

WOLF CREEK

NUCLEAR OPERATING CORPORATION

Bart D. Withers
President and
Chief Executive Officer

April 27, 1989

WM 89-0132

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

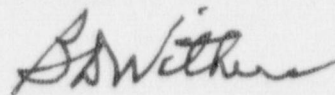
Subject: Docket No. 50-482: Guarantee of Payment of Deferred
Premiums, 10 CFR 140.21

Dear 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

Attachments

cc: B. L. Bartlett (NRC), w/a
E. J. Holler (NRC), w/a
R. D. Martin (NRC), w/a
D. V. Pickett (NRC), w/a
J. M. Rodriguez (NRC), w/a

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PDR ADOCK 05000482
J PDC

P.O. Box 411 / Burlington, KS 66839 / Phone: (316) 364-8631

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KANSAS GAS AND ELECTRIC COMPANY

W. R. WHITMER
TREASURER

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 Bankers Trust Company of New York City acts as agent. KG&E currently has a \$120 million unused balance until approximately June 30, 1994, 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

W. R. Whitmer
Treasurer

DATE

April 17, 1989

KANSAS CITY POWER & LIGHT COMPANY

1330 BALTIMORE AVENUE

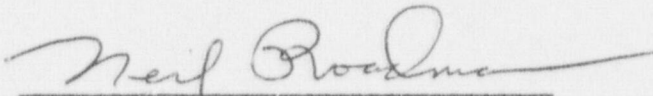
P.O. BOX 418679

KANSAS CITY, MISSOURI 64141-9679

March 31, 1989

Pursuant to the requirements 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 1989 is calculated as \$170.1 million and on an average quarterly basis is \$42.5 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 projected cash flow for the projection year is true and correct to the best of his knowledge and belief.



Controller

NAR:rmc
attach

KANSAS CITY POWER & LIGHT COMPANY
1989 INTERNAL CASH FLOW PROJECTION
FOR WOLF CREEK NUCLEAR POWER STATION
(Dollars in Thousands)

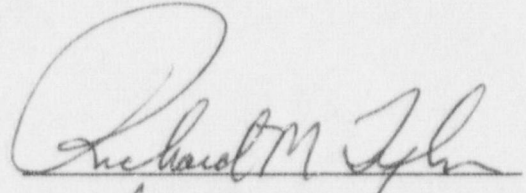
	1988 Actual	Projected Cash Flow for 1989
Net Income after Taxes	\$105,655	
Less Dividends Declared	<u>79,018</u>	
Retained Earnings	<u>26,637</u>	
Adjustments:		
Depreciation and Amortization	96,766	
Deferred Income Taxes and Investment Tax Credits	34,522	
Allowance for Funds Used During Construction	(613)	
Amortization - Deferred Wolf Creek Costs	10,366	
Deferred Wolf Creek Costs	(10,988)	
Phase-in deferrals	<u>(3,780)</u>	
Total Adjustments	<u>126,273</u>	
Internal Cash Flow	<u>\$152,910</u>	<u>\$170,103*</u>
Average Quarterly Cash Flow	<u>\$ 38,228</u>	<u>\$ 42,526</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, Finance and Accounting for Kansas Electric Power Cooperative, Inc., and have reviewed the 1989 Internal Cash Flow Projection for Kansas Electric Power Cooperative, Inc. and certify to the best of my knowledge that it accurately reflects the financial position of Kansas Electric Power Cooperative, Inc., as indicated.

Signed:



Dated :

April 21, 1989

KANSAS ELECTRIC POWER COOPERATIVE, INC.
1989 Internal Cash Flow Projection

	1988 Prior Year Actual Total	1989 Projected Total
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Net Income After Taxes	\$236,531	\$1,270,900
Less Dividends Paid	0	0
Retained Earnings	236,531	1,270,900
Adjustments:		
Depreciation and Am rtization	2,765,819	2,889,600
Deferred Income Taxes and Income Tax Credits	0	0
Allowance For Funds Used During Construction	0	0
	-----	-----
	2,765,819	2,889,600
	-----	-----
Internal Cash Flow	3,002,350	4,160,500
	-----	-----
Average Quarterly Cash Flow	\$750,588	\$1,040,125
	=====	=====

Percentage Ownership in All
Operating Nuclear Units

Wolf Creek Generating Station No. 1	6.00%
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Maximum Contingent Liability	\$600,000 (1)
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(1) KEPCo's Share of NRC contingent reserve premium liability.