

ATTACHMENT 5

Financial Responsibility

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In satisfaction of this requirement, the licensee may submit existing ownership agreements together with documentation from each owner of the applicability of the agreement to the case of financial responsibility for decommissioning.

Each Owner's financial responsibility for decommissioning is found in various sections of the Ownership and Operating Agreements which are attached.

Section 4.3(e) of the Ownership Agreement states that each Owner shall at all times pay a share of all costs and expenses, including any current funding required to discharge the burden of wastes and waste fuel management, including storage, transportation, risk and liability upon and as part of decommissioning expense for each Unit in accordance with the applicable Operating Agreement in effect.

Section 4.02 of the Operating Agreement provides that the costs incurred or accrued from all sources during each calendar month in decontaminating and decommissioning the station shall be the liabilities of the Owners when incurred or accrued and shall be borne by the Owners in proportion to their Ownership Shares, defined on p. 2 as 47% KGE; 47KCP&L; 6% KEPCO.

Section 4.04 of the Operating Agreement requires that if, and to the extent that, requirements have been or are hereafter imposed on an Owner by a federal or state authority Owner in a final order or regulation which specifies that provision be made for decommissioning costs for the Station in a particular manner or manners, such Owner will promptly take such action on its part as may be necessary to comply with such requirements.

Section 8.06 of the Operating Agreement provides that if any Owner shall be required to make any payment or incur any obligations attributable to the decontamination or decommissioning of the Station in excess of its respective Ownership Share, the other Owners shall indemnify and reimburse such Owner proportionately to their Ownership Shares to the extent of any such excess together with interest on such excess (for the period between the payment by the Owner to be so indemnified and its receipt of such indemnification).

WOLF CREEK GENERATING STATION
OWNERSHIP AGREEMENT

THIS OWNERSHIP AGREEMENT is made December ~~28~~, 1981, by and among KANSAS GAS AND ELECTRIC COMPANY ("KG&E"), a Kansas corporation having its principal office at Wichita, Kansas; KANSAS CITY POWER & LIGHT COMPANY ("KCPL"), a Missouri corporation having its principal office at Kansas City, Missouri; and KANSAS ELECTRIC POWER COOPERATIVE, INC. ("KEPCo"), a Kansas corporation having its principal office at Topeka, Kansas.

RECITALS

0.1 KG&E and KCPL are engaged in the generation, transmission, distribution and sale of electricity and KEPCo intends to become the power supplier for its member electric cooperatives in Kansas. KG&E, KCPL and KEPCo intend to own, construct and operate an electric generating station in Coffey County, Kansas, known as the Wolf Creek Generating Station ("Wolf Creek Station"), consisting initially of (i) a site for operation of electric generating units (the "Site"); (ii) a nuclear-fueled electric generating unit of approximately 1150 MWe nominal capacity ("Unit #1"); and (iii) facilities which may be used in common for operation of Unit #1 and additional generating units that may be constructed at the Site in the future (the "Common Facilities"), all to be owned by them as tenants in common, each with undivided ownership interests therein as hereinafter provided.

0.2 KG&E and KCPL, with three other electric utilities (Northern States Power Company, Union Electric Company and Rochester Gas and Electric Corporation), are participants in a program for the design, construction and licensing of standardized nuclear power plants, known as "SNUPPS" or "Standardized Nuclear Unit Power Plant System."

0.3 KG&E has caused the acquisition by Peoples National Bank and Trust Company, Burlington, Kansas (the "Trustee"), as Trustee for KG&E and KCPL, of a parcel of land in Coffey County, Kansas, for the Site.

0.4 KG&E and KCPL have, upon application to the United States Nuclear Regulatory Commission (then the Atomic Energy Commission) received a Construction Permit dated May 17, 1977, authorizing the construction of Unit #1 at the Site, which unit will be substantially of a SNUPPS' design.

0.5 KG&E has made Applications dated February 20, 1968 (No. 14626), December 19, 1972 (No. 19882) and March 1, 1973 (No. 20275) to the Division of Water Resources of the Kansas Department of Agriculture for certificated authority for appropriations of waters from Wolf Creek and the Neosho River for operation of Wolf Creek Station. Also, KG&E and KCPL have obtained a Contract dated March 13, 1976, from the Kansas State Water Resources Board for water from the John Redmond Lake (Reservoir) on the Neosho River for operation of the Wolf Creek Station.

0.6 KG&E and KCPL, together and as participants in SNUPPS, have entered into numerous contracts relating to the design, licensing, construc-

tion and equipping of Unit #1, together and as a common effort with other SNUPPS participants, including, without limitation, (i) a Contract dated February 9, 1973, with Bechtel as architect/engineer and project manager related to the design of the nuclear power block facilities for Unit #1; (ii) a Purchase Order dated February 15, 1974, with Sargent and Lundy as architect/engineer and for design and engineering as related to the balance of plant facilities and Site for Unit #1; and (iii) a Contract dated February 8, 1977, with Daniel International, Inc., through its subsidiary Daniel Construction Company, as constructor and as agent for the Owners in the construction management of Unit #1.

0.7. Contemporaneously herewith, KG&E and KCPL have by General Assignment transferred and assigned to KEPCo individual undivided interests in all permits, contracts and other rights referred to in Sections 0.4, 0.5 and 0.6 hereof, and KEPCo has by a General Acceptance adopted and agreed to be bound by the provisions of all permits, contracts and other grants related to Unit #1 to the extent of its undivided interests therein as provided in Section 1.5 hereof.

0.8 This Ownership Agreement is executed for the purposes of (i) creating and confirming the nature and extent of the respective ownership interests of KG&E, KCPL and KEPCo in the Wolf Creek Station; and (ii) imposing certain covenants and obligations running with the rights, titles and interests of KG&E, KCPL and KEPCo in and to Wolf Creek Station, which covenants and obligations are intended to inure to the benefit of and be binding upon KG&E, KCPL and KEPCo, and any and all persons whomsoever having or claiming any right, title or interest therein by, from, through or under KG&E, KCPL or KEPCo.

NOW, THEREFORE, KG&E, KCPL and KEPCo, each for itself, its successors and assigns, and for the benefit of the other, its successors and assigns, hereby covenant and agree as follows:

ARTICLE I

Creation and Adjustment of Ownership Interests

1.1 Definition of Wolf Creek Station. As used herein, the term "Wolf Creek Station" means and consists of:

(a) the lands and land rights described in Exhibit A hereto, together with all additional lands and land rights as may hereafter be acquired therefor as provided in this Section (the "Site");

(b) all site improvements and facilities at the Site (exclusive of Unit #1 as provided in Subsection (c) hereof, and exclusive of any Additional Unit as provided in Subsection (d) hereof), which are designed for joint utilization in the operation of Unit #1 and any Additional Unit or Units as may be appropriate for common use, including, without limitation, dams, cooling lakes, dam permits, water rights, water intake and discharge facilities, roads, railroad facilities, materials and supplies, control facilities, shop facilities, switchyard and substation equipment (excluding transmission line

terminations), elevators, cranes, laboratory equipment, office facilities, fuel handling facilities, together with any governmental applications, permits, appropriations, approvals and authorizations obtained in connection therewith (the "Common Facilities");

(c) Unit #1 (including all facilities and property, together with all nuclear fuel and all contracts and inventories for nuclear fuel associated with Unit #1 (the "Nuclear Fuel")) to be constructed and installed as contemplated in Sections 0.2, 0.4, 0.5 and 0.6 hereof; provided such facilities and property are for the exclusive use and operation of Unit #1;

(d) any Additional Unit constructed at the Site, including all facilities and property, together with all fuel and all fuel contracts and fuel inventories for such Additional Unit constructed at the Site, provided such facilities and property are for the exclusive use and operation of such Additional Unit;

provided that the same shall have been acquired, constructed or installed for joint or common use as a portion of Wolf Creek Station and jointly owned or leased, as permitted by Section 5.6 hereof, by the Owners for such use.

1.2 Trustee's Deed. KG&E, KCPL and KEPCo shall, from time to time, cause the Trustee to execute Trustee's Deeds conveying Wolf Creek Station, including the Site with all improvements thereon, to themselves and their successors and assigns, as tenants in common, subject to the provisions of this Ownership Agreement.

1.3 Recordations. Executed counterparts of (i) this Ownership Agreement, and (ii) the Trustee's Deed referred to in Section 1.2, shall be filed of record and recorded in the offices of the Recorder of Deeds for Coffey County, Kansas, in the order of precedence herein stated.

1.4 Initial Jointly Owned Facilities. Upon recordation of such instruments as provided for in Section 1.3, KG&E, KCPL and KEPCo shall complete initial construction of Wolf Creek Station, including Unit #1, and all other facilities as contemplated by the Contracts referred to in Section 0.6, for their common use at Wolf Creek Station under the provisions of Section 1.1 hereof. All costs thereafter incurred in connection therewith shall be borne and paid by KG&E, KCPL and KEPCo, with funds to be provided individually by them, in proportion to their Ownership Shares as stated in Section 1.5 hereof.

1.5 Ownership Shares. At the time of the first closing, KG&E, KCPL and KEPCo shall take and receive title to and thereafter own, except to the extent that any owner's undivided interest in Nuclear Fuel has been financed as permitted by Section 5.6 hereof, Wolf Creek Station as tenants in common, each with undivided ownership interests therein as follows:

<u>Class of Property</u>	<u>Ownership Interests</u>		
	<u>KG&E</u>	<u>KCPL</u>	<u>KEPCo</u>
Site (at acquisition cost)	30%	30%	6%
Common Facilities (including site improvements)	30%	30%	6%
Wolf Creek Unit #1	30%	30%	6%

Because the Trustee will continue to hold legal title with respect to the remaining interests of KG&E and KCPL in the Wolf Creek Station pending subsequent closings, the foregoing table will be amended automatically to reflect the revised ownership interests specified by subsequent Trustee's Deeds. To the extent that any Owner shall finance its undivided interest in Nuclear Fuel as permitted by Section 5.6, such Owner shall for all purposes of this Agreement be considered to be the Owner of such undivided interest in Nuclear Fuel notwithstanding that an ownership interest in such undivided interest in such Nuclear Fuel has been granted to another party for such purpose. Each of such undivided ownership interests shall be subject to adjustment from time to time as provided for in Section 1.6, 1.8, 4.4 and 8.1. Such undivided percentage interests in all or portions of Wolf Creek Station are herein called "Ownership Shares." The rights, titles and interests of KG&E, KCPL and KEPCo in and to Wolf Creek Station and any and all portions hereof, as the same may exist from time to time, shall be as provided for under this Ownership Agreement, and the covenants and obligations herein shall inure to the benefit of, and shall be binding upon, their successors and assigns.

1.6 Owners. KG&E, KCPL and KEPCo each shall have the right to and may cause an adjustment of its respective Ownership Share in Wolf Creek Station (or any portion thereof as provided herein) by transfer, under Section 5.3 or 5.4, of portions of such Ownership Share pursuant to this Ownership Agreement, subject, however, to the receipt and filing of (i) a Supplemental Agreement hereto reflecting such adjustment and (ii) appropriate releases of any encumbrances thereon and compliance with the provisions of any security agreement related thereto, as contemplated in Section 5.2 hereof. Any party owning an Ownership Share in all or any portion of Wolf Creek Station is herein called an "Owner" thereof, and all such parties are herein called the "Owners."

1.7 Common Facilities. Wolf Creek Station has been designed to accommodate additional generating units on the Site ("Additional Units") with joint utilization of those facilities as may be appropriate for common use, including, without limitation, all facilities defined as Common Facilities.

1.8 Additional Units. Any Owner or Owners having in the aggregate more than fifty percent (50%) of the total Ownership Shares in Unit #1 shall have the continuing right to determine, from time to time and at any time, whether an Additional Unit will be constructed on the Site and, if so, the type of electric generating unit to be constructed, the scheduled date for completion thereof and those electric systems which will be invited to participate in ownership thereof; provided, however, that in the event such Owner or Owners having said majority of Ownership Shares in Unit #1 determine to construct such Additional Unit, then and in such event each Owner having an Ownership Share in Unit #1 shall have the right, at its own election, to participate in the ownership of such Additional Unit with an undivided percentage interest therein up to, but not in excess of, its then Ownership Share in Unit #1, except by mutual agreement of all Owners of the total Ownership Shares in Unit #1. The agreed Owners of an Additional Unit shall have the right, upon terms and conditions mutually agreeable to each of them, to cause or permit (i) the construction and operation of such Additional Unit and all facilities related thereto on the Site, and (ii) the relocation or modification of any of the facilities and property then included in Wolf Creek Station and any solely owned facilities then located on the Site as provided in

Article II, for construction and operation of any such Additional Unit and its related facilities; provided (a) that such construction and operation will not unreasonably interfere with or materially impair the use of the facilities and property then included in Wolf Creek Station or otherwise located on the Site, (b) that any agreed adjustment of the Ownership Shares in the Common Facilities and the Site will be reflected as capital transactions, subject to compliance with the applicable provisions of any related security agreement contemplated in Section 5.2 hereof, and (c) that all other costs thereof, including any such relocation or modification costs, are borne by the Owners of such Additional Unit. The proportional adjustments to be made in such undivided Ownership Shares in the Common Facilities and the Site shall be made prior to commencement of construction of any Additional Unit and shall be reflected by purchases and sales (at the depreciated original cost thereof to the selling Owner, including all gross allowances for funds used during construction properly recorded on the books of such seller) of such portions thereof as will adjust the Ownership Shares of the Common Facilities and the Site of all Owners of Wolf Creek Station, including the Owners of such Additional Unit, in proportion to their ownership interests in the total gross capacity, as related to the initial net accredited capacity, of all Units including the nominal gross capacity of the Additional Unit to be constructed. It is intended that the Common Facilities for Unit #1 will not include any of the facilities that are exclusively for any Additional Unit at Wolf Creek Station. For the purpose of calculating any revision of the weighted percentage Ownership Shares of the Owners in the Common Facilities, the allocation of Common Facilities among Units shall be made on the basis of the relation of any Common Facility to a particular Unit or Units as agreed among the Owners. Common Facilities that have no relation to a particular Unit will not be allocated to the Owners of such Unit based upon their Ownership Shares therein. For the purposes of allocating Common Facilities, all Ownership Shares and ownership interest calculations based on capacity shall be made using "nominal gross capacity".

ARTICLE II

Easements for Interconnection Facilities

2.1 Interconnection Facilities. Each Owner shall have the right to install, own, operate, and maintain, at its own costs and expense, at, on, along, over, under and across the Site such facilities as are reasonably required (i) to enable it to deliver to its own system the electric power and energy which it is entitled to receive from any Unit at Wolf Creek Station, (ii) to establish interconnections between its system and the systems of others, and (iii) to connect separated portions of its own system facilities, provided that such solely owned facilities shall be so installed, operated and maintained as not unreasonably to interfere with or materially impair the use of any then existing facilities located on the Site or the ultimate full utilization thereof. Interconnection Facilities are not to be considered part of the Wolf Creek Station.

2.2 Relocations and Modifications. In the event an Owner proposes to install and operate any such solely owned facilities hereunder which would require the relocation or modification of any then existing facilities located on the Site but would otherwise meet the requirements of this Agreement,

such Owner shall have the right to cause such relocation or modification, provided it bears the cost thereof.

2.3 Personal Property. All solely owned facilities, including transmission lines and terminations, installed pursuant to the provisions of this Article shall be and remain the sole property of the Owner installing them; shall not be a portion of Wolf Creek Station under Section 1.1 hereof; shall, where practicable, be identified by distinctive marking as the property of such Owner, and shall be deemed and considered to be personal property in which such Owner has reserved the right to remove the same at any time.

2.4 Exclusive Right, Title and Interest. No provision hereof shall give to any other Owner or anyone claiming by, from, through or under such other Owner any right, title or interest in any such solely owned facilities permitted by Section 2.1 hereof.

ARTICLE III

Management and Operation of Wolf Creek Station

3.1 Common Facilities Committee. Except as provided in Subsection 3.7(c) hereof, all policies relating to the management and operation of the Common Facilities and the Site shall be determined by a Common Facilities Committee consisting of two representatives of each Owner thereof. The chief executive officer of each such Owner shall designate, from time to time, its two representative members to serve on the Common Facilities Committee, at least one of whom shall be a corporate officer of such Owner. Such designation shall be by written notice to the other Owners thereof. Such management and operation of the Common Facilities and the Site shall be consistent with the provisions of this Ownership Agreement.

