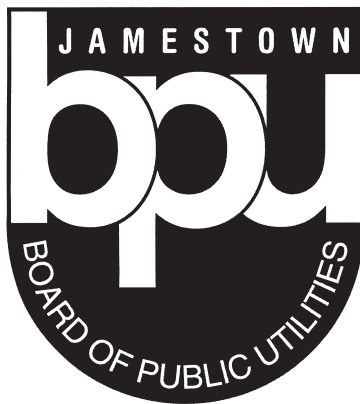


BOARD OF PUBLIC UTILITIES

2002 ANNUAL REPORT

FOR THE YEAR ENDING
December 31, 2002



CITY OF JAMESTOWN, NEW YORK
www.jamestownbpu.com

ANNUAL REPORT 2002

BOARD OF PUBLIC UTILITIES
CITY OF JAMESTOWN
NEW YORK



Board Membership - December 31, 2002

John Zabrodsky, Chairman

Mayor Samuel Teresi, President

A. John Calamunci

William S. Gullotti

Jeffrey A. Lehman, P.E.

Michael Mowrer

Lillian V. Ney, M.D.

Wayne Rishell

Michael S. Wells

Walter W. Haase, P.E.
General Manager

Michael A. Anderson
Business Manager

www.jamestownbpu.com

TABLE OF CONTENTS

	Page No.
DIRECTORY OF OFFICIALS	1
BRIEF HISTORY OF THE MUNICIPAL UTILITIES	3
LETTER OF TRANSMITTAL	6
ELECTRIC SYSTEM:	
Balance Sheet	8
Operating Statement	9
Statement of Retained Net Income	9
Electric Service Revenues	10
Taxes	10
Comparative Statement	11
Bonded Indebtedness	11
Production Statistics	12
WATER SYSTEM:	
Balance Sheet	14
Operating Statement	15
Statement of Retained Net Income	15
Operating Revenues	16
Taxes	16
Comparative Statement	17
Bonded Indebtedness	17
Summary of Statistics	18
Water Sales Report	19
DISTRICT HEATING DIVISION:	
Balance Sheet	22
Operating Statement	23
Comparative Statement	24
Bonded Indebtedness	24
SOLID WASTE SYSTEM:	
Balance Sheet	26
Operating Statement	27
Operating Revenues	28
Taxes	28
Comparative Statement	29
Bonded Indebtedness	29
SEWER SYSTEM:	
Balance Sheet	32
Operating Statement	33
Operating Revenues	34
Taxes	34
Comparative Statement	35
Bonded Indebtedness	35

JAMESTOWN MUNICIPAL UTILITIES BRIEF HISTORICAL SKETCH

- 1890 - Electric Plant constructed under jurisdiction of City Council.
- 1891 - Street light service established to 140 street lamps.
- 1895 - Plant commenced supplying service to commercial customers.
- 1903 - Waterworks purchased from private interests for \$600,000.
- 1913 - English Hill Reservoir of five million gallon capacity constructed.
- 1923 - Water supply system in Cassadaga Valley placed in operation.
- 1923 - Board of Public Utilities created by Chapter 665, Laws of New York, 1923, to assume control and jurisdiction of municipal utility systems.
- 1923 - Levant Pumping Station and water supply removed from service.
- 1925 - Buffalo Street Reservoir of 1½ million gallons capacity constructed.
- 1926 - Motor-driven pumps installed in Buffalo Street Pumping Station.
- 1928 - Ornamental street lighting system in central section of City.
- 1931 - Electric system of Niagara, Lockport, and Ontario Power Company acquired by purchase.
- 1933 - Harrison Street and Allen Street Substations completed.
- 1934 - Warehouse and service building for use of electric utility completed.
- 1938 - Power electrical generating capacity increased to 38,500 kilowatts by installation of a 15,000 K.W. turbo-generator.
- 1941 - 3,000 k.v.a. unit type substation installed at 30 Jones & Gifford Ave.
- 1942 - 3,000 k.v.a. unit type substation installed at 254 Harrison St.
- 1947 - Supplemental system of seven well units equipped with individual electrically-driven deep well pumps completed.
- 1948 - Supplementary water well system approved by Water Power and Control Commission.
- 1951 - 20,000 K.W. extension to Steele Street Station, three substations and connecting underground conduit and transmission system in service. 6 m.g.d. turbine-driven pump installed to replace 5 m.g.d. pump at Cassadaga Valley Pumping Station.
- 1954 - Substations at New York Avenue and Dow Street, Falconer, complete with transmission lines to new switchgear at Allen Substation.
- 1956 - Direct current eliminated. Newland Avenue Substation completed. Well No. 8 added to water system.
- 1957 - Harrison Street Substation No. 3 placed in operation. Replaced 6 m.g.d. steam driven pump with 6 m.g.d. electric driven pump and rehabilitated the structure at Buffalo Street Pumping Station.
- 1958 - Two-way radio equipment installed for use of both Divisions.
- 1960 - No. 11 boiler placed in service at the power plant.
- 1961 - 6 m.g.d. electric pump at Cassadaga Pump Station.
- 1962 - Huxley Street and English Street Substations completed.
- 1963 - Fluoridation of City water supply started.
- 1964 - New ornamental street lighting installed in downtown area. 10,000 k.v.a. transformer added to Dow Street Substation.
- 1966 - Five million gallon addition to English Hill Reservoir completed. Carter Street, Falconer, substation completed.
- 1968 - No. 12 boiler and No. 6 turbine generator placed in operation at power plant.
- 1969 - Poland Center well field and Clay Pond Pump Station placed in operation.
- 1970 - Underground conduit system with tie lines - plant to Dow Substation, Blackstone and Washington Substations. 5600 k.v.a. transformer at Blackstone and Washington Substations.
- 1971 - Clifton Avenue Substation installed. 4160 volt conversion started.
- 1972 - PANSY power replaced Niagara Mohawk. Harrison Sub. No. 2 increased to 5,000 k.v.a.
- 1973 - Two new 4 m.g.d. pumps at Cassadaga Pump Station. 5600 k.v.a. transformers installed at Allen, Boatlanding and Newland Substations.
- 1974 - New 16" water mains in East Jamestown for fire protection.

- 1975 - Dow Substation renovation completed. New precipitators for No. 9 and No. 10 boilers.
- 1976 - New precipitators for 11 and 12 boilers. Pressure system created for south central Jamestown by installation of Smith Ave. pump station. A new well at Cassadaga Pump Station.
- 1977 - Supervisory control and data acquisition system purchased. 3 new wells at Cassadaga Pump Station. Initiated sales of water to Lakewood.
- 1978 - Purchases of PASNY power increased from 21,000 K.W. to 56,000 K.W.
- 1979 - Third 15 K.V. tie line, Steele to Dow Substation. Additions to 13.8 K.V. switchgear at Dow, Newland and Regent Substations. Underground system through Stone Quarry. Foote Avenue arterial. P.A.S.N.Y. nuclear power purchased.
- 1980 - 4160 Conversions at Huxley and Newland Substations, added to Clifton and Boatlanding. Delivery of SCADA system. New 1/2 m.g.d. receiving tank at Cassadaga Pump Station.
- 1981 - Acquisition of IBM System 1 and 34 computers. Pumps replaced at Buffalo Street pump station.
- 1982 - PASNY withdrew our nuclear power. Increased Niagara Mohawk wheeling rates. Regent Substation converted to 4160 v.
- 1983 - 20 MW turbine generator updated to 25 MW. New fluoride equipment at Cassadaga Pump Station.
- 1984 - Pilot district heating system in service with four customers.
- 1985 - Twelve customers added as District Heating System is extended into Downtown area.
- 1986 - Power Plant life extension with new Westinghouse Instrumentation and Control System installed. PASNY contracts for 39 MW of hydropower thru 2001 signed.
- 1987 - Electronic handheld meter reading system implemented for combined electric and water meter reading. New ash collection system installed at generating station. Continued property renovations.
- 1988 - Combined billing of electric, water and sewer accounts was started in April. 79th Annual Conference of the International District Heating and Cooling Association was held in Jamestown area in June. Replaced IBM System 36 main computer with IBM AS/400 System with new high speed 1400 LPM printer.
- 1989 - Power plant cooling towers rebuilt, coal bunker relined, refurbishment program begun on boilers 9 and 10. NYPA hydro allocation increased to 52 MW in July and 72 MW as of January 1, 1990. MRC becomes a District Heating Customer.
- 1990 - Demand side management programs instituted including NYPA Wattbuster audits. Monthly 100th anniversary celebrations. Retubing complete for Boiler #10. \$4,000,000 coal delivery system bid awarded to ICF Kaiser Engineers.
- 1991 - April Open House and week-long celebration of BPU's 100th Anniversary. New rate request granted effective October 1. Island Park, behind plant, dedicated. Retubing of #9 boiler completed. Steele Street Substation begins operation.
- 1992 - April completion of \$4.5 million coal handling system and storage silo. Water Department signs 20 year contract with Village of Lakewood to supply 100% of its water needs.
- 1993 - Acquisition of Jamestown Plywood Corporation buildings and grounds. Establishment of Central Fuel Depot on Steele Street, for all city vehicles. #6 turbine Generator underwent five year overhaul and inspection. BPU business offices moved to former Monitor Furniture Building at 92 Steele Street. Upgrade of Newland and Regent Substations. Rate case filed in November. Began upgrade of all Forest Avenue water service in conjunction with New York State DOT Project.
- 1994 - Designated responsibility and established BPU Divisions for Wastewater and Solid Waste. Additional councilman appointed to BPU Board. Negotiated new 4-year contract with IBEW for Electric and Water Divisions. Major rate case completed before Public Service Commission. First tax equivalent payment to Jamestown Public Schools. Approved transmission services agreement with Niagara Mohawk providing 100 megawatt transmission capacity into Jamestown system by 1998. Purchased and installed continuous emissions monitoring system for Generating Station to comply with Clean Air Act. Line Department moved into renovated Plywood Warehouse building. First spring cleanup of city in 8 years. Water won Best Tasting Drinking Water in New York State. Marion Panzarella retired from Board after 27 years.

