

# KANSAS CITY POWER & LIGHT COMPANY

1330 BALTIMORE AVENUE

P.O. BOX 679

KANSAS CITY, MISSOURI 64141

July 17, 1986

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ARTHUR J. DOYLE  
CHAIRMAN OF THE BOARD  
AND  
PRESIDENT

The Honorable William D. Steinmeier  
Chairman  
Missouri Public Service Commission  
Post Office Box 360  
Jefferson City, Missouri 65101

Dear Chairman Steinmeier:

Recall that in December 1985 the owners of Wolf Creek Generating Station announced their intent to form a separate corporation, wholly owned by them in proportion to their ownership of Wolf Creek itself, for the purpose of operating, maintaining, decontaminating and decommissioning Wolf Creek. The new corporation--Wolf Creek Nuclear Operating Corporation (WCNOC)--has been incorporated in Delaware, and has obtained authority to do business in Kansas.

An Application has been filed with the Nuclear Regulatory Commission to amend the Wolf Creek Operating License, by transferring it from KG&E to WCNOC as Operating Agent. I understand that the NRC Staff has recommended approval of the Application and the NRC has ordered publication in the Federal Register.

Within the next week, an Application to the Kansas Corporation Commission will be filed seeking a Certificate of Public Convenience and Authority for WCNOC. We are pleased with the progress made to date toward our goal of operating Wolf Creek under the new arrangement commencing on January 1, 1987.

Since our announcement in December, we have supplied copies of several documents to your Staff, and have had numerous conversations with them concerning WCNOC. Your Staff has shown particular interest in the extent to which WCNOC might somehow restrict Missouri Commission jurisdiction over KCPL's interest in Wolf Creek, or impede Staff access to records, data and the site itself. While our employees have provided assurances to your Staff that WCNOC will not impair your ability to regulate or oversee Wolf Creek's operation, I want to reiterate and underscore those assurances.

The formation of, and assumption of Wolf Creek operating responsibilities by, WCNOC will not impair or restrict MPSC regulatory

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authority with respect to KCPL generally, or its interest in Wolf Creek specifically. I am aware of the distinction in Federal versus State jurisdiction concerning rate regulation of electric power and energy sold "at wholesale for resale." WCNOG will not own any utility property at Wolf Creek; it will not own any of the electrical generation from Wolf Creek. KCPL will continue to own its undivided interest in Wolf Creek and will own its related proportionate share of the capacity and electrical energy production of Wolf Creek. Thus, WCNOG will not sell electric power or energy "at wholesale for resale" to which any Federal jurisdiction could attach. We have very carefully designed WCNOG to be an operating company, only, representing merely a formal incorporation of the existing informal Wolf Creek management arrangement.

In order to carry out your continued jurisdiction over KCPL and Wolf Creek, certainly you and your Staff will have access to Wolf Creek records, data and the site, subject only to compliance with site security restrictions applicable to all individuals. In fact, I would expect Staff access to records and financial data concerning Wolf Creek to actually be facilitated by the formation of WCNOG, and the specific provisions of the Operating Agreement directly obligating it to respond to the regulatory oversight requirements of all owners, irrespective of situs or jurisdiction represented.

It is my expectation that WCNOG's formation will improve our ability to respond to your regulatory responsibilities, and we will certainly strive to accomplish that end.

Sincerely,



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