3.2 Management Committee. Except as provided in Subsection 3.7(c) hereof, all policies relating to the management and operation of any Unit (including fuel for such Unit) shall be determined by a Management Committee therefor consisting of two representatives of each Owner thereof. An Owner's representative members on the Common Facilities Committee shall serve as its representative members on such Management Committee. Such management and operation of each Unit shall be consistent with the provisions of this Ownership Agreement.

3.3 Committee Action. Each Owner shall have a vote on each such Committee equal to its Ownership Shares in the property to be managed by such Committee. Actions by any Committee shall require a majority vote of the undivided Ownership Shares except as stated in Section 3.5(a). No Committee shall have authority to modify any provision of this Ownership Agreement.

3.4 Property Additions and Retirements.

(a) The Common Facilities Committee and each Management Committee shall cause to be made such significant property additions to and removals or retirements from the facilities and property

constituting the Site, the Common Facilities and each Unit, respectively, as may, from time to time, be deemed by such Committee to be necessary or desirable.

(b) Each Owner of the Site, the Common Facilities or any Unit shall pay for the cost of any such property addition thereto in the same percentage as its Ownership Share therein, and the rights, titles and interests of any Owner in and to any such property addition shall be proportionate to its Ownership Share therein.

(c) Upon such removal or retirement of any facilities or property included in any portion of Wolf Creek Station and subject to compliance with the applicable provisions of any related security agreement contemplated in Section 5.2 hereof, the Owners thereof may, at their option and notwithstanding the provisions of Section 5.1 hereof, (i) divide or partition such removed or retired facilities or property, or (ii) sell or otherwise dispose of such removed or retired facilities or property and distribute the proceeds thereof to or for the account of each Owner thereof in accordance with its Ownership Share therein.

3.5 Destruction, Damage or Condemnation.

(a) If more than half of Wolf Creek Station or any Unit should be destroyed, damaged or condemned, the Owners thereof by unanimous agreement may elect to repair, restore or reconstruct the damaged, destroyed or condemned facilities in such manner as such Owners may then mutually agree. In the event of such election, it shall be the obligation of such Owners to pay for the costs thereof in accordance with their respective Ownership Shares therein, and, upon completion thereof, such Owners' rights, titles and interests therein shall be as provided under this Ownership Agreement.

(b) In the event such Owners fail to agree as provided in Subsection (a) above, a majority interest of the Ownership Shares in any such Unit may elect in writing to repair, restore or reconstruct the damaged, destroyed, or condemned facilities and the Owners of such majority interest shall thereupon have the right to purchase the minority Ownership Shares in such Unit, together with the related proportionate Ownership Shares of the minority interest in the Common Facilities and Site at a cost not to exceed the salvage or remaining value thereof.

(c) In the event that such Owners do not proceed as provided in Subsection (a) or (b) above, such failure shall be deemed to be an election not to repair, restore or reconstruct the damaged, destroyed or condemned facilities, in which event the proceeds from any insurance policy or condemnation award shall be distributed to or for the account of such Owners in accordance with their respective Ownership Shares therein, and the remaining facilities shall be disposed of by such Owners in a manner as may then be

mutually agreed by them and the proceeds therefrom shall be distributed to or for the account of such Owners in accordance with their Ownership Shares therein, all subject to the liens of any encumbrance and the provisions of any related security agreement contemplated in Section 5.2 hereof.

(d) In the event that less than half of any Unit shall be damaged, destroyed or condemned, then it shall be the obligation of the Owners thereof to repair, restore or reconstruct the damaged, destroyed, or condemned facilities and to pay for the same as provided in Subsection (a).

3.6 Requirements of Mortgage Indentures. Each Owner may take such action in regard to its Ownership Share in any portion of Wolf Creek Station (including any fuel) as may be necessary to comply with any provision (i) of any existing deed of trust, mortgage indenture or other security agreement of such Owner, or (ii) which, with respect to any future deed of trust, mortgage indenture or other security agreement of such Owner, is or would be required to qualify a trust indenture under the Trust Indenture Act of 1939, as amended (15 U.S.C. 77aaa et seq.) and the General Rules and Regulations thereunder (17 C.F.R. 260), including, without limitation, provisions relating to standards of maintenance, absence of liens, payment of taxes and governmental charges, compliance with governmental regulations, insurance coverage, and the like; provided that any such action by one Owner shall not effect a default by another Owner under the provisions of any then existing security agreement of the other Owner. The Common Facilities Committee or the appropriate Management Committee shall take such action relating to the operation and maintenance of the Common Facilities or any Unit as any Owner of an Ownership Share therein shall advise, in writing, is necessary for such Owner to comply with the provisions of any such existing or future deed of trust, mortgage indenture or security agreement to which it is a party and the costs therefor shall, unless otherwise provided in the applicable Operating Agreement, be borne by the Owners of such portion of Wolf Creek Station in proportion to their Ownership Shares therein.

3.7 Operating Agent.

(a) Each Owner of the Site, Common Facilities and each Unit hereby authorizes KG&E to act as its agent to perform, as an Operating Agent, through KG&E's own employees, agents, servants and contractors, all functions as may be required for the actual operation and maintenance of the Site, Common Facilities and each Unit, including fuel therefor, subject, however, to the policies established by the Common Facilities Committee and the Management Committee for each Unit, respectively; provided, however, that KG&E shall not be liable to any other Owner for any loss, cost, damage or expense incurred by such Owner as a result of any action or failure to act by KG&E, as Operating Agent, in respect to its operation and maintenance of the Site, Common Facilities or Unit, unless KG&E's action or failure to act was not in good faith and was prejudicial to such Owner for the benefit of KG&E.

(b) The Operating Agent shall have full power and authority to act in all matters related to the operation and maintenance of the Site, Common Facilities and each Unit (including fuel therefor) and shall be required to secure appropriate Committee approval with respect only to those policy matters which are clearly beyond the normal course of operation or maintenance.

(c) Notwithstanding any other provision of this Agreement, the Operating Agent shall perform any and all actions duly required by the Nuclear Regulatory Commission or any other regulatory body having jurisdiction over the operation and maintenance of Wolf Creek Station.

(d) Upon written notice to KG&E, the other Owner with the greatest percentage ownership interest in the Site may, at its option, forthwith become, and assume the duties of, Operating Agent hereunder in the stead of KG&E if at such time (i) KG&E has been finally adjudged a bankrupt, or KG&E's Ownership Share in Wolf Creek Station has been seized and is held by any governmental authority having jurisdiction provided that KG&E shall be reinstated upon final termination of the proceedings and it recovers its Ownership Share in Wolf Creek Station, and (ii) such other Owner is not bankrupt and its Ownership Share in Wolf Creek Station has not been seized by any governmental authority.

(e) Contracts covering design, engineering, procurement, construction and installation services and major components of Units and all other contracts relating to procurement, operation and maintenance, including contracts for the acquisition of materials, inventories, supplies, spare parts, equipment, fuel or services therefor, may be executed solely by the Operating Agent or at its request shall be executed by each Owner. Whether or not a contract is entered into in the name of all Owners, each Owner shall be severally and not jointly responsible for its percentage of the amounts which are payable thereunder and all performance with respect to such contracts in proportion to its Ownership share therein. The Operating Agent is expressly authorized to execute all contracts as agent on behalf of each of the Owners. Each contract entered into in the name of all Owners shall provide for several, but not joint, liability in proportion to each Owner's respective percentage Ownership Share therein, and at the Operating Agent's determination, may provide for separate invoicing to each Owner in accordance with its respective percentage Ownership Share thereof.

3.8 Operating Agreements. The Owners of the Common Facilities and the Owners of each Unit shall, by and through agreements among themselves, enter into Operating Agreements for the purpose of establishing with respect thereto more detailed provisions and procedures to implement the provisions of this Ownership Agreement. If an Owner of any portion of Wolf Creek Station shall transfer, under the provisions of Section 5.3 or 5.4, all or any portion of its Ownership Share therein, such Owner shall assign, and shall cause its transferee to assume, the related portion of its rights and obligations under the Operating Agreement applicable thereto. No assignment of any rights or

obligations under an Operating Agreement shall be made except in connection with a transfer of an Ownership Share hereunder. In any instance of conflict between this Ownership Agreement and any other contract or agreement, including any Operating Agreement, the provisions hereof shall take precedence and shall govern.

ARTICLE IV.

Capacity and Energy Entitlement and Financial Obligations

4.1 Capacity Entitlement. Subject to the provisions of Section 4.4, each Owner shall be entitled at all times to the then effective maximum operable capability of a Unit (as then permitted by law) in proportion to its Ownership Share in such Unit at such time, and it hereby waives any and all right to any capacity in excess of such pro rata capability.

4.2 Energy Entitlement. Subject to the provisions of Section 4.4, each Owner of a Unit, at all times, (a) shall be entitled to schedule and have the right to receive energy from such Unit at a rate not in excess of that portion of the then maximum operable capability of such Unit (but not in excess of that then permitted by law), and (b) if requested by any other Owner, shall schedule energy from such Unit at a rate not less than that portion of the minimum operable capability of such Unit (but not less than that permitted by law), which is proportional to its Ownership Share in such Unit at such time, each as measured on the basis of net output on the generator side of the step-up substation bus for such Unit.

4.3 Financial Obligations. Each Owner shall at all times pay

(a) a share corresponding to its then Ownership Share in the Site of all expenditures for the lands and land rights described in Exhibit A hereto, together with all additional lands and land rights as may hereafter be acquired therefor;

(b) a share corresponding to its then Ownership Share in Common Facilities of all expenditures for construction, operation and maintenance of Common Facilities and for renewals, replacements, additions and retirements in respect thereof;

(c) a share corresponding to its then Ownership Share in each Unit of all expenditures (other than those in respect to Common Facilities) for construction, operation and maintenance (excluding variable costs, including those associated with fuel use, as provided in the applicable Operating Agreement) of such Unit and for renewals, replacements, additions and retirements in respect thereof;

(d) a share of all expenditures in respect to fuel used (and other variable generating costs as provided in the applicable Operating Agreement) for each Unit corresponding to the ratio of the energy taken by it from such Unit to the total energy taken by the Owners of such Unit, as provided in the applicable Operating Agreement; and

(e) a share of all costs and expenses, including any current funding required to discharge the burden of wastes and waste fuel management, including storage, transportation, risk and liability upon and as part of decommissioning expense for each Unit in accordance with the applicable Operating Agreement in effect.

For the purposes of this Section, expenditures shall not be deemed to include (i) interest charges on borrowed funds, income taxes, and property, business and occupation taxes of each Owner, which shall be borne entirely by such Owner, and (ii) depreciation, amortization and allowances for funds used during construction.

4.4 Default.

(a) If prior to the date of commercial operation of Unit #1 or any Additional Unit an Owner thereof shall (a) be in default of any obligation hereunder for a period of 10 days or more after notice thereof by any other Owner, or (b) fail or be unable, for any reason whatsoever, to make any payment within 30 days of the date due for or on account of the construction of Wolf Creek Station, or (c) shall admit in writing its inability to pay its debts generally as they become due or shall file a petition in voluntary bankruptcy or shall make a general assignment for the benefit of its creditors, or shall consent to the appointment of a receiver for the whole or any part of its utility assets; or shall be adjudicated a bankrupt or insolvent; or an order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without such Owner's consent, a receiver for the whole or any substantial part of its assets and such adjudication order, judgment or decree shall not be vacated or set aside or stayed within 90 days after the entry thereof, or (d) has been declared in default under any mortgage, deed of trust, or other instrument under which a lien or other security interest has been granted or acquired in such Owner's ownership interests in Wolf Creek Station, then such Owner shall be deemed to be in default hereunder and the nondefaulting Owner or Owners thereof may, by written notice to the defaulting Owner, but without relieving any defaulting Owner of its liability for the default, (i) agree to complete or cause the completion of construction of the Unit without additional payments by the defaulting Owner and (ii) limit the defaulting Owner's ownership interests in the Unit, Site and Common Facilities at Wolf Creek Station to those percentages thereof as are equal to the ratio of the payments theretofore made by the defaulting Owner to the total construction expenditures of the Owners therefor, exclusive of any allowance for funds used during construction, in which event the defaulting Owner's ownership interests in the Unit, Site and Common Facilities at Wolf Creek Station shall reduce automatically and concurrently as and to the extent that additional construction expenditures (exclusive of any allowance for funds used during construction) are paid by or for the account of the nondefaulting Owner or Owners for completion thereof; provided, however, that upon completion thereof the defaulting Owner shall remain subject to the provisions of Sections 4.1, 4.2, 4.3 and 4.4 hereof with respect to its reduced Ownership Share therein; and provided further, that to the extent

that any Owner's interest in Nuclear Fuel is the subject of a financing arrangement permitted under Section 5.6 hereof, no reduction in such Owner's interest in Nuclear Fuel subject to such financing arrangement shall be made. Subject to the foregoing, in any such event, the respective ownership interests of the Owners in the Unit, Site and Common Facilities at Wolf Creek Station shall adjust automatically and proportionately to reflect the defaulting Owner's decreasing ownership interests therein and the non-defaulting Owners' increasing ownership interests as and to the extent that additional construction expenditures are made or caused to be made by each nondefaulting Owner for completion thereof.

(b) If subsequent to the date of commercial operation of Unit #1 or any Additional Unit an event of default by any Owner occurs in the payment of all or any part of its share of any expenditures as provided in Section 4.3, such Owner shall not be entitled to schedule or receive any energy from any such Unit during the continuance thereof if such default is not cured within five (5) days after delivery of written notice of such default by any other Owner; and during the remaining period of any such default the nondefaulting Owners of each Unit in which such Owner has an Ownership Share therein shall be entitled (without relieving the defaulting Owner of its liability for the default) to schedule and receive all the energy capable of being produced by such Unit (including the capacity entitlement of the defaulting Owner) in proportion to their respective Ownership Shares therein. Further, if any Owner defaults in its obligation to pay its proportionate share of capital additions, betterments or improvements, then the Ownership Shares of such defaulting Owner in any appropriate Unit and/or Common Facilities shall be subject to automatic reduction as specified and provided in Section 4.4(a).

(c) Nothing in Sections 4.4(a) or 4.4(b) is intended to relieve, or shall relieve, a defaulting Owner of its liability for the default, and the exercise by the nondefaulting Owner or Owners of any rights provided for in this Section 4.4 (including rights which reduce the Ownership Shares of the defaulting Owner or permit the nondefaulting Owner or Owners to use the capacity entitlement of the defaulting Owner) shall be considered in mitigation of damages due the nondefaulting Owner or Owners for which the defaulting Owner shall be and remain liable until paid, together with interest thereon at a rate equal to 125 percent of each nondefaulting Owner's gross rate of accrual of (i) an allowance for funds used during construction (AFDC), (ii) interest during construction (IDC), or (iii) other similar cost components regularly used by such nondefaulting Owner, each as applicable during such periods.

4.5 Interchange. Except as otherwise provided in Section 4.4, the capacity entitlement of Owner shall not be available for use by another Owner unless the entitled Owner desires to sell and the other Owner desires to buy any excess capacity entitlement of the selling Owner. Any such sale shall be in accordance with applicable service schedules for interchange transactions between such Owners as may be in effect from time to time and on file with the appropriate regulatory authorities.

ARTICLE V

Partition - Encumbrance - Transfer

5.1 Partition. The Owners and their successors and assigns hereby waive their respective rights with respect to the partition of Wolf Creek Station and any portion thereof for a period of time ending with the abandonment of the use thereof for the generation, transmission or distribution of electricity. No Owner of any Ownership Share in Wolf Creek Station or any portion thereof shall take or resort to any action or permit any action to be taken in its name (including, without limitation, any court proceeding at law or in equity) for the purpose of or which might result in a partition of Wolf Creek Station or any portion thereof (including without limitation, the Site, Common Facilities, any Unit, Nuclear Fuel and all additions and improvements thereto and replacements thereof). Each such Owner, for itself and its successors and assigns, hereby releases all partition rights in respect thereof, whether now existing or hereafter accruing, whether under common law or statute, and whether in kind or otherwise, and each such Owner thereof shall from time to time, upon written request by any other Owner of an Ownership Share therein, execute and deliver such further instruments as may be necessary or appropriate to confirm the foregoing waiver and release of partition rights.

