

AGRICULTURAL IMPACT MITIGATION PLAN

Mankato to Mississippi River Transmission Project

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Northern States Power Company



**414 Nicollet Mall
Minneapolis, MN 55401**

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DEFINITIONS

Agricultural Land	Land that is actively managed for cropland, hay land, or pasture, and land in government set-aside programs.
Environmental / Agricultural Monitor	Monitor retained by the Company responsible for overall project compliance with permit conditions and commitments made in this document. The Environmental/Agricultural Monitor, or Monitor, shall also report directly to the Minnesota Department of Agriculture (MDA) and will be responsible for auditing the Companies' compliance with provisions of this AIMP. The monitor will have demonstrated experience with pipeline or electric transmission line construction on Agricultural Land.
Certifying Agent	As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205.2.
Cropland	Land actively managed for growing row crops, small grains, or hay.
The Company	Northern States Power Company, doing business as Xcel Energy. May also include agents and contractors of Northern States Power Company, doing business as Xcel Energy, where appropriate.
Decertified or Decertification	Loss of Organic Certification.
Easement	The agreement(s) and/or interest in privately owned Agricultural Land held by the Company by virtue of which it has the right to construct, operate, and maintain the transmission line together with such other rights and obligations as may be set forth in such agreement.
Final Clean-up	Transmission line activity that occurs after the power line has been constructed. Final Clean-up activities may include: removal of construction debris, de-compaction of soil as required, removal of temporary erosion control structures, final grading, and restoration of fences and required reseeding. Once Final Clean-up is finished, Landowner will be contacted to settle all damage issues and will be provided a form to sign acknowledging final construction settlement.

Landowner	Person(s), or their representatives, holding legal title to Agricultural Land on the transmission line route from whom the Company is seeking, or has obtained, a temporary or permanent Easement. “Landowner” includes Tenant, if any.
Non-Agricultural Land	Any land that is not “Agricultural Land” as defined above.
Organic Agricultural Land	Farms or portions thereof described in 7 CFR Parts 205.100, 205.202, and 205.101.
Organic Buffer Zone	As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205.2.
Organic Certification or Organic Certified	As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205.100 and 7 CFR Part 205.101.
Organic System Plan	As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205.2.
Prohibited Substance	As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205.600 through 7 CFR 205.605 using the criteria provided in 7 USC 6517 and 7 USC 6518.
Right-of-Way	The Land included in permanent and temporary Easements which the Companies acquire for the purpose of constructing, operating and maintaining the transmission line.
Subsoil	Soil that is not Topsoil and located immediately below Topsoil.
Tenant	Any Person(s) lawfully renting or sharing land for agricultural production which makes up the “Right-of-Way” as defined in this AIMP.
Tile	Artificial subsurface drainage system.
Topsoil	The uppermost horizon (layer) of the soil, typically with the darkest color and highest content of organic matter.

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy (Xcel Energy or the Company) developed this Agricultural Impact Mitigation Plan (AIMP) with the Minnesota Department of Agriculture (MDA) in compliance with Minnesota Statutes Section 216E.10, subdivision 3(b). The Mankato to Mississippi River Transmission Project (Project) is an approximately 120 mile 345 kilovolt (kV) transmission line from Xcel Energy's existing Wilmarth Substation located near Mankato, east to the Mississippi River southeast of Kellogg. In addition to the new 345 kV line, about 20 miles of an existing 161 kV line will need to be relocated from its current location (double circuited with an existing 345 kV line) between the North Rochester Substation near Pine Island and a point on the existing 161 kV line northeast of Rochester because a portion of the new 345 kV line would displace the 161 kV line.

This AIMP identifies measures Xcel Energy will take during construction to avoid, mitigate, minimize, repair, or provide compensation for impacts on cultivated agricultural land. The AIMP and its provisions will be implemented during construction and restoration activities that Xcel Energy undertakes for the Project prior to filing notice of completion of construction with the Minnesota Public Utilities Commission (Commission).

