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From: John D. Harrenstein, City Administrator  
Date: February 6, 2018  
Re: Xcel/ITC Certificate of Need Application for the Huntley-Wilmarth 345 kV  
Transmission Project (Minn. PUC Docket No. 17-184);  
Xcel/ITC Route Permit Application for the Huntley-Wilmarth 345 kV Transmission  
Project (Minn. PUC Docket No. 17-185) (Consolidation Requested by Applicants)

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The City of North Mankato (“North Mankato”) submits these initial comments in response to the Minnesota Public Utilities Commission’s (“Minnesota PUC” or “Commission”) January 23, 2018 Notice of Comment Period on Completeness of the Huntley-Wilmarth Route Permit Application (“Route Permit Application”) submitted by Xcel Energy and ITC Midwest, LLC (“Xcel/ITC”). The Notice solicited input on completeness of the Route Permit Application, contested facts, an advisory task force, and other issues of concern.

These initial comments are intended to alert the Commission of North Mankato’s objection to all portions of the Red and Green Routes that conflict with North Mankato’s Comprehensive Development Plan, including Alternative Segments A, B, and C, as further discussed below. North Mankato requests that the Commission reject, or that Applicants withdraw, portions of the as-proposed Green and Red Routes as well as Alternative Segments A, B, and C in order to avoid adverse impacts to land based economies and human settlement in North Mankato.

### **1. North Mankato’s Interests and Concerns**

The City of North Mankato is situated in Nicollet and Blue Earth Counties. The eastern edge of North Mankato abuts the western limits of the City of Mankato and the Minnesota River. To the north of North Mankato is the existing 345 kV Wilmarth-Lakefield Junction Line (running east-west). Growth opportunities for North Mankato are to the west and north. With the existing 345 kV Wilmarth-Lakefield Junction Line already abutting North Mankato’s northern growth area, locating the 345 kV Huntley-Wilmarth Line on the community’s western boundary will have negative influence on future growth that is identified in North Mankato’s comprehensive land use plan.

The City’s plans are documented in its Comprehensive Development Plan (the “Comprehensive Plan”), adopted in 2015, which sets forth the City’s vision and roadmap for approximately the next 20 years. The ideas and goals expressed in the Comprehensive Plan reflect the community’s values and desires for the future of North Mankato. The Comprehensive Plan guides the City



Council and city management team as we make decisions involving infrastructure, development, land acquisition and sales of public land, capital improvements, and zoning and regulatory changes—all toward a consistent vision for the benefit of the citizens of North Mankato. The City’s management, staff, and residents use the plan on a daily basis to help understand and implement this vision.

The Route Permit Application contains four alternative routes: Purple, Red, Green, and Blue, as well as alternative segments A, B, C, D, E, and F (along portions of the Purple, Red, and Green Routes). **Exhibit 1** hereto identifies the portions of the Red and Green Route options (including Alternative Segments A, B, and C) that are in direct conflict with the Comprehensive Plan. The objectionable portions begin at the area where the Red and Green Lines turn south from the existing 345 kV Wilmarth-Lakefield Junction Line at Belgrade Township, and end where the Red/Green Route meets the southern point of Alternative Segment C. These portions traverse directly through areas included within the City’s Comprehensive Plan, and would impede the City’s planned development.

## **2. Contested Issues or Facts**

Applicants claim that the Route Permit Application and the proposed routes therein properly take into account and are guided by consideration of impacts on human settlement and land based economies as required by MINN. STAT. § 216E.03, subdivision 7(b) and Minnesota Rule 7850.4100. *See* Route Permit Application at ES-5, 21-22, 33-39. North Mankato contests these assertions.

***Conflicts with Existing and Planned Development.*** The proposed Red and Green Routes impede existing, short-term, and long-term development in North Mankato’s designated growth areas as identified in the Comprehensive Plan. The growth corridor for the City of North Mankato is westward along Highway 14, which includes the Northport Industrial Park located in the northwest part of the city and the North Links Golf Course located south of Highway 14. *See Exhibit 1*; Comprehensive Plan at 11-12, 130 & Policy 1.2.1.

Applicants admit that the Red and Green Routes pass through areas slated for future residential growth in North Mankato. *See* Route Permit Application at 33, 78. The proposed Red and Green Routes would impede an orderly development and the westward expansion of the City of North Mankato. Moreover, the proposed Red and Green Routes would impede future economic development efforts that North Mankato has relied upon to diversify the property tax base to balance collections between homeowners and industrial users. Accordingly, these portions of the proposed Red and Green Routes cause severe disruption.

***Failure to Maximize Distance Between Transmission Lines and Existing and Planned Residential Homes.*** The Red and Green Routes fail to maximize the distance between transmission lines and homes, particularly when compared with both the Purple and Blue routes. As the Route Permit Application reveals, there are over four times as many homes in close proximity to the Red and Green Routes than in close proximity to the Purple or Blue Routes. *See* Route Permit Application at 82. Moreover, the proposed Red and Green Routes traverse within 300 feet of existing developments, less than 100 feet from future development, and will reduce or eliminate the marketability and demand for future housing in one of the two primary growth areas of North Mankato.