5.2 Encumbrance. Each Owner and its successors and assigns, of Wolf Creek Station or any portion thereof shall have the right to and may encumber its Ownership Share therein (subject to the provisions of this Ownership Agreement) by any deed of trust, mortgage indenture or other security agreement, whether now existing or hereafter created as security for its present or future bonds or other obligations or securities, without the prior consent of any other Owner, and any trustee or secured party thereunder, when acting pursuant to the provisions thereof, shall have the benefit of, and may require and enforce performance of, the covenants and obligations herein and may exercise all rights and powers of such Owner under this Ownership Agreement and the applicable Operating Agreement as the same may then be in effect.

5.3 Transfer. No Owner of Wolf Creek Station or any portion thereof shall have the right, without the prior written consent of all other Owners of such portion of Wolf Creek Station, to sell, transfer, or assign any right, title or interest in, or create any lien or encumbrance on, all or any part of the facilities and property represented by its Ownership Share therein, except that no consent shall be required for an Owner (i) to encumber such Ownership Share as provided in Sections 5.2, 5.5 and 5.6, or (ii) to transfer such Ownership Share to another corporation (whether or not affiliated with such Owner) together with all or substantially all of its other utility property, whether by sale or pursuant to or as a result of a merger, consolidation, liquidation or corporate reorganization, provided that such corporation by written agreement or by operation of law assumes the obligations hereunder of the Owner transferring such Ownership Share, or (iii) to transfer an undivided Ownership Share to the Kansas Municipal Energy Agency, or (iv) to the United States of America (the "USA") by KEPCo pursuant to the provisions of KEPCo's loan agreements with the USA, provided that any subsequent transfer by the USA, except to retransfer to KEPCo, shall be subject to the provisions of Section 5.4 hereof, or (v) to

transfer such Ownership Share or any portion thereof pursuant to the provisions of Section 5.4 hereof.

5.4 Right of First Refusal.

(a) Except with respect to transfers permitted under Section 5.3 and transfers permitted under Sections 5.5 and 5.6 by an Owner to initiate and continue the financing arrangements contemplated thereby, should any Owner desire to sell, transfer, assign, convey or otherwise dispose of its Ownership Share or any part thereof in Wolf Creek Station or any portion thereof (the "Transfer Share") to any other entity or agency whatsoever including any other Owner of an Ownership Share therein (the "Proposed Transferee"), the other Owners of Ownership Shares therein (the "Remaining Owners") shall have rights of first refusal, as provided in this Section, to purchase such Transfer Share, and such Owner shall not dispose of such Transfer Share except as provided in this Section.

(b) At least one year prior to its intended date to so dispose of its Transfer Share, and after receipt by it of a bona fide written offer, which it desires to accept, from the Proposed Transferee (who shall be a buyer ready, willing and able to purchase the Transfer Share upon expiration of the notice periods specified in this Section), the Owner desiring to dispose of its Transfer Share shall serve a written Notice of Intent to Transfer upon the Remaining Owners. Such Notice shall contain the approximate proposed date of disposition of such Transfer Share, the terms and conditions of said bona fide written offer received by such Owner from the Proposed Transferee, and the terms and conditions under which such Owner would sell such Transfer Share to the Remaining Owners (including, without limitation, the right to purchase for cash), which shall be at least as favorable to the Remaining Owners as the terms and conditions offered by the Proposed Transferee.

(c) Each Remaining Owner desiring to purchase all or any portion of such Transfer Share shall signify such desire by serving written Notice of Intent to Purchase upon the Owner desiring to dispose of such Transfer Share and the other Remaining Owners within One Hundred Twenty (120) days after receipt of Notice of Intent to Transfer under Subsection (b).

(d) If the Remaining Owners signify their intention under Subsection (c) to purchase in the aggregate more than the entire Transfer Share, then each such Remaining Owner shall have the right to purchase (i) a portion of the Transfer Share not in excess of the ratio of its Ownership Share to aggregate Ownership Shares of the Remaining Owners who have served a Notice of Intent to Purchase under Subsection (c), plus (ii) a similar proportionate share of the Transfer Share which other Remaining Owners elect not to purchase.

(e) If in their Notices of Intent to Purchase served under Subsection (c) the Remaining Owners should signify an intention to

purchase less than the entire Transfer Share, the Remaining Owners shall have an additional sixty (60) days after receipt of the last Notice of Intent to Purchase under Subsection (c) to resignify their intention to purchase the entire Transfer Share in accordance with Subsection (d).

(f) If and when intention to purchase the entire Transfer Share has been signified by written Notices of Intent to Purchase from the Remaining Owners, disposal of such Transfer Share shall be effected by the Owner thereof to the Remaining Owners in accordance with their respective Notices of Intent to Purchase, subject to all required governmental regulatory approvals thereof, and release of any liens imposed thereon by or through the Owner thereof.

(g) If the Remaining Owners have failed to signify (by proper Notices of Intent to Purchase as provided hereunder) their intention to purchase the entire Transfer Share, the Owner thereof shall be free to dispose of such Transfer Share to the Proposed Transferee upon the terms and conditions stated in its bona fide written offer.

(h) Any disposition of a Transfer Share hereunder, whether to any Remaining Owner or Owners or to any Proposed Transferee, shall be made subject to all of the benefits and burdens of the covenants and obligations applicable thereto as provided in this Ownership Agreement. Any such Proposed Transferee shall upon receipt of transfer assume and agree, in writing, delivered to the other Owners thereof, to perform the provisions of this Ownership Agreement and the applicable Operating Agreements.

5.5 Environmental Control Financing. Insofar as may be appropriate or required for the issuance of tax-exempt environmental or pollution control financings pursuant to regulations by the Internal Revenue Service and the laws of the State of Kansas as the same may be amended from time to time, each of the Owners may individually sell, convey or grant estates in its undivided interests in such environmental or pollution control facilities and non-exclusive licenses, easements and rights-of-way over, across, through and under Wolf Creek Station for the purposes of locating and maintaining such facilities on Wolf Creek Station and providing such rights of access to such facilities as may be necessary for inspection during the term of any such financing; provided, however, that no such conveyance, license, easement or right-of-way shall (i) grant or purport to grant any right to operate or remove any of the machinery, equipment, buildings, structures or facilities constituting a part of Wolf Creek Station, or (ii) unreasonably interfere with or materially impair the use of any then existing facilities located on the site. Each Owner will do all acts necessary to assure and perpetuate the ability of other Owners of Wolf Creek Station to cause to be issued tax exempt bonds for purpose of financing the pollution control installations at Wolf Creek Station.

5.6 Nuclear Fuel Financing. Insofar as may be appropriate or required in connection with nuclear fuel financing, each of the Owners may individually sell, convey or grant estates in its undivided interest in such Nuclear Fuel

for use at Wolf Creek Station, and grant nonexclusive licenses, easements and right-of-ways over, across, through and under Wolf Creek Station and enter into such agreements (lease, sale, or other possessory transfers) as may be required for such nuclear fuel financing; provided, however, that no such estate, nonexclusive license, easement, right-of-way or agreement shall grant or purport to grant any right to possess, operate or remove or unreasonably interfere with or impair the use of any of the Nuclear Fuel, machinery, equipment, buildings, structures or facilities constituting a part of the Wolf Creek Station. Each Owner will cooperate fully with the other Owners of Wolf Creek Station to facilitate Nuclear Fuel Financing arrangements.

ARTICLE VI

Covenants and Obligations

6.1 Equitable Servitudes. The respective covenants and obligations of the Owners of Wolf Creek Station and any portion thereof under this Ownership Agreement are intended to be in the nature of equitable servitudes (not liens) which shall run with the respective rights, titles and interests of their Ownership Shares therein, and be for the benefit of and be binding upon any and all persons whomsoever having or claiming any right, title or interest in or to Wolf Creek Station or any portion thereof by, from, through or under KG&E, KCPL or KEPCo or their successors or assigns.

6.2 Independent Covenants and Obligations. The covenants and obligations contained in this Ownership Agreement are to be deemed to be independent covenants, not dependent covenants, and the obligation of any Owner to keep and perform all of the covenants and obligations assumed by or imposed upon it hereunder is not conditioned upon the performance by any other Owner of all or any of the covenants and obligations to be kept and performed by it.

6.3 Several Obligations. The obligations and liabilities of the Owners are intended to be several and not joint or collective, and nothing herein contained shall be construed to create an association, joint venture, trust or partnership. Each Owner shall be individually responsible for the performance of its own obligations herein provided. No Owner shall have a right or power to bind any other Owner without its express written consent, except as expressly provided in this Ownership Agreement or the applicable Operating Agreement.

6.4 Liability. All risk, loss and damage arising out of the ownership, construction, operation, maintenance or decommissioning of any portion of Wolf Creek Station (including fuel) will be borne by the Owners thereof in proportion to the percentage ownership interest therein, portions of which may be insured at costs to be shared proportionately by them. If insured, the Owners thereof shall be named insureds as their respective interests may appear, with subrogation rights waived. If any Owner, by reason of joint liability, shall be called upon to make any payment or incur any obligation in excess of its proportionate Ownership Share therein, the other Owners thereof shall indemnify and reimburse such Owner proportionately to the extent of any such excess.

6.5 IRS Election. By the date fuel loading of Unit 1 has commenced, the Owners shall have elected to be excluded from the application of Subchapter "K" of Chapter 1 of Subtitle "A" of the Internal Revenue Code of 1954, or such portion or portions thereof as may be permitted or authorized by the Secretary of the Treasury or his delegate insofar as such subchapter or any portion or portions thereof may be applicable to the Owners under this Agreement; or any similar provisions of the Internal Revenue Code in effect from time to time as may be appropriate to exempt the Owners from the filing of a partnership return with respect to Wolf Creek Station.

ARTICLE VII

Arbitration

7.1 Controversies. Any controversy between or among Owners of Wolf Creek Station or any portion thereof arising out of or relating to this Ownership Agreement, or any breach hereof or default hereunder, shall be submitted to arbitration upon the request of any such Owner in the manner provided herein.

7.2 Notice to Arbitrate. The Owner submitting a request for arbitration shall serve a Notice to Arbitrate upon the other Owner or Owners directly involved setting forth in detail the matter or matters to be arbitrated, including a statement of the facts or circumstances giving rise to such controversy and such Owner's contention with respect to the correct determination thereof.

7.3 Selection of Arbitrator. If the Owners directly involved in such controversy are unable to agree upon and appoint, within 15 days of the date of service of the Notice to Arbitrate, one person to act as sole arbitrator, such Owners, or any one of them, shall within 10 days thereafter request the Chief Judge of the United States Court of Appeals for the Tenth Circuit (or such successor thereto as might have Federal appellate jurisdiction of matters arising in Coffey County, Kansas) to appoint such arbitrator. If the Chief Judge does not appoint an arbitrator within 15 days of the date such request is made of him, such Owners, or any one of them, shall, within the next 10 days thereafter, request the American Arbitration Association (or comparable organization) to appoint the arbitrator pursuant to its then existing rules.

7.4 Scope of Arbitration. Any arbitrator serving hereunder shall give full force and effect to all provisions of this Ownership Agreement and any Operating Agreement applicable to Site, the Common Facilities or a Unit as may be involved, shall hear evidence submitted by the respective Owners, and may call for additional information, which additional information shall be furnished by the Owner having such information.

7.5 Findings and Award. The findings and award of the arbitrator shall be binding and conclusive with respect to the matter or matters submitted to arbitration, except as the same may be set aside, modified or corrected by any court in accordance with Kansas law.

7.6 Costs. The fees and expenses of the arbitrator shall be borne equally by the Owners directly involved in such arbitration, unless the decision of the arbitrator shall specify some other apportionment of such fees

and expenses. All other expenses and costs of the arbitration shall be borne by the Owner incurring the same.

ARTICLE VIII

General Provisions

8.1 Implementing and Confirmatory Instruments. Each Owner shall execute, or cause to be executed, such instruments as may from time to time reasonably be requested by any other Owner to implement the provisions of the Ownership Agreement, including, without limitation, instruments of conveyance, transfer, and mortgage release to confirm the effective Ownership Shares in the facilities and property which then constitute Wolf Creek Station or any portion thereof. It is expressly understood that changes in ownership interests pursuant to Section 4.4 will be confirmed as provided herein without undue delay and the obligation of a defaulting Owner to execute confirmatory instruments may be enforced by specific performance in an appropriate legal or equitable forum.

8.2 Waivers. No waiver by an Owner of its rights with respect to a default under this Ownership Agreement shall be effective unless all non-defaulting Owners waive their respective rights. Any such waiver shall not be deemed to be a waiver with respect to any subsequent default or matter. No delay short of the statutory period of limitations in asserting or imposing any right hereunder shall be deemed a waiver of such right.

8.3 Notices. Any notice, demand, request or consent provided for in this Ownership Agreement or made in connection herewith shall be deemed properly served if given in writing and delivered in person, or sent by Registered or Certified Mail, postage prepaid, addressed to, the President of the Owner at its then principal office.

8.4 Severability. In the event any provision hereof or the application thereof to any person or circumstance shall be held invalid in any final decision by a court having jurisdiction in the premises, the remainder of this Ownership Agreement and its application to persons or circumstances other than those as to which it was held invalid shall not be affected thereby.

8.5 Governing Law. The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Kansas, including without limitation the provisions of K.S.A. 16-116 and any amendments thereto.

ARTICLE IX

Term - Termination

9.1 Effective Date and Term. This Ownership Agreement shall become effective upon execution hereof by KG&E, KCPL and KEPCo and shall continue in full force and effect thereafter until terminated as provided in Sections 9.2 and 9.3.

9.2 Termination. Except as provided in Section 9.3, this Ownership Agreement shall terminate and be of no further force and effect from and after the date

- (i) the Owners of Wolf Creek Station shall file of record in the office of the Recorder of Deeds for Coffey County, Kansas, (or such other office as may then serve such function) a duly executed Termination Agreement terminating this Ownership Agreement and discharging the rights, titles and interests of such Owners in and to Wolf Creek Station from the benefits and burdens of the covenants and obligations herein; provided that Wolf Creek Station shall have been released from the liens of all encumbrances contemplated by Section 5.2 hereof and such releases shall have been duly filed of record prior to recording of such Termination Agreement; or
- (ii) an Owner shall acquire by transfer hereunder or by operation of law all Ownership Shares in Wolf Creek Station and, as a result of the merger of such undivided percentage interests therein, becomes the sole beneficial Owner of all rights, titles and interests therein; or
- (iii) there has been an abandonment of the use of Wolf Creek Station for the generation and transmission of electricity as evidenced by an Affidavit of Abandonment duly executed by an Owner of any portion thereof, filed of record as provided in Part (i) above, and thereafter published in a newspaper of general circulation in Coffey County, Kansas, with written notice thereof delivered to the other Owners within ten (10) days after the recording of such Affidavit, unless another Owner of any portion thereof denies such abandonment by an Affidavit of Non-abandonment similarly filed of record within sixty (60) days after publication of such Affidavit of Abandonment;

whichever date is earlier.

9.3 Disposition Upon Abandonment. In the event this Ownership Agreement is terminated by Affidavit of Abandonment as provided in Section 9.2(iii), the Owner executing the Affidavit of Abandonment shall have the right to dispose of all the facilities and property then included in Wolf Creek Station (provided such facilities and property to be disposed of are not then subject to the lien of any encumbrance, or such disposition is otherwise made in accordance with the terms of any related security agreement, contemplated in Section 5.2 hereof), shall pay, or make provision for the payment of, all decommissioning costs and expenses as may then be required by law and thereafter shall dispose thereof as promptly as practicable and distribute the net proceeds thereof, if any, to the Owners, or to lienholders for the account of the Owners, in accordance with their respective Ownership Shares therein; provided, however, that if any determinable portion of such proceeds is received from facilities or property the cost of which was borne by the Owners disproportionately to their Ownership Shares therein, the distribution of such proceeds shall be adjusted accordingly; and provided further, that termination of this Ownership Agreement shall not discharge any Owner of

any obligation it then owes to any other Owner as a result of any transaction occurring prior to such termination.

