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April 29, 2024

—Via Electronic Filing—

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: REPLY COMMENTS

IN THE MATTER OF THE APPLICATION FOR A CERTIFICATE OF NEED FOR THE
MANKATO TO MISSISSIPPI RIVER 345 kV TRANSMISSION PROJECT
DOCKET NO. E002/CN-22-532

IN THE MATTER OF THE APPLICATION FOR A ROUTE PERMIT FOR THE
MANKATO TO MISSISSIPPI RIVER 345 kV TRANSMISSION PROJECT IN
SOUTHERN MINNESOTA
DOCKET NO. E002/TL-23-157

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy (Xcel Energy, the Company, or the Applicant), respectfully submits these Reply Comments to the initial comments submitted in response to the Minnesota Public Utilities Commission's (Commission) April 8, 2024 Notice of Comment Period (Notice) in the above-referenced dockets.

On April 2, 2024, Xcel Energy filed a Combined Application for a Certificate of Need and Route Permit (Application) for the Mankato to Mississippi River Transmission Project (the Project). The Project consists of (1) a new, approximately 130 mile 345 kilovolt (kV) transmission line between the existing Wilmarth Substation in Mankato, Minnesota and the Mississippi River near the city of Kellogg in Wabasha County, Minnesota, and (2) a new approximately 20 mile 161 kV transmission line between the existing North Rochester Substation near Pine Island and an existing transmission line northeast of Rochester. The Project is divided into four segments:

- Segment 1: Wilmarth to West Faribault—a new 345 kV transmission line between the Wilmarth Substation and a point near the West Faribault Substation;
- Segment 2: West Faribault to North Rochester—a new 345 kV transmission line between a point near the existing West Faribault Substation and the existing North Rochester Substation;
- Segment 3 North Rochester to Mississippi River—a new 345 kV transmission line between the existing North Rochester Substation and the Mississippi River that will involve the conversion of approximately 27 miles of existing 161/345 kV transmission line to 345/345 kV operation and installation of a new approximately 16 mile 345 kV circuit on the existing 345/345 kV double-circuit capable structures; and
- Segment 4 North Rochester to Chester—relocation of a portion of a 161 kV transmission line which is needed because a portion of the new 345 kV line in Segment 3 would displace the 161 kV line between North Rochester and Chester that is currently double-circuited with an existing 345 kV line.

The Commission's Notice requested comments on topics related to the completeness of the combined Application and the procedures that should be used to review the Application, including the environmental review for the Project. Initial comments were submitted by the Minnesota Department of Commerce, Division of Energy Resources (DOC-DER); the Minnesota Department of Commerce, Energy Environmental Review and Analysis (DOC-EERA); Midcontinent Independent System Operator, Inc. (MISO); Carol A. Overland on behalf of the Prehn Family and NoCapX 2020, Operating Engineers Local 49 and North Central States Regional Council of Carpenters (IUOE Local 49/NCSRC of Carpenters), and landowners Trevor Scrabeck and Dale Thomforde (Landowners). Xcel Energy responds to each of these comments in turn below.

Significantly, no commenter identified any information required under Minn. R. 7849.0240, 7849.0260-7849.0340, and 7850.3100¹ that was omitted from the combined

¹ Minn. R. 7850.3100 refers to the requirements of Minn. R. 7850.1900.

Certificate of Need and Route Permit Application.² Additionally, no commenter objected to processing the Application through a joint proceeding.

DOC-DER

DOC-DER recommended that the Commission accept the Application (Certificate of Need) as substantially complete³; evaluate the Certificate of Need using the Commission's informal process; and hold joint public hearings on the Certificate of Need and Route Permit. DOC-DER concluded it was "not aware of any issues that cannot be resolved using the informal process. At this time both the claimed need for the project and the alternatives are relatively clear, the Department does not expect there to be any contested issues of fact and recommends the Commission use the informal process."⁴

The Applicant appreciates DOC-DER's review of the Application and verification that all information necessary under Minn. R. 7849.0220, subp. 2 was included in the Application. The Applicant supports DOC-DER's recommendations.

DOC-EERA

DOC-EERA recommended that the Commission accept the Route Permit Application as substantially complete with the submission of some additional information, that the Commission combine the proceedings for the Certificate of Need and Route Permit, and take no action on advisory task force. Xcel Energy thanks DOC-EERA for its review of the Application.