- 1995 - Newton Avenue electric substation reworked. Clifton Avenue electric substation retired. Front Street and Hallock Street water services upgraded. Eight new District Heating customers added. Initial Continuous Emissions Monitoring System installed, then upgraded to meet revised EPA and DEC guidelines.
- 1996 - Announced need to build new substation on west side of franchise territory as well as upgrade Dow Street Substation in 1997. Boilers 9, 10, and 12 received burner modifications to lower NO_x emissions. Modification of boiler 11 to be undertaken in 1997. Replaced all underground and overhead lighting equipment on Cherry St. (31 fixtures) and Pine St. (15 fixtures). Water construction crews installed 4000 trench feet of District Heat to add six new customers. Leachate pilot program with Chautauqua County Landfill treated 700,000 gallons without adverse effects on the operations at the WWTP; applying for permission to continue treatment. WWTP handled and disposed of 900,000 gallons of sludge from the South and Central Chautauqua Lake Sewer District with hopes of developing mutually satisfactory contract to continue process.
- 1997 - A \$2 million upgrade of the Dow Substation to include new underground conduit, 2 new transformers, and a new 15kV switchgear enclosed in a pre-cast concrete building. In conjunction with NYSDOT remake of Second Street and to prepare for a new overhead from Dow to the plant, installed sixty 50-ft. poles from South Dow to Winsor. Water Dept. reworked services on Second Street as well. Wastewater Treatment Plant electric service converted from Niagara Mohawk to BPU for \$100,000 annual savings. Clay Pond converted as well to realize \$60,000 annual savings. BPU electric power marketed to PJM (Pennsylvania/Jersey/Maryland). BPU became natural gas STBA (supplier transmission balancing aggregation).
- 1998 - Construction of office and garage complex on Steele Street to join Monitor and Line Department buildings, including rear parking area heated with cooling tower water. Town of Ellicott border-to-border water/sewer contract approved. Euclid Garden Apartments added as a satellite district heat customer. WDPF power plant boiler control system upgraded. Work begun at Huxley substation to prepare for the addition of primary switchgear. \$4,000,000 radio frequency water and electric meter replacement project approved. Repowering feasibility project suggests addition of \$25,000,000 gas turbine.
- 1999 - \$30,000,000 bond issue for gas turbine and transmission and distribution system upgrade. Parkview Apartments and Agnes Home added as District Heat customers. New BPU logo adopted.
- 2000 - Construction begun to site GE LM 6000 gas turbine and Deltak heat recovery steam generator. Dow Substation and Power Plant distribution system upgrade begun. NYS grants approval received for 50% of four new recycling trucks. Electric, water and wastewater infrastructure installed for development of Mason Industrial Park. Lafayette Street utilities relocated in preparation for twin ice pad construction. Two, 144-strand fiber optic rings installed throughout the city. Wastewater Treatment Plant's certification increased to support receiving and treating 12,000,000 gallons of sewage per day.
- 2001 - One of two new 35,000 volt tie lines completed between the Dow Street Substation and the Carlson Generating Station. The GE LM6000 gas turbine generator was commissioned in November. Plans were made for a central chilled water plant to serve the ice arena and several other downtown businesses.
- 2002 - GE LM 6000 turbine generator operational early March. Niagara Mohawk and NYPA transmission agreement renegotiated with net savings to customers of \$5.1 million. 10-year rate lawsuit against NYPA settled with BPU awarded \$7.5 million. Second 35 kV tieline work continues. District Chilling installed. Geographical Information System (GIS) work begun. Feasibility study begun for new power plant. Revised city sewer and plumbing codes to meet EPA requirements. Water rate increase of 20% decided for 2003, 10% in 2004.

BOARD OF PUBLIC UTILITIES

**CITY OF
JAMESTOWN, NEW YORK**

March 1, 2003

To the Board of Public Utilities
City of Jamestown
Jamestown, New York

Gentlemen:

The annual reports of the Jamestown municipal electric, water, district heating, solid waste and wastewater utility systems for the year 2002 are submitted herewith as required by Section 129 of the Charter of the City of Jamestown.

An audit by Lloyd & Company, P.C., Certified Public Accountants, is in progress, and their report will be available later in 2003.

Respectfully submitted,

WALTER W. HAASE, P.E., General Manager

MICHAEL A. ANDERSON, Business Manager

Jamestown, New York

ANNUAL REPORT

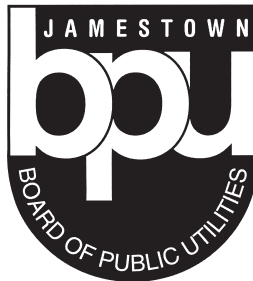
of the

MUNICIPAL

ELECTRIC SYSTEM

of the

**CITY OF JAMESTOWN
NEW YORK**



**FOR THE YEAR ENDING
December 31, 2002**

**MUNICIPAL ELECTRIC SYSTEM
BALANCE SHEET AS OF DECEMBER 31**

ASSETS

	2002	2001
Fixed Assets:		
Operating Property - Electric	\$140,458,913.03	\$130,185,592.26
Construction Work in Progress	1,163,068.55	6,255,308.30
Non-operating Property	9,807.96	9,807.96
Investments:		
Miscellaneous Investments	6,009,519.05	6,007,702.97
Current Assets:		
Cash - General	(156,892.27)	(77,037.44)
Working Funds	1,800.00	1,800.00
Materials and Supplies	1,908,545.47	1,329,240.65
Receivables from Operating Municipality	543,687.03	423,597.60
Accounts Receivable	2,522,968.09	1,610,034.17
Notes Receivable	1,260,555.46	1,315,568.99
Interest Receivable	0.00	0.00
Prepayments	405,639.72	114,965.31
Other Deferred Charges	153,766.27	157,930.72
Regulatory Commission Suspense	639,290.52	567,781.77
TOTAL ASSETS	<u>\$154,920,668.88</u>	<u>\$147,902,293.26</u>

LIABILITIES

Long Term Debt:		
Bonds	\$36,214,697.75	\$37,886,097.00
Current and Accrued Liabilities:		
Payables to Operating Municipality	26,572.47	22,190.18
Accounts Payable	1,489,936.21	1,380,665.52
Customers' Deposits	75,893.17	82,014.43
Interest Accrued	368,078.03	366,891.59
Advance Billings and Payments	0.00	0.00
Miscellaneous Current Liabilities	0.00	0.00
Accumulated Postretirement Liability	4,266,220.52	3,887,716.77
Reserves:		
Depreciation Reserve - Operating Property	43,774,241.59	40,624,514.27
Contributions for Extensions	199,857.20	199,857.20
Reserve for Uncollectible Accounts	245,382.62	290,051.27
Miscellaneous Reserves-Provision for Rate Refund	5,007,358.39	0.00
Deferred Credits	0.00	0.00
Retained Net Income Invested in Utility Plant, Working Capital, Etc.	<u>63,252,430.93</u>	<u>63,162,295.03</u>
TOTAL LIABILITIES AND RETAINED NET INCOME	<u>\$154,920,668.88</u>	<u>\$147,902,293.26</u>

