

WOLF CREEK

NUCLEAR OPERATING CORPORATION

Forrest T. Rhodes
Vice President
Engineering & Technical Services

April 24, 1991

ET 91-0081

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

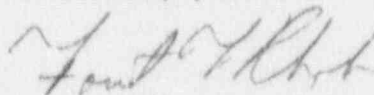
Subject: Docket No. 50-482: Guarantee of Payment of Deferred
Premiums, 10 CFR 140.21

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, 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. H. K. Chernoff of my staff.

Very truly yours,



Forrest T. Rhodes
Vice President
Engineering & Technical Services

FTR/jra

Attachments

cc: L. L. Gundrum (NRC), w/a
A. T. Howell (NRC), w/a
R. D. Martin (NRC), w/a
D. V. Pickett (NRC), w/a

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KANSAS GAS AND ELECTRIC COMPANY

WILLIAM B. MOORE
VICE PRESIDENT - FINANCE

March 29, 1991



Mr. Mike Gayoso
Wolf Creek Nuclear
Operating Corporation
P.O. Box 2908
Wichita, KS 67201

Dear Mike:

Pursuant to the requirements of 10 CFR 140.21, Kansas Gas and Electric 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 1991 is calculated as \$90.7 million and on an average quarterly basis is \$22.7 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 Gas and Electric Company's projected cash flow for the projection year is true and correct to the best of his knowledge and belief.

William B. Moore
Vice President - Finance

KANSAS GAS AND ELECTRIC COMPANY
1991 INTERNAL CASH FLOW PROJECTION
(Dollars in Thousands)

	1990 <u>Actual</u>	Projected Cash <u>Flow for 1991</u>
Net Income after Taxes	\$ 64,184	
Less Dividends Declared	<u>55,116</u>	
Retained Earnings	<u>9,068</u>	
Adjustments:		
Depreciation and Amortization	78,483	
Deferred Income Taxes and Investment Tax Credits	5,444	
Phase-in Revenues and Amortization	17,544	
Corporate-owned Life Insurance	(10,003)	
Gain From Sale-Lease Back	(9,640)	
Investment Write-off	6,632	
Other - Net	<u>3,060</u>	
Total Adjustments	<u>91,520</u>	
Internal Cash Flow	<u>\$100,588</u>	<u>\$ 90,655 (a)</u>
Average Quarterly Cash Flow	<u>\$ 25,147</u>	<u>\$ 22,664</u>
Percentage Ownership in All Operating Nuclear Units	Wolf Creek 47.00%	
Maximum Total Contingent Liability	<u>\$ 4,700</u>	

(a) Projected income information is considered confidential but will be provided if necessary upon request.

KANSAS CITY POWER & LIGHT COMPANY
1991 INTERNAL CASH FLOW PROJECTION
FOR WOLF CREEK NUCLEAR POWER STATION
(Dollars in Thousands)

	1990 Actual	Projected Cash Flow for 1991
Net Income after Taxes	\$102,732	
Less Dividends Declared	<u>87,442</u>	
Retained Earnings	<u>15,290</u>	
Adjustments:		
Depreciation and Amortization	93,411	
Deferred Income Taxes and Investment Tax Credits	24,979	
Allowance for Funds Used During Construction	(2,434)	
Amortization - Deferred Wolf Creek Costs	10,366	
Deferred Wolf Creek Costs	(1,489)	
Amortization - Phase-in deferrals	7,072	
Other Amortizations	<u>3,631</u>	
Total Adjustments	<u>135,536</u>	
Internal Cash Flow	<u>\$150,826</u>	<u>\$152,233*</u>
Average Quarterly Cash Flow	<u>\$ 37,706</u>	<u>\$ 38,058</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 I have reviewed the 1991 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:

Richard M. Tyler

Dated :

April 11, 1991

KANSAS ELECTRIC POWER COOPERATIVE, INC.
1991 Internal Cash Flow Projection

	1990 Prior Year <u>Actual Total</u>	1991 Projected <u>Total</u>
Net Income After Taxes	\$ 438,692	\$ (746,335)
Less Dividends Paid	0	0
Retained Earnings	438,692	(746,335)
Adjustments:		
Depreciation and Amortization	3,234,890	3,292,800
Deferred Income Taxes and Income Tax Credits	0	0
Allowance for Funds Used During Construction	0	0
	<u>3,234,890</u>	<u>3,292,800</u>
Internal Cash Flow	<u>3,673,582</u>	<u>2,546,444</u>
Average Quarterly Cash Flow	<u>\$ 918,396</u>	<u>\$ 636,611</u>
Percentage Ownership in All Operating Nuclear Units		
Wolf Creek Generating Station No. 1		6.00%
Maximum Contingent Liability		\$ 600,000 (1)

(1) KEPCo's Share of NRC Contingent Reserve Premium Liability.