

WOLF CREEK

NUCLEAR OPERATING CORPORATION

Annette F. Stull
Vice President and Chief Administrative Officer

April 30, 2007

(620)364-4004
(620)364-4017 facsimile
anstull@wcnoc.com

CO 07-0004

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

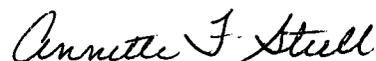
Gentlemen:

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.

Sincerely



Annette F. Stull

AFS/rlt

Enclosures (3)

cc: J. N. Donohew (NRC), w/e
V. G. Gaddy (NRC), w/e
B. S. Mallett (NRC), w/e
Senior Resident Inspector (NRC), w/e

P.O. Box 411 / Burlington, KS 66839 / Phone: (620) 364-8831

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M004



GREAT PLAINS ENERGY

February 28, 2007

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 2006 is true and correct.

Sincerely,

Lori Wright
Controller

Attachment

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows

Year Ended December 31	2006	As Adjusted 2005	As Adjusted 2004
Cash Flows from Operating Activities		(thousands)	
Net income	\$ 149,321	\$ 143,645	\$ 145,028
Adjustments to reconcile income to net cash from operating activities:			
Depreciation and amortization	152,714	146,610	145,246
Amortization of:			
Nuclear fuel	14,392	13,374	14,159
Other	6,617	7,681	7,719
Deferred income taxes, net	17,411	(33,637)	11,801
Investment tax credit amortization	(1,240)	(3,889)	(3,984)
(Gain) loss on property	(572)	4,613	5,133
Minority interest in subsidiaries	-	7,805	(5,087)
Other operating activities (Note 2)	(39,408)	79,284	(3,756)
Net cash from operating activities	<u>299,235</u>	<u>365,486</u>	<u>316,259</u>
Cash Flows from Investing Activities			
Utility capital expenditures	(475,931)	(332,055)	(190,548)
Allowance for borrowed funds used during construction	(5,686)	(1,598)	(1,498)
Purchases of nonutility property	(62)	(127)	(254)
Proceeds from sale of assets	433	469	7,465
Purchases of nuclear decommissioning trust investments	(49,667)	(34,607)	(49,720)
Proceeds from nuclear decommissioning trust investments	46,005	31,055	46,167
Hawthorn No. 5 partial insurance recovery	-	10,000	30,810
Hawthorn No. 5 partial litigation recoveries	15,829	-	1,139
Other investing activities	(983)	(930)	(7,100)
Net cash from investing activities	<u>(470,062)</u>	<u>(327,793)</u>	<u>(163,539)</u>
Cash Flows from Financing Activities			
Issuance of long-term debt	-	334,417	-
Repayment of long-term debt	-	(335,922)	(209,140)
Net change in short-term borrowings	124,550	32,376	(21,959)
Dividends paid to Great Plains Energy	(89,000)	(112,700)	(119,160)
Equity contribution from Great Plains Energy	134,615	-	225,000
Issuance fees	(511)	(4,522)	(2,362)
Net cash from financing activities	<u>169,654</u>	<u>(86,351)</u>	<u>(127,621)</u>
Net Change in Cash and Cash Equivalents	<u>(1,173)</u>	<u>(48,658)</u>	<u>25,099</u>
Cash and Cash Equivalents at Beginning of Year	<u>2,961</u>	<u>51,619</u>	<u>26,520</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,788</u>	<u>\$ 2,961</u>	<u>\$ 51,619</u>

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



April 11, 2007

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), Kansas Gas & Electric Company is providing the attached audited Statement of Cash Flows regarding its ability to make payment of its share of deferred premiums in an amount of \$7.1 million.

The undersigned certifies that the foregoing memorandum with respect to Kansas Gas & Electric Company's cash flow for the year 2006 is true and correct to the best of his knowledge and belief.