IN WITNESS WHEREOF, the parties hereto have caused this Ownership Agreement to be executed by their duly authorized officers the day and year first above written.

KANSAS GAS AND ELECTRIC COMPANY

By

Wibank Cashman
President

ATTEST:

Wm. Allen
Secretary

KANSAS CITY POWER & LIGHT COMPANY

By

Arvid Dyer
Chairman of the Board and President

ATTEST:

[Signature]
Secretary

KANSAS ELECTRIC POWER COOPERATIVE, INC.

By

Charles H. Ellis
President

ATTEST:

Theresa C. [Signature]
Secretary

STATE OF KANSAS)
COUNTY OF COFFEY) ss

On this 28 day of DEC, 1981, before me, a Notary Public in and for said County in the State aforesaid, personally appeared WILSON K. CADMAN, to me personally known, who, being by me duly sworn, did say that he is the President of KANSAS GAS AND ELECTRIC COMPANY, a Kansas corporation, one of the corporations described in and which executed the foregoing instrument, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and said WILSON K. CADMAN acknowledged said instrument and the execution thereof to be the free and voluntary act and deed of said corporation by it voluntarily executed.

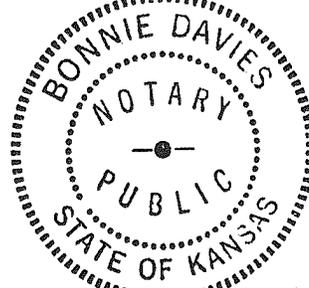
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid the day and year first above written.

Bonnie Davies

Notary Public

My commission expires:-

9-4-84



STATE OF KANSAS)
COUNTY OF COFFEY) ss

On this 28 day of DEC, 1981, before me, a Notary Public in and for said County in the State aforesaid, personally appeared ARTHUR J. DOYLE, to me personally known, who, being by me duly sworn, did say that he is the Chairman of the Board and President of KANSAS CITY POWER & LIGHT COMPANY, a Missouri corporation, one of the corporations described in and which executed the foregoing instrument, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and said ARTHUR J. DOYLE acknowledged said instrument and the execution thereof to be the free and voluntary act and deed of said corporation by it voluntarily executed.

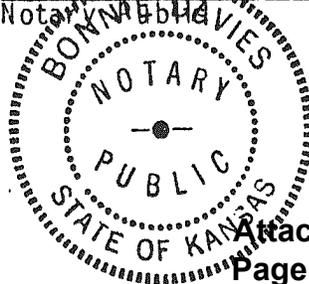
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid the day and year first above written.

Bonnie Davies

Notary Public

My commission expires:

9-4-84



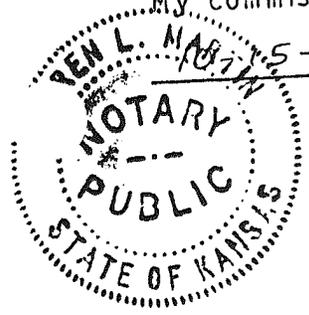
STATE OF KANSAS
COUNTY OF SEDGWICK } ss

On this 23rd day of December, 1981, before me, a Notary Public in and for said County in the State aforesaid, personally appeared CHARLES ELLIS to me personally known, who, being by me duly sworn, did say that he is the President of KANSAS ELECTRIC POWER COOPERATIVE, INC., a Kansas corporation, one of the corporations described in and which executed the foregoing instrument, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and said CHARLES ELLIS acknowledged said instrument and the execution thereof to be the free and voluntary act and deed of said corporation by it voluntarily executed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid the day and year first above written.

Karen L. Martin
Notary Public

My commission expires:



This instrument was filed for record on the 28 day of December A. D., 1981 at 2:20 o'clock P. M. and duly recorded in Book W of Misc at page 465-50.

EXHIBIT A

TRACT A

(Seal)

Ruth L. Stucky
REGISTER OF DEEDS
By s/Linda M. Traylor Deputy
Fee \$40.00
1.00 Names Not Signed under Signature

Description of Wolf Creek Generating Station Perimeter Boundary Located in Coffey County, Kansas

Beginning at the W 1/4 Cor Sec 24-T20S-R15E, thence East to the NE Cor W 1/2 W 1/2 SE 1/4 of said Sec 24, thence South to the SE Cor W 1/2 NW 1/4 NE 1/4 Sec 25-T20S-R15E, thence West to the West line of NE 1/4 of said Sec 25, thence South to the S 1/4 Cor said Sec 25, thence West to a point 797.8 feet East of the NW Cor NW 1/4 Sec 36-T20S-R15E, thence South 520 feet, thence Southeasterly to a point 1020 feet West of the SE Cor N 1/2 NW 1/4 of said Sec 36, thence South 200 Feet, thence West 621.85 feet, thence South 1198.97 feet, thence Southeasterly 350.7 feet to a point 180 feet South of the NE Cor W 1/2 SW 1/4 of said Section 36, thence South to the NE Cor SW 1/4 SW 1/4 of said Sec 36, thence East to the East line of W 1/2 of said Sec 36, thence South to the S 1/4 Cor of said Sec 36, thence East to the SW Cor E 1/2 SE 1/4 SE 1/4 of said Sec 36, thence North to the NW Cor E 1/2 SE 1/4 SE 1/4 of said Sec 36, thence East to the NE Cor W 1/2 SW 1/4 SW 1/4 Sec 31-T20S-R16E, thence South to the SE Cor of said W 1/2 SW 1/4 SW 1/4, thence East to the NE Cor Sec 6-T21S-R16E, thence South to the NW Cor S 1/2 N 1/2 Sec 5-T21S-R16E thence East to the NE Cor SW 1/4 NW 1/4 Sec 4-T21S-R16E, thence South to the SE Cor SW 1/4 SW 1/4 of said Sec 4, thence West to the NE Cor Sec 8-T21S-R16E, thence South to the SE Cor of said Sec 8, thence West 1704.96 feet, thence South to the North line S 1/2 NE 1/4 Sec 17-T21S-R16E, thence East to the NE Cor S 1/2 NW 1/4 Sec 16-T21S-R16E, thence South to the S 1/4 Cor Sec 21-T21S-R16E, thence West to a point 450 feet West of SE Cor Sec 20-T21S-R16E, thence South to a point 450 feet West of the E 1/4 Cor Sec 29-T21S-R16E, thence West to the center of said Sec 29, thence South to the SE Cor N 1/2 SW 1/4 of said Sec 29, thence West to the SW Cor of said N 1/2 SW 1/4, thence North to the SE Cor of the North 70 acres of the SE 1/4 Sec 30-T21S-R16E, thence West to the SW Cor of the North 70 acres of said SE 1/4, thence North to the center of said Sec 30, thence West to the W 1/4 Cor of said Sec 30, thence North to the NW Cor of said Sec 30, thence West to the SW Cor E 1/2 E 1/2 SE 1/4 of Sec 24-T21S-R15E, thence North to the NW Cor of said E 1/2 E 1/2 SE 1/4, thence East to the SE Cor NE 1/4 of said Sec 24, thence North to the SE Cor NE 1/4 SE 1/4 Sec 13-T21S-R15E, thence West to the SW Cor of said NE 1/4 SE 1/4, thence North to the NW Cor of said NE 1/4 SE 1/4, thence West to the center of said Sec 13, thence North to the N 1/4 Cor said Sec 13, thence West to the SW Cor SE 1/4 SW 1/4 of Sec 12-T21S-R15E, thence North to the NW Cor of said SE 1/4 SW 1/4, thence West to the SW Cor NW 1/4 SW 1/4 of said Sec 12, thence North to the NW Cor of said Sec 12, thence West to the SW Cor E 1/2 SE 1/4 Sec 2-T21S-R15E, thence North 1700 feet, thence West 670 feet, thence North to the North line S 1/2 NE 1/4 of said Sec 2, thence West to the NW Cor S 1/2 NE 1/4 of said Sec 2, thence North to a point 1050 feet South of the North line of said Sec 2, thence West 600 feet, thence North to a point 720 feet West of NE Cor SE 1/4 Sec 34-T20S-R15E, thence East to

the center of Sec 35-T20S-R15E, thence North to the center of Sec 26-T20S-R15E, thence East to the SE Cor W 1/2 SE 1/4 NE 1/4 of said Sec 26, thence North to the NE Cor of said W 1/2 SE 1/4 NE 1/4, thence East to the East line of said Sec 26, thence North to the W 1/4 Cor Sec 24-T20S-R15E being the point of beginning, except Stringtown Cemetery and except a tract in the NE 1/4 NE 1/4 Sec 1-T21S-R15E described as beginning at a point 1060.0 feet South of NE Cor said NE 1/4, thence West 446.9 feet, thence South 730.0 feet, thence East 446.0 feet, thence North 726.2 feet to point of beginning.

With respect to the following properties, which are contained within the above perimeter description, said properties are held by way of an easement acquired by way of condemnation and are subject to certain rights of reversion:

The South 1/2 of the Southeast 1/4 and the Southeast 1/4 of the Southwest 1/4 of Section 35, Township 20 South, Range 15 East.

A tract in Section 1, Township 21 South, Range 15 East described as commencing at a point situated in the center of Wolf Creek about 41 rods West of the Southeast corner of said Section 1 thence West on said section line to another point in the center of said Wolf Creek, thence down the center of said creek to the place of beginning.

The East 1/2 of the Northwest 1/4, the East 1/2 of the Southwest 1/4, the Northwest 1/4 of the Southwest 1/4, the West 1/2 of the Northeast 1/4 and the Northeast 1/4 of the Northeast 1/4 of Section 12, Township 21 South, Range 15 East, except that part of the North 1/2 of the Northeast 1/4 of Section 12 lying North of Wolf Creek.

The North 1/2 of the Southwest 1/4 of the Northeast 1/4 and the Southwest 1/4 of the Southwest 1/4 of the Northeast 1/4 of Section 30, Township 21 South, Range 16 East.

The West 1/2 of the Northwest 1/4 of Section 29 and the Southeast 1/4 of the Northeast 1/4 and the Southeast 1/4 of the Southwest 1/4 of the Northeast 1/4 of Section 30, all in Township 21 South, Range 16 East.

The North 1/2 of the Southeast 1/4 and the South 1/2 of the Southwest 1/4 of Section 19, Township 21 South, Range 16 East, except tract 16 rods X 20 rods for school located in Southeast corner thereof.

SE 1/4 of Section 17, Township 21 South, Range 16 East.

NE 1/4 and the N 1/2 of the SE 1/4 of Section 20, Township 21 South, Range 16 East.

Sheriff's deed

TRACT B

Legal description of railroad rights-of-way

THE FOLLOWING DESCRIBED PROPERTY LOCATED IN COFFEY COUNTY, KANSAS:

The East 1/2 of the Northwest 1/4 of Section 9, Township 21 South, Range 16 East.

Said easement to be a strip one hundred twenty (120) feet in width being sixty (60) feet right and left of the following described center line: Beginning at a point on the West line of said East 1/2 of the Northwest 1/4 which point is 200 feet North of the Southwest corner of said East 1/2 of the Northwest 1/4 thence Southeasterly to a point on the South line of said East 1/2 of the Northwest 1/4 which point is 112 feet East of the Southwest corner of said East 1/2 of the Northwest 1/4.

The Southwest 1/4 of Section 9, Township 21 South, Range 16 East.

Said easement to be a strip one hundred fifty (150) feet in width being 75 feet right and left of the following described center line: Beginning at a point on the North line of said Southwest 1/4 which point is 1203 feet West of the Northeast corner of said Southwest 1/4 thence Southeasterly to a point on the East line of said Southwest 1/4 which point is 492 feet North of the Southeast corner of said Southwest 1/4.

Beginning at the Southwest corner of the South 1/2 of the Southeast 1/4 of Section 9, Township 21 South, Range 16 East, thence North along the West line of said South 1/2 of the Southeast 1/4 a distance of 630 feet, thence Southeasterly to a point on the South line of said South 1/2 of the Southeast 1/4 which point is 360 feet East of point of beginning, thence West to point of beginning, containing 2.6 acres, more or less.

The West 1/2 of the Northeast 1/4 of Section 16, Township 21 South, Range 16 East.

Said easement to be a strip one hundred eighty (180) feet in width being ninety (90) feet right and left of the following described center line: Beginning at a point on the North line of said West 1/2 of the Northeast 1/4 which point is 275 feet East of the Northwest corner of said West 1/2 of the Northeast 1/4 thence Southeasterly to a point on the East line of said West 1/2 of the Northeast 1/4 which point is 1859 feet South of the Northeast corner of said West 1/2 of the Northeast 1/4.

The Southeast 1/4 of the Northeast 1/4 of Section 16, Township 21 South, Range 16 East, Coffey County, Kansas.

The easement to consist of a strip described as follows:

A strip one hundred (100) feet in width across the Southeast 1/4 of the Northeast 1/4 of Section 16, Township 21 South, Range 16 East, being fifty (50) feet right and left of a line between a point on the West line of said Southeast 1/4 of the Northeast 1/4 which point is 532 feet South of the Northwest corner of said Southeast 1/4 of the Northeast 1/4 and a point on the South line of said Southeast 1/4 of the Northeast 1/4 which point is 447 feet East of the Southwest corner of said Southeast 1/4 of the Northeast 1/4, containing 1.75 acres, more or less.

The Northeast 1/4 of the Southeast 1/4 of Section 16, Township 21 South, Range 16 East.

Said easement to be a strip one hundred (100) feet in width being fifty (50) feet right and left of the following described center line: Beginning at a point on the North line of said Northeast 1/4 of the Southeast 1/4 which point is 447 feet East of the Northwest corner of said Northeast 1/4 of the Southeast 1/4 thence Southeasterly to a point on the South line of said Northeast 1/4 of the Southeast 1/4 which point is 125 feet West of the Southeast corner of said Northeast 1/4 of the Southeast 1/4.

The Southeast 1/4 of the Southeast 1/4 of Section 16, Township 21 South, Range 16 East.

Said easement to be a strip one hundred (100) feet in width being fifty (50) feet right and left of the following described center line: Beginning at a point on the North line of said Southeast 1/4 of the Southeast 1/4 which point is 125 feet West of the Northeast corner of said Southeast 1/4 of the Southeast 1/4 thence Southeasterly to a point on the East line of said Southeast 1/4 of the Southeast 1/4 which point is 222 feet South of the Northeast corner of said Southeast 1/4 of the Southeast 1/4.

The South 1/2 of the Southwest 1/4 of Section 15, Township 21 South, Range 16 East.

Said easement to be a strip one hundred (100) feet in width being fifty (50) feet right and left of the following described center line: Beginning at a point on the West line of said South 1/2 of the Southwest 1/4 which point is 222 feet South of the Northwest corner of said South 1/2 of the Southwest 1/4 thence Southeasterly to a point on the South line of said South 1/2 of the Southwest 1/4 which point is 623 feet East of the Southwest corner of said South 1/2 of the Southwest 1/4.

A strip one hundred (100) feet in width across the Northwest 1/4 of Section 22, Township 21 South, Range 16 East being fifty (50) feet right and left of a line between a point on the North line of said Northwest which point is 623 feet East of the Northwest corner of said Northwest 1/4 and a point on the South line of said Northwest 1/4 which point is 535 feet West of the Southeast corner of said Northwest 1/4. Also a temporary easement fifteen (15) feet in width adjacent to each side of the above described easement. Said temporary easement to expire upon completion of construction.

A strip one hundred forty (140) feet in width across the Northeast 1/4 of the Southwest 1/4 and the South 1/2 of the Northwest 1/4 of the Southeast 1/4 of Section 22, Township 21 South, Range 16 East being seventy (70) feet right and left of a line between a point on the North line of said Northeast 1/4 of the Southwest which point is 535 feet West of the Northeast corner of said Northeast 1/4 of the Southwest 1/4 and a point on the South line of said South 1/2 of the Northwest 1/4 of the Southeast 1/4 which point is 212 feet East of the Southwest corner of said South 1/2 of the Northwest 1/4 of the Southeast 1/4.

