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May 17, 2019

—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. EL19-\_\_\_\_\_

Dear Ms. Van Gerpen:

Enclosed for filing please find a copy of a mutually agreed upon Service Territory Exchange Agreement with Sioux Valley Southwestern Electric Cooperative, Inc. (“Sioux Valley”). This agreement seeks to exchange territory in section 17 of T101N R48W in Minnehaha County, South Dakota. For the reasons set forth below, Xcel Energy and Sioux Valley respectfully request that the South Dakota Public Utilities Commission approve the attached executed Service Territory Exchange Agreement and allow the boundary lines to be modified.

#### **BACKGROUND**

Xcel Energy was contacted by Sioux Valley around October of 2018 to discuss the possibility of a territory exchange in the Willow Ridge Addition development that is being constructed by developer, Van Buskirk Companies, in Sioux Falls, South Dakota. Presently, part of the residential development in T101N 48W S17 (NE ¼ of NW ¼) lies in Xcel Energy’s service territory and includes 59 lots. *See* Exhibits B and C. In order to make the servicing of these new lots easier from a construction and development standpoint, both parties have agreed to a redraw of the existing boundary lines. The proposal by the utilities, approved by Van Buskirk Companies and confirmed via Exhibit A, will still allow each utility to serve the same number of lots as they would have

without this territory exchange. Please see Exhibit D for further clarification of the Parties' agreement on the service territory exchange.

**APPROVAL OF THE AGREEMENT IS IN THE PUBLIC INTEREST**

Pursuant to ARSD § 49-34A-55, the Parties request that the South Dakota Public Utilities Commission approve the Service Territory Exchange Agreement as it is in the public interest. This exchange in section 17 of T101N R48W in Minnehaha County, South Dakota, avoids unnecessary duplication of facilities, provides adequate electric service to all areas and customers affected, and promotes the efficient and economical use and development of the Parties' electric systems.

**A. Duplication of facilities avoided.**

This exchange prevents Xcel Energy and Sioux Valley Electric from running electric utility lines down the same streets and duplicating facilities within the development.

**B. Adequate electric service provided.**

Xcel Energy and Sioux Valley are positioned to safely and reliably serve requested load which is located in section 17 of T101N R48W in Minnehaha County, South Dakota.

**C. Efficient and economical use and development of electric systems.**

Xcel Energy and Sioux Valley, and their respective customer bases, are not materially harmed by allowing this Service Territory Exchange Agreement to take place. All parties benefit by having a cleaner and shorter construction path for their facilities to be placed.

**UNRELATED TERRITORY CORRECTION BETWEEN  
XCEL ENERGY AND SIOUX VALLEY**

Also included within this filing is an Exhibit E, which provides details of a piece of Xcel Energy service territory that was inadvertently overlooked and missed during the review of Docket EL15-004, the "Electric Service Territory Boundary Agreement between Sioux Valley fka Southwestern Electric Cooperative Inc. and Northern States Power Company dba Xcel Energy" dated

December 28, 2015 and on file with the South Dakota Public Utilities Commission. To correct this oversight, Xcel Energy and Sioux Valley are requesting that the commission update the maps and legal description based on the information that is being provided. Please note that the proposed territory exchange is within this same area.

Xcel Energy and Sioux Valley respectfully request that the South Dakota Public Utilities Commission approve this exchange agreement and approve the updates to the territory boundary.

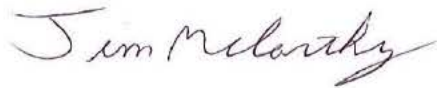
If there are any questions, please call me at 605-339-8350.

Sincerely,



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STEVEN T. KOLBECK  
PRINCIPAL MANAGER  
XCEL ENERGY



TIM MCCARTHY  
GENERAL MANAGER/CEO  
SIOUX VALLEY SOUTHWESTERN ELECTRIC COOPERATIVE, INC.

Enclosures