

WOLF CREEK

NUCLEAR OPERATING CORPORATION

Mark S. Larson
Vice President and Chief Administrative Officer

MAY 07 2004

CT 04-0049

ATTN: Document Control Desk
Director, Office of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555-0001

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

Dear Sir:

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 Gas and Electric Company (KGE), a wholly-owned subsidiary of Westar Energy, Inc., Kansas City Power & Light Company (KCPL), a wholly-owned subsidiary of Great Plains Energy Incorporated, and Kansas Electric Power Cooperative, Inc. (KEPCo) have each provided audited Consolidated Statements 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 (620) 364-4004 or Mr. Kevin Moles at (620) 364-4126.

Very truly yours,



Mark S. Larson

MSL/rlg

Enclosures (3)

cc: J. N. Donohew (NRC), w/e
D. N. Graves (NRC), w/e
B. S. Mallett (NRC), w/e
Senior Resident Inspector (NRC), w/e

MOO1

APR 27 2004



LEE WAGES
Vice President, Controller
and International Generation

April 23, 2004

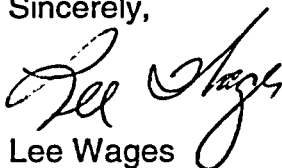
Mr. Mark Larson
Wolf Creek Nuclear Operating
Corporation
PO Box 411
Burlington, KS 66839

Dear Mark:

Pursuant to the requirements of 10 CFR 140.21(e), Westar Energy, 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 Westar Energy, Inc.'s cash flow for the year 2003 is true and correct to the best of his knowledge and belief.

Sincerely,



Lee Wages
Controller

lms
attachment

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Mobile: (785) 554-6320
Internet: lee_wages@wr.com

WESTAR ENERGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)

	Year Ended December 31,		
	2003	2002	2001
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:			
Net income (loss).....	\$ 85,010	\$ (793,001)	\$ (20,876)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Discontinued operations, net of tax	77,905	881,817	98,903
Cumulative effect of accounting change	—	—	(18,694)
Depreciation and amortization	167,236	171,807	185,519
Amortization of deferred gain from sale-leaseback	(11,828)	(11,828)	(11,828)
Amortization of non-cash stock compensation	6,885	14,006	12,840
Net changes in energy trading assets and liabilities	(1,855)	20,229	10,683
Loss (gain) on extinguishment of debt and settlement of puttable/callable notes ..	26,455	1,541	(1,395)
Net changes in fair value of call option	2,178	22,609	—
Equity in earnings from investments	—	(9,670)	(4,721)
Impairment on investments	500	330	11,075
(Gain) loss on sale of marketable securities	(99,327)	—	1,861
(Gain) loss on sale of utility plant and property	(11,912)	1,424	—
Accrued potential liability	1,205	22,928	—
Corporate-owned life insurance	(41,133)	(31,773)	(47,627)
Net deferred taxes	(94,838)	24,435	(12,200)
Changes in working capital items, net of acquisitions and dispositions:			
Restricted cash	(4,794)	(6,596)	(5,868)
Accounts receivable, net	(31,770)	(4,795)	31,944
Inventories and supplies	6,901	(8,955)	(48,369)
Prepaid expenses and other	61,048	(3,482)	(2,146)
Accounts payable	8,328	(21,026)	(28,541)
Accrued and other current liabilities	(76,565)	4,324	2,245
Accrued taxes	78,911	(22,640)	(23,875)
Changes in other, assets	1,170	1,146	(11,116)
Changes in other, liabilities	(23,304)	18,149	58
Cash flows from operating activities	<u>126,406</u>	<u>270,979</u>	<u>117,872</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(150,378)	(126,763)	(226,996)
Investment in corporate-owned life insurance	(19,599)	(19,399)	(19,852)
Proceeds from sale of utility plant and property	33,303	1,205	—
Proceeds from sale of marketable securities	801,841	—	2,829
Issuance of officer loans and interest, net of payments	438	(309)	(1,973)
Proceeds from other investments	801	18,296	63,198
Cash flows from (used in) investing activities	<u>666,406</u>	<u>(126,970)</u>	<u>(182,794)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Short-term debt, net	—	(221,300)	187,300
Proceeds of long-term debt	—	1,350,069	107
Retirements of long-term debt	(963,330)	(1,028,379)	(50,388)
Funds in trust for debt repayments	145,182	(135,000)	—
Purchase of call option investment	(65,785)	—	—
Net borrowings against cash surrender value of corporate-owned life insurance	58,399	52,630	57,759
Issuance of common stock, net	—	2,551	5,604
Cash dividends paid	(57,726)	(73,535)	(67,259)
Retirement of preferred stock	—	(1,547)	(545)
Acquisition of treasury stock	—	(19,544)	(866)
Reissuance of treasury stock	7,260	256	899
Cash flows (used in) from financing activities	<u>(876,000)</u>	<u>(73,799)</u>	<u>132,611</u>
Net cash from (used in) discontinued operations	<u>49,698</u>	<u>(46,047)</u>	<u>13,329</u>
Foreign currency translation	—	1,739	107
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(33,490)	25,902	81,125
CASH AND CASH EQUIVALENTS:			
Beginning of period	<u>113,049</u>	<u>87,147</u>	<u>6,022</u>
End of period	<u>\$ 79,559</u>	<u>\$ 113,049</u>	<u>\$ 87,147</u>



