

GEORGE S. MICKELSON
1941-1993

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RECEIVED

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February 29, 2008

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Ms. Kara Semmler, Staff Attorney
S.D. Public Utilities Commission
500 East Capitol
Pierre, SD 57501

RE: BROOKINGS MUNICIPAL UTILITIES

Dear Kara:

I am responding to your letter of February 13, 2008. We agree with your analysis.

On the second page of your letter, you asked if the electrical line that we purchased from Sioux Valley Electric in 1994 currently serves any customers located outside city limits. The answer is no.

In your final paragraph, you suggested that we dismiss the current docket EL07-010 and we agree with that.

When you indicate in your letter that we should make an additional filing pursuant to SDCL 49-34A-55, I would request that you accept this letter as our additional filing as I am going to provide all required information as to the two annexations. That information is as follows:

1. Agreement for Sale of Property and Transfer of Service Territory between the City of Brookings and Sioux Valley-Southwestern Electric Cooperative, Inc. This particular agreement which is mentioned as #1 in your letter involves the Jehovah's Witness Church on the east side of Brookings, South Dakota. Immediately to the west of the Jehovah's Witness Church was formerly Bob's Nursery. Now on the north side of the former site of Bob's Nursery is a new chiropractic/medical facility. Sioux Valley Electric formerly served the Jehovah's Witness Church and Bob's Nursery. The City of Brookings ultimately annexed the land to the east side of Bob's Nursery and the transformer was located on city annexed land. This is

Resolution 19-04 and 44-04 and is located in Territory Agreement A05. Because the transformer was included in annexed land, the City of Brookings and Sioux Valley Electric simply agreed that Brookings Municipal Utilities would continue to serve the Jehovah's Witness Church. That is the only building being serviced outside of the city limits of Brookings at this location.

As to this matter, we believe that the agreement eliminated the unnecessary duplication of facilities and certainly is providing adequate electric service to the Jehovah's Witness Church and their members. We further believe that this agreement promotes the efficient and economical use and development of the electric systems of each of the contracting electric utilities.

2. Agreement for Sale of Property and Transfer of Service Territory between the City of Brookings and Sioux Valley-Southwestern Electric Cooperative, Inc.

This matter which is listed as #2 in your letter involves Brookings Resolution 38-03 and is labeled on the map as A03.3.

The area in question in 38-03 originally involved all of Western Estates Trailer Court. However, at the north end, there are two parcels of property that the then owner did not wish to have included in the annexation. Therefore, the remainder of Western Estates Trailer Court was annexed but these two parcels were not.

Sioux Valley Electric still had some service to these non-annexed areas but as far as we know, there was only one home and possibly one or two trailer homes that were utilizing electrical energy.

Therefore, in order not to strand Sioux Valley's equipment in this area, Brookings Municipal Utilities agreed to purchase and serve the few residential structures in that area to prevent unnecessary duplication and the stranding of facilities of Sioux Valley Electric.

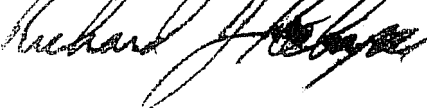
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We believe that by this agreement we have eliminated the unnecessary duplication of facilities and we are providing adequate electric service to the few customers that are affected. Finally, we believe it is an efficient and economical use and development of the electric systems of both contracting parties for BMU to assume this service and to prevent the stranding of Sioux Valley Electric Service facilities.

If there is anything further you need, please don't hesitate to contact me.

Sincerely,

GLOVER & HELSPER, P.C.



RICHARD J. HELSPER

RJH:srl

Enclosures

cc: Mr. Steve Meyer
Mr. Paul Melby