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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC UTILITIES COMMISSION
-- 2025 UTILITY COMPANY BILLING TRANSPARENCY ACT

Introduced By: Senators Ujjifusa, Murray, Felag, Lauria, Lawson, Mack, Kallman,
Bissaillon, Ciccone, and E Morgan

Date Introduced: February 26, 2025

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Short Title.

2 This act may be cited as the "2025 Utility Company Billing Transparency Act."

3 SECTION 2. Findings.

4 The general assembly finds as follows:

5 1. Consumers have expressed concerns that utility company bills, such as those from Rhode
6 Island Energy (RIE), contain a variety of charges that are confusing and burdensome, particularly
7 regarding how costs are calculated and how funds are used;

8 2. Clear and concise explanations of the charges on utility company bills would enable
9 consumers to better understand their utility costs and make informed decisions regarding their
10 service;

11 3. Transparency regarding the costs included in utility company bills would promote trust
12 and accountability among all stakeholders and the general public; and

13 4. Similar measures to ensure billing transparency and understanding of utility company
14 charges have been successfully implemented in other states

15 SECTION 3. Definitions.

16 For the purposes of this act:

17 (1) "Utility company bill" or "utility bill" means the utility bill issued by the electric
18 distribution company as defined by § 39-1-2(a)(12) and gas distribution company included as a

1 public utility in § 39-1-2(a)(20) having greater than one hundred thousand (100,000) customers that
2 includes charges for residential energy services, which may include, but are not limited to, base
3 utility charges, fees, taxes, and any other charges related to the provision of energy services.

4 SECTION 4. Section 39-1-27.7.1 of the General Laws in Chapter 39-1 entitled "Public
5 Utilities Commission" is hereby amended to read as follows:

6 **39-1-27.7.1. Revenue decoupling.**

7 (a) The general assembly finds and declares that electricity and gas revenues shall be fully
8 decoupled from sales pursuant to the provisions of this chapter and further finds and declares that
9 any decoupling proposal submitted by an electric distribution company as defined in § 39-1-
10 2(a)(12) or gas distribution company included as a public utility in § 39-1-2(a)(20) that has greater
11 than one hundred thousand (100,000) customers, shall be for the following purposes:

12 (1) Increasing efficiency in the operations and management of the electric and gas
13 distribution system;

14 (2) Achieving the goals established in the electric distribution company's plan for system
15 reliability and energy efficiency and conservation procurement as required pursuant to § 39-1-
16 27.7(d);

17 (3) Increasing investment in least-cost resources that will reduce long-term electricity
18 demand;

19 (4) Reducing risks for both customers and the distribution company including, but not
20 limited to, societal risks, weather risks, and economic risks;

21 (5) Increasing investment in end-use energy efficiency;

22 (6) Eliminating disincentives to support energy-efficiency programs;

23 (7) Facilitating and encouraging investment in utility infrastructure, safety, and reliability;

24 and

25 (8) Considering the reduction of fixed, recurring customer charges and transition to
26 increased unit charges that more accurately reflect the long-term costs of energy production and
27 delivery.

28 (b) Each electric distribution company as defined by § 39-1-2(a)(12) and gas distribution
29 company included as a public utility in § 39-1-2(a)(20) having greater than one hundred thousand
30 (100,000) customers shall file proposals at the commission to implement the policy set forth in
31 subsection (a) of this section. The commission shall approve these proposals, provided they contain
32 the features and components set forth in subsection (c) of this section, and that they are consistent
33 with the intent and objectives contained in subsection (a) of this section. Actions taken by the
34 commission in the exercise of its ratemaking authority for electric and gas rate cases shall be within

1 the norm of industry standards ~~and recognize the need to maintain the financial health of the~~
2 ~~distribution company as a stand-alone entity in Rhode Island.~~

3 (c) The proposals shall contain the following features and components:

4 (1) A revenue decoupling reconciliation mechanism that reconciles annually the revenue
5 requirement allowed in the company's base distribution-rate case to revenues actually received for
6 the applicable twelve-month (12) period. Any revenues over-recovered or under-recovered shall be
7 credited to, or recovered from, customers, as applicable; and

8 (2) An annual infrastructure, safety, and reliability spending plan for each fiscal year and
9 an annual rate-reconciliation mechanism that includes a reconcilable allowance for the anticipated
10 capital investments and other spending pursuant to the annual pre-approved budget as developed
11 in accordance with subsection (d) of this section.

12 (d) Prior to the beginning of each fiscal year, gas and electric distribution companies shall
13 consult with the division of public utilities and carriers regarding their infrastructure, safety, and
14 reliability spending plan for the following fiscal year, addressing the following categories:

15 (1) Capital spending on utility infrastructure;

16 (2) For electric distribution companies, operation and maintenance expenses on vegetation
17 management;

18 (3) For electric distribution companies, operation and maintenance expenses on system
19 inspection, including expenses from expected resulting repairs; and

20 (4) Any other costs relating to maintaining safety and reliability that are mutually agreed
21 upon by the division and the company.

