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OCT 22 2012

PUBLIC SERVICE COMMISSION

October 19, 2012

Executive Secretary
ND Public Service Commission
State Capitol Building
600 East Boulevard Avenue, Dept 108
Bismarck ND 58505-0408

Re: **Application for Approval of Service Area Agreement**
Case No. PU-12- _____

Dear Gentlemen:

Enclosed are the original and seven copies of a Joint Application made by Burke-Divide Electric Cooperative, Inc., and Sheridan Electric Cooperative, Inc., for approval of a Service Area Agreement to establish service areas and to designate service locations to be served by Sheridan and Burke-Divide in Divide County.

Please acknowledge receipt by stamping or initialing the duplicated copy of this letter attached hereto, and returning the same in the enclosed self-addressed stamped envelope.

Sincerely,

Debra L. Hoffarth
DLH/js

Enclosures

cc David Sigloh, Burke Divide Electric Cooperative, Inc.
Rick Knick, Sheridan Electric Cooperative, Inc.

1 **PU-12-779** Filed: 10/22/2012 Pages: 9
Application for approval of service area agreement

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

Burke-Divide Electric Cooperative, Inc.
Sheridan Electric Cooperative, Inc.

Case No. PU-12-_____

Joint Application for Approval of Service Area Agreement

Burke-Divide Electric Cooperative, Inc., an electric cooperative organized under N.D.C.C. Chapter 10-13, and Sheridan Electric Cooperative, Inc., an electric cooperative organized under N.D.C.C. Chapter 10-13, submits this application for approval of a Service Area Agreement pursuant to N.D.C.C. § 49-03-06. The Service Area Agreement, which accompanies this Application, was entered into by Sheridan Electric Cooperative, Inc., and Burke-Divide Electric Cooperative, Inc., as electric providers in compliance with the provisions of N.D.C.C. § 49-03-06 to establish service areas and to designate service locations to be served by Sheridan Electric Cooperative, Inc., and Burke-Divide Electric Cooperative, Inc., within the surrounding area. The Service Area Agreement complies with N.D.C.C. § 49-03-06 and is in the public interest because it will: (1) avoid misunderstanding and disagreement over areas to be served by each party; (2) accomplish the legislative intent of N.D.C.C. 49-03-06 to encourage harmony and operational efficiency among electric providers, promote safety, discourage unreasonable duplication of electric facilities, assure adequate and reliable electric service and provide antitrust immunity to the electric providers; and (3) provide both parties with equitable participation in the provision of electric distribution service within undeveloped areas in Divide County during the term of the Agreement.

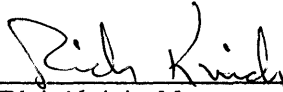
Burke-Divide Electric Cooperative, Inc., and Sheridan Electric Cooperative, Inc., request the Public Service Commission, after Notice as provided in N.D.C.C. § 49-03-06(4), approve the Service Area Agreement after finding the Agreement in Compliance with N.D.C.C. § 49-03-06 and in the public interest.

Notices regarding this mater should be directed to:

Burke-Divide Electric Cooperative Jason Brothen, General Manager PO Box 6 Columbus MN 58727 Telephone: (701) 939-6671 jason@bdec.coop	Debra L. Hoffarth Pringle & Herigstad, PC 2525 Elk Drive, PO Box 1000 Minot ND 57012 Telephone: (701) 852-0381 dhoffarth@srt.com
Sheridan Electric Cooperative, Inc. Rick Knick, Manager PO Box 227 Medicine Lake MT 59247 Telephone: (406) 789-2231 rknick@sheridanelectric.coop	

Dated this 27 day of September, 2012.


Respectfully submitted,
Sheridan Electric Cooperative, Inc.



Rick Knick, Manager

Dated this 27 day of September, 2012.

Respectfully submitted,
Burke-Divide Electric Cooperative, Inc.



Jason Brothen, General Manager

SERVICE AREA AGREEMENT

This Service Area Agreement ("Agreement") is entered into by and between SHERIDAN ELECTRIC COOPERATIVE, INC., ("Sheridan Electric") and BURKE-DIVIDE ELECTRIC COOPERATIVE, INC., ("Burke-Divide") pursuant to Section 49-03-06 of the North Dakota Century Code to encourage harmony and operational efficiency in the provision of electric distribution service in the area within and around Divide County, North Dakota, described herein; to promote safety and discourage unreasonable duplication of electric facilities; to assure adequate and reliable electric service for all consumers within the area of this Agreement; and to provide both parties with equitable participation in the provision of electric distribution service within undeveloped areas in Divide County, North Dakota, during the term of this Agreement.

RECITALS

In 2005, the North Dakota Legislature enacted 2005 North Dakota Session Laws Ch. 394, codified as North Dakota Century Code Section 49-03-06, to authorize "service area agreements" among "electric providers." Sheridan Electric and Burke-Divide are "electric providers" as defined under N.D.C.C. § 49-03-01.5.

