



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

October 9, 1996

LICENSEE: Wolf Creek Nuclear Operating Corporation
FACILITY: Wolf Creek Generating Station
SUBJECT: WESTERN RESOURCES PROPOSED TAKEOVER OF KANSAS CITY POWER AND LIGHT
(TAC NO. M95406)

On September 19, 1996, members of the NRC staff met with representatives from Western Resources to discuss the proposed takeover of Kansas City Power and Light (KCPL) by Western Resources (WR). This proposed takeover has been described as a hostile takeover in that the board of directors of KCPL has not agreed to the takeover.

Background

Western Resources currently owns 47 percent of Wolf Creek Generating Station (WCGS) and Kansas City Power and Light owns 47 percent of WCGS. The remaining 6 percent is owned by Kansas Electric Power Cooperative, Incorporated. In January, 1996, KCPL and Utilicorp, a Missouri based utility, announced their intention to merge. Representatives from these two companies met with the NRC staff to discuss the affect this merger would have on WCGS. Later in 1996, Western Resources made an offer to merge with KCPL. There was a KCPL stockholders meeting in August, 1996, at which a vote was taken on the proposed merger of KCPL and Utilicorp. Less than 50 percent of the stockholders voted to approve the merger. At that point, the merger agreement between KCPL and Utilicorp was terminated.

Summary

The representative from WR gave a brief overview of the company and their activities associated with the takeover of KCPL. WR has made an offer to the KCPL shareholders for a stock exchange (WR stock for KCPL stock) that is about \$31.00 per share. That offer is currently before the shareholders and is due to expire in mid October 1996 and may be extended. It is common for these types of offers to be extended.

If WR is successful in its takeover bid, KCPL would be absorbed into the WR corporate structure. KCPL would cease to exist as a separate company. This would mean that WR would own 94 percent of WCGS. WCGS would account for about 24 percent of the combined company's assets.

The merger would have to be approved by the States of Kansas and Missouri, the Federal Energy Regulatory Commission and the Nuclear Regulatory Commission. The merger would also have to be approved by the shareholders of KCPL and WR. It is projected that the merger could be closed as soon as the second half of 1997.

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The affect on WCGS would be minimal. The combined company would be responsible for 94 percent of the decommissioning funds. There would be no foreign ownership as a result of this merger. WR expects to file with the NRC in the near future, before closure of the merger. Another meeting with the NRC staff was suggested either just before or just after filing the application with the NRC. The staff stressed the need to work with the licensing staff at WCGS in preparing the submittal as a result of this merger.

ORIGINAL SIGNED BY KRISTINE M. THOMAS

James C. Stone, Senior Project Manager
Project Directorate IV-2
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

Docket No. 50-482

Attachment: Attendance List

cc w/att: See next page

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Kristine M. Thomas for

James C. Stone, Senior Project Manager
Project Directorate IV-2
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

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Attachment: Attendance List

cc w/att: See next page

cc w/att:

Jay Silberg, Esq.
Shaw, Pittman, Potts & Trowbridge
2300 N Street, NW
Washington, D.C. 20037

Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011

Senior Resident Inspector
U.S. Nuclear Regulatory Commission
P. O. Box 311
Burlington, Kansas 66839

Chief Engineer
Utilities Division
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, Kansas 66604-4027

Office of the Governor
State of Kansas
Topeka, Kansas 66612

Attorney General
Judicial Center
301 S.W. 10th
2nd Floor
Topeka, Kansas 66612

County Clerk
Coffey County Courthouse
Burlington, Kansas 66839

Public Health Physicist
Bureau of Air & Radiation
Division of Environment
Kansas Department of Health
and Environment
Forbes Field Building 283
Topeka, Kansas 66620

Vice President Plant Operations
Wolf Creek Nuclear Operating Corporation
P. O. Box 411
Burlington, Kansas 66839

Supervisor Licensing
Wolf Creek Nuclear Operating Corporation
P.O. Box 411
Burlington, Kansas 66839

U.S. Nuclear Regulatory Commission
Resident Inspectors Office
8201 NRC Road
Steelman, Missouri 65077-1032

Supervisor Regulatory Compliance
Wolf Creek Nuclear Operating Corporation
P.O. Box 411
Burlington, Kansas 66839

Mr. Neil S. Carns
President and Chief Executive Officer
Wolf Creek Nuclear Operating Corporation
Post Office Box 411
Burlington, Kansas 66839

ATTENDANCE LIST
MEETING WITH WESTERN RESOURCES
SEPTEMBER 19, 1996

KANSAS CORPORATION COMMISSION

L. Holloway

WESTERN RESOURCES, INC.

J. Rosenberg

LeBOEUF, LAMB, GREENE & MacRAE

S. Behrends

NPC

J. Stone

W. Lambe

W. Bateman

R. Wood

S. Hom

S. Uttal