UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2006**

or

[ ] TRANSITION REPORT PURSUANT SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number	Exact name of registrant as specified in its charter, state of incorporation, address of principal executive offices and telephone number	I.R.S. Employer Identification Number
001-32206	**GREAT PLAINS ENERGY INCORPORATED** (A Missouri Corporation) 1201 Walnut Street Kansas City, Missouri 64106 (816) 556-2200 www.greatplainsenergy.com	43-1916803
000-51873	**KANSAS CITY POWER & LIGHT COMPANY** (A Missouri Corporation) 1201 Walnut Street Kansas City, Missouri 64106 (816) 556-2200 www.kcpl.com	44-0308720

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Great Plains Energy Incorporated Yes _ No X Kansas City Power & Light Company Yes _ No X

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Great Plains Energy Incorporated	Large accelerated filer X	Accelerated filer _	Non-accelerated filer _
Kansas City Power & Light Company	Large accelerated filer _	Accelerated filer _	Non-accelerated filer X

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Great Plains Energy Incorporated Yes _ No X Kansas City Power & Light Company Yes _ No X

On November 1, 2006, Great Plains Energy Incorporated had 80,303,446 shares of common stock outstanding.
On November 1, 2006, Kansas City Power & Light Company had one share of common stock outstanding, which was held by Great Plains Energy Incorporated.

Great Plains Energy Incorporated and Kansas City Power & Light Company (KCP&L) separately file this combined Quarterly Report on Form 10-Q. Information contained herein relating to an individual registrant and its subsidiaries is filed by such registrant on its own behalf. Each registrant makes representations only as to information relating to itself and its subsidiaries.

In March 2006, KCP&L filed a registration statement to register its common stock under Section 12(g) of the Securities Exchange Act of 1934, as amended (Exchange Act). This registration statement became effective in April 2006 and KCP&L is now required to file reports, including quarterly reports on Form 10-Q, under Section 13(a) of the Exchange Act.

This report should be read in its entirety. No one section of the report deals with all aspects of the subject matter. It should be read in conjunction with the consolidated financial statements and related notes and with the management's discussion and analysis included in the companies' 2005 Form 10-K.

CAUTIONARY STATEMENTS REGARDING CERTAIN FORWARD-LOOKING INFORMATION

Statements made in this report that are not based on historical facts are forward-looking, may involve risks and uncertainties, and are intended to be as of the date when made. Forward-looking statements include, but are not limited to, statements regarding projected delivered volumes and margins, the outcome of regulatory proceedings, cost estimates of the comprehensive energy plan and other matters affecting future operations. In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the registrants are providing a number of important factors that could cause actual results to differ materially from the provided forward-looking information. These important factors include: future economic conditions in the regional, national and international markets, including but not limited to regional and national wholesale electricity markets; market perception of the energy industry and Great Plains Energy; changes in business strategy, operations or development plans; effects of current or proposed state and federal legislative and regulatory actions or developments, including, but not limited to, deregulation, re-regulation and restructuring of the electric utility industry; decisions of regulators regarding rates KCP&L can charge for electricity; adverse changes in applicable laws, regulations, rules, principles or practices governing tax, accounting and environmental matters including, but not limited to, air and water quality; financial market conditions and performance including, but not limited to, changes in interest rates and in availability and cost of capital and the effects on pension plan assets and costs; credit ratings; inflation rates; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of terrorist acts; increased competition including, but not limited to, retail choice in the electric utility industry and the entry of new competitors; ability to carry out marketing and sales plans; weather conditions including weather-related damage; cost, availability, quality and deliverability of fuel; ability to achieve generation planning goals and the occurrence and duration of unplanned generation outages; delays in the anticipated in-service dates and cost increases of additional generating capacity; nuclear operations; ability to enter new markets successfully and capitalize on growth opportunities in non-regulated businesses and the effects of competition; application of critical accounting policies, including, but not limited to, those related to derivatives and pension liabilities; workforce risks including compensation and benefits costs; performance of projects undertaken by non-regulated businesses and the success of efforts to invest in and develop new opportunities and other risks and uncertainties.

This list of factors is not all-inclusive because it is not possible to predict all factors. Part II Item 1A. Risk Factors included in this report together with the risk factors included in the companies' 2005 Form 10-K under Part I Item 1A, should be carefully read for further understanding of potential risks to the companies. Other sections of this report and other periodic reports filed by the companies with the Securities and Exchange Commission (SEC) should also be read for more information regarding risk factors.

GLOSSARY OF TERMS

The following is a glossary of frequently used abbreviations or acronyms that are found throughout this report.

Abbreviation or Acronym	Definition
BART	Best available retrofit technology
CAIR	Clean Air Interstate Rule
CAMR	Clean Air Mercury Rule
CO_2	Carbon Dioxide
Company	Great Plains Energy Incorporated and its subsidiaries
Consolidated KCP&L	KCP&L and its wholly owned subsidiaries
DOE	Department of Energy
DTI	DTI Holdings, Inc. and its subsidiaries, Digital Teleport, Inc. and Digital Teleport of Virginia, Inc.
EBITDA	Earnings before interest, income taxes, depreciation and amortization
EEI	Edison Electric Institute
EIRR	Environmental Improvement Revenue Refunding
EPA	Environmental Protection Agency
EPS	Earnings per common share
FASB	Financial Accounting Standards Board
FELINE PRIDES℠	Flexible Equity Linked Preferred Increased Dividend Equity Securities, a service mark of Merrill Lynch & Co., Inc.
FERC	The Federal Energy Regulatory Commission
FIN	Financial Accounting Standards Board Interpretation
FSS	Forward Starting Swaps
GAAP	Generally Accepted Accounting Principles
Great Plains Energy	Great Plains Energy Incorporated and its subsidiaries
HSS	Home Service Solutions Inc., a wholly owned subsidiary of KCP&L
IEC	Innovative Energy Consultants Inc., a wholly owned subsidiary of Great Plains Energy
ISO	Independent System Operator
KCC	The State Corporation Commission of the State of Kansas
KCP&L	Kansas City Power & Light Company, a wholly owned subsidiary of Great Plains Energy
KLT Gas	KLT Gas Inc., a wholly owned subsidiary of KLT Inc.
KLT Inc.	KLT Inc., a wholly owned subsidiary of Great Plains Energy
KLT Investments	KLT Investments Inc., a wholly owned subsidiary of KLT Inc.
KLT Telecom	KLT Telecom Inc., a wholly owned subsidiary of KLT Inc.
KW	Kilowatt
kWh	Kilowatt hour
MAC	Material Adverse Change
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
MISO	Midwest Independent Transmission System Operator, Inc.
MPSC	Public Service Commission of the State of Missouri
MW	Megawatt

Abbreviation or Acronym	Definition
MWh	Megawatt hour
NEIL	Nuclear Electric Insurance Limited
NO_x	Nitrogen Oxide
NPNS	Normal Purchases and Normal Sales
NRC	Nuclear Regulatory Commission
OCI	Other Comprehensive Income
PJM	PJM Interconnection
PRB	Powder River Basin
Receivables Company	Kansas City Power & Light Receivables Company, a wholly owned subsidiary of KCP&L
RTO	Regional Transmission Organization
SEC	Securities and Exchange Commission
SECA	Seams Elimination Charge Adjustment
SE Holdings	SE Holdings, L.L.C.
Services	Great Plains Energy Services Incorporated
SFAS	Statement of Financial Accounting Standards
SIP	State Implementation Plan
SO_2	Sulfur Dioxide
SPP	Southwest Power Pool, Inc.
STB	Surface Transportation Board
Strategic Energy	Strategic Energy, L.L.C., a subsidiary of KLT Energy Services
T - Locks	Treasury Locks
Union Pacific	Union Pacific Railroad Company
WCNOC	Wolf Creek Nuclear Operating Corporation
Wolf Creek	Wolf Creek Generating Station
Worry Free	Worry Free Service, Inc., a wholly owned subsidiary of HSS

GREAT PLAINS ENERGY
Consolidated Balance Sheets
(Unaudited)

	September 30 2006	December 31 2005
ASSETS	(thousands)	
Current Assets		
Cash and cash equivalents	**$ 59,259**	$ 103,068
Restricted cash	**-**	1,900
Receivables, net	**355,508**	259,043
Fuel inventories, at average cost	**25,269**	17,073
Materials and supplies, at average cost	**59,414**	57,017
Deferred income taxes	**46,329**	-
Assets of discontinued operations	**-**	627
Derivative instruments	**5,485**	39,189
Other	**14,189**	13,001
Total	**565,453**	490,918
Nonutility Property and Investments		
Affordable housing limited partnerships	**24,475**	28,214
Nuclear decommissioning trust fund	**98,975**	91,802
Other	**14,718**	17,291
Total	**138,168**	137,307
Utility Plant, at Original Cost		
Electric	**5,224,095**	4,959,539
Less-accumulated depreciation	**2,423,708**	2,322,813
Net utility plant in service	**2,800,387**	2,636,726
Construction work in progress	**160,058**	100,952
Nuclear fuel, net of amortization of $127,029 and $115,240	**37,703**	27,966
Total	**2,998,148**	2,765,644
Deferred Charges and Other Assets		
Regulatory assets	**207,453**	179,922
Prepaid pension costs	**70,806**	98,295
Goodwill	**88,139**	87,624
Derivative instruments	**2,507**	21,812
Other	**43,973**	52,204
Total	**412,878**	439,857
Total	**$ 4,114,647**	$ 3,833,726