22 The distribution company shall submit a plan to the division and the division shall
23 cooperate in good faith to reach an agreement on a proposed plan for these categories of costs for
24 the prospective fiscal year within sixty (60) days. To the extent that the company and the division
25 mutually agree on a plan, such plan shall be filed with the commission for review and approval
26 within ninety (90) days. If the company and the division cannot agree on a plan, the company shall
27 file a proposed plan with the commission and the commission shall review and, if the investments
28 and spending are found to be reasonably needed to maintain safe and reliable distribution service
29 over the short and long term, approve the plan within ninety (90) days.

30 (e) The commission shall have the following duties and powers, in addition to its existing
31 authorities established in this title:

32 (1) To maintain reasonable and adequate service-quality standards, after decoupling, that
33 are in effect at the time of the proposal and were established pursuant to § 39-3-7.

34 (2) The commission may exclude the low-income rate class from the revenue decoupling

1 reconciliation-rate mechanism for either electric or gas distribution. The commission also may
2 exclude customers in the large commercial and industrial rate class from the gas-distribution
3 mechanism.

4 (3) The commission may adopt performance incentives for the electric distribution
5 company that provide a shared-savings mechanism whereby the company would receive a
6 percentage of savings realized as a result of achieving the purposes of this section while the
7 remaining savings are credited to customers.

8 (4) The commission shall review and approve, with any necessary amendments,
9 performance-based, energy-savings targets developed and submitted by the Rhode Island energy
10 efficiency and resources management council. The performance-based targets shall also be used as
11 a consideration in any shared-savings mechanism established by the commission pursuant to
12 subsection (e)(3) of this section.

13 (f) The Rhode Island energy efficiency and resources management council shall propose
14 performance-based, energy-savings targets to the commission no later than September 1, 2010. The
15 targets shall include, but not be limited to, specific energy kilowatt-hour savings overall and peak-
16 demand savings for both summer and winter peak periods expressed in total megawatts as well as
17 appropriate targets recommended in the opportunities report filed with the commission pursuant to
18 § 39-1-27.7(d)(3). The council shall revise, as necessary, these targets on an annual basis prior to
19 the reconciliation process established pursuant to subsection (c) of this section and submit its
20 revisions to the commission for approval.

21 (g) **Reporting.** Every electric distribution company, as defined in subsection (a) of this
22 section, shall report to the governor, general assembly, division of public utilities and carriers, and
23 public utilities commission on or before September 1, 2012. The report shall include, but not be
24 limited to, the following elements:

25 (1) A comparison of revenues from traditional rate regulation and how the revenues have
26 differed as part of an approved decoupling structure;

27 (2) A summary of how the company is achieving the performance-based targets that may
28 have been adopted pursuant to subsection (e)(4) of this section;

29 (3) A summary of any shared savings the company may have received pursuant to the
30 performance incentives authorized in subsection (e)(3) of this section;

31 (4) A summary of how the company is achieving the service-quality standards required in
32 subsection (e)(1) of this section;

33 (5) An overview of how decoupling is impacting revenue stabilization goals that have
34 resulted from decoupling; and

1 (6) A summary of any customer education programs provided.

2 SECTION 5. Chapter 39-3 of the General Laws entitled "Regulatory Powers of
3 Administration" is hereby amended by adding thereto the following section:

4 **39-3-45. Requirements prior to implementing rate changes.**

5 (a) Each electric distribution company as defined by § 39-1-2(a)(12) and gas distribution
6 company included as a public utility in § 39-1-2(a)(20) having greater than one hundred thousand
7 (100,000) customers shall comply with the following:

8 (1) Before implementing rate changes, utilities shall submit a ratepayer impact analyses
9 (RIA) that estimates the impact of proposed rate changes on different customer classes. This RIA
10 shall include analysis of the cost-benefit relationship of rate adjustments, particularly how they
11 benefit or disadvantage various sectors;

12 (2) Provide monthly detailed descriptions of charges in utility company bills, including
13 how much of the charge goes toward various services in order that customers can understand the
14 effects of rate adjustments;

15 (3) Provide periodic explanations of significant rate changes or cost fluctuations, such as
16 variations in energy procurement costs, regulatory adjustments, changes in charges for supply,
17 transmission, distribution and other costs, and how those factors may change over time; as well as
18 an explanation that shall include information of how customers can reduce their bill; and

19 (4) Provide annual reports that include a breakdown of the costs contributing to rate
20 adjustments, such as energy procurement costs, infrastructure investments, revenues and profits,
21 and operational costs.

22 (b) Enforcement.

23 (1) The public utilities commission shall oversee compliance with this section and may
24 impose fines or penalties for failure to provide accurate, timely, and clear explanations of rate
25 changes.

26 (2) Failure to include with a rate filing a clear explanation as required under this section
27 shall result in suspension of the rate filing until proper notifications and explanations are provided.

28 SECTION 6. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC UTILITIES COMMISSION
-- 2025 UTILITY COMPANY BILLING TRANSPARENCY ACT

1 This act would impose requirements and actions that electric distribution companies and
2 gas distribution companies having over one hundred thousand (100,000) customers would need to
3 take prior to implementing rate changes. The act would also add additional requirements of
4 providing explanations and annual reports with information on costs contributing to rate
5 adjustments, for the purpose of providing greater transparency to customers and consumers of
6 electricity and gas.

7 This act would take effect upon passage.

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