

**Administrator's Award  
Moorhead Public Service  
Moorhead, MN  
October 4, 2016**

At WAPA we are dedicated in our promise to continue delivering on our mission, providing valuable resources while strengthening the system all of us rely upon to provide low cost, renewable hydropower.

One of the things we enjoy most about this work is the opportunity to recognize our customers for their shared commitment, serving the community and using energy wisely. I am proud and honored to be here today, recognizing and awarding Moorhead Public Service for proving a utility of any size can forge mutually beneficial partnerships with the community by being responsive to customer needs. The Administrator's Award honors that dedication to service and best business practices.

Your accomplishment is impressive. You launched your customer-driven *Capture The Wind* program years before the industry was talking about community renewable projects. With more than 400 customers, *Capture The Wind* has effectively prevented the emission of more than 16 million pounds of greenhouse gases, and boasts a 7-percent customer participation rate, one of the highest participation rates per capita in the nation.

Following that successful demonstration, in 2015, you built the first phase of the *Capture The Sun* community solar garden project. The demand for customers wanting to purchase solar panels was so strong you expanded *Capture The Sun* in 2016 and are now looking to expand again in 2017.



Good business also means investing in your own infrastructure, which MPS did this year by building a new high-service pumping station. The purpose of the project was to replace outdated 1950s pumps and fixed-speed motors with new variable-speed pumps and to update backup generation for the pumps and an adjacent facility. Installing new variable-frequency drive-powered pumps reduced the station's energy use and maintenance costs and improved the system operation.

Partnering with state agencies, energy services providers and, most of all, customers has been the secret of Moorhead Public Service's ability to deliver reliable, affordable power and innovation. That neighborly attitude has given the Minnesota utility a strong base on which to build a successful future.

At WAPA, we share your dedication to good business practices and strong customer service. We also strive to build mutually beneficial partnerships, including with you, our customers here at MPS. As you all know, we are nearing our one-year anniversary of joining the Southwest Power Pool, a cost saving initiative we implemented in partnership with you, our customers. SPP provides greater flexibility by creating more options for buying and selling. This reduces constraints in delivering power and helps keep costs low for customers. The original Alternate Operations Study predicted about \$11.5 M of net benefits in initial year savings and cost avoidance. We now believe the savings will be even greater.

I am also pleased to announce drought adder reduction is projecting a 3-5 mill/kWh estimated reduction to the Pick Sloan Eastern Division firm power rate. We are looking to finalize this in early October or shortly thereafter. To date, the rate reduction is still on schedule to go into effect in January 2017.



Additionally, the expansion of markets across the West is requiring WAPA and its customers to think of the industry in a different way. Just as we collaboratively made the decision to join SPP on the eastern side of the system we are working with customers in the RMR and CRSP regions on the Mountain West Transmission Group effort and are continuing to analyze the CalISO in California and the Desert Southwest.

We are seeing dynamic change across our shared energy industry. Like you, we continue to strive for business, technology and organizational excellence, mutually beneficial partnerships, and evolution of services as our best business practices. Your shared commitment to these values is what makes me proud to honor MPS' spirit with this year's Administrator's Award.

I look forward to our continuing partnership as a means to carry on our shared objectives for powering the energy frontier.

