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Congress of the United States
House of Representatives

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CHAIRMAN,
SUBCOMMITTEE ON DOMESTIC POLICY

COMMITTEE ON OVERSIGHT AND
GOVERNMENT REFORM

COMMITTEE ON EDUCATION AND LABOR

March 2, 2010

Mr. Alan R. Schriber
Chairman
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793

Dear Chairman Schriber:

This Wednesday, the Public Utilities Commission of Ohio will be considering restoration of the all-electric home rate. I strongly support the restoration of the all-electric rate, but I do not believe that the restoration of that rate should place any additional cost burden on other homeowners. Any offsetting costs 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

all-electric homes, but FirstEnergy did not care. The 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 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 cursive script that reads "Dennis J. Kucinich". The signature is written in dark ink and is centered on the page.

Dennis J. Kucinich
Member of Congress