



Jaime H. McCoy
Site Vice President

May 6, 2022
WO 22-0015

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

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

Commissioners and Staff:

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 Evergy Metro, Inc (formerly Kansas City Power & Light Company), Evergy Kansas South, Inc. (formerly Kansas Gas & Electric Company), and Kansas Electric Power Cooperative, Inc. (KEPCo). Evergy, Inc. and all its consolidated subsidiaries, and KEPCo have provided audited Consolidated Statements of Cash Flows 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 Ron-Benham at (620) 364-4204.

Sincerely,

A handwritten signature in black ink that reads "Jaime H McCoy". The signature is written in a cursive, slightly slanted style.

Jaime H. McCoy

JHM/jkt

Enclosures: I Evergy, Inc. Statements of Cash Flows
II Kansas Electric Power Cooperative, Inc. Statement of Cash Flows

cc: S. S. Lee (NRC), w/e
S. A. Morris (NRC), w/e
G. E. Werner (NRC), w/e
Senior Resident Inspector (NRC), w/e

Enclosure I to WO 22-0015

**Evergy, Inc. Statements of Cash Flows
(3 pages)**

May 9, 2022


Wolf Creek Nuclear Operating Corporation
PO Box 411
Burlington, KS 66839

Dear Josh:

Pursuant to the requirements of 10 CFR 140.21(e), Evergy Metro, Inc. and Evergy Kansas South, Inc. 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 Evergy Metro, Inc.'s and Evergy Kansas South, Inc.'s cash flows for the year 2021 is true and correct to the best of their knowledge and belief.

Sincerely,

DocuSigned by:

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Steven P. Busser
Vice President – Chief Accounting Officer

attachment

EVERGY METRO, INC.
Consolidated Statements of Cash Flows

| Year Ended December 31 | 2021 | 2020 | 2019 |
|--|---------------|-------------|--------------|
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES: | | | |
| | (millions) | | |
| Net income | \$ 312.3 | \$ 298.7 | \$ 255.2 |
| Adjustments to reconcile income to net cash from operating activities: | | | |
| Depreciation and amortization | 321.0 | 326.1 | 318.4 |
| Amortization of nuclear fuel | 25.8 | 29.5 | 25.9 |
| Amortization of deferred refueling outage | 12.6 | 12.7 | 12.8 |
| Net deferred income taxes and credits | 10.0 | (3.5) | (30.6) |
| Allowance for equity funds used during construction | (12.6) | (8.0) | (2.2) |
| Payments for asset retirement obligations | (7.4) | (7.5) | (2.5) |
| Other | (0.4) | (0.4) | 0.3 |
| Changes in working capital items: | | | |
| Accounts receivable | 43.2 | (13.2) | 37.0 |
| Accounts receivable pledged as collateral | 14.0 | (12.0) | 12.0 |
| Fuel inventory and supplies | (40.6) | (7.4) | 14.6 |
| Prepaid expenses and other current assets | (16.3) | (7.9) | 28.0 |
| Accounts payable | (1.1) | 24.6 | 9.1 |
| Accrued taxes | 6.9 | 1.6 | (9.6) |
| Other current liabilities | 44.0 | 2.4 | (53.2) |
| Changes in other assets | 61.5 | 59.1 | 33.7 |
| Changes in other liabilities | (38.7) | (47.3) | (34.7) |
| Cash Flows from Operating Activities | 734.2 | 647.5 | 614.2 |
| CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES: | | | |
| Additions to property, plant and equipment | (682.9) | (565.4) | (445.0) |
| Purchase of securities - trusts | (28.3) | (45.4) | (34.0) |
| Sale of securities - trusts | 18.2 | 37.9 | 25.7 |
| Net money pool lending | (55.0) | (100.0) | — |
| Other investing activities | 6.8 | 4.6 | 9.0 |
| Cash Flows used in Investing Activities | (741.2) | (668.3) | (444.3) |
| CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES: | | | |
| Short-term debt, net | — | (199.3) | 22.4 |
| Collateralized short-term debt, net | (14.0) | 12.0 | (12.0) |
| Proceeds from long-term debt | — | 396.2 | 393.2 |
| Retirements of long-term debt | — | — | (400.0) |
| Cash dividends paid | (50.0) | (120.0) | (175.0) |
| Other financing activities | 1.5 | 1.5 | 0.9 |
| Cash Flows from (used in) Financing Activities | (62.5) | 90.4 | (170.5) |
| NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH | (69.5) | 69.6 | (0.6) |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH: | | | |
| Beginning of period | 71.6 | 2.0 | 2.6 |
| End of period | \$ 2.1 | \$ 71.6 | \$ 2.0 |

