

WOLF CREEK

NUCLEAR OPERATING CORPORATION

Neil S. "Buzz" Carns
Chairman, President and
Chief Executive Officer

April 5, 1994

WM 94-0062

W. T. Russell, Director
Office of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

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

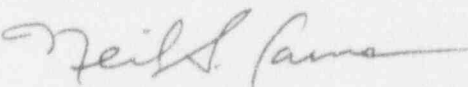
Dear Mr. Russell:

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 are providing the attached documentation of their ability to make payment of deferred premiums in the amount of ten million dollars, as required under 10 CFR 140.21 (e).

Western Resources Inc., including its wholly-owned subsidiary Kansas Gas and Electric Company, provided an audited 1993 Consolidated Statement of Cash Flows in order to demonstrate sufficient funds are available to meet their share of the deferred premiums. Both Kansas City Power & Light Company and Kansas Electric Power Cooperative, Inc. elected to provide statements based on projected 1994 cash flows.

If you have any questions concerning this matter, please contact me at (316) 364-8831 extension 4000 or Mr. Kevin J. Moles at extension 4565.

Very truly yours,


Neil S. Carns

NSC/jad

Attachments

cc: L. J. Callan (NRC), w/a
G. A. Pick (NRC), w/a
W. D. Reckley (NRC), w/a
L. A. Yandell (NRC), w/a
Document Control Desk (NRC), w/a

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P.O. Box 411 / Burlington, KS 66839 / Phone: (316) 364-8831

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Western
Resources

P.O. Box 889
818 Kansas Avenue
Topeka, Kansas 66601
Phone (913) 575-6365

Jerry D. Courington
Controller

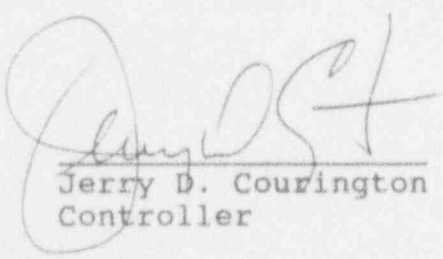
March 1, 1994

Mr. Mike Gayoso
Wolf Creek Nuclear
Operating Corporation
P.O. Box 411
Burlington, KS 66839

Dear Mike:

Pursuant to the requirements of 10 CFR 140.21(e), Western Resources, Inc., including its wholly-owned subsidiary Kansas Gas and Electric Company since March 31, 1992, is providing the attached audited Consolidated Statements of Cash Flows of its ability to make payment of its share of deferred premiums in an amount of \$4.7 million.

The undersigned certifies that the foregoing memorandum with respect to Western Resources, Inc.'s cash flow for the year 1993 is true and correct to the best of his knowledge and belief.



Jerry D. Courington
Controller

CONSOLIDATED STATEMENTS OF CASH FLOWS

1993

1992 (1)

1991

Year Ended December 31.

(Dollars in Thousands)

Year Ended December 31.	1993	1992 (1)	1991
Cash Flows from Operating Activities:			
Net income	\$ 177,370	\$ 127,884	\$ 89,645
Depreciation and amortization	164,364	144,013	85,735
Other amortization (including nuclear fuel)	11,254	8,930	—
Deferred taxes and investment tax credits (net)	27,686	26,900	9,319
Amortization of phase-in revenues	17,545	13,158	—
Corporate-owned life insurance	(21,650)	(14,704)	—
Amortization of gain from sale-leaseback	(9,640)	(7,231)	—
Changes in other working capital items:			
Accounts receivable and unbilled revenues (net) (Note 1) ..	(15,536)	(12,227)	(72,879)
Fossil fuel	18,073	14,990	(522)
Gas stored underground	(37,144)	4,522	(2,340)
Accounts payable	(43,169)	(10,194)	(3,125)
Accrued taxes	7,485	(52,185)	(14,130)
Other	(3,165)	(19,433)	11,661
Changes in other assets and liabilities	(18,569)	21,508	31,992
Net cash flows from operating activities	<u>274,904</u>	<u>245,931</u>	<u>135,356</u>
Cash Flows used in Investing Activities:			
Additions to utility plant	237,631	202,493	125,675
Merger with KG&E	—	473,752	—
Utility investment	2,500	—	—
Non-utility investments (net)	14,271	29,099	18,125
Corporate-owned life insurance policies	27,268	20,233	—
Death proceeds of corporate-owned life insurance policies ..	(10,160)	(6,789)	—
Cash flows used in investing activities	<u>271,510</u>	<u>718,788</u>	<u>143,800</u>
Cash Flows from Financing Activities:			
Short-term debt (net)	218,670	42,825	20,300
Bank term loan issued for Merger with KG&E	—	480,000	—
Bank term loan retired	(230,000)	(250,000)	—
Bonds issued	223,500	485,000	—
Bonds retired	(366,466)	(236,966)	(30,233)
Revolving credit agreements (net)	(35,000)	—	—
Other long-term debt (net)	7,043	14,498	—
Common stock issued (net)	125,991	—	—
Preference stock issued (net)	—	50,000	98,870
Preference stock redeemed	(2,734)	(2,600)	(1,300)
Bank term loan issuance expenses	—	(10,753)	—
Borrowings against life insurance policies (net)	183,260	(5,649)	—
Dividends on preferred, preference, and common stock	(127,316)	(99,440)	(76,891)
Net cash flows from (used in) financing activities	<u>(3,052)</u>	<u>465,915</u>	<u>10,746</u>
Net Increase (Decrease) in Cash and Cash Equivalents	342	(5,942)	2,302
Cash and Cash Equivalents:			
Beginning of the period	875	6,817	4,515
End of the period	<u>\$ 1,217</u>	<u>\$ 875</u>	<u>\$ 6,817</u>
Supplemental Disclosures of Cash Flow Information			
Cash Paid For:			
Interest on financing activities (net of amount capitalized) ..	\$ 171,734	\$ 128,505	\$ 58,462
Income taxes	49,108	24,966	40,062
Components of Merger with KG&E:			
Assets acquired		\$3,142,455	
Liabilities assumed		(2,076,821)	
Common stock issued		(589,920)	
Cash paid		475,714	
Less cash acquired		(1,962)	
Net cash paid		<u>\$ 473,752</u>	

