

BOARD OF PUBLIC UTILITIES—Proceedings by Authority

State of New York :

Office of the Board: ss.

City of Jamestown:

Regular meeting of the Board of Public Utilities, City of Jamestown, New York, held **Tuesday, March 6, 2007**, at 12:00 P.M. in the offices of the Board, 92 Steele Street, Jamestown, New York.

BOARD MEMBERS:	Present	Absent
John Calamunci		X
William S. Gullotti	X	
Jeffrey A. Lehman, PE	X	
Lillian Vitanza Ney	X	
Carl P. Pillittieri	X	
Anthony Prinzi	X	
Wayne Rishell (arrived at 12:15 PM)	X	
Mayor Samuel Teresi	X	
John Zabrodsky	X	
STAFF:		
General Manager, Walter W. Haase, PE	X	
Deputy General Mgr., Randall S. Peterson, PE	X	
Deputy General Manager, John Oelbracht	X	
Deputy General Manager, Dave Leathers	X	
Business Manager, Michael A. Anderson	X	
Counsel, William Wright	X	
Sec of the Board, Julie M. Breen	X	
Communications Coordinator, Becky Robbins	X	

The media was notified of this meeting and was represented by Steve Sweeney and Jade Boice.

On motion of Mr. Prinzi, seconded by Mr. Gullotti, the minutes of the previous meeting were approved.

The Board congratulated Steve Sweeney on his new position with the Erie News in Erie, PA.

#070301 **By Mr. Rishell:**

Whereas, three-quarters of this Board has determined that it is impractical to contract for the supply of coal pursuant to the provisions of public bidding procedures set forth in the General Municipal Law for reasons set forth in the memorandum of the General Manager dated July 7, 1995; and

Whereas, the BPU has advertised for bids to provide coal and as a result of which fifteen (15) bids were received and opened on 2/14/07; and

Whereas, it has been recommended to this Board that the General Manager be authorized to make purchases of coal from the bidder submitting the lowest bid for coal meeting specifications, to be purchased in such quantities and at such times as the General Manager shall determine to be prudent in order to maintain the quantity and quality of coal necessary for operation of the Carlson Generating Plant; and

NOW, THEREFORE, upon concurrence of three quarters of this Board, it is resolved that the General Manager be and hereby is authorized to issue purchase orders to Alpha Coal Sales, Inc from Latrobe, PA, for a price of \$51.55/ton and RFI Energy from Indiana, PA, for a price of \$52.50/ton covering the purchase of 40,000 tons of coal to be delivered during the period of June 1, 2007 through November 30, 2008.

Coal Discussion: The BPU coal procurement strategy in recent years has been to issue bids at approximately six month intervals. Generally 40% to 60% of the anticipated coal demand for the coming year is awarded through each bid, thus staggering coal procurement periods to reduce the impact of market volatility. The most recent Inquiry asked for 12-month and 24-month terms. Thirteen bids were received for the 12-month term, averaging \$55.91/ton. Suppliers expressed a reluctance to bid the 24-month term due to volatility in production costs. Only two bidders provided such responses. These responses averaged \$2.50/ton higher than their one year bids. When combined with previous awards, the awards to Alpha and RFI will fill 100% of our coal needs through November 2006, and approximately 60% of our coal needs for the period December 2007 through May 2008. Our next bid will be issued in late summer. This bid will target the additional coal we will need during the 2007-2008 winter period.

ADOPTED. Ayes: 8 Nays: 0
March 6, 2007

#070302 By Mr. Pillitteri:

Whereas, the Board of Public Utilities (BPU) adopted a Draft Environmental Impact Statement (DEIS) for the Clean Coal Project on October 24, 2006;

Whereas, the BPU held a public hearing on the DEIS on December 7, 2006;

Whereas, at the request of the public, the comment period for the Project was extended from December 21, 2006 until January 19, 2007;

Whereas, the BPU has received a significant amount of public input and number of comments on the DEIS which require analysis, investigation, review, and discussion;

Whereas, the BPU has therefore determined that additional time is necessary to review the comments and to prepare the Final Environmental Impact Statement;

Now, Therefore, Be It

Resolved, that the date for completion of the Final Environmental Impact Statement is extended until April 24, 2007.

ADOPTED. Ayes: 8 Nays: 0
March 6, 2007

Dave Leathers presented a quarterly budget update on the CFB Project.

On motion of Dr. Ney, seconded by Mr. Rishell, the Board convened into executive session to discuss a board member issue, a contract negotiation issue and a personnel issue.

There being no further business, the meeting was declared adjourned.

Walter W. Haase, P.E., General Manager
Michael A. Anderson, Business Manager