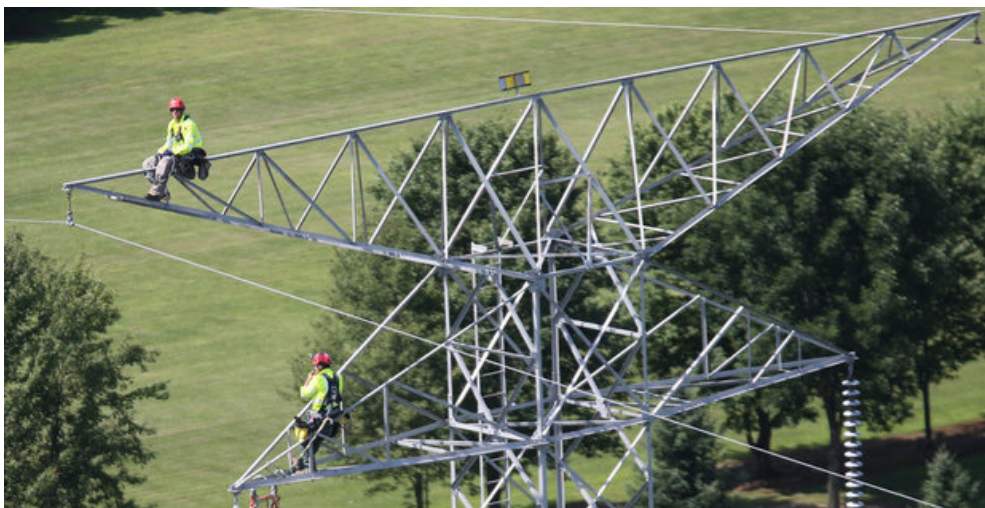


Lobbyist-tilted playing field favors FirstEnergy and AEP in Columbus: Thomas Suddes



In this July 2014 file photo, FirstEnergy linemen wait to be picked up by helicopter to be transported to the next transmission tower to install a new 345-kilovolt transmission line needed in light of FirstEnergy's closing of older, coal-fired power plants along Lake Erie. (*John Kuntz, The Plain Dealer, File, 2014*)



[\[http://connect.cleveland.com/user/tsuddes/index.html\]](http://connect.cleveland.com/user/tsuddes/index.html) By **Thomas Suddes, Northeast Ohio Media Group**

[\[http://connect.cleveland.com/user/tsuddes/posts.html\]](http://connect.cleveland.com/user/tsuddes/posts.html)

Follow on Twitter [\[https://twitter.com/thomassuddes\]](https://twitter.com/thomassuddes)

on December 20, 2015 at 4:13 AM, updated December 20, 2015 at 4:14 AM

Here, schematically, is a Capitol Square fight card: About 3.5 million Ohio customers of FirstEnergy Corp. and American Electric Power Co. versus roughly 30 top-shelf Statehouse lobbyists that the utilities employ in Columbus, some connected to Gov. John Kasich's administration like conjoined twins.

The stakes: A potential increase of \$3.9 billion in the bills sent to FirstEnergy's Ohio customers, or, for customers of AEP's Ohio Power Co., a potential increase of \$2 billion in their bills. The Office of the Ohio Consumers' Counsel, which represents utilities' residential ratepayers, made those estimates. (The Northeast Ohio Public Energy Council joined with the counsel in the FirstEnergy estimate.)



[\[http://www.cleveland.com/business/2015/12/firstenergy_settlement_delayed.html#in-cart_article_small\]](http://www.cleveland.com/business/2015/12/firstenergy_settlement_delayed.html#in-cart_article_small)

FirstEnergy settlement delayed as PUCO agrees with opponents, sets new hearings
[\[http://www.cleveland.com/business/2015/12/firstenergy_settlement_delayed.html#in-cart_article_small\]](http://www.cleveland.com/business/2015/12/firstenergy_settlement_delayed.html#in-cart_article_small)

[\[http://www.cleveland.com/business/2015/12/firstenergy_settlement_delayed.html#incart_article_small\]](http://www.cleveland.com/business/2015/12/firstenergy_settlement_delayed.html#incart_article_small)

In the real world, an army of 3.5 million people would do to 30 opponents what an Ohio Department of Transportation steamroller does to fresh asphalt. But this isn't the real world. This is Ohio's Statehouse. And unless a miracle intervenes – as in, Republican Gov. John Kasich siding with consumers – a legion of Ohioans will write bigger checks to FirstEnergy and AEP, despite new census data, reported Dec. 10 by cleveland.com's Robert Higgs, showing "stagnant incomes and an increase in poverty across much of Ohio for the past five years."



