



April 7, 2026

The Honorable Robert Britto
Chair, Senate Committee on Commerce
Rhode Island State House
Providence, RI 02903

slegislation@rilegislature.gov

OPPOSE S 2777 – Profit Margin Cap

Dear Chair Britto and Members of the Committee:

On behalf of the Greater Providence Chamber of Commerce, I write in opposition to S 2777, which would impose a statutory 4% cap on the return on equity for electric and gas distribution companies.

This proposal would undermine Rhode Island's established regulatory framework and create significant risk for our energy system and broader economy. The Public Utilities Commission already sets rates based on evidence and market conditions. Replacing that process with a rigid cap removes necessary flexibility and injects uncertainty into ratemaking.

A below-market return will also discourage investment in critical infrastructure. Utilities depend on access to capital to fund reliability improvements, grid modernization, and clean energy initiatives. Limiting returns in statute risks increasing financing costs, delaying needed upgrades, and ultimately driving higher costs for ratepayers.

Just as importantly, this bill sets a troubling precedent. Imposing statutory limits on returns signals an unpredictable business environment and may deter private investment beyond the utility sector.

Rhode Island's progress on reliability, affordability, and energy transition depends on stable, predictable regulation. S 2777 moves in the opposite direction.

For these reasons, we respectfully urge the Committee to oppose this legislation.

Thank you for your consideration.

Laurie White

Laurie White
President
Greater Providence Chamber of Commerce