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Information Request No. 1

Docket No.:	E002/CN-25-117
Response To:	North Route Group and NO765MN
Requestor:	Carol Overland
Date Received:	June 29, 2026

Question:

Regarding "Economic Impact Analysis of the PowerOn Midwest Project in Minnesota," April 2026. As a part of response, provide documents relied on for response and/or report:

1.1 Which of the named authors will testify in this proceeding?

1.2 P. 1 & 15 – "Investment of over $4.9 billion, of which $3.3-$4.3 billion will be invested in Minnesota." Define "investment" as used in this study.

1.3 Economic Impact Methodology p. 19 – What negative impacts/costs are incorporated into:

1.3.a ▪ Direct Impacts

1.3.b ▪ Indirect Impacts

1.3.c ▪ Induced impacts

1.3.c-1 Where are indirect/induced costs accounted for, such as increasing school capacity for workers' families; cost of temporary housing for transient workers?

1.3.c-2 Property tax revenue is mentioned, $1.2 billion over 35 years for Minnesota Project Counties, and $490 million over 35 years for State of Minnesota. P. 1. Is this report referring to "property tax" or "utility personal property tax?" Are those numbers reversed?

1.3.c-3 How is devaluation of property due to transmission incorporated into property tax estimates? Is a flat percentage used? Identify source for whatever methodology.

1.3.c-4 What is amount of Minnesota utility personal property tax, and is this incorporated into "property tax" referred to on p. 1, or distinct?

1.4 New Energy Generation p. 21 What coal generation west of Minnesota is presumed shuttered for the purposes of this study?

1.4.a Xcel is currently promoting "new nuclear" in North Dakota Is a similar effort ongoing in South Dakota, and if so, details please, and is that an input in this study?

1.4.b Regarding costs of new generation, how has the volatile fluctuation of costs due to tariffs, inflation, and availability of skilled and unskilled labor been accounted for? Specify for each, and other relevant categories too.

1.5 Economic Impact Results p. 23

1.5.a The presentation of Table 5.1 is not clear. Is the "Minnesota Project Counties" a subset of "State of Minnesota?" If so, is the right-hand column below, "**State of MN minus Counties**" a correct representation of "State of Minnesota (jobs) minus "Minnesota Project Counties (jobs)" and not double counting the Project Counties jobs by including in both the "Minnesota Project Counties" and State of Minnesota columns?

1.5.b The narrative notes, p. 24, that "**the annual direct jobs at any given times would be a fourth of the reported number in Table 5.1**." Are the numbers in **bold** the "Minnesota Project Counties" and in (parens) in the "State of Minnesota" column "one forth" of the values presented in Table 5.1?

	Minnesota Project Counties (jobs) 1/4	**State of Minnesota** (jobs) 1/4	**State of MN minus Counties** (recalculated)
Construction			
Project Development and On-Site Labor Impacts	~~931~~ **232.75**	~~1,359~~ (339.75)	**167**
Supply Chain Impacts	~~662~~ **165.5**	~~1,559~~ (389.75)	**224.25**
Induced Impacts	~~970~~ **242.5**	~~1,912~~ (478)	**235.5**
Operations (Annual/Ongoing)			
On-site Direct Impacts	~~2.6~~ **0.65**	~~2.6~~ (0.65)	**0**
Local Revenue and Supply Chain Impacts	~~215.6~~ **53.9**	~~293.9~~ (73.475)	**19.575**
Induced Impacts	~~136.6~~ **34.15**	~~220.5~~ (55.125)	**20.975**
Local Long-term Jobs	~~354.8~~ **88.7**	~~517.0~~ (129.5)	**40.8**

1.6 Is the table below an accurate representation of Table 5.1 with values recalculated at "one fourth of the number in Table 5.1" (p. 24)?

Revised Table 5.1 – recalculated as ¼ (p. 24) and subtracting Counties from State

	Minnesota Project Counties (jobs) (1/4)	**State of MN (jobs)** (minus Counties)
Construction		
Project Development and On-Site Labor Impacts	**232.75**	**167**
Supply Chain Impacts	**165.5**	**224.25**
Induced Impacts	**242.5**	**235.5**
Operations (Annual/Ongoing)		
On-site Direct Impacts	**0.65**	**0**
Local Revenue and Supply Chain Impacts	**53.9**	**19.575**
Induced Impacts	**34.15**	**20.975**
Local Long-term Jobs	**88.7**	**40.8**

1.7 Tax Benefits p.31

1.7.a Is it correct that "property tax base of a county" in this section refers to utility personal property tax?