Capitalized words and other defined terms have the meanings given to them in this AIMP and its appendix. Use of "Landowner" in this AIMP may be construed to read "Landowner and/or Tenant."

This AIMP and its construction standards and policies apply only to construction activities occurring on privately owned Agricultural Land. If agricultural tile is encountered, whether on Non-Agricultural Land or Agricultural Land, Xcel Energy will implement construction standards relating to the repair of tile on Agricultural Lands discussed further in this AIMP. Portions of this AIMP that identify standards and policies as they apply to Organic Agricultural Land apply only to the types of lands defined in the National Organic Program Rules (7 C.F.R. Parts 205.100; 205.101, and 205.202). Further, construction standards and policies identified in this AIMP can be modified through Easement or other agreement between the Company and the Landowner of Agricultural Land, as appropriate. In such case, the Easement or other agreement will control.

WORKING WITH LANDOWNERS

Xcel Energy will negotiate in good faith with each Landowner of Agricultural Land to secure an agreement containing the conditions or provisions necessary to implement

the provisions of this AIMP. The mitigative actions set forth in this AIMP are subject to negotiation and approval or change by Landowner of Agricultural Land, so long as such changes are negotiated with and acceptable to Xcel Energy. Mitigative actions will be executed by Xcel Energy employees or by qualified contractors retained by Xcel Energy, unless otherwise specified or agreed upon by Landowner. Xcel Energy and Landowner may agree that certain activities will be performed by Landowner.

Unless otherwise specified in this AIMP or in an Easement or other agreement negotiated between the Company and Landowner, construction standards and policies or mitigative actions will be implemented within 90 days after completion of Final Clean-up activities on Agricultural Land. Weather conditions or other circumstances identified by mutual agreement between Landowner and Xcel Energy may delay implementation of mitigative actions after Final Clean-up. Where Xcel Energy determines it is practicable, Xcel Energy may make temporary repairs. These temporary repairs may be made to minimize additional property damage or interference with the Landowner's access to the subject Agricultural Land or to comply with Federal or State permits and regulations.

Xcel Energy or its contractors will implement the construction standards and policies or mitigative actions identified within this AIMP so long as such activities do not conflict with any applicable Federal or State rules, regulations, permits, licenses, approvals, or conditions obtained by the Company for the Project. Should any activity within this AIMP be determined to be unenforceable due to Federal or State rules, regulations, permits, licenses, approvals, or conditions, Xcel Energy will inform the Landowner and will identify a reasonable alternative activity.

Prior to Right-of-Way preparation or construction, Xcel Energy will make a good faith effort to provide each Landowner with contact information, including a phone number and address that can be used to contact Xcel Energy regarding any impacts to Cultivated Agricultural Land or other construction-related concern or question. Xcel Energy will provide updated information to the Landowner within a reasonable time of any change to Xcel Energy's contacts.

Xcel Energy will reasonably restore and/or compensate Landowner, as appropriate, for damages caused by Xcel Energy as a result of transmission line or related facility construction, and as outlined in this AIMP. Xcel Energy will decide whether to restore land and/or compensate Landowner after a discussion with the Landowner.

Xcel Energy will make good faith efforts to provide notice to the Landowner in advance of the commencement of initial construction activities on Agricultural Land. Notice may include personal contact, email, letter, or telephone contact.

ENVIRONMENTAL/AGRICULTURAL MONITOR

Xcel Energy will hire an Environmental/Agricultural Monitor (Monitor) to act as an independent third party to monitor compliance with this AIMP and other permit conditions/regulatory requirements¹. Xcel Energy will work with the MDA to select the Monitor.

Xcel Energy will coordinate with the MDA in identifying potential contractors to conduct environmental and agricultural monitoring. Xcel Energy will direct the selected contractor to communicate independently with the MDA and set up a reporting relationship as the MDA instructs.

