

Wolf Creek

Nuclear Operating Corporation

Adam C. Heflin
President and Chief Executive Officer
Chief Nuclear Officer

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10 C.F.R. 50.80

June 5, 2018
WM 18-0036

Brian Holian, Acting Director
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, DC 20555

ATTN: Document Control Desk

- References:**
1. Wolf Creek Generating Station, Unit 1 – Updated Request for Consent to Indirect Transfer of Control (Sept. 5, 2017) (ADAMS Accession No. ML17255A222)
 2. Wolf Creek Generating Station, Unit 1 – Order Approving Indirect Transfer of Control of Renewed Facility Operating License No. NPF-42 (Mar. 12, 2018) (CAC No. MG0235; EPID L-2017-LLM-0005) (ADAMS Accession No. ML18040A485)
 3. Wolf Creek Generating Station, Unit 1 – Notice of Receipt of Regulatory Approvals and Closing Date (May 29, 2018)

Subject: Docket No. 50-482—Notice of Closing

On September 5, 2017, Wolf Creek Nuclear Operating Corporation (WCNOC) submitted an updated request for U.S. Nuclear Regulatory Commission (NRC) consent to an indirect transfer of control of Renewed Facility Operating License No. NPF-42, for the Wolf Creek Generating Station (WCGS) (Reference 1). As explained in Reference 1, Kansas City Power & Light Company (KCP&L), a subsidiary of Great Plains Energy Incorporated (Great Plains) owned 47.0% of WCGS and WCNOC. Kansas Gas and Electric Company (KG&E), a subsidiary of Westar Energy, Inc. (Westar), owned 47.0% of WCGS and WCNOC. The indirect transfer of control contemplated would result from a merger transaction involving Great Plains and Westar.

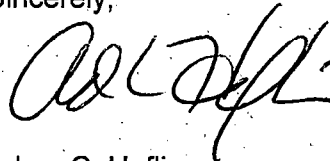
In Reference (2), the NRC approved the updated license transfer request. In Reference (3), WCNOC provided notice to the NRC that all required regulatory approvals for the transaction had been obtained and of the scheduled date of closing of the transaction.

This notice serves to inform the NRC that the transaction closed on June 4, 2018.

ADD
MDD
NR

If the NRC needs additional information concerning this notification, please contact Kevin A. Meyers, WCNO's Acting General Counsel at (620) 364-4005.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Heflin". The signature is fluid and cursive, with a prominent initial "A" and a long, sweeping underline.

Adam C. Heflin

cc: K. M. Kennedy (NRC), w/a, w/e
B. K. Singal (NRC), w/a, w/e
N. H. Taylor (NRC), w/a, w/e
Senior Resident Inspector (NRC), w/a, w/e



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

March 12, 2018

Mr. Adam C. Heflin
President, Chief Executive Officer,
and Chief Nuclear Officer
Wolf Creek Nuclear Operating Corporation
P.O. Box 411
Burlington, KS 66839

SUBJECT: WOLF CREEK GENERATING STATION, UNIT 1 – ORDER APPROVING
INDIRECT TRANSFER OF CONTROL OF RENEWED FACILITY OPERATING
LICENSE NO. NPF-42 (CAC NO. MG0235; EPID L-2017-LLM-0005)

Dear Mr. Heflin:

The U.S. Nuclear Regulatory Commission (NRC) staff has completed its review of your application dated September 5, 2017 (Agencywide Documents Access and Management System Accession No. ML17255A222). The application requests approval for the indirect transfer of control of the 94 percent interest in Wolf Creek Generating Station, Unit 1, and Wolf Creek Nuclear Operating Corporation, 47 percent of which is currently owned by Westar Energy, Inc. (Westar) through its subsidiary Kansas Gas and Electric Company, and 47 percent of which is currently owned by Great Plains Energy Incorporated (Great Plains) through its subsidiary Kansas City Power & Light Company. The indirect transfer of control will result from the proposed merger transaction involving Westar and Great Plains. The remaining 6 percent ownership interest will be retained by the current owner, Kansas Electric Power Cooperative, Inc., which is not a party to this transaction.

Enclosure 1 is the Order that approves the proposed indirect ownership transfer pursuant to Section 50.80, "Transfer of licenses," of Title 10 of the *Code of Federal Regulations*, and subject to the conditions described therein.

