



The Hazardville Water Company

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State Tax Panel Committee
Room 2E, Legislative Office Building
Hartford, CT 06106

Re: Restoration of Sales Tax Exemption – Private Water Companies

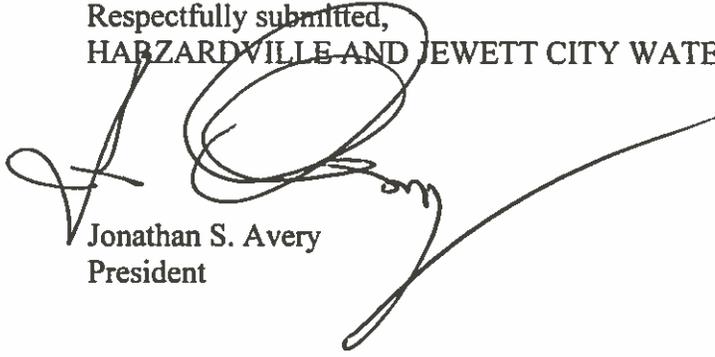
Dear State Tax Panel Committee:

Thank you for the opportunity to comment on issues relating to state taxation. Hazardville Water Company (HWC) and Jewett City Water Company (JCWC) are privately owned public water utilities servicing 7,300 customers in Enfield and Somers for HWC and 1,870 customers in Jewett City for JCWC. This exemption was initially created to keep rate variability at a minimum between private water companies and municipal water companies which are tax exempt.

Section 16-32c of PURA regulations allows for a rate increase for increased tax amounts under certain conditions. One of those conditions is that the amount of tax must be in excess of ½ of 1 percent of operating revenue. The Sales and Use Tax for 2014, had it been in effect, would have had both HWC and JCWC falling into this category; therefore, allowing a rate increase for customers of private water utilities.

In addition to the increased tax, there is an increase in administration labor to comply with this new CT sales tax regulation which creates additional work on smaller companies. Therefore, Hazardville Water Company and Jewett City Water Company is requesting that the exemption that existed prior to 7/1/2015 be reinstated.

Respectfully submitted,
HAZARDVILLE AND JEWETT CITY WATER COMPANIES



Jonathan S. Avery
President