

## Electric utility contributions to Ohio candidates and political parties

1997-1998

Shari Weir, Consumer Issues Director Laura Yeomans, Research Director Citizens Policy Center May 1999 Press release; Columbus Dispatch coverage Acknowledgments The Citizens Policy Center thanks the Joyce Foundation, George Gund Foundation, and Piper Fund for their support of this project to document campaign contributions from board members, political action committees and employees of electric utility companies to Ohio statewide and legislative candidates and parties. The findings and opinions expressed in this report are those of the Citizens Policy Center. The Citizens Policy Center, a not-for-profit tax-exempt organization, is the research and public education affiliate of Ohio Citizen Action. The Center was founded in Cleveland in 1976 to conduct research and public education about issues affecting industrial states, recognizing that the industrial states were going through economic changes that would make obsolete much of the conventional wisdom about state and local public policy. Laura Yeomans is the research director of the Citizens Policy Center. Patty Wise is the research department database manager who prepared the analysis in this report. For questions about the report, call Shari Weir at 1 (216) 861-5200. For questions about the data analysis, call Yeomans at 1 (330) 343-9588. To obtain a printed copy of the full report, send a self-addressed \$.55-cent stamped envelope to the Citizens Policy Center, P.O. Box 8, Dover, Ohio 44622. © Citizens Policy Center Major Findings In 1997, the Ohio General Assembly began serious consideration of electric deregulation. In January 1998 Representative Priscilla Mead and Senator Bruce Johnson introduced comprehensive deregulation legislation. That legislation drew immediate sharp criticism from the state's four investor-owned utilities. Utilities complained that they would be shortchanged on "stranded cost" recovery and that the market structure established in the bill to jump-start competition would unfairly take away their current captive customers. In 1997 and 1998, the investor-owned utilities, through their board members, employees, lobbyists, and political action committees, contributed \$604,235 to candidates for legislative and statewide office and to statewide political party committees. The utilities had two goals.

First, they wanted to kill the Johnson-Mead legislation and influence lawmakers to write a bill more generous to shareholders - a bill that would shift all of the "stranded costs" to residential and business customers. Second, they wanted a bill that would undermine competition, ensuring that most customers would remain with their incumbent utility. This study analyzes the contributions from electric utilities in Ohio to statewide and legislative candidates and state political party committees. It is based on the 1997-1998 candidate campaign finance reports computerized by the Ohio Secretary of State. Total contributions for each utility company are the sum of contributions from the companies' political action committees, lobbyists, employees and board members. In the summary charts parent company totals include subsidiary totals. For instance, FirstEnergy's total includes Ohio Edison and Centerior totals. Only contributions from lobbyists who work solely for a utility company are included here. FirstEnergy, the utility demanding the most in "stranded costs" and the utility most vulnerable to real competition, contributed the greatest amount to candidates and parties, with total contributions of \$209,970. FirstEnergy was the top electric utility contributor to Taft and to the House Public Utilities

Committee and the Senate Ways and Means Committee, the committees now hearing proposed deregulation legislation.

#### Contributions from electric utilities in Ohio to Ohio candidates and parties in 1997-98

<b>Company</b>	<b>Total</b>
FirstEnergy	\$209,970
Dayton Power & Light	\$181,078
Cincinnati Gas and Electric	\$134,330
American Electric Power	\$ 78,857
<b>Total contributions</b>	<b>\$604,235</b>

Totals include contributions from board members, political action committees, lobbyists and employees of the parent and subsidiary companies. Only lobbyists working full-time for the utilities were included. Dayton Power & Light, whose residential customers would pay the second highest monthly surcharge for "stranded costs," was the second highest utility contributor, with contributions of \$181,078. While the list of candidates receiving utility contributions is long, utilities strategically contributed the largest sums where they expect to be able to get the best results. Electric utilities donated \$32,876 to the Ohio House Public Utilities Committee. FirstEnergy was the top utility contributor to the Ohio House Public Utilities Committee in 1997-1998, contributing \$12,720 to the committee members overall. Electric utilities donated \$23,850 to the Ohio House Republican Campaign Committee and \$6,300 to the Ohio House Democratic Caucus Fund.

#### Electric utility contributions to Ohio House Public Utilities Committee members in 1997-1998

<b>Committee member</b>	<b>Total</b>
Lynn Olman (Vice-Chair)	\$5,922
Kevin Coughlin	\$4,600
Gary Cates	\$4,425
Priscilla Mead (Chair)	\$2,450
Gene Krebs	\$2,103
Jon Myers	\$2,025

Darrell Opfer	\$1,920
David Goodman	\$1,590
Dale VanVyven	\$1,526
Edward Core	\$1,210
Kirk Schuring	\$ 810
Jerome Luebbers	\$ 800
William Ogg	\$ 745
Samuel Britton (Rank.Min)	\$ 600
Ed Jerse	\$ 525
Robert Schuler	\$ 525
Jim Trakas	\$ 500
David Hartley	\$ 325
Joseph Sulzer	\$ 275
Stephen Buehrer	\$ 0
James Hoops	\$ 0
Barbara Pringle	\$ 0
<b>Total contributions</b>	<b>\$32,876</b>

Contributions from electric utilities to Ohio House Public Utilities Committee in 1997-98