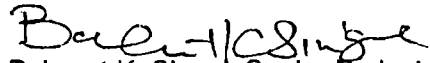
A. Heflin

- 2 -

Enclosure 2 is the NRC staff's safety evaluation (SE) related to the preceding actions. The SE will be placed in the NRC public document room and added to the ADAMS Publicly Available Records System Library.

The Order has been forwarded to the Office of the Federal Register for publication.

Sincerely,



Balwant K. Singal, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-482

Enclosures

1. Order
2. Safety Evaluation

cc: Listserv

ENCLOSURE 1

ORDER APPROVING INDIRECT TRANSFER OF CONTROL

OF

WOLF CREEK GENERATING STATION, UNIT 1

RENEWED FACILITY OPERATING LICENSE NO. NPF-42

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
)	
WOLF CREEK NUCLEAR)	
OPERATING CORPORATION)	
)	
)	
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.

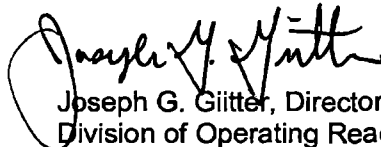
IT IS FURTHER ORDERED that, after receipt of all required regulatory approvals of the proposed indirect transfer action, WCNOG shall inform the Director of the Office of Nuclear Reactor Regulation in writing of such receipt, and of the date of closing of the transfer, no later than 5 business days prior 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



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

ENCLOSURE 2
SAFETY EVALUATION FOR
INDIRECT TRANSFER OF CONTROL
OF
WOLF CREEK GENERATING STATION, UNIT 1
RENEWED FACILITY OPERATING LICENSE NO. NPF-42



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

FOR INDIRECT TRANSFER OF CONTROL OF

RENEWED FACILITY OPERATING LICENSE NO. NPF-42

WOLF CREEK GENERATING STATION, UNIT 1

DOCKET NO. 50-482

1.0 INTRODUCTION

By application dated September 5, 2017 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML17255A222), Wolf Creek Nuclear Operating Corporation (WCNOC, the licensee) requested U.S. Nuclear Regulatory Commission (NRC, the Commission) consent to an indirect transfer of control of Renewed Facility Operating License (FOL) No. NPF-42 for the Wolf Creek Generating Station, Unit 1 (WCGS) pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 50.80, "Transfer of licenses." The indirect transfer of control would result from the proposed merger of two indirect owners of WCNOC and WCGS, Westar Energy, Inc. (Westar), and Great Plains Energy Incorporated (Great Plains), and subsidiaries created to effectuate the transaction. Each entity, through subsidiaries, currently owns 47 percent of WCNOC and WCGS, for a combined total of 94 percent of the indirect ownership.

Pursuant to the terms of the Amended and Restated Agreement and Plan of Merger, dated July 9, 2017 (Amended Merger Agreement, Attachment 2 to the letter dated September 5, 2017), Great Plains would merge with its wholly-owned subsidiary, which was created to effectuate the transaction, Monarch Energy Holding, Inc. (Holdco),¹ with Holdco continuing as the surviving corporation, and Westar would merge with new entity King Energy, Inc. (King), a wholly-owned subsidiary of Holdco, with Westar continuing as the surviving corporation. Holdco, through its subsidiaries including Kansas City Power & Light Company (KCP&L) and Kansas Gas and Electric Company (KG&E), would have a 94 percent ownership interest in WCNOC and WCGS following the proposed merger transaction. The remaining 6.0 percent ownership interest in WCNOC and WCGS would be retained by the current owner, Kansas Electric Power Cooperative, Inc. (KEPCo), which is not a party to the proposed merger transaction and is not a subject of this evaluation.

The Notice of Consideration of Approval of Transfer of License was published in the *Federal Register* on November 15, 2017 (82 FR 52946).

