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December 14, 2018

—Via Electronic Filing—

Ms. Patricia Van Gerpen, Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building, 1<sup>st</sup> Floor  
500 East Capitol Avenue  
Pierre, SD 57501-5070

RE: JOINT SERVICE TERRITORY EXCHANGE AGREEMENT  
DOCKET NO. EL18-\_\_\_

Dear Ms. Van Gerpen:

Enclosed for filing please find a copy of a mutually agreed upon executed “Service Territory Exchange Agreement between Xcel Energy and Southeastern Electric Cooperative, Inc.” (the Exchange Agreement).

The Exchange Agreement seeks to exchange service territory of Xcel Energy in section 14 of T103N R55W in McCook County, South Dakota for service territory of Southeastern Electric Cooperative, Inc. (Southeastern Coop) in section 13 of T103N R55W in McCook County, South Dakota.

Exhibits A, B, and C to the Exchange Agreement provide additional detail to this request.

The Exchange Agreement is in the public interest because it eliminates or avoids unnecessary duplication of facilities, will result in adequate electric service to all areas and customers affected, and will promote the efficient and economical use and development of both Xcel Energy’s and Southeastern Coop’s electric systems.

The territory to be transferred to Southeastern Coop, as identified in Exhibit B, and in Exhibit C as Block 28 (excluding the portion of Block 28 designated S132’ W132’) of Tract B of Feterl’s Addition to the City of Salem, exclusively encompasses property recently acquired by Southeastern Coop and directly adjacent to the new location for its pole yard, warehouse, and offices in Block 29 of Tract B of Feterl’s Addition. As the owner of this property, Southeastern Coop has been providing service to the property pursuant to SDCL 49-34A-57. Transferring the service

territory for this area from Xcel Energy to Southeastern Coop, therefore, recognizes this reality and avoids unnecessary duplication of facilities.

Similarly, the territory to be transferred to Xcel Energy, as identified in Exhibit A, and in Exhibit C as Lots 14, 15, and 16 of Block 13 of the Original Town (236 N. Main St.), Lot 4 of Block 13 of the Original Town (211 N. Dakota St.), and Block 2 of the Drake Addition (140 S. Main St.), are properties currently located within the boundary of Xcel Energy's service territory, but for which Southeastern Coop has been providing service. Transferring the service territory for these tracts will increase the efficient distribution of electricity and eliminate unnecessary duplication of facilities within Salem, South Dakota.

Two of these properties (236 N. Main St. and 140 S. Main St.) were the former locations of Southeastern Coop's offices and warehouse and are currently owned by Southeastern Coop, who consents to the change in electric service provider for the properties. The owner of the other property (211 N. Dakota St.) also consents to the change in electric service provider, as stated in the letter attached in Exhibit A.

For the reasons stated above, the Exchange Agreement is in the public interest, and Xcel Energy and Southeastern Coop respectfully request that the South Dakota Public Utilities Commission approve the Exchange Agreement.

If there are any questions about this petition, please call me at 605-339-8350.

Sincerely,

A handwritten signature in cursive script that reads "Steven T. Kolbeck". The signature is written in black ink and is positioned above the printed name and title.

STEVEN T. KOLBECK  
PRINCIPAL MANAGER

Enclosures