GREAT PLAINS ENERGY

April 29, 2004

Mr. Greg Meyer
Wolf Creek Nuclear Operating Corporation
P.O. Box 411
Burlington, KS 66839

Dear Greg:

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.

To the best of my knowledge I certify that the foregoing memorandum with respect to Kansas City Power & Light Company's cash flow for the year 2003 is true and correct.

Sincerely,

Lori Wright
Controller

Attachment

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows

Year Ended December 31	2003	2002	2001
	(thousands)		
Cash Flows from Operating Activities			
Net income	\$ 117,155	\$ 95,699	\$ 119,691
Less: Loss from discontinued operations, net of income taxes	(8,690)	(3,967)	(7,205)
Income from continuing operations	125,845	99,666	126,896
Adjustments to reconcile income to net cash from operating activities:			
Cumulative effect of a change in accounting principles	-	3,000	-
Depreciation and depletion	140,955	145,569	151,916
Amortization of:			
Nuclear fuel	12,334	13,109	17,087
Other	9,350	9,546	15,108
Deferred income taxes (net)	34,285	11,355	22,010
Investment tax credit amortization	(3,994)	(4,183)	(4,289)
Income from equity investments	-	-	(24,514)
Gain on property	(1,603)	(178)	(23,556)
Deferred storm costs	-	(20,149)	-
Minority interest	(1,263)	-	-
Other operating activities (Note 2)	(34,536)	21,178	(33,646)
Net cash from operating activities	281,373	278,913	247,012
Cash Flows from Investing Activities			
Utility capital expenditures	(148,675)	(132,039)	(262,030)
Allowance for borrowed funds used during construction	(1,368)	(979)	(9,197)
Purchases of investments	(3,520)	(3,421)	(42,601)
Purchases of nonutility property	(147)	(225)	(47,774)
Proceeds from disposition of property	4,135	-	64,072
Hawthorn No. 5 partial insurance recovery	3,940	-	30,000
Hawthorn No. 5 partial litigation settlements	17,263	-	-
Loan to DTI prior to majority ownership	-	-	(94,000)
Other investing activities	(4,045)	(4,084)	8,087
Net cash from investing activities	(132,417)	(140,748)	(353,443)
Cash Flows from Financing Activities			
Issuance of long-term debt	-	224,539	249,277
Repayment of long-term debt	(124,000)	(227,000)	(93,099)
Net change in short-term borrowings	(341)	(61,750)	4,177
Dividends paid	-	-	(78,246)
Dividends paid to Great Plains Energy	(98,000)	(105,617)	(25,677)
Cash of KLT Inc. and GPP dividended to Great Plains Energy	-	-	(19,115)
Equity contribution from Great Plains Energy	100,000	36,000	39,000
Other financing activities	(266)	(4,269)	(4,660)
Net cash from financing activities	(122,607)	(138,097)	71,657
Net Change in Cash and Cash Equivalents	26,349	68	(34,774)
Cash and Cash Equivalents from Continuing Operations at Beginning of Year	171	103	34,877
Cash and Cash Equivalents from Continuing Operations at End of Year	\$ 26,520	\$ 171	\$ 103
Net Change in Cash and Cash Equivalents from Discontinued Operations			
	\$ (307)	\$ (552)	\$ 859
Cash and Cash Equivalents from Discontinued Operations at Beginning of Year	307	859	-
Cash and Cash Equivalents from Discontinued Operations at End of Year	\$ -	\$ 307	\$ 859

