

WOLF CREEK

NUCLEAR OPERATING CORPORATION

Otto L. Maynard
President and Chief Executive Officer

MAY 2 2001

WM 01-0018

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 2000 Consolidated Statement of Cash Flows. These Cash Flows 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 (620) 364-4000 or Mr. Tony Harris at (620) 364-4038.

Very truly yours,



Otto L. Maynard

OLM/rlr

Enclosures (3)

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

MooH.



NEIL ROADMAN
CONTROLLER

March 7, 2001

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 2000 is true and correct to the best of his knowledge and belief.

Sincerely,

A handwritten signature in cursive script, appearing to read "Neil Roadman", written in black ink.

Attachment

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows

Year Ended December 31	2000	1999	1998
	(thousands)		
Cash Flows from Operating Activities			
Net income	\$ 158,704	\$ 81,915	\$ 120,722
Adjustments to reconcile income to net cash from operating activities:			
Cumulative effect of changes in accounting principles, net of income taxes	(30,073)	-	-
Depreciation and depletion	132,378	123,269	117,913
Amortization of:			
Nuclear fuel	15,227	15,782	19,146
Other	11,940	12,263	9,071
Deferred income taxes (net)	(29,542)	(26,784)	(2,468)
Investment tax credit amortization	(4,296)	(4,453)	(4,471)
Fuel contract settlement	-	(13,391)	-
Losses from equity investments	19,441	24,951	11,683
Asset impairments	17,775	21,078	6,027
Gain on sale of KLT Gas properties	(110,578)	-	-
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	(4,001)	(2,657)	(3,816)
Other operating activities (Note 2)	16,898	(37,829)	14,656
Net cash from operating activities	193,873	160,109	302,663
Cash Flows from Investing Activities			
Utility capital expenditures	(401,041)	(180,687)	(119,540)
Allowance for borrowed funds used during construction	(12,184)	(3,378)	(2,474)
Purchases of investments	(55,531)	(35,072)	(55,154)
Purchases of nonutility property	(25,466)	(55,792)	(22,611)
Sale of KLT Gas properties	225,958	-	-
Sale of Nationwide Electric, Inc. stock	-	39,617	-
Sale of KLT Power	-	-	53,033
Hawthorn No. 5 partial insurance recovery	50,000	80,000	-
Other investing activities	18,967	(10,316)	8,008
Net cash from investing activities	(199,297)	(165,628)	(138,738)
Cash Flows from Financing Activities			
Issuance of long-term debt	500,445	10,889	7,406
Repayment of long-term debt	(179,858)	(109,060)	(102,680)
Net change in short-term borrowings	(183,099)	228,699	8,757
Dividends paid	(104,335)	(106,662)	(105,475)
Redemption of preferred stock	-	(50,000)	-
Other financing activities	(5,925)	1,513	(2,818)
Net cash from financing activities	27,228	(24,621)	(194,810)
Net Change in Cash and Cash Equivalents	21,804	(30,140)	(30,885)
Cash and Cash Equivalents at Beginning of Year	13,073	43,213	74,098
Cash and Cash Equivalents at End of Year	\$ 34,877	\$ 13,073	\$ 43,213

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



Kansas Electric Power Cooperative, Inc.

April 24, 2001

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 2000 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 Cooperative, Inc.

Statements of cash flows
For the years ended December 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net margin (deficit)	\$ (651,747)	\$ 1,042,402
Adjustments to reconcile net margin (deficit) to net cash provided by operations-		
Depreciation and amortization	5,803,654	5,330,137
Amortization of nuclear fuel	1,838,316	1,882,179
Amortization of deferred charges	910,554	868,373
Amortization of deferred incremental outage costs	1,451,681	1,527,515
Gain on sale of Homestead funds	-	(833,877)
Payment to Department of Energy for decommissioning	(64,927)	(67,178)
Increase in deferred incremental outage costs	(2,741,886)	(1,989,401)
Increase in decommissioning liability	442,715	119,434
Increase in arbitrage rebate payable	164,785	143,797
Change in other long-term liabilities	185,197	(57,879)
Changes in current assets and liabilities-		
Member accounts receivable	(735,035)	(383,533)
Materials and supplies inventory	(3,000)	1,413
Other assets and prepaid expenses	31,658	(76,701)
Accounts payable	321,023	(337,454)
Payroll and payroll-related liabilities	14,675	46,653
Accrued property taxes	(73,160)	(9,563)
Accrued interest payable	1,663,702	269,561
Net cash provided by operating activities	<u>8,558,205</u>	<u>7,475,878</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to electric plant, net	(6,950,929)	(2,894,455)
Additions to nuclear fuel	(2,251,251)	(481,419)
Wolf Creek nuclear operating investment	(115,426)	(286,464)
Increase in decommissioning fund assets	(442,715)	(119,434)
Net change in unrealized loss in market value of investments	587,798	(952,550)
Cash received on sale of Homestead funds	-	2,011,772
Contribution to Cooperative Wireless investment	-	(362,076)
Increase in other restricted investments	79,594	(14,873)
Sales of short-term investments	-	1,414,440
Sales of other investments	782,688	1,244,184
Net cash used in investing activities	<u>(8,310,241)</u>	<u>(440,875)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings from cash surrender value of life insurance contracts	2,484,967	-
Repayment of long-term debt	(4,833,290)	(6,711,941)
Amortization of debt issue costs	411,024	426,614
Deferred patronage dividends paid	-	(1,404,643)
Membership fees received	-	100
Net cash used in financing activities	<u>(1,937,299)</u>	<u>(7,689,870)</u>
Net decrease in cash and cash equivalents	<u>(1,689,335)</u>	<u>(654,867)</u>
CASH AND CASH EQUIVALENTS AT:		
Beginning of year	4,893,273	5,548,140
End of year	<u>\$ 3,203,938</u>	<u>\$ 4,893,273</u>

