

WOLF CREEK

NUCLEAR OPERATING CORPORATION

Annette F. Stull
Vice President and Chief Financial Officer

May 7, 2013

CO 13-0003

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

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

Gentlemen:

Pursuant to the requirements of 10 CFR 140.21 "Licensee guarantees of payment of deferred premiums," 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. Michael J. Westman at (620) 364-8831 ext. 4009.

Sincerely,



Annette F. Stull

AFS/rit

Enclosure I Kansas Gas and Electric Company Consolidated Statements of Cash Flows
II Kansas City Power & Light Company Consolidated Statements of Cash Flows
III Kansas Electric Power Cooperative, Inc. Statement of Cash Flows

cc: A. T. Howell (NRC) w/e
C. F. Lyon (NRC), w/e
N. F. O'Keefe (NRC), w/e
Senior Resident Inspector (NRC), w/e

M001
NRK

Kansas Gas and Electric Company Consolidated Statements of Cash Flows



May 1, 2013

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), attached is the 2012 audited Consolidated Statements of Cash Flows as evidence of Kansas Gas & Electric Company'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 and Stockholder of
Kansas Gas and Electric Company
Topeka, Kansas

We have audited the accompanying consolidated financial statements of Kansas Gas and Electric Company and its subsidiaries (the "Company"), a wholly-owned subsidiary of Westar Energy, Inc., which comprise the consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, and the related notes to consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kansas Gas and Electric Company and its subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Kansas City, Missouri
February 28, 2013

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

	Year Ended December 31,	
	2012	2011
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net income.....	\$ 98,446	\$ 53,765
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	119,929	131,740
Amortization of nuclear fuel.....	24,369	21,151
Amortization of deferred regulatory gain from sale leaseback.....	(5,495)	(5,495)
Amortization of corporate-owned life insurance.....	20,000	18,400
Net deferred income taxes and credits.....	25,964	11,752
Allowance for equity funds used during construction.....	(7,049)	(2,900)
Changes in working capital items:		
Accounts receivable.....	(2,110)	(4,980)
Fuel inventory and supplies.....	(6,990)	(10,642)
Prepaid expenses and other.....	19,785	(38,468)
Accounts payable.....	19,728	9,243
Other current liabilities.....	(61,826)	(64,405)
Changes in other assets.....	(4,755)	211
Changes in other liabilities.....	(1,737)	3,483
Cash Flows from Operating Activities.....	<u>238,259</u>	<u>122,855</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment.....	(431,388)	(350,625)
Purchase of securities within the nuclear decommissioning trust fund.....	(19,417)	(47,694)
Sale of securities within the nuclear decommissioning trust fund.....	18,527	45,495
Investment in corporate-owned life insurance.....	(18,167)	(18,952)
Proceeds from investment in corporate-owned life insurance.....	32,718	249
Repayment of advance to parent.....	—	172,956
Other investing activities.....	890	2,199
Cash Flows used in Investing Activities.....	<u>(416,837)</u>	<u>(196,372)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Retirements of long-term debt.....	(13,318)	(25)
Retirements of long-term debt of variable interest entity.....	(19,186)	(18,079)
Borrowings from parent.....	14,425	49,299
Investment by parent.....	160,457	—
Borrowings against cash surrender value of corporate-owned life insurance.....	67,791	67,562
Repayment of borrowings against cash surrender value of corporate-owned life insurance.....	(31,591)	(240)
Dividends to parent company.....	—	(25,000)
Cash Flows from Financing Activities.....	<u>178,578</u>	<u>73,517</u>
NET CHANGE 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.....	\$ 52,942	\$ 56,686
Interest on financing activities of variable interest entity.....	14,022	15,043
NON-CASH INVESTING TRANSACTIONS:		
Property, plant and equipment additions.....	41,546	22,070

