

April 2, 2026

The Honorable Louis P. DiPalma
Chairman, Senate Finance Committee
Rhode Island State House
Providence, Rhode Island 02908

RE: S-3132 – Relating to Highways – Relocation of Utility Services

Dear Chairman DiPalma:

On behalf of Rhode Island Energy, I write in **strong support** of S-3132, which would reduce cost burdens that are, today, shifted to electric and natural gas distribution customers from the relocation of utility facilities necessitated by highway construction projects. We applaud Chairman Britto, Chairman Burke, and Chairwoman Murray for introducing this legislation to improve energy (and broader utility) affordability for all Rhode Islanders.

Rhode Island Energy provides essential energy services to more than 770,000 customers across the Ocean State through the delivery of electricity and natural gas. Our team of 1,300+ 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, historically, been 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. *S-3132 does just that.*

The impacts above reflect *only* Rhode Island Energy’s share of costs. Importantly, *all* public utilities are subject to this same law, including municipal utilities and their customers. Thus, the figure above *understates* the total cost shift borne by all Rhode Island utility customers since 2022. **As noted by one municipal 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.”¹**

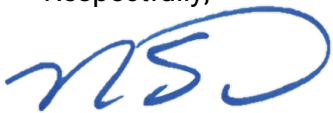
¹ Testimony Re: H-7611 to the House Finance Committee submitted by David L. Simmons, Executive Director/Chief Engineer, Kent County Water Authority, April 9, 2024.

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 should not be leaving federal dollars on the table, especially when those monies can help insulate local families and businesses from higher utility bills.

In closing, Rhode Island Energy respectfully urges the Committee to advance this legislation.

Thank you for your consideration and leadership.

Respectfully,



Nicholas S. Ucci
Director of Government Affairs

CC: The Honorable Members of the Senate Finance Committee
The Honorable Robert Britto, Rhode Island Senate
The Honorable John P. Burke, Rhode Island Senate
The Honorable Melissa A. Murray, Rhode Island Senate