



Annette F. Stull
Vice President and Chief Administrative Officer

March 29, 2011
CT 11-0018

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555

Subject: Docket No. 50-482: 10 CFR 50.75 Report on Status of Decommissioning
Funding

Gentlemen:

Pursuant to 10 CFR 50.75, this letter and enclosures report the status of decommissioning funding for the Wolf Creek Generating Station (WCGS) located near Burlington, Kansas.

General Information

Wolf Creek Nuclear Operating Corporation (WCNOC) is a jointly owned corporation formed by its owners: 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). WCNOC acts as an agent on behalf of its owners to operate, maintain, repair, decontaminate, and decommission WCGS. While WCNOC holds the operating license for WCGS, its formation has not changed the ownership or ultimate responsibility for the costs (including decommissioning) of WCGS.

Report Items

Attachment I shows the estimated decommissioning funds required pursuant to 10 CFR 50.75 (b) and (c). Attachment II provides the total value of funds (including net earnings to date) accumulated in each owner's external trust fund as of December 31, 2010. Also reported on Attachment II is a schedule of the annual amounts remaining to be collected and assumptions for rates of cost escalation and earnings on funds. The rate orders which authorize collection of these amounts are based on a 2008 site specific study for WCGS, which assumes demolition of all structures at the plant site. Approximately 86% of the study's total estimated costs are for work scopes considered in the minimum decommissioning cost formulas from 10 CFR 50.75 (b) and (c).

There have been no modifications to the method for providing financial assurance since the last submitted report. Each owner has an external trust fund that it maintains to provide for its

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share of WCGS decommissioning costs, and is making regular contributions from amounts collected in electric rates approved by their state commissions and the Federal Energy Regulatory Commission. Each owner's schedule of contributions under Kansas Corporation Commission (KCC) jurisdiction is based on a 60 year plant life for WCGS with the renewed Facility Operating License scheduled to expire in 2045. KCPL's schedule of contributions under Missouri Public Service Commission (MPSC) jurisdiction is also based on a 60 year plant life.

There are no regulatory commitments contained within this correspondence. If you have any questions, please call me at (620) 364-4004, or Mr. Gautam Sen at (620) 364-4175.

Sincerely,

A handwritten signature in cursive script that reads "Annette F. Stull".

Annette F. Stull

AFS/rlt

Attachment I – Minimum Decommissioning Funds Estimate
Attachment II - Decommissioning Funding Status Report

cc: E. E. Collins (NRC), w/a
J. R. Hall (NRC), w/a
G. B. Miller (NRC), w/a
Senior Resident Inspector (NRC), w/a

WOLF CREEK NUCLEAR OPERATING CORPORATION
Minimum Decommissioning Funds Estimate pursuant to 10 CFR 50.75 (b) and (c)

MINIMUM ESTIMATE

Table (c)(1) - Jan86 dollars in Millions \$ 105
[Wolf Creek Generating Station is a PWR licensed for
3565 MWt]

Escalation Factor (see calculation below) 4.504

Minimum estimate – Dec10 dollars in Millions \$ 473

Escalation per paragraph (c)(2)

Escalation Factor (ESC) = 0.65 Labor + 0.13 Energy + 0.22 Waste Burial

	<u>Share</u>	<u>4Q '10</u>	<u>Report</u>
Labor	65%	2.320	1.508
Energy	13%	2.263	0.294
Waste Burial	22%	12.280	2.702
TOTAL ESCALATION FACTOR			<u>4.504</u>

NOTE: 4Q '10 factors per McDermott, Will & Emery memo dated February 8, 2011.

SITE SPECIFIC STUDY (August 2008)

Decommissioning Alternative	DECON	
DECON Period	(2008 \$s) Millions	% Total
Radioactive Systems/Structures and License Termination	\$ 510.1	86%
Preparation for Decommissioning/Spent Fuel Mgmt	\$ 34.3	6%
Other Systems/Structures and Site Restoration	\$ 49.1	8%
Subtotal - Not Applicable to NRC Minimum	\$ 83.4	14%
TOTAL COST ESTIMATE	<u>\$ 593.5</u>	<u>100%</u>

WOLF CREEK NUCLEAR OPERATING CORPORATION
Decommissioning Funding Status Report
as of December 31, 2010

(Dollars in Thousands)

	<u>TOTAL</u>	<u>KGE</u>	<u>KCPL</u>	<u>KEPCo</u>
Market Value of External Sinking Fund as of 12/31/10	\$ 268,531	\$126,990	\$129,179	\$12,362

Schedule of Amounts to be Collected (as approved by rate-setting authorities based on Site
Specific Study)

2010	7,282	3,150	3,674	458
2011	6,992	3,150	3,377	465
2012	6,939	3,150	3,317	472
2013	6,946	3,150	3,317	479
2014	6,953	3,150	3,317	486
2015	6,960	3,150	3,317	493
2016	6,968	3,150	3,317	501
2017	6,975	3,150	3,317	508
2018	6,983	3,150	3,317	516
2019	6,991	3,150	3,317	524
2020	6,999	3,150	3,317	532
2021	7,006	3,150	3,317	539
2022	7,015	3,150	3,317	548
2023	7,023	3,150	3,317	556
2024	7,031	3,150	3,317	564
2025	7,040	3,150	3,317	573
2026	7,048	3,150	3,317	581
2027	7,057	3,150	3,317	590
2028	7,066	3,150	3,317	599
2029	7,075	3,150	3,317	608
2030	7,084	3,150	3,317	617
2031	7,093	3,150	3,317	626
2032	7,102	3,150	3,317	635
2033	7,112	3,150	3,317	645
2034	7,122	3,150	3,317	655
2035	7,132	3,150	3,317	665
2036	7,141	3,150	3,317	674
2037	7,152	3,150	3,317	685
2038	7,162	3,150	3,317	695
2039	7,172	3,150	3,317	705
2040	7,183	3,150	3,317	716
2041	7,194	3,150	3,317	727
2042	7,205	3,150	3,317	738
2043	7,216	3,150	3,317	749
2044	7,227	3,150	3,317	760
2045	2,447	788	1,659	0

Assumptions re: Rates/Factors specific to Owner
and Jurisdiction

	<u>KGE</u>	<u>KCPL</u>	<u>KEPCo</u>
Cost Escalation Rate			
Kansas	3.73%	3.73%	3.73%
Missouri	-	3.73%	-
After Tax Earnings on Funds			
Kansas	5.82%	6.48%	7.00%
Missouri	-	6.48%	-