 2000, based upon the Final 1998 Adjusted Value, equals 7.61 mils per thousand of valuation, while the total 1998 municipal mil levy for taxes paid in 1999 equal 8.48. This equates into a 10.26% decrease from the Final 1998 Adjusted Value to the Final 1999 Abstract Value.

Table VI summarizes the tax rate for both inside and outside the city of Fort Pierre.

Table VI

| Tax Rate Summary Owner Occupied For Calendar Year 2000 | | | | | | |
|--|------|---------------|--------|-----------------|--------|-------|
| Tax Rates by Jurisdiction | | | | | | |
| District Name | City | City Other | County | Fire / Roads | School | Total |
| Fort Pierre | 6.86 | 0.75 | 4.16 | 0.00 | 9.34 | 21.11 |
| County | 0.00 | 0.00 | 4.16 | 0.39 | 9.34 | 13.89 |

Stanley County residents outside of the corporate limits of Fort Pierre pay separately in their county mil levy for fire protection and secondary roads, and Fort Pierre residents pay for fire protection in the city mil levy.

The city currently has an additional mil levy of .75 to service a general obligation debt for sanitary sewer improvements. This additional mil levy will no longer be assessed upon landowners after Fiscal Year 2000. The proposed annexation will be effective after the additional mil levy ceases to be assessed.

As Table VI indicates, landowners in the territory to be annexed will have a higher mil levy in the amount of 6.86 per \$1,000 of valuation to support municipal services, however greater savings in municipal utility services will be achieved through dramatically cheaper municipal electricity.

Table VII displays a cost comparison between property taxes for homes residing both within the corporate limits and outside of the corporate limits of Fort Pierre.

Table VII

| Comparison of Property Taxes Owner-Occupied Inside Versus Outside the City of Fort Pierre 2000 Tax Rates | | | |
|---|-------------|--------------|-----------------|
| Taxable Value | Inside City | Outside City | Cost Difference |
| \$350,000 | \$7,126 | \$4,862 | \$2,265 |
| \$325,000 | \$6,617 | \$4,514 | \$2,103 |
| \$300,000 | \$6,108 | \$4,167 | \$1,941 |
| \$275,000 | \$5,599 | \$3,820 | \$1,779 |
| \$250,000 | \$5,090 | \$3,473 | \$1,618 |
| \$225,000 | \$4,581 | \$3,125 | \$1,456 |
| \$220,000 | \$4,479 | \$3,056 | \$1,423 |
| \$210,000 | \$4,276 | \$2,917 | \$1,359 |
| \$200,000 | \$4,072 | \$2,778 | \$1,294 |
| \$190,000 | \$3,868 | \$2,639 | \$1,229 |
| \$180,000 | \$3,665 | \$2,500 | \$1,165 |
| \$175,000 | \$3,563 | \$2,431 | \$1,132 |
| \$160,000 | \$3,258 | \$2,222 | \$1,035 |
| \$150,000 | \$3,054 | \$2,084 | \$971 |
| \$140,000 | \$2,850 | \$1,945 | \$906 |
| \$130,000 | \$2,647 | \$1,806 | \$841 |
| \$125,000 | \$2,545 | \$1,736 | \$809 |
| \$120,000 | \$2,443 | \$1,667 | \$776 |
| \$110,000 | \$2,240 | \$1,528 | \$712 |
| \$100,000 | \$2,036 | \$1,389 | \$647 |
| \$75,000 | \$1,527 | \$1,042 | \$485 |
| \$50,000 | \$1,018 | \$695 | \$324 |

The term "Taxable Value" is defined as 85% of assessed valuation. Consult your assessment value notice to determine your respective taxable value.

When the territory is annexed, landowners within the area will pay more in annual property taxes, as displayed in Table VIII, due to the additional city mil levy; however, utility customers will pay less in utility rates, as displayed in Table III.

For example, the typical residential home with a taxable value of \$150,000 with a family of five will pay \$971 more in property taxes yet the same home will save approximately \$1,165 in utility rates. Thus, this family will save nearly \$200 annually. This savings for landowners is achieved primarily because the city is capable of providing quality, low-cost municipal electricity.

Property tax increases will eclipse estimated utility rate savings for homes with a taxable value above \$180,000.

Additionally, affected landowners in the territory to be annexed will have access to all municipal services that currently are not available to landowners in the affected area. Finally, landowners will have access to a municipally provided water main system, which will relate to a corresponding decrease in the homeowner's insurance rating causing a decrease in annual premiums because of the enhanced ability of the Fort Pierre Volunteer Fire Department to suppress fires.

Non-arbitrariness of Boundary Line Changes.

The proposed change in boundary line is based upon current northward growth patterns. The city forecasts an increase in the current rate of growth in the city limits north of S.D. Hwy 14/34 once the respective area is platted and municipal services are extended. Currently, many new plats are being proposed for platting for either residential or commercial development immediately north of the current city limits.

Within the past few years, the predominant number of proposed plats for development have come from the northern section of the city limits. City staff concludes that this direction in growth is attributable to:

- Suitability for construction
- Accessibility to public utilities
- Pleasing esthetic nature of riverfront property
- Hills on the south and west are unstable
- Accessibility to state highway system

Thus, the decision to proceed forward with a proposal of a change in boundary to include territory to the north of the city limits is based upon market forces directing growth patterns northward toward the dam between S.D. Hwy. 1806 and the Missouri River.

Reasonable Present or Demonstrable Future Need for Annexing the Contiguous Territory.

The city of Fort Pierre is experiencing extreme growth in residential, commercial, and industrial areas and suitable lots to be developed will soon be depleted. Many lots are available but are not suitable for any type of development due to river elevation requirements or the unstableness of the hills to the south and west of the community.

Status of Growth in Fort Pierre.

Building permit data is displayed in Table VIII. In 1994, the Marion's Gardens apartment complex was issued a building permit that skews building permit values abnormally upward.

