WOLF CREEK
NUCLEAR OPERATING CORPORATION

Otto L. Maynard
President and Chief Executive Officer

JAN 31 2001

WM 01-0002

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Mail Station P1-137
Washington, D. C. 20555

Reference: Letter WM 00-0026, dated June 27, 2000, from O. L. Maynard, WCNOC, to USNRC

Subject: Docket No. 50-482: Response to Request for Additional Information Regarding the Application to Amend Appendix C to the Facility Operating License

Gentlemen:

The Reference submitted an application to amend Appendix C to Wolf Creek Generating Station, Unit No. 1, Facility Operating License No. NPF-42 in accordance with 10 CFR 50.90. In a telephone conference on July 13, 2000 between Wolf Creek Nuclear Operating Corporation (WCNOC) personnel and Mr. Jack Donohew, NRC Project Manager, Mr. Donohew requested additional information concerning the Reference. Specifically, he requested that WCNOC provide additional explanations concerning the five proposed changes discussed in the cover letter of the Reference. This letter provides the requested information.

The justification for requesting approval of each of the proposed changes described in the cover letter of the Reference is provided in the Attachment. The Enclosure is a marked-up copy of the Antitrust Conditions (Appendix C to License No. NPF-42) which shows the proposed changes and the supplemental information item associated with each change. Letters and numbers in the right margin of the Enclosure correspond to their respective paragraph letters and numbers in the Attachment. Since the proposed license amendment affects only the operating license, and no changes to any plant hardware or operating procedures are required as a result of this amendment, there are no licensing commitments stated in this submittal. The supplemental information provided herein does not impact the conclusions of the No Significant Hazards Consideration provided in the Reference.

A001

In accordance with 10 CFR 50.91, a copy of this correspondence is being provided to the designated Kansas State Official.

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,

Otto L. Maynard

OLM/rlr

Attachment
Enclosure

cc: V. L. Cooper (KDHE), w/a, w/e
J. N. Donohew (NRC), w/a, w/e
W. D. Johnson (NRC), w/a, w/e
E. W. Merschoff (NRC), w/a, w/e
Senior Resident Inspector (NRC), w/a, w/e

STATE OF KANSAS)
) SS
COUNTY OF COFFEY)

Otto L. Maynard, of lawful age, being first duly sworn upon oath says that he is President and Chief Executive Officer of Wolf Creek Nuclear Operating Corporation; that he has read the foregoing document and knows the contents thereof; that he has executed the same for and on behalf of said Corporation with full power and authority to do so; and that the facts therein stated are true and correct to the best of his knowledge, information and belief.

By Otto L. Maynard
Otto L. Maynard
President and
Chief Executive Officer

SUBSCRIBED and sworn to before me this 31st day of Jan., 2001.

Julie A. Dale
Notary Public

JULIE A. DALE
Notary Public - State of Kansas
My Appt. Expires 10/20/2002

Expiration Date 10/20/2002

RESPONSE TO REQUEST FOR ADDITIONAL INFORMATION

STATED REASONS FOR PROPOSED AMENDMENTS TO KANSAS GAS AND ELECTRIC COMPANY'S ANTITRUST CONDITIONS IN THE APPLICATION LETTER OF JUNE 27, 2000

A. State that the specific conditions applicable to KEPCo (KGE Conditions 2(b), 3-5, 6(b), and 7-9) do not restrict KEPCo's rights or KGE's duties under other license conditions.

Explanation: This language is desirable to make it clear that specific conditions applicable to KEPCo (KGE Conditions 2(b), 3-5, 6(b), and 7-9) do not affect KEPCo's rights or KGE's duties under other license conditions.

Paragraph in proposed Antitrust Conditions in which this change appears: 11

B. Define "KEC members in Licensee's Service Area" in KGE condition 1(i) to include all KEPCo members with facilities in Western Resources' and KGE's combined service area.

Explanation: KGE was acquired by The Kansas Power and Light Company ("KPL") in 1992, and KPL was renamed "Western Resources, Inc." KGE's electric service territory in Kansas was generally in the southeast quarter of the state. The service territory of Western Resources' KPL division was generally north and west of KGE's territory. The combined electric service territories of both companies comprise in excess of much of the eastern two-thirds of the state. KEPCo's member rural electric cooperatives have service territories within the service territories of both KGE and KPL.