1.7.b When the term "county" is used, does this include county, city/township, and school district?

1.7.c Table 6.1 - Provide county by county utility personal property tax 2034-2068.

1.7.d Table 6.1 - Table 6.1 – Where Table 6.1 includes tax NOT utility personal property tax, provide breakdown by type of tax, county by county, local government, and school district and any other governmental unit for 2034-2068.

1.7.e A 35 year time frame is assumed. Many of the transmission lines in operation, i.e., the Prairie Island-Byron, King-Eau-Claire-Arpin, and Wilmarth were in-service 50-60 years ago, have not been upgraded, and are still in-service. Why a 35 year timeframe?

1.7.f "All tax rates are assumed to stay constant at their 2025 rates." P. 32. Are applicants open to a condition that the applicants will not reduce these tax rates through administrative, legislative, and/or legal action?

1.7.g Have tax rates changed in a material way after the completion of this report? If so, specify.

1.7.h Table 6.2 – The numbers in the two charts do not add up. Explain what taxes comprise the totals in Table 6.1 and 6.2. For example, Table 6.1 "Total

Paid" for 2034 is $83,783,264. Table 6.2 shows for 2034 $16,060.049 for Minnesota and $38,132,475 for Minnesota.

1.7.h-1 ??? Why is the total different in these two tables? Explain each table.

1.7.h-2 What jurisdictions are covered in Table 6.1? Table 6.2? Table 6.3?

1.7.h-3 Why is substation tax calculated separately?

Response:

General objection and clarification:

This IR-1 appears to relate to a document that has not been filed in the record at this time. The Applicants assume that the questions included in this IR relate to the document titled, "Economic Impact Analysis of the PowerOn Midwest Project in Minnesota," dated April 2026 and available online here: https://www.poweronmidwest.com/docs/PowerOnMidwest_EIR_Apr2026.pdf (Study). The Study was prepared by Strategic Economic Research (SER). The Applicants object to this IR to the extent that it is inconsistent with the deadlines identified in the First Prehearing Order. The Applicants further object to this IR to the extent it seeks information protected by attorney-client privilege, the work product doctrine, and/or common interest doctrine. Subject to and without waiving these objections, Applicants provide the responses below.

1.1 Objection: The Applicants object to this IR because it is premature in light of the deadlines identified in the First Prehearing Order. Direct testimony is due on August 13, 2026, and the witnesses for which Applicants will submit direct testimony will be identified at that time.

1.2 Response: "Investment," as that term is used in the Study, is the cost of building the transmission line, including the cost of equipment, supplies, labor, and services.

1.3 Objection: The Applicants object to this IR because the phrase "negative impacts/costs" is vague and not defined in the IR. Subject to and without waiving this objection, the Applicants provide the following response.

Response: The Study assessment economic impacts based upon the cost of constructing the Project. No "negative impacts/costs" were incorporated into the analysis.

1.3.a None.

1.3.b None.

1.3.c None.

1.3.c-1 SER is unaware of any evidence that such costs exist, and they are not accounted for.

1.3.c-2 The only property taxes examined by the analysis are utility personal property taxes. The numbers are not reversed and are based on the existing property tax rates for the counties and the state.

1.3.c-3 No real property taxes were examined by the analysis. Only the tax estimates for the new personal property were included in the analysis.

1.3.c-4 Only utility personal property tax was considered for the purpose of this analysis. “Utility personal property tax” should be considered incorporated into “property tax” referred to on p. 1.

1.4 Objection: The Applicants object to this IR because its phrasing is vague, imprecise, and ambiguous. Subject to and without waiving this objection, the Applicants provide the following response.

Response: The Project enabled generation analysis conducted by the Applicants and used in the Economic Impact Study is based on MISO’s Future F2A assumptions – see Sections 6.5.1 and Appendix E.2. of the Certificate of Need Application for additional details on the enabled generation analysis and MISO Future F2A (respectively). MISO Future F2A assumes Coyote (ND), Hillsboro (ND), and Big Stone (SD) are retired by the first planning model year – 2032. MISO Future F2A assumes Coal Creek (ND) is converted to carbon capture and sequestration by the first planning model year – 2032.

