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NEWS RELEASE: For immediate release

New York Power Authority Increases Hydropower Rates

At its meeting on April 29, 2003, the Trustees of the Power Authority of the State of New York (NYPA) approved a rate increase on the preference power sold from its two hydroelectric facilities, St. Lawrence-Franklin D. Roosevelt and Niagara Power Project. The rate increase is to be phased in beginning May 1, 2003, with the final increase to become effective May 1, 2006. As noted in a news release from NYPA, these increased costs reflect their on-going costs associated with "... major life extension programs and relicensing efforts at the St. Lawrence-Franklin D. Roosevelt".

The Jamestown Board of Public Utilities (JBPU) purchases over 75% of the energy sold to its customers from these NYPA facilities. As such, the JBPU will see increased costs estimated to be \$390,312 on an annual basis for 2003, with additional yearly costs rising by \$225,514; \$338,270 and \$251,534 the following three years. The rate increase will result in the cost of purchasing the hydropower increasing from its current \$6.88/MWhr to \$9.60/MWhr in 2006. Jamestown is one of 47 New York State municipal and 4 electrical cooperatives, that receive preference power from NYPA, based on the Niagara Redevelopment Act of 1957.

These added costs of purchasing power from NYPA will be passed on to the JBPU customers on a monthly basis through the current New York Public Service Commission's approved fuel cost adjustment in the current tariffs. It is expected that the fuel adjustment of your rate will increase by 8.1% in 2003, 4.7% in 2004, 7.0% in 2005, and 5.2% in 2006. This will result in a cumulative increase by 2006 that is expected to reach 25%, in comparison to the amount of the current fuel adjustment collection.

NOTE: This affects the fuel cost adjustment portion of the bill ONLY, which is approximately 10% of the total monthly electric charges.