

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 20th
day of May, 1992.

In the matter of the application of)
UtiliCorp United Inc., for authority to)
acquire, indirectly, an ownership interest)
in certain electric properties located in) CASE NO. EM-92-268
Argentina, and to carry out all actions)
necessary to effectuate said acquisition.)

ORDER AUTHORIZING STOCK ACQUISITION

On May 5, 1992, UtiliCorp United Inc. (Company) applied pursuant to 393.190 RSMo 1986 and 4 CSR 240-2.060(7), for an order authorizing Company to acquire stock in and, indirectly, an ownership interest in certain electric utility properties in Buenos Aires, Argentina. Company's verified application states that Argentina's privatization of its government owned electric system is going forward by bid proposals, and that said process requires bidders to secure regulatory approvals by May 21, 1992.

Company states that it will initially create a U.S. chartered corporation known as "US New Company," of which Company will own 77%. US New Company and others will then form a corporation known as "Argentina New Company," in which US New Company will have a 20% equity interest. Company states that its total investment "will not exceed \$45 million."

Company's application contains the favorable resolutions of its Board of Directors (Exhibit 3), agreements to effectuate the acquisition (Exhibit 4) and Company's financial statement (Exhibit 5).

On May 18, 1992, the Commission Staff filed its expedited recommendation. Staff recommends that the Commission approve Company's participation on the conditions that: (a) no rate-making treatment of Company's expenditures is implied thereby, (b) all stock acquisition records and financial

records pertaining to said acquisition be made available to Staff on request, and
(c) Company advise the Commission if the proposed acquisition is not consummated.

Having considered Company's verified application and Staff's favorable recommendation, the Commission finds that Company's application is reasonable and, subject to the three conditions above-stated, will herein be authorized.

IT IS THEREFORE ORDERED:

1. That UtiliCorp United Inc. is hereby authorized to acquire up to and including 77% of the stock in US New Company, a United States chartered corporation.

2. That UtiliCorp United Inc. is hereby authorized, through the US New Company, to acquire up to and including 20% of the stock of the Argentina New Company.

3. That UtiliCorp United Inc., through US New Company and Argentina New Company, is hereby authorized to acquire from Argentina Electric an undetermined amount of said Company's stock, the stated price of which is not to exceed \$45 million.

4. That UtiliCorp United Inc. is hereby authorized to enter into any other agreements or contracts reasonably necessary to effectuate the authorizations herein granted.

5. That the Commission authorization contained herein is conditional on Company's compliance with the three conditions contained in this order and designated above as (a), (b) and (c).

6. That nothing in this order shall be considered as a finding by the Commission of the reasonableness of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed upon said properties by the signatories to the contract of sale.

7. That this order shall be effective on June 2, 1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

Mueller, Rauch, Perkins
and Kincheloe, CC., Concur.
McClure, Chm., Dissents.