City of McLouth
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MEMO

TO: House Financial Institutions and Rural Development
FROM: Kim Everley, CMC, City Administrator/City Clerk
DATE: March 2, 2021
RE: Testimony in Support of City Utility Low-Interest Program

The City of McLouth would like to express the need for some form of assistance during this Natural Gas Crisis. If they cannot find a way to decrease the high cost of natural gas, then cities will need some form of assistance because our budget does not allow for this type of expense. We are a city of the 3rd class with a population of approximately 850 people.

This is how the price increase would affect consumers' prices. The total amount due, from the city, is said to be approximately $550,000 for the February gas bill. The price the city would "need" to charge to cover the estimated invoice amount would be $130.35 per unit. The price would go from $6.88 per unit, that was charged for February, to $130.35 per unit. Using an average household with 4 occupants, with a consumption of 237 units, for February, the gas bill would be $30,892.95 plus tax. The actual price the city charged for the month of February 2021, was $171.18, plus tax. The city has not increased the gas cost in hopes of the government stepping in to assist. I have responded to the Attorney General's investigation of Natural Gas Pricing during State of Disaster Emergency. If the Attorney General cannot resolve this matter, we will need funding assistance.

The City of McLouth does not intend on increasing prices to the magnitude listed above. If we are liable for the full gas bill of $550,000, for February, we would spread the amount over many years. We would first need to find a way to pay such an amount. Our budget cannot support this type of expense. This Low-Interest Program would be the solution to that problem.

Please find a way to assist your Kansas Cities and Residents.

Sincerely,

Kim Everley, CMC
City Administrator/City Clerk
City of McLouth