(1) Information reflects the merger with KG&E on March 31, 1992 (Note 3).
The Notes to Consolidated Financial Statements are an integral part of this statement.



February 11, 1994

Pursuant to the requirement of 10 CFR 140.21, Kansas City Power & Light Company (Company) is providing the attached statement of their ability to make payment of their share of deferred premiums in an amount of \$4.7 million. This statement shows that internal projected cash flow for the year 1994 is calculated as \$160.0 million and on an average quarterly basis is \$40.0 million. In accordance with the projections, it is expected that the Company's cash flow would be sufficient to cover the assessment.

The undersigned certifies that the foregoing memorandum with respect to Kansas City Power & Light Company's projected cash flow for the projection year is true and correct to the best of his knowledge and belief.



Controller

NAR:hs
attach

KANSAS CITY POWER & LIGHT COMPANY

1201 WALNUT P.O. BOX 418679 KANSAS CITY, MO 64141-9679 816/356-2200

KANSAS CITY POWER & LIGHT COMPANY
 1994 INTERNAL CASH FLOW PROJECTION
 FOR WOLF CREEK NUCLEAR POWER STATION
 (Dollars in Thousands)

	1993 Actual	Projected Cash Flow for 1994
Net Income after Taxes	\$ 105,772	
Less Dividends Declared	<u>93,556</u>	
Retained Earnings	<u>12,216</u>	
Adjustments:		
Depreciation and Amortization	99,815	
Deferred Income Taxes and Investment Tax Credits	21,157	
Allowance for Funds Used During Construction	(5,388)	
Amortization - Deferred Wolf Creek Costs	13,102	
Amortization - Phase-in deferrals	7,072	
Other Amortizations	8,234	
Normalization of Wolf Creek Refueling Outage Costs	(5,338)	
Other	<u>(3,824)</u>	
Total Adjustments	<u>134,830</u>	
Internal Cash Flow	\$ <u>147,046</u>	\$ <u>160,000*</u>
Average Quarterly Cash Flow	\$ <u>36,762</u>	\$ <u>40,000</u>
Percentage Ownership in All Operating Nuclear Units		Wolf Creek 47.00%
Maximum Total Contingent Liability		\$ <u>4,700</u>

* Projected income information is considered confidential but will be provided if necessary upon request.



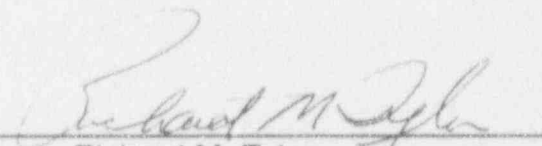
Kansas Electric Power Cooperative, Inc.

• CHARLES W. TERRILL — EXECUTIVE VICE PRESIDENT
& CHIEF EXECUTIVE OFFICER

March 25, 1994

Pursuant to the requirements of 10 CFR 140.21, Kansas Electric Power Cooperative, Inc. (KEPCo) is providing the attached 1994 cash flow projection demonstrating KEPCo's ability to make payment of its share of the \$10,000,000 deferred premiums in an amount of \$600,000. This projection shows that internal projected cash flow for the year 1994 is \$7,538,300 with an average quarterly cash flow of \$1,884,575.

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


Richard M. Tyler
Director, Finance and Accounting

KANSAS ELECTRIC POWER COOPERATIVE, INC.
1994 Internal Cash Flow Projection

	1993 Prior Year Actual Total	1994 Projected Total
Net Income After Taxes	\$3,413,540	\$2,751,000
Less Dividends Paid	\$0	\$0
Retained Earnings	\$3,413,540	\$2,751,000
Adjustments:		
Depreciation and Amortization	\$3,762,844	\$4,787,300
Deferred Income Taxes and Income Tax Credits	\$0	\$0
Allowance For Furids Used During Construction	\$0	\$0
	\$3,762,844	\$4,787,300
Internal Cash Flow	\$7,176,384	\$7,538,300
Average Quarterly Cash Flow	\$1,794,096	\$1,884,575