The Monitor will audit the Company's compliance with this AIMP. While the Monitor will not have the authority to direct construction activities and will not have authority to stop construction, the Monitor will be required to immediately report to Xcel Energy observation of a significant non-compliant activity. The MDA may also instruct the Monitor to report non-compliant activities to the MDA. If after reviewing the non-compliant activity, and if judgement is made that continuing the activity will cause damage to the environment or Cultivated Agricultural Land, Xcel Energy would issue a stop work order.

Specific duties of the Monitor will include, but are not limited to the following:

1. Participate in preconstruction training activities sponsored by Xcel Energy and provide construction personnel with training on provisions of this AIMP before construction begins.
2. Monitor construction and restoration activities on Agricultural Land for compliance with provisions of this AIMP. The Monitor will be allowed full access to the Agricultural Land where construction occurs.
3. Work with construction crews to assure all practices are in compliance with the provisions of this AIMP.
4. Document instances of noncompliance and work with construction personnel to identify and implement appropriate corrective actions as needed.
5. Report instances of noncompliance with the AIMP to Xcel Energy and the MDA.

¹ For example, if a Monitor is required to implement other permit requirements (such as a Vegetation Management Plan) Xcel Energy will hire a Monitor that is qualified to conduct compliance monitoring for all such environmental permits, upon review and approval of applicable permitting authorities.

6. Coordinate with the MDA to develop a reporting structure and report directly to the MDA on events or schedule as agreed upon with the MDA.
7. Coordinate communication of Landowner concerns to the MDA, if necessary.
8. Maintain a written log of Landowner concerns observed or reported by Xcel Energy's construction or land rights agents regarding compliance with this AIMP. The written log should record whether the Monitor reported each logged concern to the MDA.
9. Be responsible for determining whether weather conditions have caused the soil to become so wet that mitigation measures designed to alleviate soil compaction would be ineffective and would actually reduce the future production capacity of the land. The Monitor would advise Xcel Energy of these conditions. Xcel Energy will be solely responsible in making the decision on whether it will proceed with construction under these conditions. Compensation for Landowner, as appropriate, will be determined as described in the "Procedures for Determination of Damages and Compensation" section of this AIMP.
10. In disputes between Xcel Energy and a Landowner over restoration, advise the MDA on whether the agricultural restoration is reasonably adequate in consultation with Xcel Energy.

Qualifications and Selection of the Environmental/Agricultural Monitor

The selected Monitor will:

1. Have demonstrated practical experience with pipeline or electric transmission line construction, restoration, and compliance monitoring on Agricultural Land.
2. Have demonstrated practical experience with soils and hydrology in agricultural settings.
3. If work is being performed on Organic Agricultural Land, the Monitor will be trained, in organic inspection, by the Independent Organic Inspectors Association, unless the Monitor received such training during the previous three years.

IMPACT AND MITIGATION PRACTICES

Pole Placement

During the design of the Project, Xcel Energy's engineering, real estate, and permitting staff will seek input from Landowners, as practicable, to address pole placement issues. Prior to construction, Xcel Energy land rights agents will review the planned pole locations with the Landowner when requested to do so by the Landowner.

Pole Removal

If the Project is constructed along an existing transmission line, and Xcel Energy determines the existing facilities can be reasonably co-located, Xcel Energy may remove existing transmission line structures. For transmission line structures that do not have a footing, Xcel Energy will extract the pole from the ground if possible. In the event a pole cannot be extracted by pulling, Xcel Energy will excavate an area and an attempt will be made to extricate an excavated pole entirely. If an excavated pole cannot be removed in its entirety, the pole will either be cut off at the excavated depth (in the range of approximately five feet) or pushed over if the pole cannot be cut. If an existing transmission structure to be removed has a concrete footing, Xcel Energy will work with the Landowner to determine at what depth the footing must be removed so farming operations can continue on the property.

If Xcel Energy removes an existing pole, all support anchors for the structure will be removed. In these instances, Xcel Energy will work with the Landowner to identify any tile lines located near anchors prior to removal of the anchors. Additionally, if any damage to tile occurs as a result of pole or anchor removal, Xcel Energy will adhere to the “Agricultural Tile” section of this AIMP.

