

## Lou Mansolillo

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**From:** James Torres <noreply@adv.actionnetwork.org>  
**Sent:** Wednesday, March 18, 2026 4:14 PM  
**To:** House Corporations Committee  
**Subject:** Support for H-7887 / S-2202, H-7888 / S-2777

RI House Corporations,

I am writing as your constituent to urge you to support H-7887 / S-2202 and H-7888 / S-2777, legislation aimed at reforming how utility companies in Rhode Island earn profits and helping bring down costs for ratepayers.

As a 35 year retired Business Executive of a Fortune 100 company, and former Chairman of the Westerly Economic Development Commission, I find the current financial arrangement with Utilities as ludicrous. It incentivises gross mismanagement focused on expenditures versus efficiency and effectiveness. This is far worse than a Cost Plus Fixed Fee arrangement which is only slightly better but still not ideal.

I understand that currently, utilities earn profits based on how much they spend on infrastructure rather than how efficiently they operate—meaning higher project costs can lead directly to higher profits. The current allowed return of 9.275% is significantly higher than what would be considered reasonable under Supreme Court precedent, and these excess costs are ultimately passed on to customers.

These bills offer two different approaches to address the problem, and passing either one would help rein in excessive profits. H-7887 / S-2202 would require the Rhode Island Public Utilities Commission to set profit rates based on the actual cost of capital and require refunds to customers if utilities exceed that level. H-7888 / S-2777 would cap utility profits at 4% annually.

Utilities provide essential services, and it is critical that they operate in the public interest. These reforms would help ensure that families and seniors are not forced to choose between heating their homes and affording basic necessities.

Thank you for your time and consideration. I hope you will support these important bills.

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