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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:

On October 6, FirstEnergy announced that it was going to deliver two compact fluorescent light bulbs (CFLs) to every residence it served. FirstEnergy announced that it was going to add $7.20 per year to the electric bills of those consumers to force them to pay for what FirstEnergy claimed to be: 1) the "cost" of the two CFLs, 2) the cost of distributing the two CFLs, and 3) the value of the electricity that those consumers would **not** be using as a result of the energy efficiency of those CFLs.

The public outrage that followed that announcement forced FirstEnergy to back down and to abandon its plan. Now, FirstEnergy is asking the Ohio Public Utilities Commission to allow it to recoup $772,000 of "costs" that FirstEnergy claims it incurred in its attempt to force its customers to overpay for CFLs that they didn't want and didn't need. At best, FirstEnergy's forced-purchase program was an act of gross mismanagement. More likely, as I explained in my previous letter, it was an arrogant attempt to use its monopoly in electricity as a lever to extract additional profits from its customers. In either case, FirstEnergy should not be allowed to recoup the costs of its failed program.

The Public Utilities Commission should not reimburse a utility for the consequences of its management's bad business decisions. That kind of policy would encourage incompetent management and would provide no incentive for the utility to make good business decisions.

The Public Utilities Commission should also not reimburse a utility that attempts to use its state-granted monopoly to exploit its customers. When FirstEnergy tried to justify its program at the October 28, 2009 hearing before the Commission, it argued that the Los Angeles electric utility had successfully conducted a similar program with 2.4 million CFLs. FirstEnergy failed to disclose to the Commission that the Los Angeles electric utility is a municipal system, in which all of the financial benefits of CFL usage would go to the taxpayers and the ratepayers, not to the utility's shareholders and managers. The two situations are not comparable, and FirstEnergy knows that.

One other private utility, Allegheny Power, attempted a program similar to FirstEnergy's program, almost two years earlier in Maryland. As Greg Polis testified at the Commission's hearing, there was a public outcry, the program was abandoned and Allegheny Power absorbed the "costs" of the program. First Energy should do the same.

Sincerely,

Dennis J. Kucinich

Dennis J. Kucinich
Member of Congress