Table VIII

| Building Permits Year by Year Comparison 1994 to 1999 | | |
|---|--------|-------------|
| Year | Number | Value |
| 1994 | 96 | \$3,713,714 |
| 1995 | 58 | \$1,028,741 |
| 1996 | 61 | \$1,539,362 |
| 1997 | 64 | \$2,464,562 |
| 1998 | 72 | \$4,202,150 |
| 1999 | 76 | \$2,438,280 |

As the data in Table VIII indicates, building permit values in Fort Pierre have increased upward in the number of permits and value between 1998 and 1999 over the 1995 to 1997 period. Several local and national factors have contributed to this trend.

Table IX displays the annual rate of growth, as defined as new construction, for the fiscal years 1995 to 1999.

As Tables VIII and IX show, the city has experienced tremendous growth in recent years necessitating planning for future growth in order to accomplish a goal of managing growth to maximize the effectiveness of municipal services and efficiently manage the city's resources.

Population Estimate.

The 1990 U.S. Census equaled 1,854 persons. To determine an estimate of the current population, the city takes the number of residential electric meters multiplied by the number of persons per households. The source for information for Persons Per Household is provided by the U.S. Census Bureau and equals 2.65 persons per household. Population estimates for the city is projected in Table X.

Table IX

| Annual Growth Rates 1995 to 1999 | |
|-------------------------------------|------------------------------|
| Year | Percentage Rate of Growth |
| 1999 | 4.02 |
| 1998 | 3.36 |
| 1997 | 5.58 |
| 1996 | 2.55 |
| 1995 | 4.77 |

Table X

| Population - Actual & Projected Based upon Electric Meters | | |
|---|------------|-------------------|
| Year | Population | Percent Growth |
| 2001 - Estimate | 2,720 | 3.97% |
| 2000 - Estimate | 2,616 | 10.00% |
| 1999 - Actual | 2,378 | 3.61% |
| 1998 - Actual | 2,295 | 23.78% |
| 1990 | 1,854 | ----- |

As Table X displays, the city has experienced a growth rate of 27.39% from the 1990 U.S. Census to 1999 and is poised to explode in the number of Fort Pierre residents when the annexation occurs and water, electric, and sanitary sewer services are extended northward.

ATTACHMENT A

Proposed Territory to be Annexed

PROPOSED NEW CITY LIMITS CITY OF FORT PIERRE

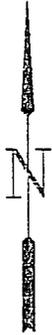


Proposed
City Limits

MISSOURI
RIVER

Current
City Limits

MISSOURI



SCALE 1" = 1600'

ATTACHMENT B

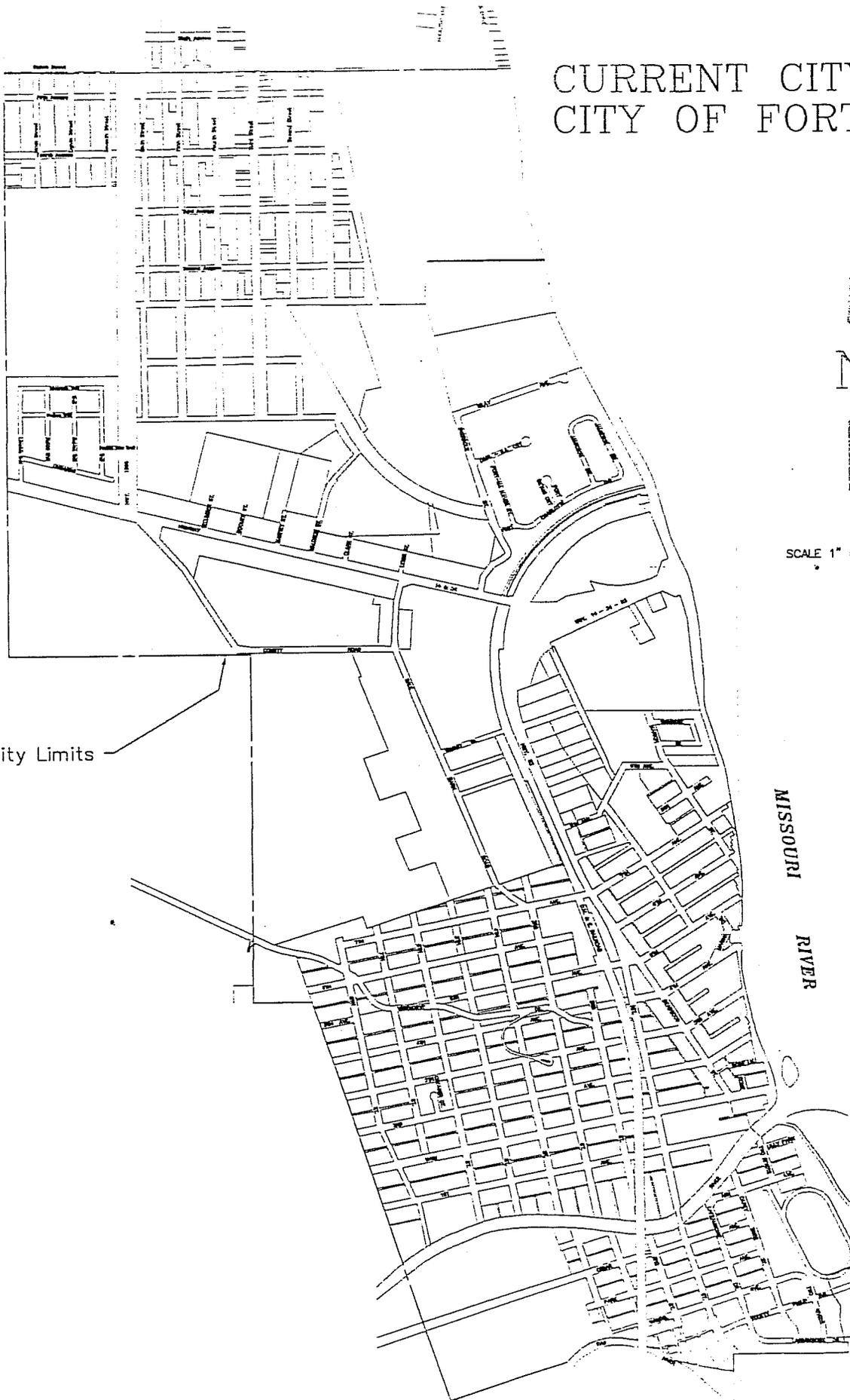
City Limits – 1999

CURRENT CITY LIMITS CITY OF FORT PIERRE



SCALE 1" = 1600'

