



Chris Nelson, Chair
Kristie Fiegen, Vice Chair
Gary Hanson, Commissioner

SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

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February 16, 2012

RE: EL 11-025

To the Parties in this Docket:

As you know, the Commission deferred action on this docket at the February 14 meeting and asked Xcel and Southeastern to present proposals to the Commission that might involve the swap of some territory to remedy this situation.

I thought it might be helpful to the Parties to publicly convey to you my thoughts on an appropriate resolution to this docket. In that light please consider the following:

Section 12 – For me the important considerations here are:

1. Xcel offered the deal which was approved in EL 09-021.
2. Extensive build out has occurred based on that deal.
3. While the written description of the boundary provided in EL 09-021 wasn't perfect, it appears everyone agreed to the accompanying map.
4. Based on these facts, I would agree with Mr. Peterson when he argues that "A Deal is a Deal". The existing Section 12 agreement stands as shown on the map accompanying EL 09-021.

Section 7 – For me the important considerations here are:

1. Mr. Peterson's position as clarified during the February 14 meeting is that the east-west boundary line in Section 7 did not change with the 2009 deal.
2. I firmly believe that the 1976 map provided an east-west boundary line in Section 7 which is equidistant between the northern and southern boundary of Section 7 (now 57th and 69th Street).
3. Given Mr. Peterson's position that the line did not change and my belief that the line was equidistant, the boundary in Section 7 shall remain as provided in the 1976 map which provided an east-west boundary line in Section 7 equidistant between the northern and southern boundary of Section 7 (now 57th and 69th Street).
4. Xcel shall purchase from Southeastern any infrastructure installed by Southeastern in Section 7 in what would now be firmly defined as Xcel territory. Compensation shall be at Southeastern's actual costs for any build out expenses incurred. Southeastern may exercise an option to remove their infrastructure in lieu of sale.



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I would emphasize that these are my thoughts alone and do not represent the thoughts of the Commission as a whole. I hope these are helpful in moving to a final resolution.

Sincerely,

Chris Nelson

CERTIFICATE OF SERVICE

I hereby certify on this 17th day of February, 2012, a true and correct copy of the foregoing document *Commissioner Nelson's letter to parties*, was served through electronic format, upon the following:

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