Sincerely,

Lee Wages
Vice President, Controller
Westar Energy

Jmm
Attachment

cc: Angela Smith

KANSAS GAS AND ELECTRIC COMPANY

STATEMENTS OF CASH FLOWS
(Dollars in Thousands)

	<u>Year Ended December 31,</u>	
	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net income	\$ 73,472	\$ 85,577
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	94,059	80,482
Amortization of nuclear fuel	(13,851)	13,315
Amortization of deferred gain from sale-leaseback	(5,495)	(8,469)
Amortization of corporate-owned life insurance	14,305	13,510
Net deferred taxes	13,141	1,780
Net changes in energy marketing assets and liabilities	(3,612)	2,109
Changes in working capital items:		
Accounts receivable, net	56,921	(32,124)
Inventories and supplies	(15,818)	6,729
Prepaid expenses and other	(57,825)	(57,477)
Accounts payable	12,827	(13,100)
Payable to affiliates	(34,592)	62,745
Other current liabilities	(5,697)	4,981
Changes in other assets	39,864	(14,423)
Changes in other liabilities	(63,733)	(16,488)
Cash flows from operating activities	<u>103,966</u>	<u>129,147</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(146,521)	(87,172)
Purchase of securities within the nuclear decommissioning trust fund	(345,541)	(372,426)
Sale of securities within the nuclear decommissioning trust fund	341,410	367,570
Investment in corporate-owned life insurance	(19,127)	(19,346)
Proceeds from investment in corporate-owned life insurance	22,684	10,997
Proceeds from other investments	4,122	11,734
Cash flows used in investing activities	<u>(142,973)</u>	<u>(88,643)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Proceeds from long-term debt	99,662	—
Retirements of long-term debt	(200,000)	(65,000)
Investment by parent	100,000	—
Borrowings against cash surrender value of corporate-owned life insurance	59,697	58,039
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(22,828)	(11,877)
Dividends to parent company	—	(20,000)
Cash flows from (used in) financing activities	<u>36,531</u>	<u>(38,838)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,476)	1,666
CASH AND CASH EQUIVALENTS:		
Beginning of period	<u>2,478</u>	<u>812</u>
End of period	<u>\$ 2</u>	<u>\$ 2,478</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
CASH PAID FOR:		
Interest on financing activities, net of amount capitalized	\$ 18,071	\$ 26,041
NON-CASH INVESTING TRANSACTIONS:		
Property, plant and equipment additions	\$ 12,917	\$ 2,533
NON-CASH FINANCING TRANSACTIONS:		
Conversion of intercompany payable	\$ 120,000	\$ —



Kansas Electric Power Cooperative, Inc.

April 15, 2007

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 2006 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

www.kepco.org

P.O. Box 4877

Topeka, KS 66604-0877

600 Corporate View

Topeka, KS 66615

Kansas Electric Power Cooperative, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2006 and 2005

	2006	2005
Operating Activities		
Net margins	\$ 1,046,682	\$ 3,451,857
Adjustments to reconcile net margin to net cash provided by operating activities		
Depreciation and amortization	3,704,711	3,911,449
Decommissioning	1,458,328	451,304
Amortization of nuclear fuel	1,748,780	1,681,987
Amortization of deferred charges	4,588,218	4,045,720
Amortization of deferred incremental outage costs	2,557,796	3,470,606
Amortization of debt issuance costs	125,432	129,895
Changes in		
Member accounts receivable	637,183	(1,326,340)
Materials and supplies	(156,089)	(42,261)
Other assets and prepaid expenses	120,250	(202,794)
Accounts payable	208,536	284,122
Payroll and payroll-related liabilities	20,971	(2,444)
Accrued property tax	25,533	(16,441)
Accrued interest payable	155,139	51,333
Restricted assets	(33,328)	(49,836)
Other long-term liabilities	(300,801)	249,471
	<u>15,907,341</u>	<u>16,087,628</u>
Net cash provided by operating activities		
Cash Flows From Investing Activities		
Additions to electric plant	(6,034,758)	(1,469,394)
Additions to nuclear fuel	(3,179,023)	(615,088)
Additions to deferred incremental outage costs	(4,078,059)	(3,556,885)
Investments in decommissioning fund assets	(1,292,261)	(451,304)
Other	20,047	—
	<u>(14,564,054)</u>	<u>(6,092,671)</u>
Net cash used in investing activities		
Cash Flows From Financing Activities		
Net borrowing under line of credit agreement	3,521,028	—
Principle payments on long-term debt	(10,464,348)	(9,907,800)
Increase in debt issuance costs related to debt refinancing	—	(670,489)
Utilization of RUS cushion of credit	3,526,341	698,771
	<u>(3,416,979)</u>	<u>(9,879,518)</u>
Net cash used in financing activities		
Net increase (decrease) in cash and cash equivalents	(2,073,692)	115,439
Cash and Cash Equivalents, Beginning of Year	<u>5,345,163</u>	<u>5,229,724</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,271,471</u>	<u>\$ 5,345,163</u>
Supplemental Cash Flows Information		
Cash paid during the year for interest	\$ 8,385,104	\$ 8,852,162