MUNICIPAL ELECTRIC SYSTEM

OPERATING STATEMENT For The Years Ending December 31

	2002	2001
OPERATING INCOME:		
Operating Revenues-Electric	<u>\$29,918,216.64</u>	<u>\$27,222,001.70</u>
Other Revenues:		
Pole Attachment - Rents	\$11,236.61	\$11,224.46
Interest on Funds - Operations	5,209.06	6,214.11
Miscellaneous	310,179.27	250,301.61
Proceeds from PASNY/NIMO Settlements	<u>2,728,153.00</u>	<u>0.00</u>
Total Other Electric Revenues	<u>\$3,054,777.94</u>	<u>\$ 267,740.18</u>
Total Operating Revenues	<u>\$32,972,994.58</u>	<u>\$27,489,741.88</u>
OPERATING EXPENSES:		
Production	\$18,591,533.74	\$13,178,130.39
Transmission & Distribution	2,294,545.09	1,358,315.21
Street Lighting	97,449.41	70,641.96
Consumers' Accounting & Collecting	635,682.87	701,281.45
Sales Expense	(19,989.70)	(41,021.87)
Administrative and General	2,169,450.90	2,060,584.60
Depreciation	3,768,727.30	2,916,639.34
Taxes on Property Outside the City	231,569.65	187,673.75
Uncollectible Revenues	72,000.00	72,000.00
Tax Equivalent Payment to City	1,698,368.62	1,413,306.82
Tax Equivalent Payment to School Board	<u>1,143,290.27</u>	<u>851,329.04</u>
Total Operating Expenses	<u>\$30,682,628.15</u>	<u>\$22,768,880.69</u>
NET ELECTRIC OPERATING INCOME	<u>\$ 2,290,366.43</u>	<u>\$ 4,720,861.19</u>
OTHER INCOME:		
Non-operating Rents	\$ 0.00	\$ 0.00
Interest	<u>92,130.96</u>	<u>474,715.69</u>
Total Other Income	<u>\$ 92,130.96</u>	<u>\$ 474,715.69</u>
GROSS INCOME:	<u>\$ 2,382,497.39</u>	<u>\$ 5,195,576.88</u>
INCOME DEDUCTIONS:		
Interest on Long Term Debt	2,066,771.24	\$ 2,142,747.55
Other Income Deductions	<u>4,061.75</u>	<u>4,830.78</u>
Total Income Deductions	<u>\$ 2,070,832.99</u>	<u>\$ 2,147,578.33</u>
NET INCOME:	<u>\$ 311,664.40</u>	<u>\$ 3,047,998.55</u>

STATEMENT OF RETAINED NET INCOME

Balance - January 1, 2002		\$63,162,295.03
Add:		
Net Income - 2002	\$ 311,664.40	
Miscellaneous Credits to Surplus	<u>107,545.75</u>	419,210.15
Less:		
Accumulated Postretirement Liability	306,995.00	
Miscellaneous Contributions to City	<u>22,079.25</u>	329,074.25
Balance - December 31, 2002		<u>\$63,252,430.93</u>

MUNICIPAL ELECTRIC SYSTEM

OPERATING REVENUES For The Years Ending December 31

	2002		2001	
	K.W.H. Sold	Revenue*	K.W.H. Sold	Revenue*
Residential Sales	153,552,907	\$ 7,045,178.07	145,509,065	\$ 7,123,028.79
Commercial Sales	146,120,723	6,978,691.17	140,218,469	7,135,880.99
Industrial Sales	179,566,541	6,553,079.62	170,245,961	7,105,239.99
Public Street Lighting — Jamestown	3,852,065	230,870.82	3,861,626	238,065.90
Public Street Lighting — Other	1,256,647	67,265.10	1,261,763	70,328.83
Other Sales to City of Jamestown	22,124,485	902,067.60	19,702,734	913,036.55
Other Sales to Other Public Authorities	17,141,651	767,418.93	15,417,464	741,621.67
Sales of Expansion Power	18,378,920	372,647.97	18,153,520	331,323.74
Sales to Other Distributors	159,452,000	6,937,176.02	70,008,000	3,496,468.76
Forfeited Discounts		63,821.34		67,006.48
TOTAL	<u>701,445,939</u>	<u>\$29,918,216.64</u>	<u>584,378,602</u>	<u>\$27,222,001.70</u>
* Fuel Adjustment Charge Included in Revenues		\$ 4,816,860.47		\$5,988,375.71

MISCELLANEOUS ELECTRIC REVENUES

	2002	2001
Pole Attachment Revenues	11,236.61	11,224.46
Interest on Funds - Operations	5,209.06	6,214.11
Miscellaneous Electric Revenue-Steam	242,247.05	198,882.06
Meter Reconnection Charges	25,472.40	20,272.64
Temporary Service Charges	6,876.82	6,229.82
Proceeds from PASNY/NIMO Settlements	2,728,153.00	0.00
Other Miscellaneous Revenues	35,583.00	24,917.09
TOTAL	<u>\$3,054,777.94</u>	<u>\$267,740.18</u>

TAXES-DIRECT AND TAX EQUIVALENTS

	2002	2001
Town of Ellicott-State and County Tax	\$ 62,174.51	\$ 62,524.80
Town of Ellicott-School Tax	178,930.21	102,635.90
Villages of Celoron and Falconer-Village Tax	28,671.34	28,529.02
City of Jamestown-Contributions in Lieu of Taxes	1,698,368.62	1,413,306.82
Jstn School Board-Contributions in Lieu of Taxes	1,143,290.27	851,329.04
TOTAL - Operating Expense Charges	<u>\$3,111,434.95</u>	<u>\$2,458,325.58</u>
Town of Busti - State and County Tax	\$ 36.62	\$ 33.95
Town of Busti - School Tax	52.36	52.57
TOTAL - Non-Operating Taxes	<u>\$ 88.98</u>	<u>\$ 86.52</u>
TOTAL - All Taxes	<u>\$3,111,523.93</u>	<u>\$2,458,412.10</u>

MUNICIPAL ELECTRIC SYSTEM COMPARATIVE STATEMENT

Year	Total Electric Operating Revenues	Net Permanent Improvements and Extensions	Total K.W.H. Generated and Purchased	Average Cost Coal Burned Per Ton	Operation and Maintenance Cost With Depreciation and Interest	Retained Net Income
1920	\$226,018.00	\$77,693.65	6,770,392	\$ 7.50	\$199,162.93	\$309,216.51
1930	533,475.96	396,909.50	24,536,700	3.73	348,984.46	2,008,302.60
1940	981,413.72	15,288.62	66,383,000	3.96	766,053.60	3,258,222.32
1950	1,709,419.72	1,105,665.15	124,339,400	7.55	1,504,711.00	5,104,306.45
1960	2,798,846.30	2,029,578.60	183,666,148	7.53	2,466,969.44	7,605,317.88
1970	4,180,376.40	4,170,479.99	281,312,073	10.30	4,112,216.72	11,107,150.76
1980	14,411,031.13	804,469.56	661,424,100	29.77	12,639,238.50	18,346,809.03
1990	18,797,039.71	8,528,645.13	668,939,278	36.52	16,980,318.93	36,298,498.73
1991	18,599,668.48	7,483,182.18	648,798,261	36.55	18,226,802.63	36,965,356.70
1992	21,495,249.01	2,386,732.91	665,441,197	33.60	19,151,630.28	39,769,737.28
1993	20,857,614.05	3,076,668.17	671,708,180	33.15	19,585,527.66	41,262,387.59
1994	20,952,043.81	2,522,887.13	638,697,671	34.36	19,258,075.60	42,888,790.86
1995	23,060,166.78	393,237.88	634,495,504	33.62	20,726,307.58	45,558,076.13
1996	24,617,175.97	2,608,848.16	624,555,796	33.09	21,578,033.12	46,488,165.86
1997	25,199,982.96	3,025,742.02	642,346,552	33.54	21,167,473.74	50,549,605.64
1998	24,538,787.58	3,826,640.91	651,816,844	32.98	21,335,397.66	53,812,324.99
1999	24,127,776.13	13,326,656.71	649,072,265	32.62	22,462,213.95	56,165,212.37
2000	27,921,857.57	19,943,370.13	622,287,640	32.85	24,702,457.01	59,923,948.21
2001	27,489,741.88	9,044,869.17	602,533,243	36.52	24,916,459.02	63,162,295.03
2002	32,972,994.58	5,181,081.02	723,022,959	39.36	32,753,461.14	63,252,430.93

