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New York Power Authority and Jamestown BPU Reach Agreement

Walter Haase, Board of Public Utilities General Manager announced today that the BPU and NYPA have reached agreement to extend the utility's hydropower purchases from 2013 to 2025. Governor Pataki has approved the contract extension.

In 1957, Congress passed the Niagara Redevelopment Act directing the Federal Power Commission to issue the Power authority a 50-year license to build and operate the hydropower facility at Niagara Falls. Since the first production of power in 1961, the Niagara Project has provided reliable supplies of low-cost hydropower to businesses and residents in Western New York.

The Power Authority's license to operate the Niagara Project will expire in 2007. NYPA will file an application to relicense the Project in 2005, and has begun intensive meetings with a wide range of stakeholders, including state and federal regulatory bodies, municipalities, businesses, labor unions, environmental groups and academic institutions.

In reaching the sales agreement, Eugene W. Zeltmann, President and Chief Executive Officer of NYPA, said, "The Power authority and our municipal customers, including Jamestown, have a long and productive partnership. This new contract promises to extend that relationship far into the future."

BPU General Manager Haase indicated, "The Jamestown BPU estimates the 12-year extension will provide a savings of approximately \$168 million over the current market rates of energy."

John Zabrodsky, BPU Board Chairman stated, "This contract extension meets one of the BPU's long term strategic planning objectives and, more importantly, will continue to be a tremendous benefit to our customers for many years to come. The Board, Management, and Staff all worked together on developing the framework for the extension. It is a proud moment for the community and the BPU."

Mayor Sam Teresi expressed his pleasure in the contract signing by adding, "The impact of this contract will keep BPU rates among the lowest in the country and will continue to provide an economic development tool to help rebuild Jamestown."