<b>Company</b>	<b>Total</b>
FirstEnergy	\$12,720
Cincinnati Gas & Electric	\$8,450
American Electric Power	\$6,443
Dayton Power and Light	\$5,263
<b>Total contributions</b>	<b>\$32,876</b>

\*Totals include contributions from board members, political action committees, lobbyists and employees of the parent and subsidiary companies. Only lobbyists working full-time for the utilities were included. Electric utilities donated \$18,329 to the Ohio Senate Ways and Means Committee, which is scheduled to have the first major vote on the deregulation legislation this Spring. Electric utilities donated \$3,700 to Senator Louis Blessing, chair of the committee, and \$4,459 to the Ranking Minority Member Leigh Herington. FirstEnergy was the top utility contributor to the Ohio Senate Ways and Means Committee in 1997-1998, contributing \$7,500 to the committee members overall. Electric utilities also donated \$37,800 to the Ohio Republican Senate Campaign Committee and \$5,200 to the Committee for a Democratic Majority.

Electric utility contributions to Senate Ways & Means Committee members in 1997-1998

<b>Committee member</b>	<b>Total</b>
Leigh Herington (Rank.Min)	\$4,459
Louis Blessing, Jr. (Chair)	\$3,700
Rhine McLin	\$3,050
Scott Nein	\$2,695
Greg DiDonato	\$1,775
Grace Drake	\$1,100
Larry Mumper	\$ 675
Charles Horn	\$ 625
Bruce Johnson (Vice-Chair)	\$ 250
<b>Total contributions</b>	<b>\$18,329</b>

Contributions from electric utilities to Ohio Senate Ways & Means Committee in 1997-98

<b>Company</b>	<b>Total</b>
FirstEnergy	\$7,500
Cincinnati Gas and Electric	\$4,575

American Electric Power	\$3,509
Dayton Power and Light	\$2,745
<b>Total contributions</b>	<b>\$18,329</b>

Totals include contributions from board members, political action committees, lobbyists and employees of the parent and subsidiary companies. Only lobbyists working full-time for the utilities were included. Utilities gave the most money to Bob Taft's gubernatorial campaign and to party committees. Taft received \$114,258 from the utilities, while utility contributions to the party committees totaled \$191,350. The utilities clearly sought to establish themselves as major campaign funders while at the same time mounting a clear legislative agenda.

### Top statewide legislative candidates receiving contributions from electric utility companies in 1997-1998

<b>Candidates</b>	<b>Total</b>
1. Bob Taft	\$114,258
2. Lee Fisher	\$ 25,175
3. Betty Montgomery	\$ 20,145
4. Richard Finan	\$ 15,718
5. JoAnn Davidson	\$ 11,825
6. J. Kenneth Blackwell	\$ 11,625
7. Joseph Deters	\$ 10,300
8. Thomas Moyer	\$ 8,150
9. Roy Ray	\$ 6,825
10. Lynn Olman	\$ 5,922
11. Doug White	\$ 5,906

12. Dennis Stapleton	\$ 5,822
13. Robert Corbin	\$ 5,234
14. Ronald Suster	\$ 5,100
15. Jim Petro	\$ 5,015
16. Kevin Coughlin	\$ 4,600
17. Leigh Herington	\$ 4,459
18. Gary Cates	\$ 4,425
19. P. Michael Robinette	\$ 4,300
20. Bryan Williams	\$ 3,750
<b>Total contributions</b>	<b>\$ 278,555</b>

Political parties and caucuses receiving contributions from electric utility companies in 1997-1998

<b>Candidates</b>	<b>Total</b>
1. Ohio Republican Party Campaign Committee	\$113,500
2. Republican Senate Campaign Committee	\$ 37,800
3. Ohio House Republican Campaign Committee	\$ 23,850
4. House Democratic Caucus Fund	\$ 6,300
5. Committee for a Democratic Majority	\$ 5,200
6. Ohio Democratic Party	\$ 2,500
7. Ohio Republican Party State Candidate Fund	\$ 2,000
8. Ohio Democratic Building Fund	\$ 200
<b>Total contributions</b>	<b>\$191,350</b>

Recommendations

As legislators and the governor move forward with electric deregulation, they will have to make choices about whether deregulation will benefit ratepayers (families and small businesses) or shareholders and whether a robust competitive market will emerge, over the protests of the existing monopolies.

To produce savings for families and small businesses, electric deregulation must:

- Avoid dumping "stranded costs" on customers. Forcing ratepayers to pay \$11 billion in stranded costs, as the pending legislation would do, would effectively gut savings for several years, discouraging competitors from entering the Ohio market.
- Give consumers the right tools to tap potential savings. The single most effective tool for consumers is opt-out community choice, which would allow local governments to shop for electricity for all residential and business customers. As big industrial customers clearly know, suppliers will offer their lowest prices to large, stable blocks of customers. With opt-out community choice, local governments could buy electricity for large blocks of their residents. Any resident not wanting to be included in the buying pool could leave at any time to shop on their own for electric power. While electric utilities contributed \$604,235 in 1997 and 1998 to legislative and statewide candidates and parties, these contributions represent only a fraction of utility money spent to influence the outcome of the deregulation debate. Utilities also are spending vast sums of money to hire politically-connected lobbyists and consultants. That money is much harder to identify or trace.
- Electric utilities should be required to disclose a full list of consultants they have hired who have contact with legislators, state agencies and the governor's office.