

WOLF CREEK

NUCLEAR OPERATING CORPORATION

Otto L. Maynard
President and Chief Executive Officer

MAY 5 2000

WM 00-0022

S. J. Collins, Director
Office of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Subject: Docket No. 50-482: Guarantee of Payment of Deferred
Premiums, 10 CFR 140.21

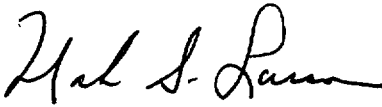
Dear Mr. Collins:

Pursuant to the requirements of 10 CFR 140.21, each operating reactor licensee is required to maintain financial protection through guarantees of payment of deferred premiums. The owners of Wolf Creek Generating Station are providing the enclosed documentation of their ability to pay deferred premiums in the amount of ten million dollars, as required by 10 CFR 140.21(e).

Kansas City Power & Light Company, Kansas Electric Power Cooperative, Inc., and Western Resources, Inc., including its wholly-owned subsidiary Kansas Gas and Electric Company, have each provided an audited 1999 Consolidated Statement of Cash Flows in order to demonstrate sufficient funds are available to meet their share of the deferred premiums.

If you have any questions concerning this matter, please contact me at (316) 364-4000 or Mr. Tony Harris at (316) 364-4038.

Very truly yours,


for Otto L. Maynard

OLM/rlr

Enclosures: 1) KANSAS ELECTRIC POWER COOPERATIVE, INC. STATEMENTS OF CASH FLOWS
2) KANSAS CITY POWER & LIGHT COMPANY CONSOLIDATED STATEMENTS OF CASH FLOWS
3) WESTERN RESOURCES, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS

cc: J. D. Donohew (NRC), w/e
W. D. Johnson (NRC), w/e
E. W. Merschoff (NRC), w/e
Senior Resident Inspector (NRC), w/e
Document Control Desk (NRC), w/e

MOO4



Kansas Electric Power Cooperative, Inc.

April 24, 2000

Mr. Mark Larson
Comptroller
Wolf Creek Nuclear Operating Corporation
Burlington, KS 66839

Dear Mark:

Pursuant to the requirements of 10 CRF 140.21(e), Kansas Electric Power Cooperative, Inc. is providing the attached audited Statement of Cash Flows to show its ability to make payment of its share of deferred premiums in an amount of \$600,000.

The undersigned certifies that the foregoing memorandum with respect to Kansas Electric Power Cooperative, Inc.'s cash flow for the year 1999 is true and correct to the best of her knowledge and belief.

Sincerely yours,

Sandy Abrahams
Controller
Enclosure (1)

Phone: 785.273.7010

Fax: 785.271.4888

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P.O. Box 4877

Topeka, KS 66604-0877

600 Corporate View

Topeka, KS 66615

Kansas Electric Power Cooperatives, Inc.

Statements of Cash Flows

For the Years Ended December 31, 1999 and 1998

| | 1999 | 1998 |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net margin | \$ 1,042,402 | \$ 4,732,094 |
| Adjustments to reconcile net margin to net cash provided by operations- | | |
| Depreciation and amortization | 5,330,137 | 5,087,567 |
| Amortization of nuclear fuel | 1,882,179 | 2,250,364 |
| Amortization of deferred charges | 868,373 | 910,682 |
| Amortization of deferred incremental outage costs | 1,527,515 | 2,128,906 |
| Gain on sale of Homestead funds | (833,877) | - |
| Payment to Department of Energy for decommissioning | (67,178) | (135,837) |
| Increase in deferred incremental outage costs | (1,989,401) | - |
| Increase in decommissioning liability | 119,434 | 460,473 |
| Increase in arbitrage rebate payable | 143,797 | 133,981 |
| Change in other long-term liabilities | (57,879) | 118,545 |
| Changes in current assets and liabilities- | | |
| Member accounts receivable | (383,533) | 930,290 |
| Materials and supplies inventory | 1,413 | (33,787) |
| Other assets and prepaid expenses | (76,701) | 82,046 |
| Accounts payable | (337,454) | (586,685) |
| Payroll and payroll-related liabilities | 46,653 | 59,592 |
| Accrued property taxes | (9,563) | (123,906) |
| Accrued interest payable | 269,561 | 193,536 |
| Net cash provided by operating activities | <u>7,475,878</u> | <u>16,207,861</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Additions to electric plant, net | (3,256,531) | (1,233,398) |
| Additions to nuclear fuel | (481,419) | (2,187,250) |
| Wolf Creek nuclear operating investment | (286,464) | (395,741) |
| Increase in decommissioning fund assets | (119,434) | (460,473) |
| Net change in unrealized gain in market value of investments | (128,700) | 163,092 |
| Cash received on sale of Homestead funds | 2,011,772 | - |
| Increase in other restricted investments | (14,873) | (1,819) |
| Sales (net purchases) of short-term investments | 1,414,440 | 1,038,393 |
| Sales (net purchases) of other investments | 420,334 | (2,321,304) |
| Net cash used in investing activities | <u>(440,875)</u> | <u>(5,398,500)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Repayment of long-term debt | (6,711,941) | (7,561,890) |
| Amortization of debt issue costs | 426,614 | 422,536 |
| Deferred patronage dividends paid | (1,404,643) | (2,591,872) |
| Membership fees received | 100 | - |
| Net cash used in financing activities | <u>(7,689,870)</u> | <u>(9,731,226)</u> |
| Net increase (decrease) in cash and cash equivalents | (654,867) | 1,078,135 |
| CASH AND CASH EQUIVALENTS AT: | | |
| Beginning of year | 5,548,140 | 4,470,005 |
| End of year | <u>\$ 4,893,273</u> | <u>\$ 5,548,140</u> |