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

Kansas City Power & Light Company Consolidated Statements of Cash Flows



April 30, 2013

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 2012 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 – Business Planning and Controller

attachment

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows

Year Ended December 31	2012
Cash Flows from Operating Activities	(millions)
Net income	\$ 141.6
Adjustments to reconcile income to net cash from operating activities:	
Depreciation and amortization	185.6
Amortization of:	
Nuclear fuel	24.7
Other	30.1
Deferred income taxes, net	60.2
Investment tax credit amortization	(1.8)
Other operating activities	27.9
Net cash from operating activities	<u>468.3</u>
Cash Flows from Investing Activities	
Utility capital expenditures	(482.0)
Allowance for borrowed funds used during construction	(3.7)
Purchases of nuclear decommissioning trust investments	(24.2)
Proceeds from nuclear decommissioning trust investments	20.9
Other investing activities	(11.7)
Net cash from investing activities	<u>(500.7)</u>
Cash Flows from Financing Activities	
Repayment of long-term debt	(12.7)
Net change in short-term borrowings	134.0
Net change in collateralized short-term borrowings	15.0
Net money pool borrowings	(4.7)
Dividends paid to Great Plains Energy	(96.0)
Other	0.1
Net cash from financing activities	<u>35.7</u>
Net Change in Cash and Cash Equivalents	3.3
Cash and Cash Equivalents at Beginning of Year	1.9
Cash and Cash Equivalents at End of Year	\$ 5.2

Kansas Electric Power Cooperative, Inc. Statement of Cash Flows



**Kansas Electric
Power Cooperative, Inc.**

P.O. Box 4877, Topeka, KS 66604-0877
600 Corporate View, Topeka, KS 66615
Phone (785) 273-7010 Fax (785) 271-4888
www.kepco.org

April 26, 2013

Mr. Todd N. Laffin
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 2012 is true and correct to the best of their knowledge and belief.

Sincerely yours,

Coleen M. Wells
VP and CFO
Enclosure (1)

KANSAS ELECTRIC POWER COOPERATIVE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ending December 31,	
	2012	2011
Cash Flows From Operating Activities		
Net margin	\$ 11,916,571	\$ 10,862,736
Adjustments to reconcile net margin to net cash flows from operating activities		
Depreciation and amortization	6,417,670	5,895,848
Decommissioning	1,500,024	47,317
Amortization of nuclear fuel	3,004,990	2,604,250
Amortization of deferred charges	4,245,720	4,298,277
Amortization of deferred incremental outage costs	7,179,415	7,965,177
Amortization of debt issuance costs	86,953	95,243
Changes in		
Member accounts receivable	(5,624,402)	4,542,945
Materials and supplies	(899,836)	(749,197)
Other assets and prepaid expense	(305,776)	(32,946)
Accounts payable	2,607,180	(754,741)
Payroll and payroll-related liabilities	17,531	3,054
Accrued property tax	180,292	6,482
Accrued interest payable	(34,313)	(107,769)
Accrued income taxes	(847)	(2,182)
Other long-term liabilities	(106,340)	(1,038,178)
Net cash flows from operating activities	<u>30,184,832</u>	<u>33,636,316</u>
Cash Flows From Investing Activities		
Additions to electrical plant	(9,658,692)	(5,684,518)
Additions to nuclear fuel	(3,709,772)	(2,330,827)
Additions to deferred charges	(280,455)	(21,452)
Additions to deferred incremental outage costs	(900,384)	(13,911,758)
Investments in decommissioning fund assets	(1,966,895)	(572,960)
Investments in associated organizations	304,392	(195,045)
Investments in bond reserve assets	(24,930)	(9,279)
Proceeds from the sale of property	7,958	20,504
Net cash flows from investing activities	<u>(16,228,778)</u>	<u>(22,705,335)</u>
Cash Flows From Financing Activities		
Principal payments on long-term debt	(18,781,860)	(17,676,717)
Proceeds from issuance of long-term debt	1,048,000	8,523,204
Payments unapplied	(2,388,504)	2,863,733
Net cash flows from financing activities	<u>(20,122,364)</u>	<u>(6,289,780)</u>
Net (decrease) increase in cash and cash equivalents	(6,166,310)	4,641,201
Cash and Cash Equivalents, Beginning of Year	<u>8,990,444</u>	<u>4,349,243</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,824,134</u>	<u>\$ 8,990,444</u>
Supplemental Disclosure of Cash Flow Information		
Interest paid	<u>\$ 10,417,400</u>	<u>\$ 10,974,100</u>

See Notes to the Consolidated Financial Statements