***Failure to Maximize Use of Existing Rights-of-Way.*** According to the information provided by Xcel/ITC, only 12 percent of the Green Route would utilize an existing transmission route, less than any of the other proposed route options. *See* Route Permit Application at 37.

Additionally, although unclear from the application, the Red and Green Routes appear to follow a portion of an existing right-of-way owned by the BENCO Electric Cooperative. It is planned that the existing BENCO line will be undergrounded once residential development reaches it. Building a high voltage 345 kV line in this vicinity will render pointless the undergrounding of the BENCO line, and directly impede the City's plan for residential development in this area.

Whether or not Applicants intend to follow the existing BENCO right-of-way, the aligned segment of the Red and Green Routes in this area would render an area planned for future single family residential development on the southern boundary undevelopable. *See Exhibit 1.*

***Alternative Segments A, B, and C do not cure the conflicts with the Red and Green Routes in the North Mankato Area.*** The Route Permit Application includes proposed Alternative Segments A, B, and C that Applicants claim allow for consideration of variations to the Red and Green Routes in the area of North Mankato. As indicated in **Exhibit 1**, each of these Alternative Segments is as problematic as the proposed aligned Red and Green Routes in the North Mankato area.

**Alternative Segments A and C** impede the City's Comprehensive Plan because each of these segments conflicts with the planned Northridge Subdivision Future Residential Development. *See Exhibit 1.*

**Alternative Segment B** is situated even closer to North Mankato than the proposed Red and Green Routes and conflicts directly with the City's Comprehensive Plan for residential and



commercial growth, and in particular, the Northridge Subdivision Future Residential Development (See **Exhibit 1**). Alternative Segment B is also closer than 500 feet of residential homes in an **existing** development. As such, Segment B's partial utilization of County Road 41 does not cure any of the conflicts produced by the Red and Green Routes or Alternative Segments A and C, and in fact, only exacerbates the many problems associated with those portions of the Red and Green Routes.

### **3. Removal of the Portions of the Red and Green Route Options in North Mankato Will Not Eliminate Consideration of Other Economic Route Options**

North Mankato previously advised Applicants that routes west or east of North Mankato's planned development areas would avoid conflict with the City's Comprehensive Development Plan. See Memorandum of North Mankato, Minn. PUC Docket No. 17-185 (Aug. 7, 2017) (docketed Aug. 9, 2017). The Route Permit Application acknowledges the conflicts with North Mankato's Comprehensive Plan that are presented by the Red and Green Routes, and identifies several alternatives that completely avoid North Mankato's planned development area. The Route Permit Application suggests that the Red and Green Routes were included because they present the most direct route between the Huntley and Wilmarth Substations. However, distance is not the sole or even primary factor to be considered when selecting a final route. Site and route permit determinations must be guided by the State's goals to conserve resources, minimize environmental impacts, minimize human settlement and other land use conflicts, and ensure the state's electric energy security through efficient, cost-effective power supply and electric transmission infrastructure. MINN. STAT. § 216E.03, subdivision 7(a). The Commission is guided by a number of considerations, including an evaluation of problems raised by local entities. As discussed, the conflicts that result from either the Red or Green Routes should be a key factor in rejecting or withdrawing those portions of the Red and Green Routes (including Alternative Segments A, B, and C).

Notably, the Route Permit Application explains that the expected energy production cost savings were thoroughly evaluated for each route with the results showing that, even if the longest route is selected (*i.e.*, any route that does not traverse through land included in North Mankato's Comprehensive Plan), the Project's benefits are still expected to exceed the Project's costs, and is therefore economic. See Route Permit Application at ES-3; see also Certificate of Need Application of Xcel/ITC, Minn. PUC Docket No. 17-184, at 4 (Jan. 17, 2018) ("Applicants have demonstrated that the Project's benefits exceed its costs if any one of the routes/designs proposed in this Application is selected by the Commission."). Thus, removal of those portions of the Red and Green Routes that conflict with North Mankato's Comprehensive Plan would not render the Project infeasible.



That said, it is only those portions of the Red and Green Routes identified on **Exhibit 1** hereto that conflict with North Mankato's Comprehensive Plan. The Route Permit Application contains other options to utilize the southern portions of the Red and Green Routes, including the use of Alternative Segment F to connect to the Existing 345 kV Wilmarth-Lakefield Junction Line. Regardless, whether the entirety of the Red and Green Routes are removed or withdrawn from consideration, or only those portions identified on **Exhibit 1** hereto, there remains more than one economically beneficial route to consider as part of the Route Permit Application process, several which do not conflict with North Mankato's Comprehensive Plan.

#### **4. Conclusions**

The Application contains more than one potential route that avoids conflict with the North Mankato Comprehensive Plan while also accomplishing the goal of bringing lower-cost energy to the region. North Mankato requests that the Commission reject, or that Applicants withdraw, the portions of the as-proposed Red and Green Routes, as well as Alternative Segments A, B, and C, in order to avoid adverse impacts to land based economies and human settlement in North Mankato.

Respectfully,

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Encl.

cc: Debra Roby, Jennings Strouss

## **EXHIBIT 1**



