

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
FRAZIER, LTD. AND COPLEY BUSINESS  
CENTER, LLC FOR APPROVAL OF THE  
TRANSFER OF CERTIFICATES OF PUBLIC  
CONVENIENCE AND NECESSITY NOS. 38  
AND 41.

CASE NO. 21-197-ST-ATC

## FINDING AND ORDER

Entered in the Journal on July 28, 2021

### I. SUMMARY

{¶ 1} The Commission approves the application of Frazier, Ltd. and Copley Business Center, LLC for approval for the transfer of Certificate of Public Convenience and Necessity Nos. 38 and 41.

### II. APPLICABLE LAW

{¶ 1} R.C. 4933.25 requires waterworks companies and sewage disposal system companies to obtain a certificate from this Commission before constructing, installing, or operating a waterworks or sewage disposal system company.

{¶ 2} Ohio Adm.Code 4901:1-15-05 specifies the proper format and information required in an application to receive a sewage disposal certificate.

{¶ 3} Ohio Adm.Code 4901:1-15-09(A) provides, in part, that no operating authority for a waterworks or sewage disposal system company may be transferred unless the transaction is first approved by the Commission. Ohio Adm.Code 4901:1-15-09(B) provides that an application for approval of the transfer of operating authority shall be a joint application and shall comply with the requirements set forth in Ohio Adm.Code 4901:1-15-05.

{¶ 4} Frazier, Ltd. (Frazier) and Copley Business Center, LLC (Copley) are public utilities as defined in R.C. 4905.02, sewage disposal system companies as defined in R.C.

4905.03(M), and a waterworks company as defined in R.C. 4905.03(G). Therefore, Frazier and Copley are subject to the jurisdiction of the Commission under authority of R.C. 4905.04 and 4905.05.

### III. DISCUSSION

#### A. *Application Summary*

{¶ 5} On March 2, 2021, Frazier and Copley (collectively, Joint Applicants) filed an application requesting the approval to transfer the Certificate of Public Convenience and Necessity Nos. 38 and 41 from Frazier to Copley for the purpose of authorizing Copley to operate a waterworks and sewage disposal system. In conjunction with the application for a transfer of a certificate, Joint Applicants included a copy of the purchase agreement under which Frazier agreed to transfer its interest in specified assets.

{¶ 6} Joint Applicants represent that Copley will file tariff documents within a reasonable time following the order approving its application, in accordance with Ohio Adm.Code 4901:1-15-09(D).

{¶ 7} In accordance with Ohio Adm. Code 4901:1-15-09(E), the Joint Applicants state that the waterworks and sewage disposal facilities are not being acquired from an individual, partnership, or corporation which has constructed or owned and operated the systems without authority from the Commission.

#### B. *Waiver of Legal Notice*

{¶ 8} In conjunction with the application, Joint Applicants seek a waiver of the requirement to publish legal notice, as required by Ohio Adm.Code 4901:1-15-05(D)(21).

{¶ 9} In its review and recommendations (Staff Report) filed on May 20, 2021, Staff states that it does not support the waiver of legal notice. Staff does not provide further explanation for its recommendation.

{¶ 10} The Commission finds that the request to waive the requirement to publish legal notice in the newspaper is reasonable and should be granted. In reaching this determination, the Commission determines that approval of the joint application will not cause any change in any rate or term of service and that the transfer of the water and wastewater certificates will not have a negative impact on affected customers.

*C. Request to Waive Hearing*

{¶ 11} In conjunction with the application, Joint Applicants request that the Commission grant the application without a hearing.

{¶ 12} In the Staff Report, Staff states that it supports the Joint Applicants' request to waive hearing.

{¶ 13} The Commission finds that, pursuant to its discretion in R.C. 4933.25 and Ohio Adm.Code 4901:1-15-09(B), because there are no intervening parties and Staff recommends approval, Joint Applicants' request to waive hearing be granted.

