

WOLF CREEK

NUCLEAR OPERATING CORPORATION

Jaime H. McCoy
Site Vice President

May 7, 2019

WO 19-0022

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

Subject: Docket No. 50-482: Guarantee of Payment of Deferred Premiums

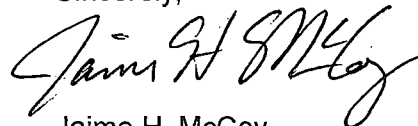
To Whom It May Concern:

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 twenty million four hundred ninety-six thousand dollars, as determined by 10 CFR 140.11(a)(4).

Wolf Creek Nuclear Operating Corporation (WCNOC) holds the operating license for WCGS, which is jointly owned by Kansas Gas and Electric Company (KGE), a wholly-owned direct subsidiary of Westar Energy, Inc. and indirect subsidiary of Evergy, Inc.; Kansas City Power & Light Company (KCPL), a wholly owned direct subsidiary of Evergy, Inc.; and Kansas Electric Power Cooperative, Inc. (KEPCo). Entities KGE, KCPL and KEPCo have provided audited Consolidated Statements of Cash Flows in order to demonstrate sufficient funds are available to meet their share of the deferred premiums.

This letter contains no commitments. If you have any questions concerning this matter, please contact me at (620) 364-4156, or Ronald Benham at (620) 364-4204.

Sincerely,



Jaime H. McCoy

JHM/rt

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

cc: S. A. Morris (NRC), w/e
B. K. Singal (NRC), w/e
N. H. Taylor (NRC), w/e
Senior Resident Inspector (NRC), w/e

M004
NRR

Enclosure I to WO 19-0022

**Kansas City Power & Light Kansas and Gas and Electric Company Consolidated
Statements of Cash Flows
(3 pages)**

April 26, 2019

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 and Kansas Gas & Electric Company are each providing their attached audited Consolidated Statements of Cash Flows as evidence of their ability to make payment of each company's share of deferred premiums in the amount of \$9.633 million per company.

The undersigned certifies that the foregoing memorandum with respect to Kansas City Power & Light Company's and Kansas Gas & Electric Company's cash flows for the year 2018 is true and correct to the best of their knowledge and belief.

Sincerely,



Steven P. Busser
Vice President – Risk Management and Controller

attachment

Table of Contents

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows

Year Ended December 31	2018	2017	2016
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		(millions)	
Net income	\$ 162.9	\$ 179.8	\$ 225.0
Adjustments to reconcile income to net cash from operating activities:			
Depreciation and amortization	281.3	266.3	247.5
Amortization of nuclear fuel	26.2	32.1	26.6
Amortization of deferred refueling outage	13.5	18.3	19.0
Net deferred income taxes and credits	48.6	82.5	92.4
Allowance for equity funds used during construction	(1.4)	(6.0)	(6.6)
Payments for asset retirement obligations	(13.1)	(25.5)	(15.0)
Other	3.9	7.5	8.8
Changes in working capital items:			
Accounts receivable	36.5	13.8	(12.4)
Accounts receivable pledged as collateral	—	(20.0)	—
Fuel inventory and supplies	19.4	(5.2)	6.3
Prepaid expenses and other current assets	7.2	8.4	(73.2)
Accounts payable	(34.6)	11.7	(30.5)
Accrued taxes	16.1	9.1	67.9
Other current liabilities	10.4	(0.1)	10.4
Changes in other assets	42.9	31.7	66.5
Changes in other liabilities	37.9	6.5	(9.4)
Cash Flows from Operating Activities	657.7	610.9	623.3
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(430.7)	(468.6)	(447.9)
Purchase of securities - trusts	(35.1)	(33.6)	(31.9)
Sale of securities - trusts	27.1	30.3	28.6
Other investing activities	4.8	0.9	(0.3)
Cash Flows (used in) Investing Activities	(433.9)	(471.0)	(451.5)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Short term debt, net	8.0	34.6	(47.4)
Collateralized short-term borrowings, net	—	20.0	—
Proceeds from long-term debt	465.6	296.2	—
Retirements of long-term debt	(519.9)	(281.0)	—
Cash dividends paid	(180.0)	(212.0)	(122.0)
Other financing activities	2.9	—	(0.2)
Cash Flows (used in) Financing Activities	(223.4)	(142.2)	(169.6)
NET CHANGE IN CASH AND CASH EQUIVALENTS	0.4	(2.3)	2.2
CASH AND CASH EQUIVALENTS:			
Beginning of period	2.2	4.5	2.3
End of period	\$ 2.6	\$ 2.2	\$ 4.5

The disclosures regarding KCP&L included in the accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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

