



# Public Utilities Commission

**Mike DeWine**, Governor  
**Jenifer French**, Chair

## Commissioners

M. Beth Trombold  
Lawrence K. Friedeman  
Dennis P. Deters  
Daniel R. Conway

May 20, 2021

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, OH 43215

*RE: In the Matter of the Application of Frazier, Ltd. And Copley Business Center, LLC for Approval for the Transfer of Certificates of Public Convenience and Necessity Nos. 38 and 41, Case No. 21-197-ST-ATC.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations regarding the application filed by Frazier Ltd. And Copley Business Center, LLC for transfer of certificates of Public Convenience and Necessity Nos. 38 and 41, Case No. 21-197-ST-ATC.

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Barbara Bossart  
Chief, Reliability and Service Analysis Division  
Service Monitoring and Enforcement Department  
Public Utilities Commission of Ohio

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Marianne Townsend  
Chief, Regulatory Utility Services  
Rates and Analysis Department  
Public Utilities Commission of Ohio

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Frazier,        )  
Ltd. And Copley Business Center, LLC for        )  
Approval for the Transfer of Certificates of        ) Case No. 21-0197-ST-ATC  
Public Convenience and Necessity Nos. 38        )  
and 41    )

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**Staff Review and Recommendation**

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**APPLICATION DESCRIPTION**

On March 2, 2021, Frazier, Ltd. (“Frazier”) and Copley Business Center, LLC (“Copley”) collectively, (“Applicants”) jointly filed an application with attachments (“Application”) with the Public Utilities Commission of Ohio (“Commission”) requesting the approval to transfer Certificates of Public Convenience and Necessity Nos. 38 and 41 (“certificates”) from Frazier to Copley. In addition, the Applicants request that the Commission approve the Application without requiring either the publication of legal notice or a hearing.

The Applicants are a public utility and a waterworks and sewer disposal systems company that currently serves eight customers in Copley township in Summit County Ohio. The eight customers are a mix of residential customers including a duplex and an apartment building and commercial customers including an office building and several smaller units. The certificates were initially approved in Case No. 91-1393-WW-ACE and granted to First Benefits Agency, Inc. On June 5, 1996, First Benefits Agency Inc. and Frazier filed a joint application seeking approval to transfer certificates in Case No. 96-566-WS-ATC to Frazier. The Commission approved the transfer of the certificates on February 20, 1997.

Frazier is a limited partnership which primarily owns real property and the former owner of real property at 3636 Copley Road, Akron, Ohio 4432. Included with the real property at 3636 Copley Road is one building that includes the waterworks and sewage disposal facilities (“Utility”). The waterworks and sewer facilities are inseparable from the office building at 3636 Copley Road. Copley purchased the real property at 3636 Copley Road on February 3, 2020 from Frazier.

**REVIEW AND RECOMMENDATION**

Staff has conducted a review of the Application. Staff reviewed the managerial, technical, and financial capabilities of Copley as well as any potential change in tariffs or rates as a result of the transfer.

Like Frazier, Copley's primary business purpose is the rental and management of commercial real estate. Jack Marsillo with 35 years of property management and business consulting provides Copley with sufficient managerial experience to operate a small waterworks and sewer operation. Mr. Marsillo has reached out to Staff on several occasions to familiarize himself with state requirements and obligations.

Also, like Frazier, Copley relies on vendors to operate the facilities, namely Davis Water Treatment and Sewage Solutions. The Applicants also utilize Superior Drain and ABC Plumbing for repairs. The customers will see a seamless continuation in the operation of the facilities. Staff notes that the Commission's call center has not seen a single complaint since the purchase of Frazier. The Applicants have not had any safety, environmental, or regulatory violations in 2019 and 2020.

As part of its review, Staff also examined the financial condition of Copley. Copley is financed through investment from its members Tim Adkins and James House. Mr. Adkins and Mr. House provide the resources for short-term liquidity funding to allow Copley to maintain the working requirements of Frazier.

Copley has three sources of income: the Copley Road property, the Utility, and the Karl Drive property. Copley provided an income statement showing 11 months income information for the Copley Road property and the Utility, and as well as seven months for the Karl Drive property. Both the Copley Road and Karl Drive properties showed a profit during the represented periods; however, the Utility's expenses nearly doubled its revenues during the 11 months represented on the income statement. Based upon the income statement provided, it appears that the Utility's revenues may not sufficient to support it as a stand-alone enterprise. Staff notes that the applicant's service rates for the Utility have remained unchanged for 15 years.

Based upon a review of its income statement and balance sheet, Copley appears to have sufficient sources of income and assets to finance the business. As noted, the water and sewage facilities business does not appear to be profitable at this time and may require an adjustment in rates going forward. Staff reminds Copley, however, that any adjustment in its regulated water and sewer rates must be approved by the Public Utilities Commission of Ohio through the rate case process.

Through the course of its review, Staff sought confirmation that Copley currently follows the uniform system of accounts (USOA). As Copley did not directly answer this inquiry, Staff reminds Copley of its obligation as a public utility to follow the USOA and recommends that the company institute new policies and procedures to ensure that this is done. Additionally, separate books should be maintained for the operations of the Utility.

## **STAFF CONCLUSION**

Staff does not have any concerns regarding the managerial, technical, and financial capabilities of Copley. As a result of its investigation, Staff believes the proposed transfer of certificates of the Applicants should not adversely impact the applicant's customers or the public interest in general. The

proposed transfer will not result in any change in Applicants' rates, services, or tariffs. It is not anticipated that the proposed transfer will diminish the applicant's ability to provide safe and reliable service to its customers.

Staff does not support the waiver of a legal notice. At the time of this recommendation, no party has intervened in the Application. Staff does support a waiver of hearing absent any future intervention.

Therefore, Staff concludes that the Application appears to be reasonable and recommends its approval.

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

**Commission of Ohio Docketing Information System on**

**5/20/2021 7:34:22 AM**

**in**

**Case No(s). 21-0197-ST-ATC**

Summary: Staff Review and Recommendation electronically filed by Mrs. Tanika Hawkins on behalf of PUCO Staff