

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 25th  
day of May, 1993.

In the matter of the application of UtiliCorp United )  
Inc. for authority, among other things, to acquire )  
indirectly 49 percent of the ordinary shares of stock ) Case No. EM-93-50  
of WEL Energy Group Limited, a New Zealand electric )  
utility, and to take all other actions reasonably )  
necessary to effectuate said transaction. )

ADDITIONAL SUPPLEMENTAL ORDER APPROVING THE PURCHASE OF STOCK

On October 23, 1992, the Commission approved a proposed transaction by UtiliCorp United, Inc. (UtiliCorp), pursuant to Section 393.109, RSMo 1986, as amended, and 4 CSR 240-2.060(7), for authority to acquire indirectly 49% of the ordinary shares of WEL Energy Group Limited (WEL), a New Zealand electric utility. The proposed transaction was fully set out in a subscription agreement, market Exhibit #2, and attached to and incorporated in the Commission's Order.

On January 15, 1993, UtiliCorp filed an Application for a Supplemental Order for the reason that the parties to the original agreement had agreed to an alternative arrangement which would result in the acquisition by UtiliCorp of only 33.33% of the issued and outstanding ordinary shares of stock of WEL initially, but would also provide for an opportunity for UtiliCorp to acquire another 15.67% of WEL's stock on the open market over a period of time after the closing of the proposed transaction, and upon the occurrence of certain events. This supplemental application was approved by the Commission on February 26, 1993.

On April 2, 1993, UtiliCorp filed a request for additional or supplemental authority for the reason that UtiliCorp is now considering the possibility of effecting acquisition, not through the use of two wholly-owned

subsidiary corporations, one in Delaware and the other in New Zealand, but through the use of one single subsidiary corporation.

Specifically, in its application, UtiliCorp proposes two alternative acquisition structures, depending on the advice of corporate and tax counsel. Under the first alternative, UtiliCorp would form a single subsidiary, organized under the laws of Delaware and deemed a resident of New Zealand. Under the second alternative, contemplated in the original and supplemental orders of the Commission, the Delaware subsidiary would, in turn, form another wholly-owned subsidiary, organized under the laws of New Zealand. UtiliCorp maintains in its current application that both approaches are permitted by the restated and amended subscription agreement approved by the Commission in its Supplemental Order of February 26, 1993. UtiliCorp now requests authority to allow it the alternative of facilitating this transaction by forming one "dual-citizenship" subsidiary rather than two different corporations.

Finally, UtiliCorp states that the alteration involving the dual-citizenship subsidiary is not a material change from the transaction as originally contemplated and affects the form rather than the substance of the transaction.

On May 20, 1993, the Staff of the Commission filed its recommendation in this matter. Staff stated that it had various concerns regarding the proposed transaction, principally involving identification of the impact, if any, of the Energy Policy Act of 1992. Staff states that it has reviewed the results of several data requests in this regard and is satisfied that Staff's concerns have been addressed.

After review by the accounting, policy and federal, energy, and financial analysis departments, Staff has concluded that it has no objection to the proposed transaction, and recommends approval.

After review of the application, accompanying material, and Staff's recommendation, the Commission finds that the proposed alteration in the original transaction, involving the use of a "dual-citizenship" corporation is not a material change from the transaction as originally approved by the Commission. The Commission finds that the proposed alteration is reasonable and in the public interest and, therefore, approves UtiliCorp's request to allow it the alternative of using the "dual-citizenship" subsidiary in the proposed transaction.

IT IS THEREFORE ORDERED:

1. That the proposed alternative of employing a "dual-citizenship" corporation in the proposed transaction, approved by the Commission on February 26, 1993, is hereby approved as set out in UtiliCorp's application of April 2, 1993.

2. That this order shall become effective June 4, 1993.

BY THE COMMISSION

*Brent Stewart*

Brent Stewart  
Executive Secretary

(S E A L)

Mueller, Chm., McClure, and  
Perkins, CC., Concur.  
Kincheloe and Crumpton, CC., Absent.