

DEC 18 2006

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION***SETTLEMENT AGREEMENT AND
SERVICE TERRITORY EXCEPTION AGREEMENT***

This agreement is entered into among Southeastern Electric Cooperative, Inc., P.O. Box 388, Marion, South Dakota, 57043, ("Southeastern"), Northern States Power Company d/b/a Xcel Energy, Sioux Falls Office, P.O. Box 988, Sioux Falls, SD, 57101-0988, ("Xcel Energy"), and Millennium Ethanol LLC, 300 N. Broadway, Marion, SD 57043, ("Millennium Ethanol") as follows:

1. Southeastern and Millennium Ethanol have entered into an Electric Service Agreement dated July 18, 2006. As a result, Millennium has filed two petitions with the South Dakota Public Utilities Commission ("Commission") seeking to receive temporary and permanent electric service to the proposed Millennium Ethanol Plant to be located near Marion, South Dakota from Southeastern. These petitions are docketed as EL06-022, requesting authority to provide temporary electrical service to the Millennium Ethanol Plant location, and EL06-023, seeking to provide permanent electrical service to the Millennium Ethanol Plant under SDCL § 49-34A-56, the large load exception to the territorial laws. Southeastern joined in both of Millennium's Petitions. The parties desire to enter into a Service Territory Exception Agreement in lieu of proceeding to a conclusion in these dockets.

2. The Millennium Ethanol Plant currently includes, but is not limited to, the Ethanol Plant, grain handling facility, storage facility, cooling facility, an office building and other associated facilities ("Millennium Ethanol Plant Facilities"). The parties understand and agree that future expansion to the Millennium Ethanol Plant Facilities will likely occur, and this agreement specifically includes any such expansion owned and occupied by Millennium Ethanol, or its successors, and directly devoted to the production of Ethanol, Ethanol-related products, and byproducts, including all facilities associated therewith.

3. The location of the Millennium Ethanol Plant Facilities is within four parcels of land described more fully as follows:

PARCEL 1:

The Southeast Quarter (SE1/4) of Section Thirty-one (31), Township One Hundred (100) North, Range Fifty-four (54) West of the 5th P.M., except Tract 1, Engbrecht Addition in said SE1/4, except the East Five Hundred Eighty Three Feet (E 583') of the North Fifteen Hundred Feet (N1,500') of said SE1/4, except the East Five Hundred Eighty Three Feet (E 583') of the South Seven Hundred Eighteen Feet (S 718') of said SE1/4 of said Section 31, except Lot H1 and Lot H2 in said SE1/4, except Tract E and F, except 100' South Dakota Railroad Authority Right-of-Way in said SE1/4, all in Turner County, South Dakota.

Parcel 1 contains 5,373,489.7 S.F. (123.358 Acres) including 61,158.55 S.F. (1.404 Acres) of Turner Co. Highway No. 18 Right-of-Way, assuming 50' of R.O.W. along described parcel, more or less.

PARCEL 2:

The East Half of the Southwest Quarter (E1/2SW1/4) of Section Thirty-one (31), Township One Hundred (100) North, Range Fifty-four (54) West of the 5th P.M., except Tract 1 and Tract 2 of Engbrecht Tracts in the Southeast Quarter (SE1/4) of the Southwest (SW1/4) of said Section 31, except Lot A in Tract 1 of Engbrecht Tracts in said SE1/4 of SW1/4 of said Section 31, except Tract D, Fremar's Addition in the Southwest Quarter (SW1/4) of Section of said Section 31, except 100' South Dakota Railroad Authority Right-of-Way in said (E1/2SW1/4), all in Turner County, South Dakota.

Parcel 2 contains 2,407,464.75 S.F. (55.268 Acres), more or less.

PARCEL 3:

Tracts B, C, D and E, Fremar's Addition in the Southwest Quarter (SW1/4) and the Southwest Quarter of the Southeast Quarter (SW1/4SE1/4) of Section 31, Township One Hundred (100) North, Range fifty-four (54) West of the 5th P.M., Turner County, South Dakota.

Parcel 3 contains 1,446,057.94 S.F. (33.197 Acres) including 18,973.52 S.F. (0.436 Acres) of 446th Avenue Right-of-Way and 5,679.23 S.F. (0.130 Acres) of Turner Co. Highway No. 18 Right-of-Way, assuming 50' if R.O.W. along described parcel, more or less.

PARCEL 4:

A 110 foot strip of land running parallel to and immediately adjacent to the South Dakota Railroad Authority northeasterly Right-of-Way in the Southeast Quarter (SE1/4) of Section 36, Township One Hundred (100) North, Range Fifty-five (55) West of the 5th P.M., Turner County, South Dakota.

Parcel 4 contains 94,722.21 S.F. (2.175 Acres) including 4,431.16 S.F. (0.102 Acres) of 446th Avenue Right-of-Way, more or less.

4. This Service Territory Exception Agreement seeks a modification of the existing service territories of Xcel Energy and Southeastern, pursuant to SDCL § 49-34A-55. This agreement will eliminate a duplication of facilities and will allow Southeastern to provide adequate electric service to the Millennium Ethanol Plant Facilities.

5. Xcel Energy and Southeastern agree that the composition of their service territories may be changed upon approval of the Commission so that Southeastern will be entitled to provide both temporary and permanent electrical service to the location of the Millennium Ethanol Plant Facilities owned by Millennium Ethanol or its successors. This agreement is limited to service to the location of the Millennium Ethanol Plant Facilities owned and occupied by Millennium Ethanol or its successors, including any expansion of said facilities that are directly devoted to the production of ethanol, ethanol-related products, and byproducts. Any land described in paragraph 3 of this agreement not comprising a part of the location of the Millennium Ethanol Plant Facilities is reserved for future use as part of the location, provided that any change of ownership of any portion of said land to an owner which is not Millennium Ethanol or its successor shall return that parcel to Xcel Energy's service territory

6. The parties agree that under the facts specifically applicable to the Millennium Ethanol Plant Facilities, the customer's interests are best served by receiving service from Southeastern, and the parties have thus agreed to this exception to the existing territorial boundaries as set forth in the records of the Commission. This exception is not intended by the parties to indicate either party's consent to any other change in the service territories of the parties.

7. Upon approval by the Commission of this Service Territory Exception Agreement, the parties agree that the two dockets mentioned above may be dismissed with prejudice.

8. It is mutually agreed that this agreement states the entire agreement among the parties, incorporating and superseding all prior written or oral agreements and negotiations among the parties. This agreement is binding upon the successors and assigns of the parties.

SOUTHEASTERN ELECTRIC
COOPERATIVE, INC.

DATE: 12/18/06

BY:

Brad Schardin, C. Mgr.
Brad Schardin,
General Manager/CEO

NORTHERN STATES POWER COMPANY
D/B/A XCEL ENERGY

DATE: _____

BY: _____

Kent Larson, Vice President
of Customer and Community Service

MILLENNIUM ETHANOL, LLC

DATE: 12/18/06

BY:

Steve Domm, CEO
Steve Domm,
Chief Executive Officer

6. The parties agree that under the facts specifically applicable to the Millennium Ethanol Plant Facilities, the customer's interests are best served by receiving service from Southeastern, and the parties have thus agreed to this exception to the existing territorial boundaries as set forth in the records of the Commission. This exception is not intended by the parties to indicate either party's consent to any other change in the service territories of the parties.

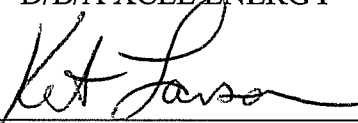
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DATE: _____ BY: _____
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