



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

William A. Johnson, General Manager, Kansas City Board of Public Utilities

**In Support of House Bill 2429**

Mr. Chairman, Vice-Chair and Ranking Member,

The Kansas City Board of Public Utilities (BPU) 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.

Even though BPU would not be taking advantage of this proposed low-interest loan program, we are well aware of some of the challenges many other municipal utilities are facing in regard to their extraordinary electric or natural gas costs incurred during the extreme weather crisis of February 2021 and the possible impact to the customers they serve.

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

Sincerely,

A handwritten signature in black ink, appearing to be 'W.A. Johnson', written over a horizontal line.

EQUAL OPPORTUNITY EMPLOYER