BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE JOINT REQUEST FOR AN ELECTRIC SERVICE TERRITORY BOUNDARY CHANGE BETWEEN CLAY-UNION ELECTRIC CORPORATION AND THE CITY OF VERMILLION	)))))	ORDER GRANTING APPROVAL OF CHANGES IN THE ELECTRIC SERVICE TERRITORY EL03-030

On November 21, 2003, the Public Utilities Commission (Commission) received a joint filing by Clay-Union Electric Corporation (Clay-Union) and the City of Vermillion (City) for approval of an electric service territory boundary change from Clay-Union to City. According to the application, the agreement for the transfer of territory was necessary as a result of annexation by the City of Vermillion. The area currently involves one active service. The City provided notice to Clay-Union of its intent to purchase the electric utility properties and service rights to a portion of said annexed property in compliance with SDCL 49-34A-49. The territory to be changed includes the East Half of the Northwest Quarter of Section 13, Township 92 North, Range 52 West of the 5th P.M. Clay County, South Dakota, except Lots 1, 2, 3, and 4, Block 4, Johnson's Addition; the South 825 feet of the Southeast Quarter of the Northwest Quarter of said Section 13; and Lot H-1 in the Northeast Quarter of the Northwest Quarter of said Section 13. The City of Vermillion annexed this property into the city limits of Vermillion on May 5, 2003. The City agrees to provide payment to Clay-Union pursuant to SDCL 49-34A-50.

On December 16, 2003, at its regularly scheduled meeting, the Commission considered the request for approval of the boundary change due to annexation. Commission Staff recommended approval.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL 49-34A, specifically, 49-34A-4, 49-34A-42, 49-34A-46, 49-34A-50 and 49-34A-55. Further, the Commission finds that the change in the service territory boundary due to annexation will avoid unnecessary duplication of facilities, provide adequate electric service to all customers affected, and promote the efficient use and development of the electric systems of City and Clay-Union. The Commission therefore concludes that the change in the service territory due to annexation is in the public interest and it shall be granted. As the Commission's final decision in this matter, it is therefore

ORDERED, that the request seeking approval of an electric service territory boundary change between City and Clay-Union due to annexation is hereby granted.

Dated at Pierre, South Dakota, this 22nd day of December, 2003.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By: Delaine Kolbo

Date: 12/23/03

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Robert K. Sahr

ROBERT K. SAHR, Chairman

Gary Hanson

GARY HANSON, Commissioner

James A. Burg

JAMES A. BURG, Commissioner