

March 20, 2025

The Honorable Joseph J. Solomon, Jr.
Chairman, House Corporations Committee
Rhode Island State House
Providence, Rhode Island 02908

RE: H-5106 – Relating to Public Utilities & Carriers – Regulatory Powers of Administration

Dear Chairman Solomon:

On behalf of Rhode Island Energy, I write in **opposition** to H-5106, which would arbitrarily limit electric rate increases to no greater than 5.5% or the percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U). **This legislation is unconstitutional, would result in price spikes for utility customers over time, jeopardize the safe and reliable delivery of energy services across the state, and runs contrary to other state laws requiring the electric distribution company to collect ratepayer funds that support public policy mandates.** Accordingly, Rhode Island Energy respectfully urges the Committee to reject this bill in its entirety.

Rhode Island Energy provides essential energy services to more than 770,000 customers across the state through the delivery of electricity and natural gas. Our team of 1,400 union and non-union employees is dedicated to helping Rhode Island customers and communities thrive, while supporting the transition to a cleaner energy future in a safe, reliable, and affordable manner.

Rate adjustments are approved as part of a comprehensive and transparent review process conducted by the Public Utilities Commission (PUC) on what is prudently incurred costs by the utility to support customers' needs and ensure the safe and reliable delivery of electricity across Rhode Island. Arbitrary limits, such as those proposed here, run afoul of U.S. Supreme Court decisions such as *Bluefield Water Works v. PSC of West Virginia* (1923) and *Federal Power Commission v. Hope Natural Gas* (1944), making this legislation likely to be unconstitutional. Even assuming it can survive legal challenges, this legislation would create significant deferrals and cash flow issues, as a utility has an obligation to serve and deliver energy to its customers when called upon. Generally, such deferrals must ultimately be recovered from ratepayers, and this bill could have the effect of *increasing* costs for customers over time.

Importantly, both **distribution and commodity rates can be impacted by a multitude of issues, many of which are beyond the utility's direct control.** This legislation would limit the adjustment of rates to recover costs from such things as storm damage and commodity prices that the utility has little to no control over. Additionally, the Company must be able to recover costs associated with statutorily mandated programs that advance public policy mandates, such as those meeting clean energy and climate objectives. Removing that ability may slow down or stop entirely the advancement of such programs when their costs increase at a faster pace than inflation.

Nicholas S. Ucci
Director of Government Affairs
Rhode Island Energy

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In closing, Rhode Island Energy appreciates the opportunity to comment on this proposed legislation and respectfully asks that the Committee reject H-5106 in its entirety.

Thank you for your attention to this matter.

Respectfully,

A handwritten signature in blue ink, appearing to be "NSU", written over a horizontal line.

Nicholas S. Ucci
Director of Government Affairs

CC: The Honorable Members of the House Committee on Corporations
The Honorable John J. Lombardi, Rhode Island House of Representatives