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March 14, 2023

—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. EL23-_____

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 12 of Township 101N Range 49W in Minnehaha County, South Dakota. For the reasons set forth below, Xcel Energy and Sioux Valley (collectively, the “Utilities”) 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

In 2021, Xcel Energy and Sioux Valley agreed on a territory exception which was approved by the South Dakota Public Utilities Commission per docket EL21-006. While working on this territory exception, the Utilities discovered that there were lots being served by Xcel Energy in Sioux Valley territory. Some of these lots have in-service dates prior to the territory boundaries established on January 19, 1976 and some did not. Though both Utilities believe there likely were informal agreements on the provision of service to these lots, nothing memorializing such agreements could be found. In February 2021, the Utilities reached out to Ms. Kristen Edwards with the South Dakota Public Utilities Commission informing her of the findings and inquiring if staff could find any agreements, but none could be found. In September

2021, the Utilities followed up with Ms. Edwards informing her that they had come to an agreement to exchange lots in the Golden Gateway development, located near E Madison St and Powder House Rd, for lots in the Cactus Height development on E Club View Dr and N Sycamore Ave. It was noted at the time that no exchange would be pursued until the Golden Gateway development was closer to the construction stage. Given the progress of the development, the Utilities now believe that the timing for an exchange is ripe.

Below are the descriptions of the lots being exchanged. Additional details to the request are provided in Exhibits A – G associated with this request.

Lots being transferred to Xcel Energy's service territory (Cactus Heights):

- Lot 4B Oakwood Hills Estates: 4512 E Oakwood Pl, Sioux Falls (8/12/98)
- Lot 3B Oakwood Hills Estates: 4508 E Oakwood Pl, Sioux Falls (territory exception EL21-006)
- Lot 2B Oakwood Hills Estates: 4500 E Oakwood Pl, Sioux Falls (found territory exception EL98-009)
- Lot 1C Oakwood Hills Estates: 4502 E Club View Dr, Sioux Falls (10/1/21)
- (Ex Lots 1E & 1C) Lot 1B Oakwood Hills Estates: 4501 E Oakwood Pl, Sioux Falls (1/1/94)
- Lot 1E Oakwood Hills Estates: 4510 E Club View Dr, Sioux Falls (10/16/13)
- Lot 14A Cactus Heights Townsite Addition: 14 E Club View Dr, Sioux Falls (1/1/75)
- Tract B Cactus Heights Townsite Addition: Same property owner as Lot 14A (no service here)
- Lot 12 Cactus Heights Townsite Addition: 12 E Club View Dr, Sioux Falls (1/1/77)
- Tract 2 Cactus Heights Townsite Addition: 4700 E Club View Dr, Sioux Falls (no service here)
- Lot 11 Cactus Heights Townsite Addition: 11 E Club View Dr, Sioux Falls (1/1/75)
- Tract 7 Cactus Heights Townsite Addition: 5000 E Club View Dr, Sioux Falls (no service here)
- Lots 1-5 Block 1 Valley Oaks Addition: 5201, 5203, 5205, 5207, & 5209 E Valley Oaks Pl, Sioux Falls (1/1/79)

Lots being transferred to Sioux Valley's service territory (Golden Gateway):

- Lots 21-31 in Block 1 of the Golden Gateway Development (1605, 1609, 1613, 1617, 1621, 1625, 1629, 1633, 1637, 1641, and 1645 N Rosemary Avenue, Sioux Falls)
- Lot 25 in Block 7 of the Golden Gateway Development (1600 N Rosemary Avenue, Sioux Falls)

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 12 of Township 101N Range 49W 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 each are positioned to safely and reliably serve requested customer load located in the lots identified above in section 12 of T101N R49W 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 impacted 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, and the anticipated impact of the exchange on each utility's sales and demand is expected to be de minimis.

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,

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.

STEVEN T. KOLBECK
PRINCIPAL MANAGER

Enclosures