BONDED INDEBTEDNESS

General City Bonds Issued for Purposes of the Electric System

Date of Issue	Maturity	Interest Rate Per Year	Par Value of Issue	Redeemed	Outstanding End of Year	Interest Expense for the Year
June 1, 1891	1901	4%	\$30,000	\$ 30,000		
Dec. 1, 1893	1903	4%	32,000	32,000		
June 1, 1901	1931	4%	30,000	30,000		
Dec. 17, 1903	1932	4%	32,000	32,000		
June 1, 1913	1933	4.6%	40,000	40,000		
May 1, 1920	1945	5.5%	250,000	250,000		
Aug. 1, 1950	1970	1.6%	2,300,000	2,300,000		
May 1, 1970	1990	5.9%	2,500,000	2,500,000		
Nov. 1, 1970	1990	5.7%	2,000,000	2,000,000		
June 1, 1977	1987	5.1%	1,100,000	1,100,000		
April 15, 1985	2000	8.668%	4,000,000	4,000,000	0	-
March 27, 1991	1992	6.04%	9,900,000	9,900,000	0	-
September 4, 1991	1992	6.10%	4,850,000	4,850,000	8,310,000	594,664
October 15, 1991	2016	7.00%	14,750,000	6,440,000	119,698	12,409
September 15, 1994	2005	7.75%	425,592	305,894	26,820,000	1,399,417
May 15, 1999	2019	4.99%	29,000,000	2,180,000	965,000	60,282
May 15, 2000	2019	6.10%	1,000,000	35,000		
TOTAL			\$72,239,592	\$36,024,894	\$36,214,698	\$2,066,771

MUNICIPAL ELECTRIC SYSTEM

PRODUCTION STATISTICS For the Year Ending December 31

Station Output and Costs:

Maximum System Demand - August 14, 2002, 2:00 pm.	133,337
Cost of Generation including Power Plant Depreciation	\$ 12,534,718.30
Cost of Electricity Purchased	8,035,214.83
Purchased Electricity Expense	0.00
Total Production Cost	<u>\$20,569,933.13</u>

Fuel Consumed:

Kind of Fuel-Bituminous Coal	
Quantity Used for Generation (tons)	103,435
Cost of Coal Consumed	\$4,070,737.09
Average Cost per Ton Consumed	39.36
Pounds of Coal per Kilowatt Hour (Gross Generation)	1.0852
Kind of Fuel-Natural Gas	
Quantity Used for Generation - Dths	697,677.0000
Cost of Gas Delivered and Consumed	\$3,077,684.05
Average Cost per Dth Consumed	4.41
Units of Gas per Kilowatt Hour (Gross Generation)	9,425

Summary of Production and Sales:

K.W.H. Generated by Coal	190,625,613
K.W.H. Generated by Gas	74,022,846
K.W.H. Purchased	458,344,000
K.W.H. Purchased - Expansion Power	18,642,000
K.W.H. Generated and Purchased	741,634,459
Less: K.W.H. All Station Uses	24,213,923
Lost in Transmission - Purchased Power	4,775,519
K.W.H Available for Distribution	<u>712,645,017</u>

Customers

End of Year

K.W.H.

Disposal of Energy:

Residential Service	16,876	153,552,907
Commercial Service	2,487	146,120,723
Industrial Service	128	179,566,541
Street Lighting - Other Municipalities	5	1,256,647
Other Sales to Other Public Authorities	109	17,141,651
Sales to Other Distributors	4	159,452,000
Sales of Expansion Power	2	18,378,920
Used by City of Jamestown:		
Municipal Street Lighting	1	3,852,065
Other Municipal Purposes	108	22,124,485
Within Electric Department		1,429,938

Total Supplied and Used	19,720	702,875,877
Lost and Unaccounted For		9,769,140
Total to Balance		<u>712,645,017</u>

Per Cent of Lost and Unaccounted For	1.77%
2002 Average Units Used per Residential Customer	9,099
2002 Average Annual Residential Bill	\$372.38
2002 Residential Revenue per K.W.H.	0.0464
Population of Localities Served - 2000 Federal Census	41,010

ANNUAL REPORT

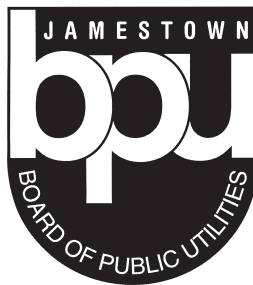
of the

MUNICIPAL

WATER SYSTEM

of the

**CITY OF JAMESTOWN
NEW YORK**



**FOR THE YEAR ENDING
December 31, 2002**

MUNICIPAL WATER SYSTEM
BALANCE SHEET AS OF DECEMBER 31

ASSETS

	2002	2001
Fixed Assets:		
Water Plant in Service	\$27,280,964.31	\$25,228,334.98
Work in Progress	159,355.30	1,083,658.14
Other Physical Property	3,847.05	3,847.05
Investments:		
Water Rent Fund	63,624.98	542,454.14
Loans Receivable - District Heating	1,859,695.96	1,570,522.15
Current and Accrued Assets:		
Cash - General	(233,513.00)	(88,609.55)
Cash - Water Rebate Fund	23,398.34	138,831.27
Working Funds	200.00	200.00
Accounts Receivable - Customers	220,436.34	274,298.71
Accounts Receivable - Miscellaneous	182,422.53	175,459.79
Receivables from Municipality	185,639.73	77,581.38
Interest Receivable	0.00	0.00
Material & Supplies	182,261.14	206,425.20
Prepayments	7,678.50	27,164.85
Deferred Debits	536.92	10,317.88
TOTAL ASSETS	\$29,936,548.10	\$29,250,485.99

LIABILITIES

Long Term Debt:		
Bonds	\$ 0.00	\$ 0.00
Current and Accrued Liabilities:		
Payables to Municipality	27,139.44	228.01
Accounts Payable	42,686.37	182,399.19
Customers' Deposits	0.00	432.93
Interest Accrued	0.00	0.00
Wages Accrued	40,750.01	54,469.01
Other Current Liabilities	13,248.06	13,384.33
Accumulated Postretirement Liability	780,615.00	714,526.00
Reserves:		
Reserve for Depreciation of Water Plant	10,414,030.56	9,490,612.44
Reserve for Uncollectible Accounts	43,032.28	78,952.39
Deferred Credits:	0.00	0.00
Retained Net Income Invested in Utility Plant, Working Capital, Etc.	18,575,046.38	18,715,481.69
TOTAL LIABILITIES AND RETAINED NET INCOME	\$29,936,548.10	\$29,250,485.99

MUNICIPAL WATER SYSTEM

OPERATING STATEMENT For The Years Ending December 31

	2002	2001
OPERATING REVENUES:		
Sale of Water	\$3,011,217.96	\$3,120,617.20
Other Water Revenues	467,323.48	368,176.70
TOTAL OPERATING REVENUES	<u>\$3,478,541.44</u>	<u>\$3,488,793.90</u>
OPERATION AND MAINTENANCE:		
Source of Supply Expense	\$ 79,317.72	\$ 103,478.67
Power & Pumping Expense	410,896.32	418,805.87
Transmission & Distribution Expenses	793,819.21	649,087.56
Customers' Accounting & Collecting Expenses	309,387.97	271,760.18
Administrative & General Expense	450,169.34	433,457.00
Depreciation	956,153.99	904,222.29
Operating Taxes - Outside City	49,567.36	56,131.42
Tax Equivalent Payment to City	565,539.92	564,659.09
Contribution to Municipality	0.00	0.00
TOTAL OPERATION AND MAINTENANCE:	<u>\$3,614,851.83</u>	<u>\$3,401,602.08</u>
NET OPERATING INCOME:	<u>(\$ 136,310.39)</u>	<u>\$ 87,191.82</u>
OTHER INCOME:		
Interest on Investments	\$ 6,170.84	\$ 41,472.81
TOTAL OTHER INCOME	<u>\$ 6,170.84</u>	<u>\$ 41,472.81</u>
GROSS INCOME	<u>(\$ 130,139.55)</u>	<u>\$ 128,664.63</u>
INCOME DEDUCTIONS:		
Interest on Long Term Debt	\$ 0.00	0.00
TOTAL INCOME DEDUCTIONS	<u>\$ 0.00</u>	<u>0.00</u>
NET INCOME	<u>(\$ 130,139.55)</u>	<u>\$ 128,664.63</u>

