

March 1, 2016

To: Energy and Technology Committee

**Re: SB-212 An Act Exempting Water Companies from the Sales and Use Tax – restores the exemption from the sales tax for private water companies**

Thank you for the opportunity to comment on issues relating to Act SB-212. Hazardville Water Company (HWC) and Jewett City Water Company (JCWC) are privately owned public water utilities servicing approximately 7,300 customers in Enfield and Somers for HWC and approximately 1,870 customers in Griswold and Lisbon for JCWC.

The imposition of the sales tax on purchases of private water companies imposes an unfair burden on the customers and communities served by the private water companies. Taxes and the cost of doing business including requirements to comply with certain local, state and federal requirements, that do not apply to municipal and regional water companies, incurred by private water companies are reflected in customer rates, creating disparities between the rates paid by private water customers and customers of municipalities or regional water utilities.

This also creates administrative challenges and triggers additional costs on private water company customers to comply with this new CT sales tax regulation.

To help address the disparity and reduce the burden placed on customers of private water companies, in 1994 the legislature exempted private water companies from the sales tax on goods and service they purchase.

SB-212 seeks to remedy this inequity by restoring the sales tax exemption.

Thank you.



Mary L. Hiney, Controller/CFO  
Hazardville and Jewett City Water Companies