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY
Consolidated Balance Sheets
(Unaudited)

	September 30 2006	December 31 2005
LIABILITIES AND CAPITALIZATION	(thousands)	
Current Liabilities		
Notes payable	**$ -**	$ 6,000
Commercial paper	**80,600**	31,900
Current maturities of long-term debt	**389,902**	1,675
Accounts payable	**260,663**	231,496
Accrued taxes	**97,403**	37,140
Accrued interest	**13,515**	13,329
Accrued payroll and vacations	**32,356**	36,024
Accrued refueling outage costs	**15,707**	8,974
Deferred income taxes	-	1,351
Supplier collateral	-	1,900
Liabilities of discontinued operations	-	64
Derivative instruments	**81,641**	7,411
Other	**24,459**	25,658
Total	**996,246**	402,922
Deferred Credits and Other Liabilities		
Deferred income taxes	**582,904**	621,359
Deferred investment tax credits	**27,413**	29,698
Asset retirement obligations	**91,072**	145,907
Pension liability	**89,812**	87,355
Regulatory liabilities	**107,500**	69,641
Derivative instruments	**72,318**	7,750
Other	**63,846**	65,787
Total	**1,034,865**	1,027,497
Capitalization		
Common shareholders' equity		
Common stock-150,000,000 shares authorized without par value		
80,341,419 and 74,783,824 shares issued, stated value	**893,850**	744,457
Retained earnings	**479,609**	488,001
Treasury stock-45,680 and 43,376 shares, at cost	**(1,367)**	(1,304)
Accumulated other comprehensive loss	**(79,863)**	(7,727)
Total	**1,292,229**	1,223,427
Cumulative preferred stock $100 par value		
3.80% - 100,000 shares issued	**10,000**	10,000
4.50% - 100,000 shares issued	**10,000**	10,000
4.20% - 70,000 shares issued	**7,000**	7,000
4.35% - 120,000 shares issued	**12,000**	12,000
Total	**39,000**	39,000
Long-term debt (Note 8)	**752,307**	1,140,880
Total	**2,083,536**	2,403,307
Commitments and Contingencies (Note 14)		
Total	**$ 4,114,647**	$ 3,833,726

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY
Consolidated Statements of Income
(Unaudited)

	Three Months Ended September 30		Year to Date September 30	
	2006	2005	**2006**	2005
Operating Revenues	(thousands, except per share amounts)			
Electric revenues - KCP&L	**$ 359,270**	$ 352,974	**$ 890,551**	$ 858,272
Electric revenues - Strategic Energy	**458,538**	429,407	**1,127,056**	1,099,895
Other revenues	**730**	446	**2,220**	1,495
Total	**818,538**	782,827	**2,019,827**	1,959,662
Operating Expenses				
Fuel	**77,154**	73,935	**180,751**	160,228
Purchased power - KCP&L	**5,157**	28,303	**18,844**	56,590
Purchased power - Strategic Energy	**462,299**	386,499	**1,117,404**	1,003,201
Skill set realignment costs (Note 9)	**1,389**	-	**15,905**	-
Other	**88,145**	76,358	**244,030**	240,628
Maintenance	**19,746**	19,230	**67,235**	69,140
Depreciation and amortization	**40,422**	38,382	**118,618**	114,485
General taxes	**31,826**	31,197	**87,234**	83,619
(Gain) loss on property	**28**	3,419	**(569)**	1,906
Total	**726,166**	657,323	**1,849,452**	1,729,797
Operating income	**92,372**	125,504	**170,375**	229,865
Non-operating income	**9,852**	3,563	**16,741**	15,334
Non-operating expenses	**(2,141)**	(4,699)	**(5,593)**	(15,671)
Interest charges	**(17,974)**	(17,904)	**(53,113)**	(53,777)
Income from continuing operations before income taxes, minority interest in subsidiaries and loss from equity investments	**82,109**	106,464	**128,410**	175,751
Income taxes	**(26,482)**	(17,300)	**(36,683)**	(32,396)
Minority interest in subsidiaries	**-**	-	**-**	(7,805)
Loss from equity investments, net of income taxes	**(468)**	(69)	**(1,047)**	(758)
Income from continuing operations	**55,159**	89,095	**90,680**	134,792
Discontinued operations, net of income taxes (Note 12)	**-**	1,780	**-**	(1,826)
Net income	**55,159**	90,875	**90,680**	132,966
Preferred stock dividend requirements	**411**	412	**1,234**	1,235
Earnings available for common shareholders	**$ 54,748**	$ 90,463	**$ 89,446**	$ 131,731
Average number of common shares outstanding	**80,081**	74,653	**77,266**	74,561
Basic and diluted earnings (loss) per common share				
Continuing operations	**$ 0.68**	$ 1.19	**$ 1.16**	$ 1.79
Discontinued operations	**-**	0.02	**-**	(0.02)
Basic and diluted earnings per common share	**$ 0.68**	$ 1.21	**$ 1.16**	$ 1.77
Cash dividends per common share	**$ 0.415**	$ 0.415	**$ 1.245**	$ 1.245

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY
Consolidated Statements of Cash Flows
(Unaudited)

Year to Date September 30	**2006**	Revised 2005
Cash Flows from Operating Activities		(thousands)
Net income	**$ 90,680**	$ 132,966
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	**118,618**	114,485
Amortization of:		
Nuclear fuel	**11,789**	9,396
Other	**6,965**	8,035
Deferred income taxes, net	**(32,930)**	(15,736)
Investment tax credit amortization	**(2,285)**	(2,917)
Loss from equity investments, net of income taxes	**1,047**	758
(Gain) loss on property	**(569)**	1,658
Minority interest in subsidiaries	**-**	7,805
Fair value impacts from energy contracts	**64,507**	(26,032)
Other operating activities (Note 4)	**(18,829)**	59,867
Net cash from operating activities	**238,993**	290,285
Cash Flows from Investing Activities		
Utility capital expenditures	**(371,056)**	(260,589)
Allowance for borrowed funds used during construction	**(4,060)**	(1,174)
Purchases of investments	**(700)**	(14,976)
Purchases of nonutility property	**(3,518)**	(4,822)
Proceeds from sale of assets and investments	**319**	17,123
Purchases of nuclear decommissioning trust investments	**(37,333)**	(22,811)
Proceeds from nuclear decommissioning trust investments	**34,596**	20,147
Hawthorn No. 5 partial insurance recovery	**-**	10,000
Hawthorn No. 5 partial litigation recoveries	**15,829**	-
Other investing activities	**(852)**	(679)
Net cash from investing activities	**(366,775)**	(257,781)
Cash Flows from Financing Activities		
Issuance of common stock	**151,624**	7,462
Issuance fees	**(6,144)**	(2,031)
Issuance of long-term debt	**-**	85,922
Repayment of long-term debt	**(872)**	(88,417)
Net change in short-term borrowings	**42,700**	(6,400)
Dividends paid	**(98,913)**	(94,071)
Other financing activities	**(4,422)**	(4,244)
Net cash from financing activities	**83,973**	(101,779)
Net Change in Cash and Cash Equivalents	**(43,809)**	(69,275)
Less: Net Change in Cash and Cash Equivalents from Discontinued Operations	**-**	(560)
Cash and Cash Equivalents at Beginning of Year	**103,068**	127,129
Cash and Cash Equivalents at End of Period	**$ 59,259**	$ 58,414

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY
Consolidated Statements of Common Shareholders' Equity
(Unaudited)

Year to Date September 30	**2006**		2005	
	Shares	**Amount**	Shares	Amount
Common Stock		(thousands, except share amounts)		
Beginning balance	**74,783,824**	**$ 744,457**	74,394,423	$ 731,977
Issuance of common stock	**5,510,769**	**151,624**	257,222	7,745
Issuance of restricted common stock	**46,826**	**1,320**	76,375	2,334
Common stock issuance fees		**(5,194)**		-
Equity compensation expense		**1,929**		1,360
Unearned Compensation				
Issuance of restricted common stock		**(1,355)**		(2,334)
Forfeiture of restricted common stock		**56**		188
Compensation expense recognized		**982**		1,143
Other		**31**		(99)
Ending balance	**80,341,419**	**893,850**	74,728,020	742,314
Retained Earnings				
Beginning balance		**488,001**		451,491
Net income		**90,680**		132,966
Dividends:				
Common stock		**(97,631)**		(92,836)
Preferred stock - at required rates		**(1,234)**		(1,235)
Performance shares		**(207)**		-
Ending balance		**479,609**		490,386
Treasury Stock				
Beginning balance	**(43,376)**	**(1,304)**	(28,488)	(856)
Treasury shares acquired	**(3,519)**	**(99)**	(6,380)	(193)
Treasury shares reissued	**1,215**	**36**	-	-
Ending balance	**(45,680)**	**(1,367)**	(34,868)	(1,049)
Accumulated Other Comprehensive Income (Loss)				
Beginning balance		**(7,727)**		(41,018)
Derivative hedging activity, net of tax		**(72,136)**		41,996
Minimum pension obligation, net of tax		-		(585)
Ending balance		**(79,863)**		393
Total Common Shareholders' Equity		**$ 1,292,229**		$ 1,232,044