City Limits



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

IN THE MATTER OF THE JOINT REQUEST)
FOR AN ELECTRIC SERVICE TERRITORY)
BOUNDARY CHANGE BETWEEN THE CITY)
OF FORT PIERRE AND WEST CENTRAL)
ELECTRIC COOPERATIVE, INC.)

ORDER GRANTING
INTERVENTION

EL02-017

On August 16, 2002, the Public Utilities Commission (Commission) received a joint filing by the City of Fort Pierre (City) and West Central Electric Cooperative, Inc. (West Central) for approval of an agreement with respect to territorial service areas. The joint agreement provides that the following territory shall become the service territory of the City of Fort Pierre: the South one-half of the Southeast one-fourth of Section 17, and the South one-half of the Southwest one-fourth of Section 16, Township 5 North, Range 31 East of the Fifth Principal Meridian, Stanley County, South Dakota, and land immediately to the east thereof, extending to the Missouri River, which provides the eastern boundary of said area, the foregoing parcels lying adjacent and immediately north of the north boundary line of the city limits of the City of Fort Pierre.

On August 22, 2002, the Commission electronically transmitted notice of the filing and the intervention deadline of September 6, 2002, to interested individuals and entities. On September 9, 2002, the Commission received a Petition to Intervene from the Frontier Road Homeowners Association (Frontier).

The Commission has jurisdiction over this matter pursuant to SDCL 49-34A-42, 49-34A-48, 49-34A-49, 49-34A-50 and 49-34A-55.

At a regularly scheduled meeting of September 24, 2002, the Commission found that the Petition to Intervene demonstrated good cause to grant intervention. It is therefore

ORDERED, that the Petition to Intervene of Frontier is hereby granted.

Dated at Pierre, South Dakota, this 4th day of October, 2002.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By: Wendine Kaelbo

Date: 10/4/02

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Robert K. Sahr
ROBERT K. SAHR, Commissioner

GLOVER, HELSPER AND RASMUSSEN, P.C.

ALAN F. GLOVER
RICHARD J. HELSPER
ERIC N. RASMUSSEN
VICTORIA M. DUEHR
JUSTIN D. HYDE

ATTORNEYS AND COUNSELORS AT LAW
100 TWENTY-SECOND AVENUE, SUITE 200
BROOKINGS, SOUTH DAKOTA 57006
TELEPHONE: (605) 692-7775
FAX: (605) 692-4611

E-MAIL ADDRESSES:
afg1@brookings.net
rjh1@brookings.net
enr1@brookings.net
vmd1@brookings.net
jdh1@brookings.net

November 21, 2002

RECEIVED

NOV 25 2002

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Ms. Karen Cremer, Staff Attorney
SDPUC
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Re: West Central Electric/City of Ft. Pierre
Territorial Modifications Agreement
Docket No. E02-017

Dear Karen:

Enclosed herewith are ten (10) copies of the executed original Amendment to Agreement between the City of Ft. Pierre and West Central Electric Cooperative, Inc. with respect to territorial service territories. This Amendment is proposed to be a supplement to the original agreement dated August 6, 2002, and you are requested to file same accordingly. It is my understanding that Steve Reed, Manager of West Central, has filed the other documents as per your earlier request. Please advise if there is anything further you require in this matter.

Thank you very much.

Sincerely,

GLOVER, HELSPER & RASMUSSEN, P.C.



ALAN F. GLOVER

AFG:slg
cc: Steve Reed

RECEIVED

NOV 25 2002

AMENDMENT TO AGREEMENT BETWEEN
CITY OF FT. PIERRE AND WEST CENTRAL ELECTRIC COOPERATIVE, INC.
WITH RESPECT TO TERRITORIAL SERVICE TERRITORIES

SOUTH DAKOTA PUBLIC
UTILITY COMMISSION

WHEREAS, the City of Ft. Pierre (hereinafter referred to as "City") and West Central Electric Cooperative, Inc., (hereinafter referred to as "West Central") hereinbefore entered into a Territorial Service Area Agreement dated the 6th day of August, 2002, and

WHEREAS, the parties have mutually agreed to amend said Agreement to exclude certain territory from the terms and conditions of said Agreement, now therefore,

FOR AND IN CONSIDERATION of the mutual promises, conditions and terms contained herein, the parties hereby covenant, contract and agree as follows, to-wit:

1.

FOR AND IN CONSIDERATION of the mutual terms and conditions set forth herein and in the Agreement heretofore entered into dated the 6th day of August, 2002, the parties do hereby agree to amend Paragraph 4 of said Agreement to exclude from the property description set forth therein the following described property, to-wit:

Accretion Lots Four (4), Four "A" (4A), One (1) and Two (2), located in Sections Nine (9) and Sixteen (16), Township Five (5) North, Range Thirty-one (31) East of the Fifth Principal Meridian, Stanley County, South Dakota, and the platted parcels lying east thereof, more specifically described as that portion of and platted from within Accretion Lots One (1), Four (4) and Four "A" (4A), including Frontier Road running North and South on the West edge of said Platted parcels.

The foregoing property is also identified by virtue of a map attached hereto and marked as Exhibit "A" and marked in yellow.