The KGE Antitrust Conditions define "Licensee" as KGE, and not as KGE and KPL or KGE and Western Resources. Thus, if the Conditions were not changed, the term "KEPCo Members in Licensee's Service Area" would include only those KEPCo members within KGE's service territory. In fact, KEPCo has members in much of the eastern two-thirds of Kansas. KGE, Western Resources and KEPCo desire that the term be broadened to include KEPCo members in both KGE's and Western Resources' KPL division service territories so that the benefits and obligations of the Conditions would apply to KEPCo members in both KGE's and Western Resources' KPL division service areas.

Paragraph in proposed Antitrust Conditions in which this change appears: 1(i)

C. Delete the provisions of KGE conditions 2(b) and 7(d) restricting KEPCo's use of the power from Wolf Creek.

Explanation: Paragraph 2(b) of the existing Condition limits KEPCo's use of power from Wolf Creek to first satisfying the power requirements of KEPCo's members in the Licensee's [KGE's] Service Area to the maximum extent consistent with KEPCo's other power supply obligations to KEPCo's members in Kansas. (The Conditions refer to "KEC"--Kansas Electric Cooperatives, Inc., which originally was a party in interest in these Conditions. As will be discussed below, KEPCo succeeded to KEC's interest in these Conditions.) The effect of this limitation was that

KEPCo could not use or sell Wolf Creek power elsewhere until it first met all its members' power supply requirements in the Licensee's [KGE's] Service Area with Wolf Creek power. The Condition also required that no less than 42% of the total demand requirements of KEPCo members in Licensee's [KGE's] Service Area be satisfied by KEPCo's use of available Wolf Creek power. This condition was a further limitation on KEPCo's use of Wolf Creek power.

Paragraph 7 of the Conditions addresses the Licensee's transmission of power (Wolf Creek power as well as power from other generating sources) for KEPCo. Current Paragraph 7(d) limits KEPCo's use of such transmitted power as follows. All transmitted preference power from the Southwest Power Administration, and no less than 40 megawatts of power transmitted from the Harry S. Truman Dam in Missouri, must be used to satisfy the power requirements of KEPCo's members in Licensee's Service Area (i.e., KEPCo cannot use or sell this power elsewhere).

The parties now have agreed to remove from the Conditions these restrictions on KEPCo's use of Wolf Creek and other power.

Paragraphs in proposed Antitrust Conditions in which this change appears: 2(b) and 7(d), both proposed to be deleted.

D. Make other revisions that KGE, WCNOC and KEPCo have agreed are necessary to update the KGE Antitrust Conditions.

Explanation: These Antitrust Conditions have been in place at least as early as 1985 when the NRC issued an Operating License for Wolf Creek Generating Station. Circumstances have changed in the last 15 years which require updating of the Conditions. Examples of needed updates, and proposed amendments to the Conditions reflecting these updates are as follows.

1. By December 1981, KEPCo succeeded to the interests of the originally named party, Kansas Electric Cooperatives, Inc., ("KEC"). Thus, references to "KEC" need to be changed to "KEPCo."

Paragraphs in proposed Antitrust Conditions in which this change appears: 1(h, i, j), 2, 6(b), 7, 8, 9

2. The 1992 acquisition of KGE by Western Resources (KPL) resulted in the joint dispatch of KGE and KPL power plants. This change in operations should be recognized in the Conditions. In addition, KGE no longer sells firm power to KEPCo. However, Western Resources' KPL division continues to sell firm power to KEPCo. Therefore, the KEPCo Members' power requirements do not contribute to KGE's greatest one hour net load, but they do contribute to Western Resources' KPL division's greatest one hour net load. This operational change likewise should be reflected in the Conditions.

Paragraphs in proposed Antitrust Conditions in which this change appears: 1(b, i and j)

3. During Wolf Creek's construction, KEPCo reduced the amount of its participation in the project from a 17% ownership share to a 6% ownership share, a change which should be reflected in the Conditions.

Paragraph in proposed Antitrust Conditions in which this change appears: 2(b) [proposed 2]

4. The amount of preference customer power available to KEPCo from the Southwest Power Administration has increased from 90 megawatts to 106 megawatts, a change which should be reflected in the Conditions.