Regarding completeness, DOC-EERA evaluated the Application against the completeness requirements of Minnesota Rule 7850.1900 and concluded the Application contains information with respect to these requirements.⁵ However, DOC-EERA staff was contacted by some members of the public regarding concerns that not all the lakes in the Project area are accurately displayed on some maps in the joint Application. Accordingly, DOC-EERA recommends the Commission accept the Application as complete upon filing of a new set of maps that accurately display all lakes, public waters, watercourses, and public roads throughout the Project area. Once

² Ms. Overland and Mr. Thomforde raise questions regarding the completeness of the Application but do not identify any required information that was omitted from the Application.

³ DOC-DER provided a completeness review summary in Attachment 1 to their Comments.

⁴ DOC-DER Comments at 3.

⁵ DOC-EERA takes no position the Certificate of Need Application evaluation.

the Company has confirmed that all surface water features are properly mapped, DOC-EERA requests that the Company confirm the analysis of potential water resource impacts in the Application are accurate.

While all surface water features including lakes, public waters, watercourses, and public roads throughout the Project area are depicted on the detailed route maps included in Appendix K to the Application, based on follow up with DOC-EERA, the Company understands that DOC-EERA's concern was regarding the display of lakes on the high level Maps 6-1 through 6-3 in Section 6 of the Application, on which lakes, public waters, and watercourses were shown in greyscale. The Company is providing revised versions of Maps 6-1, 6-2, and 6-3 from the Application with these Reply Comments that more clearly depict the location of surface water features. Xcel Energy also confirms that the analysis of potential water resource impacts in the Application are accurate and complete and that waterbodies and waterways are accurately depicted in the detailed route maps in Appendix K.

Regarding the joint proceedings for the Certificate of Need and Route Permit, DOC-EERA states that it anticipates preparing one environmental review document for the Project, an environmental impact statement (EIS), consistent with the Company's request that the certificate of need and route permitting process be conducted jointly. The Company supports DOC-EERA's recommendations regarding joint proceedings and environmental review. DOC-EERA provided a potential process schedule in Table 2 of their Comments with a full report from the Administrative Law Judge (ALJ). The Applicant recommends the Commission direct the ALJ assigned to the proceeding to order necessary filings (i.e., pre-filed direct testimony, proposed findings, etc.) to adequately develop the factual record with respect to the Route Permit.

DOC-EERA analyzed the merits of establishing an advisory task force for the Project and concluded that a task force is not warranted for the Project at this time. Xcel Energy agrees with DOC-EERA's analysis and conclusion that an advisory task force is not necessary. As noted by DOC-EERA, consideration of routing alternatives, distributed along the length of the project and responsive to potential impacts of the project, are likely a better means than a task force for addressing the potential human and environmental impacts of the Project.

Finally, the Applicant confirms DOC-EERA's understanding that the Applicant will continue to work with the State Historic Preservation Office (SHPO) to identify potential impacts to archaeological and historic resources and that a formal response

from SHPO will be provided into the record prior to the public hearing and that a formal Natural Heritage Information System (NHIS) review with Minnesota Department of Natural Resources concurrence will be provided into the record prior to the public hearing. The Commission should delegate authority to the Executive Secretary to issue an authorization to the Applicant to initiate consultation with the SHPO.

MISO

In its Comments, MISO recommends that the Application be considered accurate and should be reviewed using the Commission's informal process that has been used by the Commission in similar cases. The Applicant appreciates MISO's review and supports MISO's recommendations.

Overland

Ms. Overland recommends that the Commission find the Application incomplete, order a contested case for the Certificate of Need, appoint an advisory task force to identify route alternatives, and direct the Executive Secretary to issue an authorization to the Applicant to initiate consultation with the SHPO.

The Company notes that Ms. Overland is the only commenter who recommended the Commission find the Application incomplete, require a contested case for the Certificate of Need, and establish an advisory task force. Given the nature of the Project, the recommendations to require a contested case for the Certificate of Need and to establish an advisory task force are not warranted, as discussed in these Reply Comments.