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended September 30		Year to Date September 30	
	2006	2005	**2006**	2005
		(thousands)		
Net income	**$ 55,159**	$ 90,875	**$ 90,680**	$ 132,966
Other comprehensive income				
Gain (loss) on derivative hedging instruments	**(75,050)**	80,317	**(152,214)**	99,540
Income taxes	**30,631**	(33,097)	**62,966**	(41,468)
Net gain on derivative hedging instruments	**(44,419)**	47,220	**(89,248)**	58,072
Reclassification to expenses, net of tax	**7,576**	(12,571)	**17,112**	(16,076)
Derivative hedging activity, net of tax	**(36,843)**	34,649	**(72,136)**	41,996
Change in minimum pension obligation	-	-	-	(60)
Income taxes	-	(548)	-	(525)
Net change in minimum pension obligation	-	(548)	-	(585)
Comprehensive income	**$ 18,316**	$ 124,976	**$ 18,544**	$ 174,377

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Balance Sheets
(Unaudited)

	September 30 2006	December 31 2005
ASSETS	(thousands)	
Current Assets		
Cash and cash equivalents	**$ 400**	$ 2,961
Receivables, net	**122,293**	70,264
Fuel inventories, at average cost	**25,269**	17,073
Materials and supplies, at average cost	**59,414**	57,017
Deferred income taxes	**11,282**	8,944
Prepaid expenses	**8,072**	11,292
Total	**226,730**	167,551
Nonutility Property and Investments		
Nuclear decommissioning trust fund	**98,975**	91,802
Other	**5,351**	7,694
Total	**104,326**	99,496
Utility Plant, at Original Cost		
Electric	**5,224,095**	4,959,539
Less-accumulated depreciation	**2,423,708**	2,322,813
Net utility plant in service	**2,800,387**	2,636,726
Construction work in progress	**160,058**	100,952
Nuclear fuel, net of amortization of $127,029 and $115,240	**37,703**	27,966
Total	**2,998,148**	2,765,644
Deferred Charges and Other Assets		
Regulatory assets	**207,453**	179,922
Prepaid pension costs	**70,806**	98,002
Other	**29,752**	27,905
Total	**308,011**	305,829
Total	**$ 3,637,215**	$ 3,338,520

The disclosures regarding consolidated KCP&L included in the accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Balance Sheets
(Unaudited)

	September 30 2006	December 31 2005
LIABILITIES AND CAPITALIZATION	(thousands)	
Current Liabilities		
Notes payable to Great Plains Energy	**$ 550**	$ 500
Commercial paper	**80,600**	31,900
Current maturities of long-term debt	**225,500**	-
Accounts payable	**119,616**	106,040
Accrued taxes	**99,342**	27,448
Accrued interest	**11,783**	11,549
Accrued payroll and vacations	**25,158**	27,520
Accrued refueling outage costs	**15,707**	8,974
Derivative instruments	**812**	-
Other	**8,694**	8,600
Total	**587,762**	222,531
Deferred Credits and Other Liabilities		
Deferred income taxes	**623,531**	627,048
Deferred investment tax credits	**27,413**	29,698
Asset retirement obligations	**91,072**	145,907
Pension liability	**85,848**	85,301
Regulatory liabilities	**107,500**	69,641
Derivative instruments	**2,196**	2,601
Other	**42,981**	38,387
Total	**980,541**	998,583
Capitalization		
Common shareholder's equity		
Common stock-1,000 shares authorized without par value		
1 share issued, stated value	**1,021,656**	887,041
Retained earnings	**326,408**	283,850
Accumulated other comprehensive loss	**(30,602)**	(29,909)
Total	**1,317,462**	1,140,982
Long-term debt (Note 8)	**751,450**	976,424
Total	**2,068,912**	2,117,406
Commitments and Contingencies (Note 14)		
Total	**$ 3,637,215**	$ 3,338,520

The disclosures regarding consolidated KCP&L included in the accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Income
(Unaudited)

	Three Months Ended September 30		Year to Date September 30	
	2006	2005	**2006**	2005
Operating Revenues		(thousands)		
Electric revenues	**$ 359,270**	$ 352,974	**$ 890,551**	$ 858,272
Other revenues	**-**	-	**-**	113
Total	**359,270**	352,974	**890,551**	858,385
Operating Expenses				
Fuel	**77,154**	73,935	**180,751**	160,228
Purchased power	**5,157**	28,303	**18,844**	56,590
Skill set realignment costs (Note 9)	**1,330**	-	**15,560**	-
Other	**69,326**	60,912	**196,692**	195,738
Maintenance	**19,745**	19,225	**67,223**	69,111
Depreciation and amortization	**38,451**	36,776	**112,797**	109,836
General taxes	**30,894**	30,091	**84,058**	80,100
(Gain) loss on property	**26**	3,602	**(572)**	3,089
Total	**242,083**	252,844	**675,353**	674,692
Operating income	**117,187**	100,130	**215,198**	183,693
Non-operating income	**8,586**	2,822	**13,121**	13,665
Non-operating expenses	**(2,049)**	(2,477)	**(4,341)**	(4,257)
Interest charges	**(15,569)**	(15,015)	**(45,473)**	(45,116)
Income before income taxes and minority interest in subsidiaries	**108,155**	85,460	**178,505**	147,985
Income taxes	**(39,393)**	(16,512)	**(61,946)**	(31,943)
Minority interest in subsidiaries	**-**	-	**-**	(7,805)
Net income	**$ 68,762**	$ 68,948	**$ 116,559**	$ 108,237

The disclosures regarding consolidated KCP&L included in the accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows
(Unaudited)

Year to Date September 30	**2006**	2005
Cash Flows from Operating Activities	(thousands)	
Net income	**$ 116,559**	$ 108,237
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	**112,797**	109,836
Amortization of:		
Nuclear fuel	**11,789**	9,396
Other	**4,955**	5,850
Deferred income taxes, net	**(3,089)**	(32,575)
Investment tax credit amortization	**(2,285)**	(2,917)
(Gain) loss on property	**(572)**	3,089
Minority interest in subsidiaries	**-**	7,805
Other operating activities (Note 4)	**11,015**	81,378
Net cash from operating activities	**251,169**	290,099
Cash Flows from Investing Activities		
Utility capital expenditures	**(371,056)**	(265,361)
Allowance for borrowed funds used during construction	**(4,060)**	(1,174)
Purchases of nonutility property	**(51)**	(113)
Proceeds from sale of assets	**319**	224
Purchases of nuclear decommissioning trust investments	**(37,333)**	(22,811)
Proceeds from nuclear decommissioning trust investments	**34,596**	20,147
Hawthorn No. 5 partial insurance recovery	**-**	10,000
Hawthorn No. 5 partial litigation recoveries	**15,829**	-
Other investing activities	**(852)**	(679)
Net cash from investing activities	**(362,608)**	(259,767)
Cash Flows from Financing Activities		
Issuance of long-term debt	**-**	85,922
Repayment of long-term debt	**-**	(85,922)
Net change in short-term borrowings	**48,750**	13,576
Dividends paid to Great Plains Energy	**(74,001)**	(92,700)
Equity contribution from Great Plains Energy	**134,615**	-
Issuance fees	**(486)**	(2,031)
Net cash from financing activities	**108,878**	(81,155)
Net Change in Cash and Cash Equivalents	**(2,561)**	(50,823)
Cash and Cash Equivalents at Beginning of Year	**2,961**	51,619
Cash and Cash Equivalents at End of Period	**$ 400**	$ 796

The disclosures regarding consolidated KCP&L included in the accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Common Shareholder's Equity
(Unaudited)

Year to Date September 30	**2006**		2005	
	Shares	**Amount**	Shares	Amount
Common Stock		(thousands, except share amounts)		
Beginning balance	**1**	**$ 887,041**	1	$ 887,041
Equity contribution from Great Plains Energy	-	**134,615**	-	-
Ending balance	**1**	**1,021,656**	1	887,041
Retained Earnings				
Beginning balance		**283,850**		252,893
Net income		**116,559**		108,237
Dividends:				
Common stock held by Great Plains Energy		**(74,001)**		(92,700)
Ending balance		**326,408**		268,430
Accumulated Other Comprehensive Loss				
Beginning balance		**(29,909)**		(40,334)
Derivative hedging activity, net of tax		**(693)**		4,015
Minimum pension obligation, net of tax		-		(2,538)
Ending balance		**(30,602)**		(38,857)
Total Common Shareholder's Equity		**$ 1,317,462**		$ 1,116,614

