

" Designated Original "

Balwant Singh



Annette F. Stull
Vice President and Chief Financial Officer
(620) 364-4004
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April 29, 2010

CT 10-0032

Director, Office of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, MD 20852-2738

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

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 (WCGS) are providing the enclosed documentation of their ability to pay deferred premiums in the amount of seventeen million five hundred thousand dollars, as determined by 10 CFR 140.11(a)(4).

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. Richard D. Flannigan at (620) 364-4117.

Sincerely,

Annette F. Stull
Annette F. Stull

AFS/rit

Enclosures

cc: E. E. Collins (NRC) w/e
G. B. Miller (NRC), w/e
B. K. Singal (NRC), w/e
Senior Resident Inspector (NRC), w/e
Document Control Desk (NRC), w/e

MDO
NR2



March 30, 2010

Mr. Todd N. Laflin
Wolf Creek Nuclear Operating Corporation
PO Box 411
Burlington, KS 66839

Dear Todd:

Pursuant to the requirements of 10 CFR 140.21(e), Kansas City Power & Light Company, is providing the attached audited Consolidated Statements of Cash Flows as evidence of the ability to make payment of its share of deferred premiums in an amount of \$8.23 million.

The undersigned certifies that the foregoing memorandum with respect to Kansas City Power & Light Company's cash flow for the year 2009 is true and correct to the best of their knowledge and belief.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wright". The signature is fluid and cursive, with a large initial "L" and "W".

Lori Wright
Vice President and Controller

attachment

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows

Year Ended December 31	2009
Cash Flows from Operating Activities	(millions)
Net income	\$ 128.9
Adjustments to reconcile income to net cash from operating activities:	
Depreciation and amortization	229.6
Amortization of:	
Nuclear fuel	16.1
Other	19.0
Deferred income taxes, net	(38.2)
Investment tax credit amortization	(1.4)
Fair value impacts from interest rate hedging	-
Other operating activities (Note 3)	(66.1)
Net cash from operating activities	287.9
Cash Flows from Investing Activities	
Utility capital expenditures	(626.5)
Allowance for borrowed funds used during construction	(31.1)
Purchases of nuclear decommissioning trust investments	(99.0)
Proceeds from nuclear decommissioning trust investments	95.3
Net money pool lending	(6.0)
Other investing activities	(0.6)
Net cash from investing activities	(667.9)
Cash Flows from Financing Activities	
Issuance of long-term debt	413.2
Repayment of long-term debt	-
Net change in short-term borrowings	(193.6)
Net money pool borrowings	0.9
Dividends paid to Great Plains Energy	(72.0)
Equity contribution from Great Plains Energy	247.5
Issuance fees	(4.0)
Net cash from financing activities	392.0
Net Change in Cash and Cash Equivalents	12.0
Cash and Cash Equivalents at Beginning of Year	5.4
Cash and Cash Equivalents at End of Year	\$ 17.4



March 30, 2010

Mr. Todd N. Laflin
Wolf Creek Nuclear Operating Corporation
PO Box 411
Burlington, KS 66839

Dear Todd:

Pursuant to the requirements of 10 CFR 140.21(e), we are providing the attached audited 2009 Consolidated Statements of Cash Flows, with independent auditor's opinion, for Kansas Gas & Electric. The statement is provided to access Kansas Gas & Electric's ability to make payment of its share of deferred premiums in an amount of \$8.23 million.

Sincerely,

Lee Wages
Vice President, Controller
Westar Energy, Inc.

attachment

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Kansas Gas and Electric Company
Topeka, Kansas

We have audited the accompanying balance sheets of Kansas Gas and Electric Company (the "Company"), a wholly-owned subsidiary of Westar Energy, Inc., as of December 31, 2009 and 2008, and the related statements of income, shareholder's equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Kansas Gas and Electric Company at December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Kansas City, Missouri
February 25, 2010

KANSAS GAS AND ELECTRIC COMPANY
STATEMENTS OF CASH FLOWS
(Dollars in Thousands)