Year Ended December 31,

	2018	2017
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net income.....	\$ 148,595	\$ 134,144
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	178,781	168,411
Amortization of nuclear fuel.....	26,031	32,167
Amortization of deferred refueling outage.....	13,701	16,103
Amortization of deferred regulatory gain from sale leaseback.....	(5,495)	(5,495)
Amortization of corporate-owned life insurance.....	20,634	19,021
Net deferred income taxes and credits.....	2,567	58,412
Allowance for equity funds used during construction.....	(1,687)	(935)
Payments for asset retirement obligations.....	(3,331)	(4,978)
Income from corporate-owned life insurance.....	(1,815)	(1,575)
Changes in working capital items:		
Accounts receivable.....	87,376	(770)
Fuel inventory and supplies.....	7,123	(4,194)
Prepaid expenses and other current assets.....	(10,393)	1,784
Accounts payable.....	20	(4,555)
Other current liabilities.....	(64,509)	(53,074)
Changes in other assets.....	(4,718)	(10,127)
Changes in other liabilities.....	5,786	8,448
Cash Flows from Operating Activities.....	<u>398,666</u>	<u>352,787</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant and equipment.....	(333,791)	(364,682)
Purchase of securities within the nuclear decommissioning trust fund.....	(99,421)	(17,712)
Sale of securities within the nuclear decommissioning trust fund.....	101,070	13,788
Investment in corporate-owned life insurance.....	(16,015)	(16,175)
Proceeds from investment in corporate-owned life insurance.....	6,279	2,618
Advance to parent.....	(73,426)	13,976
Other investing activities.....	(7,423)	(1,848)
Cash Flows used in Investing Activities.....	<u>(422,727)</u>	<u>(370,035)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Proceeds from long-term debt.....	46,440	-
Retirements of long-term debt.....	(46,440)	-
Retirements of long-term debt of variable interest entities.....	(28,534)	(26,838)
Borrowings against cash surrender value of corporate-owned life insurance.....	56,486	55,094
Repayment of borrowings against cash surrender value of corporate-owned life insurance.....	(3,891)	(1,008)
Dividends to parent company.....	-	(10,000)
Cash Flows from Financing Activities.....	<u>24,061</u>	<u>17,248</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH		-
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
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.....	\$ 50,590	\$ 51,054
Interest on financing activities of variable interest entity.....	2,294	2,959
NON-CASH INVESTING TRANSACTIONS:		
Property, plant and equipment additions.....	(75,366)	66,270

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

**Kansas Electric Power Cooperative, Inc. Statement of Cash Flows
(2 pages)**



**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 17, 2019

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 Statements of Cash Flows as evidence of the ability to make payment of its share of deferred premiums in an amount of \$1.230 million.

The undersigned certifies that the foregoing memorandum with respect to Kansas Electric Power Cooperative, Inc.'s cash flow for the year 2018 is true and correct to the best of their knowledge and belief.

Sincerely yours,

A handwritten signature in cursive script that reads "Coleen M. Wells".

Coleen M. Wells
Sr. VP and CFO
Enclosure (1)

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

	For the years ending December 31,	
	2018	2017
Cash Flows From Operating Activities		
Net margin	\$ 2,710,302	\$ 2,352,481
Adjustments to reconcile net margin to net cash flows from operating activities		
Depreciation and amortization	8,728,048	8,498,847
Decommissioning	(274,828)	3,669,710
Amortization of nuclear fuel	3,254,982	3,976,149
Amortization of deferred charges	331,604	335,200
Amortization of deferred incremental outage costs	1,714,963	2,055,696
Amortization of debt issuance costs	9	8,313
Changes in		
Member accounts receivable	1,224,564	1,066,105
Materials and supplies	198,295	(717,853)
Other assets and prepaid expense	732,858	(896,884)
Accounts payable	(799,598)	(381,601)
Payroll and payroll-related liabilities	10,079	24,598
Accrued property tax	(63,893)	(59,394)
Accrued interest payable	(21,458)	(28,722)
Accrued income taxes	(1,216)	280
Other long-term liabilities	116,234	666,846
Prepaid pension cost	131,428	131,427
Deferred revenue	871,519	(4,641,000)
	18,863,892	16,060,198
Net cash flows from operating activities		
Cash Flows From Investing Activities		
Additions to electrical plant	(8,058,924)	(5,831,470)
Additions to nuclear fuel	(2,630,814)	(5,282,361)
(Additions)/reductions to deferred charges	33,702	(329,094)
Additions to deferred incremental outage costs	(2,251,881)	(351,440)
Investments in decommissioning fund assets	497,067	(3,839,697)
Investments in associated organizations	232,833	(229,364)
Proceeds from the sale of property	3,410	3,410
	(12,174,607)	(15,860,016)
Net cash flows from investing activities		
Cash Flows From Financing Activities		
Principal payments on long-term debt	(8,489,349)	(6,558,200)
Proceeds from issuance of long-term debt	2,057,401	5,401,047
Payments applied /(unapplied)	307,788	(748,201)
	(6,124,160)	(1,905,354)
Net cash flows from financing activities		
Net increase/(decrease) in cash and cash equivalents	565,125	(1,705,172)
Cash and Cash Equivalents, Beginning of Year	11,392,780	13,097,952
Cash and Cash Equivalents, End of Year	\$ 11,957,905	\$ 11,392,780
Supplemental Disclosure of Cash Flow Information		
Interest paid	\$ 8,277,000	\$ 8,663,000