The Southeast 1/4 of the Southwest 1/4 and the Southwest 1/4 of the Southeast 1/4 of Section 22, Township 21, Range 16 East of the 6th Principal Meridian.

The Northeast 1/4 of Section 27, Township 21 South, Range 16 East.

Said easement to be a strip one hundred (100) feet in width being fifty (50) feet right and left of the following described center line: Beginning at a point on the North line of said Northeast 1/4 which point is 958 feet East of the Northwest corner of said Northeast 1/4 thence Southeasterly to a point on the South line of said Northeast 1/4 which point is 200 feet West of the Southeast corner of said Northeast 1/4.

The Northeast 1/4 of the Southeast 1/4 of Section 27, Township 21 South, Range 16 East.

Said easement to be described as follows: Beginning at the Northeast corner of the Northeast 1/4 of the Southeast 1/4 thence South 460 feet, thence Northwesterly to a point on the North line of said Northeast 1/4 of the Southeast 1/4 which point is 265 feet West of the point of beginning, thence East 265 feet to point of beginning. Easement to contain 1.39 acres more or less.

Also a temporary construction easement for road on a strip 90 feet in width lying adjacent to the Westerly side of the above described easement and extending both Northwesterly and Southeasterly to the property lines.

The North 1/2 of the Southwest 1/4 of Section 26, Township 21 South, Range 16 East.

Said easement to be a strip one hundred (100) feet in width being fifty (50) feet right and left of the following described center line: Beginning at a point on the West line of said North 1/2 of the Southwest 1/4 which point is 356 feet South of the Northwest corner of said North 1/2 of the Southwest 1/4 thence Southeasterly to a point on the South line of said North 1/2 of the Southwest 1/4 which point is 545 feet East of the Southwest corner of said North 1/2 of the Southwest 1/4.

The South 1/2 of the Southwest 1/4 of Section 26, Township 21 South, Range 16 East.

Said easement to be a strip one hundred (100) feet in width being fifty (50) feet right and left of the following described center line: Beginning at a point on the North line of said South 1/2 of the Southwest 1/4 which point is 545 feet East of the Northwest corner of said South 1/2 of the Southwest 1/4 thence Southeasterly to a point on the South line of said South 1/2 of the Southwest 1/4 which point is 1300 feet East of the Southwest corner of said South 1/2 of the Southwest 1/4.

A strip one hundred (100) feet in width across the North 1/2 of the Northwest 1/4 of Section 35, Township 21 South, Range 16 East being fifty (50) feet right and left of a line between a point on the North line of said North 1/2 of the Northwest 1/4 which point is 1300 feet East of the Northwest corner of said North 1/2 of the Northwest 1/4 and a point on the South line of said North 1/2 of the Northwest 1/4 which point is 564 feet West of the Southeast corner of said North 1/2 of the Northwest 1/4. Also a temporary easement fifteen (15) feet in width adjacent to each side of the above described easement. Said temporary easement to expire upon completion of construction.

The South 1/2 of the Northwest 1/4 of Section 35, Township 21 South, Range 16 East.

Said easement to be a strip one hundred (100) feet in width being fifty (50) feet right and left of the following described center line: Beginning at a point on the North line of said South 1/2 of the Northwest 1/4 which point is 564 feet West of the Northeast corner of said South 1/2 of the Northwest 1/4 thence with a bearing of South 31 degrees 52'21" East a distance of 543.71 feet to a point of curvature thence Southeasterly 462.45 feet along a curve to the left with a radius of 1910.08 feet and a central angle of 13 degrees 52'18.5" to a point on the East line of said South 1/2 of the Northwest 1/4 which point is 475 feet North of the Southeast corner of said South 1/2 of the Northwest 1/4.

The West 1/2 of the Northeast 1/4 of Section 35, Township 21 South, Range 16 East. Said easement to be described as follows: A strip one hundred (100) feet in width being fifty (50) feet right and left of the following described center line: Beginning at a point on the West line of said West 1/2 of the Northeast 1/4 which point is 475 feet North of the Southwest corner of said West 1/2 of the Northeast 1/4 thence Southeasterly along a curve to the left with a radius of 1910.08 feet and a degree of curvature of 3 degrees to a point on the South line of said East 1/2 of the Northeast 1/4 which point is located 790 feet East of the Southwest corner thereof. Said easement to contain approximately 2.07 acres more or less.

The Southeast 1/4 of Section 35, Township 21 South, Range 16 East.

Said easement to be: The North one hundred and thirty-five (135) feet of the East twenty-one hundred (2100) feet of the above described property.

The Southwest 1/4 of Section 36, Township 21 South, Range 16 East.

Said easement to be: The North one hundred and sixty-five (165) feet of the above described property.

The West 1/2 of the Northeast 1/4 and the Northwest 1/4 of the Southeast 1/4 of Section 36, Township 21 South, Range 16 East.

Said easement to be a strip one hundred-sixty (160) feet in width being eighty (80) feet right and left of the following described center line: Beginning at a point on the East line of said Northwest 1/4 of the Southeast 1/4, which point is seventy-three (73) feet South of the Northeast corner thereof, thence in a Westerly direction to a point which is six hundred seventy (670) feet West and seventy-four (74) feet South of the Northeast corner thereof. Also a strip one hundred (100) feet in width being fifty (50) feet right and left of the following described center line: Beginning at a point which is six hundred seventy (670) feet West and seventy four (74) feet South of the Northeast corner of said Northwest 1/4 of the Southeast 1/4, thence in a Westerly direction to a point on the West line of said Northwest 1/4 of the Southeast 1/4, which point is seventy-five (75) feet South of the Northwest corner thereof. Also a temporary easement being thirty (30) feet in width lying North and adjacent to all that portion of the permanent easement which is one hundred feet in width and a temporary easement being thirty (30) feet in width lying South and adjacent to all that portion of the permanent easement which is one hundred feet in width. Said temporary easement to expire upon completion of construction.

The Northeast 1/4 of the Southeast 1/4 and the East 1/2 of the Northeast 1/4 of Section 36, Township 21 South, Range 16 East.

Said easement to be the following described tract: Beginning at the Northwest corner of said Northeast 1/4 of the Southeast 1/4 thence South along the West line of said Northeast 1/4 of the Southeast 1/4 a distance of 148.09 feet thence East to a point on the East line of said Northeast 1/4 of the Southeast 1/4 which point is 120.975 feet South of the Northeast corner of said Northeast 1/4 of the Southeast 1/4 thence North along the East line of said Northeast 1/4 of the Southeast 1/4 a distance of 100 feet thence West to the Northwest corner of said Northeast 1/4 of the Southeast 1/4 being the point of beginning also a temporary construction easement lying 15 feet North and 15 feet South and adjacent to the above tract describing the permanent easement.

The North fifty-two (52) acres of the Southwest 1/4 of Section 31, Township 21 South, Range 17 East.

Said easement to be: The North one hundred and twenty-one (121) feet of the above described property.

The South 120 feet of the East 360 feet of the Southeast 1/4 of the Northwest 1/4 of Section 31, Township 21 South, Range 17 East, Coffey County, Kansas.

The North 1/2 of the Southeast 1/4 of Section 31, Township 21 South, Range 17 East.

Said easement to be: The North one hundred and thirty-one (131) feet of the above described property.

The West 1/2 of the Southwest 1/4 of Section 32, Township 21 South, Range 17 East.

Said easement to be: The North one hundred and seventy-five (175) feet of the above described property.

The East 1/2 of the Southwest 1/4 of Section 32, Township 21 South, Range 17 East.

Said easement to be a strip one hundred twenty (120) feet in width being sixty (60) feet right and left of the following described center line: Beginning at a point on the West line of said East 1/2 of the Southwest 1/4 which point is 105 feet South of the Northwest corner of said East 1/2 of the

Southwest 1/4 thence easterly to a point on the East line of said East 1/2 of the Southwest 1/4 which point is 165 feet South of the Northeast corner of said East 1/2 of the Southwest 1/4.

A strip one hundred forty (140) feet in width across the Southeast 1/4 of Section 32, Township 21 South, Range 17 East, being seventy (70) feet right and left of a line described as follows: Beginning at a point on the West line of said Southeast 1/4 which point is 165 feet South of the Northwest corner of said Southeast 1/4, thence with a bearing of South 89 degrees 13'50" East a distance of 2496.61 feet to a point of curvature, thence Southeasterly 162.17 feet along a curve to the right with a radius of 1910.08 feet and a central angle of 4 degrees 51'52" to a point on the East line of said Southeast 1/4 which point is 292 feet South of the Northeast corner of said Southeast 1/4.

The Southwest 1/4 of Section 33, Township 21 South, Range 17 East.

Said easement to be a strip one hundred (100) feet in width being fifty (50) feet right and left of the following described center line: Beginning at a point on the East line of said Southwest 1/4 which point is 1272 feet South of the Northeast corner of said Southwest 1/4 thence with a bearing of North 70 degrees 06'12" West a distance of 2332.07 feet to a point of curvature thence Northwesterly 475.47 feet along a curve to the left with a radius of 1910.08 feet and a central angle of 14 degrees 15'45.5" to a point on the West line of said Southwest 1/4 which point is 292 feet South of the Northwest corner of said Southwest 1/4 of Section 33.

The Southeast 1/4 of Section 33, Township 21 South, Range 17 East.

Said easement to be a strip one hundred twenty (120) feet in width being sixty (60) feet right and left of the following described center line: Beginning at a point on the West line of said Southeast 1/4 which point is 1272 feet South of the Northwest corner of said Southeast 1/4 thence Southeasterly to a point on the East line of said Southeast 1/4 which point is 333 feet North of the Southeast corner of said Southeast 1/4 of Section 33.

The Southwest 1/4 and the West 1/2 of the Southeast 1/4 of Section 34, Township 21 South, Range 17 East.

Said easement to be a strip one hundred and sixty (160) feet in width being eighty (80) feet right and left of the following described center line: Beginning at a point on the West line of said Southwest 1/4 which point is 333 feet North of the Southwest corner of said Southwest 1/4 thence with a bearing of South 70 degrees 06'12" East a distance of 111.35 feet to a point of curvature, thence 1118.67 feet Southeasterly along a curve to the left with a radius of 1910.08 feet and a central angle of 33 degrees 33'22.7" to a point of tangency, thence with a bearing of North 76 degrees 20'25.3" East a distance

of 553.21 feet along the tangent line to a second point of curvature, thence 203.68 feet Northeasterly along a curve to the left with a radius of 1910.08 feet and a central angle of 6 degrees 6'34.8" to a point of tangency, thence with a bearing of North 70 degrees 13'50.5" East a distance of 309.61 feet along the tangent line to the center of a spur to be built 15 feet North of the existing Missouri Pacific Railroad which corresponds to state plane coordinates North 561,211.01+ and East 2,854,222.78+ also a temporary construction easement lying fifty (50) feet North of and adjacent to the North right-of-way line of the Missouri Pacific Railroad between the last above described point and the East line of said West 1/2 of the Southeast 1/4 of Section 34.

Beginning at a point located 2224.1 feet East and 486.9 feet North of the Southwest corner of Section 34, Township 21 South, Range 17 East thence North 72 degrees 2'48" East along and parallel to the North Right-of-Way line of the Missouri Pacific Railroad to a point a distance of 1357.54 feet, thence North 17 degrees 57'12" West to a point a distance of 24 feet, thence South 72 degrees 2'48" West to a point a distance of 1357.54 feet, thence South 17 degrees 57'12" East a distance of 24 feet to the point of beginning, said tract to contain .748 acres, more or less.

TRACT C

Legal description of other lands or land rights to be held as jointly owned "Property" for operation of Wolf Creek Station.

Properties Owned in Fee:

Township 20 South, Range 15 East

The East 1/2 of the Southeast 1/4 of Section 22. *see map*

The East 1/2 of Section 23. *see map*

The South 1/2 of the North 1/2 and the East 1/2 of the Southeast 1/4 and the East 1/2 of the West 1/2 of the Southeast 1/4, all in Section 24.

The East 1/2 of the Northeast 1/4 and the East 1/2 of the West 1/2 of the Northeast 1/4 and the West 1/2 of the Southwest 1/4 of the Northeast 1/4, all in Section 25.

The West 1/2 of the East 1/2 of the Northeast 1/4 and the East 1/2 of the Northeast 1/4 of the Northeast 1/4, all in Section 26.

The East 1/2 of the Southeast 1/4 of Section 34 except the East 720 feet thereof. *see map*

The Northwest 1/4 of the Northeast 1/4 ~~and the Northeast 1/4 of the Southwest 1/4~~ and the Southwest 1/4 of the Southeast 1/4 and the Northeast 1/4 of the Southeast 1/4 and the West 1/2 of the Southeast 1/4 of the Southeast 1/4, all in Section 36. *see map*

Township 20 South, Range 16 East

The West 1/2 of Section 31 except the West 1/2 of the Southwest 1/4 of the Southwest 1/4.

Township 21 South, Range 15 East

The Northwest 1/4 and the Northeast 1/4 of the Southwest 1/4 and the Northwest 1/4 of the Southeast 1/4 of Section 13.

The Northeast 1/4 of Section 14 except the Northwest 1/4 of the Northwest 1/4 of the Northeast 1/4, and except the West 100 feet of the Northeast 1/4 of the Northwest 1/4 of the Northeast 1/4; also that part of the South 1/2 of the North 1/2 of the Northwest 1/4 of said Section 14 lying East of U.S. 75 Highway; also a tract beginning at the intersection of the East right-of-way line of U.S. 75 Highway and the North line of the South 1/2 of the Northwest 1/4 of said Section 14 thence East to the East line of said Quarter Section thence South Eighty (80) rods, thence West One Hundred Sixty (160) rods, thence *see map*

North Thirty-seven (37) rods and Twelve and one-half (12-1/2) feet, thence East to the East right-of-way line of U.S. 75 Highway, thence Northerly along said right-of-way line to point of beginning; also a tract commencing at the Northwest corner of the Southwest Quarter of Section 14, thence East One Hundred Sixty (160) rods, thence South Fifty-Seven (57) rods, thence West to Neosho River, thence up said River to a point Ten (10) rods, South of Beginning, thence North to beginning, EXCEPT land deeded for Highway purposes, all in Section 14, Township 21 South, Range 15 East of the 6th Principal Meridian, AND EXCEPT, the following described tract, to-wit: Beginning at the Southwest corner of the Northwest Quarter of Section 14, Township 21 South, Range 15 East, thence North 37 rods and 12-1/2 feet, thence East to the West right-of-way line of U.S. Highway 75, thence Southerly along the Westerly right-of-way line of said Highway to the Neosho River, thence up said River to a point 10 rods South of beginning, thence North to beginning, containing 10 acres, more or less, the last said tract being conveyed by deed dated August 8, 1975 to John A. Decker and Delores Decker, husband and wife.

Township 21 South, Range 16 East

The North 1/2 of the Northwest 1/4 of Section 5.

The West 1/2 of the Northwest 1/4 of Section 9.

~~That part of the East 450 feet of the Northeast 1/4 of Section 29 lying West of FAS 10 Highway except land deeded to Logan Cemetery District Association described as: Commencing at the Southeast corner of Northeast quarter of the said Section 29, which is on the center line of the road (new location FAS-10), Coordinates of which referred to the Kansas State-Plane Coordinate System, South Zone are N 567,613.52, E 2, 814,601.93, thence N1°-47'-02"W 352.45 feet along the center line of the road, thence S88°-12'-58"W, 125.00 feet which is at right angle to the center line of the road, to the actual point of beginning, thence West, 314.46 feet, thence North, 495.00 feet, thence East, 210.00 feet to the point which is 125.00 feet Westerly from the center line of the road, thence S22°-56'03"E, 117.19 feet to the PC (point of curvature) of the curve with the following data, $\Delta = 21^{\circ}-09'-00''$, $R = 693.51$, $T = 129.48$, $L = 256.00$ curve right, thence 256.00 feet along the curve to the PT (point of tangency), thence S 1°-47'-02"W, 138.49 feet, to the point of beginning, containing 3.23 acres.~~

The East 1/2 of the Northwest 1/4 of Section 34, less a tract beginning at the Northwest corner of said E 1/2 NW 1/4, thence South to Long Creek, thence up Long Creek at low-water mark in a Northeasterly direction to the Section line, thence due West to the place of beginning.