IT IS UNDERSTOOD AND AGREED by and between the parties that the above described property shall not be included within the property defined and identified in Paragraph 4 of that certain Agreement dated August 6, 2002, and shall be considered for the purposes of the South Dakota Territorial Law the same as any other

property located outside the boundaries of the City of Ft. Pierre, which is not identified in said Agreement dated August 6th, 2002.

IN WITNESS WHEREOF the parties have hereunto set their hand and seal this 13th day of NOVEMBER, 2002.

CITY OF FT. PIERRE

(SEAL)

By: Sam Lillard
Mayor

ATTEST:

Dan Page
City Finance Officer

I hereby certify that the foregoing Agreement was approved by the Ft. Pierre City Council and the Mayor who was authorized to execute same by virtue of a Resolution adopted on the 18th day of November, 2002.

Sam Lillard
Mayor

WEST CENTRAL ELECTRIC
COOPERATIVE, INC.

(SEAL)

By: [Signature]
Chairman

ATTEST:

Charles H. Oller
Secretary

I do hereby certify that the foregoing Agreement was duly approved by Resolution adopted by the Board of Directors of West Central Cooperative, Inc., on the 20th day of November, 2002.

Charles H. Oller
Secretary

TERRITORIAL BOUNDARY MAP AS OUTLINED
 IN AGREEMENT BETWEEN CITY OF FT. PIERRE
 AND WEST CENTRAL ELECTRIC COOPERATIVE
 WITH RESPECT TO TERRITORIAL SERVICE AREAS,
 DATED AUGUST 6TH, 2002 AND AMENDED ON
 NOVEMBER 13, 2002.



WEST CENTRAL ELECTRIC DATE

X _____
 PRESIDENT

CITY OF FT. PIERRE

X _____
 MAYOR

CORP OF ENGINEER

CORP OF ENGINEER

SECTION 8

SECTION 9

RIVER

GOV'T LOT 4

SECTION LINE

YELLOW AREA
 WEST CENTRAL - FT. PIERRE
 BOUNDARIES AS OUTLINED IN
 AMENDMENT TO AUGUST 6, AGREEMENT
 DATED NOVEMBER 13TH 2002.

GOV'T LOT 1

GOV'T LOT 2

SECTION 15

RIVER

HUGHES COUNTY
 STANLEY COUNTY

SECTION 17

SECTION LINE

GOV'T LOT 3

2640'

2640'

RED AREA
 WEST CENTRAL-FT. PIERRE
 TERRITORIAL BOUNDARY
 PER AGREEMENT DATED
 AUGUST 6, 2002

1320'

SECTION LINE

SECTION 20

SECTION 21

RIVER

TOWNSHIP - 5N
 RANGE - 31E

DWG. FISHERS

HIGHWAY 1806

AMENDMENT LOT 4A

AMENDMENT LOT 3

AMENDMENT LOT 1

LOT 1000000

LAW OFFICES
MAY, ADAM, GERDES & THOMPSON LLP

503 SOUTH PIERRE STREET
P.O. BOX 160
PIERRE, SOUTH DAKOTA 57501-0160

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DAVID A. GERDES
CHARLES M. THOMPSON
ROBERT B. ANDERSON
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MICHAEL F. SHAW
NEIL FULTON
BOBBI J. BENSON
BRETT KOENECKE

SINCE 1881
www.magt.com

December 10, 2002

OF COUNSEL
WARREN W. MAY

GLENN W. MARTENS 1881-1963
KARL GOLDSMITH 1885-1966

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DEC 11 2002

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Debra Elofson, Executive Director
Public Utilities Commission
State Capitol
500 East Capitol Avenue
Pierre, South Dakota 57501

RE: **FRONTIER ROAD HOMEOWNERS ASSOCIATION; ELECTRIC SERVICE AREA
BOUNDARY CHANGE**

Docket: EL02-017

Our file: 0038

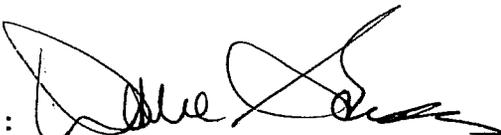
Dear Debra:

Enclosed are original and ten copies of the Withdrawal of Intervention of the Frontier Road Homeowners Association, conditioned upon the Commission's acceptance of the amendment to the agreement before the Commission for approval. Please file the enclosure.

With a copy of this letter, I am forwarding a copy of the enclosure to the service list.

Yours truly,

MAY, ADAM, GERDES & THOMPSON LLP

BY: 

DAG:mw

Enclosures

cc/enc: Sam Tidball
Joe Hieb
Michele Farris
Karen Cremer
Alan Glover
Tom Harmon

RECEIVED

DEC 11 2002

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE JOINT REQUEST) EL02-017
FOR AN ELECTRIC SERVICE TERRITORY)
BOUNDARY CHANGE BETWEEN THE CITY)
OF FORT PIERRE AND WEST CENTRAL) **WITHDRAWAL OF**
ELECTRIC COOPERATIVE, INC.) **INTERVENTION**

TO THE PUBLIC UTILITIES COMMISSION AND THE PARTIES IN THIS DOCKET:

YOU WILL PLEASE TAKE NOTICE that the Frontier Road Homeowners Association hereby withdraws its intervention in this docket and its opposition to the agreement proposed by the City of Fort Pierre and West Central Electric based upon the passage of the resolution of the City of Fort Pierre, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference, and the amendment to the agreement pending before the Commission, signed by the parties, a copy of which is attached hereto as Exhibit B and incorporated herein by this reference. This withdrawal is further conditioned upon the acceptance by the Commission of the amendment attached hereto as Exhibit B.

Dated this 10 day of December, 2002.