The disclosures regarding consolidated KCP&L included in the accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended September 30		Year to Date September 30	
	2006	2005	**2006**	2005
		(thousands)		
Net income	**$ 68,762**	$ 68,948	**$ 116,559**	$ 108,237
Other comprehensive income				
Gain (loss) on derivative hedging instruments	**(6,105)**	9,193	**(812)**	6,902
Income taxes	**2,295**	(3,478)	**305**	(2,598)
Net gain on derivative hedging instruments	**(3,810)**	5,715	**(507)**	4,304
Reclassification to expenses, net of tax	**(61)**	(286)	**(186)**	(289)
Derivative hedging activity, net of tax	**(3,871)**	5,429	**(693)**	4,015
Change in minimum pension obligation	-	(3,170)	-	(3,230)
Income taxes	-	669	-	692
Net change in minimum pension obligation	-	(2,501)	-	(2,538)
Comprehensive income	**$ 64,891**	$ 71,876	**$ 115,866**	$ 109,714

The disclosures regarding consolidated KCP&L included in the accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

The notes to unaudited consolidated financial statements that follow are a combined presentation for Great Plains Energy Incorporated and Kansas City Power & Light Company, both registrants under this filing. The terms "Great Plains Energy," "Company," "KCP&L" and "consolidated KCP&L" are used throughout this report. "Great Plains Energy" and the "Company" refer to Great Plains Energy Incorporated and its consolidated subsidiaries, unless otherwise indicated. "KCP&L" refers to Kansas City Power & Light Company, and "consolidated KCP&L" refers to KCP&L and its consolidated subsidiaries.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
Great Plains Energy, a Missouri corporation incorporated in 2001, is a public utility holding company and does not own or operate any significant assets other than the stock of its subsidiaries. Great Plains Energy has four direct subsidiaries with operations or active subsidiaries:

- KCP&L is an integrated, regulated electric utility that provides electricity to customers primarily in the states of Missouri and Kansas. KCP&L has two wholly owned subsidiaries, Kansas City Power & Light Receivables Company (Receivables Company) and Home Service Solutions Inc. (HSS). HSS has no active operations.

- KLT Inc. is an intermediate holding company that primarily holds indirect interests in Strategic Energy, L.L.C. (Strategic Energy), which provides competitive retail electricity supply services in several electricity markets offering retail choice, and investments in affordable housing limited partnerships. KLT Inc. also wholly owns KLT Gas Inc. (KLT Gas), which has no active operations in 2006.

- Innovative Energy Consultants Inc. (IEC) is an intermediate holding company that holds an indirect interest in Strategic Energy. IEC does not own or operate any assets other than its indirect interest in Strategic Energy. When combined with KLT Inc.'s indirect interest in Strategic Energy, the Company indirectly owns 100% of Strategic Energy.

- Great Plains Energy Services Incorporated (Services) provides services at cost to Great Plains Energy and its subsidiaries, including consolidated KCP&L.

The operations of Great Plains Energy and its subsidiaries are divided into two reportable segments, KCP&L and Strategic Energy. Great Plains Energy's legal structure differs from the functional management and financial reporting of its reportable segments. Other activities not considered a reportable segment include HSS, Services, all KLT Inc. activity other than Strategic Energy, and holding company operations.

2. BASIC AND DILUTED EARNINGS PER COMMON SHARE CALCULATION

There was no significant dilutive effect on Great Plains Energy's EPS from other securities for the three months ended and year to date September 30, 2006 and 2005. To determine basic EPS, preferred stock dividend requirements are deducted from income from continuing operations and net income before dividing by the average number of common shares outstanding. The earnings (loss) per share impact of discontinued operations, net of income taxes, is determined by dividing discontinued operations, net of income taxes, by the average number of common shares outstanding. The effect of dilutive securities, calculated using the treasury stock method, assumes the issuance of common shares applicable to stock options, performance shares, restricted stock, a forward sale agreement and FELINE PRIDES^{SM}.

The following table reconciles Great Plains Energy's basic and diluted EPS.

	Three Months Ended September 30		Year to Date September 30	
	2006	2005	2006	2005
Income	(millions, except per share amounts)			
Income from continuing operations	$ 55.2	$ 89.1	$ 90.7	$ 134.8
Less: preferred stock dividend requirements	0.5	0.5	1.3	1.3
Income available to common shareholders	$ 54.7	$ 88.6	$ 89.4	$ 133.5
Common Shares Outstanding				
Average number of common shares outstanding	80.1	74.7	77.3	74.6
Add: effect of dilutive securities	0.2	-	0.1	-
Diluted average number of common shares outstanding	80.3	74.7	77.4	74.6
Basic and diluted EPS from continuing operations	$ 0.68	$ 1.19	$ 1.16	$ 1.79

The computation of diluted EPS excludes anti-dilutive shares for the three months ended and year to date September 30, 2006, of 105,198 and 106,706 performance shares and 99,838 and 116,468 restricted stock shares, respectively. Additionally, for the three months ended and year to date September 30, 2006, 6.5 million of anti-dilutive FELINE PRIDES were excluded from the computation of diluted EPS and there were no anti-dilutive shares applicable to stock options or a forward sale agreement. For the three months ended and year to date September 30, 2005, there were no significant anti-dilutive shares applicable to stock options, performance shares, restricted stock or FELINE PRIDES.

In October 2006, the Board of Directors declared a quarterly dividend of $0.415 per share on Great Plains Energy's common stock. The common dividend is payable December 20, 2006, to shareholders of record as of November 29, 2006. The Board of Directors also declared regular dividends on Great Plains Energy's preferred stock, payable March 1, 2007, to shareholders of record as of February 7, 2007.

3. CASH

Cash and Cash Equivalents
Cash equivalents consist of highly liquid investments with maturities of three months or less at acquisition. For Great Plains Energy, this includes Strategic Energy's cash held in trust of $11.2 million and $21.9 million at September 30, 2006 and December 31, 2005, respectively.

Strategic Energy has entered into collateral arrangements with selected electricity power suppliers that require selected customers to remit payment to lockboxes that are held in trust and managed by a Trustee. As part of the trust administration, the Trustee remits payment to the supplier of electricity purchased by Strategic Energy. On a monthly basis, any remittances into the lockboxes in excess of disbursements to the supplier are remitted back to Strategic Energy.

Restricted Cash
Strategic Energy has entered into Master Power Purchase and Sale Agreements with its power suppliers. Certain of these agreements contain provisions whereby, to the extent Strategic Energy has a net exposure to the purchased power supplier, collateral requirements are to be maintained. Collateral posted in the form of cash to Strategic Energy is restricted by agreement, but would become unrestricted in the event of a default by the purchased power supplier. Strategic Energy held no restricted cash collateral at September 30, 2006, and $1.9 million at December 31, 2005.

4. SUPPLEMENTAL CASH FLOW INFORMATION

Great Plains Energy Other Operating Activities

Year to Date September 30	2006	Revised 2005
Cash flows affected by changes in:	(millions)	
Receivables	$ (96.2)	$ (43.9)
Fuel inventories	(8.2)	2.3
Materials and supplies	(2.4)	(2.5)
Accounts payable	6.9	12.3
Accrued taxes	60.6	51.1
Accrued interest	0.2	1.2
Deposits with suppliers	(4.4)	0.1
Accrued refueling outage costs	6.7	(7.7)
Pension and postretirement benefit assets and obligations	10.8	6.0
Allowance for equity funds used during construction	(3.7)	(1.1)
Proceeds from the sale of SO_2 emission allowances	0.8	31.0
Other	10.1	11.1
Total other operating activities	$ (18.8)	$ 59.9
Cash paid during the period:		
Interest	$ 50.9	$ 54.3
Income taxes	$ 39.9	$ 24.1
Non-cash investing activities:		
Liabilities assumed for capital expenditures	$ 34.7	$ 4.1

Consolidated KCP&L Other Operating Activities

Year to Date September 30	2006	2005
Cash flows affected by changes in:	(millions)	
Receivables	$ (52.1)	$ (20.4)
Fuel inventories	(8.2)	2.3
Materials and supplies	(2.4)	(2.5)
Accounts payable	(9.2)	(2.7)
Accrued taxes	71.9	66.9
Accrued interest	0.2	1.2
Accrued refueling outage costs	6.7	(7.7)
Pension and postretirement benefit assets and obligations	8.3	2.3
Allowance for equity funds used during construction	(3.7)	(1.1)
Proceeds from the sale of SO_2 emission allowances	0.8	31.0
Other	(1.3)	12.1
Total other operating activities	$ 11.0	$ 81.4
Cash paid during the period:		
Interest	$ 43.6	$ 42.1
Income taxes	$ 29.1	$ 32.4
Non-cash investing activities:		
Liabilities assumed for capital expenditures	$ 34.4	$ 3.5

Discontinued Operations and Proceeds From Sale of SO_2 Emission Allowances Presentation

In the fourth quarter of 2005, the Company changed the presentation of its consolidated statements of cash flows to include the cash flows from operating, investing and financing activities of discontinued operations within the respective categories of operating, investing and financing activities as well as to reflect proceeds from the sale of SO_2 emission allowances by consolidated KCP&L as operating

activities rather than investing activities and retroactively revised the consolidated statement of cash flows year to date September 30, 2005, to be consistent with this presentation. Great Plains Energy's net cash flows from operating activities year to date September 30, 2005, increased $30.2 million due to a $31.0 million increase for KCP&L's proceeds from the sale of SO_2 emission allowances and a $0.8 million decrease for discontinued operations operating activities from amounts previously reported. Net cash flows from investing activities decreased $30.7 million due to a $31.0 million decrease for KCP&L's proceeds from the sale of SO_2 emission allowances and a $0.3 million increase from discontinued operations from amounts previously reported.

