

**Testimony of Elizabeth Hernberg  
Managing Director of Strategy and Business Development, Sprague Energy Corp.**

**Before the Providence Ordinance Committee Public Hearing on Proposed Changes to the  
Comprehensive Plan**

**October 1, 2007**

Good afternoon, my name is Elizabeth Hernberg and I am the Managing Director of Strategy and Business Development for Sprague Energy Corp. Sprague is a privately owned and locally managed, New England based energy company that serves industrial and commercial customers. Sprague provides its customers with a variety of fuels, including residual fuel oil, home heating oil, natural gas and biodiesel. Sprague is also a materials handling provider using its network of 20 terminals to support industrial concerns by providing import and export services for a companies raw materials or finished products needs.

Sprague Energy has owned a terminal on Allen's avenue for over 100 years. We operate the only non major oil company terminal in Providence and are the only supplier of residual fuel in the state of Rhode Island currently supplying over 100 end user accounts including factories, schools and universities, hospitals, commercial building complexes, state and municipal entities and 1 utility. Residual fuel oil is a very high BTU fuel that is normally the most economic fuel source when compared to both distillate fuels and natural gas. This specialty fuel requires heated storage as this product needs to be kept at temperatures above 100 degrees to flow.

Additionally, Sprague supplies heating oil and residual fuel to approximately 100 local home heating oil dealers who then deliver to smaller commercial entities and homes throughout Rhode Island. Sprague's #2 fuel storage capacity provides enough home heating oil to fill the tanks of over 10,000 homes. The importance of this storage capacity was recently made evident following the tragic fire on the dock of the nearby Motiva terminal.

Our terminal is also the only source of supply for backup fuel for the electric power plant located adjacent to our facility. In times of need this plant is able to interrupt its large natural gas flows to meet the needs of local residents. Without the Sprague terminal and dock this backup fuel would not be available.

Our industrial customers directly provide over 6,000 blue-collar jobs in the state of Rhode Island. These facilities are located in a number of communities including Providence, East Providence, Pawtucket, Woonsocket, Portsmouth, Warwick, West Warwick, Ashway, Westerly, Lincoln, Coventry and Cumberland. Our home heating oil dealer network directly or indirectly employ thousands of tradesmen including truck drivers and service technicians.

The Sprague terminal plays a vital role in supporting the residents and businesses of Rhode Island. The current comprehensive plan while well intended fails to accurately portray the value of the Sprague terminal and the future potential of the Allens Avenue Industrial Corridor. While ProvPort is an equally important asset, it does not have the correct type and quantity of storage to be able to handle the volume and type of products that go across the Sprague dock. While

Quonset Point is also a cog in the regions vitality, it does not have the depth of water needed to support a maritime industrial community.

The Allen's Avenue Industrial Corridor is a jewel that most other ports in New England would love to own. It has a federally supported 40 foot maritime channel, available development land and a major highway with easy access. This elevated highway also serves as a buffer to the nearby residential areas.

In the last 5 years Sprague has witnessed first hand the successful revitalization of industrial waterfronts in Portland, Boston, Portsmouth and other New England cities. These major programs have ensured the maintenance of the industrial corridors, which bring jobs and economic vitality to support the local businesses and residents. In contrast, after a previous administration pursued a New Cities effort, which eventually failed, industrial developers decided that locating in Providence was too high a risk. The rezoning of the Allens Avenue industrial corridor as a mixed use zone will have the long term effect of further choking off industrial development. Tractor trailers and cargo ships will not want to compete with shoppers, condo dwellers and pleasure crafts.

The time has come to hang out a new shingle that says Providence is open for business. The first step is a careful re-designation of the area in a way that allows for limited mixed use with businesses that will not impact industrial operations. Working together with the State and local businesses we can undertake the effort needed to make everyone aware of the value of locating a business in Providence. The recent Metro Bay SAMP Workshop highlighted the many successes that other ports have achieved through similar efforts. Sprague Energy stands ready to help in that effort.

Thank You