MAY, ADAM, GERDES & THOMPSON LLP

BY: 
DAVID A. GERDES

Attorneys for Frontier Road Homeowners
Association

503 South Pierre Street
P.O. Box 160
Pierre, South Dakota 57501-0160
Telephone: (605)224-8803
Telefax: (605)224-6289

CERTIFICATE OF SERVICE

David A. Gerdes of May, Adam, Gerdes & Thompson LLP hereby certifies that on the 10 day of December, 2002, he mailed by United States mail, first class postage thereon prepaid, a true and correct copy of the foregoing in the above-captioned action to the following at their last known addresses, to-wit:

Sam Tidball
Mayor City of Fort Pierre
P.O. Box 927
Fort Pierre, SD 57532

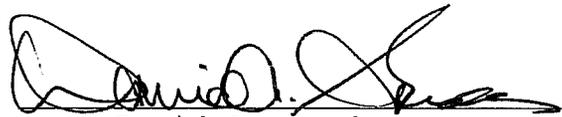
Joe Hieb
President
West Central Electric
P.O. Box 17
Murdo, SD 57559

Karen Cremer
Staff Attorney
Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

Michele Farris
Staff Analyst
Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

Alan F. Glover
Attorney at Law
100 22nd Avenue, Suite 200
Brookings, SD 57006

Tom Harmon
Attorney at Law
P.O. Box 550
Pierre, SD 57501


David A. Gerdes

RESOLUTION NO. 2002-033

A RESOLUTION MODIFYING THE TERRITORIAL SERVICE AGREEMENT WITH WEST CENTRAL ELECTRIC COOPERATIVE AND WITHDRAWING THE CITY OF FORT PIERRE 1999 PRELIMINARY ANNEXATION PLAN FOR THE CITY OF FORT PIERRE, SOUTH DAKOTA.

WHEREAS, the City Council held a Special Meeting on December 27, 1999 at the Quentin Sutley Senior Citizen Center during which public input was accepted concerning the proposed annexation of several tracts of land and subdivisions north of the municipal boundaries;

WHEREAS, the City Council has deferred action on the proposed annexation;

WHEREAS, the City Council has approved a proposed territorial service agreement between the City and West Central Electric Cooperative by resolution dated August 5, 2002, which is now before the South Dakota Public Utilities Commission pending its approval; and

WHEREAS, the City and West Central Electric Cooperative desire to amend the proposed territorial service agreement to address concerns of the residents of Frontier Road located north of the present City limits;

NOW THEREFORE, BE IT RESOLVED, that the preliminary annexation plan designated "CITY OF FORT PIERRE 1999 ANNEXATION STUDY" regarding which a public meeting was held December 27, 1999, is hereby formally withdrawn;

BE IT FURTHER RESOLVED, that the City Council of Fort Pierre, S.D. has no present plan to initiate any annexation of property within Accretion lots 4A, 4, 1 or 2 located in, or any platted property located in, Sections 9 and 16, Township 5 North, Range 31 East of the 5th Principal Meridian, Stanley County, South Dakota, within the next 10 years; and

BE IT FURTHER RESOLVED, that the property described in the preceding paragraph be removed from paragraph 4 of the above mentioned proposed territorial service agreement with West Central Electric Cooperative.

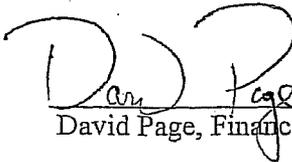
Dated this 2nd day of DECEMBER 2002.

Ayes: Duffy, McNeely, Paul, and Ricketts.

Nays: Cronin


Sam Tidball, Mayor

ATTEST:
(seal)


David Page, Finance Officer

0118394

EXHIBIT A

AMENDMENT TO AGREEMENT BETWEEN
CITY OF FT. PIERRE AND WEST CENTRAL ELECTRIC COOPERATIVE, INC.
WITH RESPECT TO TERRITORIAL SERVICE TERRITORIES

WHEREAS, the City of Ft. Pierre (hereinafter referred to as "City") and West Central Electric Cooperative, Inc., (hereinafter referred to as "West Central") hereinbefore entered into a Territorial Service Area Agreement dated the 6th day of August, 2002, and

WHEREAS, the parties have mutually agreed to amend said Agreement to exclude certain territory from the terms and conditions of said Agreement, now therefore,

FOR AND IN CONSIDERATION of the mutual promises, conditions and terms contained herein, the parties hereby covenant, contract and agree as follows, to-wit:

1.

FOR AND IN CONSIDERATION of the mutual terms and conditions set forth herein and in the Agreement heretofore entered into dated the 6th day of August, 2002, the parties do hereby agree to amend Paragraph 4 of said Agreement to exclude from the property description set forth therein the following described property, to-wit:

Accretion Lots Four (4), Four "A" (4A), One (1) and Two (2), located in Sections Nine (9) and Sixteen (16), Township Five (5) North, Range Thirty-one (31) East of the Fifth Principal Meridian, Stanley County, South Dakota, and the platted parcels lying east thereof, more specifically described as that portion of and platted from within Accretion Lots One (1), Four (4) and Four "A" (4A), including Frontier Road running North and South on the West edge of said Platted parcels.

The foregoing property is also identified by virtue of a map attached hereto and marked as Exhibit "A" and marked in yellow.

IT IS UNDERSTOOD AND AGREED by and between the parties that the above described property shall not be included within the property defined and identified in Paragraph 4 of that certain Agreement dated August 6, 2002, and shall be considered for the purposes of the South Dakota Territorial Law the same as any other

EXHIBIT B

property located outside the boundaries of the City of Ft. Pierre, which is not identified in said Agreement dated August 6th, 2002.

IN WITNESS WHEREOF the parties have hereunto set their hand and seal this 13th day of NOVEMBER, 2002.

CITY OF FT. PIERRE

(SEAL)

By: Sam Lillard
Mayor

ATTEST:

Dan Page
City Finance Officer

I hereby certify that the foregoing Agreement was approved by the Ft. Pierre City Council and the Mayor who was authorized to execute same by virtue of a Resolution adopted on the 18th day of November, 2002.

Sam Lillard
Mayor

WEST CENTRAL ELECTRIC
COOPERATIVE, INC.

