



## STATE OF RHODE ISLAND

**DIVISION OF PUBLIC UTILITIES & CARRIERS**  
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March 20, 2025

The Honorable Joseph J. Solomon, Jr. Chairman – House  
Committee Corporations  
State House  
Providence, R.I. 02903

### **RE: H 5813 – Public Utilities Commission**

Dear Chairman Solomon:

The Division would like to highlight and emphasize that as written, House Bill No. 5813 would impose a two-year moratorium on transmission and distribution fees billed by electric, gas and water utilities, absent action by the General Assembly.

Electric transmission charges are largely governed by the Federal Energy Regulatory Commission. As such, federal preemption applies as to transmission. Imposing a moratorium on collecting transmission fees would likely violate federal law. Deferral of collection of the transmission fees would result in interest costs eventually being imposed upon ratepayers.

For electric utilities, distribution charges include components of the Infrastructure, Safety and Reliability program, the low-income discount recovery factor, arrearage management adjustment, pension adjustment revenue decoupling, the storm fund factor, and others. Under well-settled utility law, public utilities are entitled to cost recovery of prudently incurred expenses as well as the right to earn a reasonable return on investments. An arbitrary delay of rate increases would result in interest charges borne by ratepayers.

Two water utilities, Providence and Woonsocket, currently have rate proceedings before the Commission. As a practical matter, both would likely need to seek General Assembly approval of any rate changes approved by the Commission under this proposed measure. Such a construct would lead to uncertainty in the rate setting process as the General Assembly would essentially assume the role of the final arbiter.

For these reasons, the Division recommends deference to the robust regulatory process as a far preferable means to determine the prudence of utility costs.

Sincerely,

Linda George, Esq.

Administrator, RI Division of Public Utilities and Carriers

CC: The Honorable Rep. Justine Caldwell

The Honorable Members of the House Committee on Corporations

Nicole McCarty, Esq., Chief Legal Counsel, Speaker of the House