With respect to completeness of the Application, none of the issues raised by Ms. Overland support a finding that the Application is not substantially complete. While Ms. Overland takes issue with the Company's presentation of information in the Application, there is no support for a finding that the Applicant has failed to provide any information required under Minn. R. 7849.0240, 7849.0260-7849.0340, or 7850.3100.⁶ Ms. Overland's comments summarily conclude that the Application is incomplete on various issues and topics without citing to any informational requirement

⁶ Minn. R. 7850.3100 refers to the requirements of Minn. R. 7850.1900.

that the Applicants failed to address, and despite the fact that the topics claimed to be incomplete were addressed in the filed Application. For example, Ms. Overland asserts the Application is incomplete with respect to electric and magnetic fields.⁷ However, as noted by DOC-EERA, the Application does address the requirements of Minn. R. 7850.1900, subp. 2 (J) to include the engineering and operational design concepts for the proposed high voltage transmission line, including information on the electric and magnetic fields of the transmission line. Information pertaining to electric and magnetic fields is provided and information concerning peak and average energy demand is listed for magnetic fields in Section 2.4-2.7, Section 7.3.2.2, and Section 7.3.2.3.

Ms. Overland's comments do not support a finding that the Application is not substantially complete as Ms. Overland does not cite to any informational requirement that the Applicant failed to address in the Application. Instead, Ms. Overland's Comments take issue with how the information was presented. Several of the specific questions and issues raised by Ms. Overland are already addressed in the Application. However, the joint review of the Certificate of Need and Route Permit and development of the EIS will allow for complete record development and consideration of the issues raised by Ms. Overland in her comments.

Ms. Overland's comments also suggest the Application is incomplete because the maps provided by the Applicant do not provide sufficient detail with respect to CenterPoint Energy's underground natural gas storage and homes and buildings near the route. As noted in DOC-EERA's comments, Minn. R. 7850.1900, Subp. 2 (H) requires submission of United States Geological Survey topographical maps or other maps acceptable to the Commission showing the entire length of the high voltage transmission line on all proposed routes. As acknowledged by DOC-EERA, multiple maps were provided in the Application, including a project overview map and detailed route maps. Aside from recommending that the Application would benefit from the filing of additional maps displaying all waterbodies and watercourses in the Project area, DOC-EERA concluded the Application satisfied this requirement.

⁷ Overland Comments at 8 state "The application is incomplete because it does not provide the full range of electric and magnetic fields nor does it identify the inputs (amps) for the calculations resulting in mG." The Comments go on to assert that "[t]he application must add amperages to the chart column with the 'loading' claims and verify the calculations for mG [and] . . . must include magnetic field modeling for mva up to the amps & mva of the project as designed." Overland Comments at 8.

With respect to identification of the underground natural gas storage and associated natural gas facilities in Project maps, publicly available pipeline and infrastructure data was used in the filed Application detailed maps in Appendix K.⁸ The Applicant completed additional review and contacted CenterPoint for additional information of this storage site and will continue to work with CenterPoint on any mitigation measures that may be needed. The Company is providing a revised version of Segment 1, Map 8 from Appendix K as Attachment B to these Reply Comments to indicate the location of the CenterPoint facility. The Applicant notes that it has extensive experience working with natural gas companies and other pipeline companies on evaluating and implementing AC mitigation when transmission lines cross or are located parallel to pipelines, which is a relatively common occurrence throughout the system.

Regarding Ms. Overland's statement that homes and buildings within at least one-half mile of the proposed routes are missing from the maps included in the Application, Minn. R. 7850.1900, subp. 2 requires identification of land uses along the proposed routes and the names of each owner whose property is within any of the proposed routes for the high voltage transmission line. This information was addressed in Section 7 and Appendix P of the Application, as confirmed in Table 1 of DOC-EERA's comments. The Applicant reviewed the Prehn residence address (43497 East Hwy. 13, Waseca, Minnesota 56093) provided in the comment and acknowledges that this was not identified in the digitization work completed of residences and buildings within the study area of the proposed Project. While the Prehn residence at this address is outside of one-half mile of the proposed routes, it has been added to the revised Segment 1, Map 8 detailed map from Appendix K that is attached to these Reply Comments as Attachment B.

Ms. Overland also proposed that the Certificate of Need be referred to the Office of Administrative Hearings for a contested case hearing because it is a "highly contested proposal."⁹ Ms. Overland claims that there are contested issues of fact that warrant a contested case on the Certificate of Need, noting that MISO approval of the Project does not demonstrate need. Contrary to Ms. Overland's claims, MISO, a Federal Energy Regulatory Commission-approved regional transmission organization, conducted a thorough analysis of the need for all of the projects in the Long-Range Transmission Planning (LRTP) Tranche 1 Portfolio, including this Project. The

⁸ Alternative 1L is routed on the north side of 440th Avenue on the opposite side of this road from the CenterPoint pumping station and water treatment center.