Significant Non-Cash Items
In the third quarter of 2006, Wolf Creek Nuclear Operating Corporation (WCNOC) submitted an application to the Nuclear Regulatory Commission (NRC) for a new operating license for Wolf Creek Generating Station (Wolf Creek), which would extend Wolf Creek's operating period to 2045. KCP&L recorded a $65.0 million decrease in the asset retirement obligation (ARO) to decommission Wolf Creek with a $25.8 million net decrease in property and equipment. The regulatory asset for ARO decreased $8.2 million and a $31.0 million regulatory liability was established to recognize current funding of the related decommissioning trust at September 30, 2006, in excess of the ARO due to the extended operating period. This activity had no impact to Great Plains Energy's or consolidated KCP&L's cash flows year to date September 30, 2006. See Note 17 for additional information.

5. RECEIVABLES

The Company's receivables are detailed in the following table.

	September 30 2006	December 31 2005
Consolidated KCP&L	(millions)	
Customer accounts receivable [(a)]	$ 58.4	$ 34.0
Allowance for doubtful accounts	(1.8)	(1.0)
Other receivables	65.7	37.3
Consolidated KCP&L receivables	122.3	70.3
Other Great Plains Energy		
Other receivables	237.7	193.0
Allowance for doubtful accounts	(4.5)	(4.3)
Great Plains Energy receivables	$ 355.5	$ 259.0

[(a)] Customer accounts receivable included unbilled receivables of $36.4 million and $31.4 million at September 30, 2006 and December 31, 2005, respectively.

Consolidated KCP&L's other receivables at September 30, 2006 and December 31, 2005, consisted primarily of receivables from partners in jointly owned electric utility plants and wholesale sales receivables. Great Plains Energy's other receivables at September 30, 2006 and December 31, 2005, consisted primarily of accounts receivable held by Strategic Energy, including unbilled receivables of $112.0 million and $99.9 million, respectively.

KCP&L sells all of its retail electric accounts receivable to its wholly owned subsidiary, Receivables Company, which in turn sells an undivided percentage ownership interest in the accounts receivable to Victory Receivables Corporation, an independent outside investor. KCP&L sells its receivables at a fixed price based upon the expected cost of funds and charge-offs. These costs comprise KCP&L's loss on the sale of accounts receivable. KCP&L services the receivables and receives an annual servicing fee of 2.5% of the outstanding principal amount of the receivables sold to Receivables Company. KCP&L does not recognize a servicing asset or liability because management determined the collection agent fee earned by KCP&L approximates market value.

Information regarding KCP&L's sale of accounts receivable to Receivables Company is reflected in the following tables.

Three Months Ended September 30, 2006	KCP&L	Receivables Company	Consolidated KCP&L
		(millions)	
Receivables (sold) purchased	$ (325.5)	$ 325.5	$ -
Gain (loss) on sale of accounts receivable [a]	(3.3)	3.3	-
Servicing fees	1.0	(1.0)	-
Fees to outside investor	-	(1.0)	(1.0)
Cash flows during the period			
Cash from customers transferred to Receivables Company	(323.0)	323.0	-
Cash paid to KCP&L for receivables purchased	323.6	(323.6)	-
Servicing fees	1.0	(1.0)	-
Interest on intercompany note	1.1	(1.1)	-

Year to Date September 30, 2006	KCP&L	Receivables Company	Consolidated KCP&L
		(millions)	
Receivables (sold) purchased	$ (774.8)	$ 774.8	$ -
Gain (loss) on sale of accounts receivable [a]	(7.8)	7.6	(0.2)
Servicing fees	2.2	(2.2)	-
Fees to outside investor	-	(2.8)	(2.8)
Cash flows during the period			
Cash from customers transferred to Receivables Company	(754.0)	754.0	-
Cash paid to KCP&L for receivables purchased	750.3	(750.3)	-
Servicing fees	2.2	(2.2)	-
Interest on intercompany note	1.9	(1.9)	-

Three Months Ended and Year to Date September 30, 2006	KCP&L	Receivables Company	Consolidated KCP&L
		(millions)	
Receivables (sold) purchased	$ (396.7)	$ 396.7	$ -
Gain (loss) on sale of accounts receivable [a]	(4.0)	2.7	(1.3)
Servicing fees	0.7	(0.7)	-
Fees to outside investor	-	(0.7)	(0.7)
Cash flows during the period			
Cash from customers transferred to Receivables Company	(273.7)	273.7	-
Cash paid to KCP&L for receivables purchased	(271.0)	271.0	-
Servicing fees	0.7	(0.7)	-
Funds from outside investors [b]	70.0	-	70.0
Interest on intercompany note	0.6	(0.6)	-

(a) Any net gain (loss) is the result of the timing difference inherent in collecting receivables and over the life of the agreement will net to zero.

(b) During the third quarter of 2005, Receivables Company received $70 million cash from the outside investor for the sale of accounts receivable, which was then forwarded to KCP&L for consideration of its sale.

6. NUCLEAR PLANT

KCP&L owns 47% of WCNOC, the operating company for Wolf Creek, its only nuclear generating unit. Wolf Creek is regulated by the NRC, with respect to licensing, operations and safety-related requirements.

Spent Nuclear Fuel and Radioactive Waste
Under the Nuclear Waste Policy Act of 1982, the Department of Energy (DOE) is responsible for the permanent disposal of spent nuclear fuel. KCP&L pays the DOE a quarterly fee of one-tenth of a cent for each kilowatt-hour of net nuclear generation delivered and sold for the future disposal of spent nuclear fuel. These disposal costs are charged to fuel expense. In 2002, the U.S. Senate approved Yucca Mountain, Nevada as a long-term geologic repository. In July 2006, the DOE announced plans to submit a license application to the NRC for a nuclear waste repository at Yucca Mountain, Nevada, not later that June 30, 2008. The DOE also announced if requested legislative changes are enacted, the repository would be able to accept spent nuclear fuel and high-level waste starting in early 2017. Management cannot predict when this site may be available for Wolf Creek. Under current DOE policy, once a permanent site is available, the DOE will accept spent nuclear fuel first from the owners with the older spent fuel. Wolf Creek has completed an on-site storage facility designed to hold all spent fuel generated at the plant through the end of its current 40-year licensed life in 2025. If the DOE meets its revised timetable for accepting spent fuel for disposal by 2017, management expects that the DOE would begin accepting some of Wolf Creek's spent fuel by 2025. Management will continue to monitor this activity. See Note 15 for a related legal proceeding.

Nuclear Liability and Insurance
The owners of Wolf Creek (Owners) maintain nuclear insurance for Wolf Creek in four areas: liability, worker radiation, property and accidental outage. These policies contain certain industry standard exclusions, including, but not limited to, ordinary wear and tear, and war. Both the nuclear liability and property insurance programs subscribed to by members of the nuclear power generating industry include industry aggregate limits for non-certified acts of terrorism and related losses, as defined by the Terrorism Risk Insurance Act, including replacement power costs. An industry aggregate limit of $0.3 billion exists for liability claims, regardless of the number of non-certified acts affecting Wolf Creek or any other nuclear energy liability policy or the number of policies in place. An industry aggregate limit of $3.2 billion plus any reinsurance recoverable by Nuclear Electric Insurance Limited (NEIL), the Owners' insurance provider, exists for property claims, including accidental outage power costs for acts of terrorism affecting Wolf Creek or any other nuclear energy facility property policy within twelve months from the date of the first act. These limits are the maximum amount to be paid to members who sustain losses or damages from these types of terrorist acts. For certified acts of terrorism, the individual policy limits apply. In addition, industry-wide retrospective assessment programs (discussed below) can apply once these insurance programs have been exhausted.

