

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
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WOLF CREEK NUCLEAR)	
OPERATING CORPORATION)	
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)	
Wolf Creek Generating Station, Unit 1)	Docket No. 50-482
)	Renewed License No. NPF-42
)	
)	

ORDER APPROVING INDIRECT TRANSFER OF LICENSE

I.

Wolf Creek Nuclear Operating Corporation (WCNOC) is the holder of the Renewed Facility Operating License (FOL) No. NPF-42 for the Wolf Creek Generating Station, Unit 1 (WCGS) authorized to possess, use, and operate WCGS. WCGS is located in Coffey County, Kansas.

II.

Pursuant to Section 184 of the Atomic Energy Act of 1954, as amended (the Act), and Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.80, "Transfer of licenses," WCNOC requested consent from the U.S. Nuclear Regulatory Commission (NRC, the Commission) to the indirect transfer of control of Renewed FOL No. NPF-42 for the WCGS by application dated September 5, 2017.

WCNOC is the licensed operator of WCGS and Kansas City Power & Light Company (KCP&L), Kansas Gas and Electric Company (KG&E), and Kansas Electric Power Cooperative, Inc. (KEPCo) are the three non-operating owner licensees. KCP&L and KG&E each hold

a 47 percent undivided interest in WCGS and 47 percent of the stock of WCNOG. KEPCo holds the remaining 6 percent interest. KCP&L is a subsidiary of Great Plains Energy Incorporated (Great Plains) and KG&E is a subsidiary of Westar Energy, Inc. (Westar). The indirect license transfer will result from the proposed merger transaction involving Great Plains and Westar pursuant to the terms of the Amended and Restated Agreement and Plan of Merger, dated July 9, 2017 (Attachment 2 to the letter dated September 5, 2017) (Amended Merger Agreement). Under this agreement, the transaction will occur in the following three simultaneous steps:

In step 1, Great Plains will merge with its wholly-owned subsidiary, which was created to effectuate the transaction, named Monarch Energy Holding, Inc.¹ (Holdco), with Holdco continuing as the surviving corporation.

In step 2, Westar will merge with a wholly-owned subsidiary of Holdco, named King Energy, Inc., which was also created to effectuate the transaction, with Westar continuing as the surviving corporation.

In step 3, each share of common stock of Great Plains and Westar issued and outstanding at that time (subject to certain defined exceptions) will be converted automatically into the right to receive the merger consideration consisting of a number of shares of common stock of Holdco as determined by the applicable exchange ratio specified in the Amended Merger Agreement. Thus the current shareholders of Great Plains and Westar will become the shareholders of Holdco after the transaction.

¹ The name of the holding company Monarch Energy Holding, Inc. may be changed before or following the closing of the proposed transaction.

The current 6 percent owner of WCGS and WCNOG, KEPCo, the third non-operating owner licensee, is not a party to this transaction and will remain a 6 percent owner post-transaction.

At the conclusion of the transaction, Holdco, whose shareholders will be comprised of the shareholders in Great Plains and Westar, will own all the direct and indirect subsidiaries previously held by Great Plains, including KCP&L, and will also own Westar and all of its direct and indirect subsidiaries, including KG&E. As a result, Holdco will indirectly own 94 percent of WCGS and WCNOG.

The current and post-transaction ownership structure of the facility is depicted in the simplified organization charts provided in Figures 1 and 2 of Attachment 1 to the letter dated September 5, 2017.

No physical changes to the WCGS or operational changes are being proposed in the application. WCNOG will continue to be the operator of WCGS with the same management team as in effect prior to the consummation of the proposed merger.

In response to the submission of the indirect license transfer application, the NRC published in the *Federal Register* a notice entitled, "Wolf Creek Generating Station: Consideration of Approval of Transfer of License," on November 15, 2017 (82 FR 52946). No comments or hearing requests were received.

Under 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the NRC gives its consent in writing. Upon review of the information in the licensee's application, and other information before the Commission, the NRC staff has determined that WCNOG is qualified to hold the license following the proposed merger of Great Plains with Holdco, with Holdco as the surviving corporation, and Westar with King Energy Inc., with Westar as the surviving corporation.

KCP&L and KG&E will each continue to hold their respective 47 percent interests in WCNOG and WCGS post-merger. Following the merger, Holdco will indirectly own a combined interest of WCGS of 94 percent. The current shareholders of Great Plains and Westar will become the shareholders of Holdco after the transaction. The NRC staff has also determined that the proposed indirect license transfer is otherwise consistent with the applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

The findings set forth above are supported by an NRC safety evaluation dated March 12, 2018.

III.

Accordingly, pursuant to Sections 161b, 161i, and 184 of the Atomic Energy Act of 1954, as amended (the Act), 42 USC §§ 2201(b), 2201(i), and 2234; and 10 CFR 50.80, IT IS HEREBY ORDERED that the application regarding the proposed indirect license transfer is approved.

IT IS FURTHER ORDERED that, after receipt of all required regulatory approvals of the proposed indirect transfer action, WCNOG shall inform the Director of the Office of Nuclear Reactor Regulation in writing of such receipt, and of the date of closing of the transfer, no later than 5 business days prior to the date of the closing of the indirect license transfer. Should the proposed indirect license transfer not be completed within 1 year of this Order's date of issuance, this Order shall become null and void, provided, however, upon written application and for good cause shown, such date may be extended by order.

This Order is effective upon issuance.

For further details with respect to this Order, see the application dated September 5, 2017 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML17255A222), and the NRC safety evaluation dated the same date as this Order (ADAMS Accession No. ML18040A666), which are available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, Public File Area O1 F21, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available documents created or received at the NRC are accessible electronically through ADAMS in the NRC Library at <http://www.nrc.gov/reading-rm/adams.html>. Persons who do not have access to ADAMS, or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR reference staff by telephone at 1-800-397-4209 or 301-415-4737, or by e-mail to pdr.resource@nrc.gov.

Dated at Rockville, Maryland this 12th day of March 2018.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Joseph G. Giitter, Director,
Division of Operating Reactor Licensing,
Office of Nuclear Reactor Regulation.