



900 SW JACKSON ST., STE 201
TOPEKA, KS 66612-1235

Lynn W. Rogers
KANSAS STATE TREASURER

PHONE: 785-296-3171
FAX: 785-296-7950

TESTIMONY OF KANSAS STATE TREASURER LYNN ROGERS IN SUPPORT OF HCR 5023

March 8, 2022

Chairman Thompson and Members of the Committee on Utilities,

Thank you for your consideration of **HCR 5023**. I support this resolution because Kansas ratepayers deserve to have answers regarding extreme price spikes during the severe winter weather event of February 2021. With passage of last year's Utility Loan program, it is important for the Kansas State Treasurer's office to help Kansans be treated fairly for transactions services like energy.

In March 2021, the Legislature enacted the city utility low-interest loan program, allowing Kansas cities to borrow from the state in order to cover extraordinary natural gas and electric costs resulting from the February winter weather. After the bill became law, the State Treasurer's Office acted within 24 hours to set up an application process for cities to begin applying for loans. Our office has acted to ensure that the program was implemented to ensure the lawful use of funds and transparency, equity, and accountability.

Without the emergency action of the Legislature and Treasurer's Office, increased energy prices would have had a devastating impact on Kansas municipalities, with major consequences for the financial and physical health of all Kansas residents and businesses. As of January 1, 2022, a total of 54 cities and 1 municipal energy agency submitted applications and \$78,409,646.79 in loans were approved and funded. At this time, two cities have already repaid their loans in full.

Because of the Legislature's swift action, we were able to save rural Kansas communities from financial ruin. Still, Kansans deserve answers as to how these price spikes happened and assurances that their interests will be protected in future events like this. If market manipulation or price-gouging is found to have occurred, communities could direct proceeds from potential settlements or refunds toward early repayment of their loans, rather than dealing with the costs over 10 years. The ongoing state and federal investigations will help to answer these questions and protect the interests of Kansas utility ratepayers.