

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

Before the Director, Office of Nuclear Reactor Regulation

In the Matter of)

KANSAS GAS AND ELECTRIC COMPANY)

(Wolf Creek Generating Station))
_____))

) Docket No. STN 50-482

) License No. NPF-42

APPLICATION TO AMEND
OPERATING LICENSE NO. NPF-42

Pursuant to 10 C.F.R. § 50.90, Kansas Gas and Electric Company (KG&E), holder of a 47% undivided interest in a possession-only license (POL) for Wolf Creek Generating Station (Wolf Creek), part of NRC License NPF-42, requests the NRC to amend that license to reflect the transfer of KG&E's interest to a wholly owned subsidiary ("new KG&E") of The Kansas Power and Light Company (KPL), effective immediately upon the merger of KG&E into that subsidiary.^{1/} KG&E filed, on March 28, 1991, a request to transfer its interest in the Wolf Creek POL ("Transfer Request") to "new KG&E", pursuant to 10 C.F.R. § 50.80.^{2/}

^{1/} The subsidiary, presently existing and legally named KCA Corporation, will be renamed "Kansas Gas and Electric Company" immediately upon consummation of the merger. For clarity, the post-merger KG&E is referred to herein (except in the text of the proposed license amendment) as "new KG&E."

^{2/} To avoid duplication, the information required in connection with this request will be provided to the extent possible by cross-reference to the Transfer Request. KG&E requests that the Staff review its requests for license transfer and amendment together.

I. AMENDMENT REQUESTED (10 C.F.R. § 50.90)

The merger described in the Transfer Request (pp. 2-6, § I) does not require any change in the design or operation (including staffing) of the Wolf Creek plant. Nor does it require any change in the terms of KG&E's 47% interest in the existing Wolf Creek POL and its Technical Specifications. However, it does effect a change in ownership, involving the purchase by one publicly held company (KPL) of another (KG&E) and its merger into a wholly owned subsidiary ("new KG&E") of the acquiring company. The Transfer Request describes the proposed transaction (id. pp. 2-6, § I) and seeks the NRC's approval of the transfer of KG&E's interest in the Wolf Creek POL to "new KG&E."

Conformingly, this Request asks the Staff, pursuant to 10 C.F.R. § 50.90, to amend the Wolf Creek POL by the insertion of the following footnote after the words "Kansas Gas and Electric Company" in ¶ 2.A of NPF-42:

Kansas Gas and Electric Company, which owns a 47% undivided interest in the Wolf Creek Nuclear Operating Corporation and a 47% undivided interest in a possession-only license for the Wolf Creek Generating Station, has merged with and into a wholly owned subsidiary of The Kansas Power and Light Company. This subsidiary, originally named KCA Corporation, was renamed "Kansas Gas and Electric Company" upon consummation of the merger. Accordingly, the name "Kansas Gas and Electric Company" as it appears in this license refers to the post-merger Kansas Gas and Electric Company and not the former entity of the same name.

A copy of ¶ 2.A, as amended and proposed to be further amended, is Attachment I hereto.

KG&E requests that the amendment take effect immediately upon consummation of the merger. KG&E commits to notify the Staff in writing of the merger's consummation within one working day following the event.

II. GENERAL INFORMATION CONCERNING APPLICATION (10 C.F.R. § 50.33)

A. General Information concerning the proposed amendment and the identity of the proposed successor to KG&E's interest in the Wolf Creek license (10 C.F.R. § 50.33(a)-(d)): see Transfer Request, pages 6-8, ¶¶ II(A-D).

B. Licensing Action Being Applied for and Technical Qualifications (§ 50.33(e)): The licensing action being applied for is addition of a footnote at ¶ 2.A of NPF-42, as set forth in ¶ I. above and in Attachment I hereto, to reflect the merger of KG&E with and into "new KG&E," a wholly owned subsidiary of KPL. See Transfer Request, pages 8-9, ¶ II(E). The transferee, the "new" KG&E, will succeed to all the terms and conditions imposed upon the interest of the "old" KG&E in NPF-42. No other licenses are being sought from the NRC in connection with the proposed transfer.

