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June 15, 2022

—Via Electronic Filing—

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

RE: JOINT SERVICE TERRITORY EXCHANGE AGREEMENT
DOCKET NO. EL22-_____

Dear Ms. Van Gerpen:

Enclosed for filing please find a copy of a mutually agreed upon Service Territory Exchange Agreement with Southeastern Electric Cooperative, Inc. (“Southeastern”). This agreement seeks to exchange territory in section 35 of T100N R50W in Lincoln County, South Dakota. For the reasons set forth below, Xcel Energy and Southeastern 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 Southeastern in March of 2022 to discuss the possibility of a territory exchange in the Mills Creek Addition development that is being constructed by developer, HLD LLC, in Harrisburg, South Dakota. Presently, part of the residential development in T100N 50W S35 (NW ¼) lies in Xcel Energy’s service territory and includes 26 lots. See exhibits A through G. 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 HLD LLC (Lots 22-31, Block 3; Lots 1-16, Block 6; Lot 31, Block 4), CK Construction LLC (Lots 4A & 4B, Block 5), and MV Enterprises LLC (Lots 5A & 5B, Block 5) will reflect Xcel Energy now serving 29 lots as opposed to the 26 it originally had. The reason for the increase is that the size of lots 4A & 4B, Block 5, 5A

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& 5B, Block 5, and 31, Block 4 are all larger in nature than those in Blocks 3 & 6. This agreement will make the exchange fair for both Xcel Energy and Southeastern. Please see Exhibits E through G 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 35 of T100N R50W 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 Southeastern Electric from running electric utility lines down the same streets and duplicating facilities within the development.

B. Adequate electric service provided.

Xcel Energy and Southeastern are positioned to safely and reliably serve requested load which is located in section 35 of T100N R50W in Lincoln County, South Dakota.

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

Xcel Energy and Southeastern, 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.

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

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

Sincerely,

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

STEVEN T. KOLBECK
PRINCIPAL MANAGER

Enclosures