Paragraph in proposed Antitrust Conditions in which this change appears: 7(b) [proposed 7(a)]

5. The government changed the Federal Power Commission's ("FPC") name to the Federal Energy Regulatory Commission ("FERC"). Thus, a reference in the Conditions to "FPC" should be changed to "FERC."

Paragraph in proposed Antitrust Conditions in which this change appears: 8

6. Deleted Paragraph 1(g) defined the term "participating entity." In the revised Antitrust Conditions, all references to "participating entity," "participating entities," and related descriptive terms have been removed, and the term "KEPCo" has been inserted in lieu thereof because KEPCo has become the participating entity as that term was defined. Therefore, there is no need to define the term "participating entity" in the revised conditions.

Paragraphs in proposed Antitrust Conditions in which this change appears: Original Paragraph 1(g) does not appear in the proposed Antitrust Conditions. "Participating entity" or "participating entities" are changed to "KEPCo" in the proposed Antitrust Conditions in Paragraphs 3, 4(a), 5(a, b, c). A consistent wording change has been made in Paragraph 4(b).

7. Deleted Paragraph 2(a) dealt with Licensee's offering an opportunity to others to participate in Wolf Creek. This paragraph applied during the pre-construction days of Wolf Creek, but it no longer applies now that the plant is in commercial operation. Because the paragraph is no longer applicable, it is appropriate to delete it from the Antitrust Conditions.

Paragraph in proposed Antitrust Conditions in which this change appears: Original Paragraph 2(a) does not appear in the proposed Antitrust Conditions.

8. Deleted Paragraph 7(a) applied by its terms during the period "commencing July 1, 1980, and until the Wolf Creek Nuclear Unit Number 1 commences commercial operation or is finally abandoned" (impliedly before ever reaching commercial operation). Because that period of time ended on September 3, 1985, when Wolf Creek went into commercial operation, the condition is no longer applicable and should be deleted.

Paragraph in proposed Antitrust Conditions in which this change appears: Original Paragraph 7(a) does not appear in the proposed Antitrust Conditions.

9. Certain terms needed to be capitalized because they were defined terms such as "Entity" (Paragraph 6[a]), "Power Requirements" (Paragraph 6[b]), and "Members" (Paragraphs 6[b], 7[b]).

Paragraphs in proposed Antitrust Conditions in which this change appears: 6(a, b), 7(b)

E. Make the KGE Antitrust Conditions consistent with the terms and conditions of Western Resources, Inc.'s FERC open access transmission tariff.

Explanation: When the Antitrust Conditions were first implemented, KGE did not have an open access transmission tariff on file with the FPC, now FERC. The only "tariff-type" transmission rules applicable between KGE and KEC/KEPCo were those contained in a transmission agreement between the companies. The Antitrust Conditions were written to be consistent with the separate transmission agreement. Now, Western Resources and KGE have on file with FERC an open transmission tariff which is applicable to transmission services sought by KEPCo from Western Resources and KGE. Not all the provisions in the Antitrust Conditions are consistent with provisions in the transmission tariff. The parties have agreed to amend the Antitrust Conditions to make its provisions consistent with the current transmission tariff. Examples of such changes for consistency purposes include:

1. Changing the definition of "total demand requirements" and "power requirements" in Paragraph 1(j).

2. Allowing KGE either to transmit KEPCo power (as currently provided) or to *otherwise arrange for* the transmission of KEPCo power (as proposed) in Paragraphs 2(b) [proposed 2], 5, 6(b) and 7.

3. Reflecting the change in measurement of units of transmitted electric energy from megawatthours ("mwhrs") to gigawatthours ("gWhrs") in Paragraph 5(c).

4. Deleting the last part of Paragraph 7(c) [proposed 7(b)], which set forth general terms for transmission sales to KEPCo.

ENCLOSURE

Marked-up Copy of Antitrust Conditions for Kansas Gas and Electric Company
(Appendix C to License No. NPF-42)
Showing Cross References to Supplemental Information Item
for Each Proposed Change

APPENDIX C

WOLF CREEK, UNIT 1

ANTITRUST CONDITIONS FOR

KANSAS GAS AND ELECTRIC COMPANY

1. As used herein:

(a) "Licensee" means Kansas Gas and Electric Company.

(b) "Licensee's Service Area" means those counties located in whole or in part within the area certificated to Licensee **and Western Resources' KPL division** by the appropriate state regulatory commission. D.2.

