

**STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION OF
XCEL ENERGY AND ITC MIDWEST LLC FOR
A CERTIFICATE OF NEED AND A ROUTE
PERMIT FOR THE HUNTLEY-WILMARTH
345-KV TRANSMISSION LINE PROJECT

DOCKET NO. E-002, ET6675/CN-17-184

DOCKET NO. E-002, ET6675/TL-17-185

OAH Docket No. 82-2500-35157
(Combined)

SURREBUTTAL TESTIMONY OF

MICHAEL FISCHER

On Behalf of

THE CITY OF NORTH MANKATO

January 28, 2019

1 **Q: Please state your name and business address.**

2
3 A: Michael Fischer, 1001 Belgrade Avenue, North Mankato, MN 56003.

4 **Q: Are you the same Michael Fischer that provided Direct Testimony in this matter on**
5 **November 7, 2018?**

6
7 A: Yes.

8 **Q: What is the purpose of this Surrebuttal Testimony?**

9
10 A: The purpose of my Surrebuttal Testimony is to respond to the portions of the Rebuttal
11 Testimony provided by Applicants' witness Thomas G. Hillstrom, submitted on December 18,
12 2018 ("Hillstrom Rebuttal") that address North Mankato's concerns.

13 **Q: Please refer to Mr. Hillstrom's testimony at pages 2-3 in which he states, generally,**
14 **that Applicants developed Alternatives A and B to the Proposed Red and Green Routes in**
15 **response to consultations with North Mankato and nearby residences. Did these adjustments**
16 **address North Mankato's concerns?**

17
18 A: No, they did not and do not address North Mankato's concerns, as Mr. Hillstrom's
19 testimony also acknowledges. Hillstrom Rebuttal at 2-3. North Mankato communicated its
20 concerns to Applicants throughout the consultation process, including the City's conclusion that
21 the final Red and Green Routes, including Alternatives A and B, as ultimately proposed in the
22 Application, are incompatible with the City's Comprehensive growth plans.

23 As discussed in detail in my Direct Testimony, the Red and Green Route Alternatives and
24 Alternative Segments A and B traverse directly through North Mankato's planned growth areas,
25 and pose serious obstacles for North Mankato's future growth and development as laid out in the

1 City's Comprehensive Development Plan ("Comprehensive Plan"). *See also* Exhibit Nos. NM-2
2 through NM-16.

3 **Q: Please refer to Mr. Hillstrom's testimony at pages 3-4, where Mr. Hillstrom claims**
4 **that, notwithstanding North Mankato's concerns about planned development, "development**
5 **can and does occur near and around transmission facilities." What is your reaction to Mr.**
6 **Hillstrom's testimony on this point?**

7
8 **A:** The lines that Mr. Hillstrom references are 69 kV and 115 kV lines, located on the northern
9 edges of North Mankato, and are not comparable in size or scope to the extra high voltage 345kV
10 transmission line that is now being proposed by the Applicants. That the 69 kV and 115 kV lines
11 were constructed nearly thirty years ago means only that, for the past nearly three decades, North
12 Mankato had no choice but to plan its growth around those existing lines. By comparison, North
13 Mankato engaged its city representatives, residents, and businesses in 2013. After two years of
14 extensive community outreach and consultations, the City adopted its Comprehensive
15 Development Plan in 2015, which provides a more controlled and planned vision for the City's
16 long-term growth. Mr. Hillstrom's testimony suggests that North Mankato can simply revise its
17 Comprehensive Plan to essentially build around the Applicants' 345 kV line. But that disregards
18 the fact that the construction of an above-ground 345 kV extra high voltage transmission line is
19 incompatible with the City's plans, and it ignores the fact that the City's plans precede the
20 Applicants' plans. North Mankato has taken significant and active measures to implement that
21 Plan, which does not contemplate the construction of a 345 kV above-ground extra high voltage
22 line through key planned development areas. *See, e.g.,* Fischer Direct Testimony at 7, 17.