(SEAL)

By: [Signature]
Chairman

ATTEST:

Charles H. Oller
Secretary

I do hereby certify that the foregoing Agreement was duly approved by Resolution adopted by the Board of Directors of West Central Cooperative, Inc., on the 20th day of November, 2002.

Charles H. Oller
Secretary



TERRITORIAL BOUNDARY MAP AS OUTLINED
 IN AGREEMENT BETWEEN CITY OF FT. PIERRE
 AND WEST CENTRAL ELECTRIC COOPERATIVE
 WITH RESPECT TO TERRITORIAL SERVICE AREAS,
 DATED AUGUST 6TH, 2002 AND AMENDED ON
 NOVEMBER 13, 2002.

ONE FIDUCIARY

CORP OF ENGINEER

CORP OF ENGINEER

WEST CENTRAL ELECTRIC

DATE

X _____
 PRESIDENT

CITY OF FT. PIERRE

X _____
 MAYOR

SECTION 8

SECTION 9

RIVER

GOV'T LOT 4

SECTION LINE

YELLOW AREA
 WEST CENTRAL - FT. PIERRE
 BOUNDARIES AS OUTLINED IN
 AMENDMENT TO AUGUST 6, AGREEMENT
 DATED NOVEMBER 13TH 2002.

GOV'T LOT 1

SECTION LINE

GOV'T LOT 2

SECTION 10

RIVER

HUGHES COUNTY
 STANLEY COUNTY

SECTION 17

HIGHWAY 1806

GOV'T LOT 3

2640'

2640'

RED AREA
 WEST CENTRAL-FT. PIERRE
 TERRITORIAL BOUNDARY
 PER AGREEMENT DATED
 AUGUST 6, 2002

1320'

