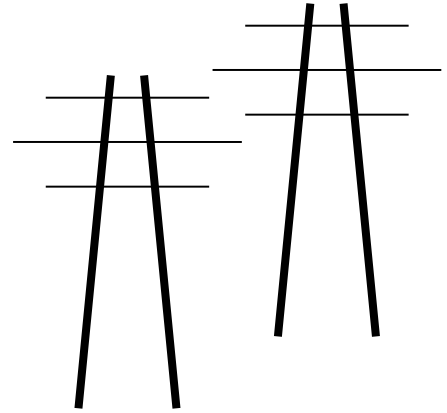


Legalelectric, Inc.

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1110 West Avenue
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December 30, 2025

Sasha Bergman
Executive Secretary
Public Utilities Commission
121 – 7th Place East, Suite 350
St. Paul, MN 55101

via eDockets

RE: Transmission Cost Recovery -- Cost Increases Must Be Considered
Xcel Energy Transmission Rider Petition Docket M-25-386
Minnesota Power Transmission Rider Petition Docket M-25-433

Dear Secretary Bergman:

I am filing this yet another comment regarding transmission and infrastructure materials cost increases on behalf of NoCapX 2020 and Legalelectric, a frequent commenter and intervenor in other Public Utilities Commission dockets, and as an individual frequently commenting on Commission dockets.

Because these two Petitions for transmission cost recovery are open dockets, and because transmission line costs are materially affected by cost increases, I'm adding this comment to these two above-captioned dockets.

There are two issues that jump to mind related to cost recovery:

- Cost recovery for projects with material cost increases
- Cost recovery for Xcel's **private** "Gen-Tie" projects to preserve "valuable transmission interconnection rights" v. the public interest.

Attached please find missive I'd filed December 22, 2025 in the Northland Reliability Project dockets, E015, ET2/CN-22-416 and E015, ET2/TL-22-415, and also today in the Xcel Rate Case docket (GR-24-320) and the 2020-2034 and 2024-2040 IRPs, and a comment raising similar issues in the Sherco and King Plant and Gen-Tie dockets. Cost increases are likely for ALL infrastructure dockets before the Commission.

Material Cost Increases

As noted in today's earlier filing, due to actions of our current federal administration, the economic conditions in this country have taken a significant downturn, with project costs increasing. Specifically, there are significant cost increases due to tariffs, and many projects approved, preparing for construction, and projects applied for, are facing cost increases. Transmission projects would be subject to MISO review using its Variance Analysis process found in MISO Tariff FF where costs increase by 25% or more. This has occurred for the Northland Reliability Project, approved nearly one year ago at the January 23, 2025 Commission meeting, with the written Order issued February 28, 2025. Plant closure, transmission, and solar project materials will undoubtedly be affected by similar cost increases, including those at or approaching the MISO Variance Analysis threshold.

Most, if not all, of Tranche 1 and Tranche 2.1 "cost/benefit analysis" performed by MISO were completed prior 2024 and the advent of the Trump administration's tariffs and other detrimental economic policies and actions. The inputs of any economic analysis have changed materially. If not, the "analysis" isn't worth the bytes. The prudence of each of each of these projects must be reconsidered.

Infrastructure costs and related cost increases are typically borne by ratepayers. These current material cost increases should be considered by the Commission when looking at rate recovery. The Commission should address whether investments in projects with large cost increases are justified, whether the infrastructure proposed makes economic sense, and whether these costs should be borne by the ratepayers (and landowners, who bear the cost of eminent domain of their land for transmission projects).

"Gen-Tie" private projects

The cost aspect is particularly important for the two "Gen-Tie" projects associated with the Sherco and King plant closures, which are not part of the MISO Tranche 1 or Tranche 2.1 and which do not have the "benefit" of the MISO cost/benefit analysis. These are private projects, owned and operated solely by Xcel and with Xcel have sole determination of interconnection. Xcel will have a new revenue stream for providing transmission services, and may well charge connecting projects for interconnection. Will Xcel also hit up the interconnecting projects for a share of this "network upgrade?" If so, will that be deducted from the cost?

Minn. Stat. § 216B.16, Subd. 7b (the Transmission Statute) allows for recovery, through an automatic adjustment mechanism of charges, the Minnesota jurisdictional costs of certain new transmission facilities, distribution facilities, and planning investments that support grid modernization efforts, and certain Midcontinent Independent Transmission System Operator (MISO) charges associated with regionally planned transmission projects.¹

The statute infers that "Gen-Tie" projects should not receive automatic cost recover as they are not "associated with regionally planned transmission projects."