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

2.0 BACKGROUND

On September 5, 2017, in accordance with Section 184 of the Atomic Energy Act of 1954, as amended (the Act), "Inalienability of Licenses," and 10 CFR 50.80, WCNOG requested consent from the NRC to the indirect transfer of control of Renewed FOL No. NPF-42 for the WCGS. According to the application, WCNOG is the licensed operator of WCGS. KCP&L and KG&E are two of the three non-operating owner licensees, each holding a 47 percent undivided interest in WCGS and 47 percent of the stock of WCNOG. KCP&L is a subsidiary of Great Plains and KG&E is a subsidiary of Westar. The indirect transfer of control would result from the proposed merger of Great Plains with its wholly-owned subsidiary Holdco, with Holdco continuing as the surviving corporation and the proposed merger of Westar with King, a wholly-owned subsidiary of Holdco, to be established to effectuate the merger, with Westar continuing as the surviving corporation. The current shares of common stock of Great Plains and Westar issued and outstanding at the time of the proposed merger would be converted into shares of common stock of Holdco. KCP&L and KG&E would each continue to hold their respective 47 percent interests in WCNOG and WCGS. KCP&L and KG&E would continue to operate as separate electric utilities responsible for their pro rata shares of the costs of operating WCGS and entitled to their pro rata shares of the capacity, energy, and other energy products produced by WCGS. Holdco would indirectly own a 94 percent combined interest in WCGS. WCNOG would continue to be the operator of WCGS. The remaining 6 percent interest ownership would continue to be held by KEPCo.

3.0 REGULATORY EVALUATION

The licensee's request for approval of a transfer of ownership is for an indirect interest in the license for WCGS as discussed in this safety evaluation (SE) and is made under 10 CFR 50.80. The NRC's regulation at 10 CFR 50.80(a) states, in part:

No license for a production or utilization facility ... or any right thereunder, shall be transferred, assigned, or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of the license to any person, unless the Commission gives its consent in writing.

In addition, the regulations at 10 CFR 50.80(b) and (c) apply. Paragraph 50.80(b) of 10 CFR states that an application for a license transfer shall include as much of the information described in 10 CFR 50.33, "Contents of applications; general information," and 10 CFR 50.34, "Contents of applications; technical information," with respect to the identity and technical and financial qualifications of the proposed transferee as would be required by those sections if the application were for an initial license. The regulation at 10 CFR 50.80(c) states, in part:

...the Commission will approve an application for the transfer of a license, if the Commission determines: (1) That the proposed transferee is qualified to be the holder of the license; and (2) That transfer of the license is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

The regulation at 10 CFR 50.33(f) states, in part:

Except for an electric utility applicant for a license to operate a utilization facility of the type described in § 50.21(b) or § 50.22, [each application shall state] information sufficient to demonstrate to the Commission the financial qualification of the applicant to carry out, in accordance with regulations in this chapter, the activities for which the permit or license is sought.

Also, 10 CFR 50.33(k)(1) requires that applicants provide information in the form of a report, as described in 10 CFR 50.75, "Reporting and recordkeeping for decommissioning planning," indicating that there is reasonable assurance that funds will be available to decommission the facility. The regulation at 10 CFR 50.75(c) provides a table of minimum amounts required to demonstrate reasonable assurance of funds for decommissioning by reactor type and power level.

The NRC staff applies the guidance in NUREG-1577, Revision 1, "Standard Review Plan on Power Reactor Licensee Financial Qualifications and Decommissioning Funding Assurance" (ADAMS Accession No. ML013330264), to evaluate whether the financial qualifications of licensees would be affected by proposed transfers.

The NRC staff also applies the guidance in NUREG-0800, "Standard Review Plan for the Review of Safety Analysis Reports for Nuclear Power Plants: LWR [Light-Water Reactor] Edition," Chapter 13, "Conduct of Operations," Revision 6 of Section 13.1.1, "Management and Technical Support Organization" (ADAMS Accession No. ML15005A449), for the review of the corporate-level management and technical support organization of applicants. Guidance in Revision 7 of NUREG-0800, Sections 13.1.2 and 13.1.3, "Operating Organization" (ADAMS Accession No. ML15007A296), is applied for the review of the operating organization of applicants, including the structure, functions, and responsibilities of the onsite organization established to safely operate and maintain the facility.

In addressing foreign ownership, control, or domination (FOCD) issues, Section 103d of the Act provides, in relevant part, that no license may be issued to:

[A]ny corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

Paragraph 50.33(d)(3) of 10 CFR states that if the applicant is a corporation or an unincorporated association, the applicant shall state:

(i) The state where it is incorporated or organized and the principal location where it does business;

(ii) The names, addresses and citizenship of its directors and of its principal officers;

(iii) Whether it is owned, controlled, or dominated by an alien, a foreign corporation, or foreign government, and if so, give details.