Liability Insurance
Pursuant to the Price-Anderson Act, which was reauthorized through December 31, 2025, by the Energy Policy Act of 2005, the Owners are required to insure against public liability claims resulting from nuclear incidents to the full limit of public liability, which is currently $10.8 billion. This limit of liability consists of the maximum available commercial insurance of $0.3 billion, and the remaining $10.5 billion is provided through an industry-wide retrospective assessment program mandated by law, known as the Secondary Financial Protection (SFP) program. Under the SFP program, the Owners can be assessed up to $100.6 million ($47.3 million, KCP&L's 47% share) per incident at any commercial reactor in the country, payable at no more than $15 million ($7.1 million, KCP&L's 47% share) per incident per year. This assessment is subject to an inflation adjustment based on the Consumer Price Index and applicable premium taxes. This assessment also applies to worker

radiation claims insurance. In addition, the U.S. Congress could impose additional revenue-raising measures to pay claims.

Property, Decontamination, Premature Decommissioning and Extra Expense Insurance
The Owners carry decontamination liability, premature decommissioning liability and property damage insurance for Wolf Creek totaling approximately $2.8 billion ($1.3 billion, KCP&L's 47% share). NEIL provides this insurance.

In the event of an accident, insurance proceeds must first be used for reactor stabilization and site decontamination in accordance with a plan mandated by the NRC. KCP&L's share of any remaining proceeds can be used for further decontamination, property damage restoration and premature decommissioning costs. Premature decommissioning coverage applies only if an accident at Wolf Creek exceeds $500 million in property damage and decontamination expenses, and only after trust funds have been exhausted.

Accidental Nuclear Outage Insurance
The Owners also carry additional insurance from NEIL to cover costs of replacement power and other extra expenses incurred in the event of a prolonged outage resulting from accidental property damage at Wolf Creek.

Under all NEIL policies, the Owners are subject to retrospective assessments if NEIL losses, for each policy year, exceed the accumulated funds available to the insurer under that policy. The estimated maximum amount of retrospective assessments under the current policies could total approximately $26.1 million ($12.3 million, KCP&L's 47% share) per policy year.

In the event of a catastrophic loss at Wolf Creek, the insurance coverage may not be adequate to cover property damage and extra expenses incurred. Uninsured losses, to the extent not recovered through rates, would be assumed by KCP&L and the other owners and could have a material adverse effect on KCP&L's results of operations, financial position and cash flows.

Low-Level Waste
The Low-Level Radioactive Waste Policy Amendments Act of 1985 mandated that the various states, individually or through interstate compacts, develop alternative low-level radioactive waste disposal facilities. The states of Kansas, Nebraska, Arkansas, Louisiana and Oklahoma formed the Central Interstate Low-Level Radioactive Waste Compact (Compact) and selected a site in northern Nebraska to locate a disposal facility. WCNOC and the owners of the other five nuclear units in the Compact provided most of the pre-construction financing for this project.

After many years of effort, Nebraska regulators denied the facility developer's license application in December 1998, a prolonged lawsuit ensued, and Nebraska eventually settled the case by paying the Compact Commission $145.8 million in damages. The Compact Commission then paid out pro rata portions of the settlement money to the various parties who originally funded the project. To date, WCNOC has received refunds totaling $21.3 million (KCP&L's 47% share being $10 million), including $1.7 million ($0.8 million, KCP&L's 47% share) received in 2006. The Commission continues to explore alternative long-term waste disposal capability and has retained an insignificant portion of the settlement money. In April 2006, WCNOC and other affected generators filed a lawsuit in Federal District Court in Nebraska seeking to preserve their ability to continue to pursue their claim for their share of the retained amount plus interest. The parties took the case to mediation in October 2006.

Accrued Refueling Outage Costs
KCP&L accrues anticipated incremental costs to be incurred during scheduled Wolf Creek refueling outages monthly over the unit's operating cycle, normally the 18 months preceding the outage.

Estimated incremental costs, which include operating, maintenance and replacement power expenses, are based on anticipated outage costs and the estimated outage duration. Changes to or variances from those estimates are recorded when known or are probable. In September 2006, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) No. AUG AIR-1, "Accounting for Planned Major Maintenance Activities." FSP No. AUG AIR-1 prohibits the use of the accrue-in-advance method of accounting for planned major maintenance activities. Great Plains Energy and consolidated KCP&L are required to adopt the provisions of FSP No. AUG AIR-1 for periods beginning after December 15, 2006. The guidance in FSP No. AUG AIR-1 will be applied retrospectively. Management has determined that KCP&L will adopt the deferral method allowed under the FSP and has not yet determined the impact on Great Plains Energy and consolidated KCP&L's consolidated financial statements.

7. REGULATORY MATTERS

KCP&L's Comprehensive Energy Plan
KCP&L continues to make progress in implementing its comprehensive energy plan under orders received from the MPSC and KCC in 2005. The Sierra Club and Concerned Citizens of Platte County have appealed the MPSC order, and the Sierra Club has appealed the KCC order. In March 2006, the Circuit Court of Cole County, Missouri, affirmed the MPSC Order and the Sierra Club has appealed the decision to the Missouri Court of Appeals. The Kansas District Court denied the Sierra Club's appeal in May 2006 and the Sierra Club has appealed to the Kansas Court of Appeals. Although subject to the appeals, the MPSC and KCC orders remain in effect pending the applicable court's decision.

Although control budgets and workflow scheduling are not complete, developing market conditions indicate overall cost estimates of the comprehensive energy plan are currently expected to be about 20% above the estimate in the 2005 Form 10-K. The primary driver of the increased cost of the comprehensive energy plan is the environmental retrofit of selected existing coal-fired plants. The demand for environmental projects has increased substantially with many utilities in the United States starting similar projects to address changing environmental regulations. This demand has constrained labor and material resources resulting in a significant escalation in the cost and completion times for environmental retrofits. The first phase of environmental upgrades at LaCygne No. 1, installation of SCR equipment, began in late 2005 and is expected to be in-service for the summer of 2007. KCP&L has approximately 88% of the total estimated cost for the first phase under firm contract as of September 30, 2006. The second phase of environmental upgrades at LaCygne No. 1 is currently in the planning stage, and the market conditions noted above could impact the scope and timing. Iatan No. 1 environmental upgrades are on schedule with approximately 80% of the total estimated costs under firm contract as of September 30, 2006.

The construction projects contemplated in the comprehensive energy plan rely upon the supply of a significant percentage of materials from overseas sources. This global procurement subjects the delivery of procured material to issues beyond what would be expected if such material were supplied from sources within the United States. These risks include, but are not limited to, delays in clearing customs, ocean transportation and potential civil unrest in sourcing countries, among others. Additionally, as with any major construction program, inadequate availability of qualified craft labor may have an adverse impact on both the estimated cost and completion date of the projects.

Over the last several months, KCP&L has finalized contracts and received bids for the largest cost components of the construction of Iatan No. 2. The estimated costs for Iatan No. 2 have also increased due to the constrained labor and material resources discussed above; however, the Iatan No. 2 estimated costs have not been as impacted as the estimated costs of the environmental retrofits. KCP&L has approximately 60% of the total estimated cost of Iatan No. 2 under firm contract as of September 30, 2006, and has started construction activities at the site. An owners' engineer has been

hired and the engineering design for Iatan Station is approximately 25% complete, which is on schedule with the targeted project completion in summer 2010. During the second quarter of 2006, KCP&L finalized Iatan No. 2 co-ownership agreements with Aquila Inc., The Empire District Electric Company, Kansas Electric Power Cooperative and Missouri Joint Municipal Electric Utility Commission. KCP&L will own 54.71% or approximately 465 MW of the new unit. In the first quarter of 2006, KCP&L received the air permit and a water quality certification from the Missouri Department of Natural Resources relating to Iatan Station. The Sierra Club is appealing the air permit. In the third quarter of 2006, the Sierra Club filed a motion requesting that construction on Iatan No. 2 be stayed pending the outcome of its appeal. This motion was denied. KCP&L has received the remaining permits necessary to begin construction at Iatan Station, which included the wetlands permit and a permit for the construction of a temporary barge slip and collector wells from the U.S. Army Corps of Engineers (Corps). The Corps also executed an Environmental Assessment with a Finding of No Significant Impact.

Construction and commissioning of the 67 turbines at KCP&L's Spearville Wind Energy Facility, a 100.5 MW wind project in western Kansas, was completed during the third quarter of 2006 in-line with cost estimates reported in the 2005 Form 10-K. Additional transmission construction to enhance KCP&L's ability to carry power from the facility to its service territory is expected to be completed in the first half of 2007, and is reflected in the current cost estimates provided above.

KCP&L has implemented nine pilot affordability, energy efficiency and demand response programs in Missouri and four in Kansas. Initial results from the implemented pilot programs are beginning to demonstrate an ability to manage KCP&L's customers' retail load requirements and are on target with management's goal to achieve a potential 40MW reduction in retail load requirements by the end of 2006. These early results are evidenced by the success of KCP&L's residential air conditioning cycling program, Energy Optimizer, which has experienced strong early participation with over 8,200 installations year to date September 30, 2006. Additionally, in September 2006, KCC initiated a generic investigation into energy efficiency. The general issues that KCC is investigating relate to when and how utilities should promote energy efficiency by their customers and what ratemaking treatment, including special mechanisms, is appropriate or desirable. This investigation provides a significant opportunity for the continued development of energy efficiency policy regulation in Kansas.

