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Advancing the Clean Energy Future
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April 8, 2025

Senate Committee on Commerce
Rhode Island State House
82 Smith Street
Providence, RI 02903

Testimony in Support of Senate Bill 593, Prohibitions on advertising, political, charitable, and investor-related expenses

Dear Chair Britto, Vice Chair Sosnowski, and Members of the Senate Commerce Committee:

I am writing on behalf of Acadia Center in support of House Bill 5818. This bill prohibits utilities from recovering through customer rates advertising, political, charitable, and investor-related expenses. It represents a simple and logical codification of utility cost control and ratepayer protection.

Expenses associated with lobbying or other political expenses, membership in industry trade associations, advertising/public education, and other categories prohibited here are unrelated to providing services to customers. They are undertaken to benefit the utility company and its shareholders, not customers, and, in other states, have often been shown to be misaligned with the interest of customers. As such, these expenses should be paid for by shareholders, and not by ratepayers.

Similar restrictions have passed in recent years in Connecticut[1], Maine[2], and Colorado[3].

Here in Rhode Island, the Public Utilities Commission (PUC) does this in practice – not allowing the utility to recover such expenses through rates. However, this practice and standard for regulatory review could change based on the interpretation of different PUC commissioners or staff. Thus, we feel that there is value in codifying the categories of expenses for which ratepayers should not be responsible.

Thank you for your consideration of this important bill.

Sincerely,

Emily Koo
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[1] https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&which_year=2023&bill_num=7
[2] https://www.mainelegislature.org/legis/bills/getPDF.asp?paper=SP0146&item=5&snum=131
[3] https://leg.colorado.gov/bills/sb23-291