

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of	)	DOCKET UW-070672
	)	
HARBOR HILLS WATER SYSTEM, LLC,	)	ORDER 01
	)	
Applicant,	)	
	)	ORDER AUTHORIZING CHANGE
For Change in Name to HARBOR	)	IN NAME AND TARIFF
HILLS WATER SYSTEM, INC.	)	ACCEPTANCE
.....	)	

**BACKGROUND**

- 1     On April 9, 2007, Harbor Hills Water System, LLC, filed an application for change in name. The new name being sought is Harbor Hills Water System, Inc.
  
- 2     Harbor Hills Water System, LLC's, a limited liability company, has its office located on Whidbey Island and serves approximately 330 customers in Island County. The Department of Health Water Facilities Inventory number for the company is # 33860.
  
- 3     It appears that the request for a change in name does not involve a change in the ownership, management or control of operating authority of the company.

**FINDINGS AND CONCLUSIONS**

- 4     (1)    The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including water companies. *RCW 80.01.040, RCW 80.04, RCW 80.28, RCW 80.08 and RCW 80.12.*
  
- 5     (2)    Harbor Hills Water System, LLC, is an investor-owned water company and is a public service company subject to the jurisdiction of the Commission.
  
- 6     (3)    Harbor Hills Water System, Inc., is a Washington corporation, Uniform Business Identification Number 602-287-772, formed to act as a utility holding company and is a public service company subject to the jurisdiction of the Commission.

- 7 (4) The benefits of the business structure change from a limited liability company to a corporation, as reflected in the name change of the water company, include favorable tax treatment for contributions in aid of construction. This tax advantage is not available to a limited liability company.
- 8 (5) Commission Staff has reviewed the Company's application and recommends authorization of the change in corporate name from Harbor Hills Water System, LLC, to Harbor Hills Water System, Inc.
- 9 (6) Harbor Hills Water System, Inc., will maintain Harbor Hills Water System, LLC's, current water rates and charges without change other than in name, in the initial tariff in this docket under the name of Harbor Hills Water System, Inc.
- 10 (7) This matter was brought before the Commission at its regularly scheduled open meeting on April 27, 2007.
- 11 (8) The proposed change in corporate name and tariff acceptance will have an effective date of May 1, 2007. This date will coincide with Company's billing periods and allows a mutually agreed transfer date.
- 12 (9) In this docket, the Commission neither approves nor disapproves the reasonableness of any fees, charges, rates, purchase price, or accounting allocations involved with the proposed arrangement and reserves the right to review those fees, charges, rates, or accounting allocations in a future rate proceeding.
- 13 (10) After reviewing of the application filed on April 9, 2007, in Docket UW-070672 by Harbor Hills Water System, LLC, and giving due consideration, the Commission finds that the application of the change in name from Harbor Hills Water System, LLC, to Harbor Hills Water System, Inc., is consistent with the public interest and should be authorized.

**ORDER**

THE COMMISSION ORDERS:

- 14 (1) The Commission authorizes the change in name from Harbor Hills Water System, LLC, to Harbor Hills Water System, Inc., consistent with the application.
- 15 (2) The tariff filed in conjunction with the application, allowing Harbor Hills Water System, Inc., to continue existing rates is allowed to become effective on May 1, 2007.
- 16 (3) This Order shall in no way affect the authority of this Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters whatsoever that may come before it, nor shall anything in this order be construed as acquiescence in any estimate or determination of costs, or any valuation of property claimed or asserted.
- 17 (4) As of May 1, 2007, Harbor Hills Water System, LLC, is removed from regulation and its tariff WN U-1 canceled.
- 18 (5) The Commission retains jurisdiction over the subject matter of this application.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective April 27, 2007.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Executive Secretary