The accompanying notes are an integral part of these financial statements.



FEB 14 2000

NEIL ROADMAN
CONTROLLER

February 10, 2000

Mr. Mark Larson
Wolf Creek Nuclear Operating Corporation
P.O. Box 411
Burlington, KS 66839

Dear Mark:

Pursuant to the requirements of 10 CFR140.21(e), Kansas City Power & Light Company is providing the attached audited Consolidated Statements of Cash Flows of its ability to make payment of its share of deferred premiums in an amount of \$5 million.

The undersigned certifies that the foregoing memorandum with respect to Kansas City Power & Light Company's cash flow for the year 1999 is true and correct to the best of his knowledge and belief.

Sincerely,

A handwritten signature in cursive script, reading "Neil Roadman", followed by a horizontal line.

Attachment

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows

| Year Ended December 31 | 1999 | 1998 | 1997 |
|--|------------------|------------------|------------------|
| | (thousands) | | |
| Cash Flows from Operating Activities | | | |
| Net income | \$ 81,915 | \$ 120,722 | \$ 76,560 |
| Adjustments to reconcile net income to net cash from operating activities: | | | |
| Depreciation of electric plant | 118,428 | 115,452 | 110,898 |
| Amortization of: | | | |
| Nuclear fuel | 15,782 | 19,146 | 16,836 |
| Other | 12,263 | 9,071 | 9,591 |
| Deferred income taxes (net) | (26,784) | (2,468) | 4,780 |
| Investment tax credit amortization | (4,453) | (4,471) | (3,850) |
| Fuel contract settlement | (13,391) | - | - |
| Losses from equity investments | 24,951 | 11,683 | 2,748 |
| Asset impairments | 21,078 | 6,027 | 2,300 |
| Gain on sale of Nationwide Electric, Inc. stock | (19,835) | - | - |
| Kansas rate refund accrual | (14,200) | 14,200 | - |
| Allowance for equity funds used during construction | (2,657) | (3,816) | (2,407) |
| Other operating activities (Note 1) | (32,988) | 17,117 | (8,972) |
| Net cash from operating activities | 160,109 | 302,663 | 208,484 |
| Cash Flows from Investing Activities | | | |
| Utility capital expenditures | (180,687) | (119,540) | (124,734) |
| Allowance for borrowed funds used during construction | (3,378) | (2,474) | (2,341) |
| Purchases of investments | (35,072) | (55,154) | (107,603) |
| Purchases of nonutility property | (55,792) | (22,611) | (15,733) |
| Sale of KLT Power | - | 53,033 | - |
| Sale of Nationwide Electric, Inc. stock | 39,617 | - | - |
| Hawthorn No. 5 partial insurance recovery | 80,000 | - | - |
| Sale of streetlights | - | - | 21,500 |
| Other investing activities | (10,316) | 8,008 | (8,902) |
| Net cash from investing activities | (165,628) | (138,738) | (237,813) |
| Cash Flows from Financing Activities | | | |
| Issuance of mandatorily redeemable Preferred Securities | - | - | 150,000 |
| Issuance of long-term debt | 10,889 | 7,406 | 66,292 |
| Repayment of long-term debt | (109,060) | (102,680) | (28,832) |
| Net change in short-term borrowings | 228,699 | 8,757 | 1,243 |
| Dividends paid | (106,662) | (105,475) | (104,042) |
| Redemption of preferred stock | (50,000) | - | - |
| Other financing activities | 1,513 | (2,818) | (4,805) |
| Net cash from financing activities | (24,621) | (194,810) | 79,856 |
| Net Change in Cash and Cash Equivalents | (30,140) | (30,885) | 50,527 |
| Cash and Cash Equivalents at Beginning of Year | 43,213 | 74,098 | 23,571 |
| Cash and Cash Equivalents at End of Year | \$ 13,073 | \$ 43,213 | \$ 74,098 |
| Cash Paid During the Year for: | | | |
| Interest (net of amount capitalized) | \$ 74,520 | \$ 71,696 | \$ 71,272 |
| Income taxes | \$ 52,300 | \$ 24,788 | \$ 22,385 |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.



