

WOLF CREEK NUCLEAR OPERATING CORPORATION

Otto L. Maynard
President and Chief Executive Officer

JUN 27 2000

WM 00-0026

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Mail Station P1-137
Washington, DC 20555

Reference: Letter WM 00-0003, dated February 2, 2000, from
O. L. Maynard, WCNOG, to USNRC

Subject: Docket No. 50-482: Application to Amend Appendix C to Wolf
Creek Generating Station, Unit No. 1, Facility Operating
License No. NPF-42

Gentlemen:

Pursuant to 10 CFR 50.90, Wolf Creek Nuclear Operating Corporation (WCNOG) hereby submits the enclosed application for amendment to that portion of Appendix C to Facility Operating License No. NPF-42 for the Wolf Creek Generating Station (WCGS), Unit 1, which sets forth Antitrust Conditions for Kansas Gas and Electric Company (KGE).

In a Letter Agreement dated September 1, 1999, Kansas Electric Power Cooperative, Inc. (KEPCo) agreed with KGE, Kansas City Power & Light Company (KCPL) and KGE's parent company, Western Resources, Inc., to settle KEPCo's participation in the proceedings in Federal Energy Regulatory Commission (FERC) Docket Nos. EC97-56-000 and ER97-4669. These proceedings were in connection with the then-proposed merger of the electric business of Western Resources, Inc., with KCPL. As set forth in the Reference, the proposed merger has been terminated. However, certain conditions contained in the September 1, 1999 Letter Agreement were not contingent on the closing of the merger.

Among the conditions not contingent on the closing of the merger was the following condition requiring Western Resources, Inc., on behalf of KGE, to request the Nuclear Regulatory Commission to amend the antitrust conditions for the WCGS Facility Operating License:

"Western Resources, on behalf of KGE, will request the Nuclear Regulatory Commission to modify the antitrust conditions for the Wolf Creek license to become effective on June 1, 2000, (a) to state that the specific conditions applicable to KEPCo (KGE Conditions 2(b), 3-5, 6(b), and 7-9) do not restrict KEPCo's right or KGE's duties under other license conditions; (b) to define 'KEC members in Licensee's Service Area' in KGE condition 1(i) to include all KEPCo members with facilities

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in Western Resources' and KGE's combined service area; and (c) to delete the provisions of KGE conditions 2(b) and 7(d) restricting KEPCo's use of the power from Wolf Creek."

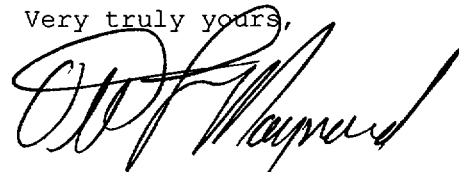
This license amendment request seeks to implement these agreed-upon modifications to the Antitrust Conditions for KGE in Appendix C to License No. NPF-42. The amendment does not substantively change the KGE Antitrust Conditions, but rather clarifies KEPCo's rights to the use of power from the WCGS. This license amendment request also seeks to make other revisions that KGE, WCNOG, and KEPCo have agreed are necessary to update the KGE Antitrust Conditions and to make the KGE Antitrust Conditions consistent with the terms and conditions of Western Resources, Inc.'s FERC open access transmission tariff.

A No Significant Hazards Consideration Determination is provided in Attachment I. Attachment II contains an Environmental Impact Determination. Attachment III provides a clean copy showing the proposed changes to the Antitrust Conditions incorporating the proposed changes. Attachment IV provides markup pages showing the proposed changes to the Antitrust Conditions incorporating the proposed changes. WCNOG requests that this license amendment request be approved prior to the end of this year. As this requested amendment affects only the operating license and no changes to any plant hardware or operating procedures are required as a result of this amendment, there are no licensing commitments stated in this submittal.

In accordance with 10 CFR 50.91, a copy of the enclosed application is being provided to the designated Kansas State Official.

If you have any questions concerning this matter, please contact me at (316) 364-4000, or Mr. Tony Harris at (316) 364-4038.

Very truly yours,



Otto L. Maynard

OLM/rlr

Attachments

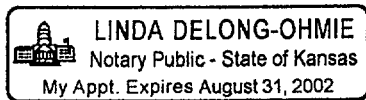
cc: V. L. Cooper (KDHE), w/a
J. N. Donohew (NRC), w/a
W. D. Johnson (NRC), w/a
E. W. Merschoff (NRC), w/a
Senior Resident Inspector (NRC), w/a

STATE OF KANSAS)
) ss
COUNTY OF COFFEY)

Otto L. Maynard, of lawful age, being first duly sworn upon oath says that he is President and Chief Executive Officer of Wolf Creek Nuclear Operating Corporation; that he has read the foregoing document and knows the content thereof; that he has executed the same for and on behalf of said Corporation with full power and authority to do so; and that the facts therein stated are true and correct to the best of his knowledge, information and belief.