KCP&L Regulatory Proceedings
In February 2006, KCP&L filed requests with the MPSC and KCC for annual rate increases of $55.8 million or 11.5% and $42.3 million or 10.5%, respectively. The requested rate increases reflect recovery of increasing operating costs including fuel, transportation and pensions as well as investments in wind generation and customer programs and compensation for wholesale sales volatility and construction risks. The request is based on a return on equity of 11.5% and an adjusted equity ratio of 53.8%.

KCP&L reached a negotiated settlement with certain parties to the Kansas rate proceeding and filed an unopposed Stipulation and Agreement (Agreement) with KCC in the third quarter of 2006. The Agreement stipulates a $29 million increase in annual revenues effective January 1, 2007, including $4 million of accelerated depreciation to maintain cash flow levels as contemplated in the stipulation and agreement approved by KCC in 2005. The Agreement does not propose an energy cost adjustment (ECA) clause; however, KCP&L agreed to propose an ECA clause in its next rate case to be filed no later than March 1, 2007. The Agreement recommends various accounting and other provisions, including but not limited to, establishing annual pension costs beginning January 1, 2007, at approximately $43 million through the creation of a regulatory asset or liability, and establishing a regulatory asset or liability, effective January 1, 2006, for costs arising from defined benefit plan settlements and curtailments to be amortized over a five-year period beginning with the effective date of rates approved in KCP&L's next rate case. The Agreement is subject to KCC approval, and is voidable

if not approved in its entirety. KCP&L expects KCC to act on the Agreement before the end of the year with any rate changes being effective on January 1, 2007.

In August 2006, the MPSC Staff filed its case regarding KCP&L's rate request. In its filing, the Staff asserted that KCP&L's annual revenues should be decreased by between $4.3 million and $5.1 million, before adjustments resulting from the September 30, 2006, true-up of test year information. The Staff's filing assumed adjustments resulting from this true-up would increase revenue requirements by approximately $20 million, resulting in a net required increase in annual revenues of between $14.9 million and $15.7 million, which reflected approximately $75 million in accelerated depreciation, which the Staff asserted will maintain certain KCP&L credit ratios at investment-grade levels as provided for in the stipulation and agreement approved by the MPSC in 2005. The Staff's position was revised in the hearings that were held in October 2006. The Staff's current position is that KCP&L's annual revenues should be increased by approximately $52 million (reflecting approximately $86 million in accelerated depreciation), before adjustments resulting from the September 30, 2006, true-up. A decision by the MPSC is expected before the end of the year with any rate changes being effective on January 1, 2007.

Regulatory Assets and Liabilities
KCP&L is subject to the provisions of Statement of Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation" and has recorded assets and liabilities on its balance sheet resulting from the effects of the ratemaking process, which would not be recorded under GAAP for non-regulated entities.

	Amortization ending period	September 30 2006	December 31 2005
Regulatory Assets			
Taxes recoverable through future rates		$ 83.3	$ 85.7
Decommission and decontaminate federal uranium enrichment facilities	2007	0.8	1.3
Loss on reacquired debt	2037	6.6	7.1
January 2002 incremental ice storm costs (Missouri)	2007	1.5	4.9
Change in depreciable life of Wolf Creek	2045	40.9	27.4
Cost of removal		9.4	9.3
Asset retirement obligations		16.6	23.6
Pension accounting method difference	(a)	6.5	-
Future recovery of pension costs	(a)	31.0	15.6
Other	Various	10.9	5.0
Total Regulatory Assets		$ 207.5	$ 179.9
Regulatory Liabilities			
Emission allowances	(a)	$ 64.5	$ 64.3
Pension accounting method difference	(a)	-	1.0
Asset retirement obligations		31.0	-
Additional Wolf Creek amortization (Missouri)	(a)	12.0	4.3
Total Regulatory Liabilities		$ 107.5	$ 69.6

(a) Will be amortized in accordance with future rate cases.

Except as noted below, regulatory assets for which costs have been incurred have been included (or are expected to be included, for costs incurred subsequent to the most recently approved rate case) in KCP&L's rate base, thereby providing a return on invested costs when included in rate base. Certain regulatory assets do not result from cash expenditures and therefore do not represent investments included in rate base or have offsetting liabilities that reduce rate base. The pension accounting

method difference (which may be either a regulatory asset or liability) and certain insignificant items in other regulatory assets are not included in rate base.

Southwest Power Pool Regional Transmission Organization
KCP&L is a member of the Southwest Power Pool (SPP), which is a Federal Energy Regulatory Commission (FERC) approved Regional Transmission Organization (RTO). In July 2006, KCC granted interim approval for KCP&L to take SPP network integration transmission service for its retail customers. During 2006, KCC and MPSC both issued orders approving KCP&L's participation in the SPP RTO, which also made final the previously granted KCC interim approval. In May 2006, SPP made a compliance filing in response to a previously issued FERC order on the SPP energy imbalance service market. In July 2006, FERC issued an order on the compliance filing accepting in part, as modified, and rejecting in part the filing, permitting the start of the SPP energy imbalance service market no earlier than October 1, 2006, and required SPP to make additional filings. The SPP Board met in October 2006 and delayed SPP's readiness filing to FERC and plans to meet again in December 2006 to reassess SPP's readiness for a February 1, 2007, energy imbalance service market start. KCP&L is continuing preparation for this new start-up date.

Revenue Sufficiency Guarantee
Since the April 2005 implementation of Midwest Independent Transmission System Operator Inc. (MISO) market operations, MISO's business practice manuals and other instructions to market participants have stated that Revenue Sufficiency Guarantee (RSG) charges will not be imposed on day-ahead virtual offers to supply power not supported by actual generation. RSG charges are collected by MISO in order to compensate generators that are standing by to supply electricity when called upon by MISO. In April 2006, FERC issued an order regarding MISO RSG charges. In its order, FERC interpreted MISO's tariff to require that virtual supply offers be included in the calculation of RSG charges and that to the extent that MISO did not charge market participants RSG charges on virtual supply offers, MISO violated its tariff. The FERC order required MISO to recalculate RSG rates back to April 1, 2005, and make refunds to customers who paid RSG charges on imbalances, with interest, reflecting the recalculated charges. In order to make such refunds, RSG charges could have been retroactively imposed on market participants who submitted virtual supply offers during the recalculation period.

Strategic Energy is among the MISO participants that paid RSG charges on imbalances and could have received a refund as a result of the order. Strategic Energy could also have been subject to a retroactive assessment from MISO for RSG charges on virtual supply offers it submitted during the recalculation period. Consistent with MISO's business practice manuals, management does not believe Strategic Energy should be assessed RSG charges retroactively or prospectively on its virtual supply offers.

Numerous requests for rehearing were filed and in October 2006, FERC entered an order granting requests for rehearing of the FERC's decision to require MISO to retroactively recalculate RSG charges and provide refunds to customers that paid RSG charges on imbalances. As a result, MISO will not assess RSG charges retroactively on virtual supply offers, but RSG charges will apply prospectively on certain virtual supply offers. Parties may appeal the FERC Order. Management is unable to predict the outcome of any appeals.

Seams Elimination Charge Adjustment
Seams Elimination Charge Adjustment (SECA) is a transitional pricing mechanism authorized by FERC and intended to compensate transmission owners for the revenue lost as a result of FERC's elimination of regional through and out rates between PJM Interconnection (PJM) and MISO during a 16-month transition period from December 1, 2004 through March 31, 2006. Each relevant PJM and MISO zone and the load-serving entities within that zone were allocated a portion of SECA based on transmission

services provided to that zone during 2002 and 2003. Strategic Energy did not record any significant SECA activity for the three months ended September 30, 2006. Year to date September 30, 2006, Strategic Energy recorded a reduction of purchased power expense of $2.4 million for SECA recoveries from suppliers, which offset $2.7 million of expense recorded in the first quarter. Strategic Energy recorded purchased power expenses totaling $3.3 million and $10.5 million for the three months ended and year to date September 30, 2005, for SECA transition charges. Strategic Energy recovered $1.3 million year to date September 30, 2006, of its SECA costs through billings to its retail customers. No further billings are anticipated pending the outcome of proceedings discussed below.

There are several unresolved matters and legal challenges related to SECA that are pending before FERC on rehearing. FERC established a schedule for resolution of certain SECA issues, including the issue of shifting SECA allocations to the shipper. The shipper in Strategic Energy's situation is the wholesale supplier, which, through a contract with Strategic Energy, delivered power to various zones in which Strategic Energy was supplying retail customers. In most instances, the shipper was the purchaser of through and out transmission service and therefore included the cost of the through and out rate in its energy price.