C. Financial Qualifications (§ 50.33(f)): Not applicable to the proposed action, since it involves an operating license held by a regulated electric utility company. See also Transfer Request, pages 9-10, ¶ II(F).

D. Offsite Radiological Response Plans (§ 50.33(g)): No change from existing situation. See Transfer Request, page 10, ¶ II(G).

E. Construction/Alteration (§ 50.33(h)): Not applicable. See Transfer Request, page 10, ¶ II(H).

F. Regulatory Agencies with Jurisdiction (§ 50.33(i)): No change from existing situation. See Transfer Request, page 11, ¶ II(I).

G. Restricted Data (§ 50.33(j)): No change from existing situation. See Transfer Request, page 11, ¶ II(J).

H. Decommissioning Information: (§ 50.33(k)): No change from existing situation. See Transfer Request, page 11, ¶ II(K).

III. ANTITRUST INFORMATION (10 C.F.R. § 50.33a)

See Transfer Request, pages 12-19, ¶ III.

IV. TECHNICAL INFORMATION CONCERNING APPLICATION; TECHNICAL SPECIFICATIONS (10 C.F.R. §§ 50.34, 50.36, 50.36a, 50.36b)

Not applicable.

This application does not involve a request for any change to the design or operation of Wolf Creek, nor to the existing Technical Specifications. Following the merger, Wolf Creek Nuclear Operating Corporation (WCNOC), the present holder of the license to operate Wolf Creek, will remain responsible for the plant's operation, as established by ¶ 2.B.(1) of Amendment No. 4 to NPF-42 and in accordance with the license's present terms and conditions. There will be no change in the numbers, qualifications, or organizational affiliation of personnel who operate Wolf Creek as a result of the requested license transfer. There are thus no changes proposed to the operation of the plant or to the qualifications of the persons or organizations licensed to operate it.

See also Transfer Request, pages 3, 8 (¶¶ I(B)(6), II(E)).

V. RESTRICTED INFORMATION (10 C.F.R. § 50.37)

Not applicable. See ¶ II(G) above.

VI. APPLICANT ELIGIBILITY (10 C.F.R. § 50.38)

Not applicable. See ¶ II(A) above, Transfer Request, page 7, ¶ II(D).

VII. NO SIGNIFICANT HAZARDS CONSIDERATION DETERMINATION
(10 C.F.R. § 50.92(c))

The proposed license amendment would add a footnote to § 2.A of NPF-42 to reflect the merger of Kansas Gas and Electric Company into a wholly owned subsidiary of The Kansas Power and Light Company. As demonstrated by the following analysis and Attachment II hereto, it involves no significant hazards consideration as defined in 10 C.F.R. § 50.92(c).

The proposed amendment is purely one of ownership of an interest in a possession-only license. KG&E is not the entity licensed to operate Wolf Creek; it is a 47% owner of WCNOG, the entity so licensed. It involves no change in the design of Wolf Creek, the manner in which Wolf Creek is operated, or the personnel who operate Wolf Creek. It involves no modifications to the Technical Specifications or plant procedures. Thus, sections such as the Limiting Conditions for Operation, Limiting Safety System Settings and Safety Limits specified in the Technical Specifications for Wolf Creek are not affected. Nor will the Quality Assurance Plan, the Emergency Plan, Security Plan or the Operator Training and Requalification Program be altered.

Accordingly, the proposed amendment involves no increase in the probability or consequences of an accident previously evaluated. Nor does it create the possibility of a new or different kind of accident from any accident previously evaluated. Nor does it involve any reduction in a margin of safety.

There is thus no significant hazards consideration associated with the proposed amendment.

VIII. ENVIRONMENTAL IMPACT DETERMINATION

The requested licensing action is of a purely administrative nature, and will have no environmental impact. Therefore, preparation of an environmental impact statement or environmental assessment is not required pursuant to 10 C.F.R §§ 51.20 et seq.^{2/}

IX. ENDORSEMENT OF REQUEST BY KPL AND WCNOC

The Kansas Power and Light Company (KPL) has authorized Kansas Gas and Electric Company to state that it seeks the amendment of the Wolf Creek POL to reflect the transfer of KG&E's undivided interest in NPF-42, as amended, to its proposed subsidiary, the "new KG&E," pursuant to the Transfer Request; and that it endorses this request and its contents as though submitted directly on its behalf.