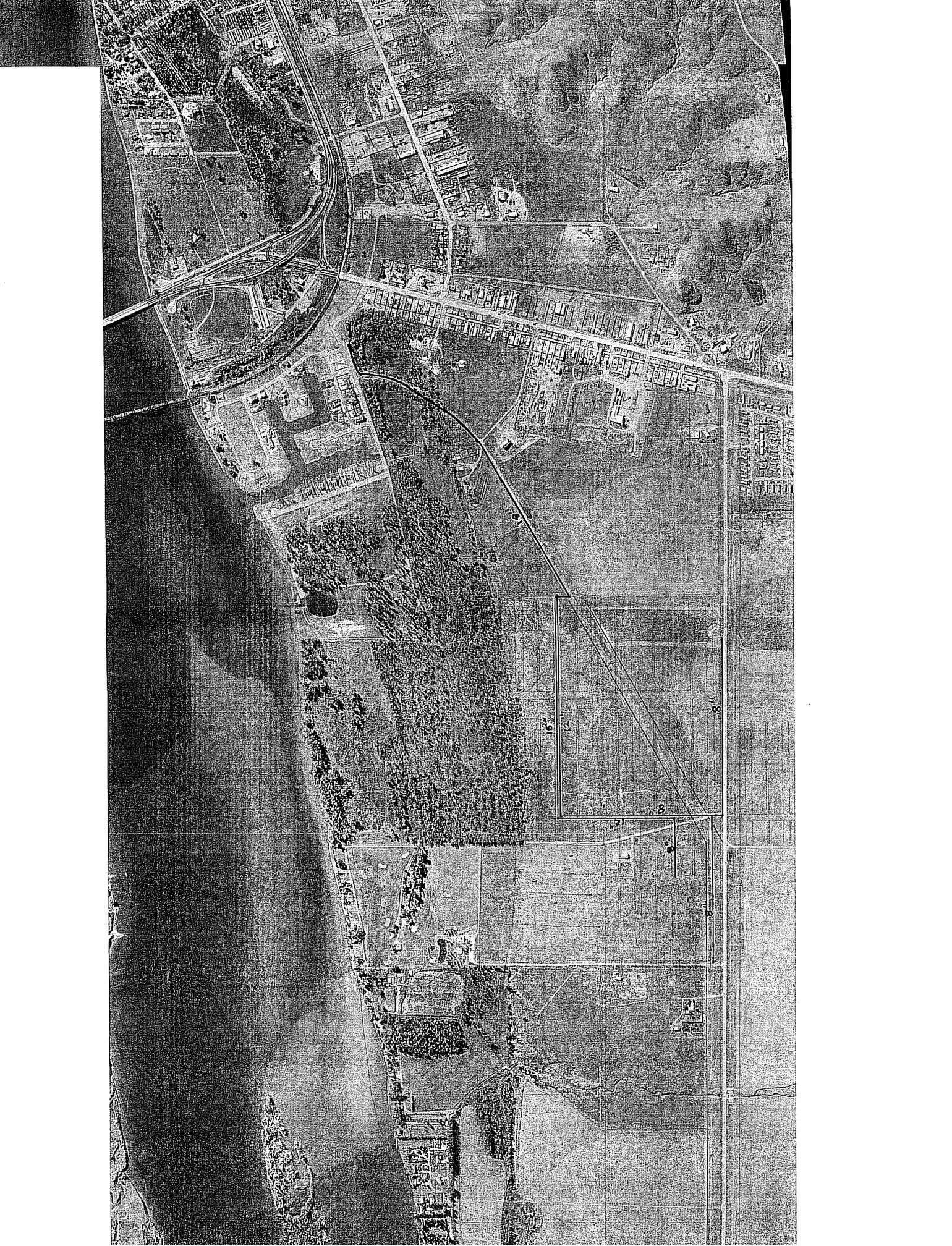
SECTION LINE

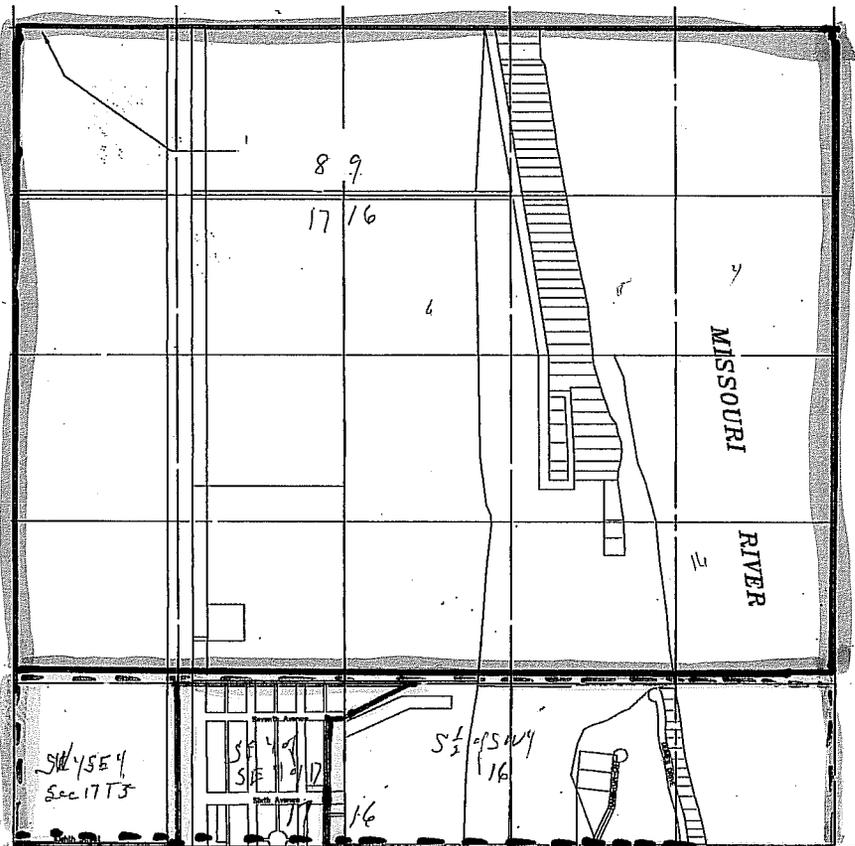
RIVER

SECTION 20

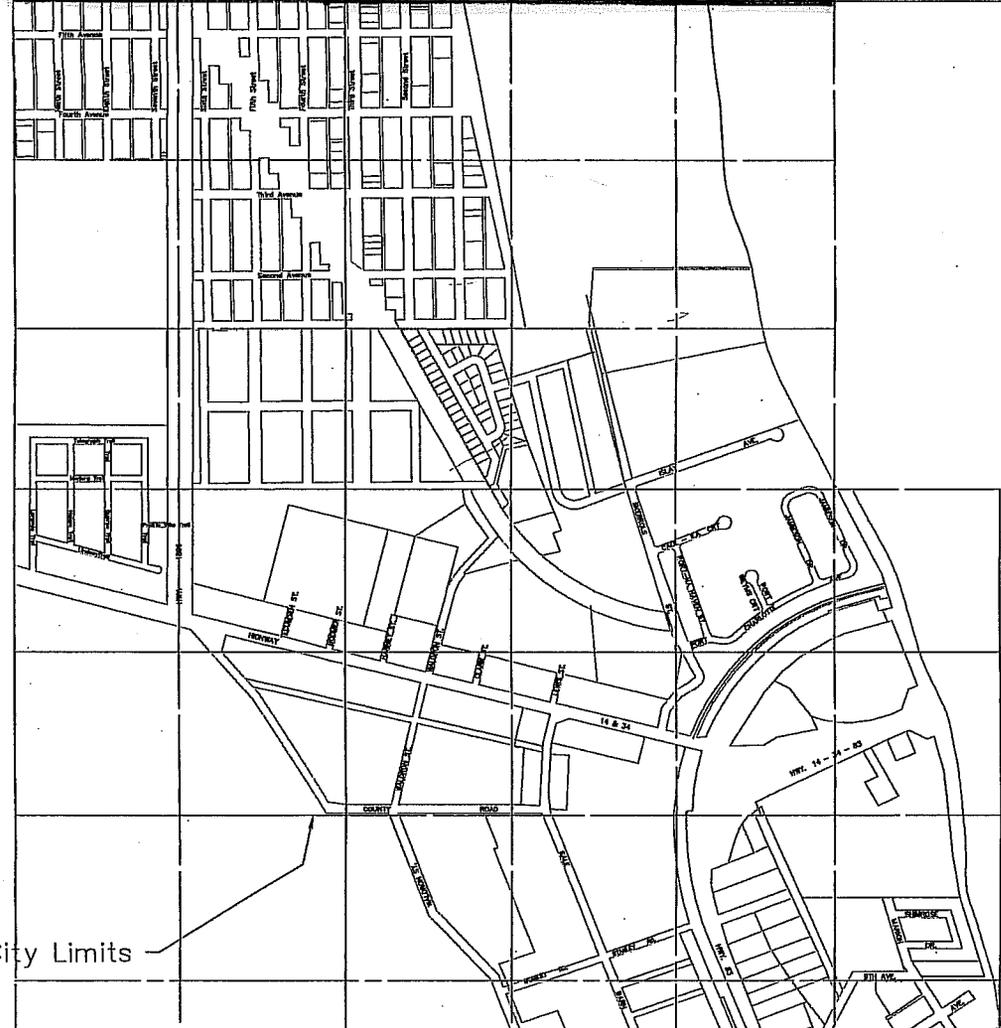
SECTION 21

TOWNSHIP - 5N
 RANGE - 31E





West Center of retained area
 Proposed addition to City Service area
 Current City limits
 City service northern bdy



SCALE 1" = 900'

MISSOURI

ELO2-017

Tieszen Law Office, LLP

306 East Capitol, Suite 300
P.O. Box 550
Pierre, South Dakota 57501-0550
e-mail: tieszenlaw@usa.net

605-224-1500 FAX 605-224-1600

Richard P. Tieszen
Thomas H. Harmon
Karla L. Engle

December 3, 2002

RECEIVED

DEC 04 2002

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Karen Cremer, Staff Attorney
Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, SD 57501-5070

Re: **West Central Territorial Service Agreement**
Our Client: Fort Pierre
Our File No: 90.013

Dear Ms. Cremer:

Enclosed please find Resolution No. 2002-033 regarding the above-captioned matter which has now been signed by Mayor Sam Tidball.

