

**JAMESTOWN  
BOARD OF PUBLIC UTILITIES  
PROPOSED 40 MW MULTI FUEL  
CIRCULATING FLUIDIZED BED (CFB)  
UNIT**

The Jamestown Board of Public Utilities is proposing to construct a new clean coal unit near its existing plant and to retire two of its existing boilers. The new unit will be a 40 Megawatt circulating fluidized bed unit (CFB), which will be capable of burning coal and alternate fuels. The CFB is expected to be operational by 2010.

**THE JAMESTOWN BOARD OF PUBLIC UTILITIES  
(BPU)**

The Jamestown Board of Public Utilities is a community-owned electric utility that has been providing electric service to the City of Jamestown and surrounding area for more than a hundred years.

The BPU residential electric rates are 66% lower than average residential rates of the surrounding electric utility. The economic and reliable power provided by the BPU is an important component of the comprehensive plan to create a strong economic base and sustainable growth for the City, its residents and the Western New York region. Not only are BPU electric rates low, but the BPU energy portfolio contains significant amounts of clean, renewable energy. More than 80% of BPU power is hydroelectric energy provided by the New York Power Authority. In addition, the BPU has recently contracted to purchase wind energy from the proposed Chau-tauqua Windpower project.

**WHAT ELECTRIC GENERATION DOES THE BPU  
CURRENTLY OWN?**

The BPU owns and operates a single generating facility, the Samuel A. Carlson Generating Station, which consists of four coal-fired boilers and one combined cycle gas turbine. On its own initiative, the BPU has also increased its plant efficient by installing an environmentally friendly district heating system, a form of cogeneration, and a district cooling system.

The Carlson plant has operated for over 50 years. While the existing plant has provided good service to the community, it is approaching the end of its useful life. Instead of continuing to spend increasing funds on maintaining the existing plant, the BPU is proposing to construct a new efficient, state-of-the-art CFB. Once the CFB is operational, the BPU will retire two of its existing boilers.

**WHAT IS A CIRCULATING FLUIDIZED BED?**

A CFB is a highly efficient means of generating low-cost electricity while operating with minimal environmental impacts. In a CFB, crushed coal is mixed with limestone and fired in a process resembling a boiling fluid. The limestone removes the sulfur and converts it into an environmentally-benign powder that is removed with the ash. Fluidized bed boilers are capable of burning a wide range of fuels cleanly, including biomass fuels such as wood waste.

**ECONOMIC IMPACTS OF THE CURRENT POWER  
PLANT**

The closure of the Carlson Plant would significantly limit the ability of the BPU to continue to provide low-cost, reliable power to its existing customers. The closure would also undermine the on-going efforts to maintain the remaining local manufacturing base, as well as virtually eliminate the use of low cost BPU power as an element in the plans for the revitalization of the Jamestown economy.

**IMMEDIATE RESULTS OF THE CARLSON PLANT  
CLOSURE INCLUDE:**

- a significant increase in electric bills for businesses and residents of Jamestown.

**Annual loss of:**

- \$2.6 million in payroll and benefits in the City of Jamestown,
- \$600,000 in estimated tax equivalent payments to the City of Jamestown, which translates to a tax increase of \$3.00/\$1,000,
- \$600,000 in estimated tax equivalent payments to the Jamestown Public School System, which translates to a school tax increase of \$4.80/\$1,000 assessed true value of \$2.85/\$1,000 present Jamestown value,
- a loss of \$7.8 million in annual economic impact to the Greater Jamestown Area,
- an annual loss of \$18 million for the region.

**WHY BUILD A COAL PLANT?**

Currently, coal offers more stability in both price and domestic supply than natural gas. U.S coal reserves are approximately 30 times greater than natural gas reserves, and the cost of coal has remained constant for the past decade at approximately \$1 per million BTUs (British thermal units). Natural gas prices soared to more than \$20 per million BTUs in February of 2003 when cold weather, international tensions and other factors dramatically diminished available supplies. Industry experts predict that tight supplies and extreme price volatility will continue for the natural gas market. The BPU goal is to provide inexpensive, reliable, environmentally-compatible electric service to retain people and businesses in Jamestown and the surrounding area and does not want to become dependent on one fuel, to avoid the price shocks that are being felt across the country with escalating natural gas prices. The combination of the existing facilities and the proposed CFB plant will enable the BPU to meet these objectives.

**For further information:**

contact Sue Jones at 716-661-1666;

or refer to the BPU Website at [www.jamestownbpu.com](http://www.jamestownbpu.com).

Questions submitted to [info@jamestownbpu.com](mailto:info@jamestownbpu.com) will be answered by the following business day.

