



Gov. Pritzker Calls For Low-Interest Loan Program For Small Municipalities Impacted by Record High Gas Prices

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SPRINGFIELD – Building on efforts by the administration to respond to recent extreme weather conditions across Illinois, Governor Pritzker called on the Illinois Finance Authority (IFA) to develop a \$15 million low-interest loan program to help small municipalities that have been financially impacted by record high natural gas prices due to extreme weather conditions.

“The catastrophic pricing surges have rained down on downstate communities in Illinois, demanding an unbearable financial sacrifice from small municipalities and their residents,” said Governor JB Pritzker. “The State of Illinois will not leave our people out in the cold. I have called upon the Illinois Finance Authority to develop a low-interest \$15 million loan program for impacted communities to support a manageable payment program for the record-high utility costs. Illinois will use every lever of state government to support all our communities as best we can.”

“I would like to thank Governor Pritzker and his team for expeditiously coming to the aid of small communities across the state that own their natural gas systems,” said Heather Viele, General Manager of the Interstate Municipal Gas Agency. “The crisis that occurred in the natural gas industry Feb 12th through Feb 21st elevated prices to egregious levels. To put the severity of this crisis in perspective, the egregious level of natural gas prices would be similar to a gallon of gasoline rising from the current \$2.89 per gallon to \$289 per gallon.”

Natural gas on average in the winter costs the impacted municipal utilities around \$2-\$3 per dekatherm. Municipal utilities drawing from the Panhandle Pipeline paid \$225 per dekatherm from February 13th through February 16th. These bills are required to be paid within the next few weeks and small municipalities could be financially crippled without any assistance.

Panhandle Pipeline implemented restrictions on gas use due to increase in demands because of the extreme temperatures across the country, as well as a choking of supply in Texas and Oklahoma due to wellhead freeze offs at production sites. Panhandle Pipeline implemented restrictions to maintain operational capacity. Since then, natural gas prices have surged to record levels starting around February 13th.

The IFA loan program would assist impacted municipalities by allowing them to spread the payments across a more manageable timeframe without placing an overwhelming burden on their residents or businesses. The IFA is currently fine-tuning the specifics of the program ahead of their special meeting on Thursday, February 25th at noon, which will formalize the request.

The administration is working alongside impacted municipalities to assist them in managing the incredible financial challenges this places on them. Without relief, municipalities could face budget hardships.

The administration will continue to pursue all options to help the impacted municipalities including working alongside the state's congressional delegation to secure direct aid from the federal government. After speaking with mayors and other local leaders, the Governor and the administration quickly issued a disaster declaration on February 16th.