

# WOLF CREEK

NUCLEAR OPERATING CORPORATION

Jaime H. McCoy  
Vice President Engineering

April 30, 2018

ET 18-0011

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

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

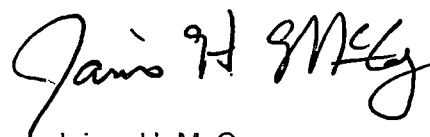
To Whom It May Concern:

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 eighteen million nine hundred sixty-three thousand dollars, as determined by 10 CFR 140.11(a)(4).

Kansas Gas and Electric Company (KGE), a wholly-owned subsidiary of Westar Energy, Inc., Kansas City Power & Light Company (KCPL), a wholly-owned subsidiary of Great Plains Energy Incorporated, and Kansas Electric Power Cooperative, Inc. (KEPCo), have each provided audited Consolidated Statements of Cash Flows in order 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 Cynthia R. Hafenstine at (620) 364-4204.

Sincerely,



Jaime H. McCoy

JHM/rlt

Enclosures: I Kansas Gas and Electric Company Consolidated Statements of Cash Flows  
II Kansas City Power & Light Company Consolidated Statements of Cash Flows  
III Kansas Electric Power Cooperative, Inc. Statement of Cash Flows

cc: K. M. Kennedy (NRC), w/e  
B. K. Singal (NRC), w/e  
N. H. Taylor (NRC), w/e  
Senior Resident Inspector (NRC), w/e

M004  
NRR

Enclosure I to ET 18-0011

**Kansas Gas and Electric Company Consolidated Statements of Cash Flows  
(2 pages)**



April 18, 2018

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

Dear Todd:

Pursuant to the requirements of 10 CFR 140.21(e), Kansas Gas and Electric Company, is providing the attached audited Consolidated Financial Statements as evidence of the ability to make payment of its share of deferred premiums in an amount of \$8.913 million.

The undersigned certifies that the foregoing memorandum with respect to Kansas Gas and Electric Company's cash flow for the year 2017 is true and correct to the best of their knowledge and belief.

Sincerely,

Kevin L. Kongs  
Vice President, Controller

attachment

**KANSAS GAS AND ELECTRIC COMPANY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Dollars in Thousands)

	Year Ended December 31,	
	2017	2016
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:</b>		
Net income .....	\$ 134,144	\$ 149,278
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization .....	168,411	163,407
Amortization of nuclear fuel .....	32,167	26,714
Amortization of deferred regulatory gain from sale leaseback .....	(5,495)	(5,495)
Amortization of corporate-owned life insurance.....	19,021	18,098
Net deferred income taxes and credits .....	58,412	65,377
Allowance for equity funds used during construction.....	(935)	(3,070)
Payments for asset retirement obligations.....	(4,978)	(203)
Changes in working capital items:		
Accounts receivable .....	(770)	(6,604)
Fuel inventory and supplies.....	(4,194)	(241)
Prepaid expenses and other .....	11,560	(20,715)
Accounts payable .....	(4,555)	(6,750)
Other current liabilities.....	(53,074)	(64,685)
Changes in other assets.....	(6,101)	(17,378)
Changes in other liabilities.....	8,448	15,505
Cash Flows from Operating Activities .....	<u>352,061</u>	<u>313,238</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</b>		
Additions to property, plant and equipment .....	(364,682)	(320,248)
Purchase of securities - trust .....	(17,712)	(46,581)
Sale of securities - trust .....	13,788	45,154
Investment in corporate-owned life insurance .....	(13,875)	(14,648)
Proceeds from investment in corporate-owned life insurance .....	1,044	92,279
Advance to parent.....	13,976	6,120
Other investing activities.....	(1,848)	(3,594)
Cash Flows used in Investing Activities.....	<u>(369,309)</u>	<u>(241,518)</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:</b>		
Proceeds from long-term debt .....	—	49,957
Proceeds from long-term debt of variable interest entity .....	—	162,048
Retirements of long-term debt.....	—	(50,000)
Retirements of long-term debt of variable interest entity.....	(26,838)	(187,291)
Borrowings against cash surrender value of corporate-owned life insurance.....	55,094	57,850
Repayment of borrowings against cash surrender value of corporate-owned life insurance.....	(1,008)	(89,284)
Dividends to parent .....	(10,000)	(15,000)
Cash Flows used in Financing Activities .....	<u>17,248</u>	<u>(71,720)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS .....	—	—
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of period.....	—	—
End of period.....	<u>\$ —</u>	<u>\$ —</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
<b>CASH PAID FOR:</b>		
Interest on financing activities, net of amount capitalized .....	\$ 51,054	\$ 51,514
Interest on financing activities of variable interest entity .....	2,959	5,587
<b>NON-CASH INVESTING TRANSACTIONS:</b>		
Property, plant and equipment additions .....	66,270	69,328

Enclosure II to ET 18-0011

**Kansas City Power & Light Company Consolidated Statements of Cash Flows  
(2 pages)**



April 24, 2018

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

Dear Todd:

Pursuant to the requirements of 10 CFR 140.21(e), Kansas City Power & Light Company is providing the attached audited Consolidated Statements of Cash Flows as evidence of the ability to make payment of its share of deferred premiums in an amount of \$8.913 million.

