

WOLF CREEK NUCLEAR OPERATING CORPORATION

Annette Stull
Vice President and Chief Administrative Officer

May 5, 2006

CT 06-0034

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


Gentlemen:

Pursuant to the requirements of 10CFR 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 fifteen 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,



Annette F. Stull

AFS/rit

Enclosures: (3)

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



LEE WAGES
Vice President, Controller

May 4, 2006

Mr. Thomas J. Robke
Wolf Creek Nuclear Operating
Corporation
PO Box 411
Burlington, KS 66839

Dear Mr. Robke:

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 \$7.05 million.

The undersigned certifies that the foregoing memorandum with respect to Westar Energy, Inc.'s cash flow for the year 2005 is true and correct to the best of his knowledge and belief.

Sincerely,

Lee Wages
Vice President, Controller

lms
attachment

cc: Carla Zoetmulder

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

	Year Ended December 31,		
	2005	2004	2003
		Revised (See Note 2)	Revised (See Note 2)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:			
Net income.....	\$ 135,610	\$ 178,870	\$ 85,010
Adjustments to reconcile net income to net cash provided by operating activities:			
Discontinued operations, net of tax	(742)	(78,790)	77,905
Depreciation and amortization	150,520	169,310	167,236
Amortization of nuclear fuel	13,315	14,221	12,410
Amortization of deferred gain from sale-leaseback.....	(8,469)	(11,828)	(11,828)
Amortization of corporate-owned life insurance.....	16,265	12,622	14,320
Non-cash stock compensation.....	3,219	7,916	6,885
Net changes in energy marketing assets and liabilities.....	5,799	4,383	(1,855)
Loss on extinguishment of debt and settlement of putable/callable notes.....	—	18,840	26,455
Net changes in fair value of call option	—	—	2,178
Gain on sale of ONEOK, Inc. stock	—	—	(99,327)
Accrued liability to certain former officers.....	2,018	8,384	1,205
Gain on sale of utility plant and property.....	—	(503)	(11,912)
Net deferred income taxes and credits.....	25,552	(5,215)	(100,275)
Changes in working capital items, net of acquisitions and dispositions:			
Accounts receivable, net	(32,179)	(11,561)	(32,031)
Inventories and supplies	22,745	10,368	8,607
Prepaid expenses and other	(65,635)	(35,114)	6,426
Accounts payable.....	6,929	6,439	6,072
Accrued taxes	91,938	43,463	81,135
Other current liabilities	(20,876)	(5,907)	(84,793)
Changes in other, assets.....	20,374	12,846	1,783
Changes in other, liabilities.....	(12,492)	6,880	(7,066)
Cash flows from operating activities.....	<u>353,891</u>	<u>345,624</u>	<u>148,540</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(212,814)	(197,149)	(163,314)
Purchase of securities within the nuclear decommissioning trust fund	(372,426)	(313,241)	(235,890)
Sale of securities within the nuclear decommissioning trust fund.....	367,570	309,105	228,737
Investment in corporate-owned life insurance	(19,346)	(19,658)	(19,599)
Proceeds from investment in corporate-owned life insurance.....	10,997	—	—
Proceeds from sale of Protection One, Inc.	—	81,670	—
Proceeds from sale of Protection One, Inc. bonds	—	26,640	—
Proceeds from sale of plant and property	—	8,604	33,303
Proceeds from sale of international investment	—	11,219	—
Proceeds from sale of ONEOK, Inc. stock.....	—	—	801,841
Issuance of officer loans and interest, net of payments.....	—	2	438
Proceeds from other investments	13,990	16,548	9,893
Cash flows (used in) from investing activities.....	<u>(212,029)</u>	<u>(76,260)</u>	<u>655,409</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Short-term debt, net.....	—	(1,000)	—
Proceeds from long-term debt.....	642,807	623,301	—
Retirements of long-term debt	(741,847)	(1,188,081)	(963,330)
Funds in trust for debt repayments.....	—	78	145,182
Purchase of call option investment.....	—	—	(65,785)
Repayment of capital leases	(4,898)	(4,977)	(5,138)
Borrowings against cash surrender value of corporate-owned life insurance	58,039	57,090	58,818
Repayment of borrowings against cash surrender value of corporate-owned life insurance ..	(13,026)	(444)	(419)
Issuance of common stock, net	5,584	245,130	—
Cash dividends paid.....	(74,593)	(56,189)	(57,726)
Reissuance of treasury stock	—	1,927	7,260
Cash flows used in financing activities	<u>(127,934)</u>	<u>(323,165)</u>	<u>(881,138)</u>
CASH FLOWS FROM (USED IN) DISCONTINUED OPERATIONS:			
Cash flows from operating activities	—	2,265	82,384
Cash flows used in investing activities.....	—	(3,412)	(28,882)
Cash flows used in financing activities	—	—	(9,803)
Net cash (used in) from discontinued operations.....	<u>—</u>	<u>(1,147)</u>	<u>43,699</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	13,928	(54,948)	(33,490)
CASH AND CASH EQUIVALENTS:			
Beginning of period.....	<u>24,611</u>	<u>79,559</u>	<u>113,049</u>
End of period.....	<u>\$ 38,539</u>	<u>\$ 24,611</u>	<u>\$ 79,559</u>

