



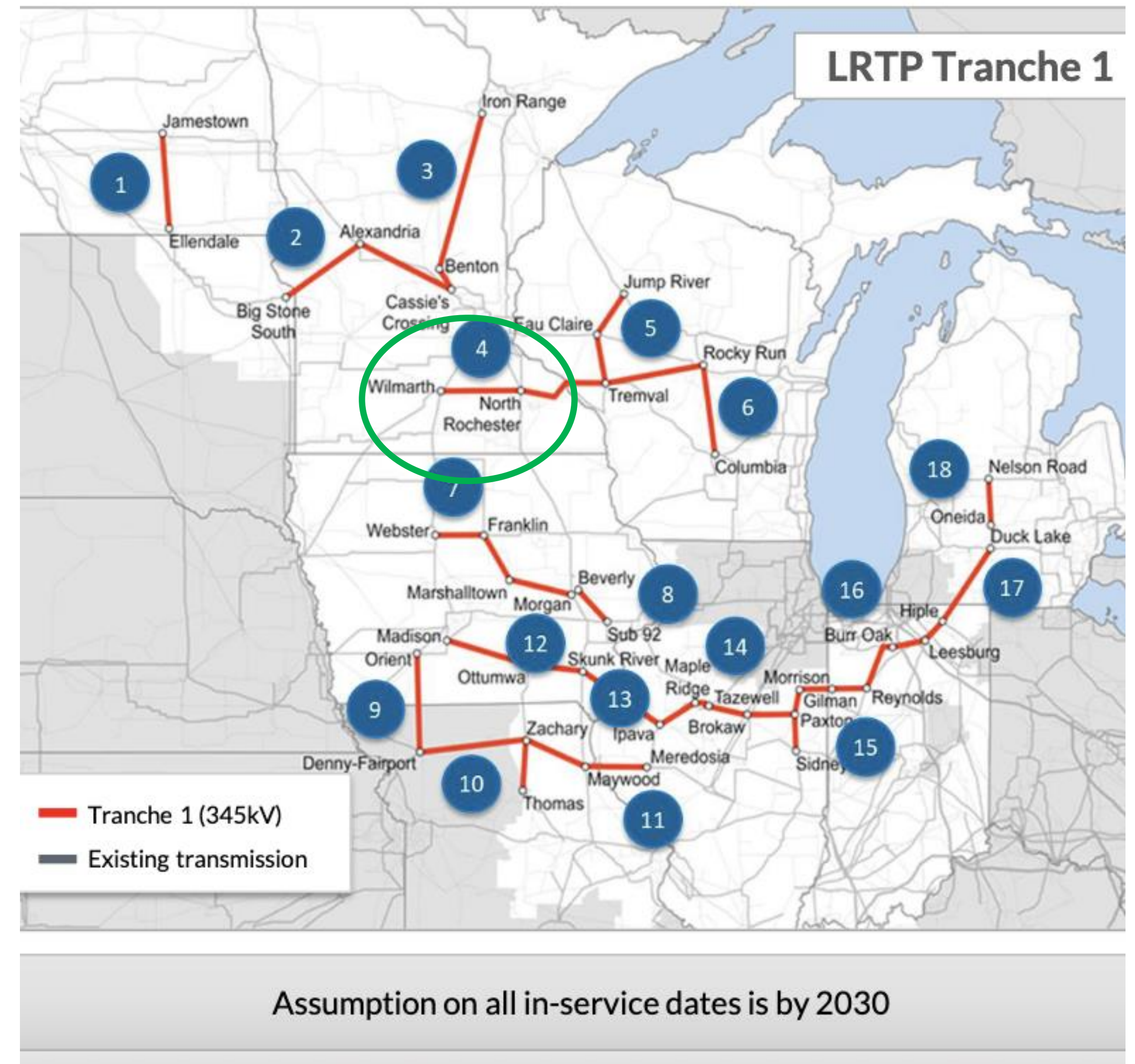
6.B. Grid North Partners Joint Development Agreement

Rochester Public Utilities Board Meeting
December 16, 2025

Mankato to Mississippi River 345kV MISO Tranche 1 Project - December 2025

MISO Tranche 1 Projects

- \$10.4 Billion in new transmission lines, substations, and upgrades to existing facilities in MISO Midwest.
- MISO classified all projects as Multi-Value Projects (MVP).
- All costs will be paid by the load in the MISO Midwest Subregion based on MWh.
- RPU is seeking ownership stake in LRTP 4 of \$28.9 million, based on MWh ratio share, to offset Tranche 1 costs.
- Grid North Partner utilities involved in LRTP 4 include RPU, XCEL Energy, Dairyland Power Cooperative, and WPPI Energy.