Sheridan Electric and Burke-Divide desire to enter into a Service Area Agreement in compliance with the provisions of N.D.C.C. § 49-03-06 to establish service areas and to designate Service Locations to be served by Sheridan Electric and by Burke-Divide within Divide County, North Dakota, and this Agreement shall supersede any prior agreements between the parties, whether oral or written.

AGREEMENT

In an earnest and sincere effort to avoid misunderstanding and disagreement over areas to be served by each party, to accomplish the legislative intent of N.D.C.C. § 49-03-06 to encourage harmony and operational efficiency among electric providers, promote safety, discourage unreasonable duplication of electric facilities, assure adequate and reliable electric service, and to provide both parties with equitable participation in the provision of electric distribution service within undeveloped areas in Divide County, North Dakota, during the term of this Agreement, Sheridan Electric and Burke-Divide agree to the following:

1. Burke-Divide should provide electric service in the service areas and to the Service Locations as further stipulated and identified in this Agreement.
2. Sheridan Electric should provide electric service in the service areas and to the Service Locations as further stipulated and identified in this Agreement.
3. The parties will avoid unreasonable duplication of facilities in order to provide electric service for all consumers efficiently and economically.

4. The service area of Burke-Divide will be that area lying south and east of the yellow boundary line on the attached map (Exhibit A) that is incorporated by reference as integral to this Agreement. All Service Locations in Burke-Divide's service area are designated to be served by Burke-Divide, except as otherwise provided in this Agreement or in any amendment to this Agreement. Sheridan Electric will continue to provide electric service to Service Locations set forth in Exhibit B it is presently serving within Burke-Divide's service area (herein Encroaching Service Locations) and will provide electric service to new Service Locations within Burke-Divide's service area only under conditions further stipulated in this Agreement.
5. The service area of Sheridan Electric will be that area lying west and north of the yellow boundary line and shaded in red on Exhibit A. All Service Locations in Sheridan Electric's service area are designated to be served by Sheridan Electric, except as otherwise provided in this Agreement or in any amendment to this Agreement. Burke-Divide will continue to provide electric service to Service Locations it is presently serving within Sheridan Electric's service area and will provide electric service to new Service Locations within Sheridan Electric's service area only under conditions further stipulated in this Agreement.
6. Except as otherwise provided in this Agreement or in any amendment to this Agreement, Sheridan Electric shall not provide retail electric service in Burke-Divide's service area and Burke-Divide shall not provide retail electric service in Sheridan Electric's service area.
7. For purposes of paragraphs 4 and 5 of this Agreement, Encroaching Service Locations shall be as set forth in Exhibit B attached hereto. "Encroaching Service Locations" shall mean the existing structures, facilities, or improvements on a parcel of real property to which electric service is currently provided. An Encroaching Service Location includes expansions, improvements, or additions to the structures, facilities, and other improvements on the property made by the consumer of the Encroaching Service Location at the Encroaching Service Location after the real property is included within a designated service area. An Encroaching Service Location does not include any upgrade from a single-phase family/farm use to a three-phase commercial/industrial or three-phase high density residential (18 or more units) use; nor does it include replacement of single-phase commercial/industrial use with a three-phase commercial/industrial use of 2 MW or greater of connected load.
8. This Agreement shall apply only to the areas described in this Agreement and shown on Exhibits A and B that are incorporated by reference as integral to this Agreement.

9. If either party to this Agreement is requested to provide electric service to a Service Location in the other party's service area, such service may be supplied on either a temporary or permanent basis only with the written consent of the other party, provided that such individual exception shall not in any way alter the basic intentions of the parties, that each shall not provide electric service to any Service Location in the other party's service area.
10. If an exchange of Service Locations can be agreed upon by both parties, such an exchange can be made. The parties may negotiate to exchange or sell and purchase equipment, plant, or facilities located in one another's service areas.
11. If either party terminates service to a Service Location in the other party's service area, and facilities are not acquired by the other party, such facilities may be abandoned or removed by the party that owns the facilities at its expense.
12. Notwithstanding the generality of other provisions of this Agreement, it is specifically agreed that Burke-Divide will continue to serve any Service Location already served by Burke-Divide in Sheridan Electric's service area as outlined in Exhibit B to this Agreement.
13. This Agreement does not affect Burke-Divide's or Sheridan Electric's rights to construct transmission line facilities or to maintain existing transmission or distribution line facilities in the other party's service area for the purpose of providing adequate electric power in any area it serves.
14. This Service Area Agreement is subject to approval of the North Dakota Public Service Commission and the continuing jurisdiction of the North Dakota Public Service Commission to settle Service Location disputes arising under the Agreement. Upon execution of the Agreement, it shall be promptly filed with the North Dakota Public Service Commission. Both parties will file written statements with and appear, as may be necessary, before the North Dakota Public Service Commission supporting unconditional approval of this Agreement. If this Agreement is disapproved by the North Dakota Public Service Commission, this Agreement shall be void ab initio.
15. It is realized that this Agreement will not cover all situations which may arise, but if followed in good faith by both parties, it will serve as a guide to future developments and growth for both parties. The parties shall meet on an annual basis to review the operation of this Agreement and the parties' respective growth in electric service in their respective areas since the effective date of this Agreement.

