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**ELECTRIC
DISTRICT HEAT
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Jamestown BPU Adopts 2017 Electric and Water Budgets

The Board of Public Utilities (BPU) on Monday approved the 2017 Electric and Water Division budgets. While the Electric budget passed with no rate increase, the Water budget was accepted with a rate increase of 2.5% for the coming year.

Electric Division 2017 operating costs are anticipated to total \$39,637,208. Increases in the 2017 plan include \$960K in production expenses, due to an anticipated increase in natural gas prices.

The Electric Division 2017 capital budget totals \$9.95 Million. Major items include an additional \$4.75 Million to support the purchase of the Emkey Transportation natural gas pipeline assets, \$1.75 Million for a new English Hill distribution substation project and \$300,000 for the power plant elevator replacement. In addition to these items, there will be standard capital maintenance and upgrades for transmission and distribution cable and poles.

Another major project included in the Electric capital budget is \$4 Million to dismantle two of the coal-fired boilers and their ancillary equipment in the power plant. This project will be funded through the restricted dismantling fund that was created through the contribution of off-system sales profits.

Water Division operating costs in 2017 are expected to total \$4,739,922, including transmission and distribution costs rising by nearly \$21,000 and administration and general expenses by \$91,400.

The 2017 capital budget of \$1.5 million includes items such as \$600,000 for main and service replacements, \$335,000 for vehicles and equipment, \$172,000 for wells at the Cassadaga Station and \$150,000 for meter replacements.

"We manage our budgets on an ongoing basis throughout the year and contain costs as best we can in all areas," stated BPU General Manager David L. Leathers. "We are pleased by the Electric Division plan with no increase for the coming year. With an aging water infrastructure, severe winter weather challenges and population decline, however, the Water Division continues to face many financial management and sustainability issues which a modest rate increase will help to support."