



CITY OF ESKRIDGE

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FOR IMMEDIATE RELEASE

February 15th 2021

5:30PM

Due to the ongoing severe weather and unprecedented cold temperatures as well as the extended forecast the City of Eskridge is asking all gas customers to attempt to conserve gas usage in any way possible. This includes the City of Harveyville as well, as the City of Eskridge secures and transports the Harveyville gas supply from our transmission supplier.

This situation has developed over the last week, and supply shortages due to well head freeze offs and gas processing plants experiencing conditions beyond design criteria have created an environment that has caused the Mid-Continent gas prices to skyrocket. At this moment we do not know what the financial impact will be for our customers, but we want to minimize that impact as much as possible. For any one customer the best thing you can do is if possible, reduce your gas usage. This is difficult to ask at a time when the temperature is at record lows, but a guide with tips to accomplish this will be attached.

The City of Eskridge is pursuing all avenues that are available and potentially will be available in the coming days and weeks to mitigate these potential costs, and at worst, defer these costs over a greater period. We are in constant communication with our gas suppliers and they are doing everything they can to avoid purchasing an abundance of high-priced gas off the market. At this moment we do not have all the answers to the abundance of questions you may have now, and in the days to come, but we will continue to work through this and encourage you to remain calm and wait for any updates that we will pass along to you, our customers.

Our suppliers have been in contact with authorities at the State and Federal levels and are working around the clock to stay ahead of the situation and provide information to us. There will undoubtedly be more developments and hopefully more resources we can use as your supplier, as well as resources at the customer level to offset any exorbitant expenses.

As far as actual gas supply in our pipelines. At the writing of this release all of our infrastructure as well as our transmission supplier is operating at 100%, however, there is always the risk of a failure due to an event or damage anywhere in the system. If at all possible, please conserve your energy usage for the time being to reduce the stress on this infrastructure and in the event a situation arises, help us mitigate the severity of the impact to you, our customers as we work the situation.

Mike Bohn – Utility Superintendent

“The City of Eskridge is an equal opportunity provider and employer.”

WAYS TO CONSERVE NATURAL GAS USAGE DURING COLD WEATHER

CUSTOMERS CAN REDUCE THEIR NATURAL GAS USAGE AND SAVE MONEY ON THEIR HEATING BILLS BY FOLLOWING THESE TIPS

REDUCE YOUR THERMOSTAT SETTING TO 68 DEGREES, OR LOWER

PROGRAM THERMOSTATS IF POSSIBLE

WASH USING COLD WATER WHEN POSSIBLE

REDUCE WATER HEATER TEMP TO 120 DEGREES OR LOWER

INSULATE HOT WATER PLUMBING

KEEP DOORS AND WINDOWS CLOSED AS MUCH AS POSSIBLE, INCLUDING GARAGE DOORS

**ENSURE DOORS HAVE WEATHER STRIPPING AND SWEEPS
INSTALL WINDOW INSULATION KITS ON LEAKY WINDOWS**

SEAL OFF UNHEATED OR UNUSED ROOMS

REPLACE HVAC FILTERS, DIRTY FILTERS REDUCE FURNACE EFFICANCY

DRESS IN LAYERS, ADD BLANKETS TO BEDDING

REDUCE THERMOSTAT SETTING OVERNIGHT

THANK YOU FOR YOUR EFFORTS IN CONSERVING NATURAL GAS AT THIS TIME OF HEAVY USAGE. THIS WILL HELP KEEP CUSTOMER COSTS AS LOW AS POSSIBLE, AND SUPPLY READILY AVAILABLE.

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KMGA Gas Supply Situation Outline

As we all are experiencing, the Midwest is being hit with extreme cold weather. Kansas is enduring an unprecedented, prolonged period of extreme cold. Due to extensive increases in natural gas demand across the Midwest and other parts of the country, the nation's natural gas supply is being tested. The extended cold stretch impacting the central part of the United States down into Texas, has spurred many problems for natural gas producers. Chiefly, wellhead freeze-offs and rapid and sustained increased demand for all consumers in the region is taxing the gas pipeline system as well. As such, natural gas prices have skyrocketed to unprecedented levels. Spot gas prices were reported to reach a high of \$600/MMBtu in the Mid-Continent area on Friday (over 200 times normal pricing for natural gas).

