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SPENDING

COMMITTEE ON OVERSIGHT AND
GOVERNMENT REFORM

COMMITTEE ON EDUCATION AND THE
WORKFORCE

April 4, 2011

10-176-EL-ATA

Mr. Todd Snitchler
Chairman
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793

Dear Chairman Snitchler:

On March 2, 2010, I wrote to then-Chairman Schriber to support the restoration of the all-electric rate. In that letter, I advocated that any solution should not place an additional cost burden on any homeowners, regardless of whether they heat their homes with electricity or other fuels. The costs of any solution should be borne by the party that originally caused this problem—FirstEnergy Corporation.

Beginning in the 1970's, the utilities that now form FirstEnergy (Ohio Edison, Toledo Edison and The Illuminating Company) actively promoted all-electric homes. They encouraged builders to build all-electric homes and they encouraged buyers to buy them. They did this by creating, promoting and publicizing the all-electric rate and the resulting economy it provided for an all-electric home. They did this to increase their revenues from the sale of electricity, and they did this to increase their profits, the salaries of their managers, and the dividends to their shareholders.

In contrast, the purchasers of all-electric homes did not profit from this situation. They merely obtained overall utility costs that were comparable to those of homeowners who heated their homes with gas.

FirstEnergy knew from the beginning that the economic viability of all-electric homes depended entirely on the existence of the all-electric rate and that ownership of an all-electric home would be financially punitive without it. They knew that the elimination of the all-electric rate would cause the heating costs of all-electric homes to soar and their values to plummet.

Some time in the last few years, FirstEnergy decided that it was no longer in the interest of FirstEnergy, its managers and its shareholders to continue the all-electric rate. FirstEnergy knew very well the impact that this decision would have on the owners of

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all-electric homes, but FirstEnergy did not care. Its decision took effect in the summer, when the all-electric homeowners would least notice its impact.

The problem that now exists was not caused by these homeowners. It was caused by FirstEnergy. FirstEnergy promoted the all-electric rate. FirstEnergy promoted all-electric homes. FirstEnergy profited from the all-electric rate and its encouragement of all-electric homes. FirstEnergy created this problem.

The Public Utilities Commission of Ohio is currently considering alternatives to replace the all-electric home rate. The proposal offered by FirstEnergy and the proposal offered by the PUCO staff suffer from the same problem—they will both eventually impose costs upon the owners of all-electric homes that will destroy the values of those homes. I urge you to reject those proposals.

The cost of resolving this problem should not be paid by homeowners, either the owners of all-electric homes or those who heat with gas. The cost of resolving this problem should be paid by the entity that created it and profited from it.

Sincerely,

A handwritten signature in black ink, reading "Dennis J. Kucinich". The signature is written in a cursive, flowing style with a large initial "D".

Dennis J. Kucinich
Member of Congress