STATEMENT OF RETAINED NET INCOME

Balance - January 1, 2002		\$18,715,481.69
Add:		
Net Income - 2002	(\$ 130,139.55)	
Miscellaneous Credits to Surplus	55,790.00	
Payments on Uncollectible Water Bills (net)	3.24	(74,346.31)
Deduct:		
Miscellaneous Debits		
Accumulated Postretirement Liability		66,089.00
Balance - December 31, 2002		<u>\$18,575,046.38</u>

MUNICIPAL WATER SYSTEM

OPERATING REVENUES

For The Year Ending December 31

	Number of Customers	Thousand Gallons Sold	Revenue
Residential Metered Sales	13,243	852,858	\$1,806,844.18
Commercial Metered Sales	1,019	284,216	527,706.91
Industrial Metered Sales	119	126,326	262,098.24
Private Fire Protection - Metered	173	10,872	95,165.72
Private Fire Protection - Unmetered	13		3,084.96
Public Fire Protection - City of Jamestown - Hydrant Rental	0		0.00
Public Fire Protection - Other - Hydrant Rental	0		0.00
Other Sales to Public Authorities	33	11,185	10,836.07
Sales to Operating Municipality	45	18,159	31,332.37
Sales to Other Water Utilities	1	159,803	274,149.51
TOTAL SALES OF WATER	14,646	1,463,419	\$ 3,011,217.96
Rent from Water Property			\$ 1,850.00
Late Payment Charges			11,838.89
Servicing of Customers' Installations			0.00
Merchandise and Jobbing			352,385.33
Interest on Funds Used in Operations			89,766.84
Service Reconnection Charges			11,482.42
Meter Repair Charges			0.00
TOTAL OTHER REVENUES			\$ 467,323.48
TOTAL OPERATING REVENUES			\$3,478,541.44

TAXES-DIRECT AND TAX EQUIVALENTS

	2002	2001
Town of Ellicott-State, County and Town Tax	\$ 9,186.60	\$ 9,279.77
Town of Ellicott-School Tax	13,660.57	32,392.15
Town of Poland-State, County and Town Tax	5,556.94	5,194.77
Town of Poland-School Tax	11,684.90	11,909.99
Villages of Celoron and Falconer-Village Tax	0.00	0.00
City of Jamestown - Contributions in Lieu of Taxes	565,539.92	564,659.09
Contribution to Municipality	0.00	0.00
	\$ 605,628.93	\$ 623,435.77

MUNICIPAL WATER SYSTEM COMPARATIVE STATEMENT

Year	Total Water Operating Revenues	Net Permanent Improvements and Extensions	Gallons Pumped	Operation and Maintenance Cost With Depreciation and Interest	Retained Net Income
1920	\$ 149,890.85	\$ 208,152.99	1,207,682.800	\$ 103,409.71	\$ 974,435.07
1930	296,319.04	164,798.75	1,204,295.000	136,148.31	1,951,980.97
1940	221,747.62	(6,714.88)	1,170,089.000	189,323.12	1,565,006.89
1950	425,738.75	82,500.33	1,679,684.000	285,995.55	2,395,014.26
1960	590,712.09	98,256.13	1,904,407.000	549,805.88	3,437,992.19
1970	918,114.68	2,287,953.86	2,416,227.000	998,847.70	4,128,863.32
1980	1,679,264.01	503,852.90	2,284,534.000	1,296,385.68	7,458,595.59
1990	2,641,805.29	559,392.30	1,987,997.000	1,866,031.13	12,709,328.25
1991	2,735,178.81	788,485.82	2,004,589.000	2,015,539.17	13,358,042.03
1992	2,876,228.74	936,092.51	1,968,325.000	2,119,776.40	14,195,775.81
1993	2,886,235.28	479,042.45	1,987,641.000	2,215,835.84	14,881,327.58
1994	3,110,958.02	1,351,960.02	2,102,791.000	2,432,270.48	15,580,187.05
1995	3,185,564.80	258,377.00	2,148,291.000	2,528,343.49	16,212,022.88
1996	3,452,080.52	777,256.99	2,222,963.000	3,000,680.39	16,239,431.67
1997	3,693,634.42	455,578.36	2,119,457.000	3,054,664.41	16,899,916.63
1998	3,892,990.16	1,723,258.01	2,062,962.000	3,032,461.19	17,797,542.64
1999	3,811,848.28	1,164,918.63	2,061,521.000	3,146,559.24	18,319,218.12
2000	3,575,833.37	1,445,266.94	2,060,859.000	3,263,892.92	18,648,289.99
2001	3,488,793.90	1,475,095.42	2,036,411.000	3,401,602.08	18,715,481.69
2002	3,478,541.44	1,128,326.49	1,946,844.000	3,614,851.83	18,575,046.38

BONDED INDEBTEDNESS

General City Bonds Issued for Purposes of the Water System

Date of Issue	Maturity	Interest Rate Per Year	Par Value of Issue	Redeemed	Outstanding End of Year	Interest Expense for the Year
March 9, 1903	1943	4%	\$ 300,000	\$ 300,000		
March 9, 1903	1923	4%	300,000	300,000		
April 19, 1913	1933	4.5%	150,000	150,000		
May 1, 1920	1960	5.25%	400,000	400,000		
Feb. 1, 1924	1944	4.35%	280,000	280,000		
May 1, 1970	1990	5.9%	2,000,000	2,000,000		
June 1, 1975	1990	6.5%	650,000	650,000		
TOTAL			\$4,080,000	\$ 4,080,000	\$0.00	\$0.00

MUNICIPAL WATER SYSTEM

SUMMARY OF STATISTICS For The Year Ending December 31

	2002	2001
POPULATION SUPPLIED:		
Based on 2000 Federal Census Figures	44,268	44,268
PUMPAGE FOR YEAR - GALLONS:		
From Cassadaga Station	1,506,040,000	1,516,034,000
From Clay Pond Station	440,804,000	520,377,000
Total Pumpage for Year - Gallons	1,946,844,000	2,036,411,000
Maximum Daily Consumption	8,013,000	7,741,000
Average Daily Pumpage - Gallons	5,333,819	5,579,208
Gallons per Day to Each Inhabitant on Total Pumpage	120.5	126.0
Average Gallons Used per Residential Customer	64,401	64,015
Water Supply - Wells in Use	11	11
Area of Water Shed - Square Miles		
Cassadaga Valley Station	140	140
Poland Center	290	290
Storage Reservoirs -		
Total Capacity in Gallons	12,000,000	12,000,000
Active Services - End of Year	14,400	14,371
Hydrants in Service - End of Year	1,339	1,338
Meters in Service - End of Year	15,036	15,036
Percentage of Active Services Metered	99.90%	99.90%
Range of Pressure in Mains - Lbs.	30 to 140	30 to 140
Miles Cast Iron Mains in Service - End of Year	157,860	157,900
Miles W.I., Ductile, Copper and Transite Mains in Service - End of Year	33.460	32.780

WATER SALES (100 cuft)