By *Otto L. Maynard*
Otto L. Maynard
President and Chief Executive Officer
Wolf Creek Nuclear Operating Corporation

SUBSCRIBED and sworn to before me this 27th day of June, 2000.



Linda DeLong-Ohmie
Notary Public

Expiration Date August 31, 2002

ATTACHMENT I

No Significant Hazards Consideration Determination

No Significant Hazards Consideration Determination

Description of Proposed Changes

This license amendment request proposes to revise that portion of Appendix C to Facility Operating License No. NPF-42 for the Wolf Creek Generating Station (WCGS), Unit 1, which contains Antitrust Conditions for Kansas Gas and Electric Company (KGE). All of the proposed revisions have been agreed upon by KGE, Kansas Electric Power Cooperative, Inc. (KEPCo), Kansas City Power & Light Company (KCPL), Western Resources, Inc. and Wolf Creek Nuclear Operating Corporation (WCNOC).

The primary purpose of the proposed amendment is to implement the following condition from a September 1, 1999 Letter Agreement among KGE, KCPL, Western Resources, Inc. and KEPCo:

"Western Resources, on behalf of KGE, will request the Nuclear Regulatory Commission to modify the antitrust conditions for the Wolf Creek license to become effective on June 1, 2000, (a) to state that the specific conditions applicable to KEPCo (KGE Conditions 2(b), 3-5, 6(b), and 7-9) do not restrict KEPCo's right or KGE's duties under other license conditions; (b) to define 'KEC members in Licensee's Service Area' in KGE condition 1(i), to include all KEPCo members with facilities in Western Resources' and KGE's combined service area; and (c) to delete the provisions of KGE conditions 2(b) and 7(d) restricting KEPCo's use of the power from Wolf Creek."

The Letter Agreement was entered into to settle KEPCo's participation in Federal Energy Regulatory Commission (FERC) Docket Nos. EC97-56-000 and ER97-4669, which involved the then-proposed merger of KGE's parent company's electric business with KCPL. The proposed merger has been terminated, but the condition quoted above was not contingent on completion of the merger. The changes, to the KGE Antitrust Conditions proposed in this license amendment request, have been agreed to by all of the parties involved. The proposed changes are necessary to either delete or revise certain Antitrust Conditions that have become outdated and to make the Antitrust Conditions consistent with the terms and conditions of Western Resources, Inc.'s FERC open access transmission tariff.

Application of Standards

The following Standards identified in 10 CFR 50.92 have been used to determine whether the proposed changes involve a Significant Hazards Consideration. The proposed changes described above are evaluated against the three Standards.

Standard 1 - Do the Proposed Changes Involve a Significant Increase in the Probability or Consequences of an Accident Previously Evaluated?

The proposed change merely revises the KGE Antitrust Conditions in the Wolf Creek Generating Station Facility Operating License. The proposed change is considered an administrative change and does not modify, add, delete, or relocate any technical requirements of the Technical Specifications. As such, the administrative changes do not affect initiators of analyzed events or assumed mitigation of accident or transient events. Therefore, this change does not involve a significant increase in the probability or consequences of an accident previously analyzed.

Standard 2 - Do the Proposed Changes Create the Possibility of a New or Different Kind of Accident from any Previously Evaluated?

The proposed change does not involve a physical alteration of the plant (no new or different type of equipment will be installed) or changes in methods governing normal plant operation. The proposed change will not impose any new or eliminate any old requirements. Thus, the change does not create the possibility of a new or different kind of accident from any accident previously evaluated.

Standard 3 - Do the Proposed Changes Involve a Significant Reduction in the Margin of Safety?

The proposed change will not reduce a margin of safety because there is no effect on any safety analyses assumptions. The changes are administrative in nature. Therefore, the change does not involve a significant reduction in the margin of safety.

Conclusion

Based on the above discussions, it has been determined that the requested license amendment does not involve a significant increase in the probability or consequences of an accident or other adverse conditions 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. Therefore, the requested license amendment does not involve a significant hazards consideration.

ATTACHMENT II
Environmental Impact Determination

Environmental Impact Determination

This license amendment request proposes to revise that portion of Appendix C to Facility Operating License No. NPF-42 for the Wolf Creek Generating Station (WCGS), Unit 1, which contains Antitrust Conditions for Kansas Gas and Electric Company (KGE). All of the proposed revisions have been agreed upon by KGE, Kansas Electric Power Cooperative, Inc. (KEPCo), Kansas City Power & Light Company (KCPL), Western Resources, Inc. and Wolf Creek Nuclear Operating Corporation (WCNOC).