Agricultural Tile

Xcel Energy will contact an affected Landowner for his/her knowledge of tile locations prior to installation of the transmission line. Xcel Energy will attempt to identify tile if the Landowner does not know if tile is located at the proposed pole location. Tile that is damaged, cut, or removed as a result of Xcel Energy’s location efforts will be promptly repaired.

If tile is damaged by Project construction, the tile will be repaired with materials of the same quality as that which was damaged. If tiles on or adjacent to the transmission line construction area are adversely affected by construction, Xcel Energy will take such actions as are necessary to restore the tile function, including the relocation, reconfiguration, and replacement of the existing tile. Xcel Energy will correct tile repairs, as needed, after completion of the transmission line construction, provided the repairs were made by Xcel Energy or their agents or designees.

The affected Landowner may elect to negotiate a fair settlement with Xcel Energy for the Landowner to undertake the responsibility for repair, relocation, reconfiguration, or replacement of damaged tile. In the event the Landowner chooses to undertake the responsibility for repair, relocation, reconfiguration, or replacement of the damaged tile, Xcel Energy will have no further liability for the identified damaged tile.

The following standards and policies apply to the tile repairs completed by Xcel Energy:

1. Tiles will be repaired with materials of the same or better quality as that which was damaged.
2. If water is flowing through a damaged tile, temporary repairs will be promptly installed and maintained until such time that permanent repairs can be made.
3. Xcel Energy will make efforts to complete permanent tile repairs within a reasonable timeframe after Final Clean-up, taking into account weather and soil conditions.
4. Following completion of the Final Clean-up and damage settlement, Xcel Energy will be responsible for correcting and repairing tile breaks, or other damages to tile systems that are discovered on the Right-of-Way to the extent that such breaks are the result of Project construction. These damages are usually discovered after the first significant rain event. Xcel Energy will provide the Landowner with contact information should tile damage issues be identified after Final Clean-up. The Company will not be responsible for tile repairs performed by the Landowner.

Xcel Energy will be responsible for repairing areas as necessary to properly drain wet areas along the Right-of-Way caused by the construction of the Project.

Excavation/Grading

Topsoil and Subsoil layers that are removed during construction for facility structures, pole placement, or temporary road impacts will be stored separately and replaced in the proper sequence after the transmission line is installed. Unless otherwise specified in an Easement or other agreement negotiated between the Company and Landowner, Xcel Energy will not use this soil for other purposes, including creating access ramps at road crossings. No Topsoil or Subsoil (other than incidental amounts) may be removed from Agricultural Land without permission of the Landowner.

Soil Compaction/Rutting

Xcel Energy will repair damage incurred due to compaction, ruts, erosion, and/or washing of soil caused by electric line construction. If, by mutual agreement, the Landowner repairs such damage, Xcel Energy will reimburse the Landowner for the reasonable cost of labor and the use of equipment to repair damage incurred due to compaction, ruts, erosion, and/or washing of soil caused by electric line construction. Xcel Energy will make such payments within a reasonable period of time following

completion of project construction and after receiving a statement substantiating the Landowner's repair costs.

If there is a dispute between the Landowner and Xcel Energy as to what areas need to be ripped or chiseled, the depth at which compacted areas should be ripped or chiseled, or the necessity for, or rates of, lime, fertilizer, and organic material application, Xcel Energy will consult with the Monitor prior to making a final decision.

Excess Soil and Rocks

Excess soil and rock will be removed from the site unless otherwise requested by the Landowner. After Final Clean-up and restoration of Agricultural Lands, Xcel Energy will make good faith efforts to obtain written acknowledgement of completion of such activities from the Landowner.

Construction Debris

Xcel Energy will promptly remove construction-related debris and material which is not an integral part of the transmission line from the Landowner's property at the Companies' cost. Such material may include excess construction materials or litter generated by the construction crews. Xcel Energy will pay for the reasonable cost of repairs to the Landowner's equipment if the equipment is damaged by materials or debris left on the property during construction.