1 **Q: Is an extra high voltage transmission line a desirable aesthetic feature for a low**
2 **density residential area?**

3
4 **A:** No. The areas that North Mankato has slated for future growth and development, as
5 discussed in North Mankato's Comprehensive Plan, are areas with abundant ravine exposure with
6 scenic views, intended for low density residential growth and development. They are highly valued
7 for residential construction.

8 **Q: In response to Mr. Hillstrom's statement that development can and does occur**
9 **around transmission lines, do you believe that an above-ground 345 kV extra high voltage**
10 **transmission line through the areas that North Mankato has slated for development is**
11 **compatible with the City's plans, as they exist today?**

12
13 **A:** No. The views would be permanently and significantly altered, and I believe that would
14 adversely affect the City's ability to attract developers and residents. That is why North Mankato
15 objects to those portions of the Red and Green Routes. I do not believe that it would be possible to
16 fully mitigate the impacts to North Mankato of selecting either the proposed Red or Green Routes
17 or Alternatives A or B. Even if these lines were undergrounded, which would be one way to
18 partially mitigate the impacts, the land above the transmission line in the easement area would still
19 be undevelopable. There are other Route Alternatives already being considered in this proceeding
20 that circumvent the North Mankato planned development areas and would not interfere with North
21 Mankato's plans.

22

23

1 **Q: Are you concerned that the Red or Green Route Alternatives or Alternative Segments**
2 **A or B pose risks to the City’s planned developments?**

3
4 **A:** Yes. In addition to what I stated in my Direct Testimony, I am concerned that developers
5 in the area may be losing lot sales due to the risk of the Red or Green Route Alternatives or
6 Alternative Segments A or B being selected. I am further concerned that if the ultimate route
7 selected is either the Red or Green Routes, with either Alternative Segments A or B, then the
8 City’s plans, as they exist today, will be permanently and significantly affected.

9
10 **Q: Please refer to Mr. Hillstrom’s claim that, “I do not believe that possible future**
11 **residences should be characterized in the same category as existing residences given that**
12 **the majority of these are ‘proposed’ residences that have not been platted and their**
13 **construction is uncertain” (at 7). Do you agree with Mr. Hillstrom’s claim?**

14
15 **A:** While impacts on existing residences are important, Mr. Hillstrom gives little to no regard
16 to the impacts posed on North Mankato’s planned growth. Impacts on planned residences in North
17 Mankato should be afforded significant weight, not just because Minnesota’s statutory and rule
18 criteria for route selection requires it, as Mr. Hillstrom admits (Hillstrom Rebuttal at 8), but also
19 because North Mankato has invested significant resources for the specific purpose of fostering
20 growth of the City to the west and southwest.

21 I also disagree with Mr. Hillstrom’s characterization of the planned developments as
22 “uncertain.” Mr. Hillstrom acknowledges and admits that the North Ridge, South Boundary, and
23 North Port developments are indeed on the future land use map in North Mankato’s
24 Comprehensive Plan. Hillstrom Rebuttal at 7. Mr. Hillstrom further notes that since the time that
25 Xcel submitted its Route and Certificate of need Applications last year, “a portion of these two
26 developments has been platted by Nicollet County” including “eight residential lots within the

1 North Ridge development that was platted in March 2018” although these lots have not yet been
2 developed. *Id.* at 7. That eight residential lots have not yet been developed in less than a year
3 since being platted does not render any portion of the planned developments “uncertain.” To the
4 contrary, the actions cited by Mr. Hillstrom, seem to directly contradict his claim that future
5 development is “uncertain.”

6 **Q: Please refer to Mr. Hillstrom’s testimony at page 11 where he states, “There are no**
7 **permanent residences or related residential property improvements located within the**
8 **proposed easement area of any of the proposed routes (within 75 feet of the centerline) . . .**
9 **.” What is your reaction to this statement?**

10
11 **A:** Mr. Hillstrom focuses narrowly on only existing residences along the proposed route
12 alternatives and disregards entirely North Mankato’s planned future residences. And, although
13 Mr. Hillstrom admits that “Impacts to existing *and future residences* are one of the statutory and
14 rule criteria that the Commission must consider in determining the route for the proposed
15 transmission line” (Hillstrom Rebuttal at 8-9 (emphasis added)), his testimony nevertheless
16 suggests that North Mankato’s future planned residences should not be considered.