The NRC's regulation at 10 CFR 50.38, "Ineligibility of certain applicants," is the regulatory provision that implements the FOCD provisions of the Act. The NRC staff evaluates license transfer applications in a manner that is consistent with the guidance provided in the "Final Standard Review Plan [SRP] on Foreign Ownership, Control, or Domination" (hereafter referred to as the "SRP on FOCD") to determine whether the applicant is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government (published in the *Federal Register* on September 28, 1999 (64 FR 52355)).

The NRC staff also reviews information that relates to the Price-Anderson insurance and indemnity requirements under Section 170 of the Act and 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," and reviews the nuclear property damage insurance requirements under 10 CFR 50.54(w).

The proposed transaction described in the application would constitute an indirect transfer of ownership interest in the facility. For indirect transfers of control of a license, the NRC must find that the transaction will not affect the qualifications of the holder of the license.

4.0 FINANCIAL QUALIFICATIONS

The regulation at 10 CFR 50.33(f) states, in part:

Except for an electric utility applicant for a license to operate a utilization facility of the type described in § 50.21(b) or § 50.22, [an application shall state] information sufficient to demonstrate to the Commission the financial qualification of the applicant to carry out, in accordance with regulations in this chapter, the activities for which the permit or license is sought.

As defined in 10 CFR 50.2, "Definitions," an electric utility is, in part:

[A]ny entity that generates or distributes electricity and which recovers the cost of this electricity, either directly or indirectly, through rates established by the entity itself or by a separate regulatory authority.

According to the application, KCP&L and KG&E are, and would remain, investor-owned utilities. Following the merger, both entities would be owned by Holdco and would generate electricity and recover the costs of this electricity indirectly through rates established by regulatory authorities. As such, KCP&L and KG&E are each an "electric utility" as defined in 10 CFR 50.2. Accordingly, this proposed indirect transfer transaction is not subject to the requirements for financial qualifications in 10 CFR 50.33(f).

Financial Qualifications Summary

In consideration of the above, the NRC staff finds that the licensees would remain investor-owned utilities and, therefore, are not subject to a further financial qualifications review pursuant to the guidance in NUREG-1577 and the requirements under 10 CFR 50.33(f)(2). Additionally, the remaining 6 percent ownership interest would continue to be held by KEPCo. Therefore, the proposed indirect license transfer would not affect WCNO's financial qualification to own and operate WCGS and satisfies 10 CFR 50.80 with respect to financial qualifications.

5.0 DECOMMISSIONING FUNDING

Pursuant to 10 CFR 50.75(b), a power reactor licensee is required to provide decommissioning funding assurance by one or more of the methods described in 10 CFR 50.75(e). The NRC has determined that the requirement to provide reasonable assurance of decommissioning funding is necessary to ensure the adequate protection of public health and safety. The regulation at 10 CFR 50.33(k) requires that an applicant for an operating license for a utilization facility demonstrate how reasonable assurance will be provided that funds will be available to decommission the facility.

The regulation at 10 CFR 50.75(b) also requires, in part, that:

Each power reactor applicant for or holder of an operating license ... for a production or utilization facility of the type and power level specified in paragraph (c) of this section shall submit a decommissioning report, as required by § 50.33(k).

Further, the regulations at 10 CFR 50.75(c) provide the "Table of minimum amounts (January 1986 dollars) [formula] required to demonstrate reasonable assurance of funds for decommissioning by reactor type and power level, P (in MWt [megawatt thermal]); adjustment factor."

Decommissioning Funding Assurance for WCGS

According to the application, at the time of the proposed indirect transfer, existing trust funds maintained by KCP&L and KG&E for their combined 94 percent ownership of WCGS would be retained. KCP&L and KG&E nuclear decommissioning trusts (NDTs) are held in external trust funds segregated from their assets and outside their administrative control. The funds are governed by UMB Corporate Trust Services. In accordance with 10 CFR 50.75(e)(1)(ii), "External sinking fund," each owner maintains a nuclear decommissioning fund that satisfies the NRC's requirements using the external sinking fund method of financial assurance for decommissioning. The merger would not result in changes to the nuclear decommissioning trust funds or to the method of providing financial assurance for decommissioning. Following the license transfer, the NDTs would continue to be owned by and remain the responsibility of the two licensees, KCP&L and KG&E.