Township 21 South, Range 17 East

~~That part of the North 52 Acres of the Southwest 1/4 of Section 31 lying East of the center of Crooked Creek, subject to railroad right-of-way, and containing 8 Acres, more or less.~~

still own

Easements:

Flowage easement held by Kansas Gas and Electric Company on the Northwest diagonal 1/2 of the Northwest 1/4 of the Southeast 1/4 of Section 29, Township 21 South, Range 16 East.

Flowage easement held by Kansas Gas and Electric Company on the East 1/2 of the Northwest 1/4 of Section 9, Township 21, Range 16 East.

A tract of land in the Northwest 1/4 of Section 10, Township 21 South, Range 15 East, Coffey County, Kansas, said tract more particularly described as commencing at a point on the East line of said Northwest 1/4, said point being 614.17 feet South of the Northeast corner thereof; thence West 1,799.57 feet to a point, said point being the point of beginning; thence South 65 degrees 46'03" West, 70.00 feet; thence North 24 degrees 13'56" West, 473.25 feet; thence North 65 degrees 37'57" East, 70.00 feet; thence South 24 degrees 13'58" East, 473.41 feet, more or less, to the point of beginning. Containing 0.76 acre, more or less.

A strip, piece, or parcel of land 1,947.80 feet in length, and 25.00 feet in width, lying in the Northwest 1/4 of Section 10, Township 21 South, Range 15 East, Coffey County, Kansas, the centerline described as beginning at a point on the east line of said Northwest 1/4, said point being 103.27 feet, South of the Northeast corner thereof; thence South 88 degrees 36'38" West, 219.82 feet; thence South 44 degrees 58'48" West, 947.64 feet; thence South 83 degrees 58'52" West, 780.34 feet, to the point of termination. Containing 1.88 acres, more or less.

Beginning at a point on the West line of the North 1/2 of the Northeast 1/4 of Section 10, Township 21 South, Range 15 East which point is 25 feet South of the Northwest corner of said Northeast 1/4, thence East along the South right-of-way line of the public road to the East line of said Northeast 1/4, thence South 113 feet, thence West to a point on the West line of said Northeast 1/4 which point is 135 feet South of point of beginning, thence North to point of beginning.

The South sixty (60) feet of the North one hundred ten (110) feet of the Northwest 1/4 of Section 11, Township 21 South, Range 15 East, being the North sixty (60) feet of Lot 1 and Lots 23 through 31 inclusive as shown on the recorded plat of said property.

The South 135 feet of the North 160 feet of the West 1950 feet of the North 1/2 of the Northeast 1/4 of Section 11, Township 21 South, Range 15 East together with the rights of ingress and egress to and from the same.

A flowage easement on the North 52 acres of the Southwest 1/4 of Section 31, Township 21 South, Range 17 East, lying West of Crooked Creek, Coffey County, Kansas.

ADD [unclear]

**AMENDMENT TO
WOLF CREEK GENERATING STATION
OWNERSHIP AGREEMENT**

January 1, 1987

AMENDMENT TO
WOLF CREEK GENERATING STATION
OWNERSHIP AGREEMENT

THIS AMENDMENT TO WOLF CREEK GENERATING STATION OWNERSHIP AGREEMENT is made as of January 1, 1987, by and among KANSAS GAS AND ELECTRIC COMPANY ("KG&E"), a Kansas corporation having its principal office at Wichita, Kansas; KANSAS CITY POWER & LIGHT COMPANY ("KCPL"), a Missouri corporation having its principal office at Kansas City, Missouri; and KANSAS ELECTRIC POWER COOPERATIVE, INC. ("KEPCo"), a Kansas corporation having its principal office at Topeka, Kansas.

WHEREAS, KG&E, KCPL and KEPCo are parties to the WOLF CREEK GENERATING STATION OWNERSHIP AGREEMENT, dated December 28, 1981, recorded with the Coffey County, Kansas Register of Deeds in Book W at page 465; and

WHEREAS, KG&E, KCPL and KEPCo have formed Wolf Creek Nuclear Operating Corporation, a Delaware corporation wholly owned by them, for the purpose of operating, maintaining, repairing, decontaminating and decommissioning Wolf Creek Generating Station; and

WHEREAS, KG&E, KCPL and KEPCo desire to amend the WOLF CREEK GENERATING STATION OWNERSHIP AGREEMENT in order to designate Wolf Creek Nuclear Operating Corporation as Operating Agent of Wolf Creek Generating Station in substitution for KG&E;

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

- (1) Effective as of January 1, 1987, Section 3.7 of the WOLF CREEK GENERATING STATION OWNERSHIP AGREEMENT, dated December 28, 1981, is hereby amended by substituting "Wolf Creek Nuclear Operating Corporation" for "KG&E" at all references to KG&E as Operating Agent.
- (2) In all other respects, said WOLF CREEK GENERATING STATION OWNERSHIP AGREEMENT shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their duly authorized officers the day and year first above written.

ATTEST:

Secretary

ATTEST:

Secretary

ATTEST:

Secretary

KANSAS GAS AND ELECTRIC COMPANY

By

Wilson K. Cadman
WILSON K. CADMAN

KANSAS CITY POWER & LIGHT COMPANY

By

Arthur J. Dofke
ARTHUR J. DOFKE

KANSAS ELECTRIC POWER COOPERATIVE, INC.

By

Arvin L. Zwick
ARVIN L. ZWICK

STATE OF Kansas)
) ss
COUNTY OF Sedgewick)

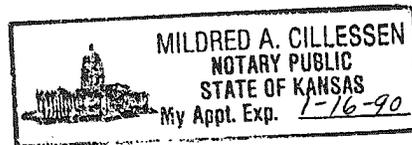
On this 23rd day of December, 1986, before me, a Notary Public in and for said County in the State aforesaid, personally appeared WILSON K. CADMAN, to me personally known, who, being by me duly sworn, did say that he is the Chairman of the Board and President of KANSAS GAS AND ELECTRIC COMPANY, a Kansas corporation, one of the corporations described in and which executed the foregoing instrument, that the seal affixed to the foregoing instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and said WILSON K. CADMAN acknowledged said instrument and the execution thereof to be the free and voluntary act and deed of said corporation by it voluntarily executed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid the day and year first above written.

Mildred A. Cillessen
Notary Public

My commission expires:

January 16, 1990



STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 19th day of December, 1986, before me, a Notary Public in and for said County and State aforesaid, personally appeared ARTHUR J. DOYLE, to me personally known, who, being by me duly sworn, did say that he is the Chairman of the Board and President of KANSAS CITY POWER & LIGHT COMPANY, a Missouri corporation, one of the corporations described in and which executed the foregoing instrument, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and said ARTHUR J. DOYLE acknowledged said instrument and the execution thereof to be the free and voluntary act and deed of said corporation by it voluntarily executed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid the day and year first above written.

Betty Bomsher
Notary Public

My commission expires:

September 28, 1988



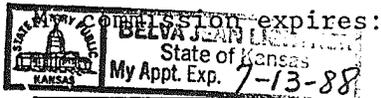
BETTY BOMSHER
NOTARY PUBLIC STATE OF MISSOURI
CLAY CO.
MY COMMISSION EXP. SEPT 28, 1988
ISSUED THRU MISSOURI NOTARY ASSOC.

STATE OF Kansas)
) ss
COUNTY OF Dickinson)

On this 26th day of December, 1986, before me, a Notary Public in and for said County in the State aforesaid, personally appeared ALVIN L. ZWICK to me personally known, who, being by me duly sworn, did say that he is the President of KANSAS ELECTRIC POWER COOPERATIVE, INC., a Kansas corporation, one of the corporations described in and which executed the foregoing instrument, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and said ALVIN L. ZWICK acknowledged said instrument and the execution thereof to be the free and voluntary act and deed of said corporation by it voluntarily executed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid the day and year first above written.

Belva Jean Lightner
Notary Public
BELVA JEAN LIGHTNER



ORIGINAL COMPARED WITH RECORD

RRI

State of Kansas, Coffey County, ss

This Instrument was filed for record on
the 30 day of December A. D., 19 86
at 1:05 o'clock P. M. and duly recorded
in Book EE of Misc at page 351-353

Ruth L. Stukey

REGISTER OF DEEDS

By Linda M. Taylor Deputy
Fee \$7.00



WOLF CREEK GENERATING STATION
OPERATING AGREEMENT

among

KANSAS GAS AND ELECTRIC COMPANY
KANSAS CITY POWER & LIGHT COMPANY
KANSAS ELECTRIC POWER COOPERATIVE, INC.

and

WOLF CREEK NUCLEAR OPERATING CORPORATION

This AGREEMENT made and entered into on this 15th day of April, 1986 among Kansas Gas and Electric Company ("KG&E"), Kansas City Power & Light Company ("KCPL"), Kansas Electric Power Cooperative, Inc. ("KEPCo") and Wolf Creek Nuclear Operating Corporation ("Operating Corporation").

W I T N E S S E T H :

WHEREAS, KG&E, KCPL and KEPCo (hereinafter referred to collectively as "Owners" and individually as an "Owner") each own, as tenant in common with the others, an undivided interest in the Wolf Creek Generating Station (hereinafter referred to as the "Station") in accordance with the provisions of the Wolf Creek

Station Ownership Agreement (the "Ownership Agreement") executed on December 28, 1981, the present undivided tenant in common interests ("Ownership Shares") being 47% in the case of KG&E, 47% in the case of KCPL and 6% in the case of KEPCo;

WHEREAS, for the purpose of this Operating Agreement, the term "Station" shall mean (i) the Site as defined in the Ownership Agreement, (ii) all common facilities at the Wolf Creek Station Site, (iii) Wolf Creek Unit #1 and (iv) all functions related to the operation, maintenance, repair, decommissioning and decontamination of (i) through (iii) above including, without limitation, all design, engineering, safety, licensing, fueling, security, technical, corporate and general services, both on and off-Site, it being understood that for purposes of this Operating Agreement, the term "Station" shall not include any Additional Unit(s) as provided under Section 1.1(d) of the Ownership Agreement; and

WHEREAS, it is desirable and to the mutual advantage of the Owners that the Operating Corporation be engaged, under the terms and conditions hereinafter set forth, to operate, maintain, repair, decontaminate and decommission the Station and make any necessary modifications and additions thereto and retirements therefrom on behalf of the Owners.

NOW, THEREFORE, in consideration of these premises, the parties hereto do hereby agree as follows:

ARTICLE 1

Sharing of Capacity and Energy; Scheduling

Section 1.01. The Ownership Agreement specifies, subject to the conditions therein set forth, the respective Capacity Entitlement and Energy Entitlement of each Owner. Subject to those provisions and the policies adopted by the Board of Directors of the Operating Corporation, each Owner (i) may schedule up to its pro rata share of the maximum operating capability of the Station which shall be determined by the Operating Corporation in accordance with Section 1.02 hereof and (ii) shall schedule its share of the minimum operating capability of the Station, all in accordance with the provisions of this Article of the Agreement.

Section 1.02. The Operating Corporation shall determine the maximum and minimum operating capability of the Station at all times, taking into consideration regulatory requirements and the characteristics of the Station. An Owner's pro rata share of the maximum and minimum operating capability of the Station shall be equivalent to its Ownership Share in the Station.

Section 1.03. An Owner may schedule less than its pro rata share of the minimum operating capability of the Station, provided that another Owner has agreed to schedule, and does

schedule, more than its share of the minimum operating capability of the Station in an amount sufficient to offset such deficiency, and has so advised the Operating Corporation.

Section 1.04. The Operating Corporation shall make available for scheduling and dispatch the Station operating capability in accordance with standard dispatching methods customary in the industry. The Operating Corporation shall make a good faith effort to provide energy to each Owner in accordance with the schedules provided by each Owner. Scheduled load changes will be permitted when it would not jeopardize the safe operation of the Station. If a reduction in the maximum operating capability occurs at the Station, for whatever reason, then each Owner's schedule shall be adjusted to take into account, in accordance with its respective Ownership Share, such reduction in operating capability.

Section 1.05. If the net hourly output of the Station is negative, then each Owner shall provide (from other energy resources available to it or by prearranged purchases from another Owner) its share of the hourly Wolf Creek Station electricity used, based upon its Ownership Share. If the net hourly output of the Station is positive, the Station's hourly electricity uses shall be allocated among the Owners on the basis of each Owner's scheduled deliveries divided by total scheduled deliveries. The Station's use

of electricity shall include transformer losses at the Station. So long as the Station has only one unit installed, energy entitlements under Section 4.2 of the Ownership Agreement shall be measured on the basis of the net output at the transmission side of the step-up transformers in the substation of the Station.

Section 1.06. Operating capability of the Station available to but not scheduled by an Owner shall be subject to the interchange provisions of Section 4.5 of the Ownership Agreement.

Section 1.07. The Operating Corporation shall, to the extent consistent with safe and reliable operation of the Station, coordinate the scheduled maintenance and fueling outages of the Station with each of the Owners.

ARTICLE 2

Services to be Provided by the Operating Corporation

Section 2.01. Consistent with its duties and responsibilities (i) under the Operating License for the Station issued by the Nuclear Regulatory Commission, (ii) as Operating Agent under the Ownership Agreement and (iii) pursuant to the policies of the Owners as reflected by actions taken by the Board of Directors of the Operating Corporation, the Operating Corporation shall provide and be responsible for the operation, maintenance, repair, deconta-

mination and decommissioning of the Station in a safe and reliable manner in accordance with all applicable, lawful licenses and permits and requirements of state and federal regulatory agencies and the generation of power and energy at the Station as economically as is reasonably practicable to meet the Owners' system requirements and economics. The Operating Corporation shall make such further modifications of and additions to and retirements from the Station as shall be consistent with such operation, maintenance, repair, decontamination and decommissioning. Such services and construction may be provided by the Operating Corporation through its own personnel or in part by others under contractual or other arrangements. In furtherance of the foregoing, the Operating Corporation shall, on behalf of the Owners, among other things and without limitation:

(a) Select, hire, control and discharge personnel, who will be employees solely of the Operating Corporation, and select and retain the services of contractors and consultants and/or direct, supervise and control certain employees of one or more of the Owners if such Owner or Owners shall agree to such direction, supervision and control;

(b) Arrange for the procurement on behalf

of the Owners of nuclear fuel including uranium and provide for the enrichment, conversion and fabrication thereof and storage and/or disposal or reprocessing of such fuel (as permitted by law or regulation);

(c) Arrange for the purchase on behalf of the Owners of materials, services and supplies for the Station;

(d) Design, construct, start-up and test modifications of, and additions to, the Station;

(e) Determine and stipulate inventory levels of material and equipment for the Station;

(f) Keep the Owners informed in a reasonable and timely manner concerning the operation, maintenance, repair, decontamination and decommissioning activities at the Station and of additions or modifications to the Station and retirements therefrom;

(g) Prepare, or arrange for the preparation of, in accordance with normal and customary procedures, annual budgets and forecasts for the Station costs, capital expenditures and retirements to be submitted to the Owners. Such budgets and forecasts shall be revised from time to time to reflect material changes in circumstances;

(h) Perform any services and take any action, on behalf of the Owners where appropriate, related to the operation, maintenance, repair, decontamination, and decommissioning of the Station and of additions, modifications and retirements pertaining to the Station as may be necessary or appropriate to comply with the provisions of the Atomic Energy Act, as amended or as it may be amended, or any other applicable statute, rules, regulations, guidelines or similar criteria, and any provisions or conditions of construction permits and operating licenses or similar authorizations granted or that may be granted in connection with the Station and as such permits, licenses or other authorizations may hereafter be amended;

(i) In its capacity as operator of the Station and as agent for the Owners, provide communications to, and receive communications from, the Nuclear Regulatory Commission and/or any successor governmental agency, as well as any other governmental agency having jurisdiction with respect to any aspect of the Station's operation, maintenance, repair, decontamination and decommissioning and of additions thereto and retirements therefrom and, in such capacities, represent (or engage others to represent) the Owners;

(j) Perform, or, if deemed desirable by the Operating Corporation, contract on behalf of the Owners with others (including agencies of Government or their contractors) for materials or services required to place and/or keep the Station in safe and efficient operating condition, to protect the Station property, to conduct research and development with respect thereto and disburse or receive funds in connection therewith. Such work shall be subject to normal and customary review and approval procedures of the Operating Corporation;

(k) Arrange for the maintenance, in accordance with normal and customary procedures, of such necessary books of record, books of account and memoranda of transactions and for the provision of such reports with respect thereto to the Owners as each Owner shall desire to meet its accounting and statistical requirements and to conform to the applicable lawful rules, regulations and requirements of all regulatory bodies having jurisdiction over the Owners. The costs for the Station shall be accumulated in a separate set of accounts;

(l) Provide, or arrange for the provision of, such other data or information with respect to the Station as may be reasonably requested by the Owners from time to time; and

(m) Perform any additional services pertaining to the Station, or any portion thereof, all of which shall be consistent with the intent of this Section 2.01, as may be approved by the Board of Directors of the Operating Corporation.