(c) "Bulk Power" means the electric power, and any attendant energy, supplied or made available at transmission or subtransmission voltage by one entity to another.

(d) "Emergency support" is capacity and energy as available from one system, and as needed by another system to replace capacity and energy made unavailable due to forced outages of generating equipment or transmission facilities.

(e) "Maintenance support" is capacity and energy planned by one system to be made available to another system to replace capacity and energy made unavailable due to maintenance of generating equipment or transmission facilities.

(f) "Entity" means a financially responsible private or public corporation, governmental agency or authority, municipality, cooperative, or lawful association of any of the foregoing, owning, contractually controlling, or operating, or in good faith proposing to own, contractually control, or operate, facilities for the generation and transmission of electricity for bulk power supply which meets each of the following criteria: (1) its existing or proposed facilities are technically feasible of interconnection with those of Licensee; (2) with the exception of municipalities, cooperatives, government agencies or authorities it is, or upon commencement of operations will be, a public utility subject to regulation with respect to rates and services under the laws of Kansas.

~~(g) "Participating entity" is an "entity" participating in the ownership of or power output from Wolf Creek Unit 1.~~ D.6.

(g)~~(h)~~ "KEC" refers to Kansas Electric Cooperatives, Inc. or Kansas Electric Power Cooperative, Inc. insofar as it shall become a successor in interest.

(h) "KEPCo" refers to Kansas Electric Power Cooperative, Inc. as the successor in interest to KEC. D.1.

D.1.

(i) "~~KEC~~**KEPCo** ~~M~~members in Licensee's Service Area" refers to **all KEPCo Member rural electric cooperatives with facilities in the combined service area of Western Resources' KPL division and Kansas Gas and Electric Company.** ~~the following KEC member rural electric cooperatives: the Butler Rural Electric Cooperative Association, Inc.; the Caney Valley Electric Cooperative Association, Inc.; Coffey County Rural Electric Cooperative Association, Inc.; the United Electric Cooperative, Inc.; the Radiant Electric Cooperative, Inc.; the Sedgwick County Electric Cooperative Association, Inc.; the Sekan Electric Cooperative Association, Inc.; and Sumner-Cowley Electric Cooperative, Inc.~~ B. D.2.

(j) ~~The "total demand requirements" or the "power requirements" of the KEC members in Licensee's Service Area refers to the sum for all such KEC members of the KG&E delivery point contributions to the maximum monthly sum of the integrated 15 minute non-coincidental demands for each member.~~**"Power Requirements" of the KEPCo Members in Licensee's Service Area refers to the sum for all such KEPCo Members of the delivery point contributions to Western Resources' KPL division's greatest one hour net load for the month.** D.1. D.2. E.1.

~~2. (a) Licensee shall offer an opportunity to participate in Wolf Creek Nuclear Unit Number 1 and any other nuclear generating unit(s) which it may construct, own and operate severally or jointly, during the term of the instant license or an extension or renewal thereof, to any entity(ies) in Licensee's Service Area. Such participation shall be in reasonable amounts, by an ownership interest, or at the option of the entity, by a contractual right to purchase a portion of the output of such units, or on any other mutually agreeable basis. The transmission provisions herein relate to participation in Wolf Creek Nuclear Unit No. 1 and not to any transmission which may be associated with participation in other nuclear generating unit(s) which Licensee may construct, own and operate severally or jointly~~ D.7.

D.2.

2. ~~(b)~~ Licensee shall make available to ~~KEC~~**KEPCo** an undivided 176 percent ownership participation in the Wolf Creek Nuclear Unit Number 1 upon mutually agreeable terms and conditions, which ownership participation ~~KEC~~**KEPCo** shall acquire as of the date of issuance of the Nuclear Regulatory Commission's construction permit for the Wolf Creek Nuclear Unit Number 1 or as soon thereafter as ~~KEC~~**KEPCo** can secure the necessary regulatory and financing approvals pursuant to the terms of the May 20, 1976 settlement agreement between Licensee and ~~KEC~~**KEPCo.** ~~The power which KEC obtains from the Wolf Creek Nuclear Unit Number 1 shall be utilized first to satisfy the power requirements of KEC's other power supply obligations to KEC's members in Kansas. During the calendar year in which the Wolf Creek Nuclear Unit Number 1 commences commercial operation and in each succeeding year of operation of~~ D.1. C.