Procedures for Determination of Damages and Compensation

Xcel Energy will maintain a procedure for processing Landowner claims for construction-related damages, including but not limited to crop damages. The procedure is intended to standardize and minimize Landowner concerns regarding the recovery of damages, to provide a degree of certainty and predictability for Landowner and the Joint Owners, and to foster good relationships among the Joint Owners and Landowner over the long term. A copy of the procedure will be provided to Landowner during Easement acquisition negotiations.

Damage claim negotiations between Xcel Energy and any affected Landowner will be voluntary in nature. Xcel Energy will offer to compensate Landowners according to the terms of Xcel Energy's damage claim policy in effect at the time the Easement is executed and recorded. The compensation offered is only an offer to settle, and the offer shall not be introduced in any proceeding brought by the Landowner to establish the amount of damages Xcel Energy must pay.

Soil Conservation Practices

Soil conservation practices such as terraces and grassed waterways which are damaged by the transmission line's construction will be restored to their pre-construction condition as near as possible. Xcel Energy will attempt to work with the Landowner to identify and document the pre-construction conditions of these features.

Irrigation

If the transmission line and/or temporary work areas intersect an operational (or soon to be operational) spray irrigation system, Xcel Energy will work with the Landowner to establish an acceptable amount of time the irrigation system may be out of service.

If, as a result of the transmission line construction activities, an irrigation system interruption results in crop damages either on the Right-of-Way or off the Right-of-Way, Landowners will be compensated for resulting crop loss.

If it is feasible and mutually acceptable to Xcel Energy and the Landowner, temporary measures will be implemented to allow an irrigation system to continue to operate across land on which the transmission line is also being constructed. Xcel Energy will not allow an irrigation system to continue operation across land on which the transmission line is also being constructed if Xcel Energy determines that such operation would be unsafe.

Access Routes/ Temporary Roads

The location of access routes to be used for construction purposes will be discussed with the Landowner.

- A. The access routes will be designed so as to not impede proper drainage and will be built to mitigate soil erosion on or near the temporary roads.
- B. If grading is required to create a temporary road, these temporary roads may be left intact through mutual agreement of the Landowner and Xcel Energy unless otherwise restricted by Federal, State, or local regulations.
- C. If a temporary road is to be removed, the Agricultural Land upon which the temporary road is constructed will be returned to its previous use and restored to equivalent condition as existed prior to construction.

MITIGATIVE ACTIONS FOR ORGANIC FARMS

The Companies recognize that Organic Agricultural Land is a unique feature of the landscape and will treat this land with a similar level of care as other sensitive

environmental features. This section identifies mitigation measures that apply specifically to farms that are Organic Certified or farms that are in active transition to become Organic Certified, and is intended to address the unique management and certification requirements of these operations. This section supplements and is in addition to all other protections provided in this AIMP.

The provisions of this section will only apply to Organic Agricultural Land for which the Landowner has provided to Xcel Energy a true, correct and current version of the Organic System Plan within 60 days after the signing of the Easement or 60 days after the first contact by Xcel Energy after the Commission issues a Route Permit, whichever occurs first.

Organic System Plan

The Company recognizes the importance of the individualized Organic System Plan to the Organic Certification process. Xcel Energy will work with the Landowner, the Landowner's Certifying Agent, and/or a mutually acceptable third-party organic consultant to identify site-specific construction practices that will minimize the potential for Decertification as a result of construction activities.

Possible practices may include, but are not limited to: equipment cleaning, planting a deep-rooted cover crop in lieu of mechanical decompaction, applications of composted manure or rock phosphate, preventing the introduction of disease vectors from tobacco use, restoration and replacement of beneficial bird and insect habitat, maintenance of organic buffer zones, use of certified-organic seeds for any cover crop, or similar measures. The Company recognizes that Organic System Plans are proprietary in nature and will respect the need for confidentiality.