LEE WAGES
Controller

April 7, 2000

Mr. Mark Larson
Wolf Creek Nuclear Operating
Corporation
PO Box 411
Burlington, KS 66839

Dear Mark:

Pursuant to the requirements of 10 CFR 140.21(e), Western Resources, Inc., including its wholly-owned subsidiary, Kansas Gas and Electric Company since March 31, 1992, is providing the attached audited Consolidated Statements of Cash Flows of its ability to make payment of its share of deferred premiums in an amount of \$4.7 million.

The undersigned certifies that the foregoing memorandum with respect to Western Resources, Inc.'s cash flow for the year 1999 is true and correct to the best of his knowledge and belief.

Sincerely,

Lee Wages
Controller

1ms
attachment

818 South Kansas Avenue / P.O. Box 889 / Topeka, Kansas 66601
Telephone: (785) 575-6320 / Fax: (785) 575-6496
Mobile: (785) 554-6320
Internet: lee_wages@wr.com

WESTERN RESOURCES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)

| | Year ended December 31, | | |
|--|-------------------------|--------------------|------------------|
| | 1999 | 1998 | 1997 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net income. | \$ 12,459 | \$ 47,756 | \$ 499,518 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Extraordinary gain. | (11,742) | (1,591) | - |
| Depreciation and amortization | 407,007 | 280,673 | 256,725 |
| Amortization of gain on sale-leaseback. | (11,828) | (11,828) | (11,281) |
| Equity in earnings from investments | (8,199) | (6,064) | (25,405) |
| Gain on sale of Mobile Services | (17,249) | - | - |
| Minority interests. | (12,934) | 382 | 3,586 |
| (Gain)/loss on sale of securities | 26,251 | 14,029 | (864,253) |
| Impairment of marketable securities | 76,166 | - | - |
| Accretion of debt premium | (6,799) | 3,034 | 1,026 |
| International development costs | (5,632) | 98,916 | - |
| Net deferred taxes. | (16,992) | (49,317) | (25,306) |
| Deferred merger costs | 17,600 | - | 48,008 |
| Monitored services special charge | - | - | 24,292 |
| Changes in working capital items (net of effects from acquisitions): | | | |
| Accounts receivable (net) | (3,824) | 118,844 | 14,156 |
| Inventories and supplies (net). | (15,024) | (8,000) | 3,249 |
| Prepaid expenses and other. | (17,742) | (26,988) | 9,230 |
| Accounts payable. | 5,000 | (33,613) | (48,298) |
| Accrued liabilities | (20,152) | (42,411) | 68,623 |
| Accrued income taxes. | 7,386 | 5,582 | 9,869 |
| Deferred Revenue. | 3,479 | (2,237) | 670 |
| Other | (3,518) | 58,519 | (9,254) |
| Changes in other assets and liabilities | (30,485) | (45,474) | (33,251) |
| Net cash flows from (used in) operating activities. . . | <u>373,228</u> | <u>400,212</u> | <u>(78,096)</u> |
| CASH FLOWS USED IN INVESTING ACTIVITIES: | | | |
| Additions to property, plant and equipment (net). | (275,744) | (182,885) | (207,989) |
| Customer account acquisitions | (241,000) | (277,667) | (45,163) |
| Monitored services acquisitions, net of cash acquired. | (27,409) | (549,196) | (438,717) |
| Divestiture of Mobile Services. | 19,087 | - | - |
| Proceeds from issuance of stock by subsidiary (net) | - | 45,565 | - |
| Purchases of marketable securities | (12,003) | (261,036) | (10,461) |
| Proceeds from sale of marketable securities | 73,456 | 27,895 | 1,533,530 |
| Investment in Paradigm. | (35,883) | - | - |
| Sale of ONEOK Stock | 28,101 | - | - |
| Purchase of Protection One bonds. | (19,671) | - | - |
| Other investments (net) | 4,251 | (91,451) | (45,318) |
| Net cash flows (used in) from investing activities. . . | <u>(486,815)</u> | <u>(1,288,775)</u> | <u>785,882</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Short-term debt (net) | 392,949 | 75,972 | (744,240) |
| Proceeds of long-term debt. | 16,000 | 1,096,238 | 520,000 |
| Retirements of long-term debt | (178,350) | (167,068) | (293,977) |
| Issuance of common stock (net). | 43,245 | 17,284 | 25,042 |
| Redemption of preference stock. | - | (50,000) | - |
| Cash dividends paid | (145,033) | (144,077) | (141,727) |
| Acquisition of treasury stock | (15,791) | - | - |
| Net cash flows from (used in) financing activities. . . | <u>113,020</u> | <u>828,349</u> | <u>(634,902)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS. . . | (567) | (60,214) | 72,884 |
| CASH AND CASH EQUIVALENTS: | | | |
| Beginning of the period | <u>16,394</u> | <u>76,608</u> | <u>3,724</u> |
| End of the period | <u>\$ 15,827</u> | <u>\$ 16,394</u> | <u>\$ 76,608</u> |

The Notes to Consolidated Financial Statements are an integral part of this statement.