	<u>Year Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net income	\$ 55,879	\$ 52,947
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	117,547	98,212
Amortization of nuclear fuel	16,161	14,463
Amortization of deferred gain from sale-leaseback	(5,495)	(5,495)
Amortization of corporate-owned life insurance	17,449	15,576
Net deferred taxes	9,127	14,288
Net changes in energy marketing assets and liabilities	4,138	(3,900)
Allowance for equity funds used during construction	(1,741)	(4,185)
Changes in working capital items:		
Accounts receivable, net	(17,017)	5,832
Inventories and supplies	4,750	1,494
Prepaid expenses and other	(24,396)	(62,211)
Accounts payable	8,957	(5,180)
Other current liabilities	8,974	(22,021)
Changes in other assets	(10,613)	1,036
Changes in other liabilities	(5,965)	(184)
Cash flows from operating activities	<u>177,755</u>	<u>100,672</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(172,435)	(250,416)
Purchase of securities within the nuclear decommissioning trust fund	(64,016)	(210,599)
Sale of securities within the nuclear decommissioning trust fund	61,096	221,613
Investment in corporate-owned life insurance	(17,724)	(18,720)
Proceeds from investment in corporate-owned life insurance	798	26,202
Advance to parent	(222,615)	10,250
Other investing activities	2,920	(11,013)
Proceeds from other investments	—	—
Cash flows used in investing activities	<u>(411,976)</u>	<u>(232,683)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Proceeds from long-term debt	347,507	247,087
Retirements of long-term debt	(50,000)	(100,000)
Borrowings from parent	—	22,403
Repayment of borrowings to parent	(22,403)	—
Borrowings against cash surrender value of corporate-owned life insurance	10,299	64,255
Repayment of borrowings against cash surrender value of corporate-owned life insurance	(1,182)	(26,734)
Dividends to parent company	(50,000)	(75,000)
Cash flows from financing activities	<u>234,221</u>	<u>132,011</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	—	—
CASH AND CASH EQUIVALENTS:		
Beginning of period	—	—
End of period	<u>\$ —</u>	<u>\$ —</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
CASH PAID FOR:		
Interest on financing activities, net of amount capitalized	\$ 46,539	\$ 33,941
NON-CASH INVESTING TRANSACTIONS:		
Property, plant and equipment additions	\$ 3,966	\$ 14,635

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



Kansas Electric Power Cooperative, Inc.

April 5, 2010

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

Dear Todd:

Pursuant to the requirements of 10 CFR 140.21(e), Kansas Electric Power Cooperative, Inc. is providing the attached audited Statement of Cash Flows as evidence of the ability to make payment of its share of deferred premiums in an amount of \$1.5 million.

The undersigned certifies that the foregoing memorandum with respect to Kansas Electric Power Cooperative, Inc.'s. Cash flow for the year 2009 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, 2009 and 2008

	2009	2008
Operating Activities		
Net margin	\$ 9,338,290	\$ 5,473,177
Adjustments to reconcile net margin to net cash provided by operating activities		
Depreciation and amortization	3,889,826	3,794,729
Decommissioning	1,833,811	1,056,613
Amortization of nuclear fuel	2,013,679	1,811,603
Amortization of deferred charges	4,348,006	4,407,592
Amortization of deferred incremental outage costs	4,099,003	3,893,171
Amortization of debt issuance costs	109,275	115,227
Changes in		
Member accounts receivable	(951,170)	(1,800,955)
Materials and supplies	(84,641)	(122,810)
Other assets and prepaid expenses	(304,548)	(40,657)
Accounts payable	2,049,237	622,581
Payroll and payroll-related liabilities	(22,116)	9,625
Accrued property tax	23,038	47,519
Accrued interest payable	11,087	(85,192)
Other long-term liabilities	440,601	273,139
	26,793,378	19,455,362
Cash Flows From Investing Activities		
Additions to electric plant	(23,937,741)	(26,837,946)
Additions to nuclear fuel	(2,474,774)	(2,070,599)
Additions to deferred incremental outage costs	(5,331,381)	(6,153,310)
Investments in decommissioning fund assets	(2,358,279)	(1,133,809)
Investments in National Rural Utilities Cooperative Finance Corporation	(6,781,554)	(1,442,965)
Investments in bond reserve assets	(89,996)	27,537
	(40,973,725)	(37,611,092)
Cash Flows From Financing Activities		
Net borrowing (payment) under line of credit agreement	(13,178,203)	13,178,203
Principal payments on long-term debt	(13,209,153)	(11,950,139)
Proceeds from issuance of long-term debt	40,052,226	11,429,000
	13,664,870	12,657,064
Net cash provided by financing activities	13,664,870	12,657,064
Net decrease in cash and cash equivalents	(515,477)	(5,498,666)
Cash and Cash Equivalents, Beginning of Year	634,108	6,132,774
Cash and Cash Equivalents, End of Year	\$ 118,631	\$ 634,108
Supplemental Cash Flows Information		
Cash paid during the year for interest	\$ 9,113,960	\$ 9,052,958

See Notes to Consolidated Financial Statements