

February 23, 2024

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

RE: SERVICE TERRITORY EXCHANGE AGREEMENT DOCKET NO. EL24-\_\_\_\_\_

Dear Ms. Van Gerpen:

Enclosed for filing, please find a copy of a mutually agreed upon Service Territory Exchange Agreement between West River Electric Association and Black Hills Power, Inc., d/b/a Black Hills Energy ("Black Hills Energy"). This agreement seeks to exchange territory in Sections 32 and 33 of Township 2 North, Range 8 East, Pennington County, South Dakota. For the reasons set forth below, West River Electric Association and Black Hills Energy (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 2023, an expansion of the residential neighborhood, Shepherd Hills Subdivision, began development in northeast Rapid City. West River Electric Association and Black Hills Energy, in conjunction with BH Capital LLC, have had conversations regarding the best and most efficient way to serve these new lots, which have an electric service territory boundary line going through the middle of them.

Below are the descriptions of the lots being exchanged that have been agreed to by the utilities and BH Capital LLC. Additional details to the request are provided in Exhibits A and B, along with the updated Metes and Bounds Description associated with this request.

Lots being transferred to West River Electric Association's service territory:

- Lots 34, and Lots 1R and 2R of located in the Shepherd Hills Subdivision

Lots being transferred to Black Hills Energy's service territory:

- Lots 77 and 78 of Block 2; Lot 6, Block 5; and Lot 14 of Block 9 located in the Shepherd Hills Subdivision

#### **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 Sections 32 and 33 of Township 2N Range 8E in Pennington 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 West River Electric Association and Black Hills Energy from running electric utility lines down the same streets and duplicating facilities within the development.

**B. Adequate electrical service provided.**

West River Electric Association and Black Hills Energy each are positioned to safely and reliably serve the requested customer load located in the lots identified above in Sections 32 and 33 of T2N R8E in Pennington County, South Dakota.

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

West River Electric Association and Black Hills Energy, and their respective member/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 insignificant.

West River Electric Association and Black Hills Energy respectfully request that the South Dakota Public Utilities Commission approve this exchange agreement and approve the updates to the territory boundaries.

Please contact Matt Schmahl at [matt.schmahl@westriver.coop](mailto:matt.schmahl@westriver.coop) or (605)391-1956 if you have any questions concerning this filing.

Sincerely,

Matt Schmahl  
Construction Project Manager  
3250 East Highway 44  
Rapid City, South Dakota 57703

  
Richard Johnson  
CEO/General Manager  
West River Electric Association, Inc

  
Michael Pogany  
General Manager  
Black Hills Energy

Enclosures: