

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Review of  
Youngstown Thermal, LLC and  
Youngstown Thermal Cooling, LLC**

**Case No. 17-1534-HC-UNC**

**SUPPLEMENTAL MEMORANDUM IN SUPPORT OF  
APPLICATION FOR RE-HEARING**

Now comes the Young Men's Christian Association of Youngstown Ohio ("the YMCA"), a ratepayer and customer of Youngstown Thermal, LLC, and hereby submits a supplemental memorandum in support of its Application for Re-hearing (filed on September 1, 2017) with regard to the imposition and amount of a surcharge to the YMCA as set forth in the Third Finding and Order filed on August 2, 2017 and the letter from the PUCO to the YMCA dated August 3, 2017.

The YMCA questions the validity of the emergency surcharge and asserts that it was determined inaccurately and without reliable substantiation and further asserts that the surcharge is being imposed inequitably as to the YMCA. PUCO Staff ("Staff") conducted a review of Youngstown Thermal, LLC and Youngstown Thermal Cooling, LLC's ("Youngstown Thermal") financial condition to determine an emergency surcharge so as to avoid immediate loss of cooling and heating services to its customers. The Staff filed a Revised Staff Report ("Report") on July 31, 2017 in support of the imposition of an emergency surcharge. The Report set forth Findings which state that the "Staff proposes that the recommended surcharge be applied for the remaining summer months (July, August and September) and then be reassessed for the fall/winter months. In September, an adjustment to the emergency surcharge may be needed to properly reflect the increased cash flow for the fall months."

The Staff Recommendation set forth in the Report further states:

“Staff recommends that the fixed emergency surcharge to recover 120% of essential payroll and health care expenses identified in the table above be adopted for the months of July, August and September. Additionally, Staff recommends that fall emergency rates may need to be reassessed through a separate filing in September.”

At the Meeting of Youngstown Thermal customers held by the Receiver in the Mahoning County Common Pleas Court case on August 10, 2017, the Receiver advised the customers that the emergency surcharge was a three-month surcharge which would be re-assessed in September, 2017 for future months.

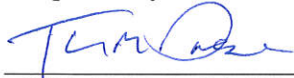
In its Findings, the Staff allocated the 120% of the monthly cost of employee payroll and healthcare expenses based on the percentage of revenues generated in 2016 between the heating and cooling customers. Based on 2016 revenues, 90% of the payroll and health care costs were allocated to the heating customers and 10% was allocated to the cooling customers. However, the emergency surcharge, as recommended and ultimately determined in the Third Finding and Order, unfairly penalizes the YMCA and other customers who only utilize Youngstown Thermal for heating purposes. The surcharge is for the three months of July, August and September which months are more heavily used by cooling customers. Yet the cooling customers are only charged with 10% of the revenue requirement during the months when those customers' usage is the highest and the heating customers are charged 90% when their usage is the lowest in comparison.

Further, the “formula” used by the PUCO in determining a surcharge for those three months unfairly charges the YMCA with the largest surcharge of any customer for the months when the YMCA's use is at or near its lowest usage. Additionally, the “formula” for the surcharge is flawed and inequitable because it bases the surcharge for the YMCA on how much

heating customers used during the month of January, 2016. It is illogical to utilize the usage of steam during the month of January, 2016 in order to determine a surcharge for the summer months of 2017. There is no basis in fact or equity for that determination. The Staff in its Findings state that the month of January, 2016 was used because it was the peak demand. The surcharge for the three summer months must be based on summer usage of steam by the customers. The Recommendation of a re-assessment of the surcharge in October, 2017 will allow for an accurate determination for the fall/winter months based on a determination utilizing the the fall/winter usage by the customers.

WHEREFORE, Youngstown Thermal Customer/Ratepayer, YMCA respectfully requests that this Application for Re-Hearing be granted for the additional reasons set forth herein.

Respectfully submitted,



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Summary: Memorandum Supplemental Memorandum in Support of Application for Rehearing electronically filed by Mr. Thomas M. Gacse on behalf of YMCA of Youngstown Ohio