10 CFR 51.22(b) specifies the criteria for categorical exclusion 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) as specified below:

(i) the amendment involves no significant hazards consideration

As demonstrated in Attachment I, the proposed change does not involve any significant hazards consideration.

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

The proposed change does not involve a change to the facility or operating procedures that would cause an increase in the amounts of effluents or create new types of effluents.

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

The proposed change is administrative in nature. As such, the change has no relation to occupational radiation exposure, either individual or cumulative.

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 requiring a specific environmental assessment by the Commission.

ATTACHMENT III

Clean Version Of Antitrust Conditions As Revised By The Proposed Amendment

APPENDIX C

WOLF CREEK, UNIT 1

ANTITRUST CONDITIONS FOR

KANSAS GAS AND ELECTRIC COMPANY

1. As used herein:
 - (a) "Licensee" means Kansas Gas and Electric Company.
 - (b) "Licensee's Service Area" means those counties located in whole or in part within the area certificated to Licensee and Western Resources' KPL division by the appropriate state regulatory commission.
 - (c) "Bulk Power" means the electric power, and any attendant energy, supplied or made available at transmission or subtransmission voltage by one entity to another.
 - (d) "Emergency support" is capacity and energy as available from one system, and as needed by another system to replace capacity and energy made unavailable due to forced outages of generating equipment or transmission facilities.
 - (e) "Maintenance support" is capacity and energy planned by one system to be made available to another system to replace capacity and energy made unavailable due to maintenance of generating equipment or transmission facilities.
 - (f) "Entity" means a financially responsible private or public corporation, governmental agency or authority, municipality, cooperative, or lawful association of any of the foregoing, owning, contractually controlling, or operating, or in good faith proposing to own, contractually control, or operate, facilities for the generation and transmission of electricity for bulk power supply which meets each of the following criteria: (1) its existing or proposed facilities are technically feasible of interconnection with those of Licensee; (2) with the exception of municipalities, cooperatives, government agencies or authorities it is, or upon commencement of operations will be, a public utility subject to regulation with respect to rates and services under the laws of Kansas.
 - (g) "KEC" refers to Kansas Electric Cooperatives, Inc. or Kansas Electric Power Cooperative, Inc. insofar as it shall become a successor in interest.

- (h) “KEPCo” refers to Kansas Electric Power Cooperative, Inc. as the successor in interest to KEC.
 - (i) “KEPCo Members in Licensee’s Service Area” refers to all KEPCo Member rural electric cooperatives with facilities in the combined service area of Western Resources’ KPL division and Kansas Gas and Electric Company.
 - (j) “Power Requirements” of the KEPCo Members in Licensee’s Service Area refers to the sum for all such KEPCo Members of the delivery point contributions to Western Resources’ KPL division’s greatest one hour net load for the month.
2. Licensee shall make available to KEPCo an undivided 6 percent ownership participation in the Wolf Creek Nuclear Unit Number 1 upon mutually agreeable terms and conditions, which ownership participation KEPCo shall acquire as of the date of issuance of the Nuclear Regulatory Commission’s construction permit for the Wolf Creek Nuclear Unit Number 1 or as soon thereafter as KEPCo can secure the necessary regulatory and financing approvals pursuant to the terms of the May 20, 1976 settlement agreement between Licensee and KEPCo. KEPCo’s power from Wolf Creek Unit Number 1 shall be transmitted or otherwise arranged to be transmitted by Licensee for KEPCo to such delivery and interconnection points on Licensee’s system and in such amounts as specified by KEPCo, pursuant to paragraph 5(a) below.
3. Licensee shall interconnect with KEPCo in Licensee’s Service Area when requested by KEPCo and provide for the following:
- (a) maintaining and coordinating of reserves, including, where applicable, the purchase and sale of reserve capacity and energy,
 - (b) emergency support,
 - (c) maintenance support,
 - (d) delivery of “unit power” or other participation power out of Wolf Creek Unit 1 from the Licensee, and
 - (e) transmission services for the above and as described subsequently.
4. (a) Licensee and KEPCo, having a reserve coordination arrangement provided for in Paragraph 3 above, shall from time to time jointly establish the minimum reserve requirements to be installed and/or provided under contractual arrangements as necessary to maintain in total a reserve margin sufficient to provide adequate reliability of power supply to the interconnected systems of the parties. To have reserve coordination rights, other than reserves for Wolf Creek, with the Licensee,

KEPCo must own or have contractual rights to generating capacity other than of Wolf Creek Nuclear Unit Number 1. Unless otherwise agreed upon, the minimum reserve requirement shall be calculated as a percentage of the projected annual peak load, adjusted for purchases and sales of firm power, including partial requirements firm power. The parties to such a reserve coordinating arrangement shall provide such amounts of operating (ready and spinning) reserve capacity as may be adequate to avoid the imposition of unreasonable demands on the others in meeting the normal contingencies of operating their systems. However, in no circumstances shall any party's spinning or operating reserve requirement exceed the minimum reserve requirement as provided above. (Moreover, if the parties to a reserve coordination agreement cannot agree upon a minimum reserve requirement, KEPCo's minimum reserve requirement shall be neither less than nor greater than Licensee's minimum system reserve requirement.)

