

April 25, 2026

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

**RE: H-7244 – Relating to Highways – Relocation of Utility Services**

Dear Chairman Abney:

On behalf of Rhode Island Energy, I write regarding H-7244, which concerns reimbursement for the relocation of utility facilities as part of highway projects funded by federal dollars. We thank the bill's sponsors for introducing this legislation; however, we respectfully urge Committee members to, instead, review and support H-7871, which would benefit all public utility ratepayers in a similar manner.

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.

According to the U.S. Department of Transportation, “(s)ince the initiation of the Federal-aid highway program in 1916, utility relocation work has been eligible for Federal-aid participation as a construction cost item.” To our knowledge, electric, natural gas, and other public utility infrastructure relocation work in Rhode Island had been, historically, fully reimbursed when required as part of a highway construction project. Leveraging federal highway dollars in this way saved public utility companies from having to shift those costs to local ratepayers

However, in 2022, RIGL §24-8.1-2 was amended in a manner that slashed the reimbursement rate for utility facility relocation projects necessitated by highway construction from 100% to 50%.

**Rhode Island Energy estimates that this change in law has resulted in ~\$8 million of new costs for our electric and natural gas customers – costs that, historically, had largely been covered by federal dollars.** These costs are subject to regulatory oversight and recoverable through utility rates. This burden will continue to grow until full reimbursement is restored.

The impacts above reflect only Rhode Island Energy's share of costs. Importantly, all public utilities are subject to this same law, not just municipal utilities and their customers. Thus, the figure above likely understates the total cost shift borne by all Rhode Island utility customers since 2022. As noted by one water utility, 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.”<sup>1</sup>

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<sup>1</sup> 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.

While we applaud Representative McGaw and other bill sponsors for introducing H-7244, its benefits are limited to municipal utilities only. **Respectfully, H-7871 (introduced by Representatives Finkelman, Baginski, DeSimone, and Noret) addresses this very same issue, but would benefit all utility customers in the state, including those of Rhode Island Energy.**

The public dialogue around energy affordability has fostered an important opportunity to revisit certain policy choices and assess their impact on local utility customers to determine whether prudent adjustments can provide relief without jeopardizing the safe and reliable delivery of energy (and other essential) services. **This is one of those policies warranting change.**

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