Date	2002		2001		2000	
	Jamestown	Outside	Total	Jamestown	Outside	Total
Residential Sales	940,048	200,136	1,140,184	933,906	186,181	1,120,087
	\$ 1,386,817	\$ 420,027	\$ 1,806,844	\$ 1,382,912	\$ 423,421	\$ 1,806,333
						\$ 1,394,004
						\$ 411,885
						\$ 1,805,889
Commercial Sales	297,246	82,722	379,968	295,278	79,917	375,195
	\$ 357,170	\$ 158,419	\$ 515,589	\$ 366,619	\$ 168,814	\$ 535,433
						\$ 394,220
						\$ 73,801
						\$ 390,088
						\$ 553,636
Industrial Sales	81,036	87,849	168,885	132,546	99,888	232,434
	\$ 94,740	\$ 167,358	\$ 262,098	\$ 151,061	\$ 193,274	\$ 344,335
						\$ 192,527
						\$ 262,861
						\$ 455,388
Others	44,471	222,934	267,405	40,887	232,897	273,784
	\$ 97,662	\$ 329,025	\$ 426,687	\$ 94,100	\$ 340,416	\$ 434,516
						\$ 99,826
						\$ 337,808
						\$ 437,634
Total Metered	1,362,801	593,641	1,956,442	1,402,617	598,883	2,001,500
Total Sales	\$ 1,936,389	\$ 1,074,829	\$ 3,011,218	\$ 1,994,692	\$ 1,125,925	\$ 3,120,617
						\$ 2,080,577
						\$ 1,171,970
						\$ 3,252,547
Residential Customers	(10870)		13243	(10784)		13088
% Total of Customer			90%			90%
% Total of Used			58%			56%
% Total of Sales			60%			58%
Commercial Customers	(769)		1019	(775)		1019
% Total of Customer			7%			7%
% Total of Used			19%			19%
% Total of Sales			17%			17%
Industrial Customers	(79)		119	(82)		124
% Total of Customer			1%			1%
% Total of Used			9%			12%
% Total of Sales			9%			11%
Others	(188)		266	(183)		259
% Total of Customer			2%			2%
% Total of Used			14%			14%
% Total of Sales			14%			14%
TOTAL	(11906)		14647	(11824)		14490
						(11715)
						14295

() Indicates Jamestown Only



The floor of the Samuel A. Carlson Generating Station with the condensers in the left foreground looking toward the coal mills.

ANNUAL REPORT

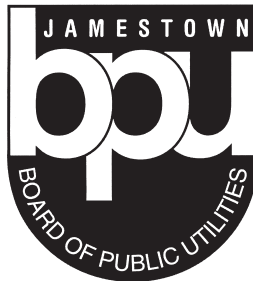
of the

MUNICIPAL

DISTRICT HEATING SYSTEM

of the

**CITY OF JAMESTOWN
NEW YORK**



**FOR THE YEAR ENDING
December 31, 2002**

MUNICIPAL DISTRICT HEATING SYSTEM

BALANCE SHEET AS OF DECEMBER 31

ASSETS

	2002	2001
Plant in Service	\$7,090,923.03	\$5,753,169.81
Construction Work in Progress	0.00	0.00
Current Assets:		
Cash - Capital Account	0.00	0.00
Cash - Operating Account	(180,337.80)	(64,321.21)
Temporary Cash Investments	20,625.13	0.00
Accounts Receivable - General Customers	177,886.08	114,023.97
Receivables from Municipality	35,507.12	29,154.16
Interest Receivable	0.00	0.00
Inventory - Banked Gas	562.94	753.33
Other Assets:		
Unamortized Bond Issue Cost	4,474.98	5,702.46
TOTAL ASSETS	\$7,149,641.48	\$5,838,482.52

LIABILITIES

Long Term Debt:		
Bonds	\$1,900,000.00	\$1,250,000.00
Current and Accrued Liabilities:		
Accounts Payable	0.00	276.21
Payables to Municipality	41,864.36	35,860.53
Loan Payable to Water Division	1,859,695.96	1,570,522.15
Loan Payable to Dept. of Development	0.00	0.00
Interest Accrued on Bonds	8,922.55	11,815.06
Reserves:		
Reserve for Depreciation of District Heating System	2,909,995.65	2,681,418.45
Retained Net Income Invested in Utility Plant, Working Capital, Etc.	429,162.96	288,590.12
TOTAL LIABILITIES AND RETAINED NET INCOME	\$7,149,641.48	\$5,838,482.52

MUNICIPAL DISTRICT HEATING SYSTEM

OPERATING STATEMENT For The Years Ending December 31

	2002	2001
OPERATING INCOME:		
Operating Revenues		
Sales of Hot Water	\$1,097,196.18	\$1,003,264.96
Other Operating Revenues	-	-
Interest on funds used in operations	67.82	2,950.30
Total Operating Revenues	\$1,097,264.00	\$1,006,215.26
OPERATING EXPENSES:		
Heat Purchased from Electric Division	\$258,034.14	\$220,166.61
Misc. Station Expense-Electricity	48,000.00	48,000.00
Rep. & Maint.-Distrib. Piping System	35,757.49	19,352.66
Administrative & General Expense	127,275.58	94,344.46
Uncollected Expense	0.00	0.00
Depreciation Expense	228,577.20	227,802.36
Amortization Expense	1,227.48	1,227.48
Tax Equivalent Payment-City	89,606.72	95,725.85
Total Operating Expenses	\$788,478.61	\$706,619.42
NET DISTRICT HEATING OPERATING INCOME	\$308,785.39	\$299,595.84
OTHER INCOME:		
Interest on Capital Fund Investment	8,445.55	0.00
Interest on Operating Fund Investment	0.00	0.00
Total Other Income	\$ 8,445.55	\$ 0.00
GROSS INCOME	\$317,230.94	\$299,595.84
INCOME DEDUCTIONS:		
Interest Accrued on Bonds	81,482.49	101,463.16
Interest Accrued on Loan	89,167.54	95,421.91
Total Income Deductions	\$170,650.03	\$196,885.07
NET INCOME (Loss)*	\$146,580.91	\$102,710.77

**MUNICIPAL DISTRICT HEATING SYSTEM
COMPARATIVE STATEMENT**

Year	Total District Heating Operating Revenues	Net Permanent Improvements and Extensions	Heat Produced MBTU	Operation and Maintenance Cost With Depreciation and Interest	Retained Net Income
1984	\$11,101.73	\$740,392.46		\$24,423.82	3,994.32
1985	157,227.66	2,898,184.44	23,215.23	286,236.84	6,721.51
1986	391,874.55	883,659.93	57,597.67	596,696.91	(107,755.76)
1987	489,161.25	123,435.21	75,421.63	684,009.97	(266,141.97)
1988	448,729.99	53,260.30	75,894.43	719,964.83	(541,951.54)
1989	529,101.49	(991,101.49)	103,151.06	769,441.69	(761,709.94)
1990	603,096.55	64,214.71	111,999.81	701,412.00	(853,357.93)
1991	659,381.81	8,954.30	107,318.60	648,430.51	(844,992.45)
1992	663,818.17	250,645.09	113,936.71	671,574.17	(836,367.83)
1993	609,334.76	5,656.54	101,776.15	617,399.72	(838,220.46)
1994	657,485.32	0.00	109,456.60	640,528.14	(826,363.16)
1995	820,878.65	432,533.26	137,902.75	666,161.25	(622,339.68)
1996	921,464.65	623,116.19	153,877.09	715,018.67	(415,893.70)
1997	930,980.78	167,042.89	154,680.88	771,721.12	(256,634.04)
1998	925,568.04	279,567.17	135,385.86	805,407.97	(136,473.97)
1999	1,047,649.59	135.00	152,861.57	891,880.27	19,295.35
2000	1,083,140.44	200,260.36	154,591.10	916,556.44	185,879.35
2001	1,006,215.26	58,111.18	140,858.77	903,504.49	288,590.12
2002	1,105,709.55	1,337,753.22	146,627.88	959,128.64	429,162.96

**BONDED INDEBTEDNESS
General City Bonds Issued for Purposes of the District Heating System**

Date of Issue	Maturity	Interest Rate Per Year	Par Value of Issue	Redeemed	Outstanding End of Year	DECEMBER 31, 2002
						Interest Expense for the Year
July 15, 1986	2006	7.5%	\$ 4,522,000	\$3,522,000	\$1,000,000	\$81,482
February 28, 2002	2003	2.20%	900,000	-	900,000	-