Prohibited Substances

Xcel Energy will avoid the application of Prohibited Substances onto Organic Agricultural Land. No herbicides, pesticides, fertilizers or seed will be applied to Organic Agricultural Land unless requested and approved by the Landowner. Likewise, Xcel Energy will avoid refueling, fuel or lubricant storage, or routine equipment maintenance on Organic Agricultural Land. Equipment will be checked prior to entry to make sure that fuel, hydraulic and lubrication systems are in good working order before working on Organic Agricultural Land. If Prohibited Substances are used on land adjacent to Organic Agricultural Land, these substances will be used in such a way as to prevent them from entering Organic Agricultural Land.

Temporary Road Impacts

Topsoil and Subsoil layers that are removed during construction on Organic Agricultural Land for temporary road impacts will be stored separately and replaced in the proper sequence after the transmission line is installed. Unless otherwise specified in the site- specific plan described above, Xcel Energy will not use this soil for other purposes, including creating access ramps at road crossings. No Topsoil or Subsoil (other than incidental amounts) may be removed from Organic Agricultural Land. Likewise, Organic Agricultural Land will not be used for storage of soil from non-Organic Agricultural Land.

Erosion Control

On Organic Agricultural Land, Xcel Energy will, to the extent feasible, implement erosion control methods consistent with the Landowner's Organic System Plan. On land adjacent to Organic Agricultural Land, Xcel Energy's erosion control procedures will be designed so that sediment from adjacent non-Organic Agricultural Land will not flow along the Right-of-Way and be deposited on Organic Agricultural Land. Treated lumber, non- organic hay bales, non-approved metal fence posts, etc. will not be used for erosion control on Organic Agricultural Land.

Weed Control

On Organic Agricultural Land, if Xcel Energy determines weed control is necessary during construction activities, Xcel Energy will, to the extent feasible, implement weed control methods consistent with the Landowner's Organic System Plan. Prohibited Substances will not be used for weed control within 50 feet of posted Organic Agricultural Land. Prohibited substances will not be applied in conditions when winds would carry the substance beyond the 50-foot exclusion area.

Monitoring

In addition to the responsibilities of the Monitor described in the AIMP, the following will apply to Organic Agricultural Land:

- A. The Monitor will monitor weather conditions, as well as construction and restoration activities on Organic Agricultural Land for compliance with the provisions of this section and will document any activities that may result in Decertification.
- B. Instances of non-compliance will be documented according to Independent Organic Inspectors Association protocol consistent with the Landowner's

Organic System Plan, and will be made available to the MDA, the Landowner, the Landowner's Certifying Agent, and to the Company.

Compensation for Construction Damages

The settlement of damages will be based on crop yield and/or crop quality determination and the need for additional restoration measures. Xcel Energy will first work with the Landowner of Organic Agricultural Land to determine crop yield. In the event Xcel Energy and the Landowner of Organic Agricultural Land cannot determine crop yield, at Xcel Energy's expense, a mutually agreed upon professional agronomist will make crop yield determinations, and the MDA Fruit and Vegetable Inspection Unit will make crop quality determinations.

If the crop yield and/or crop quality determinations indicate the need for soil testing, the testing will be conducted by a commercial laboratory that is properly certified to conduct the necessary tests and is mutually agreeable to Xcel Energy and the Landowner. Field work for soil testing will be conducted by a professional soil scientist or professional engineer licensed by the State of Minnesota. Xcel Energy will be responsible for the cost of sampling, testing and additional restoration activities, if needed. Additional restoration activities will be completed according to the terms of its damage claim policy in effect at the time the Easement is executed and recorded.

Compensation for Damages Due to Decertification

Should any portion of Organic Agricultural Land be Decertified as a result of construction activities, Xcel Energy will pay damages for crops and/or livestock within the area impacted by the lost Certification equal to the full difference between the market value of conventional crops and/or livestock and the market value of the organic crops and/or livestock lost for three years or the period of time necessary for the Landowner or Tenant to regain Certification, whichever comes first. The market value of the crop will be determined as set forth in the damage claim policy. At the request of Xcel Energy, the Landowner shall provide verification of its loss of Organic Certification through the accredited certifying agent prior to any compensation for organic crop loss being paid.