17 My direct testimony at pages 13-14 provides the number of both existing and future
18 residences that would be impacted by the proposed Red and Green Route Alternatives. There are
19 more than 200 existing and proposed North Mankato residences up to and within 500 feet of the
20 proposed Red and Green Route Alternatives, and Alternative Segments A and B. These include
21 two existing homes and 56 proposed homes that are less than 150 feet from the Red and Green
22 Route Alternatives, and Alternative Segments A and B, and 26 proposed homes that are within

1 zero to 75 feet of the Red and Green Route Alternatives, and Alternative Segments A and B. *See*
2 Exhibit No. NM-14.

3 **Q: With respect to the North Ridge and South Boundary Developments, Mr. Hillstrom**
4 **states “[b]oth of these areas are identified on the future land use map in North Mankato’s**
5 **Comprehensive Plan as future single-family residential development. I note, however, that**
6 **these areas are outside the city limits of North Mankato” (at 7). What is the significance of**
7 **land slated for development that has not been incorporated yet into North Mankato’s**
8 **boundaries?**

9
10 **A:** The fact that land along North Mankato’s boundary that is slated for North Mankato’s
11 future growth has not yet been annexed by the City does not mean that development is unlikely or
12 that impacts in and around the planned development areas are insignificant to North Mankato.
13 Indeed, the City’s Comprehensive Plan demonstrates the importance of the planned developments
14 to North Mankato, and even though some of these areas have not yet been annexed, significant
15 investment has been made in reliance on and to implement the City’s Plan.

16 **Q: Do you have any other reaction to Mr. Hillstrom’s testimony?**

17 **A:** North Mankato has and continues to experience annual population growth. As a result of
18 this continued expansion, North Mankato and Mankato together have been identified as a
19 Metropolitan Statistical Area (“MSA”) by the Office of Management and Budget.¹ This
20 designation was earned by continued growth, and specifically achieving a “core area containing a
21 substantial population nucleus, together with adjacent communities having a high degree of

¹ Update on Statistical Area Definitions and Guidance on Their Uses, OMB Bulletin 09-01 (Nov. 20, 2008), available at <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/bulletins/2009/09-01.pdf>.

1 economic and social integration” and “at least one urbanized area of 50,000 or more inhabitants.”²
2 Indeed, between 2000 and 2010, North Mankato increased its population by approximately
3 12.2%.³ North Mankato’s demonstrated history of growth is evidence that the proposed
4 developments are not “uncertain,” and the City should be allowed to continue to contribute to its
5 earned designation as an MSA in the manner that it has planned—by implementing the vision set
6 out for the City in its Comprehensive Plan. As discussed in my Direct Testimony, several
7 investments and commitments have been made in reliance on and to implement North Mankato’s
8 Comprehensive Plan including: (1) the new Highway 14 interchange—an approximately \$20
9 million project and an essential investment needed to facilitate the growth contemplated by North
10 Mankato’s Comprehensive Plan; (2) installation of the Aspen Lane Lift Station serving the area of
11 the North Ridge Residential Development and the South Boundary Residential Development (*see*
12 Exhibit No. NM-15); and (3) continued investment in infrastructure to accommodate growth on the
13 western edge of North Mankato, including approximately \$3,441,750 to construct local residential
14 streets (*see* Exhibit No. NM-16). These investments demonstrate that North Mankato’s growth
15 plans are not merely aspirational, but well underway with substantial money invested and
16 significant consequences for the City and its future if the plan is obstructed.

17 **Q: Does this conclude your Surrebuttal Testimony?**

18 **A:** Yes.

² See 2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas Federal Register, 75 Fed. Reg. 37,249-50 (June 28, 2010).

³ Intercensal Estimates of the Resident Population for Incorporated Places and Minor Civil Divisions: April 1, 2000 to July 1, 2010, United States Census Bureau, available at <https://www2.census.gov/programs-surveys/popest/datasets/2000-2010/intercensal/cities/sub-est00int.csv>.