ANNUAL REPORT

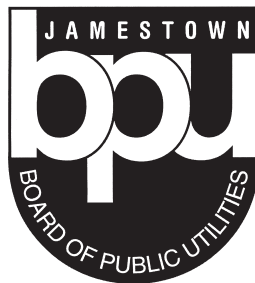
of the

MUNICIPAL

SOLID WASTE SYSTEM

of the

**CITY OF JAMESTOWN
NEW YORK**



**FOR THE YEAR ENDING
December 31, 2002**

MUNICIPAL SOLID WASTE SYSTEM

BALANCE SHEET AS OF DECEMBER 31

ASSETS

	2002	2001
Fixed Assets:		
Solid Waste Plant in Service	\$716,601.06	\$705,462.55
Work in Progress	0.00	0.00
Investments:		
Solid Waste Capital Fund	54,490.01	53,450.93
Current and Accrued Assets:		
Cash - Solid Waste Operating Fund	108,360.56	5,029.13
Accounts Receivable - Gen. Customers	142,467.83	141,012.40
Receivables from Municipality	0.00	0.00
Accounts Receivable - Miscellaneous	12,460.94	7,607.96
Miscellaneous Regulatory Assets	46,837.93	25,767.88
TOTAL ASSETS	<u>\$1,081,218.33</u>	<u>\$938,330.85</u>

LIABILITIES

Long Term Debt:		
Bonds	\$ 0.00	\$ 0.00
Current and Accrued Liabilities:		
Payables to Municipality	2,769.28	1,684.14
Accounts Payable	23,984.48	23,733.29
Loans Payable	0.00	0.00
Interest Accrued	0.00	0.00
Wages Accrued	12,227.76	12,227.76
Miscellaneous Accrued Liabilities	462,873.93	406,266.88
Reserves:		
Res. for Depreciation of Solid Waste Plant	438,272.00	432,272.00
Reserve for Uncollectible Accounts	6,886.17	9,619.30
Retained Net Income Invested in Utility Plant, Working Capital, Etc.	<u>\$134,204.71</u>	<u>\$52,527.48</u>
TOTAL LIABILITIES & RETAINED NET INCOME	<u>\$1,081,218.33</u>	<u>\$938,330.85</u>

MUNICIPAL SOLID WASTE SYSTEM

OPERATING STATEMENT For The Years Ending December 31

	2002	2001
OPERATING REVENUES:		
Residential	\$1,349,568.53	\$1,212,980.98
Commercial	131,673.50	117,739.00
Interdepartmental	5,814.00	5,134.00
Other Revenues	82,275.10	71,669.49
Late Payment Charges	8,863.58	8,096.08
Interest Income	1,363.76	5,328.51
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	\$1,579,558.47	\$1,420,948.06
OPERATION AND MAINTENANCE		
Payroll	\$475,601.12	\$488,183.85
Contractual Services	160,613.59	234,216.66
Landfill Tipping Fees	217,833.89	219,137.72
Repair & Maintenance	139,691.04	98,936.76
Administrative & General Expense	324,408.88	314,960.61
Depreciation Expense	6,000.00	6,000.00
Contribution to Municipality	138,195.72	119,844.07
	<hr/>	<hr/>
TOTAL OPERATION & MAINTENANCE	1,462,344.24	1,481,279.67
NET OPERATING INCOME	<hr/>	<hr/>
	\$ 117,214.23	(\$ 60,331.61)
NON OPERATING ITEMS:		
Interest on Bonds	\$ 0.00	\$ 0.00
Interest on Loans	0.00	0.00
	<hr/>	<hr/>
TOTAL NON-OPERATING ITEMS	0.00	0.00
NET INCOME*	<hr/>	<hr/>
	\$ 117,214.23	(\$ 60,331.61)
* Net Income to offset Bond Principal Payment	\$ 0.00	\$ 0.00

**MUNICIPAL SOLID WASTE SYSTEM
OPERATING REVENUES**

For The Year Ending December 31

	Number of Customers	Revenue
Residential Customers	12,154	\$1,349,568.53
Commercial Customers	432	131,673.50
Interdepartmental Customers	2	5,814.00
TOTAL SOLID WASTE COLLECTION	12,588	\$1,487,056.03
Other Revenues		82,275.10
Late Payment Charges		8,863.58
Interest on Funds Used in Operations		1,363.76
TOTAL OTHER REVENUES		\$ 92,502.44
TOTAL OPERATING REVENUES - SOLID WASTE		\$1,579,558.47

TAXES - DIRECT AND TAX EQUIVALENTS

	2002	2001
City of Jamestown - Tax Equivalent Payment	138,195.72	119,844.07
	\$138,195.72	\$119,844.07

MUNICIPAL SOLID WASTE SYSTEM

COMPARATIVE STATEMENT

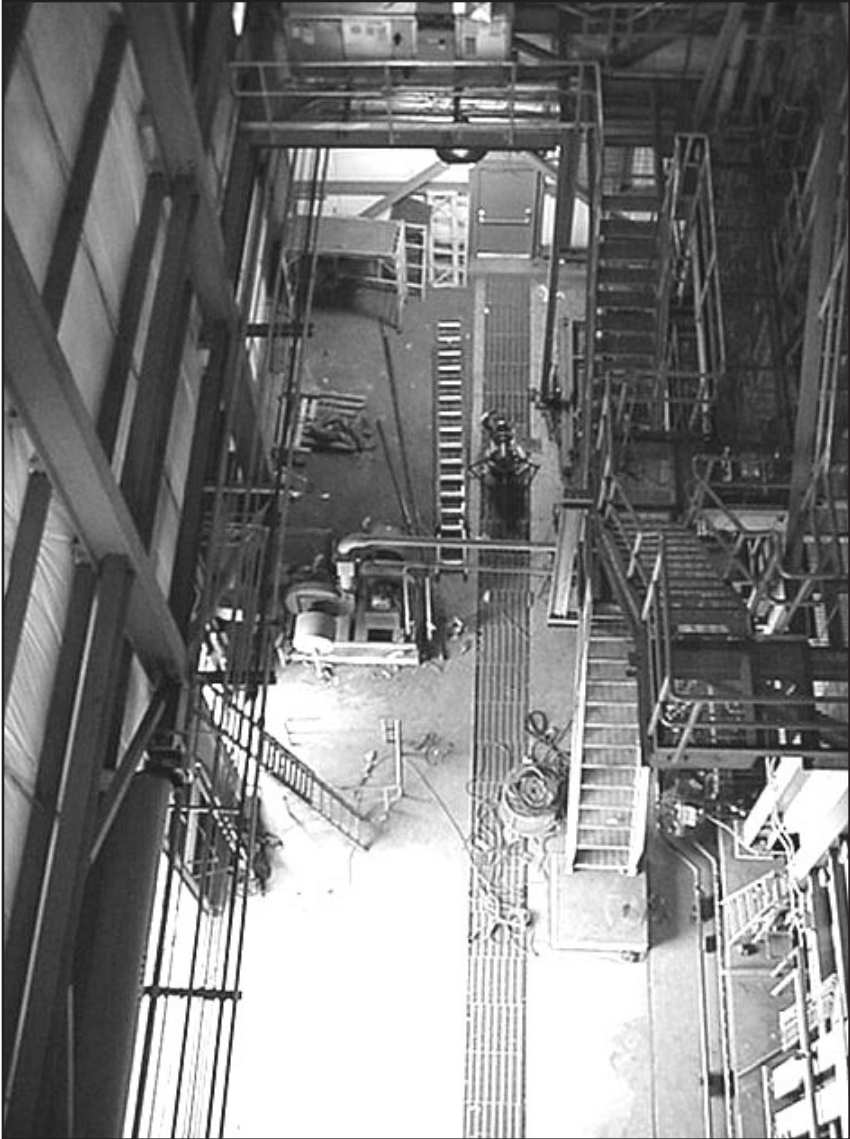
Year	Total Operating Revenues	Net Permanent Improvements and Extensions	Tons Collected	Operation and Maintenance Cost With Depreciation and Interest	Retained Net Income
1994	1,344,245.49	0.00	8,569.5	\$1,202,596.24	255,497.12
1995	1,289,515.93	2,000.00	8,669.8	\$1,221,390.62	243,077.45
1996	1,366,197.08	1,185.00	8,893.1	\$1,310,118.22	257,522.49
1997	1,371,115.86	(1,185.00)	8,557.3	\$1,210,268.79	418,369.56
1998	1,427,340.84	0.00	8,913.9	\$1,432,721.80	232,684.85
1999	1,423,025.37	8,721.55	9,303.8	\$1,362,418.85	186,567.37
2000	1,426,524.94	63,149.00	9,888.8	\$1,436,423.22	145,917.09
2001	1,420,948.06	0.00	10,020.6	\$1,481,279.67	52,527.48
2002	1,579,558.47	11,138.51	10,255.5	\$1,462,344.24	134,204.71

BONDED INDEBTEDNESS

General City Bonds Issued for Purposes of the Sewer System

DECEMBER 31, 2002

Date of Issue	Maturity	Interest Rate Per Year	Par Value of Issue	Redeemed	Outstanding End of Year	Interest Expense for the Year
October 15, 1991	1997	7%	\$200,000	\$200,000	\$0	\$0.00
TOTAL			\$200,000	\$200,000	\$0	\$0.00



Looking down from the top of the heat recovery steam generator building during construction.

