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Proponent Testimony Provided to the
House Financial Institutions and Rural Development Committee

March 3, 2021

Mark D. Hall
City Manager
City of Coffeyville, KS

In Support of House Bill 2429

Mr. Chairman, Vice-Chair and Ranking Members,

The City of Coffeyville 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 2426 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 City of Coffeyville and Coffeyville Municipal Light & Power are currently awaiting our February invoices for electric energy from our wholesale power purchase supplier, Grand River Dam Authority (GRDA), including invoices from Southwest Power Pool (SPP) for additional energy and transmission costs to see the total impact to our utility, city and ultimately, our customers. We also anticipate possible additional costs associated with the exponentially increased costs associated with the purchase of natural gas to support our electric generation facility that operated up to February 12th, with Coffeyville not being able to secure natural gas beyond that point due to the heavy demands placed on the regions natural gas supply.

Coffeyville has already been impacted by natural gas associated costs, receiving an additional \$100,000 plus (Coffeyville share) collateral call to keep the gas flowing, through our association with Kansas Municipal Gas Agency (KMGA).

The City of Coffeyville greatly appreciates any relief or support offered to our citizens, businesses, Kansas communities and municipalities regarding the recent historic weather event that not only impacted Kansas, but the entire Midwest region.

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

Respectfully,