¹ Xcel Transmission Cost Recovery Petition, p. ii, October 9, 2025.

Why should the cost of these projects be foisted on ratepayers? These “Gen-Tie” projects are both projects with the specifically stated purpose of preserving Xcel’s corporate “valuable interconnection rights.” Should these costs be borne by the ratepayers, or more appropriately for a private project, the Xcel corporate shareholders?

The cost of the Sherco “Gen-Tie” line has risen from \$1.14 billion when applied for in October, 2023, including expansion design costs, and then after permitting, an increase of just over **20% to \$1.367 billion** was disclosed in September, 2025 “due to increases in domestically-sourced material costs due to Federal tariffs, additional route length and complexity, and real estate acquisition.”² There is no cost estimate for the Minnesota portion of the King Plant minor alteration (PUC Docket M-25-255), and the Wisconsin portion of the “Gen-Tie” transmission line has yet to be applied for. The Xcel Ten Mile Creek solar project to connect to the King substation does have an Engineering Plan filed in PSC Docket 4220-CE-190³ to be considered by the Wisconsin Public Service Commission.

Whether these transmission projects are economically prudent and in the public interest is determined by the Commissions of Minnesota and Wisconsin, as well as who pays these costs.. Cost increases will, or should, be considered, as well as a determination of what party caused the costs to address responsibility for those costs.

At this time, I ask that the Minnesota Public Utilities Commission address cost increases in this transmission cost recovery docket, both disclosed and those reasonably anticipated but not yet disclosed, including particularly the ownership structure, anticipated services revenue, and the impact these cost increases have on the viability and reasonableness of the above projects.

Very truly yours,



Carol A. Overland
Attorney at Law

Enclosure: December 22, 2025 Comment and December 16, 2025 Variance Analysis
Notification E015, ET2/CN-22-416; E015, ET2/TL-22-415

² Xcel Correspondence, Updated Project Costs, September 5, 2025.

³ [Engineering Plan](#), [PSC REF# 565407](#) No cost estimate has been provided for the project and associated facilities.

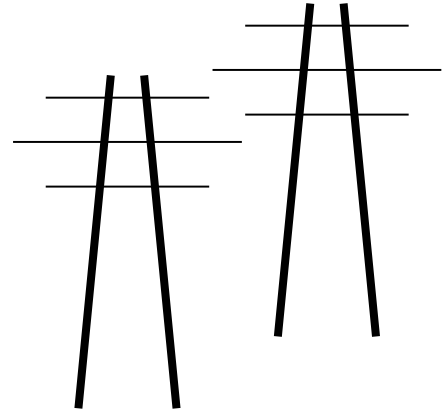
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December 22, 2025

Sasha Bergman
Executive Secretary
Public Utilities Commission
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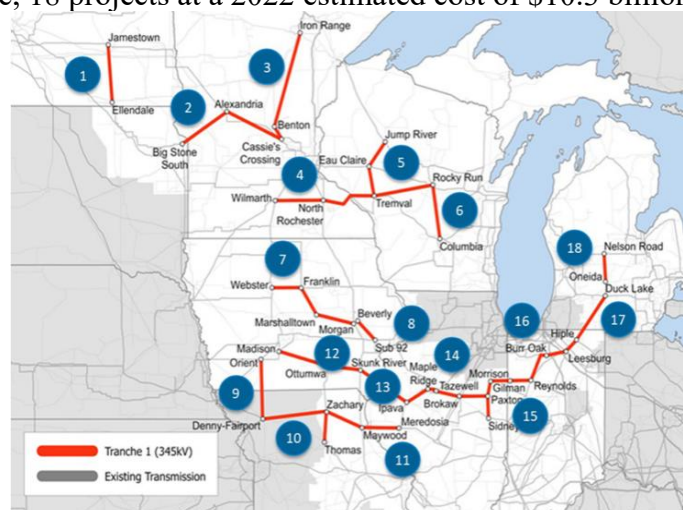
via eDockets

RE: MISO's Variance Analysis based on 43% cost increase
PUC Order presumes a \$251 million, 25.9%, cost increase!
Northland Reliability Project - E015, ET2/CN-22-416; E015, ET2/TL-22-415

To the Public Utilities Commission:

I'm sending these comments on behalf of NoCapX 2020 and Legalelectric, a frequent commenter and intervenor in other Public Utilities Commission dockets, and as an individual frequently commenting on Commission dockets.