*D. Staff Report*

{¶ 14} On May 20, 2021, Staff filed its Staff Report. In it, Staff explains that the certificates were initially approved and granted to a third party in Case No. 91-1393-WW-ACE and transferred to Frazier in Case No. 96-566-WS-ATC. Staff states in its report that the waterworks and sewer disposal systems company currently serves eight customers in Copley Township in Summit County, Ohio. Frazier is a limited partnership that primarily owns real property and is the former owner of real property at 3636 Copley Road, Akron, Ohio 4432. Included with the real property at 3636 Copley Road is the waterworks and sewage disposal facilities ("Utility"). Like Frazier, Copley's primary business purpose is the rental and management of commercial real estate. Staff also notes that Copley purchased the real property at 3636 Copley Road on February 3, 2020 from Frazier, and the Utility is inseparable from the rest of the property.

{¶ 15} 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. Staff notes that like Frazier, Copley relies on vendors to operate the Utility. Staff finds that Copley has sufficient managerial experience to operate a small waterworks and sewer operation. Staff also finds that although the Utility's revenues may not be sufficient to support it as a stand-alone enterprise, Copley appears to have sufficient sources of income and assets to finance the business. Staff notes that because the Utility does not appear to be profitable at this time, an adjustment in rates may be required in the future. Ultimately, Staff concludes that it does not have any concerns regarding the managerial, technical, and financial capabilities of Copley.

{¶ 16} Staff believes the proposed transfer of certificates should not adversely impact the involved customers or the public interest in general. Staff also notes that proposed transfer will not result in any change in rates, services, or tariffs. Staff does not anticipate that the proposed transfer will diminish the ability to provide safe and reliable service to the involved customers.

{¶ 17} Staff finds the application to be reasonable and recommends that the Commission approve the application.

#### IV. CONCLUSION

{¶ 18} After reviewing the joint application, the Commission concludes that, pursuant to R.C. 4933.25 and Ohio Adm.Code 4901:1-15-05 and 4901:1-15-09, the request for the transfer of Certificate of Public Convenience and Necessity Nos. 38 and 41 is reasonable and should be approved consistent with the conditions set forth in this Finding and Order.

{¶ 19} Joint Applicants must provide customer notice reflecting that Copley will be the provider of waterworks and sewage disposal services. Joint Applicants should formally notify the Commission upon completion of the customer notice and file a copy of such customer notice in the docket.

{¶ 20} Copley is directed to utilize the Uniform System of Accounts, and any property transferred shall be recorded at net book value. Additionally, separate books should be maintained for the operations of the Utility and Copley's other businesses.

{¶ 21} The Commission notes that any adjustment in regulated water and sewer rates must be approved by the Commission through the rate case process.

## V. ORDER

{¶ 22} It is, therefore,

{¶ 23} ORDERED, That the application for the transfer of Certificate of Public Convenience and Necessity Nos. 38 and 41 be granted in accordance with the provisions set forth in this Finding and Order. It is, further,

{¶ 24} ORDERED, That Joint Applicants provide the requisite customer notice consistent with this Finding and Order. It is, further,

{¶ 25} ORDERED, That Certificate Nos. 38 and 41 be reissued to Copley. It is, further,

{¶ 26} ORDERED, That Copley be responsible for the applicable assessments and annual reports. It is, further,

{¶ 27} ORDERED, That the requested waiver of legal notice be granted in accordance with the provisions set forth in this Finding and Order. It is, further,

{¶ 28} ORDERED, That Joint Applicants' request to waive hearing be granted. It is, further,

{¶ 29} ORDERED, That nothing contained in this Finding and Order shall be deemed binding upon this Commission in any subsequent investigation or proceeding involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 30} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

COMMISSIONERS:

*Approving:*

Jenifer French, Chair

M. Beth Trombold

Lawrence K. Friedeman

Daniel R. Conway

Dennis P. Deters

JWS/mef

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Summary: Finding & Order approving the application of Frazier, Ltd. and Copley Business Center, LLC for approval for the transfer of Certificate of Public Convenience and Necessity Nos. 38 and 41 electronically filed by Heather A. Chilcote on behalf of Public Utilities Commission of Ohio