The disclosures regarding KCP&L included in the accompanying Notes to Consolidated Financial Statements are an integral part of these statements.



Kansas Electric Power Cooperative, Inc.

April 26, 2004

Mr. Mark Larson
Wolf Creek Nuclear Operating Corporation
P.O. Box 411
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 2003 is true and correct to the best of her knowledge and belief.

Sincerely yours,

Coleen M. Wells
Controller
Enclosure (1)

Phone: 785.273.7010

Fax: 785.271.4888

www.kepco.org

P.O. Box 4877

Topeka, KS 66604-0877

600 Corporate View

Topeka, KS 66615

KANSAS ELECTRIC POWER COOPERATIVE, INC.

Statements of Cash Flows

Years ended December 31, 2003 and 2002

	2003	2002
Cash flows from operating activities:		
Net margin	\$ 2,128,103	2,959,033
Adjustments to reconcile net margin to net cash provided by operations:		
Depreciation and amortization	3,896,097	3,913,199
Amortization of nuclear fuel	1,463,448	1,649,860
Amortization of deferred charges	4,057,683	4,062,169
Amortization of deferred incremental outage costs	1,640,259	1,538,471
Amortization of debt issue costs	454,861	387,524
Increase in arbitrage rebate payable	197,361	150,307
Payment to Department of Energy for decommissioning	(82,566)	(80,463)
Changes in assets and liabilities:		
Member accounts receivable	(450,097)	(825,463)
Materials and supplies inventory	(101,506)	129,696
Other assets and prepaid expenses	(43,078)	33,496
Wolf Creek decommissioning obligation	1,338,561	49,007
Accounts payable	1,114,148	(1,148,703)
Payroll and payroll-related liabilities	(1,732)	21,814
Accrued property taxes	202,596	(109,280)
Accrued interest payable	1,231,844	(41,386)
Other long-term liabilities	191,838	230,557
Net cash provided by operating activities	17,237,820	12,919,838
Cash flows from investing activities:		
Additions to electric plant, net	(1,550,146)	(6,652,197)
Additions to nuclear fuel	(2,436,946)	(103,002)
Additions to deferred refueling costs	(3,352,629)	(2,072,139)
Increase in cash surrender value of life insurance contracts	(284,993)	(29,538)
Increase in decommissioning fund assets	(1,338,561)	(49,007)
Increase in other investments	(36,656)	(746,204)
Net cash used in investing activities	(8,999,931)	(9,652,087)
Cash flows from financing activities:		
Borrowings from cash surrender value of life insurance contracts	306,466	—
Repayment of COLI loan	(76,440)	—
Repayment of long-term debt	(8,220,390)	(6,563,070)
Issuance of debt	2,270,262	5,675,641
Increase in debt issue costs	(2,327,018)	—
Patronage capital contributions	—	100
Net cash used in financing activities	(8,047,120)	(887,329)
Net increase in cash and cash equivalents	190,769	2,380,422
Cash and cash equivalents at:		
Beginning of year	8,036,064	5,655,642
End of year	\$ 8,226,833	8,036,064

See accompanying notes to financial statements.