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



GREAT PLAINS ENERGY

May 5, 2006

Mr. Todd Laflin
Wolf Creek Nuclear Operating Corporation
P.O. Box 411
Burlington, KS 66839

Dear Todd:

Pursuant to the requirements of 10 CFR140.21(e), Kansas City Power & Light Company is providing the attached audited Consolidated Statements of Cash Flows to provide evidence of the ability to make payment of its share of deferred premiums in an amount of \$7.1 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 2005 is true and correct.

Sincerely,

Lori Wright
Controller

Attachment

GREAT PLAINS ENERGY
Consolidated Statements of Cash Flows

Year Ended December 31	2005	Revised 2004	Revised 2003
Cash Flows from Operating Activities		(thousands)	
Net income	\$ 162,310	\$ 180,811	\$ 144,923
Adjustments to reconcile income to net cash from operating activities:			
Depreciation and amortization	153,080	150,090	143,712
Amortization of:			
Nuclear fuel	13,374	14,159	12,334
Other	10,580	11,827	11,626
Deferred income taxes, net	(23,021)	30,319	17,058
Investment tax credit amortization	(3,889)	(3,984)	(3,994)
Loss from equity investments	434	1,531	2,018
(Gain) loss on property	3,295	(9,686)	30,797
Minority interest in subsidiaries	7,805	(2,131)	7,764
Other operating activities (Note 2)	92,923	(18,866)	20,857
Net cash from operating activities	<u>416,891</u>	<u>354,070</u>	<u>387,095</u>
Cash Flows from Investing Activities			
Utility capital expenditures	(327,283)	(190,548)	(148,675)
Allowance for borrowed funds used during construction	(1,598)	(1,498)	(1,368)
Purchases of investments	(14,976)	(35,003)	-
Purchases of nonutility property	(6,853)	(6,108)	(22,746)
Proceeds from sale of assets and investments	17,369	67,457	33,277
Purchases of nuclear decommissioning trust investments	(34,607)	(49,720)	(111,699)
Proceeds from nuclear decommissioning trust investments	31,055	46,167	108,179
Purchase of additional indirect interest in Strategic Energy	-	(90,033)	-
Hawthorn No. 5 partial insurance recovery	10,000	30,810	3,940
Hawthorn No. 5 partial litigation settlements	-	1,139	17,263
Other investing activities	(930)	(7,081)	(1,220)
Net cash from investing activities	<u>(327,823)</u>	<u>(234,418)</u>	<u>(123,049)</u>
Cash Flows from Financing Activities			
Issuance of common stock	9,061	153,662	-
Issuance of long-term debt	334,417	163,600	-
Issuance fees	(4,522)	(14,496)	(266)
Repayment of long-term debt	(339,152)	(213,943)	(133,181)
Net change in short-term borrowings	17,900	(67,000)	42,320
Dividends paid	(125,484)	(120,806)	(116,527)
Other financing activities	(5,975)	(7,309)	(7,598)
Net cash from financing activities	<u>(113,755)</u>	<u>(106,292)</u>	<u>(215,252)</u>
Net Change in Cash and Cash Equivalents	<u>(24,687)</u>	<u>13,360</u>	<u>48,794</u>
Less: Net Change in Cash and Cash Equivalents from Discontinued Operations	<u>(626)</u>	<u>458</u>	<u>73</u>
Cash and Cash Equivalents at Beginning of Year	<u>127,129</u>	<u>114,227</u>	<u>65,506</u>
Cash and Cash Equivalents at End of Year	<u>\$ 103,068</u>	<u>\$ 127,129</u>	<u>\$ 114,227</u>