ANNUAL REPORT

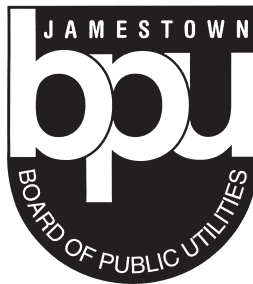
of the

MUNICIPAL

SEWER SYSTEM

of the

**CITY OF JAMESTOWN
NEW YORK**



**FOR THE YEAR ENDING
December 31, 2002**

MUNICIPAL SEWER SYSTEM

BALANCE SHEET AS OF DECEMBER 31

ASSETS

	2002	2001
Fixed Assets:		
Sewer Plant in Service	\$25,688,131.88	\$25,257,210.10
Work in Progress	0.00	0.00
Investments:		
Waste Water Capital Fund	1,334,996.92	1,309,661.55
Current and Accrued Assets:		
Cash - Waste Water Operating Fund	112,544.05	(36,784.14)
Cash - N.Y.S. Revolving Fund	248,281.62	348,425.59
Cash - Depreciation Res. Fund	16,619.25	16,619.25
Accounts Receivable - Gen. Customers	323,876.60	337,570.09
Accounts Receivable - Miscellaneous	48,749.25	39,604.59
Prepayments	113,469.07	118,374.23
Deferred Debits	185,344.96	243,722.91
TOTAL ASSETS	<u>\$28,072,013.60</u>	<u>\$ 27,634,404.17</u>

LIABILITIES

Long Term Debt:		
Bonds	\$4,882,894.12	\$5,462,692.06
Current and Accrued Liabilities:		
Payables to Municipality	22,245.46	4,997.52
Accounts Payable	5,064.84	24,879.45
Loans Payable	0.00	0.00
Interest Accrued	45,141.30	49,503.44
Wages Accrued	44,657.37	44,657.37
Miscellaneous Accrued Liabilities	503,581.00	465,829.95
Reserves:		
Reserve for Depreciation of Sewer Plant	9,327,164.32	8,824,584.40
Reserve for Uncollectible Accounts	24,982.92	24,982.92
Retained Net Income Invested in Utility Plant, Working Capital, Etc.	<u>\$13,216,282.27</u>	<u>\$12,732,277.06</u>
TOTAL LIABILITIES & RETAINED NET INCOME	<u>\$28,072,013.60</u>	<u>\$ 27,634,404.17</u>

MUNICIPAL SEWER SYSTEM

OPERATING STATEMENT For The Years Ending December 31

	2002	2001
OPERATING REVENUES:		
Sewer Rents	\$3,865,171.88	\$3,434,380.66
Other Sewer Revenues	368,835.62	374,088.14
	<u>\$4,234,007.50</u>	<u>\$3,808,468.80</u>
OPERATION AND MAINTENANCE:		
Payroll	\$965,321.19	\$1,020,897.55
Contractual Services	496,389.11	478,227.38
Repair & Maintenance	308,299.00	224,617.17
Administrative & General Expense	481,996.41	451,394.84
Depreciation Expense	502,579.92	497,874.84
Amortization Expense	48,649.92	48,649.92
Property Taxes Outside of City	290,803.23	279,157.37
Tax Equivalent Payment - City	375,304.77	309,068.57
	<u>3,469,343.55</u>	<u>3,309,887.64</u>
TOTAL OPERATION & MAINTENANCE		
	<u>\$764,663.95</u>	<u>\$498,581.16</u>
NET OPERATING INCOME		
	<u>\$764,663.95</u>	<u>\$498,581.16</u>
NON-OPERATING ITEMS:		
Interest on Bonds	\$233,179.66	\$255,274.61
Interest on Loans	0.00	0.00
	<u>233,179.66</u>	<u>255,274.61</u>
TOTAL NON-OPERATING ITEMS		
	<u>\$531,484.29</u>	<u>\$243,306.55</u>
NET INCOME*		
	<u>\$531,484.29</u>	<u>\$243,306.55</u>
* Net Income to offset Bond Principal Payment	\$579,798.00	\$564,798.00

MUNICIPAL SEWER SYSTEM

OPERATING REVENUES For The Year Ending December 31

	Number of Customers	Thousand Gallons Sold	Revenue
Residential Sewer Rents	11,938	776,112	\$2,702,200.43
Commercial Sewer Rents	902	234,878	748,172.48
Industrial Sewer Rents	109	85,125	295,420.12
Municipal Sewer Rents	38	28,151	80,610.78
Public Authority Sewer Rents	23	7,813	38,768.07
	<u>13,010</u>	<u>1,132,079</u>	<u>\$3,865,171.88</u>
Late Payment Charges			\$ 18,020.81
Merchandise and Jobbing			324,806.33
Interest on Funds Used in Operations			26,008.48
			<u>\$ 368,835.62</u>
TOTAL OTHER SEWER REVENUES			
TOTAL OPERATING REVENUES - SEWER			<u>\$4,234,007.50</u>

TAXES-DIRECT AND TAX EQUIVALENTS

	2002	2001
Town of Poland - Town Tax	\$ 58,959.51	\$ 55,008.27
Town of Poland - School Tax	226,938.56	236,748.78
City of Jamestown - Tax Equivalent Payment	375,304.77	309,068.57
	<u>\$661,202.84</u>	<u>\$600,825.62</u>

**MUNICIPAL SEWER SYSTEM
COMPARATIVE STATEMENT**

Year	Total Operating Revenues	Net Permanent Improvements and Extensions	Gallons Treated	Operation and Maintenance Cost With Depreciation and Interest	Retained Net Income
1994	3,098,603.59	611,138.27	2,933,278,000	2,878,500.25	11,148,468.78
1995	3,381,449.49	686,736.27	2,363,600,000	3,200,755.47	11,562,840.00
1996	3,541,260.04	109,232.64	3,029,865,000	3,331,408.00	11,594,218.83
1997	3,774,564.83	77,968.79	2,802,451,000	3,332,475.43	12,081,935.23
1998	3,902,115.70	312,875.48	2,346,524,000	3,490,034.22	12,153,496.98
1999	3,815,823.74	342,871.04	2,165,508,000	3,458,275.73	12,282,103.84
2000	3,788,902.03	57,961.71	2,301,082,000	3,519,388.32	12,576,757.72
2001	3,808,468.80	363,469.97	2,150,306,000	3,565,162.25	12,732,277.06
2002	4,234,007.50	430,921.78	2,550,100,000	3,702,523.21	13,216,282.27

BONDED INDEBTEDNESS

Date of Issue	Maturity	Interest Rate Per Year	Par Value of Issue	Redeemed	DECEMBER 31, 2002	
					Outstanding End of Year	Interest Expense for the Year
April 15, 1985	2007	8.7%	\$ 2,195,000	\$1,690,000	\$ 505,000	\$ 56,019.66
May 15, 1986	2000	7.5%	375,000	375,000	0	0.00
October 15, 1991	2004	7%	560,000	467,000	93,000	13,020.00
October 15, 1991	2013	7%	545,000	270,000	275,000	21,395.56
September 15, 1992	2012	3.75%	5,340,000	2,395,000	2,945,000	95,973.05
July 31, 1994	2005	7.20%	601,400	444,950	156,450	17,981.89
September 15, 1994	2005	7.75%	65,578	47,134	18,444	2,248.79
November 15, 1994	2012	5.71%	1,388,533	498,533	890,000	52,267.94
TOTAL			\$11,070,511	\$6,187,617	\$4,882,894	\$258,906.89



The Board of Public Utilities' Samuel A. Carlson Electric Generating Station, Business Offices and Line Department Garage.