

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
 )  
 ONSTAR CORPORATION )  
 )  
 For Approval of Conversion from a )  
 Delaware Corporation to a Delaware )  
 Limited Liability Company. )  
 \_\_\_\_\_ )

DOCKET NO. 2009-0088

DIV. OF CONSUMER ADVOCACY  
DEPT. OF COMMERCE AND  
CONSUMER AFFAIRS  
STATE OF HAWAII

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DECISION AND ORDER

PUBLIC UTILITIES  
COMMISSION

2009 AUG 18 P 12:31

FILED

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OF THE STATE OF HAWAII

In the Matter of the Application of)  
ONSTAR CORPORATION ) Docket No. 2009-0088  
For Approval of Conversion from a )  
Delaware Corporation to a Delaware )  
Limited Liability Company. )  
\_\_\_\_\_)

DECISION AND ORDER

By this Decision and Order, the commission grants OnStar Corporation's ("OnStar") request for approval of its conversion from a Delaware corporation to a Delaware limited liability company (the "Proposed Transaction") as set forth in OnStar's application filed on April 17, 2009 ("Application"),<sup>1</sup> subject to certain regulatory requirements.

I.

Background

OnStar, a Delaware corporation, is currently authorized by the commission to provide resold commercial mobile radio services in the State of Hawaii ("State").<sup>2</sup> It holds a Certificate of Registration pursuant to the commission's Decision

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<sup>1</sup>OnStar served copies of the Application on the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate"), an ex officio party to this proceeding pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules § 6-61-62.

<sup>2</sup>See In re OnStar Corporation, Docket No. 2007-0394, Decision and Order No. 23966, filed on January 10, 2008.

and Order No. 23966, filed on January 10, 2008, in Docket No. 2007-0394.

A.

Application

On April 17, 2009, OnStar filed its Application seeking commission approval of the Proposed Transaction. OnStar is seeking to convert from a corporation to a limited liability company to "maximize tax efficiencies."<sup>3</sup>

OnStar, LLC was issued a Certificate of Formation by the Secretary of State of the State of Delaware on November 25, 2008.<sup>4</sup> OnStar, LLC subsequently registered as a foreign limited liability company with the State Department of Commerce and Consumer Affairs and obtained a certificate of authority to transact business in the State on December 16, 2008.<sup>5</sup>

OnStar, LLC states that it adopted all of OnStar's rules, regulations and rates in the State and asserts that "there would be no change in the operation of the company due to the Transaction."<sup>6</sup> According to OnStar, "OnStar, LLC's financial fitness, willingness, and ability is [sic] the same as OnStar's."<sup>7</sup> OnStar notes that the Proposed Transaction is only a change in OnStar's corporate structure with no change to its operations.

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<sup>3</sup>See Application at 3.

<sup>4</sup>Id.

<sup>5</sup>Id.

<sup>6</sup>Id. at 4.

<sup>7</sup>Id.

In addition, OnStar states that in accordance with Delaware law "the new entity, OnStar, LLC, will be deemed the same entity as, and vested in the rights, privileges, powers, properties, assets, duties, liabilities, and obligations of, OnStar."<sup>8</sup> Finally, OnStar states that the Proposed Transaction will be "seamless and transparent" to its customers.<sup>9</sup>

B.

Consumer Advocate's Position

On April 28, 2009, the Consumer Advocate filed its Statement of Position stating that that it would not be participating in this particular proceeding due to limited resources. The Consumer Advocate, however, reserves the right to conduct analysis and/or offer recommendations in the future as appropriate and if necessary.

II.

Discussion

State law confers the supervision and regulation of "all public utilities" and the administration of HRS chapter 269 on the commission.<sup>10</sup> In particular, under HRS § 269-7, the commission is vested with broad powers to review and examine the condition and the manner in which a public utility is operated. HRS § 269-7(a) states, in relevant part:

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<sup>8</sup>Id.

<sup>9</sup>Id.

<sup>10</sup>See HRS § 269-6.

The public utilities commission . . . shall have power to examine into the condition of each public utility, the manner in which it is operated with reference . . . the issuance by it of stocks and bonds, and the disposition of the proceeds thereof, the amount and disposition of its income, and all its financial transactions, its business relations with other persons, companies, or corporations, its compliance with all applicable state and federal laws and with the provisions of its franchise, charter, and articles of association, if any, its classifications, rules, regulations, practices, and service, and all matters of every nature affecting the relations and transactions between it and the public or persons or corporations.

HRS § 269-7(a).

Upon review, the commission finds the Proposed Transaction described in OnStar's Application to be reasonable and in the public interest. The Proposed Transaction should not adversely affect OnStar's customers since OnStar, LLC will be adopting all of OnStar's previously approved rules, regulations, and rates for service.<sup>11</sup> Because the Proposed Transaction is merely a change in corporate structure, it will not result in any change in operations.

Based on the foregoing, the commission concludes that OnStar's request for commission approval of the Proposed Transaction should be granted. Because the Proposed Transaction will result in a name change for the utility, the commission will require OnStar to re-file its tariff to reflect the change. OnStar should also notify its customers of the change to forestall any confusion that may result due to the conversion.

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<sup>11</sup>See Application at 3.

III.

Orders

THE COMMISSION ORDERS:

1. OnStar's request for commission approval of its conversion from a Delaware corporation to a Delaware limited liability company is granted.

2. Within fourteen days from the date of this Decision and Order, OnStar shall re-file its tariff reflecting the name change from OnStar Corporation to OnStar, LLC and serve appropriate copies of the same on the Consumer Advocate.

3. Within thirty days from the date of this Decision and Order, OnStar, LLC shall provide notice of the Proposed Transaction to its customers and provide documentation of such notice to the commission and the Consumer Advocate.

4. Failure to comply with the requirements noted above, may constitute cause to void this Decision and Order, and may result in further regulatory action as authorized by law.

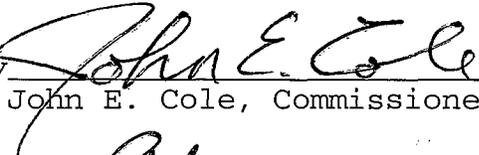
5. Upon compliance with Ordering Paragraphs 2-3, above, this docket shall be closed unless ordered otherwise by the commission.

DONE at Honolulu, Hawaii

AUG 18 2009

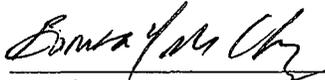
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
\_\_\_\_\_  
Carlito P. Caliboso, Chairman

By   
\_\_\_\_\_  
John E. Cole, Commissioner

By   
\_\_\_\_\_  
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Bonita Y. M. Chang  
Commission Counsel

2009-0088.cp

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail, postage prepaid, and properly addressed to the following parties:

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