As required by 10 CFR 50.75(f)(1), by letter dated April 17, 2017,² WCNOG provided information to the NRC on the status of the decommissioning funding for WCGS as of April 1, 2017. Per its submittal, the total amount of decommissioning funds required for WCGS using the table of minimum amounts formula under 10 CFR 50.75 was \$491.82 million (January 2017 dollars). KCP&L and KG&E would retain equal portions of 47 percent each for decommissioning funding assurance, for a total of 94 percent. Available funds in the WCGS decommissioning trusts as of April 1, 2017, were \$222.89 million, \$200.12 million, and \$21.66 million, for the three trusts maintained by KCP&L, KG&E, and KEPCo, respectively, or \$444.68 million collectively. The NRC staff evaluated these funding amounts using guidance provided in NUREG-1307, Revision 16, "Report on Waste Burial Charges: Changes in Decommissioning Waste Disposal Costs at Low-Level Waste Burial Facilities," March 2017 (ADAMS Accession No. ML17060A362). The NRC staff determined that the current funding amounts provided for the 94 percent ownership interest of KCP&L and KG&E, collectively, and

² ADAMS Accession No. ML17116A054.

for the 6 percent ownership interest of KEPCo following the proposed merger transaction, would exceed the NRC minimum decommissioning funding requirements based on current NDT balances, future compounding of fund assets within the NDTs through the operating license expiration date of March 11, 2045, and future licensee contributions.

In consideration of the above, the NRC staff finds that the proposed indirect transfer would not affect the decommissioning funding arrangements currently in place for WCGS. The information provided in the application and the biennial decommissioning funding status report conforms to the guidance in NUREG-1577 for the NRC staff's review of decommissioning funding assurance. Therefore, the NRC staff concludes that the applicant has complied with the regulations at 10 CFR 50.75(b) and (c) with respect to providing decommissioning funding assurance for WCGS and that the proposed indirect license transfer satisfies 10 CFR 50.80 with respect to decommissioning funding.

6.0 TECHNICAL QUALIFICATIONS

6.1 Management and Technical Support Organization

The NRC staff reviewed the application to determine whether the proposed corporate management is involved in, informed of, and dedicated to the safe operation of WCGS. For this review, the NRC staff used, in part, the applicable guidance provided in NUREG-0800, Revision 6, Section 13.1.1.

The indirect transfer of control would result from the proposed merger of two of the indirect owners, Great Plains and Westar. KCP&L and KG&E, the subsidiaries of Great Plains and Westar, respectively, would remain non-operating owners and would continue to operate as separate electric utilities responsible for their pro rata shares of the costs of operating WCGS. WCNOG is the current operating licensee authorized to possess, use, and operate WCGS and would remain the operator after the proposed merger with the same management team as was in effect prior to the proposed merger. As a result, the technical qualifications would not be affected by the proposed merger and the proposed indirect license transfer. Explicitly stated, the consummation of the proposed merger would not involve any changes to the management or staffing of the nuclear operating organization or any changes to plant operating procedures. The WCNOG organization would continue to have clear and direct lines of responsibility and authority, up to and including the Chief Nuclear Officer (CNO).

Since there would be no changes to the management team and the ownership of the plant would remain the same, the NRC staff finds the proposed indirect license transfer to be acceptable because there would be no changes to the qualifications of these parties as a result of the proposed merger.

6.2 Operating Organization

The NRC staff reviewed the application to determine whether sufficient technical resources would continue to be provided to adequately operate WCGS in both normal and off-normal conditions as a result of the proposed indirect license transfer. For this review, the NRC staff used, in part, the applicable acceptance criteria contained in NUREG-0800, Revision 7, Sections 13.1.2 and 13.1.3.

WCNOC is the current operating licensee and would remain the exclusive operator after the proposed merger. The same management team as was in effect prior to the proposed merger, would be in effect after the proposed merger and there would be no changes to management or staffing. Explicitly stated, after the proposed merger, the WCNOC organization would continue to have clear and direct lines of responsibility and authority, up to and including the CNO. Therefore, the NRC staff concludes that the proposed indirect license transfer satisfies 10 CFR 50.80 with respect to technical qualifications.

7.0 ANTITRUST REVIEW

The Act does not require or authorize antitrust reviews of post-operating license transfer applications.³ The application postdates the issuance of the operating license for the unit under consideration in this SE and, therefore, no antitrust review is required or authorized.

8.0 FOREIGN OWNERSHIP, CONTROL, OR DOMINATION

Section 103d of the Act states, in relevant part, that no license may be issued to:

[A]n alien or any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government.

The NRC's regulation at 10 CFR 50.38 implements this statutory prohibition.