The “need” for Northland Reliability Project is based on the MISO’s “approval” of the Tranche 1 projects and applicants’ reliance on MISO in this individual project’s application “need” section. The application projected a cost of \$969 million, and that this was the cost that MISO had used, adding it to the total used in calculating the cost/benefit analysis for the entire Tranche 1 group of projects. MISO’s transmission portfolios are not reviewed individually, but instead are considered as a whole, 18 projects at a 2022 estimated cost of \$10.3 billion.



MISO's Tranche 1 projects 2, 3 and 4 are in Minnesota.

The MISO cost/benefit analysis for Tranche 1 as a whole provided this result:

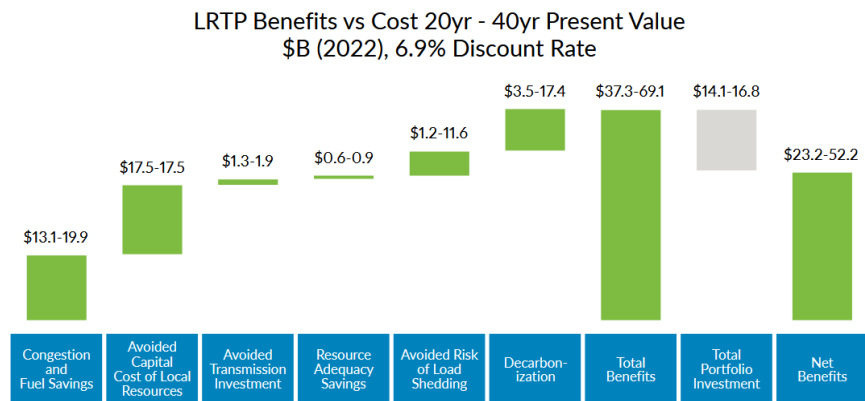


Figure 2: LRTP Tranche 1 Portfolio benefits far outweigh costs (Values as of 6/1/22)*

*Note: This implies benefit-to-cost (B/C) ratio ranges of 20-yr PV B/C = 2.6 and 40-yr PV B/C = 4.0

The MISO Report Addendum that discusses the LRTP Tranche 1 portfolio is also available at: <https://cdn.misoenergy.org/MTEP21%20Addendum-LRTP%20Tranche%201%20Report%20with%20Executive%20Summary625790.pdf>

MISO claims in this Addendum that “[t]he Tranche 1 portfolio has a benefit-to-cost ratio of between 2.6 and 3.8, and MISO studies show benefits of this investment at a benefit-to-cost ratio of at least 2.2 for every zone, with benefits well in excess of the LRTP costs.” Id., p. 5 of 87.

Criterion 2. A Multi-Value Project must provide multiple types of economic value across multiple pricing zones with a Total MVP Benefit-to-Cost ratio of 1.0 or higher where the Total MVP Benefit -to-Cost ratio is described in Section II.C.7 of this Attachment FF.

Id., p. 21 of 87.

Without getting into the validity or credibility of the inputs and results of a MISO “cost/benefit analysis,” which has its own problems, the extreme cost increase of this specific project presents an umbrella issue affecting the cost, \$9.8 billion or \$10.3 billion in MTEP 21 depending, of each of the 18 MISO projects in Tranche 1, including the three in Minnesota. Because of this extreme cost increase for this project, based on factors likely increasing the cost of all of the Tranche 1 projects not already built and operational, reliance on this MISO cost/benefit analysis for Commission approval of any Tranche 1 project is foolhardy.

The Commission, thanks to Commissioner Ham, recognized this extreme cost increase and upped the \$969 million initial cost to a Commission acceptable projected cost of \$1.2 billion. That's a 25.9% increase! Why? This allowed cost increase is a significant error because it does not address MISO and applicants' reliance on the \$969 million for this project's part of the Tranche 1 cost/benefit analysis and MISO's approval as a demonstration of “need.” There is no

record evidence supporting impacts of this cost increase on MISO's cost/benefit analysis. This increase likely it blows the MISO cost/benefit analysis out of the water, and with it, any justification for this project based on MISO!

6.12 Revised Project Cost

Within 60 days of the date of this order, Applicants must file revised Project cost estimates in 2022 dollars reflecting the Commission's decision herein.

Northland Reliability Project Route Permit, p. 24-25.