- (b) Emergency and/or scheduled maintenance bulk power service shall be provided by each party to the extent required by the system in need, and be furnished to the fullest extent available from the supplying system. Licensee and KEPCo shall provide to the other, within Licensee's Service Area, emergency and/or scheduled maintenance bulk power service if and when available from its own generation (and from generation of others with whom Licensee is interconnected to the extent it can do so without impairing service to its customers including other electric systems to whom it has firm commitments).
- 5.
- (a) Licensee shall transmit or otherwise arrange for the transmission of the power from KEPCo's share of Wolf Creek Nuclear Unit Number 1 to KEPCo, or for the account of KEPCo, to delivery or interconnection points on Licensee's system and in amounts as specified by KEPCo. Such deliveries shall be reasonable as to the number of points, system adequacy and frequency of schedule changes.
 - (b) Licensee shall transmit or otherwise arrange for the transmission of power from an entity(ies) outside Licensee's Service Area to KEPCo within Licensee's Service Area in an amount at least equal to the share of Wolf Creek Nuclear Unit Number 1 that KEPCo uses within Licensee's Service Area, when the output of this unit is reduced or unavailable because of maintenance or for other reasons.
 - (c) If capacity and energy from KEPCo's portion of Wolf Creek Nuclear Unit Number 1 are delivered to other entities, Licensee shall also provide for or otherwise arrange for transmission for a later scheduled return of such energy within the same calendar year, in an equal amount of gWhrs, from these other entities to the delivery point of KEPCo within Licensee's Service Area, provided that such transmission arrangements can be reasonably accommodated from a functional and technical standpoint. For

example, any Wolf Creek power transmitted (permissible within the terms of these conditions) out of Licensee's system shall create in KEPCo the right to call upon Licensee, and the corresponding obligation of Licensee, to transmit or otherwise arrange for the transmission of equal power back into Licensee's system for account of KEPCo, all within the same calendar year. At any point in time the transfer of power back in (for the account of KEPCo) could occur simultaneously with full delivery of KEPCo's power from Wolf Creek Nuclear Unit Number 1.

6.
 - (a) Licensee shall sell power at its filed and effective rates (for total or partial requirements) to any Entity in Licensee's Service Area now engaging or proposing to engage in the wholesale or retail sale of electric power.
 - (b) Insofar as the Power Requirements of the KEPCo Members in Licensee's Service Area are satisfied by power which is not Licensee's power and which has been transmitted by or on behalf of the Licensee for KEPCo pursuant to Paragraphs 2 and 7 of these license conditions, Licensee's sale of full or partial requirements to KEPCo or to its Members in Licensee's Service Area pursuant to Paragraph 6(a) above shall be correspondingly reduced.
7. In addition to the transmission offered by or otherwise arranged for by licensee in Paragraphs 2, 3, 5, and 6 above, Licensee shall, consistent with Paragraph 8 below and with the terms of the May 20, 1976, settlement agreement between Licensee and KEPCo, transmit or otherwise arrange for the transmission for KEPCo the following power:
 - (a) When Wolf Creek Nuclear Unit Number 1 commences commercial operation, and thereafter in each succeeding calendar year until the Project ceases operation or until calendar year 2021, whichever is later, a total of 106 megawatts of preference customer power that KEPCo obtains from the Southwestern Power Administration or from a source or sources which as a matter of law are administratively foreclosed to Licensee by virtue of a statutory or regulatory preference;
 - (b) When Wolf Creek Nuclear Unit Number 1 commences commercial operation and thereafter so long as this Unit continues operation, or until calendar year 2021, whichever is later, (i) any additional quantities of power which KEPCo generates from a source other than Wolf Creek Nuclear Unit Number 1, or which KEPCo obtains from any power source or sources which as a matter of law are not administratively foreclosed to Licensee by virtue of a statutory or regulatory preference, provided that such power is transmitted by or on behalf of the Licensee to KEPCo Members in Licensee's Service Area for the use of such Members; and (ii) any other quantities of power which KEPCo generates from a source other

than Wolf Creek Unit Number 1, or which KEPCo obtains from any power source or sources which as a matter of law are not administratively foreclosed to Licensee by virtue of a statutory or regulatory preference, to the same extent that Licensee would reasonably agree to transmit such power for any other electric utility; and

