



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

Kimberly Gencur Svaty
KMU Legislative Liaison

In Support of House Bill 2429

Good Morning, Mr. Chairman, Vice-Chairman, Ranking Member and Members of the Committee,

Kansas Municipal Utilities (KMU) is the statewide association of community owned and operated electric, natural gas, water, wastewater, stormwater and telecommunications utilities across Kansas. As a non-profit association established by its member utilities in 1928, KMU is dedicated to serving the training needs and legislative & regulatory interests of our 186 consumer-owned utilities and the citizens, businesses and industries that they serve. Our membership ranges in size from some of the largest utilities in the state such as those operated by Kansas City Board of Public Utilities and the City of Wichita, down to some of the smallest utility systems in the state, like Abbyville serving 89 natural gas customers.

On behalf of KMU and our three joint action agencies, Kansas Municipal Energy Agency (KMEA), Kansas Municipal Gas Agency (KMGA), and Kansas Power Pool (KPP), we truly appreciate the opportunity to appear before you this morning in support of HB 2429.

HB 2429 would create a low-interest loan program that could be used by community-owned electric or natural gas utilities to address the extraordinary energy costs associated with February's extreme weather event. Cities could borrow from state idle funds for a period of up to 10-years at an interest rate 2% below the market rates as provided in K.S.A 75-4237. It is important to note, the loan can only be used for expenses directly associated with the extreme weather event such as increased energy costs or pipeline transport fees. The loan cannot be used to pay for normal budgeted expenses.

Kansas is home to 118 municipal electric utilities that provide electricity to nearly 16% of Kansas citizens. In addition, 53 municipal gas utilities provide much needed natural gas to heat and power communities across the state. The vast majority of these municipal electric and natural gas utilities are very small with the median size well under 1,000 customers.

It should be noted that municipal utilities performed admirably during the extreme cold weather. It was not clear in the early moments of the crisis that Kansas citizens would be spared the terrible circumstances that faced citizens in Texas. Every municipal gas utility kept natural

gas on and flowing to keep homes safe and warm. Every municipal electric utility kept power on – albeit in some cases with occasional rolling blackouts ordered by the Southwest Power Pool – that kept citizens safe, connected and with an adequate supply of clean drinking water. It is a testament to the entire utility industry in Kansas that loss of life and extreme property damage was avoided. Whether the central Kansas municipal utility burning millions of gallons of diesel fuel to stabilize the electric grid and keep lights on or the countless municipal gas & electric systems that implemented community-wide conservation efforts, KMU members were a key player in keeping Kansans safe.

Unfortunately, community-owned utilities have also been the “tip of the spear” in this extreme weather event. Because our members are fully transparent, not-for-profit and locally regulated, the expenses passed along to our cities either from the joint action agencies tasked with procuring power, transmission service or natural gas supply or from other third-party purchasers, are felt immediately by our cities and therefore our customers.

Because the costs associated with this weather event are so extraordinary, the city utility low-interest loan program will give us an essential tool to shield our customers from the most draconian and potentially devastating financial impacts associated with the weather-induced financial emergency. The program would allow our communities to spread the increased costs over a period of time, thus helping our citizens, businesses, school districts, hospitals and community partners from experiencing overwhelming financial duress. If federal funding were to become available, those funds would be immediately directed toward repaying the loan.

Attached is a list of the Kansas cities that operate municipal electric and natural gas utilities. Every one of these communities have been impacted by the extreme weather event and its massive price spikes.

Thank you for the opportunity to testify today in strong support of HB 2429.

MUNICIPAL ELECTRIC UTILITIES IN KANSAS

City of Alma	City of Haven	City of Osawatomie
City of Altamont	City of Herington	City of Osborne
City of Anthony	City of Herndon	City of Ottawa
City of Arcadia	City of Hill City	City of Oxford
City of Arma	City of Hillsboro	City of Pomona
City of Ashland	City of Hoisington	City of Prescott
City of Attica	City of Holton	City of Radium
City of Augusta	City of Holyrood	City of Robinson
City of Axtell	City of Horton	City of Russell
City of Baldwin City	City of Hugoton	City of Sabetha
City of Belleville	City of Iola	City of Savonburg
City of Beloit	City of Isabel	City of Scranton
City of Blue Mound	City of Iuka	City of Seneca
City of Bronson	City of Jetmore	City of Sharon Springs
City of Burlingame	City of Johnson City	City of St. Francis
City of Burlington	City of Kingman	City of St. John
City of Cawker City	City of Kiowa	City of St. Marys
City of Centralia	City of La Crosse	City of Stafford
City of Chanute	City of La Harpe	City of Sterling
City of Chapman	City of Lakin	City of Stockton
City of Chetopa	City of Larned	City of Summerfield
City of Cimarron	City of Lincoln Center	City of Toronto
City of Coffeyville	City of Lindsborg	City of Troy
City of Colby	City of Lucas	City of Udall
City of Dighton	City of Luray	City of Vermillion
City of Ellinwood	City of Mankato	City of Vermillion
City of Elsmore	City of Marion	City of Wamego
City of Elwood	City of Meade	City of Washington
City of Enterprise	City of Minneapolis	City of Waterville
City of Erie	City of Montezuma	City of Wathena
City of Eudora	City of Moran	City of Wellington
City of Fredonia	City of Morrill	City of Winfield
City of Galva	City of Moundridge	Clay Center Public Utilities
City of Garden City	City of Mount Hope	Kansas City Board of Public Utilities
City of Gardner	City of Mulberry	McPherson Board of Public Utilities
City of Garnett	City of Mulvane	Pratt Municipal Utility
City of Girard	City of Muscotah	
City of Glasco	City of Neodesha	
City of Glen Elder	City of Norton	
City of Goodland	City of Oberlin	
City of Greensburg	City of Osage City	

MUNICIPAL NATURAL GAS UTILITIES IN KANSAS

City of Abbyville	City of Palmer
City of Alma	City of Partridge
City of Altamont	City of Reading
City of Argonia	City of Rozel
City of Attica	City of Sawyer
City of Auburn	City of Sharon
City of Belleville	City of Spearville
City of Burlingame	City of Sylvia
City of Burrton	City of Uniontown
City of Cassoday	City of Walton
City of Chanute	City of Wetmore
City of Cheney	City of Winfield
City of Denison	City of Winona
City of Eskridge	
City of Ford	
City of Garden Plain	
City of Garnett	
City of Halstead	
City of Hardtner	
City of Harveyville	
City of Havensville	
City of Hesston	
City of Howard	
City of Humboldt	
City of Iola	
City of Isabel	
City of Jamestown	
City of Kechi	
City of LaCygne	
City of Lebo	
City of Little River	
City of Louisburg	
City of Lyons	
City of Mcfarland	
City of Mclouth	
City of Morland	
City of Moundridge	
City of Mulberry	
City of Neodesha	
City of Osage City	