If MISO, per Tariff FF, must initiate a "Variance Analysis" for any project with cost increase of 25% or more, and where this project did meet that threshold based on current economic conditions, particularly impacts of tariffs not present in 2024, these economic conditions will most likely affect every project, be it transmission, wind, solar or battery. Economic conditions will affect not only EVERY project, but will also affect the availability of materials and parts for construction of these projects.¹

Given the grim economic conditions in the U.S. and the likelihood of further worsening over at least the next three years, it's likely that each of the Tranche 1 projects not yet constructed and operational will suffer similar extreme cost increases. More importantly, it is likely that these extreme cost increases will alter MISO's cost/benefit analysis and that could make much or all of Tranche 1 untenable by MISO standards. Some of these projects must be uneconomic. That must be determined, and applicants have the burden of proof of need and cost.

For Tranche 2.1, developed and then approved in December, 2024, it's the same situation, the cost estimates are 2024 cost estimates. Under the "more conservative" F1A future for Tranche 2.1, **FOUR** of the seven zones, zones 3, 4, 5, and 7, have a cost/benefit ratio of just 1.0. With any cost increase, it's likely the cost/benefit for F1A does not meet that 1.0 threshold for four of seven Subregion zones.

To the extent that applicants and the Commission are relying on MISO "approval" and analysis for most, if not all, transmission projects, the applicants and the Commission do have a problem that should be considered for each of these projects.

In addition to the MISO cost/benefit and approval issues, there's a more direct impact on Minnesota: **Is it reasonable to permit and put, in this case, the 25.9% cost increase allowed in the permit, and to consider the recently revealed 25% cost increase for "Material and construction cost escalations" and an 18% increase for "Routing and engineering design refinements" totalling at least a 43% increase on ratepayers?**

¹ I'm remembering the instances of force majeure for solar projects in Wisconsin: [Solar Force Majeure in WI – Coronavirus](https://legalelectric.org/weblog/19601/) <https://legalelectric.org/weblog/19601/>; [Cancellation of Force Majeure](https://legalelectric.org/weblog/19720/) <https://legalelectric.org/weblog/19720/>; and [U.S. wind, solar industries plead for "tweaks" to coronavirus stimulus to keep projects alive](https://www.reuters.com/article/health-coronavirus-usa-renewables/us-wind-solar-industries-plead-for-tweaks-to-coronavirus-stimulus-to-keep-projects-alive-idUSL1N2B11GC/) [www.reuters.com/article/health-coronavirus-usa-renewables/us-wind-solar-industries-plead-for-tweaks-to-coronavirus-stimulus-to-keep-projects-alive-idUSL1N2B11GC /](https://www.reuters.com/article/health-coronavirus-usa-renewables/us-wind-solar-industries-plead-for-tweaks-to-coronavirus-stimulus-to-keep-projects-alive-idUSL1N2B11GC/)

Considering these projects create additional revenue streams and profits through allowable cost recovery and provision of transmission services, the Commission should consider allocating cost increases to shareholders who receive benefits of gains and should also share in losses and these costs. The Commission must protect the public interest.

The Commission should consider this cost increase issue for the Northland Reliability Project and further, the Commission should examine each of the projects before the Commission, including all projects utilizing pre-2025 cost estimates not constructed and operation, i.e., Tranche 1 and Tranche 2 transmission and other projects including solar, wind, and BESS. Updated costs should be considered for every project to assure the projects proposed are economically sound and responsible.

If you have any questions, or require anything further, please let me know.

Very truly yours,

A handwritten signature in cursive script, reading "Carol A. Overland".

Carol A. Overland
Attorney at Law

Enclosure: December 16, 2025 Variance Analysis Notification E015, ET2/CN-22-416; E015, ET2/TL-22-415

cc: OAH-RUD
PPSA Annual Hearing 25-18

Northland Reliability Project



December 16, 2025

VIA E-FILING

Sasha Bergman
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: Variance Analysis Notification (Order Point 4 and Route Permit Section 6.10)

In the Matter of the Application of Minnesota Power and Great River Energy for a Certificate of Need and Route Permit for the Northland Reliability Project 345 kV Transmission Line

MPUC Docket Nos. E015,ET2/CN-22-416 and E015,ET2/TL-22-415

Dear Ms. Bergman:

On February 28, 2025, the Minnesota Public Utilities Commission ("Commission") issued an order ("Order") granting Great River Energy and Minnesota Power ("Permittees") a Certificate of Need and issuing a Route Permit for the Northland Reliability Project ("Project").