According to the application, neither Holdco nor its subsidiaries are owned, controlled, or dominated by any alien, foreign corporation, or foreign government. Both Great Plains and Westar are publicly traded companies with shares that are traded on the New York Stock Exchange and that are widely held.

Additionally, the proposed indirect transfer of control of the license would not result in the license or the licensees being subject to FOCD. The proposed transfer would be the result of the merger of the parent companies (Great Plains and Westar) of two current owners (KCP&L and KG&E). Holdco, including its subsidiaries KCP&L and KG&E, would remain U.S. companies. WCNOC, the operator of the WCGS, would remain a U.S. entity. Both Great Plains and Westar are publicly traded companies with shares that are traded on the New York Stock Exchange and that are widely held.

As required under 10 CFR 50.33(d), the indirect transfer application contains the names and addresses of the directors and officers of all parent companies and license holders involved, and indicates that all are U.S. citizens, with the exception of the WCNOC General Counsel/Corporate Secretary, who is a Canadian citizen and permanent resident in the United States. However, the position of General Counsel/Corporate Secretary is not generally considered a key management personnel position as it relates to FOCD; therefore, the citizenship of the individual holding this position has no bearing on the NRC staff's FOCD analysis.

³ Kansas Gas and Electric Co., et al. (Wolf Creek Generating Station, Unit 1), CLI-99-19, 49 NRC 441 (1999).

The NRC staff conducted an independent analysis, including open-source research and verification of the information provided in the application related to ownership of all relevant parties in the proposed merger, and found no evidence of FOCD.

Based on its independent analysis of the information provided in the application, the NRC staff concludes that it does not know or have reason to believe that any of the parties related to this indirect license transfer are owned, controlled, or dominated by a foreign interest.

9.0 NUCLEAR INSURANCE AND INDEMNITY

Upon review of the requirements of the Price-Anderson Act (Section 170 of the Act) and the NRC's implementing regulations at 10 CFR Part 140, the NRC staff finds that the current indemnity agreement does not need to be modified to reflect the proposed indirect license transfer of the parent companies as there would be no change to the named license holders. Additionally, the financial protection currently provided by WCNOG in the form of offsite liability insurance and onsite property insurance would continue to remain in effect. WCNOG would continue to be required to provide, maintain, and report the appropriate amount of insurance in accordance with 10 CFR 140.11(a)(4), 10 CFR 50.54(w), and 10 CFR 140.21.

10.0 SUMMARY

As discussed above, the NRC staff concludes that the proposed indirect transfer of ownership interest in WCGS reflected in the application would not affect the qualifications of the licensees. No physical changes would be made to WCGS, there would be no changes in the conduct of operations of the plant, and there would be no changes to the management team as a result of the indirect license transfer. Additionally, the NRC staff concludes that the licensees have satisfied the NRC's financial qualifications requirements and decommissioning funding assurance requirements, have met the applicable onsite and offsite insurance requirements, and are not owned, controlled, or dominated by a foreign entity. Therefore, the proposed transfer would not have any adverse impact on the public health and safety, nor would it be inimical to the common defense and security.

11.0 STATE CONSULTATION

In accordance with the Commission's regulations, the Kansas State official was notified of the proposed license transfer on January 31, 2018, and Missouri State official on March 8, 2018. The State officials for both Kansas and Missouri States had no comments.

12.0 ENVIRONMENTAL CONSIDERATION

The subject application is for approval of the indirect transfer of Renewed FOL No. NPF-42 issued by the NRC. Accordingly, the actions involved meet the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(21). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with approval of the application.

13.0 CONCLUSION

The Commission has concluded, based on the considerations discussed above, that (1) the proposed transferee is qualified to be the holder of the license and (2) transfer of the license is

otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

The Commission has concluded, based on the considerations discussed above, that (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) there is reasonable assurance that such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the order approving the transfer will not be inimical to the common defense and security or to the health and safety of the public.

Principal Contributors: Emil Tabakov, NRR/DLP/PFPB
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Date: March 12, 2018

**SUBJECT: WOLF CREEK GENERATING STATION, UNIT 1 – ORDER APPROVING
INDIRECT TRANSFER OF CONTROL OF RENEWED FACILITY OPERATING
LICENSE NO. NPF-42 (CAC NO. MG0235; EPID L-2017-LLM-0005)
DATED MARCH 12, 2018**

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