KMGA's fuel purchase strategy has served the needs of our member communities well. It is balanced and relatively conservative approach and is based on a four-prong approach.

- Optimization of storage assets for those members that hold storage
- A portion of the anticipated load utilizing fixed price contracts
- Another portion purchased at the monthly index, where KMGA secures supply for the upcoming month based on weather forecasts and anticipated need.
- The remaining gas, is purchased on the daily index, where KMGA secures supply for all member cities based upon the anticipated daily need each prior business day. KMGA has secured gas supply for all of its member cities over this extended weekend. Unfortunately, the gas price is at unprecedented levels (\$200-\$375/MMBtu).

The weekend natural gas purchase made on Friday mornings before 7:00a is typically for three days, however due to the federal holiday, Friday's purchase had to span four days. This purchase coincided with the extreme weather and natural gas prices that were hyperinflating through the day.

KMGA is pursuing all possible avenues to address with this extreme event including action at the Federal Energy Regulatory Commission as well engagement with Governor Kelly and her Administration including the Kansas Corporation Commission, Division of Emergency Management and other federal entities.

KMGA asks each member City to strongly encourage all residents to reduce gas usage in your communities, including reaching out to your large users such as schools and businesses, and limiting natural gas uses wherever possible for the next several days.

Attached is the Governor's State of Disaster Emergency declaration that was issued late this afternoon.

Governor Laura Kelly Issues State of Disaster Emergency Due to Wind Chill Warnings and Stress on Utility and Natural Gas Providers

Feb 14, 2021

TOPEKA – At 4:40 p.m. today, Governor Laura Kelly issued a State of Disaster Emergency due to wind chill warnings and stress on utility and natural gas providers.

The state has experienced bitter winter temperatures and below zero wind chills for more than a week, which has put stress on utility and natural gas providers across the state. The declaration authorizes the use of state resources and personnel to assist with response and recovery operations in affected counties that meet certain criteria.

“As the extreme cold temperatures continue to affect the region, we are urging Kansans to conserve energy in order to help ensure a continued supply of natural gas and electricity and keep their own personal costs down,” **Governor Kelly said.**

Because of the sub-zero temperatures which causes an increased energy demand and natural gas supply constraints, utilities are currently experiencing wholesale natural gas prices anywhere from 10 to 100 times higher than normal. Those costs will eventually flow through to consumers, and increase monthly natural gas and electric bills.

Customers can keep these costs down by reducing their natural gas and electric usage at this critical time.

Here are some things each household can do to help in the conservation effort and slow down the increases in energy bills due to high usage:

- **Keep warm, not hot.** When possible wear additional layers of clothing, consider turning down your thermostat and check your programmable settings.
- **Seal leaks around doors and windows.** Apply weather stripping or caulk to seal gaps and cracks around windows and doors to stop air leaks and prevent energy loss. If that is not an option, you can also cover windows with towels, sheets or plastic to help keep the warm air in your house.
- **Reduce the temperature on your water heater.** Set the temperature on your water heater to 120 degrees Fahrenheit or put it on the “warm” setting. If your home will be vacant for two days or more, set the dial to the pilot position for even more savings.
- **Close blinds and curtains.** This helps keep warm air inside, especially if the sun is not shining.
- **Change or clean filters.** A clean filter on your furnace can lower your energy consumption by 5 to 15 percent. Dirty filters cost more to use and overwork the equipment.
- **Hold off on doing chores.** Doing laundry and washing dishes can both use natural gas to heat the water and your dryer. If you can, wait until the extreme cold weather passes to complete these activities. If you cannot wait, use the cold setting where possible.
- **Install foam gaskets on electrical switches and outlets.** Electrical switches and outlets can account for up to 10 percent of your home’s energy loss.