^{2/} Attachment III hereto consists of an Environmental Impact Determination for the proposed action, evaluated as being within a category of licensing actions exempted by § 51.22(c)(9) from the requirements of Part 51 for environmental analysis. While not literally applicable (§ 51.22(c)(9) applies to changes to facility components within the plant's restricted area; the proposed amendment effects no changes whatever) it illustrates the absence of environmental effect from the proposed change.

Wolf Creek Nuclear Operating Corporation (WCNOC) has reviewed this Application and has authorized KG&E to state that it endorses the requested amendment to reflect the transfer of interest in Wolf Creek's license stated in the Transfer Request.

X. TIME OF THE ESSENCE

As noted in the Transfer Request, there are strong economic and administrative incentives for the parties to complete the proposed merger as soon as possible, and contractual and financial risks if it is not completed by the end of calendar 1991. See Transfer Request at 5, 18, ¶¶ I(A)(9), III(C)(4). The merger cannot be completed until all required regulatory approvals have been obtained. Thus, while this is neither an exigent nor emergency request, time is of the essence in completing the review necessary to act on the pending Transfer Request and on this License Amendment Application. KG&E assures the Staff of its full cooperation in the timely production of necessary information and in all other respects, to assist the Staff's review.

Since the filing of the Transfer Request, further events have occurred which suggest that numerous regulatory issues may be resolved faster than could have been anticipated at the time of the filing of the Transfer Request. As KG&E notified the Staff on March 28, KG&E has settled transmission-related issues with the Kansas Corporation Commission Staff. Further, as was communicated by separate letter dated April 16, KG&E has reached settlements with its co-licensees, Kansas City Power & Light Company and the Kansas Electric Power Cooperative, Inc. It is anticipated that further settlements, of which the Staff will be kept fully and promptly informed, will be reached.

In order that the review preceding authorization of the transfer and license amendment not become, inadvertently, the critical path to completion of the proposed merger, KG&E respectfully requests the Staff to give it expedited attention, and assures the Staff of its own highest-priority effort.

XI. REQUEST FOR RELIEF

KG&E requests that the NRC amend the Wolf Creek POL to transfer KG&E's 47% undivided interest to "new KG&E" in accordance with the March 28, 1991 Transfer Request, as stated in ¶ 1 and Attachment I hereto, effective immediately upon consummation of the merger of KG&E into the wholly owned subsidiary of KPL to be known as Kansas Gas and Electric Company. KG&E commits to notify the Staff in writing of the merger's completion within one working day thereafter.

IN WITNESS WHEREOF, Kansas Gas and Electric Company has caused its name to be hereunto signed by Kent R. Brown, its Group Vice President, and its corporate seal to be affixed hereto by Richard D. Terrill, its Secretary, on this the 22nd day of April, 1991.

KANSAS GAS AND ELECTRIC COMPANY

By Kent R. Brown
Kent R. Brown
Group Vice President

ATTEST:

Richard D. Terrill
Richard D. Terrill
Secretary

STATE OF KANSAS)
)
COUNTY OF SEDGWICK) ss

Kent R. Brown being first duly sworn, on his oath, states that he is Group Vice President of Kansas Gas and Electric Company, that he is authorized on the part of said Corporation to sign and file with the Nuclear Regulatory Commission this application; that he has read all of the statements contained in such application; and that all such statements made and matters set forth herein are true and correct to the best of his knowledge, information and belief.

Kent R. Brown
Kent R. Brown

Subscribed and sworn to before me, a Notary Public in and for the State and County above named this 22 day of April, 1991.

