



October 17, 2025

Commissioners
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

Re: Ongoing Crisis with SOBE Thermal LLC Financial and Service Issues

Dear Commissioners:

I am writing not just as a member of the Ohio House of Representatives, but as someone who represents the people of Youngstown, and I am angry and deeply frustrated by what is happening in our downtown right now. The collapse of SOBE Thermal LLC and the ensuing chaos are unacceptable, and I demand answers as to how this happened under the State's nose. We need decisive action now.

Currently, dozens of buildings in downtown Youngstown, including 90 residential units, are without reliable heat and hot water. These are people's homes. These are local businesses trying to stay open and survive. And they've been left in the cold because once again, the system has failed them.

This is the second time in eight years that Youngstown has faced this nightmare. In 2017, Youngstown Thermal was placed under receivership by your Commission due to financial instability and declining service quality. That receivership lasted until 2022. Just months later, SOBE Thermal — which had acquired the system in late 2021 — began its own downward spiral, culminating in substantial unpaid debts and the receivership we now face. It is deeply troubling that after such a short time, history has repeated itself almost identically under the oversight of the same regulatory body.

Your own record shows that warning signs were readily apparent if the PUCO had reviewed its own records.

- In **January 2021** The petition for purchase contemplated acquiring two new boilers—it appears instead one boiler was only leased.

- The petition for purchase filed in 2021 also included reliance on an expansion of the customer base to include Youngstown State University and a local hospital.
- In **May 2023**, the transfer of Youngstown Thermal to SOBE Thermal Energy Systems LLC closed in May 2023, and the final tariffs were set in October 2023. No verification of compliance with purchase terms or expanded customer base appears on the record.
- In **April 2024** annual report filings by SOBE Thermal Energy Systems fails to provide the list of heating clients and included a Profit & Loss statement at a loss of more than \$500,000 for 2023.
 - No PUCO action seems to have been taken to react or ask additional questions about this filing.
- In **September 2024** SOBE Thermal allegedly provided a bad check in the amount of \$400,000 to Alcon Mechanical Piping for work done on the distribution network. (This matter is also being litigated and SOBE Thermal did not timely respond. A motion for default judgment is pending.)
- In **January 2025** a default judgment in federal court was issued against SOBE Thermal for failure to pay on the leased boiler. *Wabash v. SOBE*, Case No. 1:24-cv-11105 (N.D.Ill. Oct. 29, 2024)
- On **September 12, 2025**, PUCO staff recommended an investigation into SOBE Thermal, citing *Wabash Power Equipment Co. v. SOBE Thermal Energy Systems, LLC*, Mahoning C.P. Case No. 2025 CV 01353, as the impetus.

On **September 18, 2025**, your *Finding and Order* acknowledged violations of **R.C. 4905.22**, the statutory requirement to furnish adequate and reliable service, and referenced the Commission's authority under **R.C. 4905.60** to appoint a receiver in such circumstances. That order also cited **R.C. 4905.06**, which gives the Commission "general supervision" over public utilities and the authority to "keep informed as to their general condition, capitalization, operation, and management."

If PUCO had exercised that authority earlier — when SOBE's 2024 filing revealed a loss of over \$500,000 — this crisis might have been prevented.

The pattern is clear: **the Commission should have been aware of repeated failures, mounting debt, and unresolved litigation, yet did not intervene in time.** No action was taken until the City of Youngstown reported that equipment was about to be repossessed, leaving Youngstown without heat once again. These aren't minor administrative hiccups — they are flashing red lights of financial collapse that should have triggered Commission intervention long before now.

The current "replacement boiler" is wholly inadequate. Reports from building owners and tenants confirm that it is barely providing any measurable heat. We are on the doorstep of winter. If this continues, pipes will freeze, businesses will close, and people will face unsafe living conditions. Youngstown cannot afford another drawn-out receivership or bureaucratic delay. I am demanding immediate, transparent action from your Commission to stabilize the system, ensure reliable heat for residents and businesses, and implement a long-term plan for oversight and accountability.

It is time for PUCO to use the full scope of its authority — including those under **R.C. 4905.06, 4905.22, and 4905.60** — to prevent further harm. I am formally requesting a meeting with Commission leadership and staff who can explain how this situation was allowed to deteriorate so rapidly, and what concrete steps will be taken to fix it now. If there are needs outside of what the Commission is legally authorized to provide I look forward to reviewing where resources and options can be found.

My city has fought too hard to rebuild its downtown only to be left freezing in the dark — again. This is not just a utility issue; this is about public safety, economic stability, and basic human dignity. I will continue to fight until this is resolved.

Sincerely,



Lauren McNally
State Representative
House District 58