⁹ Overland Comments at 10.

Application provides a comprehensive summary of MISO's need analysis and provides unredacted, public versions of MISO's studies as Appendix G. The Application also provides an analysis of need and of the alternatives to the Project. Notably, "need" is at issue in every certificate of need proceeding and the Commission has previously used the informal comment process for combined certificate of need and route permit applications.¹⁰ To the extent Ms. Overland seeks to scrutinize either MISO's or the Applicant's need analysis, this can be done through comments submitted in an informal process.

Finally, Ms. Overland recommends that an advisory task force be appointed. As noted by DOC-EERA, the Commission is not required to appoint an advisory task force for every project. As discussed above, DOC-EERA analyzed the need for an advisory task force based on consideration of project size, complicity, known or anticipated controversy, and sensitive resources and concluded that a task force is not warranted for the Project at this time.¹¹

IUOE Local 49/NCSRC of Carpenters

IUOE Local 49/NRSRC of Carpenters recommended that the Application be reviewed using a joint proceeding for the Certificate of Need and Route Permit, noting the importance of timely permitting and deployment of projects like this to meet Minnesota's energy goals in a reliable manner. IUOE Local 49/NRSRC of Carpenters also conclude that an advisory task force is not warranted at this time. The Company appreciates IUOE Local 49/NRSRC of Carpenters' comments and supports their recommendations.

Landowners

The Landowners each provided comments regarding potential impacts of the Project and recommendations for further consideration of alternatives. While this information does not relate directly to the questions posed in the Commission's Notice, it is valuable

¹⁰ See, e.g., *In the Matter of the Application of Minnesota Power for a Certificate of Need for the HVDC Modernization Project*, Docket No. E015/CN-22-607, Order Accepting Application as Complete, Authorizing Joint Review Under Informal Procedure, and Requesting Summary Proceeding at 6-7 (Aug. 8, 2023); *In the Matter of the Application for a Certificate of Need for the Big Stone South—Alexandria—Big Oaks Transmission Project*, Docket No., E002, E017, ET2, E015, ET10/CN-22-538, Order Accepting Applications as Complete and Establishing Procedural Requirements (Dec. 5, 2023).

¹¹ DOC-EERA Comments at 6-7.

information for the scoping process. The Applicant respectfully requests that DOC-EERA consider these comments in the scoping process for the Project.

As discussed in DOC-EERA's comments, EERA and Commission staff will conduct public information and scoping meetings during a public comment period to inform the content of the EIS. The Department of Commerce issues the scoping decisions for the EIS, and may include alternative routes suggested during the scoping process if they would aid the Commission in making a permit decision.

Mr. Scrabeck provided a comment noting he was omitted from Appendix P (List of Landowners Along and Adjacent to Route Alternatives). The Applicant followed up with Mr. Scrabeck to provide him with additional information for why he was not included based on the distance of his property from the proposed routes as well as information for how he can sign up to receive notices in the proceeding.

Conclusion

Xcel Energy appreciates the opportunity to respond to the initial comments submitted in response to the Commission's Notice and respectfully requests that the Commission:

- Find the Application to be substantially complete under the applicable provisions of Minn. R. Chs. 7849 and 7850;
- Evaluate the Certificate of Need Application using the Commission's informal process;
- Order that the Certificate of Need and Route Permit be processed jointly;
- Decline to appoint an advisory task force; and
- Delegate administrative authority to the Executive Secretary to issue the Delegation of Authority to the Applicant for SHPO consultation.

Please contact me at 214-422-3672 or monsherra.s.blank@xcelenergy.com if you have any questions regarding this filing.

Mr. Will Seuffert
April 29, 2024
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Sincerely,

/s/ Monsierra S. Blank

MONSHERRA S. BLANK
DIRECTOR, REGULATORY AND STRATEGIC ANALYSIS
NORTHERN STATES POWER COMPANY

ATTACHMENTS ATTACHMENT A - REVISED APPLICATION MAPS 6-1, 6-2, AND 6-3
 ATTACHMENT B - REVISED DETAILED MAP (SEGMENT 1, MAP 8)

cc: Service Lists