16. The parties may cross boundaries of this Agreement to serve new locations only upon written agreement of the parties.

BURKE-DIVIDE ELECTRIC
COOPERATIVE, INC.

David R. Aigler
By: 8/29/12
Its President

ATTEST:

L. B. Jurok
Secretary

Date: August 29, 2012

SHERIDAN ELECTRIC
COOPERATIVE, INC.

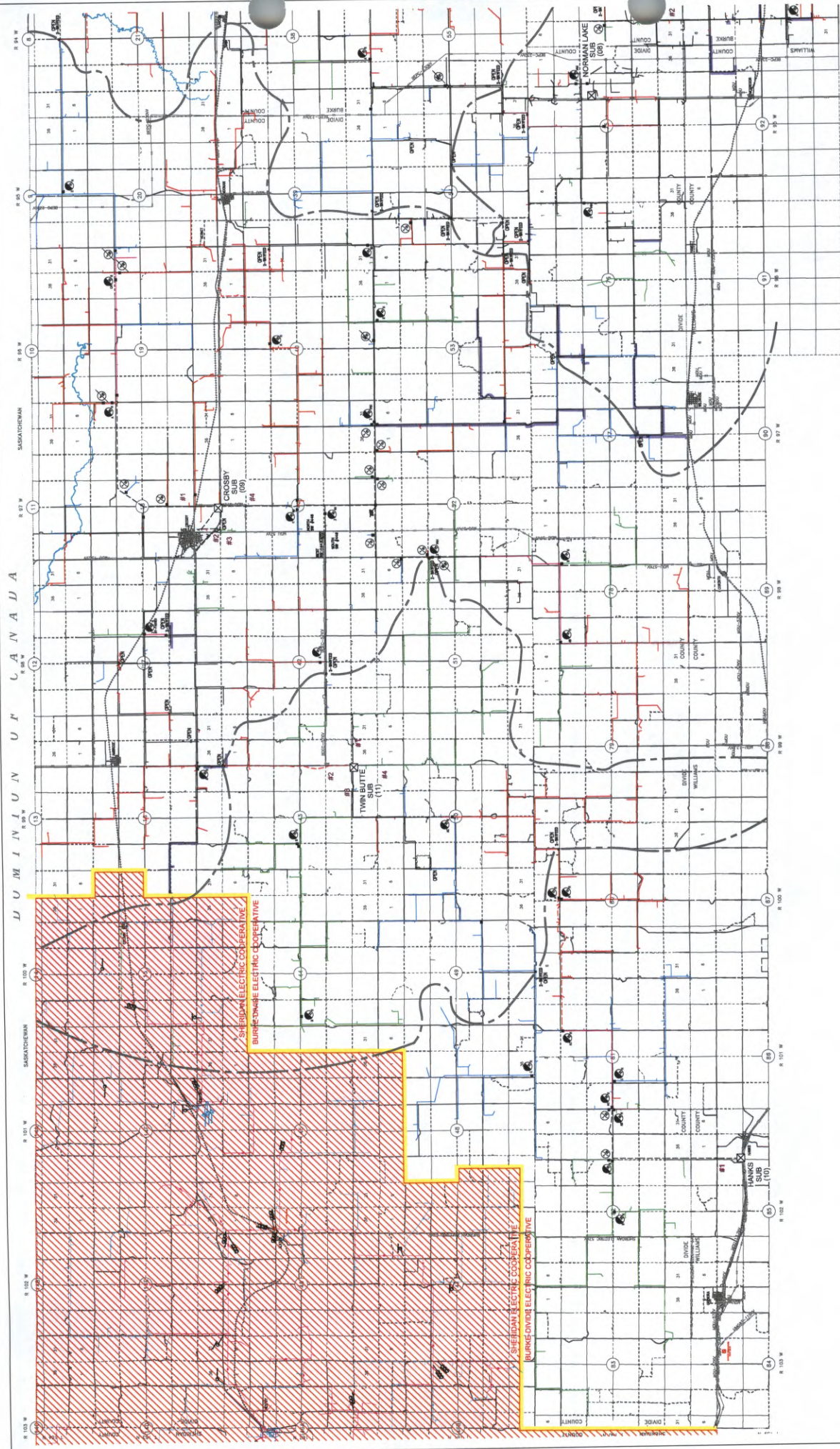
Frank Edwards
By: _____
Its President

ATTEST:

Secretary

Date: _____

D U M M I N I U N U F C A N A D A



SHERIDAN ELECTRIC COOPERATIVE



Scale: NONE
Proj. No.: 8071M83.005
File: ED-PLAN/ED/SHERIDAN.CO
Revised: 05/10/12
Phone: 607/672-1646



HDR Engineering, Inc.
HDR Engineering, Inc.



tabbles

EXHIBIT B TO SERVICE AREA AGREEMENT

ENCROACHING SERVICE LOCATIONS

NONE