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



LEE WAGES
Controller

April 6, 2001

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 2000 is true and correct to the best of his knowledge and belief.

Sincerely,

Lee Wages
Controller



lms
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
(In Thousands)

	Year Ended December 31.		
	2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 136,481	\$ 14,296	\$ 35,649
Adjustments to reconcile net income to net cash provided by operating activities:			
Extraordinary gain	(49,241)	(11,742)	(1,591)
Cumulative effect of accounting change	3,810	-	-
Depreciation and amortization	426,369	403,669	288,125
Amortization of gain on sale-leaseback	(11,828)	(11,828)	(11,828)
Equity in earnings from investments	(11,219)	(8,199)	(6,064)
Minority interests	(8,625)	(12,600)	(2,762)
(Gain)/loss on sale of marketable securities	(114,948)	26,251	14,029
Impairment of marketable securities	-	76,166	-
Gain on sale of investments	(9,562)	(17,249)	-
Accretion of debt premium	(6,237)	(6,799)	3,034
Write-off of international development activities	-	(5,632)	98,916
Net deferred taxes	(29,744)	(15,825)	(57,119)
Deferred merger costs	-	17,600	-
Changes in working capital items (net of effects from acquisitions):			
Restricted cash	(15,234)	(18,689)	(11,987)
Accounts receivable (net)	(37,127)	(3,824)	118,844
Inventories and supplies (net)	12,282	(15,024)	(8,000)
Accounts payable	44,172	5,000	(33,613)
Accrued liabilities	(19,457)	(20,152)	(42,411)
Accrued income taxes	13,506	7,386	5,582
Deferred security revenues	(2,065)	3,479	(2,237)
Other	(10,314)	(2,571)	43,518
Changes in other assets and liabilities	(24,875)	(35,272)	(29,873)
Net cash flows from operating activities	<u>286,144</u>	<u>368,441</u>	<u>400,212</u>
CASH FLOWS USED IN INVESTING ACTIVITIES:			
Additions to property, plant and equipment (net)	(308,073)	(275,744)	(182,885)
Customer account acquisitions	(35,513)	(241,000)	(277,667)
Security alarm monitoring acquisitions, net of cash acquired	(11,748)	(27,409)	(549,196)
Purchases of marketable securities	-	(12,003)	(261,036)
Proceeds from sale of marketable securities	218,609	73,456	27,895
Other investments (net)	50,688	15,556	(91,451)
Net cash flows used in investing activities	<u>(86,037)</u>	<u>(467,144)</u>	<u>(1,334,340)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Short-term debt (net)	(670,421)	392,949	75,972
Proceeds of long-term debt	610,045	16,000	1,096,238
Retirements of long-term debt	(208,952)	(198,021)	(167,068)
Proceeds from accounts receivable sale (net)	115,000	-	-
Proceeds from issuance of stock by subsidiary	-	-	45,565
Issuance of common stock (net)	38,059	43,245	17,284
Redemption of preference stock	-	-	(50,000)
Cash dividends paid	(98,827)	(145,033)	(144,077)
Acquisition of treasury stock	(9,187)	(15,791)	-
Reissuance of treasury stock	21,898	-	-
Net cash flows from (used in) financing activities	<u>(202,385)</u>	<u>93,349</u>	<u>373,914</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,278)	(5,354)	(60,214)
CASH AND CASH EQUIVALENTS:			
Beginning of year	11,040	16,394	76,608
End of year	<u>\$ 8,762</u>	<u>\$ 11,040</u>	<u>\$ 15,394</u>

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