



LETTER NO. L-12-97

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ROBERT J. PELLATT
COMMISSION SECRETARY
VIA FACSIMILE

March 13, 1997

Mr. Robert H. Hobbs
Director, Regulatory Affairs
West Kootenay Power Ltd.
1290 Esplanade
PO Box 130
Trail, BC
V1R 4L4

Dear Mr. Hobbs:

Re: West Kootenay Power Ltd.
Application - Approval in Principle - Issuance of Series I Debentures

This will acknowledge receipt of your letter dated March 7, 1997 applying to the Commission for approval in principle to issue a new series of debentures identified as Series I. It is proposed that the debenture issue will be in the amount of \$25 million at an expected interest rate of 7.81 percent issued at a discount to yield 7.902 percent with a term of 24 years. We also note that the debentures will be conditional upon WKP providing to the purchaser, at the time of closing, an undertaking not to issue any additional debentures without first providing the holders of the Series I Debentures a guarantee from UtiliCorp United Inc., parent company of West Kootenay Power Ltd.

The Commission has reviewed your application and gives its approval in principle to this proposed financing transaction pursuant to Section 57 of the Utilities Commission Act.

Following final approval, and upon application by WKP, the Commission will issue an Order based on the terms outlined in the application.

Yours truly,

A handwritten signature in black ink, appearing to read "R. J. Pellatt", written over a horizontal line.

Robert J. Pellatt

RJP/cms

WKP/Cor/Approval in Principle-SeriesI