- (c) Insofar as the power of KEPCo from Wolf Creek Nuclear Unit Number 1 and the power transmitted by or on the behalf of the Licensee for KEPCo in the manner provided in Paragraphs 2 and 7(a) through (b) is not utilized in Licensee's Service Area, as reasonably and fairly determined by KEPCo in accordance with the foregoing provisions, Licensee shall, upon reasonable and timely request for such service, transmit or otherwise arrange for the transmission of such excess power for KEPCo from and to such interconnection points on Licensee's system and in such amounts as specified by KEPCo on terms and conditions as provided in Paragraphs 2 and 7(a) through (b) above.
8. The transmission described in these license conditions shall be made available only upon terms which fully compensate Licensee for its costs, including any transmission power losses and a reasonable return on investment allocable solely to such transmission and reflected in Licensee's schedules or tariffs filed with the Kansas Corporation Commission or the Federal Energy Regulatory Commission. The transmission described in Paragraphs 2 and 7 above shall be available to KEPCo for the transmission of requested amounts of power in the manner specified in Paragraphs 2 and 7(a) through (c) above, provided that KEPCo gives Licensee reasonable advance notice of the transmission required and, provided further, that such transmission arrangements can be reasonably accommodated from a functional and technical standpoint and to the extent that Licensee can do so without impairing service to its customers including other electric systems to which it has firm commitments. Nothing herein imposes a requirement on Licensee to become a common carrier.
9. Licensee shall include in its planning and construction of additional transmission facilities sufficient transmission capacity to accommodate the transmission described in Paragraphs 2, 7(a), and 7(b)(i) above, provided that KEPCo gives Licensee sufficient advance notice as may be necessary to accommodate such requirements from a functional and technical standpoint. Licensee and KEPCo shall consult with respect to the planning and construction of additional transmission facilities.
10. The foregoing conditions shall be implemented in a manner not inconsistent with the provisions of, and as provided under, the Federal Power Act and all other applicable Federal and State laws and rates, charges and practices in connection therewith are to be subject to the approval of regulatory agencies having jurisdiction over them.

11. The conditions set forth in Paragraphs 2, 3, 4, 5, 6(b), 7, 8, and 9 herein do not restrict KEPCo's rights or the Licensee's duties under other license conditions.

ATTACHMENT IV

Markup Of Antitrust Conditions As Revised By The Proposed Amendment

APPENDIX C

WOLF CREEK, UNIT 1

ANTITRUST CONDITIONS FOR

KANSAS GAS AND ELECTRIC COMPANY

1. As used herein:

- (a) "Licensee" means Kansas Gas and Electric Company.
- (b) "Licensee's Service Area" means those counties located in whole or in part within the area certificated to Licensee **and Western Resources' KPL division** by the appropriate state regulatory commission.
- (c) "Bulk Power" means the electric power, and any attendant energy, supplied or made available at transmission or subtransmission voltage by one entity to another.
- (d) "Emergency support" is capacity and energy as available from one system, and as needed by another system to replace capacity and energy made unavailable due to forced outages of generating equipment or transmission facilities.
- (e) "Maintenance support" is capacity and energy planned by one system to be made available to another system to replace capacity and energy made unavailable due to maintenance of generating equipment or transmission facilities.
- (f) "Entity" means a financially responsible private or public corporation, governmental agency or authority, municipality, cooperative, or lawful association of any of the foregoing, owning, contractually controlling, or operating, or in good faith proposing to own, contractually control, or operate, facilities for the generation and transmission of electricity for bulk power supply which meets each of the following criteria: (1) its existing or proposed facilities are technically feasible of interconnection with those of Licensee; (2) with the exception of municipalities, cooperatives, government agencies or authorities it is, or upon commencement of operations will be, a public utility subject to regulation with respect to rates and services under the laws of Kansas.
- ~~(g) "Participating entity" is an "entity" participating in the ownership of or power output from Wolf Creek Unit 1.~~
- ~~(g)~~(h) "KEC" refers to Kansas Electric Cooperatives, Inc. or Kansas Electric Power Cooperative, Inc. insofar as it shall become a successor in interest.