~~the Wolf Creek Nuclear Unit Number 1 no less than 42 percent of the total demand requirements of the KEC members in Licensee's Service Area shall be satisfied by KEC by use of its available power from Wolf Creek Nuclear Unit Number 1. KEC~~**KEPCo's** power from Wolf Creek Unit Number 1 shall be transmitted **or otherwise arranged to be transmitted** by Licensee for ~~KEC~~**KEPCo** to such delivery and interconnection points on Licensee's system and in such amounts as specified by ~~KEC~~**KEPCo**, pursuant to paragraph 5(a) below. C. E.2. D.1.

3. Licensee shall interconnect with ~~any participating entity~~ **KEPCo** in Licensee's Service Area ~~which~~ **when** ~~requests such interconnection~~ **requested by KEPCo** and provide for the following: D.6.

   (a) maintaining and coordinating of reserves, including, where applicable, the purchase and sale of reserve capacity and energy,

   (b) emergency support,

   (c) maintenance support,

   (d) delivery of "unit power" or other participation power out of Wolf Creek Unit 1 from the Licensee, and

   (e) transmission services for the above and as described subsequently.

4. (a) Licensee and ~~the participating entities in Licensee's Service Area~~ **KEPCo,** having a reserve coordination arrangement provided for in Paragraph 3~~,~~ above, shall from time to time jointly establish the minimum reserve requirements to be installed and/or provided under contractual arrangements as necessary to maintain in total a reserve margin sufficient to provide adequate reliability of power supply to the interconnected systems of the parties. To have reserve coordination rights, other than reserves for Wolf Creek, with the Licensee, ~~a participating entity~~ **KEPCo** must own or have contractual rights to generating capacity other than of Wolf Creek Nuclear Unit Number 1. Unless otherwise agreed upon, the minimum reserve requirement shall be calculated as a percentage of the projected annual peak load, adjusted for purchases and sales of firm power, including partial requirements firm power. The parties to such a reserve coordinating arrangement shall provide such amounts of operating (ready and spinning) reserve capacity as may be adequate to avoid the imposition of unreasonable demands on the others in meeting the normal contingencies of operating their systems. However, in no circumstances shall any party's spinning or operating reserve requirement exceed the minimum reserve requirement as provided above. (Moreover, if the parties to a reserve coordination agreement cannot agree upon a minimum reserve requirement, ~~the participating entities'~~ **KEPCo's** minimum reserve requirement shall be neither less than nor greater than Licensee's minimum system reserve requirement.) D.6. D.6. D.6.

(b) Emergency and/or scheduled maintenance bulk power service shall be provided by each party to the extent required by the system in need, and be furnished to the fullest extent available from the supplying system. Licensee and ~~each party(ies)~~ **KEPCo shall provide to the other,** within Licensee's Service Area ~~shall provide to the other~~, emergency and/or scheduled maintenance bulk power service if and when available from its own generation (and from generation of others with whom Licensee is interconnected to the extent it can do so without impairing service to its customers including other electric systems to whom it has firm commitments). D.6.

5. (a) Licensee shall transmit **or otherwise arrange for the transmission of** the power from ~~a participating entity's~~**KEPCo's** share of Wolf Creek Nuclear Unit Number 1 to ~~the participating entity~~**KEPCo**, or for the account of ~~such participating entity~~**KEPCo**, to delivery or interconnection points on Licensee's system and in amounts as specified by ~~the participating entity~~**KEPCo**. Such deliveries shall be reasonable as to the number of points, system adequacy and frequency of schedule changes. E.2. D.6.

(b) Licensee shall transmit **or otherwise arrange for the transmission of** power from an entity(ies) outside Licensee's Service Area to ~~a participating entity~~**KEPCo** within Licensee's Service Area in an amount at least equal to the share of Wolf Creek Nuclear Unit Number 1 ~~of a participating entity~~ **that KEPCo uses** within Licensee's Service Area, when the output of this unit is reduced or unavailable because of maintenance or for other reasons. E.2. D.6.