1.4.a Xcel Energy is not pursuing “new nuclear” in South Dakota.

1.4.b The per-megawatt costs of new generation were provided by the SER team based on industry standard costs and published resources for each technology. These standardized costs were multiplied by the expected megawatts for each technology. Availability of labor was judged by looking at relevant construction worker levels for project counties through use of IMPLAN's data and then making conservative estimations of the amount of labor sourced from project counties

1.5 Objection: The Applicants object to this IR because its phrasing is vague and ambiguous. The Applicants further object to this IR to the extent it seeks to require the Applicants to create additional work product. Subject to and without waiving this objection, the Applicants provide the following response.

Response:

1.5.a As stated in Note 2 on page 2 of the Study, “State of Minnesota results are inclusive of Minnesota Project Counties results.” Thus, “Minnesota Project Counties” results are included in “State of Minnesota” results.

1.5.b The jobs numbers provided by this IR contain construction period jobs numbers that differ from the Study, specifically in the Minnesota Project Counties direct jobs and the State of Minnesota indirect jobs. This leads to incorrect calculations for the State of MN minus Counties column. The table below includes the annualized version of the construction period jobs; page 24 of the Study states that annual construction prior jobs would be one-fourth of the reported values in Table 5.1. This annualization holds for construction jobs. Operations jobs should not be divided by four.

Total Construction Period Jobs from SER report ("In MN, outside Project Counties" values not in report)

	MN Project Counties	State of MN	In MN, outside Project Counties
Direct	921	1,359	438
Indirect	662	1,599	937
Induced	970	1,912	942
Total	2,553	4,870	2,317

Calculated Annualized Construction Period Jobs (not in report)

	MN Project Counties	State of MN	In MN, outside Project Counties
Direct	230.25	339.75	109.5
Indirect	165.5	399.75	234.25
Induced	242.5	478	235.5
Total	638.25	1217.5	579.25

1.6 Objection: The Applicants object to this IR because its phrasing is vague and ambiguous. The Applicants further object to this IR to the extent it seeks to require the Applicants to create additional work product. Subject to and without waiving this objection, the Applicants provide the following response.

Response: In addition to the incorrect values, the screenshot also divides the SER report's annual operations period jobs by four construction years. This calculation decision is also incorrect. Those values represent jobs created or supported during the transmission line's annual operations once construction is complete and, therefore, are separate from the construction process.

1.7 Objection: The Applicants object to this IR because its phrasing is vague and ambiguous. Subject to and without waiving this objection, the Applicants provide the following response.

Response:

1.7.a The property tax base of a county includes all types of property, but the increase in the property tax base would be due to the increase in taxable value due to utility personal property.

1.7.b Yes. All local taxing jurisdictions are included.

1.7.c The Study does not include a county-specific tax analysis for the transmission line. Those calculations will be dependent on the final route for the Project.

1.7.d The analysis only examines utility personal property tax.

1.7.e A 35-year time frame was selected as a reasonable and conservative timeframe for a transmission line of this nature. Transmission lines are durable equipment and, in some cases, can operate for 50 years or more. If the PowerOn Midwest Project remains in operation for a longer time period than 35 years, utility personal property taxes paid will be greater than the totals provided in SER's analysis.

1.7.f The Applicants will comply with the law. The Applicants do not agree to the proposed condition.

1.7.g The tax rates used for the report are the most recently available rates published through the Department of Revenue's County Property Tax Data portal as of July 6, 2026.

1.7.h Objection: The Applicants object to this IR because "Explain each table" is vague and ambiguous. Subject to and without waiving this objection, the Applicants provide the following response.

Response: Table 6.1 totals all the taxes calculated for the Study, including the taxes in Table 6.2 and Table 6.3. For 2038, the Project is expected to pay $54.2 million in transmission line taxes (as shown in Table 6.2) and $29.6 million in substation taxes (as shown in Table 6.3), for a total of $83.8 million in total taxes (as shown in Table 6.1).

Substation tax is calculated separately as substations are assumed to be located in certain counties. Substation tax was assumed for Jackson, Mower, Goodhue, and Dakota counties.

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