- (h) **“KEPCo” refers to Kansas Electric Power Cooperative, Inc. as the successor in interest to KEC.**
- (i) **“KEPCo Members in Licensee’s Service Area” refers to all KEPCo Member rural electric cooperatives with facilities in the combined service area of Western Resources’ KPL division and Kansas Gas and Electric Company. ~~the following KEC member rural electric cooperatives: the Butler Rural Electric Cooperative Association, Inc.; the Caney Valley Electric Cooperative Association, Inc.; Coffey County Rural Electric Cooperative Association, Inc.; the United Electric Cooperative, Inc.; the Radiant Electric Cooperative, Inc.; the Sedgwick County Electric Cooperative Association, Inc.; the Sekan Electric Cooperative Association, Inc.; and Sumner-Cowley Electric Cooperative, Inc.~~**
- (j) **The ~~“total demand requirements” or the “power requirements”~~ of the KEC members in Licensee’s Service Area refers to the sum for all such KEC members of the KG&E delivery point contributions to the maximum monthly sum of the integrated 15 minute non-coincidental demands for each member. **“Power Requirements” of the KEPCo Members in Licensee’s Service Area refers to the sum for all such KEPCo Members of the delivery point contributions to Western Resources’ KPL division’s greatest one hour net load for the month.****
- ~~2. (a) Licensee shall offer an opportunity to participate in Wolf Creek Nuclear Unit Number 1 and any other nuclear generating unit(s) which it may construct, own and operate severally or jointly, during the term of the instant license or an extension or renewal thereof, to any entity(ies) in Licensee’s Service Area. Such participation shall be in reasonable amounts, by an ownership interest, or at the option of the entity, by a contractual right to purchase a portion of the output of such units, or on any other mutually agreeable basis. The transmission provisions herein relate to participation in Wolf Creek Nuclear Unit No. 1 and not to any transmission which may be associated with participation in other nuclear generating unit(s) which Licensee may construct, own and operate severally or jointly.~~
2. (b) Licensee shall make available to ~~KEPCo~~ **KEPCo** an undivided ~~176~~ **176** percent ownership participation in the Wolf Creek Nuclear Unit Number 1 upon mutually agreeable terms and conditions, which ownership participation ~~KEPCo~~ **KEPCo** shall acquire as of the date of issuance of the Nuclear Regulatory Commission’s construction permit for the Wolf Creek Nuclear Unit Number 1 or as soon thereafter as ~~KEPCo~~ **KEPCo** can secure the necessary regulatory and financing approvals pursuant to the terms of the May 20, 1976 settlement agreement between Licensee and ~~KEPCo~~ **KEPCo**. ~~The power which KEC obtains from the Wolf Creek Nuclear Unit Number 1 shall be utilized first to satisfy the power requirements of KEC’s other power supply obligations to KEC’s members in Kansas. During the calendar year in which the Wolf Creek Nuclear Unit Number 1 commences commercial operation and in each succeeding year of operation of~~

~~the Wolf Creek Nuclear Unit Number 1 no less than 42 percent of the total demand requirements of the KEC members in Licensee's Service Area shall be satisfied by KEC by use of its available power from Wolf Creek Nuclear Unit Number 1. KEC~~ **KEPCo's** power from Wolf Creek Unit Number 1 shall be transmitted **or otherwise arranged to be transmitted** by Licensee for ~~KEC~~ **KEPCo** to such delivery and interconnection points on Licensee's system and in such amounts as specified by ~~KEC~~ **KEPCo**, pursuant to paragraph 5(a) below.

3. Licensee shall interconnect with ~~any participating entity~~ **KEPCo** in Licensee's Service Area ~~which when requests such interconnection requested by KEPCo~~ and provide for the following:
 - (a) maintaining and coordinating of reserves, including, where applicable, the purchase and sale of reserve capacity and energy,
 - (b) emergency support,
 - (c) maintenance support,
 - (d) delivery of "unit power" or other participation power out of Wolf Creek Unit 1 from the Licensee, and
 - (e) transmission services for the above and as described subsequently.

4. (a) Licensee and ~~the participating entities in Licensee's Service Area~~ **KEPCo**, having a reserve coordination arrangement provided for in Paragraph 3, above, shall from time to time jointly establish the minimum reserve requirements to be installed and/or provided under contractual arrangements as necessary to maintain in total a reserve margin sufficient to provide adequate reliability of power supply to the interconnected systems of the parties. To have reserve coordination rights, other than reserves for Wolf Creek, with the Licensee, ~~a participating entity~~ **KEPCo** must own or have contractual rights to generating capacity other than of Wolf Creek Nuclear Unit Number 1. Unless otherwise agreed upon, the minimum reserve requirement shall be calculated as a percentage of the projected annual peak load, adjusted for purchases and sales of firm power, including partial requirements firm power. The parties to such a reserve coordinating arrangement shall provide such amounts of operating (ready and spinning) reserve capacity as may be adequate to avoid the imposition of unreasonable demands on the others in meeting the normal contingencies of operating their systems. However, in no circumstances shall any party's spinning or operating reserve requirement exceed the minimum reserve requirement as provided above. (Moreover, if the parties to a reserve coordination agreement cannot agree upon a minimum reserve requirement, ~~the participating entities'~~ **KEPCo's** minimum reserve requirement shall be neither less than nor greater than Licensee's minimum system reserve requirement.)

