

WOLF CREEK

NUCLEAR OPERATING CORPORATION

Forrest T. Rhodes
Vice President
Engineering & Technical Services

April 28, 1992

ET 92-0092

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

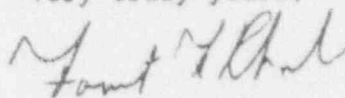
Subject: Docket No. 50-482: Guarantee of Payment of Deferred
Premiums, 10 CFR 140.21

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. S. G. Wideman of my staff.

Very truly yours,



Forrest T. Rhodes
Vice President
Engineering & Technical Services

FTR/mes

Attachments

cc: A. T. Howell (NRC), w/a
R. D. Martin (NRC), w/a
G. A. Pick (NRC), w/a
W. D. Reckley (NRC), w/a
Document Control Desk (NRC) w/a

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KANSAS GAS AND ELECTRIC COMPANY

E. D. PROTHRO
CONTROLLER AND ASST. SECRETARY

April 10, 1992

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(e), Kansas Gas and Electric Company (Company) is providing the attached audited Consolidated Statements of Cash Flows of its ability to make payment of its share of deferred premiums in an amount of \$4.7 million.

The undersigned certifies that the foregoing memorandum with respect to Kansas Gas and Electric Company's cash flow for the year 1991 is true and correct to the best of his knowledge and belief.

E.D. Prothro
Controller and Treasurer

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31
Increase (Decrease) in Cash and Cash Equivalents

	1991	1990 (Thousands)	1989
Cash Flows from Operating Activities			
Net income	\$ 53,602	\$ 64,184	\$ 47,493
Adjustments to reconcile net income to net cash provided:			
Depreciation and amortization	81,129	78,483	79,294
Deferred income taxes	2,818	4,046	9,916
Deferred investment tax credits -- net	708	1,398	(1,745)
Amortization of phase-in revenues	17,545	17,544	17,545
Corporate-owned life insurance	(11,906)	(10,003)	(8,112)
Coal contract settlements (Note 2)	(8,500)	—	(22,500)
Amortization of gain from sale-leaseback	(9,611)	(9,640)	(9,627)
Investment write-off (Note 10)	—	6,632	—
Other -- net	3,947	3,060	10,492
Changes in current assets and liabilities:			
Accounts receivable and unbilled revenues -- net	346	13,588	(6,972)
Other current assets	4,948	(1,725)	(871)
Accounts payable and retail refunds	8,189	(18,518)	23,327
Interest and taxes accrued	1,296	955	(6,692)
Other current liabilities	102	(174)	(698)
Net cash provided by operating activities	<u>144,483</u>	<u>149,529</u>	<u>130,850</u>
Cash Flows from Financing Activities			
Proceeds from:			
Issuance of common stock	31	249	154
Issuance of first mortgage bonds	323,408	—	—
Revolving credit agreement	150,000	90,000	—
Special deposits -- net	13,263	(267)	2,041
Other long-term debt	44,591	90,000	—
Borrowings against cash surrender value of life insurance policies	3,590	3,800	2,130
Short-term borrowings:			
Proceeds -- maturities over three months	110,000	95,000	125,000
Redemptions -- maturities over three months	(120,000)	(150,000)	(50,000)
Maturities three months or less -- net	17,800	(56,400)	(5,300)
Redemptions of:			
First mortgage bonds	(57,000)	—	(118,100)
Revolving credit agreement	(70,000)	(20,000)	(30,000)
Other long-term debt	(421,622)	(5,127)	(180)
Deferred financing costs	(8,508)	—	—
Purchases of treasury stock	—	(64,528)	(17,912)
Dividends paid	(54,143)	(55,116)	(56,720)
Net cash used in financing activities	<u>(68,592)</u>	<u>(72,389)</u>	<u>(148,887)</u>
Cash Flows from Investing Activities			
Additions to electric plant	(74,348)	(62,766)	(56,776)
Corporate-owned life insurance policies	(27,349)	(27,407)	(28,348)
Purchase of short-term investments	(742)	(524)	(7,332)
Drawdown of short-term investments	22,097	26,300	115,643
Other investments	(1,142)	(8,244)	(3,766)
Net cash provided by (used in) investing activities	<u>(81,484)</u>	<u>(72,641)</u>	<u>19,421</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(5,593)</u>	<u>4,799</u>	<u>1,384</u>
Cash and Cash Equivalents at Beginning of Year	<u>7,971</u>	<u>3,172</u>	<u>1,788</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,378</u>	<u>\$ 7,971</u>	<u>\$ 3,172</u>

See notes to consolidated financial statements.

1330 BALTIMORE AVENUE

P. O. BOX 418679

Pursuant to the requirements of 10 CFR 140.21, Kansas City Power & Light 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 1992 is calculated as \$163.6 million and on an average quarterly basis is \$40.9 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 City Power & Light Company projected cash flow for the projection year is true and correct to the best of his knowledge and belief.

Neil Broome
Controller

NAR:d1m
attach

KANSAS CITY POWER & LIGHT COMPANY
1992 INTERNAL CASH FLOW PROJECTION
FOR WOLF CREEK NUCLEAR POWER STATION
(Dollars in Thousands)

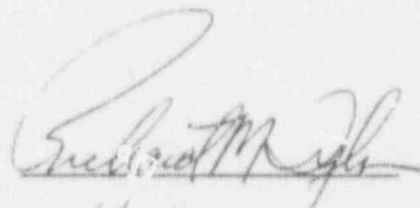
	1991 Actual	Projected Cash Flow for 1992
Net Income after Taxes	\$103,893	
Less Dividends Declared	<u>90,232</u>	
Retained Earnings	<u>13,661</u>	
Adjustments:		
Depreciation and Amortization	92,994	
Deferred Income Taxes and Investment Tax Credits	21,055	
Allowance for Funds Used During Construction	(3,051)	
Amortization - Deferred Wolf Creek Costs	11,734	
Deferred Wolf Creek Costs	(791)	
Amortization - Phase-in deferrals	7,072	
Other Amortizations	<u>5,147</u>	
Total Adjustments	<u>134,160</u>	
Internal Cash Flow	<u>\$147,821</u>	<u>\$163,562*</u>
Average Quarterly Cash Flow	<u>\$ 36,955</u>	<u>\$ 40,891</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.

CERTIFICATION

I, Richard M. Tyler, am Director, Finance and Accounting for Kansas Electric Power Cooperative, Inc., and I have reviewed the 1992 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:



Dated :

4/3/92

KANSAS ELECTRIC POWER COOPERATIVE, INC.
1992 Internal Cash Flow Projection

	1991 Prior Year Actual Total	1992 Projected Total
Net Income After Taxes	(\$269,516)	\$1,598,657
Less Dividends Paid	0	0
Retained Earnings	(269,516)	1,598,657
Adjustments:		
Depreciation and Amortization	3,490,318	3,894,880
Deferred Income Taxes and Income Tax Credits	0	0
Allowance For Funds Used During Construction	0	0
	3,490,318	3,894,880
Internal Cash Flow	3,220,802	5,493,537
Average Quarterly Cash Flow	\$805,201	\$1,373,384

Percentage Ownership in All
Operating Nuclear Units

Wolf Creek Generating Station No. 1

6.00%