Ohio incomes flat, poverty up over last five years, census snapshot shows
[\[http://www.cleveland.com/metro/2015/12/ohio_incomes_flat_poverty_up_o.html#incart_article_small\]](http://www.cleveland.com/metro/2015/12/ohio_incomes_flat_poverty_up_o.html#incart_article_small)

[\[http://www.cleveland.com/metro/2015/12/ohio_incomes_flat_poverty_up_o.html#incart_article_small\]](http://www.cleveland.com/metro/2015/12/ohio_incomes_flat_poverty_up_o.html#incart_article_small)

[\[http://www.cleveland.com/metro/2015/12/ohio_incomes_flat_poverty_up_o.html#incart_article_small\]](http://www.cleveland.com/metro/2015/12/ohio_incomes_flat_poverty_up_o.html#incart_article_small)

The Democrat-free Public Utilities Commission of Ohio (PUCO) will make the final call on FirstEnergy's and American Electric Power's letters to Santa Claus. The commission is composed of three Republicans and two independents.



Restore Public Utility Commission of Ohio's multiparty composition: editorial
[\[http://www.cleveland.com/opinion/2015/05/protect_multiparty_integrity_o.html#incart_article_small\]](http://www.cleveland.com/opinion/2015/05/protect_multiparty_integrity_o.html#incart_article_small)

[\[http://www.cleveland.com/opinion/2015/05/protect_multiparty_integrity_o.html#incart_article_small\]](http://www.cleveland.com/opinion/2015/05/protect_multiparty_integrity_o.html#incart_article_small)

[\[http://www.cleveland.com/opinion/2015/05/protect_multiparty_integrity_o.html#incart_article_small\]](http://www.cleveland.com/opinion/2015/05/protect_multiparty_integrity_o.html#incart_article_small)

FirstEnergy's and AEP's eight-year proposals are complicated. They're "power purchase agreements." The companies' coal-fueled power plants are unprofitable because of plunging natural gas prices. Plainly put, the companies want ratepayers to subsidize the coal plants till rising natural gas prices make coal-fueled electricity price-competitive, making the plants profitable again.

If, though, for lack of subsidies, the coal-fueled plants shut down in the meantime, there'd be less future price- and fuel-source competition for Ohio electricity customers. (And blue-collar Ohioans who work at the coal-fueled plants would lose jobs.) Less competition and costlier natural gas could nudge Ohio electric rates higher than they otherwise would be.

In effect, FirstEnergy and AEP want Ohio ratepayers to invest in the two utilities (without having the rights, or getting the dividends, of stockholders) on the if-come of relatively reasonable future electricity prices. The companies estimate that what they want to do would save FirstEnergy's Ohio customers \$560 million, and **AEP's Ohio customers**

[\[http://midwestenergynews.com/2015/12/18/environmental-groups-divided-over-sierra-club-deal-with-ohio-utility/\]](http://midwestenergynews.com/2015/12/18/environmental-groups-divided-over-sierra-club-deal-with-ohio-utility/)

\$721 million, in the long run. Of course, "in the long run we are all dead," John Maynard Keynes said. (Keynes, appropriately, was

an economist.) FirstEnergy and American Electric Power also pledge to take a range of pro-environment measures if the PUCO requires consumers to subsidize the utilities' coal-fueled power plants. (Pro-environment features AEP added to its proposal led the Sierra Club to drop its opposition to it.)

As noted, the PUCO, not legislators, will judge FirstEnergy's and AEP's proposed rates. But it's telling to recall how much Statehouse clout the two companies have, clout that translates into a pro-utility climate on Capitol Square. According to the Joint Legislative Ethics Committee's **lists** [<http://www2.jlec-olig.state.oh.us/OLAC/Reports/ViewEmployer.aspx?id=56>], FirstEnergy has 18 registered lobbyists. Among them: Kasich confidants Robert F. Klaffky and Douglas J. Preisse (Preisse is also Franklin County's Republican chair); former U.S. Rep. Charles J. Luken, a Cincinnati Democrat; and Summit County Republican Chair Alex Arshinkoff.

None of those people play to lose. Nor do the 14 registered lobbyists who speak to legislators **for American Electric Power** [<http://www2.jlec-olig.state.oh.us/OLAC/Reports/ViewEmployer.aspx?id=5626>] and its **Ohio Power** [<http://www2.jlec-olig.state.oh.us/OLAC/Reports/ViewEmployer.aspx?id=282>] unit. Among them: Donald Thibaut, who was Kasich's chief of staff when Kasich was in Congress; Chan Cochran, also a Kasich confidant; and Chad Hawley and Troy Judy of the Batchelder Co., the lobbying firm whose chair emeritus is former House Speaker William G. Batchelder, a Medina Republican and nationally prominent conservative.

Ohio's business lobbies forever demand a "level playing field" in Columbus. But for Ohio's utility customers, the Statehouse isn't.

Thomas Suddes, a member of the editorial board, writes from Athens.

To reach Thomas Suddes: tsuddes@gmail.com, 216-999-4689

Registration on or use of this site constitutes acceptance of our **User Agreement** and **Privacy Policy**

© 2015 Northeast Ohio Media Group LLC. All rights reserved (**About Us**).

The material on this site may not be reproduced, distributed, transmitted, cached or otherwise used, except with the prior written permission of Northeast Ohio Media Group LLC.

Community Rules apply to all content you upload or otherwise submit to this site. **Contact interactivity management.**

 **Ad Choices**