In compliance with Order Point 4 and Section 6.10 of the Route Permit, the Permittees hereby notify the Commission that on December 15, 2025,¹ the Midcontinent Independent System Operator, Inc. ("MISO") initiated a Variance Analysis under Attachment FF of the MISO Tariff for the Project.² A copy of MISO's notice of Commencement of Variance Analysis for the Project is included as **Attachment A**.

If you have any questions or need additional information, please contact Christian Winter at CWinter@mnpower.com or Matthew Ellis at MEllis@GREnergy.com.

/s/ Christian Winter

Christian Winter
Minnesota Power
Manager – Regional Transmission
Planning

/s/ Matthew Ellis

Matthew Ellis
Great River Energy
Director – Transmission Planning &
Compliance

cc: Service Lists

¹ While a variance analysis was discussed by the MISO Board of Directors on December 10, 2025, the variance analysis commenced on December 15, 2025.

² Both the Order Point and the Route Permit require notice within five business days of initiation.

Pursuant to Attachment FF, Section IX of the MISO Tariff, MISO has initiated Variance Analysis for the Iron Range-Benton County-Big Oaks Long Range Transmission Planning (LRTP) Tranche 1 project (Project) upon MISO's initial determination that the estimated costs of the facilities within the Project have exceeded, or are projected to exceed, the MISO Tariff's permitted cost increase threshold (defined herein) for a transmission project.¹ The purpose of Variance Analysis is for MISO to review the reasons and potential impacts of such increased costs and determine an outcome to resolve and conclude the Variance Analysis process for this Project. This communication constitutes MISO's public notice that it has initiated the Variance Analysis procedures contained in Attachment FF, Section IX of the MISO Tariff.

BACKGROUND

On July 25, 2022, MISO's Board of Directors approved the LRTP Tranche 1 portfolio for inclusion in the MTEP21. Tranche 1 was made up of 18 discrete Eligible Projects, including the Project.² In accordance with the Tariff, following Board approval, MISO determined the facilities included in the Project were not eligible for the MISO Competitive Transmission Process and were therefore designated to the relevant incumbent Transmission Owners, Great River Energy (GRE) and Minnesota Power (MP). GRE was designated to construct five facilities of the Project, and MP was designated to construct six facilities of the Project.

At the time the Board approved the LRTP Tranche 1 portfolio, MISO estimated the Project cost to be \$969,900,000 (in 2022 dollars). As part of the Q2 2025 MTEP Quarterly Project updates, GRE and MP's combined estimated costs for the Project are projected to be \$1,389,895,000 (in 2022 dollars, an increase of approximately 43%).

GRE and MP attribute the 43% cost increase to three factors:

- 25% - Material and construction cost escalations
 - Initial estimated costs for the project were developed in 2022. Since then, there has been an increase in electrical component costs such as substation equipment, steel, and labor causing an increase to the project cost.
- 18% - Routing and engineering design refinements
 - Transmission line routing is determined by the Minnesota Public Utilities Commission which has the authority to select the route that best aligns with state statute, balancing land, environmental, and community impacts with costs. The Commission's approved route increased the overall Project costs.
 - Substation facilities' scopes of work were refined upon further engineering design.

¹ See MISO Tariff, Attachment FF, § IX.C.I.

² The Project includes eleven facilities identified in MTEP21 as Facility ID Nos. 27051–27061. GRE was assigned five facilities of the Project: 27051, 27052, 27053, 27054, and 27055. MP was assigned six facilities of the Project: 27056, 27057, 27058, 27059, 27060, and 27061.

INITIATION OF VARIANCE ANALYSIS

In accordance with Attachment FF, Section IX.C.I of the Tariff, if MISO determines that the estimated costs of the facilities in an MTEP project have exceeded, or are projected to exceed, the project's Baseline Cost Estimate by 25% or more, MISO shall initiate Variance Analysis. In light of the forecasted project cost increases submitted by both GRE and MP for the Project, MISO is initiating the Variance Analysis process.

This public notice shall denote the commencement of Variance Analysis for the Project. MISO will adhere to the applicable Tariff processes, including the Variance Analysis procedures set forth within Attachment FF, Section IX, as well as the confidentiality restrictions contained within the Tariff. MISO will publish on its website a description of, and rationale for, its Variance Analysis determination in due course.