(c) If capacity and energy from ~~a participating entity's(ies')~~**KEPCo's** portion of Wolf Creek Nuclear Unit Number 1 are delivered to other entities, Licensee shall also provide **for or otherwise arrange for** transmission for a later scheduled return of such energy within the same calendar year, in an equal amount of ~~mwhrs~~ **gWhrs.** from these other entities to the delivery point of ~~the participating entity~~**KEPCo** within Licensee's Service Area, provided that such transmission arrangements can be reasonably accommodated from a functional and technical standpoint. ~~(~~For example, any Wolf Creek power transmitted (permissible within the terms of these conditions) out of Licensee's system shall create in ~~participating entity(ies)~~**KEPCo** the right to call upon Licensee, and the corresponding obligation of Licensee, to transmit **or otherwise arrange for the transmission of** equal power back into Licensee's system for account of ~~said participating entity(ies)~~**KEPCo**, all within the same calendar year. At any point in time the transfer of power back in (for **the** account of ~~participating entity(ies)~~**KEPCo**) could occur simultaneously with full delivery of ~~that participating entity's(ies')~~**KEPCo's** power from Wolf Creek Nuclear Unit Number 1.

D.6. E.2. E.3. D.6. D.6. E.2. D.6. D.6.

6. (a) Licensee shall sell power at its filed and effective rates (for total or partial requirements) to any ~~entity~~**Entity** in Licensee's Service Area now engaging or proposing to engage in the wholesale or retail sale of electric power. D.9.

(b) Insofar as the ~~power requirements~~ **Power Requirements** of the ~~KEC~~ **KEPCo** ~~members~~ **Members** in Licensee's Service Area are satisfied by power which is not Licensee's power and which has been transmitted by **or on behalf of the** Licensee for ~~KEC~~**KEPCo** pursuant to Paragraphs 2~~(b)~~ and 7 of these license conditions, Licensee's sale of full or partial requirements to ~~KEC~~**KEPCo** or to its ~~members~~ **Members** in Licensee's Service Area pursuant to Paragraph 6(a) above shall be correspondingly reduced. D.9., D.1. E.2. D.1. D.9.

7. In addition to the transmission offered by **or otherwise arranged for by** licensee in Paragraphs 2~~(b)~~, 3, 5, and 6 above, Licensee shall, consistent with Paragraph 8 below and with the terms of the May 20, 1976, settlement agreement between Licensee and ~~KEC~~**KEPCo**, transmit **or otherwise arrange for the transmission** for ~~KEC~~**KEPCo** the following power: E.2. D.1. E.2.

~~(a) Commencing July 1, 1980, and until the Wolf Creek Nuclear Unit Number 1 commences commercial operation or is finally abandoned, (i) 30 megawatts of preference customer power, to the extent available, which KEC obtains from Southwestern Power Administration, provided that such preference power is delivered to Licensee's Neosho substation near Parsons, Kansas; (ii) said 30 megawatts may be increased to 90 megawatts of Southwestern Power Administration preference customer power once the Harry S. Truman Dam commences commercial operation, but not before;~~ D.8.

(a)~~(b)~~ When Wolf Creek Nuclear Unit Number 1 commences commercial operation, and thereafter in each succeeding calendar year until the Project ceases operation or until calendar year 2021, whichever is later, a total of ~~90~~**106** megawatts of preference customer power ~~(inclusive of the power described in subparagraph 7(a) above) which KEC~~ **that KEPCo** obtains from the Southwestern Power Administration or from a source or sources which as a matter of law are administratively foreclosed to Licensee by virtue of a statutory or regulatory preference;~~. The power described in subparagraph 7(a) and (b) shall be transmitted by Licensee for KEC on a contractual buy-sell arrangement unless by entering into such arrangement KEC would lose its entitlement to such preference power;~~ D.4. D.1.