- (b) Emergency and/or scheduled maintenance bulk power service shall be provided by each party to the extent required by the system in need, and be furnished to the fullest extent available from the supplying system. Licensee and ~~each party(ies)~~ **KEPCo shall provide to the other**, within Licensee's Service Area ~~shall provide to the other~~, emergency and/or scheduled maintenance bulk power service if and when available from its own generation (and from generation of others with whom Licensee is interconnected to the extent it can do so without impairing service to its customers including other electric systems to whom it has firm commitments).
5. (a) Licensee shall transmit **or otherwise arrange for the transmission of** the power from ~~a participating entity's~~ **KEPCo's** share of Wolf Creek Nuclear Unit Number 1 to ~~the participating entity~~ **KEPCo**, or for the account of ~~such participating entity~~ **KEPCo**, to delivery or interconnection points on Licensee's system and in amounts as specified by ~~the participating entity~~ **KEPCo**. Such deliveries shall be reasonable as to the number of points, system adequacy and frequency of schedule changes.
- (b) Licensee shall transmit **or otherwise arrange for the transmission of** power from an entity(ies) outside Licensee's Service Area to ~~a participating entity~~ **KEPCo** within Licensee's Service Area in an amount at least equal to the share of Wolf Creek Nuclear Unit Number 1 ~~of a participating entity that~~ **KEPCo uses** within Licensee's Service Area, when the output of this unit is reduced or unavailable because of maintenance or for other reasons.
- (c) If capacity and energy from ~~a participating entity's(ies')~~ **KEPCo's** portion of Wolf Creek Nuclear Unit Number 1 are delivered to other entities, Licensee shall also provide **for or otherwise arrange for** transmission for a later scheduled return of such energy within the same calendar year, in an equal amount of ~~mwhrs~~ **gWhrs**, from these other entities to the delivery point of ~~the participating entity~~ **KEPCo** within Licensee's Service Area, provided that such transmission arrangements can be reasonably accommodated from a functional and technical standpoint. (For example, any Wolf Creek power transmitted (permissible within the terms of these conditions) out of Licensee's system shall create in ~~participating entity(ies)~~ **KEPCo** the right to call upon Licensee, and the corresponding obligation of Licensee, to transmit **or otherwise arrange for the transmission of** equal power back into Licensee's system for account of ~~said participating entity(ies)~~ **KEPCo**, all within the same calendar year. At any point in time the transfer of power back in (for ~~the account of participating entity(ies)~~ **KEPCo**) could occur simultaneously with full delivery of ~~that participating entity's(ies')~~ **KEPCo's** power from Wolf Creek Nuclear Unit Number 1.

6. (a) Licensee shall sell power at its filed and effective rates (for total or partial requirements) to any ~~entity~~**Entity** in Licensee's Service Area now engaging or proposing to engage in the wholesale or retail sale of electric power.
 - (b) Insofar as the ~~power requirements~~**Power Requirements** of the ~~KEC~~**KEPCo** ~~members~~**Members** in Licensee's Service Area are satisfied by power which is not Licensee's power and which has been transmitted by **or on behalf of the** Licensee for ~~KEC~~**KEPCo** pursuant to Paragraphs 2(~~b~~) and 7 of these license conditions, Licensee's sale of full or partial requirements to ~~KEC~~**KEPCo** or to its ~~members~~**Members** in Licensee's Service Area pursuant to Paragraph 6(a) above shall be correspondingly reduced.
7. In addition to the transmission offered by **or otherwise arranged for by** licensee in Paragraphs 2(~~b~~), 3, 5, and 6 above, Licensee shall, consistent with Paragraph 8 below and with the terms of the May 20, 1976, settlement agreement between Licensee and ~~KEC~~**KEPCo**, transmit **or otherwise arrange for the transmission for** ~~KEC~~**KEPCo** the following power:
 - (a) ~~Commencing July 1, 1980, and until the Wolf Creek Nuclear Unit Number 1 commences commercial operation or is finally abandoned, (i) 30 megawatts of preference customer power, to the extent available, which KEC obtains from Southwestern Power Administration, provided that such preference power is delivered to Licensee's Neosho substation near Parsons, Kansas; (ii) said 30 megawatts may be increased to 90 megawatts of Southwestern Power Administration preference customer power once the Harry S. Truman Dam commences commercial operation, but not before;~~
 - (a)(b) When Wolf Creek Nuclear Unit Number 1 commences commercial operation, and thereafter in each succeeding calendar year until the Project ceases operation or until calendar year 2021, whichever is later, a total of ~~90~~**106** megawatts of preference customer power (~~inclusive of the power described in subparagraph 7(a) above~~) which ~~KEC~~**that KEPCo** obtains from the Southwestern Power Administration or from a source or sources which as a matter of law are administratively foreclosed to Licensee by virtue of a statutory or regulatory preference; ~~The power described in subparagraph 7(a) and (b) shall be transmitted by Licensee for KEC on a contractual buy-sell arrangement unless by entering into such arrangement KEC would lose its entitlement to such preference power;~~
 - (b)(c) When Wolf Creek Nuclear Unit Number 1 commences commercial operation and thereafter so long as this Unit continues operation, or until calendar year 2021, whichever is later, (i) any additional quantities of power which ~~KEC~~**KEPCo** generates from a source other than Wolf Creek Nuclear Unit Number 1, or which ~~KEC~~**KEPCo** obtains from any power source or sources which as a matter of law