Joint Development Agreement

- Joint Development Agreement (JDA) is an LRTP 4 transmission line agreement between 4 utility companies which are Northern States Power Company (Xcel Energy), Dairyland Power Company (DPC), Southern Minnesota Municipal Power Agency (SMMPA), and the City of Rochester (RPU).
- Discussions of the LRTP 4 transmission line project between these 4 utility companies started in 2022 and have now reached this point of joint execution of this JDA document.
- Approval of this JDA will commit RPU to an investment estimate of \$28,884,000 in the LRTP 4 transmission line project.
- Of the \$28,884,000, RPU's existing contractual investment rights consist of \$7,822,641, and the remaining \$21,061,359 investment is a pledged amount from NSP(Xcel Energy). This investment amount will help cover RPU's load ratio share of the entire MISO Tranche 1 portfolio of transmission projects.



Joint Development Agreement - continued

- The JDA also establishes a variety of legal arrangements between the parties for initial project work until it is replaced by a full suite of project agreements scheduled for approval later in 2026.
- Xcel Energy has already begun pre-construction work on this project, and RPU will begin paying Xcel Energy for its portion of this initial work after joint execution of this agreement.
- A full complement of project documents, scheduled to be approved later in 2026 by all the parties, will govern the actual construction of the project along with ongoing operations & maintenance. This group of future amended and restated agreements for 2026 will be: Project Participation Agreement, Construction Management Agreement, Operations and Maintenance Agreement, and Transmission Capacity Exchange Agreement.



Project Timeline

Anticipated Construction Schedule – Segments 3 & 4	
Project/Construction Activity	Preliminary Date
Joint MN CON/RP Application Filed	4/2/2024
Final EIS issued, post hearing briefs and responses	7/25/2025
Administrative Law Judge (ALJ) report due	10/30/2025
PUC CON/RP Approval - Anticipated	4 th Quarter 2025
Conduct Cultural and Biological Field Surveys	2 nd Quarter 2026
Complete Engineering and Final Design	3 rd Quarter 2026
Federal, State and Local Permits Issued	4 th Quarter 2026
Easement Acquisition Process	3 rd Quarter 2027 – 4 th Quarter 2027
Vegetation Clearing	1 st Quarter 2027
Construction Mat Installation	1 st Quarter 2027
Foundation Installation	2 nd Quarter 2027 – 3 rd Quarter 2027
Structure Setting, Wire Stringing, Clipping and Removal of Existing Pole Structures	2 nd Quarter 2027 – 4 th Quarter 2027
Restoration Activities and Removal of Construction Mats	1 st Quarter 2028
Project In-Service	1 st Quarter 2028



Requested Utility Board Action

1. Adopt a resolution formally recommending that the Rochester City Council approve the Joint Development Agreement (JDA) for Rochester Public Utilities' participation in the Mankato to Mississippi River Transmission Project at an ownership level of \$28,884,000, plus a 15% contingency of \$4,332,600, for a total authorized amount of \$33,216,600 and that the Rochester City Council delegate authority to the RPU project manager to perform the acts to execute the project.
2. Further, recommend that the City Council delegate to the RPU General Manager and the Rochester City Attorney the authority to approve any final non-material changes to the JDA prior to execution.
3. Also recommend that the City Council delegate to the RPU General Manager and the Rochester City Attorney the authority to approve the execution of all future amended and restated December 2012 CapX2020 operating agreements required to incorporate the Mankato to Mississippi River Project facilities, including but not limited to the Joint Cooperation Agreement, Transmission Capacity Exchange Agreement, Transmission-to-Transmission Interconnection Agreement, Project Participation Agreement, Minnesota Construction Management Agreement, and the Minnesota Operation and Maintenance Agreement.





Questions