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



Kansas Electric Power Cooperative, Inc.

May 4, 2006

Ms. Annette Stull
Wolf Creek Nuclear Operating Corporation
P.O. Box 411
Burlington, KS 66839

Dear Annette:

Pursuant to the requirements of 10 CFR 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 \$900,000.

The undersigned certifies that the foregoing memorandum with respect to Kansas Electric Power Cooperative, Inc.'s. Cash flow for the year 2005 is true and correct to the best of her knowledge and belief.

Sincerely yours,

Coleen M. Wells
VP Finance, and Controller
Enclosure (1)

Phone: 785.273.7010

Fax: 785.271.4888

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P.O. Box 4877

Topeka, KS 66604-0877

600 SW Corporate View

Topeka, KS 66615

KANSAS ELECTRIC POWER COOPERATIVE, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Net margin	\$ 3,451,857	3,186,603
Adjustments to reconcile net margin to net cash provided by operating activities:		
Depreciation and amortization	3,911,449	3,817,830
Decommissioning	451,304	443,300
Amortization of nuclear fuel	1,681,987	1,795,148
Amortization of deferred charges	4,045,720	4,052,034
Amortization of deferred incremental outage costs	2,373,628	2,221,663
Amortization of debt issuance costs	1,226,873	668,799
Changes in assets and liabilities:		
Member accounts receivable	(1,326,340)	(111,404)
Materials and supplies	(42,261)	(126,980)
Other assets and prepaid expenses	(202,794)	(76,018)
Accounts payable	284,122	1,027,412
Payroll and payroll-related liabilities	(2,444)	20,594
Accrued property taxes	(16,441)	20,129
Accrued interest payable	51,333	(1,256,675)
Restricted assets	(49,836)	(71,032)
Other long-term liabilities	249,471	205,374
Net cash provided by operating activities	<u>16,087,628</u>	<u>15,816,777</u>
Cash flows from investing activities:		
Additions to electric plant, net	(1,469,394)	(2,130,735)
Additions to nuclear fuel	(615,088)	(2,660,067)
Additions to deferred incremental outage costs	(3,556,885)	(259,634)
Investments in decommissioning fund assets	(451,304)	(443,300)
Net cash used in investing activities	<u>(6,092,671)</u>	<u>(5,493,736)</u>
Cash flows from financing activities:		
Repayment of long-term debt	(9,209,029)	(13,320,150)
Increase in debt issuance costs related to debt refinancing	(670,489)	—
Net cash used in financing activities	<u>(9,879,518)</u>	<u>(13,320,150)</u>
Net increase (decrease) in cash and cash equivalents	115,439	(2,997,109)
Cash and cash equivalents at:		
Beginning of year	5,229,724	8,226,833
End of year	\$ <u>5,345,163</u>	\$ <u>5,229,724</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ 8,852,162	10,543,271

See accompanying notes to consolidated financial statements.