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Xcel Energy

Docket No.: EL18-036

Response To: SD Public Utilities Commission                      Data Request No.    1-5

Requestor: South Dakota Public Utilities Commission Staff

Date Received: October 29, 2018

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Question:

Refer to Attachment 1, page 3. The third paragraph shows a wide range of costs given the decision on the route of the project. Provide an explanation of Xcel's efforts to ensure the lowest reasonable cost route is ultimately chosen.

Response:

Xcel Energy identified several route/design options to allow the Minnesota Public Utilities Commission (MPUC) the ability to balance project cost with minimizing impacts to landowners and natural resources as required by the routing and siting criteria. Such impacts include distance to homes, number of poles in agricultural fields and impacts to future land development, impacts to wetlands, acres of tree clearing and impacts to endangered species, among others. Mitigating these impacts typically involves use of single pole designs, double circuiting with existing transmission lines, and/or longer routes to avoid population centers, natural resources, and homes. Each of these mitigation techniques usually results in higher costs. All of the route/design options included in the state permitting process show a benefit-to-cost ratio above 1.0 which means the economic benefits of the project will outweigh its costs no matter which route/design is selected by the MPUC. Xcel Energy will work with our project partner to ensure that all routing and siting criteria, which include cost considerations, are taken into account when the Commission determines the route/design for the project. Once a route is selected, Xcel Energy will actively manage the project and mitigate risks to stay within project budgets.

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