

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE COMMISSION'S
INVESTIGATION INTO SOBE THERMAL
ENERGY SYSTEMS, LLC AND RELATED
MATTERS.

CASE NO. 25-880-HC-COI

ENTRY

Entered in the Journal on September 8, 2026

{¶ 1} SOBE Thermal Energy Systems, LLC (SOBE) is “engaged in the business of supplying water, steam, or air through pipes or tubing to consumers within this state for heating or cooling purposes.” R.C. 4905.03(H). Therefore, SOBE is a “heating and cooling company” as defined in R.C. 4905.03(H) and a “public utility” under R.C. 4905.02, rendering it subject to the Commission’s jurisdiction.

{¶ 2} SOBE provides steam and chilled water service for heating and cooling purposes to customers in the central business district of Youngstown, Ohio.

{¶ 3} On August 26, 2025, the City of Youngstown (Youngstown) informed the Ohio Attorney General’s office of a judgment against SOBE, at which time the Commission opened this proceeding. In a separate proceeding before the Mahoning County Court of Common Pleas, that court ultimately issued a default judgment entry and order of possession that states Wabash Power Equipment Co. (Wabash) is “entitled to immediate and permanent possession” of a containerized mobile steam plant (the Boiler). *Wabash Power Equipment Co. v. SOBE Thermal Energy Systems, LLC*, Mahoning C.P. No. 2025 CV 01353 (*Wabash v. SOBE*), Default Judgment Entry and Order of Possession (Aug. 21, 2025) at 1.

{¶ 4} On September 16, 2025, the court issued a judgment entry stating that Wabash would allow the Boiler to remain in operation until September 30, 2025. *Wabash v. SOBE*, Judgment Entry (Sept. 16, 2025) at 1-2.

{¶ 5} In another proceeding, the court issued a judgment against SOBE in the amount of \$424,458.46 plus interest. *Alcon Mechanical Piping Inc. v. SOBE Thermal Energy Systems LLC*, Mahoning C.P. No. 2025 CV 01853, Judgment Entry (Nov. 26, 2025).

{¶ 6} On September 26, 2025, the court issued a judgment entry granting a writ of mandamus for the appointment of a receiver. *Pub. Util. Comm. v. SOBE Thermal Energy Systems LLC*, Mahoning C.P. No. 2025 CV 02482 (*PUCO v. SOBE*), Judgment Entry (Sept. 19, 2025). Reg Martin was appointed as receiver and was later replaced by John Collins. *PUCO v. SOBE*, Oath of Receiver (Oct. 6, 2025); *PUCO v. SOBE*, Oath of Receiver (Feb. 18, 2026).

{¶ 7} On May 21, 2026, SOBE filed a letter in the above-captioned case requesting an emergency rate increase. In the filing, SOBE indicated that monthly revenues are approximately \$130,000, and monthly expenses are approximately \$220,000.

{¶ 8} On June 15, 2026, Staff filed a report (Staff Report). Staff calculated SOBE's monthly Operational Charge revenue requirement, which does not include costs of the natural gas used to fuel the Boiler, to be \$96,686,¹ a proportion of which should be paid by each customer based on the proportional share methodology. Staff recommended that a separate monthly Natural Gas Charge should also be based on the proportional share methodology. Subsequently, on June 22, 2026, Staff amended its recommended monthly Operational Charge revenue requirement to \$113,149 in order to take into account additional costs that receiver Collins identified.

{¶ 9} On June 24, 2026, the Commission issued a Finding and Order adopting the recommendation for an emergency rate, as recommended in the amended Staff Report. In that Order, the Commission found that the circumstances constitute an emergency situation due to the monthly expenditures significantly exceeding monthly revenues and the

¹ Staff estimated monthly expenses to be \$111,135, less the estimated revenues from chilled water customers in the amount of \$14,449, which totals \$96,686.

imminent exhaustion of existing funds. After examining the filings in this case, the Commission determined that SOBE's emergency rate increase request is not an attempt to circumvent or substitute permanent rate relief under R.C. 4909.18 and the emergency rates constitute the minimum level of relief necessary to avert financial crisis.

{¶ 10} Following the Commission's instruction, the receiver filed final tariffs on June 30, 2026, consistent with the Finding and Order. The tariffs were approved upon filing and effective immediately for services rendered on or after the filing date. Finding and Order at ¶ 40.

{¶ 11} On July 16, 2026, the Ohio Consumers' Counsel (OCC) filed a motion to intervene in the proceeding.

{¶ 12} On July 24, 2026, OCC filed a motion seeking leave to file an application for rehearing along with an application for rehearing.

{¶ 13} Also on July 24, 2026, the City of Youngstown (Youngstown) filed a motion to intervene and contemporaneous application for rehearing.²

{¶ 14} On August 18, 2026, the administrative law judge (ALJ) issued an Entry granting the motions to intervene filed by OCC and Youngstown.

{¶ 15} On August 19, 2026, the Commission issued an Entry on Rehearing granting the applications for rehearing and directing the ALJ to schedule a hearing regarding the revenue requirement and rate design of the emergency rates.

{¶ 16} On August 20, 2026, the ALJ scheduled an evidentiary hearing to take place on September 14, 2026, with a testimony filing deadline of September 8, 2026.

². On August 10, 2026, Youngstown filed an amended application for rehearing that was not considered by the Commission.

{¶ 17} On September 4, 2026, OCC filed a motion to file briefs in lieu of testimony and a hearing. OCC also certifies that no party opposes the motion and requests expedited treatment. OCC says that the parties have agreed to handle the matter through briefing rather than testimony and a hearing, as the case presents legal issues rather than factual issues.

{¶ 18} The ALJ finds that the unopposed motion should be granted. Accordingly, the evidentiary hearing previously scheduled for September 14, 2026, should be cancelled.

{¶ 19} Additionally, any party wishing to file initial or reply briefs shall do so no later than September 14, 2026, and September 21, 2026, respectively.

{¶ 20} It is, therefore,

{¶ 21} ORDERED, That OCC's motion to file briefs in lieu of testimony and a hearing be granted. It is, further,

{¶ 22} ORDERED, That the evidentiary hearing scheduled for September 14, 2026, be cancelled. It is, further,

{¶ 23} ORDERED, That initial briefs be filed by September 14, 2026, and reply briefs be filed by September 21, 2026. It is, further,

{¶ 24} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Jacky Werman St. John

By: Jacky Werman St. John
Administrative Law Judge

PAS/dmh

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9/8/2026 1:25:03 PM

in

Case No(s). 25-0880-HC-COI

Summary: Administrative Law Judge Entry ordering that OCC's motion to file briefs in lieu of testimony and a hearing be granted; the evidentiary hearing scheduled for September 14, 2026, be cancelled and initial briefs be filed by September 14, 2026, and reply briefs be filed by September 21, 2026 electronically filed by Ms. Donielle M. Hunter on behalf of Jacky Werman St. John, Administrative Law Judge, Public Utilities Commission of Ohio.