



Proponent Testimony Provided to the
House Financial Institutions and Rural Development Committee
March 3, 2021

Debra F. Wilson
Mayor
City of La Cygne

In Support of House Bill 2429

Mr. Chairman, Vice-Chair and Ranking Member,

The City of La Cygne strongly supports House Bill 2429. The legislation would provide an urgently needed tool for many municipal utilities to respond to the significant financial strain caused by the February extreme winter weather event.

Below are points of the bill:

- HB 2429 would create a low-interest loan program from which a city could borrow from the State in order to cover the extraordinary costs related to the extreme weather crisis which impacted the Midwest in February.
- Bill would allow for community owned electric or natural gas utilities to utilize the low-interest low program.
- The loan could be paid back over a 10-year period, with an interest rate 2% below the market rate as per K.S.A. 75-4237.
- The loan cannot be used for normal operating expenses.
- If federal funding is made available related to the extreme weather event, those funds will be used to repay this loan.

The normal invoices for the City of La Cygne for the monthly gas purchase from Panhandle Eastern Transport range between \$8,000 up to \$35,000 monthly depending on the time of year. Due to an arctic event which occurred on February 10 – February 21, 2021, our City is going to be faced with an invoice from Panhandle Eastern Transport for the month of February in the amount of approximately \$450,000. The daily index pricing from our natural gas suppliers spiked for the period of Feb 13 – 15, 2021 from \$2.87/MMBtu up to \$224.56/MMBtu. This increase is devastating to a City of the 3rd class with only a population of 1149.

Thank you for your consideration and we urge your support of HB 2429.

Debra F. Wilson, Mayor
City of La Cygne