Section 2.02. Matters and questions arising in connection with the Station which are not within the scope of the authority delegated to the Operating Corporation under this Agreement and are not specifically provided for in this Agreement shall be determined from time to time by the Owners pursuant to Section 3.3 of the Ownership Agreement.

Section 2.03. During operating conditions which the Operating Corporation in its sole judgment deems abnormal, the Operating Corporation shall take such action as it deems appropriate for the public health and safety and the safety of personnel and equipment.

Section 2.04. In order that the safe operation of the Station is assured, the Owners shall not effect any operating or physical changes to their respective transmission and distribution facilities which may affect the safe operation of the Station without prior consultation and concurrence of the Operating Corporation.

ARTICLE 3

Working Fund

Section 3.01. The Owners shall establish and maintain a Working Fund from which the Operating Corporation shall make

payments for all costs pursuant to its services and responsibilities hereunder. The Owners, in consultation with the Operating Corporation, shall determine, initially and from time to time during the term of this Agreement, the amount or amounts required to maintain a satisfactory balance in the Working Fund, and shall be liable in proportion to their respective Ownership Shares for any such additional amounts required to maintain the agreed-upon balance. The Owners shall reimburse the Working Fund promptly on receipt of notice from the Operating Corporation of their respective obligations for reimbursement.

Section 3.02. On termination of this Agreement, as hereinafter provided, any residual unexpended balance in the Working Fund shall be credited to the Owners in proportion to their respective Ownership Shares.

ARTICLE 4

Charges, Financial Statements and Billings

Section 4.01. The Operating Corporation shall arrange for reporting to the Owners for each month, promptly following the end of such month, by written statements the following:

- (a) The costs on an accrual basis of operation, maintenance, repair, decontamination and decommissioning of the Station, and the cost

of any Station additions, modifications and retirements including applicable cost of removal and salvage, classified as required to meet the Operating Corporation's obligations under Section 2.01(k) above.

(b) A summary statement of the operation during that month of the Working Fund, showing beginning balance, receipts, disbursements and closing balance.

Section 4.02. Except as otherwise provided in Sections 1.05 and 4.03 hereof, the costs incurred or accrued from all sources during each calendar month in operating, maintaining, repairing, decontaminating and decommissioning the Station and in making additions or modifications to, and retirements from, the Station shall be liabilities of the Owners when incurred or accrued and shall be borne by the Owners in proportion to their Ownership Shares. All such costs shall be determined in accordance with sound accounting practices, and shall include reasonable and appropriate indirect costs including overheads. All of the services rendered hereunder by the Operating Corporation will be at actual cost thereof, without profit to the Operating Corporation. Direct charges will be made for services where a direct allocation of cost is appropriate and equitable.

Section 4.03. When the net hourly output of the Station is positive, nuclear fuel costs and spent fuel disposal costs will be shared among the Owners on the basis of the percentage take of kilowatt hours by each Owner. The percentage take of kilowatt hours shall be calculated by dividing the number of kilowatt hours delivered to that Owner by the total number of kilowatt hours delivered to all Owners. A true up shall be carried out periodically (but not less frequently than annually) which shall adjust each Owner's inventory of nuclear fuel to equal each Owner's Ownership Share. In truing up accounts among the Owners at the end of each period, an Owner or Owners whose percentage take during the period after adjustment for scheduled interchanges under Section 4.5 of the Ownership Agreement, is higher than its Ownership Share (hereinafter "Debit Owner(s)"), shall reimburse an Owner or Owners whose percentage take is less than its Ownership Share (hereinafter "Credit Owner(s)"), for using their fuel. The price to be charged to the Debit Owner shall be the Credit Owner's nuclear fuel cost. "Nuclear fuel cost" is defined as the amortization of costs described by the Federal Energy Regulatory Commission in its Uniform System of Accounts, Account 120, adjusted by adding back (i) the income tax effect of the debt component of Allowance for Funds Used During Construction (AFUDC) and (ii) the benefits realized by reason of such Credit Owner's share in the Uranium Agreement of Settlement among KG&E, KCPL and Westinghouse Electric Corporation, dated February 21, 1980, and shall include DOE disposal costs.

Section 4.04. In recognition of the fact that each Owner has an interest in being assured that the other Owners have made adequate provision for the funding of its Ownership Share of the Station decommissioning costs as contemplated by Section 4.02, each Owner undertakes to utilize its best efforts to provide such assurance to the other Owners, recognizing that there are at the present time some impediments toward achieving that objective. Each Owner shall provide to each other Owner within four months after the end of its fiscal year a report identifying the provision it has made for that year and on a cumulative basis for its share of Station decommissioning costs. If, and to the extent that, requirements have been or are hereafter imposed on an Owner by a federal or state authority in a final order or regulation which specifies that provision be made for decommissioning costs for the Station in a particular manner or manners, such Owner will promptly take such action on its part as may be necessary to comply with such requirements.

Section 4.05. It is the intent of the Owners that so far as possible each Owner shall separately report, file returns with respect to, be responsible for and pay all real property, franchise, business or other taxes, except payroll and sales or use taxes, arising out of its Ownership Share of the Station and that such taxes shall be separately levied and assessed against each Owner. However, to the extent that such taxes may be levied on or assessed against the Station, or its operation, or the

Owners in such a manner as, in the opinion of the Owners, to make impossible or inequitable the carrying out of said intent, then such taxes shall be deemed a part of the costs of operating and maintaining the Station and shall be apportioned among the Owners under this Agreement in accordance with their respective Ownership Shares; provided that the Operating Corporation shall join with the Owners in executing and filing with the Internal Revenue Service such documents as may be appropriate to effect the election required by Section 6.5 of the Ownership Agreement.

Section 4.06. The Owners shall have the right, during the term of this Agreement and thereafter as long as the books, records and memoranda referred to in Section 2.01 shall be preserved, to inspect all such items and to make reasonable audits thereof at their own cost as they may deem necessary to protect their interests.

Section 4.07. In the event an Owner shall question any statement rendered according to the provisions of Sections 4.02 or 4.03 hereof, it shall nevertheless promptly pay the amount indicated in such statement but such payment shall not be deemed to prevent such Owner from claiming or pursuing an adjustment of any statement rendered.

Section 4.08. If it shall be determined that an Owner has paid more or less than its proper share of the operating and capital costs of the Station for the month covered by such statement, an appropriate correcting credit or charge shall be made by the Operating Corporation to the accounts of each of the Owners.

ARTICLE 5

Compliance with Provisions of Permits
and Requirements of Governmental Agencies

Section 5.01. Without limiting in any way the authority and responsibility of the Operating Corporation under Section 2.01, the Owners and the Operating Corporation shall cooperate in taking whatever action may be necessary to comply with the terms and provisions of permits and licenses for the Station and with all applicable lawful requirements of any Federal or State agency or regulatory body having jurisdiction in the premises.

ARTICLE 6

Transfers of Personnel from Owners to Operating Corporation

Section 6.01. The employees of the Operating Corporation initially will consist of (i) those KG&E employees who are assigned to its Nuclear Department, (ii) such other KG&E employees who are not in its Nuclear Department but are assigned full-time to Station matters, (iii) such KCPL and KEPCo employees who are assigned full-time to the Station and (iv) such other KG&E em-

employees who perform, on a part-time basis, services related to KG&E's Nuclear Department if any such employee performing part-time services is requested by the Operating Corporation and is willing to accept transfer to the Operating Corporation and KG&E is willing to transfer such employee to the Operating Corporation; provided that nothing herein shall prohibit the Operating Corporation from contracting with any Owner or with any other party for any services required for the operation, maintenance, repair, decontamination and decommissioning of the Station or any portion thereof; provided, further, that any such services provided by an Owner and charged to the Operating Corporation shall be at the Owner's cost thereof, for which the Owner shall be reimbursed by the Operating Corporation, and the costs for such services provided by an Owner shall be determined in accordance with sound accounting practices, shall include reasonable and appropriate indirect costs, including overheads, and shall be provided without profit to that Owner.

Section 6.02. It is the objective of the Owners that the Operating Corporation will assume, as of the date when an individual is transferred from the employ of an Owner to the Operating Corporation, the obligations, if any, of such Owner to such employee for accrued benefits under the Owner's employee benefit plans in effect at the time of such transfer and the transferring employer will make appropriate provision (by the transfer of funds to a trustee under a plan established by the Operating Corporation, the reservation of funds in its existing

trust fund or otherwise) for the payment of such accrued benefits to the extent that they have been funded as of the date approximating the date of such transfer. Consistent with that objective, the Owners anticipate that, in determining benefits payable by the Operating Corporation under any employee benefit plan established by it to an employee transferred to it by an Owner, the Operating Corporation will give credit for service by such employee with such transferring Owner as if such service had been performed by such transferred employee for the Operating Corporation unless the transferring Owner shall make provision for the direct payment by it of such benefits to the transferred employee. The plans and documentation to achieve this objective shall be established by the boards of directors of the Owners and of the Operating Corporation.

ARTICLE 7

Ownership of Property Related to Station; Other Property

Section 7.01. The Operating Corporation shall own no property which is, or could properly be, classified as "utility property" within the meaning of K.S.A. 66-104. Any and all utility property related to the Station which is now owned by one or more of the Owners shall continue to be owned by such Owner or Owners subject to the provisions of the Ownership Agreement, and this Agreement shall not effect any change in such ownership.

Section 7.02. Any non-utility property utilized in the operation, maintenance, repair, decontamination and decommissioning of the Station may be transferred to the Operating Corporation

upon the approval of the transferring Owner and the Operating Corporation, after obtaining such regulatory authorization, if any, as shall be required.

Section 7.03.(a) Any contract covering the design, engineering, procurement, construction and installation services and major components of the Station and all other contracts relating to operation, maintenance, repair, decontamination and decommissioning of the Station, including contracts for the acquisition of materials, inventories, supplies, spare parts, equipment, fuel or services therefor, heretofore executed solely by KG&E in its own name or as Operating Agent or by all Owners shall be assigned to the Operating Corporation to the extent allowed by those contracts.

(b) Any contract which cannot be assigned to the Operating Corporation shall be administered by the Operating Corporation, and all rights, duties and responsibilities associated with said contract shall be carried out by the Operating Corporation as if the contract had been assigned to the Operating Corporation. Each Owner shall support the Operating Corporation to the extent necessary to protect and defend the Owners' interest in said contract. Any Owner incurring costs to provide such support shall be reimbursed by the Operating Corporation and the other Owners in the manner provided by Section 4.02 hereof.

(c) Future contracts executed by the Operating Corporation will be signed in the name of the Operating Corporation, as agent for the Owners, and Owners will be severally, but

not jointly, obligated by such contracts in proportion to their Ownership Shares.

ARTICLE 8

Insurance; Damages to Persons or Property; Penalties; Fines

Section 8.01. Each Owner and the Operating Corporation will procure and maintain such physical damage, public liability and workers compensation insurance with respect to all losses, damages, liabilities and claims arising out of its ownership interest or the construction or operation of the Station and provision of services hereunder (other than losses, damages, liabilities and claims in the name and/or on behalf of such Owner, hereafter collectively referred to in this Article 8 as a "derivative claim") and the premium costs thereof shall be Station costs to be borne by the Owners separately (but not jointly) in proportion to their Ownership Shares, or, in the alternative upon concurrence of each party hereto, the Owners and the Operating Corporation will jointly procure and maintain such physical damage, public liability, workers compensation and other insurance as they may deem appropriate with respect to all losses, damages, liabilities and claims arising out of their respective ownership interests or the construction or operation of the Station and provision of services hereunder other than derivative claims and the premium costs thereof shall be Station costs to be borne by the Owners

separately (but not jointly) in proportion to their Ownership Shares. All insurance shall contain a waiver of subrogation clause against the other parties hereto.

Section 8.02. Claims cognizable under workers compensation acts or temporary disability benefits laws or any other benefits under workers compensation or analogous statutes and the expenses of defending or disposing of the same, attributable to the ownership or operation of the Station, which are not covered in full by insurance procured in accordance with the preceding paragraph shall (to the extent not covered by such insurance) be treated as Station costs to be borne by the Owners separately (but not jointly) in proportion to their Ownership Shares.

Section 8.03. All losses, damages, expenses, penalties, liabilities and claims (including those in respect of property damages and personal injury but not including derivative claims) asserted by third parties in connection with, or arising out of, the construction, operation, maintenance, repair, decontamination and decommissioning of the Station or any portion thereof, and the expenses of defending against or disposing of the same, attributable to any property, policy, system, design or process in existence at or prior to the time that responsibility for the operation, maintenance, repair, decontamination or decommissioning of the Station is transferred to the Operating Corporation or is developed

after the transfer, or which is attributable to any employee transferred to the Operating Corporation by any Owner, or by any employee hired by the Operating Corporation after the transfer of authority to the Operating Corporation, and which are not covered in full by insurance procured in accordance with the Insurance Memorandum executed by the Owners on December 28, 1981 (or any successor insurance arrangement) shall (to the extent not covered by such insurance) be treated as Station costs to be borne by the Owners severally (but not jointly) in proportion to their Ownership Shares.

Section 8.04. The Owners have heretofore been acting for their mutual benefit, at cost and without opportunity for profit, in connection with the Station, pursuant to the terms of the Ownership Agreement. In recognition of that fact, the Owners accept "AS IS" the condition of the property of the Station, the employees transferred to the Station and any policy, system, design or process developed for the construction, operation, maintenance, repair, decontamination and decommissioning of the Station. ✧ Each of the Owners hereby expressly waives (on behalf of itself and its successors and assigns and anyone claiming an interest on behalf of or through said Owner) any right it may have to recover for any cause (including negligence), from any other Owner for any losses, damages, liabilities, penalties, fines, claims or expenses (including, without limitation, damages to the property of the Station, purchase of replacement power, and the costs of

repairing, decontaminating or decommissioning such property) including, but not limited to, those caused by any property, policy, system, design or process in existence at or prior to the time that responsibility for the operation, maintenance, repair, decontamination or decommissioning of the Station is transferred to the Operating Corporation, or by any employee transferred to the Operating Corporation by any Owner.

Section 8.05. Each Owner shall take all action necessary and appropriate to provide indemnification proportionate to its Ownership Share to the Operating Corporation and to all directors, officers, employees and agents of the Operating Corporation to the full extent permitted by law. The action taken by each Owner shall be subject to the approval of the other Owners.

Section 8.06. If any Owner, by reason of joint or several liability or otherwise, shall be required to make any payment or incur any obligations attributable to the construction, operation, maintenance, repair, decontamination or decommissioning of the Station in excess of its respective Ownership Share, the other Owners shall indemnify and reimburse such Owner proportionately to their Ownership Shares to the extent of any such excess together with interest on such excess (for the period between the payment by the Owner to be so indemnified and its receipt of such indemnification), at a rate substantially equivalent and pursuant

to the indemnified Owner's overall rate of return allowed in the last rate case of such Owner; except that with respect to KEPCo (inasmuch as it has no overall rate of return) such rate shall be substantially equivalent and pursuant to KEPCo's total cost of funds.

ARTICLE 9

Miscellaneous

Section 9.01. Nothing in this Agreement shall be deemed to create or constitute a partnership, joint venture or association among the parties hereto or any of them, the sole purpose of this Agreement being limited to provision for the orderly and efficient operation, maintenance, repair, decontamination and decommissioning of the Owners' respective separate and undivided tenancy-in-common interests in the Station.

