

May 20, 2025

The Honorable Marvin L. Abney
Chairman, House Finance Committee
Rhode Island State House
Providence, Rhode Island 02908

RE: H-5317 – Relating to Highways – Relocation of Utility Services

Dear Chairman Abney:

On behalf of Rhode Island Energy, I write regarding H-5317, which concerns reimbursement – *from federal funds* – for the relocation of utility facilities as part of state-initiated highway projects.

Rhode Island Energy provides essential energy services to more than 770,000 customers across the state through the delivery of electricity or 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.

Our Company supports H-5317's effort to appropriately restore full reimbursement for costs incurred by municipal and quasi-municipal utilities. As noted by one municipal utility during the 2024 session, the current law "places an unfair and unwarranted burden" on public utilities and can lead to "unexpected and unwarranted expenses *which would be passed on to its ratepayers*."¹ Rhode Island Energy agrees. **That is why we respectfully request that the Committee extend these amendments to cover all public utilities and their customers, including those receiving services from Rhode Island Energy. The costs associated with the relocation of utility facilities from a state-initiated roadway project supported by federal funding should not be borne by Rhode Island Energy ratepayers or any other public utility customers.**

Since RIGL §24-8.1-2 was amended in June 2022, Rhode Island Energy estimates that the change to a 50% reimbursement rate for these projects has exposed electric and natural gas customers to more than \$6 million in new costs which might otherwise be paid using federal dollars. These costs are recoverable through rates and will continue to grow unless H-5317 is amended to protect all public utility customers in Rhode Island.

This past winter, Ocean State electric and gas customers experienced higher-than-normal utility bills driven, in part, by increased supply prices and higher consumption due to the coldest winter in a decade.² **Public dialogue around energy cost drivers has fostered an important opportunity to revisit certain policy choices to determine how they impact local utility customers and whether constructive amendments could be made to reduce those cost burdens without jeopardizing the safe and reliable delivery of electricity and natural gas throughout the state. This is one of those policies warranting change.**

¹ Testimony Re: H-7611 to the House Finance Committee submitted by David L. Simmons, Executive Director/Chief Engineer, Kent County Water Authority, April 9, 2024.

² Rhode Island Energy does not mark up or profit from supply (commodity) charges.

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Rhode Island Energy has conveyed its concerns to the bill sponsor and stands ready to work with this Committee to ensure public utility customers are treated equitably and protected from this unnecessary cost burden.

Thank you for your attention to this matter.

Respectfully,



Nicholas S. Ucci
Director of Government Affairs

CC: The Honorable Members of the House Finance Committee
The Honorable Michelle McGaw, Rhode Island House of Representatives