Sincerely,

TIESZEN LAW OFFICE, LLP

NOT SIGNED PRIOR TO MAILING

Thomas H. Harmon

THH:mm
Enclosure: Resolution

RESOLUTION NO. 2002-033

A RESOLUTION MODIFYING THE TERRITORIAL SERVICE AGREEMENT WITH WEST CENTRAL ELECTRIC COOPERATIVE AND WITHDRAWING THE CITY OF FORT PIERRE 1999 PRELIMINARY ANNEXATION PLAN FOR THE CITY OF FORT PIERRE, SOUTH DAKOTA.

WHEREAS, the City Council held a Special Meeting on December 27, 1999 at the Quentin Sutley Senior Citizen Center during which public input was accepted concerning the proposed annexation of several tracts of land and subdivisions north of the municipal boundaries;

WHEREAS, the City Council has deferred action on the proposed annexation;

WHEREAS, the City Council has approved a proposed territorial service agreement between the City and West Central Electric Cooperative by resolution dated August 5, 2002, which is now before the South Dakota Public Utilities Commission pending its approval; and

WHEREAS, the City and West Central Electric Cooperative desire to amend the proposed territorial service agreement to address concerns of the residents of Frontier Road located north of the present City limits;

NOW THEREFORE, BE IT RESOLVED, that the preliminary annexation plan designated "CITY OF FORT PIERRE 1999 ANNEXATION STUDY" regarding which a public meeting was held December 27, 1999, is hereby formally withdrawn;

BE IT FURTHER RESOLVED, that the City Council of Fort Pierre, S.D. has no present plan to initiate any annexation of property within Accretion lots 4A, 4, 1 or 2 located in, or any platted property located in, Sections 9 and 16, Township 5 North, Range 31 East of the 5th Principal Meridian, Stanley County, South Dakota, within the next 10 years; and

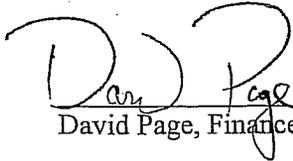
BE IT FURTHER RESOLVED, that the property described in the preceding paragraph be removed from paragraph 4 of the above mentioned proposed territorial service agreement with West Central Electric Cooperative.

Dated this 2nd day of DECEMBER 2002.

Ayes: Duffy, McNeely, Paul, and Ricketts.
Nays: Cronin


Sam Tidball, Mayor

ATTEST:
(seal)


David Page, Finance Officer

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

| | |
|---|------------------------------|
| IN THE MATTER OF THE JOINT REQUEST) | ORDER GRANTING |
| FOR AN ELECTRIC SERVICE TERRITORY) | APPROVAL OF |
| BOUNDARY CHANGE BETWEEN THE CITY) | AGREEMENT, AS |
| OF FORT PIERRE AND WEST CENTRAL) | AMENDED, BETWEEN FORT |
| ELECTRIC COOPERATIVE, INC.) | PIERRE AND WEST |
|) | CENTRAL ELECTRIC |
|) | COOPERATIVE AND ORDER |
|) | GRANTING WITHDRAWAL |
|) | OF INTERVENTION |
|) | EL02-017 |

On August 16, 2002, the Public Utilities Commission (Commission) received a joint filing by the City of Fort Pierre (City) and West Central Electric Cooperative, Inc. (West Central) for approval of an agreement with respect to territorial service areas (Agreement). The joint agreement provides that the following territory shall become the service territory of the City of Fort Pierre: the South one-half of the Southeast one-fourth of Section 17, and the South one-half of the Southwest one-fourth of Section 16, Township 5 North, Range 31 East of the Fifth Principal Meridian, Stanley County, South Dakota, and land immediately to the east thereof, extending to the Missouri River, which provides the eastern boundary of said area, the foregoing parcels lying adjacent and immediately north of the north boundary line of the city limits of the City of Fort Pierre. West Central did notify each of the affected customers in the area regarding the proposed changes.

On August 22, 2002, the Commission electronically transmitted notice of the filing and the intervention deadline of September 6, 2002, to interested individuals and entities. On September 9, 2002, the Commission received a Petition to Intervene from the Frontier Road Homeowners Association (Frontier). The Commission granted intervention to Frontier at its September 24, 2002, regular meeting. On November 25, 2002, the parties filed an Amendment to the Agreement, which excludes from the above described property Accretion Lots 4, 4A, 1 and 2, located in Sections 9 and 16, Township 5 North, Range 31, East of the Fifth Principal Meridian, Stanley County, South Dakota, and the platted parcels lying east thereof, more specifically described as that portion of and platted from within Accretion Lots 1, 4 and 4A, including Frontier Road running North and South on the West edge of said platted parcels. On December 11, 2002, Frontier filed a Withdrawal of Intervention as an intervenor in this docket. At its regularly scheduled meeting of December 19, 2002, the Commission considered the matter. Commission Staff recommended granting the Withdrawal of Intervention and also recommended approval of the Agreement, as amended.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 1-26-17.1, 49-34A-42, 49-34A-55, and ARSD 20:10:01:15.02 through 20:10:01:15.05. Further the Commission finds that approval of the Agreement, as amended, should be

approved as it is in the public interest and Frontier's Withdrawal of Intervention should be granted. It is therefore

ORDERED, that the Agreement, as amended, is approved and Frontier's Withdrawal of Intervention is granted.

Dated at Pierre, South Dakota, this 3rd day of January, 2003.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By: *Nelsine Kolbo*

Date: 1/6/03

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner *dk*

Robert K. Sahr
ROBERT K. SAHR, Commissioner