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March 28, 2001

10 CFR § 50.80

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

**Subject: Docket No. 50-482: Supplemental Information to February 20, 2001, KCPL Application for Consent to Indirect Transfer of Control of Operating License NPF-42 for the Wolf Creek Generating Station**

Dear Sir/Madam:

On February 20, 2001, Kansas City Power & Light Company ("KCPL") submitted an application ("Application") for the indirect transfer of Facility Operating License NPF-42 ("NPF-42") for the Wolf Creek Generating Station ("Wolf Creek"). In the Application, KCPL stated that it would (i) provide to NRC staff a copy of its filing at FERC for the indirect transfer of FERC jurisdictional assets under Section 203 of the Federal Power Act ("FERC Filing") after it had been made and (ii) keep NRC staff informed with respect to significant developments regarding the FERC-filing. A copy of the FERC Filing was provided to NRC staff on February 23, 2001. FERC approved KCPL's request on March 23, 2001. On behalf of KCPL, please find attached a copy of FERC Order approving KCPL's request for your information.

If you have any questions regarding this submittal or require additional information, please contact me at (816)556-2785, or Robert Warnement (202)371-7507 or William Hollaway (202)371-7819 of Skadden, Arps, Slate, Meagher & Flom.

Sincerely,



Robert W. Warnement

Aool

Attachments:

1. FERC Order Approving the Application of Kansas City Power & Light Company for Authorization to Implement Proposed Corporate Restructuring

cc: E. W. Merschoff, Regional Administrator, NRC Region IV  
F. L. Brush, Sr. Resident Inspector, Wolf Creek Generating Station  
J. N. Donohew, NRR Project Manager, Wolf Creek Generating Station  
William J. Riggins, KCPL – General Counsel

bcc: Robert S. Wood, NRC – NRR/DRIP/RGEB (w/o Attachment)  
Susan L. Uttal, NRC – OGC (w/o Attachment)  
Steven R. Hom, NRC – OGC (w/o Attachment)  
Mike Neave (w/o Attachment)  
Len Rawicz (w/o Attachment)  
Bill Hollaway (w/o Attachment)  
Mason Emmett (w/o Attachment)  
Bill Weeden (w/o Attachment)  
Jerry Pfeffer (w/o Attachment)

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Kansas City Power &amp; Light Company

Docket No. EC01-74-000

ORDER AUTHORIZING DISPOSITION  
OF JURISDICTIONAL FACILITIES AND  
CORPORATE REORGANIZATION

(Issued March 23, 2001)

On February 23, 2001, Kansas City Power & Light Company (KCPL) filed an application pursuant to section 203 of the Federal Power Act (FPA) <sup>1</sup> for Commission authorization to implement a corporate reorganization resulting in the formation of a registered holding company to be known as HoldCo. As a result of the proposed restructuring, KCPL will become a wholly-owned subsidiary of HoldCo.

Current Corporate Structure

KCPL is a vertically integrated electric utility engaged in the generation, transmission, distribution, and sale of electric energy in Kansas and Missouri and provides retail services in and around the Kansas City metropolitan area. KCPL consists of four wholly-owned direct subsidiaries: KLT Inc. (KLT), KCPL Receivables Company (KCPL Receivables), Great Plains Power Inc. (Great Plains) and Home Services Solutions Inc. (HSSI).

Proposed Corporate Reorganization

Under the proposed corporate reorganization (Transaction), KCPL will create a new subsidiary, HoldCo, which in turn, will form a new subsidiary, NewCo. KCPL will then merge with and into NewCo, with KCPL as the surviving corporation. KCPL will dividend up to HoldCo, KLT and Great Plains. KCPL, KLT, and Great Plains will then become direct subsidiaries of HoldCo. KCPL Receivables will remain a direct subsidiary of KCPL and HSSI will be divested prior to closing of the Transaction.

The common and preferred shareholders of KCPL who held their shares immediately prior to the effective date of the Transaction will receive equivalent common and preferred shares of HoldCo, respectively. HoldCo will acquire the common stock of KCPL.

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<sup>1</sup>16 U.S.C. § 824(b) (1994).

Discussion

In Central Vermont Public Service Corporation (Central Vermont), <sup>2</sup> the Commission concluded that the transfer of ownership and control of jurisdictional facilities, through a transfer of common stock from existing shareholders to a newly created holding company, constitutes a disposition of jurisdictional facilities requiring prior Commission approval under section 203. Consistent with the Commission's holding in Central Vermont, because KCPL's Transaction involves the transfer of ownership of common stock from existing shareholders to HoldCo, the Transaction is subject to the requirements of section 203.

KCPL states that the Transaction is consistent with the public interest and will not have an adverse effect on competition, rates or regulation. With respect to competition, KCPL states that since the Transaction is an internal corporate restructuring there will not be any horizontal or vertical competitive impacts. With respect to rates, KCPL states that the Transaction will have no effect on either KCPL's operating costs or rate levels and commits not to include the costs of the Transaction in its retail or wholesale rates, or transmission rates. With respect to regulation, KCPL agrees to waive any preemption rights it might otherwise assert under Ohio Power <sup>3</sup> and therefore concludes that the Transaction will not impair the effectiveness of either state or federal regulation.

Notice of the application was published in the Federal Register with comments due on or before March 16, 2001. Kansas Corporation Commission (KCC) and Missouri Public Service Commission (MPSC) filed timely notices of intervention, raising no issues. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedures, <sup>4</sup> KCC and MPSC's notices of intervention serve to make them parties to this proceeding.

After consideration, it is concluded that the Transaction is consistent with the public interest and is authorized, subject to the following conditions:

- (1) The proposed Transaction is authorized upon the terms and conditions and for the purposes set forth in the application;

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<sup>2</sup>39 FERC ¶ 61,295 (1987)

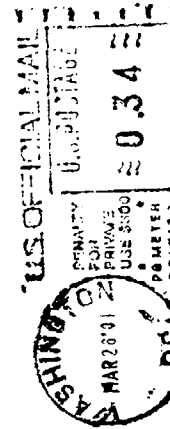
<sup>3</sup>Ohio Power v. FERC, 954 F.2d 779, 784-85 (D.C. Cir. 1992) (Ohio Power).

<sup>4</sup>18 C.F.R. § 385.214(a)(2)(2000).

- (2) The foregoing authorization is without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determinations of cost, or any other matter whatsoever now pending or which may come before the Commission;
- (3) Nothing in this order shall be construed to imply acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted;
- (4) The Commission retains authority under sections 203(b) and 309 of the FPA to issue supplemental orders as appropriate;
- (5) In the event that HoldCo should seek to merge with another public utility holding company, the public utilities of those companies are required to make appropriate filings under section 203 of the FPA;
- (6) KCPL or its affiliates shall make appropriate filings under section 205 of the FPA, as necessary, to implement the Transaction; and
- (7) KCPL shall promptly notify the Commission of the date the disposition of the jurisdictional facilities is consummated.

Authority to act on this matter is delegated to the Director, Division of Corporate Applications, pursuant to 18 C.F.R. § 375.307. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within thirty (30) days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

*for* *Deborah Weyne*  
Michael C. McLaughlin, Director  
Division of Corporate Applications



FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

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