are not administratively foreclosed to Licensee by virtue of a statutory or regulatory preference, provided that such power is transmitted by **or on behalf of the Licensee to KECKEPCo members Members** in Licensee's Service Area for the use of such ~~m~~**Members**; and (ii) any other quantities of power which **KECKEPCo** generates from a source other than Wolf Creek Unit Number 1, or which **KECKEPCo** obtains from any power source or sources which as a matter of law are not administratively foreclosed to Licensee by virtue of a statutory or regulatory preference, to the same extent that Licensee would reasonably agree to transmit such power for any other electric utility; ~~and. All the power described in this subparagraph shall be transmitted by Licensee for KEC upon reasonable and timely request for such transmission only on the basis of a contractual buy-sell contract, Licensee shall purchase the designated power as delivered by the seller or any other entity at delivery or interconnection points on Licensee's system and shall resell the same to KEC at the Licensee's purchase price plus an amount which constitutes Licensee's transmission cost including a reasonable return on the investment allocable solely to the transmission of such power;~~

~~(d) All of the power transmitted by Licensee for KEC pursuant to the provisions of subparagraph 7(a)(i) above, shall be used to satisfy the power requirements of the KEC members in Licensee's Service Area. When the Harry S. Truman Dam commences commercial operation and in each succeeding year of commercial operation of the Project, no less than 40 megawatts of the power transmitted by Licensee for KEC pursuant to the provisions of subparagraph 7(b) above, if available, shall be used to satisfy the power requirements of the KEC members in Licensee's Service Area; and~~

~~(c)(e)~~ Insofar as the power of **KECKEPCo** from Wolf Creek Nuclear Unit Number 1 and the power transmitted by **or on the behalf of the Licensee for KECKEPCo** in the manner provided in ~~sub~~**Paragraphs 2(b) and 7(a) through (db)** is not utilized in Licensee's Service Area, as reasonably and fairly determined by **KECKEPCo** in accordance with the foregoing provisions, Licensee shall, upon reasonable and timely request for such service, transmit **or otherwise arrange for the transmission of** such excess power for **KECKEPCo** from and to such interconnection points on Licensee's system and in such amounts as specified by **KECKEPCo** on terms and conditions as provided in ~~sub~~**Paragraphs 2(b) and 7(a) through (db)** above.

8. The transmission described in these license conditions shall be made available only upon terms which fully compensate Licensee for its costs, including any transmission power losses and a reasonable return on investment allocable solely to such transmission and reflected in Licensee's schedules or tariffs filed with the Kansas Corporation Commission or the Federal ~~Power~~**Energy Regulatory** Commission. The transmission described in Paragraphs ~~2(b) and 7~~ above shall be available to **KECKEPCo** for the transmission of requested amounts of power in the manner specified in Paragraphs ~~2(b) and 7(a) through~~

- (~~ec~~) above, provided that ~~KEC~~KEPCo gives Licensee reasonable advance notice of the transmission required and, provided further, that such transmission arrangements can be reasonably accommodated from a functional and technical standpoint and to the extent that Licensee can do so without impairing service to its customers including other electric systems to which it has firm commitments. Nothing herein imposes a requirement on Licensee to become a common carrier.
9. Licensee shall include in its planning and construction of additional transmission facilities sufficient transmission capacity to accommodate the transmission described in Paragraphs 2(~~b~~), 7(~~ba~~), and 7(~~cb~~)(i) above, provided that ~~KEC~~KEPCo gives Licensee sufficient advance notice as may be necessary to accommodate such requirements from a functional and technical standpoint. Licensee and ~~KEC~~KEPCo shall consult with respect to the planning and construction of additional transmission facilities.
 10. The foregoing conditions shall be implemented in a manner not inconsistent with the provisions of, and as provided under, the Federal Power Act and all other applicable Federal and State laws and rates, charges and practices in connection therewith are to be subject to the approval of regulatory agencies having jurisdiction over them.
 11. **The conditions set forth in Paragraphs 2, 3, 4, 5, 6(b), 7, 8, and 9 herein do not restrict KEPCo's rights or the Licensee's duties under other license conditions.**