(b)~~(c)~~ When Wolf Creek Nuclear Unit Number 1 commences commercial operation and thereafter so long as this Unit continues operation. or until calendar year 2021, whichever is later, (i) any additional quantities of power which ~~KEC~~**KEPCo** generates from a source other than Wolf Creek Nuclear Unit Number 1, or which ~~KEC~~**KEPCo** obtains from any power source or sources which as a matter of law D.1.

are not administratively foreclosed to Licensee by virtue of a statutory or regulatory preference, provided that such power is transmitted by **or on behalf of the** Licensee to ~~KEC~~**KEPCo** ~~members~~ **Members** in Licensee's Service Area for the use of such ~~m~~**M**embers; and (ii) any other quantities of power which ~~KEC~~**KEPCo** generates from a source other than Wolf Creek Unit Number 1, or which ~~KEC~~**KEPCo** obtains from any power source or sources which as a matter of law are not administratively foreclosed to Licensee by virtue of a statutory or regulatory preference, to the same extent that Licensee would reasonably agree to transmit such power for any other electric utility; **and**~~. All the power described in this subparagraph shall be transmitted by Licensee for KEC upon reasonable and timely request for such transmission only on the basis of a contractual buy-sell contract, Licensee shall purchase the designated power as delivered by the seller or any other entity at delivery or interconnection points on Licensee's system and shall resell the same to KEC at the Licensee's purchase price plus an amount which constitutes Licensee's transmission cost including a reasonable return on the investment allocable solely to the transmission of such power;~~ E.2. D.1. D.9. D.1. E.4.

~~(d) All of the power transmitted by Licensee for KEC pursuant to the provisions of subparagraph 7(a)(i) above, shall be used to satisfy the power requirements of the KEC members in Licensee's Service Area. When the Harry S. Truman Dam commences commercial operation and in each succeeding year of commercial operation of the Project, no less than 40 megawatts of the power transmitted by Licensee for KEC pursuant to the provisions of subparagraph 7(b) above, if available, shall be used to satisfy the power requirements of the KEC members in Licensee's Service Area; and~~ C.

(c)~~(e)~~ Insofar as the power of ~~KEC~~**KEPCo** from Wolf Creek Nuclear Unit Number 1 and the power transmitted by **or on the behalf of the** Licensee for ~~KEC~~**KEPCo** in the manner provided in ~~subp~~**P**aragraphs 2~~(b)~~ and 7(a) through (~~d~~**b**) is not utilized in Licensee's Service Area, as reasonably and fairly determined by ~~KEC~~**KEPCo** in accordance with the foregoing provisions, Licensee shall, upon reasonable and timely request for such service, transmit **or otherwise arrange for the transmission of** such excess power for ~~KEC~~**KEPCo** from and to such interconnection points on Licensee's system and in such amounts as specified by ~~KEC~~**KEPCo** on terms and conditions as provided in ~~subp~~**P**aragraphs 2~~(b)~~ and 7(a) through (~~d~~**b**) above. E.2. D.1. E.2. D.1.

8. The transmission described in these license conditions shall be made available only upon terms which fully compensate Licensee for its costs, including any transmission power losses and a reasonable return on investment allocable solely to such transmission and reflected in Licensee's schedules or tariffs filed with the Kansas Corporation Commission or the Federal ~~Power~~ **Energy Regulatory** Commission. The transmission described in Paragraphs 2~~(b)~~ and 7 above shall be available to ~~KEC~~**KEPCo** for the transmission of requested amounts of power in the manner specified in Paragraphs 2~~(b)~~ and 7(a) through D.5. D.1.

(~~c~~c) above, provided that ~~KEC~~KEPCo gives Licensee reasonable advance notice of the transmission required and, provided further, that such transmission arrangements can be reasonably accommodated from a functional and technical standpoint and to the extent that Licensee can do so without impairing service to its customers including other electric systems to which it has firm commitments. Nothing herein imposes a requirement on Licensee to become a common carrier. D.1.

9. Licensee shall include in its planning and construction of additional transmission facilities sufficient transmission capacity to accommodate the transmission described in Paragraphs 2(~~b~~), 7(~~b~~a), and 7(~~c~~b)(i) above, provided that ~~KEC~~KEPCo gives Licensee sufficient advance notice as may be necessary to accommodate such requirements from a functional and technical standpoint. Licensee and ~~KEC~~KEPCo shall consult with respect to the planning and construction of additional transmission facilities. D.1.

10. The foregoing conditions shall be implemented in a manner not inconsistent with the provisions of, and as provided under, the Federal Power Act and all other applicable Federal and State laws and rates, charges and practices in connection therewith are to be subject to the approval of regulatory agencies having jurisdiction over them.

11. The conditions set forth in Paragraphs 2, 3, 4, 5, 6(b), 7, 8, and 9 herein do not restrict KEPCo's rights or the Licensee's duties under other license conditions. A.