

WOLF CREEK

NUCLEAR OPERATING CORPORATION

Bart D. Withers
President and
Chief Executive Officer

May 3, 1988

WM 88-0117

Dr. Thomas E. Murley, Director
Office of Nuclear Reactor Regulation
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

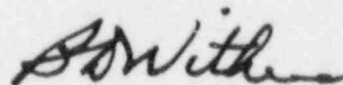
Subject: Docket 50-482: Guarantee of Payment of Deferred
Premiums, 10 CFR 140.21

Dear Dr. Murley:

Pursuant to the requirements of 10 CFR 140.21, the owners of Wolf Creek Generating Station are providing the attached documentation of their ability to make payment of deferred premiums in an amount of ten million dollars. Kansas Gas and Electric Company's portion of the responsibility is being covered by a Revolving Credit and Term Loan Agreement. Kansas City Power & Light Company and Kansas Electric Power Cooperative, Inc. have elected to provide annual certified financial statements for their share of the responsibility.

If you have any questions concerning this submittal please contact me or Mr. O. L. Maynard of my staff.

Very truly yours,



Bart D. Withers
President and
Chief Executive Officer

BDW/jad

Attachment

cc: B. L. Bartlett (NRC), w/a
R. D. Martin (NRC), w/a
P. W. O'Connor (NRC), 2 w/a

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KANSAS GAS AND ELECTRIC COMPANY
Guarantee of Payment of Deferred Premium
10CFR140.21

Kansas Gas and Electric Company's (KG&E) share of the \$10 million for "guarantee of payment of deferred premiums" corresponds to our percentage ownership of the Wolf Creek Generating Station (47%), which amounts to \$4.7 million. KG&E entered into a revolving Credit and Term Loan Agreement with a group of domestic banks, for whom Morgan Guaranty of New York City acts as agent. KG&E currently has a \$100 million unused balance until approximately December 19, 1992, as a source of long-term funding. Of this amount, \$4.7 million is being held in reserve by the Company to insure the payment of deferred premiums, if necessary.

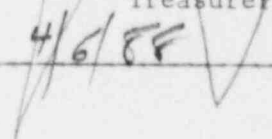
A copy of the Revolving Credit and Loan Agreement is available upon request.

APPROVED



Treasurer

DATE



4/6/88

KANSAS CITY POWER & LIGHT COMPANY
1988 INTERNAL CASH FLOW PROJECTION
FOR WOLF CREEK NUCLEAR POWER STATION
(Dollars in Thousands)

	1987 Actual	Projected Cash Flow for 1988
Net Income after Taxes	\$103,982	
Less Dividends Declared	<u>74,658</u>	
Retained Earnings	<u>29,324</u>	
Adjustments:		
Depreciation and Amortization	97,016	
Deferred Income Taxes and Investment Tax Credits	51,285	
Allowance for Funds Used During Construction	(20)	
Amortization - Deferred Wolf Creek Costs	9,500	
Deferred Wolf Creek Costs	(8,700)	
Phase-in deferrals	<u>(14,866)</u>	
Total Adjustments	<u>134,215</u>	
Internal Cash Flow	<u>\$163,539</u>	<u>\$150,551*</u>
Average Quarterly Cash Flow	<u>\$ 40,885</u>	<u>\$ 37,638</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.

C E R T I F I C A T I O N

I, Richard M. Tyler, am Director of Finance and Accounting for Kansas Electric Power Cooperative, Inc.; I have reviewed the 1988 Internal Cash Flow Projection for Kansas Electric Power Cooperative, Inc. and certify to the best of my knowledge and belief that it accurately reflects the financial position of Kansas Electric Power Cooperative, Inc., as indicated.

Signed:

Richard M. Tyler

Dated:

April 18, 1988

Kansas Electric Power Cooperative, Inc.
1988 Internal Cash Flow Projection

	<u>1987 Prior Year Actual Total</u>	<u>1988 Projection Year Total</u>
Net Income After Taxes	(\$1,087,960)	\$99,116
Less Dividends Paid	<u>\$0</u>	<u>\$0</u>
Retained Earnings	(\$1,087,960)	\$99,116
Adjustments:		
Depreciation and Amortization	\$2,426,436	\$2,733,104
Deferred Income Taxes and Income Tax Credits	\$0	\$0
Allowance for Funds Used During Construction	<u>\$0</u>	<u>\$0</u>
Total Adjustments	<u>\$2,426,436</u>	<u>\$2,733,104</u>
Internal Cash Flow	<u>\$1,338,476</u>	<u>\$2,832,220</u>
Average Quarterly Cash Flow	<u>\$334,619</u>	<u>\$708,055</u>
Percentage Ownership in All Operating Nuclear Units	Wolf Creek Generating Station Unit No. 1	- 6.00%
Maximum Total Contingent Liability		\$600,000 (1)

(1) KEPCo's share of NRC's contingent reserve premium liability.