

Honorable Michael D. DeWine
Governor of the State of Ohio
Riffe Center, 30th 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.

Among other things, the PUCO and Federal Energy Advocate have taken on the runaway electric transmission service rate increases by proactive intervention and advocacy at the Federal Energy Regulatory Commission, a federal agency that has exclusive jurisdiction in this area and seems eager to give transmission utilities money for nothing. Prior to my arrival, this important work was not getting much if any attention and the customer impacts of federal decisions on the price and availability of energy in Ohio were not getting their deserved attention.

Prior to my arrival at the OPSB, decisions were better characterized as being the product of a rubber stamp than reasoned analysis and proper application of the law. Local interests were unnecessarily subordinated to the virtue signaling demands of wind and solar farm developers some of which were only interested in flipping their project. Prior to my arrival, no OPSB Board Member attended local public hearings further signaling disinterest in local views and concerns. Since my arrival, I have personally attended almost all of these hearings listening for hours as citizens offered their testimony. Further reform is also needed here, however. In my opinion, the next step is to modify the OPSB's statutory framework to require the OPSB to consider the views and preferences of local land use planning authorities on the front end of the process so that decisions might better balance local and statewide interests when determining public convenience and necessity.

In any event, 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 the days ahead, I hope the Commissioners and Board Members who remain or follow me can continue this important mission.

Your efforts to save Ohioans from the COVID-19 virus continue to inspire hope that we might all come together for the common good. I will continue to do my part.

I will greatly miss working with the dedicated public servants who make up the PUCO and OPSB staff as well as other agency Directors and your team. I regret that I must step away but it is the right and necessary thing to do.

Respectfully yours,

Sam

Samuel C. Randazzo