

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

<b>In the Matter of the Joint Application of</b>	)	
<b>ISQ CoolCo, LLC and HS CoolCo, LLC</b>	)	
<b>for Approval of Proposed Membership</b>	)	<b>Case No. 19-1622-CC-UNC</b>
<b>Interest Transfer</b>	)	

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**JOINT APPLICATION**

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ISQ CoolCo LLC (the “Utility”) and HS CoolCo, LLC (“HS CoolCo”) (collectively “Joint Applicants”) hereby give notice to the Commission that HS CoolCo entered into a membership interest purchase agreement (“MIPA”) to purchase 100% of the membership interests of the holding company of the Utility<sup>1</sup>. Although no provision of R.C. Title 49 expressly requires Commission review or approval of this transaction, the transaction is structured similarly to transactions for which the Commission has exercised its general supervisory powers under R.C. 4905.05 and R.C. 4905.06 to ensure that the effect of the transaction will be consistent with the public interest. Accordingly, Joint Applicants submit this Joint Application for the Commission’s review and respectfully request that the Commission approve this transaction and those two prior membership interest transfers in 2012 and 2014 (as further addressed in paragraph 12 herein) as expeditiously as possible. In support thereof, Joint Applicants state the following:

1. The Utility is an Ohio limited liability company. The Commission has asserted its jurisdiction over the Utility as a cooling company and a public utility as defined in R.C. 4905.02 and 4905.03(H). See *In re Application of New Cincinnati District Cooling Company*, Case No.

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<sup>1</sup> The holding company being sold in the transaction (ISQ CoolCo (Parent) LLC) has no other assets, liabilities or business operations, other than those related to owning the membership interests of the Utility.

96-126-CC-AIS, Finding and Order (February 22, 1996). Cube District Energy Partners LLC (“Cube”), a Delaware limited liability company, currently holds 100% of the membership interests of the holding company of the Utility.

2. The Utility operates and maintains a chilled water system, serving businesses in the downtown business district of the City of Cincinnati (the “City”). The franchise agreement entered into with the City permits the Utility to serve its customers through negotiated contracts. For this reason, the Commission has found that the City has primary jurisdiction over the rates charged to the Utility’s customers under R.C. 4909.34. See *In re Cinergy Cooling Corp.*, Case No. 97-445-CC-AIS, Finding and Order (June 6, 1997).

3. Cube proposes to sell 100% of the membership interests of the holding company of the Utility to HS CoolCo pursuant to the MIPA, a copy of which will be made available to the Commission’s Staff upon its request at the Columbus, Ohio offices of Bricker & Eckler LLP.

4. HS CoolCo is a Delaware limited liability company. HS CoolCo is an indirect subsidiary of Harrison Street Social Infrastructure Fund, L.P., a Delaware limited partnership and its parallel vehicles, collectively (the “HS Infrastructure Fund”). The HS Infrastructure Fund is a long-term, open-ended investment vehicle that invests primarily in utility and social infrastructure assets. HS Infrastructure Fund is managed by Harrison Street, a leading investment management fund focused on real assets. Headquartered in Chicago, the firm has more than 140 employees and approximately \$21.5 billion of assets under management.

5. Following the close of the sale of 100% of the membership interests of the holding company of the Utility to HS CoolCo, the Utility will continue to exist and intends to continue to provide the same quality of service to customers as is currently being provided. The transfer of ownership of the Utility to HS CoolCo will be seamless and transparent to the

Utility's customers—which currently consist of 13 large commercial and governmental customers under negotiated contracts.

6. The legal entity and regulatory status of the Utility will not change as a result of the transaction. Upon closing the transaction, the Utility will remain a separate public utility subject to the Commission's jurisdiction. The Utility will continue to provide adequate public utility service and will continue to own, operate and maintain the facilities necessary to provide such service. The Utility's activities will continue to be accounted for separately, with separate books and records maintained. The transaction will have no effect on the rates, terms, or conditions of service to the Utility's existing customers, whose existing negotiated contracts will remain in effect. Because customers' rates are determined through negotiated contracts, as permitted by the franchise agreement with the City, the Utility has no tariffs on file with the Commission. Thus, this transaction will not result in any tariff changes.

7. After the closing of the transaction, the Utility will continue to possess the requisite managerial, technical and financial expertise to operate as a cooling company and public utility; the change in ownership of the Utility will not affect that expertise.

8. The change in ownership of the Utility will not affect its day-to-day operations or its managerial and technical ability to provide adequate service. The Utility's existing operating personnel will continue to provide day-to-day operations after the transaction closes.

9. The change in ownership of the Utility will not adversely affect its existing financial ability to provide adequate service. Harrison Street Social Infrastructure Fund, L.P.'s most recent financial statements and Harrison Street's total available capital are contained in Attachment A, which has been filed under seal.

10. Approval of the proposed change in ownership of the Utility will have no adverse effect on the Utility or its customers.

11. The transfer of ownership of the Utility to HS CoolCo is in the public interest and should be approved.

12. Joint Applicants also request that the Commission recognize and approve two prior transactions in which the Utility's membership interest changed. The Utility notified the Commission of these changes, which occurred in October 2012 and June 2014, in its Annual Report for each calendar year from 2012 through 2018. However, the Utility inadvertently failed to make formal applications to the Commission for review under its general supervisory powers. In each instance, the Utility's customers were not harmed. The negotiated contracts under which customers were being served continued unchanged; the Utility continued operations as an individual entity; its operations, managerial and technical expertise continued to be provided by the same operating personnel; and customers were notified of the changes in the Utility's name when such changes occurred. The changes to the owners of the membership interests did not affect the Utility's operations, accounting or accountability; and the Utility has continued to comply with the Commission's rules and orders.

13. In order to facilitate timely closing of the transaction, Joint Applicants request that the Commission approve this Joint Application as expeditiously as possible.

WHEREFORE, Joint Applicants respectfully request that the Commission approve this

transfer of membership interest in ISQ CoolCo LLC.

Respectfully submitted,

/s/ Thomas Gabelman

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# **ATTACHMENT A**

Harrison Street Financial Information

CONFIDENTIAL: FILED UNDER SEAL

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**8/23/2019 2:57:58 PM**

**in**

**Case No(s). 19-1622-CC-UNC**

Summary: Text Joint Application of ISQ CoolCo, LLC and HS CoolCo, LLC for Approval of Proposed Membership Interest Transfer electronically filed by Teresa Orahod on behalf of Dane Stinson