

**Exhibit 1**  
**File #100056**

**Economic Development Rate**

1. Definitions.

In this tariff:

- A. “Baseline Water Consumption” means the customer’s average consumption of water in a billing period during the 12 billing periods preceding the customer’s application to receive service under the Economic Development Rate. For a new customer, the Baseline Water Consumption is zero.
- B. “CCF” means 100 cubic feet.
- C. “Cooling Water” means water used for cooling, as defined in Section 2.5.0 of the Utility’s operating rules.
- D. “Irrigation Water” means water used outdoors for landscaping, decorative, and cleaning purposes, including lawn watering, fountains, pavement washing, and building washing.
- . “MMSD” means the Milwaukee Metropolitan Sewerage District.
- E. “PSC” means the Public Service Commission of Wisconsin.
- F. “Utility” means the Milwaukee Water Works.

2. Requirements for a customer to qualify for the Economic Development Rate.

- A. Any nonresidential customer that meets all of the following criteria may petition the Utility to receive service under the Economic Development Rate:
  - i. The customer either is new to the retail service area of the Utility or is expanding its take of metered service under Utility Schedule Mg-1 or Mg-2.
  - ii. The customer’s water consumption rises by at least 1,500,000 gallons per billing period above its Baseline Water Consumption, excluding Irrigation Water or Cooling Water.
  - iii. The customer submits to the Utility a water use and efficiency plan estimating its expected water uses by type and quantity and demonstrating adoption of cost-effective, industry best management practices for water use efficiency.
  - iv. The customer files an affidavit with the Utility, swearing or affirming that the availability of the Economic Development Rate was a factor in the customer’s decision to increase its water consumption by the amount described in subd.ii.
  - v. The customer shall create within 90 days of EDR rate approval and retain, as long as EDR rates apply, at least 25 new, living wage jobs. These 25 jobs shall be either from expansion of the workforce of an existing customer or new jobs created for new customers locating in the City. The 25 new jobs created by existing customers expanding their workforce shall be over and above their average workforce in the City for the year prior to approval. EDR rates shall be suspended if average new jobs created for the proceeding 9 months falls below 25.
- B. Any petition under par. A. shall be made on a form the Utility provides and shall provide all the information necessary to judge whether the customer meets the eligibility criteria specified in par. A. If the petitioning customer meets these criteria, and MMSD and the Utility file the certificates specified in Section 3., the customer’s incremental increase in water consumption is eligible for service under the Economic

Development Rate for 60 billing periods. When this cycle of billing periods expires, the customer is not eligible again for service under the Economic Development Rate.

3. Adequacy of water and wastewater capacity.

- A. Before the Utility can serve a customer under the Economic Development Rate, the operator of MMSD must certify to PSC in writing that MMSD can accept the proposed discharge without adversely affecting the operation of the wastewater treatment plant or increasing wastewater charges to other customers.
- B. Before the Utility can serve a customer under the Economic Development Rate, the operator of the Utility must certify to the PSC in writing that the Utility can provide the proposed consumption without adversely affecting the Utility's source of supply or plant or increasing water rates to other customers.

4. Billing for the incremental expansion of water service.

- A. The Utility shall bill each customer under the Economic Development Rate on a monthly basis.
- B. Service charges are as specified in Utility schedule Mg-1 or Mg-2.
- C. The volume rate for all water used, up to the customer's Baseline Water Consumption, is as specified in Utility schedule Mg-1 or Mg-2.
- D. The volume rate for all water used in excess of the customer's Baseline Water Consumption is as follows
 

Billing periods 1 to 12:	\$0.540 per CCF (\$0.722 per thousand gallons)
Billing periods 13 to 24:	\$0.654 per CCF (\$0.874 per thousand gallons)
Billing periods 25 to 36:	\$0.768 per CCF (\$1.027 per thousand gallons)
Billing periods 37 to 48:	\$0.882 per CCF (\$1.179 per thousand gallons)
Billing periods 49 to 60:	\$0.996 per CCF (\$1.331 per thousand gallons)

In the sixty-first billing period the customer is no longer eligible for the economic development rate and shall be charged the applicable rates in Utility schedule Mg-1 or Mg-2.
- E. For expansions of service that require the Utility or MMSD to increase treatment, storage, or distribution capacity, the customer shall contribute the capital cost of the incremental capacity to the Utility or MMSD. Customers shall be responsible for water main extensions and service lateral installations as provided in Schedules Lc-1 and X-1.
- F. Economic development customers taking service outside the City of Milwaukee shall be billed rates 25 percent higher than those laid out in section 4.D above as required by Wisconsin Statute § 62.69(2)(h).

5. Water Consumption Minimum.

If the customer fails to use at least 1,500,000 gallons per billing period more than its Baseline Water Consumption for four consecutive billing periods, the customer ceases to qualify for the Economic Development Rate. All subsequent billing shall be under the applicable nonresidential general service rates.

6. Demonstration of Efficient Water Use.

- A. The Utility may conduct or contract for an annual water use audit to determine whether the customer has in fact implemented cost-effective water use best management practices. The customer shall pay the cost of the audit, whether performed by the Utility or a contractor.

- B. If the Utility determines that the customer has not implemented cost-effective water use best management practices, the customer shall have 90 days to implement the practices. If the customer fails to do so, the customer ceases to qualify for the Economic Development Rate and all subsequent billing shall be under the applicable nonresidential general service rates.

7. Water Use Exceptions.

- A. Irrigation Water or Cooling Water is not eligible for the Economic Development Rate and shall be billed at the applicable nonresidential general service rate.
- B. The customer shall, at its own expense, install plumbing necessary for a secondary meter or meters to measure the use of Irrigation Water or Cooling Water separately.

8. Availability of the Economic Development Rate.

The Economic Development Rate is open for two years for customers to begin taking service, commencing on the date when this Rate first takes effect. Further extensions of the Economic Development Rate are subject to PSC approval.

9. Clawback Provision.

- A. If the customer ceases to qualify for the Economic Development Rate, as specified in Section 5, before 60 billing periods have been completed, the customer is liable to the Utility for the amount specified in par. B.
- B. A customer's liability under par. A. constitutes the difference between the rate paid under the Economic Development Rate and the applicable nonresidential general service rates that the customer would otherwise have paid, for the most recent 24 billing periods that the customer was served under the Economic Development Rate.

10. Notification and Reporting to PSC.

- A. The Utility shall inform PSC in writing each time it approves a customer's request for service under the Economic Development Rate. This notice shall include the proposed volume of consumption by type and the certifications of adequate capacity required under Section 3.
- B. The Utility shall annually file with PSC a report listing the customers on the Economic Development Rate, the total water consumption by each customer, and the consumption by each customer that the Utility billed under the Economic Development Rate. The Utility shall submit this report on or before April 1 each year.