

Sack Distributors

Hartford, CT

March 4, 2013

Co-Chair John W. Fonfara
Co-Chair Patricia M. Widlitz
Senator Scott L. Frantz
Representative Sean J. Williams

Finance, Revenue and Bonding Committee:

My name is Steve Sack, I own and operate a home heating wholesale company located in Hartford. Sack Distributors is more than 100 years old and I am the 4th generation to work at the company.

I am here today to testify on **section 18 of S.B. 843, AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE GOVERNOR'S BUDGET.**

Every day since I began working in my family's business I have watched the energy markets. Despite new technology, sophisticated financial instruments and access to practically every piece of relevant data when it comes to energy, it is still impossible to predict future prices. And when I say future prices, I mean what the price of fuel will be tonight, tomorrow, next week let alone in 2050 like DEEP's Comprehensive Strategy attempts to do.

I have to believe that the language in section 18 is there because the state thinks that it knows natural gas will be cheaper than heating oil well into the future, or they would not have proposed to use \$5 million in tax dollars to incentivize consumers to switch to natural gas. Well I can tell you as someone who has spent his entire life participating in, and observing energy markets - that is pure speculation!

I know that there has been a lot of talk about the benefit of bringing more natural gas to parts of Connecticut where it does not exist today so that businesses can come to our state. Well that is a pipe dream that will only end in failure. I am very familiar with the real-estate market in the greater Hartford area, and I can tell you that there is abundant commercial and industrial space available that is hooked up to natural gas mains.

The same can be said of Bridgeport, New Haven, Waterbury and virtually every city in the state. If natural gas is the key to economic development, then why do we have so many vacant factories in our cities? By the way, the same natural

gas that this bill wants to provide incentivizes for is available in other states that may have a more business friendly environment.

Using tax dollars to lure consumers to switch from home heating oil to natural gas is nothing less than picking winner and losers. It is amazing to think that the state needs to use its own money to help multi-billion dollar utilities find new customers. Our industry has no problem if the natural gas monopolies want to use their shareholders money to expand their business, but we do have a problem when the state proposes to use tax dollars to help our competitors take our customers.

Please remove the funding language in section 18 that would go to conversion and allow for a level playing field. If you want to assist consumers in reducing their energy costs then I ask that you amend the language in section 18 of S.B. 843 to allow for fuel neutral energy efficiency upgrades to heating systems and abandon the language that incentivizes fuel switching.

I would be happy to answer any questions you may have at this time.

Thank you.

Respectfully,

Steve Sack Jr.