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

EVERGY KANSAS SOUTH, INC.
Consolidated Statements of Cash Flows

| Year Ended December 31 | 2021 | 2020 |
|--|----------------|----------------|
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | (millions) | |
| Net income | \$ 166.2 | \$ 105.8 |
| Adjustments to reconcile income to net cash provided by operating activities | | |
| Depreciation and amortization | 207.9 | 203.2 |
| Amortization of nuclear fuel | 25.6 | 28.8 |
| Amortization of deferred refueling outage | 12.6 | 12.7 |
| Amortization of corporate-owned life insurance | 20.9 | 17.4 |
| Net deferred income taxes and credits | 62.1 | 15.1 |
| Allowance for equity funds used during construction | (7.1) | (4.7) |
| Payments for asset retirement obligations | (4.2) | (0.1) |
| Income from corporate-owned life insurance | (12.6) | (7.3) |
| Other | (5.5) | (5.5) |
| Changes in working capital items: | | |
| Accounts receivable | 34.0 | (38.9) |
| Fuel inventory and supplies | (5.9) | (4.3) |
| Prepaid expenses and other current assets | (100.7) | 1.3 |
| Accounts payable | 171.2 | 69.4 |
| Accrued taxes | (60.2) | 28.8 |
| Other current liabilities | (59.4) | (55.8) |
| Changes in other assets | (43.1) | (1.6) |
| Changes in other liabilities | 0.8 | (1.7) |
| Cash Flows from Operating Activities | 402.6 | 362.6 |
| CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES: | | |
| Additions to property, plant and equipment | (352.7) | (308.7) |
| Purchase of securities - trusts | (85.2) | (19.0) |
| Sale of securities - trusts | 53.2 | 15.5 |
| Investment in corporate-owned life insurance | (12.9) | (14.2) |
| Proceeds from investment in corporate-owned life insurance | 74.9 | 62.3 |
| Net money pool lending | (9.0) | — |
| Other investing activities | 26.4 | (1.5) |
| Cash Flows used in Investing Activities | (305.3) | (265.6) |
| CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES | | |
| Retirements of long-term debt of variable interest entity | (18.8) | (32.3) |
| Borrowings against cash surrender value of corporate-owned life insurance | 51.4 | 52.7 |
| Repayment of borrowings against cash surrender value of corporate-owned life insurance | (62.3) | (53.7) |
| Borrowings from affiliates, net | — | (60.4) |
| Cash dividends paid | (70.0) | — |
| Cash Flows used in Financing Activities | (99.7) | (93.7) |
| NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH | (2.4) | 3.3 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH: | | |
| Beginning of period | 3.3 | — |
| End of period | \$ 0.9 | \$ 3.3 |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Enclosure II to WO 22-0015

**Kansas Electric Power Cooperative, Inc. Statement of Cash Flows
(3 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.kepcco.org

April 28, 2022

Mr. Joshua Turner
Wolf Creek Nuclear Operating Corporation
P.O. Box 411
Burlington, KS 66839

Dear Joshua:

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 2021 is true and correct to the best of their knowledge and belief.

Sincerely yours,

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

Kansas Electric Power Cooperative, Inc. and Subsidiary
Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020

| | 2021 | 2020 |
|--|--------------|--------------|
| Operating Activities | | |
| Net margin | \$ 1,068,400 | \$ (27,671) |
| Adjustments to reconcile net margin to net cash provided by operating activities | | |
| Depreciation | 10,084,661 | 9,408,389 |
| Amortization of nuclear fuel | 3,255,237 | 3,679,316 |
| Amortization of deferred charges | 497,801 | 619,925 |
| Amortization of deferred incremental outage costs | 1,600,295 | 1,619,583 |
| Net periodic benefit costs | 1,641,197 | 1,630,862 |
| Patronage capital credits allocated | (444,830) | (518,389) |
| Loss on sale of property and equipment | 20,365 | 54,003 |
| Changes in | | |
| Member accounts receivable | 1,615,496 | (3,157,306) |
| Materials and supplies | 82,959 | (317,141) |
| Other long-term assets and prepaid expenses | (8,285,897) | 1,304,804 |
| Accounts payable | 3,613,414 | 3,165,387 |
| Payroll and payroll-related liabilities | 21,483 | 15,161 |
| Accrued property taxes | 42,706 | (123,407) |
| Accrued interest payable | (23,732) | (23,038) |
| Other long-term liabilities | (1,424,583) | (1,253,612) |
| Net cash provided by operating activities | 13,364,972 | 16,076,866 |
| Investing Activities | | |
| Additions to electrical plant | (5,675,574) | (3,962,186) |
| Additions to nuclear fuel | (3,058,296) | (5,444,350) |
| Purchases of investments | (15,000,000) | (13,000,000) |
| Proceeds from sales of investments | 28,000,000 | - |
| Proceeds from investments in decommissioning fund assets | 2,627,889 | 1,399,479 |
| Purchases of investments in decommissioning fund assets | (5,260,203) | (2,825,512) |
| Investments in associated organizations | 734,771 | 756,788 |
| Net cash provided by (used in) investing activities | 2,368,587 | (23,075,781) |
| Financing Activities | | |
| Principal payments on long-term debt | (8,775,460) | (10,577,675) |
| Proceeds from issuance of long-term debt | 2,785,478 | 10,183,249 |
| Retirement of capital credits | - | (699,114) |
| Change in cushion of credit | 3,004,187 | 158,196 |
| Change in member investments | 1,257,796 | 4,163,024 |
| Net cash provided by (used in) financing activities | (1,727,999) | 3,227,680 |

See Notes to Consolidated Financial Statements

| | <u>2021</u> | <u>2020</u> |
|--|----------------------|----------------------|
| Increase (Decrease) in Cash and Cash Equivalents | \$ 14,005,560 | \$ (3,771,235) |
| Cash and Cash Equivalents, Beginning of Year | <u>16,598,637</u> | <u>20,369,872</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 30,604,197</u> | <u>\$ 16,598,637</u> |
| Supplemental Cash Flows Information | | |
| Interest paid | \$ 7,277,206 | \$ 7,607,394 |
| Change in defined benefit pension plans – gains (losses) | \$ 1,134,275 | \$ (1,275,966) |
| Change in fair value of decommissioning trust | \$ 2,462,264 | \$ 3,611,702 |