The undersigned certifies that the foregoing memorandum with respect to Kansas City Power & Light Company's cash flow for the year 2017 is true and correct to the best of their knowledge and belief.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Busser", is written over a horizontal line.

*Steven P. Busser*  
*Vice President – Risk Management and Controller*

attachment

**KANSAS CITY POWER & LIGHT COMPANY**  
**Consolidated Statements of Cash Flows**

<b>Year Ended December 31</b>	<b>2017</b>
<b>Cash Flows from Operating Activities</b>	(millions)
Net income	\$ 179.8
Adjustments to reconcile income to net cash from operating activities:	
Depreciation and amortization	266.3
Amortization of:	
Nuclear fuel	32.1
Other	30.2
Deferred income taxes, net	83.5
Investment tax credit amortization	(1.0)
Other operating activities	20.0
Net cash from operating activities	<u>610.9</u>
<b>Cash Flows from Investing Activities</b>	
Utility capital expenditures	(437.7)
Allowance for borrowed funds used during construction	(6.1)
Purchases of nuclear decommissioning trust investments	(33.6)
Proceeds from nuclear decommissioning trust investments	30.3
Other investing activities	(23.9)
Net cash from investing activities	<u>(471.0)</u>
<b>Cash Flows from Financing Activities</b>	
Issuance of long-term debt	299.2
Issuance fees	(3.0)
Repayment of long-term debt	(281.0)
Net change in short-term borrowings	34.6
Net change in collateralized short-term borrowings	20.0
Dividends paid to Great Plains Energy	(212.0)
Net cash from financing activities	<u>(142.2)</u>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(2.3)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>4.5</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2.2</b>

Enclosure III to ET 18-0011

**Kansas Electric Power Cooperative, Inc. Statement of Cash Flows  
(2 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.kepco.org](http://www.kepco.org)

April 17, 2018

Mr. Todd N. Laffin  
Wolf Creek Nuclear Operating Corporation  
P.O. Box 411  
Burlington, KS 66839

Dear Todd:

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 \$1.138 million.

The undersigned certifies that the foregoing memorandum with respect to Kansas Electric Power Cooperative, Inc.'s cash flow for the year 2017 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.  
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ending December 31,	
	2017	2016
<b>Cash Flows From Operating Activities</b>		
Net margin	\$ 2,352,481	\$ 1,932,895
Adjustments to reconcile net margin to net cash flows from operating activities		
Depreciation and amortization	8,498,847	8,173,568
Decommissioning	3,669,710	1,496,722
Amortization of nuclear fuel	3,976,149	3,294,777
Amortization of deferred charges	335,200	3,898,956
Amortization of deferred incremental outage costs	2,055,696	2,373,725
Amortization of debt issuance costs	8,313	15,391
Changes in		
Member accounts receivable	1,066,105	(1,590,640)
Materials and supplies	(717,853)	57,909
Other assets and prepaid expense	(896,884)	(3,509,895)
Accounts payable	(381,601)	1,340,474
Payroll and payroll-related liabilities	24,598	(8,141)
Accrued property tax	(59,394)	(154,440)
Accrued interest payable	(28,722)	(46,105)
Accrued income taxes	280	525
Other long-term liabilities	666,846	723,753
Prepaid pension cost	131,427	131,427
Deferred revenue	(4,641,000)	2,600,736
Net cash flows from operating activities	16,060,198	20,731,637
<b>Cash Flows From Investing Activities</b>		
Additions to electrical plant	(5,831,470)	(10,825,350)
Additions to nuclear fuel	(5,282,361)	(2,506,622)
(Additions)/reductions to deferred charges	(329,094)	340,606
Additions to deferred incremental outage costs	(351,440)	(2,827,500)
Investments in decommissioning fund assets	(3,839,697)	(1,666,711)
Investments in associated organizations	(229,364)	(468,165)
Proceeds from the sale of property	3,410	23,079
Net cash flows from investing activities	(15,860,016)	(17,930,663)
<b>Cash Flows From Financing Activities</b>		
Principal payments on long-term debt	(6,558,200)	(11,457,281)
Proceeds from issuance of long-term debt	5,401,047	21,229,828
Payments unapplied	(748,201)	(5,782,990)
Net cash flows from financing activities	(1,905,354)	3,989,557
Net (decrease)/increase in cash and cash equivalents	(1,705,172)	6,790,531
<b>Cash and Cash Equivalents, Beginning of Year</b>	13,097,952	6,307,421
<b>Cash and Cash Equivalents, End of Year</b>	\$ 11,392,780	\$ 13,097,952
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest paid	\$ 8,663,000	\$ 8,743,500