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News

# Here's what Sam Randazzo told Gov. Mike DeWine about his great work for Ohioans when he resigned

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**By Staff | cleveland.com**

CLEVELAND, Ohio --Sam Randazzo resigned in November as chair of the Public Utilities Commission of Ohio. That was one day after FirstEnergy Corp. revealed that it fired CEO Chuck Jones and two other senior executives over a questionable \$4 million payment to someone who fit Randazzo's description, and four days after the FBI searched Randazzo's Columbus home as part of the House Bill 6 bribery investigation.

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Randazzo wrote a two-page resignation letter to Gov. Mike DeWine: “I believe my actions as Chair have done much to put the PUCO and OPSB on a better foundation to serve the public interest... In present times, when you, good sir, are valiantly battling to save Ohioans from the surging attack of COVID-19, there is no room or time for me to be a distraction... I regret that I must step away but it is the right and necessary thing to do.”

*(Read Randazzo’s full resignation letter below.)*

DeWine, who appointed Randazzo in February 2019, thanked Randazzo for his service. “He has done very, very good work as chair,” the governor told reporters then.

Now, new court filings confirm FirstEnergy officials say they paid a \$4.3 million bribe to Randazzo in exchange for his help advancing the Akron-based company’s interest while he was serving as the state’s top utilities director.

Randazzo released a statement through his attorney on Thursday, but declined to answer questions.

He said, “I executed my duties as PUCO Chair conscientiously, lawfully, and mindful of striking the right balance between competing interests... In the fall of 2020, it became clear that issues surrounding House Bill 6 and a public attack on my background and character had escalated to a point that made it impossible for me to effectively perform my duties at the PUCO.”

*(See the full statement below.)*

Immediately before and after DeWine hired Randazzo as the state’s top utilities regulator, court filings say, Randazzo helped develop strategy and legal language for the House Bill 6 nuclear bailout law, which included a provision guaranteeing the company’s revenues at high 2018 levels, and also pushed to cancel a 2024 rate review case that the company believed would hurt its bottom line by saving consumers money.

DeWine had disregarded cries of alarm in early 2019 from consumer and environmental advocates, when he was considering Randazzo, the Associated Press reported in December.



“We understood that he had worked for manufacturing companies; we also understood that he had done work for FirstEnergy,” DeWine said. “Those were all things that we knew. He was picked because of his expertise and vast knowledge in this area. So that’s pretty much what we knew, so there was no secret.”

That was a month after agents were seen entering and exiting Randazzo’s home in Columbus’ German Village neighborhood, carrying out boxes and paper bags of records.

DeWine said following the FBI search that there was no indication Randazzo was under investigation.

“We’re waiting for additional information, quite candidly,” he said. “I hired him. I think he’s a good person. If there’s evidence to the contrary, then we’ll act accordingly. But I’m not going to act without facts.”

*Here is Randazzo’s July 22 statement:*

“I executed my duties as PUCO Chair conscientiously, lawfully, and mindful of striking the right balance between competing interests. At no time prior to or after my appointment to the PUCO was I asked or did I agree to exercise authority as a public official or perform any official action in my capacity as Chair to further FirstEnergy’s legislative, regulatory or other interests.

“All payments made under the consulting agreement with FirstEnergy, including those relating to its termination, were in accordance with the terms of that agreement, and following review and approval by senior executives at First Energy.

“In 2019, amid my plans to retire to Florida, I was recruited by the incoming administration to submit an application for the PUCO. I agreed to do so, seeing it as an opportunity to make a positive impact on an agency that had been at the center of my career for nearly 50 years and where I began my career as a young staffer in 1972. After a public hearing, my appointment to the PUCO was unanimously confirmed by the Ohio Senate.

“In the fall of 2020, it became clear that issues surrounding House Bill 6 and a public attack on my background and character had escalated to a point that made it impossible for me to effectively perform my duties at the PUCO. This was happening at a time when the Administration was rightly focused on saving Ohioans from a global pandemic while being distracted by allegations surrounding House Bill 6. I submitted my resignation, effective immediately, on November 20, 2020.

“I am proud of what I accomplished as PUCO Chair, including encouraging a culture of continuous improvement within the agency, empowering commissioners to act independently, improving staff effectiveness, and ensuring the agency remained fully operational during the onset of the pandemic.”

*Here is his Nov. 20 resignation letter:*



Honorable Michael D. DeWine  
Governor of the State of Ohio  
Riffe Center, 30<sup>th</sup> Floor  
77 South High Street  
Columbus, Ohio 43215

November 20, 2020

Re: Resignation

Dear Governor DeWine:

The events and news of this week have undoubtedly been disturbing or worse to many stakeholders who rightfully look to the Public Utilities Commission of Ohio (PUCO), the Ohio Power Siting Board (OPSB) and me as the Chair to act in the public interest within the statutory legal framework. Regardless of disclosures of prior business relationships to you and your team prior to my PUCO Nominating Council interview (January 31, 2019), the impression left by an FBI raid on our home, the statement included in FirstEnergy Corp.'s filing with the Securities and Exchange Commission yesterday and the accompanying publicity will, right or wrong, fuel suspicions about and controversy over decisions I may render in my current capacity. In present times, when you, good sir, are valiantly battling to save Ohioans from the surging attack of COVID-19, there is no room or time for me to be a distraction. Accordingly, I hereby resign from my position as Chair effective immediately.

There will be those who will eagerly contest what I say next. But it needs to be said.

When you asked me to consider going to the PUCO after discussions about opportunities to improve the public interest performance of the PUCO (rather than continue on with my semi-retirement plan), I took heart.

Since being appointed by you, much has been accomplished inside the PUCO to shed a dysfunctional Chair-centric operating system and to transparently render PUCO decisions based on the law, good engineering, good accounting and, of course, the public interest. The worst out-of-market compensation abuses of the Strickland Administration's electric security plan (ESP) statute, all of which were imposed on customers well prior to my arrival, have been mitigated or cut short where possible. The next step is, in my view, elimination of the ESP statute itself and focusing on the use of a proper competitive bidding process to set the generation supply price for retail electric customers not served by a competitive supplier. Ohio's pro-competitive legal framework, which I greatly helped to get incorporated into Ohio law, is working for customers. The elimination of the too-utility-friendly ESP statute will improve outcomes for customers and fairly compensate Ohio's electric distribution utilities while, hopefully, reducing the number, size and scope of riders that transfer utility business and financial risk to captive customers with little or no recognition in the specification of a just and reasonable return. And, in this regard, the legislation currently being advanced by

Representative Romanchuk is a fine vehicle to rescind the nuclear bailout, the OVEC bailout, rescind the unbalanced version of decoupling given to FirstEnergy Ohio's operating companies (despite the concerns we raised), put the ESP statute out of commission and allow Ohio's electric customers to enjoy an even greater electric bill reduction (in excess of \$300,000,000) that is scheduled to take place through current law on January 1, 2021.

