

CITY OF



133 W 8th St  
PO Box 112  
Russell KS 67665-0112  
Phone: (785) 483-6311  
Fax: (785) 483-4397

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

Jon Quinday, City Manager

In Support of House Bill 2429

Mr. Chairman, Vice-Chairman, and Ranking Member,

The City of Russell strongly supports House Bill 2429. Russell is a public power community that owns and operations 26 megawatts of electric generation serving over 2,900 accounts in a fifty-square-mile area.

The dramatic increases in wholesale power between February 12<sup>th</sup> – 19<sup>th</sup> and Southwest Power Pool's Emergency declaration required the city to run its generation to reduce the electric grid's load demand.

Natural gas pipeline constraints eliminated the city's ability to generate 15 of its 26 megawatts, exposing our customers to astronomical wholesale energy rates – often 100 times average. This exposure will result in increased costs to the utility and customers. Our residential rate is \$0.08865 per kilowatt-hour. Preliminary numbers indicate an additional \$0.45000 per kilowatt-hour increase to cover the exorbitant energy cost during the arctic blast. The city anticipates having the cash to pay these costs and spread out the customer's cost over time; it is not guaranteed. Access to financing, such as the proposed City Utility Low-Interest Loan Program described in the current legislation, provides options for the City of Russell to spread these costs our minimizing the impact on our customers; customers already struggling from the economic effects of COVID-19.

We respectfully request your consideration and approval of the City Utilities Low-Interest Program legislation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jon Quinday", is written over a light blue horizontal line.

Jon Quinday, CPM  
City Manager.