



500 Center Avenue, P.O. Box 779,  
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## Economic Development Rate Incentive (EDRI) Program

### Purpose:

The Economic Development Rate Incentive (EDRI) Program, or by utilizing an external program, is intended to attract new business and/or encourage the expansion of existing businesses in Moorhead.

The new or expanded business will add to the revenue base of the electric and water utilities through the addition of new efficient electric and water loads, as well as add to the City of Moorhead's (City's) economic vitality through new private sector investment, the creation of new jobs, and increasing Moorhead Public Service's (MPS') net revenue capacity for general fund and capital improvement fund transfers to the City. The EDRI is supported by, and contingent upon, the City's waiving of the net revenue transfers on EDRI revenues during the term of the EDRI, or by relief from strategic MPS partners.

### Background:

The Moorhead Public Service Commission (Commission) may, at its sole discretion, grant to a new or expanding business the following EDRI in the form of an annual credit on their MPS utility bill. The EDRI credits will be up to \$0.50 per 100 cubic feet (c.f.) for the new **incremental** water usage generated solely as a result of the new or expanded business. The term of the EDRI will not exceed four years.

### Criteria:

Under the EDRI Program, the new or expanded business will be provided with EDRI credits for water usage based on the following criteria:

| New Business Investment Requirements* | Minimum New Additional Annual Water Usage | Incentive Level Years One and Two | Incentive Level Year Three | Incentive Level Year Four | Incentive Level Year Five |
|---------------------------------------|---|-----------------------------------|----------------------------|---------------------------|---------------------------|
| \$5M and Above                        | 2.5M Cubic Feet                           | \$0.20/100 Cubic Feet             | \$0.10/100 Cubic Feet      | \$0.05/100 Cubic Feet     | \$0.00/100 Cubic Feet     |
| \$7.5M and Above                      | 5.0M Cubic Feet                           | \$0.30/100 Cubic Feet             | \$0.15/100 Cubic Feet      | \$0.075/100 Cubic Feet    | \$0.00/100 Cubic Feet     |
| \$10M and Above                       | 7.5M Cubic Feet                           | \$0.40/100 Cubic Feet             | \$0.20/100 Cubic Feet      | \$0.10/100 Cubic Feet     | \$0.00/100 Cubic Feet     |
| \$15M and Above                       | 10M Cubic Feet                            | \$0.50/100 Cubic Feet             | \$0.25/100 Cubic Feet      | \$0.125/100 Cubic Feet    | \$0.00/100 Cubic Feet     |

*\*Allowable investment includes facility and/or production equipment costs.*

Under the EDRI Program, the new or expanded business will be provided with EDRI credits for their new electric usage based on criteria provided by MPS' supplemental power provider, Missouri River Energy Services (MRES) (see attached flyer).

**Initial Application:**

An application for an EDRI must be submitted by an eligible business to the Commission and include the following:

- Proposed electrical and water usage, including size of the new electric load and water capacity needs and usage.
- Electric load factor (if applicable).
- Information regarding the proposed business investment, additional tax base.
- Other information as may be requested.

**Annual Reporting:**

A business must file an annual report with MPS by January 31 of each year following the year during which the EDRI is scheduled to be received. The report will document the following:

- Private investment amounts.
- The preceding years' electric and water consumption.
- Other information as may be requested.

Based on the information provided, MPS will provide the EDRI credit to the business within 90 days following receipt of the annual report.

**Evaluation & Performance:** The business and the Commission agree that the Commission retains the right to reduce or eliminate a scheduled annual EDRI credit reimbursement for failure of the business to provide an annual report or to meet pre-approved annual performance goals, which may include, but are not be limited to, investment requirements, water usage, and load factor.

Evaluation of business performance and level of annual EDRI reimbursements are determined on an annual basis. Reduction or elimination of an annual reimbursement will not adversely affect reimbursements based upon adequate performance during the remaining period of the agreement.

**Contact Person:**

Please contact General Manager Travis Schmidt, Moorhead Public Service, P. O. Box 779, Moorhead, MN 56561-0779, at 218.477.8084, or by e-mail to [tschmidt@mpsutility.com](mailto:tschmidt@mpsutility.com).