Section 9.02. Any notice, demand, or request for consent, provided for in this Agreement or made in connection herewith, shall be deemed to be properly served upon an Owner or the Operating Corporation if given in writing and delivered in person or sent by registered or certified mail, postage prepaid, addressed to the chief executive officer of the Owner or the Operating Corporation at its then principal office.

Section 9.03. Each Owner shall determine the basis and method it will use for purposes of depreciation and other matters where investment in Station property is relevant.

ARTICLE 10

Binding Effect; Amendments and Modifications

Section 10.01. This Agreement shall become effective as provided for in Section 10.03 hereof. This Agreement shall terminate concurrently with the termination of the Ownership Agreement, unless it shall have been previously terminated by the unanimous agreement of the Owners; provided, however, that this Agreement shall be amended and modified as necessary or appropriate to accommodate an Additional Unit(s) at the Station Site if Ownership Interests in the Common Facilities at the Station are to be adjusted to reflect the Additional Unit(s) pursuant to the provisions of the Ownership Agreement.

Section 10.02. Any Owner may propose in writing an amendment, modification or supplement to this Operating Agreement. No amendments, modifications or supplements shall be effective unless and until so proposed to and considered by the Owners, reduced to writing, approved and executed by all the Owners and the Operating Corporation, and each of the Owners and the Operating Corporation shall have obtained, in form satisfactory to it and to the other parties hereto, any and all authorization from governmental bodies having jurisdiction over it (or them) for such of the matters provided for in such amendment, modification or supplement as such Owner and/or the Operating Corporation shall deem necessary or appropriate. No amendments affecting the Operating License of the Station shall be effective unless and until approved by the Nuclear Regulatory Commission or any successor agency.

Section 10.03. This Agreement shall become effective upon its execution and when the boards of directors and/or executive committees of each of the Owners and of the Operating Corporation shall have authorized or ratified this Agreement and authorized its implementation, but this Agreement shall not become operative until

I. each of the Owners and the Operating Corporation shall have obtained any and all authorization from governmental bodies having jurisdiction over it (or them) for such of the matters provided for in this Agreement as such Owner and/or the Operating Corporation shall deem necessary or appropriate; or

II. 12:01 A.M., January 1, 1987, whichever shall last occur. Each of the Owners shall advise the other Owners and the Operating Corporation when these conditions applicable to said Owner shall have been satisfied.

ARTICLE 11

Successors and Assigns

Section 11.01. This Agreement shall inure to the benefit of and be binding upon the successor and assigns of each Owner, and of the Operating Corporation, provided, however, that rights and obligations of an Owner in, or arising from, this Agreement shall not be assigned except in connection with the transfer by an Owner

of an Ownership Share in all or any portion of the Station, in which event the Owner shall assign and shall cause such transferee to assume the related portion of its rights and obligations under this Agreement, all as provided for in Paragraph 3.8 of the Ownership Agreement, and to acquire from such Owner the related shares of capital stock of the Operating Corporation.

ARTICLE 12

Governing Law

Section 12.01. This Agreement has been executed and delivered in the State of Kansas and is intended to be construed in accordance with, and to be governed by, the laws of that State.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed and delivered as of the day and year first above written.

ATTEST:

KANSAS GAS AND ELECTRIC COMPANY

Clarence D. Rothro
Asst. Secretary

By: Wilson K. Cochran

ATTEST:

KANSAS CITY POWER & LIGHT COMPANY

Arthur J. Doyle
Secretary

By: Arthur J. Doyle

ATTEST:

KANSAS ELECTRIC POWER COOPERATIVE, INC.

Charles H. Ellis
Secretary

By: Charles H. Ellis

ATTEST:

WOLF CREEK NUCLEAR OPERATING CORPORATION

Forest M. Burke
Secretary

By: Forest M. Burke



CATALYST

CONSULTING LLC

Westar & KCP&L
Wolf Creek Nuclear Decommissioning Financing Plan
August 28, 2017

I. Executive Summary

The Wolf Creek Decommissioning Finance Plan (“Plan”) Joint Resolution addressing the owners’ next triennial filing due September 1, 2017 requires the following section (as noted on page 2 of Attachment 1 of the Joint Status Report and Resolution filed in Docket No. 15-WCNE-093-GIE on February 5, 2016):

V. Financial Responsibility

- b. Plans and options for insuring against or otherwise financing premature closing of the facility, including but not limited to:
 - i. Plan/options to ensure that the contribution amount set for the decommissioning trust fund for each owner is reasonable given the possibility for premature closing;
 - ii. Options to address the potential for a decommissioning trust fund shortfall in the event of premature closing;
 - iii. Plan/options to address recovery of depreciation expense for Wolf Creek by the owners; and
 - iv. Discussion of regulatory treatment and rate recovery options that would ensure that owners fully recover their investment and return on their investment even in the event of a premature closing including rate adjustments in current rate periods or continued rate recovery after the plant is closed.

Overall, Westar and KCP&L (collectively “the Companies”)¹ are proposing three (3) options:

- The first option is to maintain the current schedules for the trust fund contributions and depreciation expense. This option is appropriate if Wolf Creek does not experience a premature plant closure; however, this option limits the flexibility of the Companies and the Commission to respond to changing circumstances -- which increases the overall risk, particularly given the trend of nuclear plant closures across the country.
- The second option is to revise the schedules for trust fund contributions and depreciation expense to reflect a premature plant closure by aligning those schedules with the shortened remaining operating life of the plant.
- A third option (which could operate in conjunction with the second option) is to establish a standalone ratemaking mechanism (i.e. a balancing account and tracker) to ensure that the actual costs of a premature plant closure are recovered subject to full Commission review and approval.

More specifically to Section V noted above, the Companies propose that for (i) and (ii), the primary option for ensuring that the decommissioning trust fund is fully funded in the event of a premature plant closure is to recalculate the contribution amount upon approval of the plan to prematurely close the plant. This revision would ensure a reasonable level of contribution without undue delay or incremental risk, while aligning the period of time over which the decommissioning trust fund is funded with the remaining depreciable life of the plant.

The Companies also propose that for (iii) and (iv), an option to address the recovery of depreciation expense in the event of a premature closing would be for the Companies to revise depreciation rates to reflect the shortened remaining operating life of the plant, pursuant to the direction and approval of the Commission. Another option is to establish a balancing account which operates in conjunction with a rate mechanism or “tracker” to ensure that the actual costs associated with premature plant closure are recovered, subject to Commission review and approval. These options allow the Commission to closely manage the rate impacts of premature plant closure while simultaneously providing the Commission more flexibility in the future to address the financial and rate impacts of unforeseen operational issues or market conditions that may induce the premature closure of the plant.

¹ KEPCo concurs in this discussion of the options to address the potential for a decommissioning trust fund shortfall in the event of a premature closing. Like its Wolf Creek co-owners, KEPCo's decommissioning funding plan is subject to the Commission's approval. However, unlike its Wolf Creek co-owners, KEPCo's rates are not subject to the Commission's approval - they are instead set by KEPCo's member-owners.

II. Discussion

- i. **Plan/options to ensure that the contribution amount set for the decommissioning trust fund for each owner is reasonable given the possibility for premature closing.**
- ii. **Options to address the potential for a decommissioning trust fund shortfall in the event of premature closing.**

The primary method for ensuring that the contribution amount set for the decommissioning trust fund is reasonable is to plan to recalculate the contribution amount upon approval of the plan to prematurely close the plant. This recalculation of decommissioning trust fund contributions – at the time the plan for premature plant closure is approved, rather than on a rigid three-year periodicity – would ensure a reasonable level of contribution without undue delay or incremental risk. For accounting and ratemaking purposes, it is important that the period of time over which the decommissioning trust fund is fully funded closely aligns with the remaining depreciable life of the plant.

Another option would be to increase the trust fund contributions *before* the decision to prematurely close the plant is approved – i.e. in the next triennial filing and/or next rate case – to mitigate the risk that the decommissioning trust fund balance would be insufficient to meet actual decommissioning costs in the event of a premature closure. This option places emphasis on reducing ratepayer risk by ensuring that funds are available well before the currently-anticipated plant closure date. This option gives the Commission more flexibility around the contribution level and the corresponding rate impact, because it allows increased contributions to the trust fund to be made over a greater number of years. The disadvantages of this option are twofold; first, there is a fair degree of uncertainty around when the premature closing would take place (if at all), which complicates the calculation of an increased trust fund contribution. Second, this approach could be inconsistent with the matching principle (which requires the cost of capital investments to be spread over the time period in which those investments will be used).

iii. Plan/options to address recovery of depreciation expense for Wolf Creek by the owners.

One option to address the recovery of depreciation expense for Wolf Creek in the event of a premature closing would be for the Companies to revise depreciation rates to reflect the shortened remaining operating life of the plant, pursuant to the direction and approval of the Commission. This may be the best option available because it allows the Commission to closely manage the rate impacts of premature plant closure while simultaneously providing the Commission more flexibility in the future to address the financial and rate impacts of unforeseen operational issues or market conditions that may induce the premature closure of the plant.

It would be beneficial to shorten the depreciable life of the plant and revise the depreciation schedule immediately following the approval of a premature closing because (1) doing so would result in the appropriate matching of cost recovery with the remaining operating life of the plant and (2) revising the depreciation schedule at that time would mitigate future rate impacts associated with the earlier closure of the plant. In other words, any delay would only serve to increase the future rate impacts.

By revising depreciation rates to reflect a revised closure date, the recovery of Wolf Creek-related costs would align with the remaining operating life of the plant, resulting in cost recovery from customers who are served by the plant.

Another option is the establishment of a balancing account and rate tracker mechanism for all of the costs related to Wolf Creek. Because of the cost uncertainties that would exist at the time the premature closing was under consideration, the Companies could propose the establishment of a balancing account that would allow flexibility for the timing and recovery of the then-remaining Wolf Creek revenue requirement.

Under this scenario, each of the Companies would remove all of the costs related to Wolf Creek from base rates. Then each of the Companies would establish a balancing account and book all of the costs related to Wolf Creek to that account. The Companies would then project a present value of revenue requirements for Wolf Creek over the remaining life of the plant and could include the levelized

revenue requirement amount in the tracker. Then a periodic comparison of actual costs and projected costs could take place, annually or otherwise, to update the levelized revenue requirement and to determine whether any revisions to the tracker amount would be required. This would allow for the “smoothing” of the rate impacts of costs relate to the premature closure of the plant.

The mechanism itself could operate in a number of ways, subject to Commission direction. (For example, the tracker could be used to recover the entire Wolf Creek revenue requirement, with none of those amounts in base rates; or, a portion of the Wolf Creek revenue requirement could remain in base rates, and the tracker could be used to recover any incremental amounts.) Regardless of the specific design of the tracker and how it is administered, the general concept of matching customer rates with actual costs over the remaining life of the plant – closely managing the risks of future rate impacts while providing the Commission with a high degree of flexibility should a premature plant closing occur – would remain.

There are at least three types of costs the Companies would anticipate booking to the balancing account for this tracker: (1) the depreciation associated with existing plant investments, (2) the return on the undepreciated capital investments at the plant until its end-of-life, and (3) decommissioning costs related to the plant shutdown. There could be other types of costs to be identified later to also be booked in the balancing account.

The balancing account would smooth revenue requirement impacts of a premature closure over whatever plant life would remain and would allow for full recovery of actual plant-related costs (but no more than those actual costs) by its end-of-life. This would effectively align the cost recovery period with the remaining operating life of the plant, resulting in an appropriate matching of cost recovery from customers who benefit from the plant's operations while mitigating the risk of future customers bearing the costs of a plant that will no longer be providing service. Additionally, through the proposed accounting treatment, customers would pay no more and no less than the actual fixed costs of operating the plant between the time that plans for the premature closure are approved and the actual date of closure. Periodic reviews would ensure both the prudence of costs incurred and the accuracy of any rate adjustments that stem from such reviews.

This approach has been approved via settlement by a state regulator in another jurisdiction for the premature closure of a power plant.²

iv. Discussion of regulatory treatment and rate recovery options that would ensure that owners fully recover their investment and return on their investment even in the event of a premature closing including rate adjustments in current rate periods or continued rate recovery after the plant is closed.

In addition to the options discussed in (iii) above, the Companies could propose the deferral of the then-remaining Wolf Creek depreciation expense. This approach has been approved by a state regulator in another jurisdiction for the long-term idling of power plants.³ The Companies could then propose the inclusion of those deferred amounts, amortized over an as-yet-undetermined number of years, in the Companies' revenue requirement to be recovered in base rates. This approach is not consistent with the matching principle. However, this approach could potentially mitigate adverse rate impacts, so that a balance could be struck between the matching principle and the ratemaking principle of gradualism.

Perhaps the best option would be to create a rate mechanism aimed at recovering all of the costs associated with the Wolf Creek investment and the return on that investment, as described in the response to (iii). The rate mechanism would operate in conjunction with base rates to recover the applicable amounts. The rate mechanism could be used to recover the incremental revenue requirement not included in base rates at the time the mechanism is established. This approach would permit the review of particular cost items related to the Wolf Creek premature closure in a separate proceeding, outside of a rate case and with greater frequency (e.g. annually). The particular details of how the mechanism would operate would have to be determined at the time the mechanism is proposed, presumably at or shortly after the approval of the plan to prematurely close the plant.

² See Idaho Public Utilities Commission, *In The Matter Of The Application Of Idaho Power Company For Authority To Increase Its Rates For Electric Service To Recover Costs Associated With The North Valmy Plant*, Case No. IPC-E-16-24, Order No. 33771 (May 31, 2017).

³ See Kentucky Public Service Commission, *In the Matter Of: Application Of Big Rivers Electric Corporation For A General Adjustment In Rates Supported By Fully Forecasted Test Period*, Case No. 2013-00199 (April 25, 2014).

Financial Responsibility

In support of K.S.A. 66-128m (b)(8):

1. Reasonable assurance of responsibility in the event of insufficient assets to fund the decommissioning.

Ultimately customers are responsible for the costs for decommissioning of Wolf Creek and the utilities maintain the right to collect those costs from customers over a reasonable period of time. If there are some timing differences in recovery of costs from customers, the utilities have sufficient credit quality to ensure funds are available to complete decommissioning, as discussed for each utility below.

KG&E Response

We believe the financial condition of Westar Energy, Inc. and its wholly-owned subsidiary, KGE, provides reasonable assurance of the availability of funds. Standard and Poor's current corporate credit ratings for both Westar Energy and KGE are BBB+ with a positive outlook. Moody's current issuer credit ratings for both Westar Energy and KGE are Baa1 with a stable outlook. As such, Westar and KGE have access to capital markets. Other available sources of funds include internally generated cash and short-term borrowing. Westar currently has two revolving credit facilities and maintains a commercial paper program under which the company can issue up to \$1.0 billion. As of June 30, 2017, Westar's total net worth, excluding the net book value of Wolf Creek, was \$2.8 billion. The ratio of Westar's total liabilities to total net worth was 2.0. Westar's total assets excluding the book value of Wolf Creek are \$10.5 billion which is 27.5 times KGE's share of the latest decommissioning cost estimate.

KCP&L Response

KCP&L is a wholly-owned subsidiary of Great Plains Energy Incorporated (GPE). Standard & Poor's and Moody's Investors Service provide public ratings for the companies. Both companies are rated investment grade and have access to existing credit facilities as well as the long-term capital markets in the unlikely event KCP&L has insufficient assets on hand to fund decommissioning of Wolf Creek.

KCP&L and GPE currently have \$600 million and \$200 million respectively in revolving credit facilities that also allow the transfer of up to \$200 million in commitments between the facilities. KCP&L's credit facility supports an active commercial paper program. These credit facilities alone provide the ability to KCP&L to sufficiently fund the required annual contributions necessary to meet the Kansas jurisdictional requirement of KCP&L's projected decommissioning costs.

KEPCo Response

KEPCo has contracts with its member owners that extend through 2045 that obligate those member owners to pay the costs incurred by KEPCo in providing power to them. Those costs include

decommissioning costs. Other available sources of funds include short term borrowing and existing credit facilities.