**BPU AUDIT RESULTS IN JULY 1  
CHANGES IN BILLING PROCEDURES**

**BPU customers who currently hold bills that are due on July 1 are reminded that if their bill is NOT paid on July 1, an overdue penalty of 1½% will be assessed on July 2 which will then trigger the generation and mailing of a disconnect warning. These are the rules as stated in the BPU tariff filed with the New York State Public Service Commission.**

**The BPU tariff states that an electric bill is due and payable 23 days after it is generated. Therefore, on the 24<sup>th</sup> day after the bill has been issued, if it is not paid, penalty will be assessed and the utility will take the first steps necessary to terminate service for non-payment. Following the stringent guidelines of the tariff has been recommended by an audit conducted by the Office of the New York State Comptroller's Office to encourage customers to pay their utility bill in a more timely manner.**

**Utility bill payments will be accepted IN PERSON at ANY pay station included the BPU Business Office, Jamestown City Hall, the Town of Ellicott Building, and soon to be in the Village of Lakewood. An additional on-time method of payment is facilitated by enrolling in the BPU Electronic Payment system. Postmarks cannot be accepted as proof of timely payment. The payment MUST be physically received in one of the BPU pay stations on or before its due date.**



**LAKESWOOD/JAMESTOWN/  
BUSTI/ NORTH HARMONY  
OFFICIALS MAKE IT OFFICIAL!**

July 1 marked the day the Board of Public Utilities began management of the Lakewood water system, which also includes contracts with Busti and North Harmony. The official contract signing took place in the BPU Board Room. Left to right are: William Reynolds, Town of North Harmony Supervisor, Ken Lawton, Town of Busti Board Member, Dale Robbins, Town of Busti Supervisor, Jamestown Mayor Sam Teresi and Lakewood Mayor Anthony Caprino. Standing are BPU General Manager Walter Haase, P.E. and BPU Board Chairman John Zabrodsky.

**AMERICAN PUBLIC POWER  
ASSOCIATION SAYS PUBLIC POWER  
CONTRIBUTIONS SURPASS IOU  
STATE/LOCAL TAX PAYMENTS**

*From Public Power Weekly No. 23 June 7, 2004*

Although they are not always subject to the same taxes paid by investor-owned utilities, public power utilities contribute a significantly greater share of their electric operating revenues to their communities than do investor-owned utilities, says a report published this month by APPA.

Using data from fiscal year 2002—the most recent year for which data are available—APPA calculated net payments and contributions that 573 public power utilities made to their communities and found that the median amount was 5.8% of electric operating revenues. Investor-owned utilities paid a median of 4.9% of electric operating revenues in taxes and fees to state and local governments that year, according to the report.

“Public power systems provide a direct benefit to their communities in the form of payments and contributions to state and local government,” said the report, *Payments and Contributions by Public Power Distribution Systems to State and Local Governments, 2002 Data*. The total value of the contributions made by publicly owned utilities “often comes in many forms and is not always easily recognized,” the report noted. “In addition to payments such as property-like taxes, payments in lieu of taxes, and transfers to the general funds, many of the utilities make other contributions in the form of free or reduced-cost services provided to states and cities.”

“It is a common misconception that investor-owned utilities provide a benefit to the local communities by paying taxes that the publicly owned utilities do not,” the report said. “This report demonstrates just the opposite. When all taxes, tax equivalents and other contributions to state and local government are considered, the median amount contributed by public power systems in 2002, as a percent of electric operating revenues, was 18.4% higher than investor-owned utilities (5.8% vs. 4.9%).”

The report includes:

- Summaries of contributions by revenue size class and region of the country for both publicly owned and investor-owned utilities;
- Details on which types of payments and contributions are most common; and
- A listing of the typical methods used by utilities to calculate the amount of payments in lieu of taxes or transfers to the general fund of the city.

The 11-page report is posted on APPA’s Web site [www.appanet.org](http://www.appanet.org).

**www.jamestownbpu UPDATED!**

Be sure to visit the newly updated Board of Public Utilities website at [www.jamestownbpu.com](http://www.jamestownbpu.com). The folks from WINYS, Inc. have given our website a facelift and added a whole section on the gas turbine.

**Jamestown Board of Public Utilities  
Environmental Disclosure Label**

New York State Department of Public Service  
3 Empire State Plaza  
Albany, New York 12223-1350  
Fuel Sources and Air Emissions  
to Generate Your Electricity  
Period Shown: July 2002 - June 2003 for  
Jamestown Board of Public Utilities

Fuel Sources

Biomass	0%
Coal	25%
Gas	9%
Hydro	66%
Nuclear	0%
Oil	0%
Solar	0%
Solid Waste	0%
Wind	0%
<b>Total</b>	<b>100%</b>

(Actual Total may vary slightly from 100% due to rounding)

Air Emissions Relative to  
The New York State Average

NYS  
Average

**Note:** Sulfur dioxide and nitrogen oxides are key pollutants that contribute to acid rain and smog, and carbon dioxide, contributes to global climate change. Depending on fuel source, size, and location, the generation of electricity may also result in other public health, environmental and socio-economic impacts not disclosed above.

The New York State Public Service Commission now requires all suppliers of electricity to provide their customers with periodic environmental disclosure statements. These state-

**WE LIKE YOUR TYPE!**

Join us at our  
Red Cross Blood Drive  
August 19 - 10 am to 4 pm  
BPU offices - 92 Steele Street  
Lunch will be provided