Kathleen Copeland
Notary Public

My Commission Expires: _____



NPF-42, § 2.A, as amended
and as proposed to be further amended

C. Change paragraph 2.A to read as follows:

The license applies to the Wolf Creek Generating Station, Unit No. 1, a pressurized water nuclear reactor and associated equipment (the facility), owned by Kansas Gas and Electric Company,² Kansas City Power & Light Company, and Kansas Electric Power Cooperative, Inc., and operated by the Wolf Creek Nuclear Operating Corporation. The facility is located in Coffey County, Kansas, approximately 28 miles east-southeast of Emporia, Kansas, and is described in the licensees' "Final Safety Analysis Report," as supplemented and amended, and in the licensees' Environmental Report, as supplemented and amended.

² Kansas Gas and Electric Company, which owns a 47% undivided interest in the Wolf Creek Nuclear Operating Corporation and a 47% undivided interest in a possession-only license for the Wolf Creek Generating Station, has merged with and into a wholly owned subsidiary of The Kansas Power and Light Company. This subsidiary, originally named KCA Corporation, was renamed "Kansas Gas and Electric Company" upon consummation of the merger. Accordingly, the name "Kansas Gas and Electric Company" as it appears in this license refers to the post-merger Kansas Gas and Electric Company and not the former entity of the same name.

Significant Hazards Consideration Determination (§ 50.92(c))

The proposed change would revise NPF Section 2.A. to reflect the merger of Kansas Gas and Electric Company into a wholly owned subsidiary of The Kansas Power and Light Company.

Standard 1 - Does the Proposed Change Involve a Significant Increase in the Probability or Consequences of an Accident Previously Evaluated (§ 50.92(c)(1))?

The proposed change does not involve a significant increase in the probability or consequences of an accident previously evaluated. It reflects the merger of Kansas Gas and Electric Company into a wholly owned subsidiary of The Kansas Power and Light Company and as such has no effect on plant equipment or the technical qualification of plant personnel.

Standard 2 - Does the Proposed Change Create the Possibility of a New or Different Kind of Accident from any Previously Evaluated (§ 50.92(c)(2))?

The proposed change does not create the possibility of a new or different kind of accident from any accident previously evaluated. It reflects the merger of Kansas Gas and Electric Company into a wholly owned subsidiary of The Kansas Power and Light Company and does not involve any change to the installed plant systems or the overall operating philosophy of Wolf Creek Generating Station.

Standard 3 - Does the Proposed Change Involve a Significant Reduction in the Margin of Safety (§ 50.92(c)(3))?

The proposed change does not involve a significant reduction in a margin of safety. It does not involve any changes in overall organizational commitments. An ownership change alone does not reduce any margin of safety.

Based on the above discussions it has been determined that the requested license revision does not involve a significant increase in the probability or consequences of an accident or other adverse condition over previous evaluations; or create the possibility of a new or different kind of accident or condition over previous evaluations; or involve a significant reduction in a margin of safety. The requested license amendment does not involve a significant hazards consideration.

Environmental Impact Determination 10 CFR § 51.21 et seq.

10 CFR 51.22(b) and (c) specify the criteria for categorical exclusions from the requirement for a specific environmental assessment per 10 CFR 51.21. This amendment request meets the criteria specified in 10 CFR 51.22(c)(9). Specific criteria contained in this section are discussed below.

(i) **the amendment involves no significant hazards consideration**

As demonstrated in the Significant Hazards Consideration Determination in Attachment II, the requested license amendment does not involve any significant hazards considerations.

(ii) **there is no significant change in the types or significant increase in the amounts of any effluent that may be released offsite**

The requested license amendment involves no change to the facility or operating procedures which would cause an increase in the amounts of effluent or create new types of effluent.

(iii) **there is no significant increase in individual or cumulative occupational radiation exposure**

The nature of the changes is administrative and does not require additional exposure by personnel nor effect levels of radiation present. The proposed change does not result in significant individual or cumulative occupational radiation exposure.

Based on the above it is concluded that there will be no impact on the environment resulting from this change and the change meets the criteria specified in 10 CFR 51.22 for a categorical exclusion from the requirements of 10 CFR 51.21 relative to specific environmental assessment by the Commission.