In mid-2006, FERC held hearings on the justness and reasonableness of the SECA rate and on attempts by suppliers to shift SECA to wholesale counterparties. In August 2006, a favorable initial decision was extended by an administrative law judge, which could potentially result in a refund of prior SECA payments. Management is awaiting FERC action and is unable to predict the outcome of legal and regulatory challenges to the SECA mechanism.

8. CAPITALIZATION

Great Plains Energy and consolidated KCP&L's long-term debt is detailed in the following table.

	Year Due	September 30 2006	December 31 2005
Consolidated KCP&L		(millions)	
General Mortgage Bonds			
7.95% Medium-Term Notes	2007	$ 0.5	$ 0.5
3.73%* EIRR bonds	2012-2035	158.8	158.8
Senior Notes			
6.00%	2007	225.0	225.0
6.50%	2011	150.0	150.0
6.05%	2035	250.0	250.0
Unamortized discount		(1.7)	(1.8)
EIRR bonds			
4.75% Series A & B	2015	104.9	104.6
4.75% Series D	2017	39.4	39.3
4.65% Series 2005	2035	50.0	50.0
Current maturities		(225.5)	-
Total consolidated KCP&L excluding current maturities		751.4	976.4
Other Great Plains Energy			
7.74% Affordable Housing Notes	2006-2008	1.7	2.6
4.25% FELINE PRIDES Senior Notes	2009	163.6	163.6
Current maturities **		(164.4)	(1.7)
Total consolidated Great Plains Energy excluding current maturities		$ 752.3	$ 1,140.9

* Weighted-average interest rates at September 30, 2006.

** Includes $163.6 million of FELINE PRIDES Senior Notes scheduled to mature in 2009 that must be remarketed between August 16, 2006 and February 16, 2007.

Effective Interest Rates on KCP&L's Unsecured Notes at September 30, 2006
Interest rate swaps on KCP&L's Series A, B and D EIRR bonds resulted in an effective interest rate of 6.27%. As a result of amortizing the gain recognized in other comprehensive income (OCI) on KCP&L's 2005 Treasury Locks (T-Locks), the effective interest rate on KCP&L's $250.0 million of 6.05% Senior Notes that were issued via a private placement during 2005 is 5.78%. In the second quarter of 2006, KCP&L completed an exchange of these privately placed notes for $250.0 million of registered 6.05% unsecured senior notes maturing in 2035 to fulfill its obligations under a 2005 registration rights agreement.

Amortization of Debt Expense
Great Plains Energy's and consolidated KCP&L's amortization of debt expense is detailed in the following table.

	Three Months Ended September 30		Year to Date September 30	
	2006	2005	2006	2005
		(millions)		
Consolidated KCP&L	$ 0.5	$ 0.6	$ 1.5	$ 1.7
Other Great Plains Energy	0.2	0.1	0.5	0.5
Total Great Plains Energy	$ 0.7	$ 0.7	$ 2.0	$ 2.2

Forward Starting Swaps
During 2006, KCP&L entered into two Forward Starting Swaps (FSS) with a combined notional principal amount of $225.0 million to hedge interest rate volatility on the anticipated refinancing of KCP&L's $225.0 million senior notes that mature in March 2007. See Note 18 for additional information.

Short-Term Borrowings and Short-Term Bank Lines of Credit
During May 2006, Great Plains Energy entered into a five-year $600 million revolving credit facility with a group of banks. The facility replaced a $550 million revolving credit facility with a group of banks. A default by Great Plains Energy or any of its significant subsidiaries on other indebtedness totaling more than $25.0 million is a default under the facility. Under the terms of this agreement, Great Plains Energy is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the agreement, not greater than 0.65 to 1.00 at all times. At September 30, 2006, the Company was in compliance with this covenant. At September 30, 2006, Great Plains Energy had no cash borrowings and had issued letters of credit totaling $125.5 million under the credit facility as credit support for Strategic Energy. At December 31, 2005, Great Plains Energy had $6.0 million of outstanding borrowings with an interest rate of 4.98% and had issued letters of credit totaling $38.5 million under the credit facility as credit support for Strategic Energy.

During May 2006, KCP&L entered into a five-year $400 million revolving credit facility with a group of banks to provide support for its issuance of commercial paper and other general corporate purposes. Great Plains Energy and KCP&L may transfer and re-transfer up to $200 million of unused lender commitments between Great Plains Energy's and KCP&L's facilities, so long as the aggregate lender commitments under either facility does not exceed $600 million and the aggregate lender commitments under both facilities does not exceed $1 billion. The facility replaced a $250 million revolving credit facility with a group of banks. A default by KCP&L on other indebtedness totaling more than $25.0 million is a default under the facility. Under the terms of the agreement, KCP&L is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the agreement, not greater than 0.65 to 1.00 at all times. At September 30, 2006, KCP&L was in compliance with this covenant. At September 30, 2006, KCP&L had $80.6 million of commercial paper outstanding, at a weighted-average interest rate of 5.48% and no cash borrowings under the facility. At December 31, 2005, KCP&L had $31.9 million of commercial paper outstanding, at a weighted-average interest rate of 4.35% and no cash borrowings under the facility.

Strategic Energy has a $135 million revolving credit facility with a group of banks that expires in June 2009. So long as Strategic Energy is in compliance with the agreement, it may increase this amount by up to $15 million by increasing the commitment of one or more lenders that have agreed to such increase, or by adding one or more lenders with the consent of the administrative agent. In October 2006, Great Plains Energy, as permitted by the terms of the agreement, requested and received a reduction in its guarantee of this facility to a maximum amount of $12.5 million and has guaranteed the $12.5 million. A default by Strategic Energy on other indebtedness, as defined in the facility, totaling more than $7.5 million is a default under the facility. Under the terms of this agreement, Strategic Energy is required to maintain a minimum net worth of $75.0 million, a minimum fixed charge coverage ratio of at least 1.05 to 1.00 and a minimum debt service coverage ratio of at least 4.00 to 1.00, as those terms are defined in the agreement. In addition, under the terms of this agreement, Strategic Energy is required to maintain a maximum funded indebtedness to EBITDA ratio, as defined in the agreement, of 3.00 to 1.00, on a quarterly basis through June 30, 2007, and 2.75 to 1.00 thereafter. In the event of a breach of one or more of these four covenants, so long as no other default has occurred, Great Plains Energy may cure the breach through a cash infusion, a guarantee increase or a combination of the two. At September 30, 2006, Strategic Energy was in compliance with these covenants. At September 30, 2006, $70.9 million in letters of credit had been issued and there were no cash borrowings under the agreement. At December 31, 2005, $75.2 million in letters of credit had been issued and there were no cash borrowings under the agreement.

Common Shareholders' Equity
Great Plains Energy filed a shelf registration statement with the Securities and Exchange Commission (SEC) in May 2006 relating to Senior Debt Securities, Subordinated Debt Securities, shares of Common Stock, Warrants, Stock Purchase Contracts and Stock Purchase Units. In May 2006, Great Plains Energy issued 5.2 million shares of common stock at $27.50 per share under this registration statement with $144.3 million in gross proceeds and issuance costs of $5.2 million.

In May 2006, Great Plains Energy also entered into a forward sale agreement with Merrill Lynch Financial Markets, Inc. (forward purchaser) for 1.8 million shares of Great Plains Energy common stock. The forward purchaser borrowed and sold the same number of shares of Great Plains Energy's common stock to hedge its obligations under the forward sale agreement. Great Plains Energy did not initially receive any proceeds from the sale of common stock shares by the forward purchaser. The forward sale agreement provides for a settlement date or dates to be specified at Great Plains Energy's discretion, subject to certain exceptions, no later than May 23, 2007. Subject to the provisions of the forward sale agreement, Great Plains Energy will receive an amount equal to $26.6062 per share, plus interest based on the federal funds rate less a spread and less certain scheduled decreases if Great Plains Energy elects to physically settle the forward sale agreement by delivering solely shares of common stock. In most circumstances, Great Plains Energy also has the right, in lieu of physical settlement, to elect cash or net physical settlement.

In May 2006, Great Plains Energy registered an additional 1.0 million shares of common stock with the SEC for its Dividend Reinvestment and Direct Stock Purchase Plan, bringing the total number of shares registered under this plan to 4.0 million. The plan allows for the purchase of common shares by reinvesting dividends or making optional cash payments.

In March 2006, Great Plains Energy registered an additional 1.0 million shares of common stock with the SEC for a defined contribution savings plan, bringing the total number of shares registered under this plan to 10.3 million. Shares issued under the plans may be either newly issued shares or shares purchased in the open market.

9. PENSION PLANS AND OTHER EMPLOYEE BENEFITS

The Company maintains defined benefit pension plans for substantially all employees, including officers, of KCP&L, Services and WCNOC. Pension benefits under these plans reflect the employees' compensation, years of service and age at retirement.

The MPSC and KCC issued orders in 2005 establishing KCP&L's annual pension costs at $22 million for the years 2005 and 2006 through the creation of regulatory assets and liabilities for future recovery from or refund to customers, as appropriate. During the third quarter of 2005, KCP&L implemented these orders retroactive to January 1, 2005.

In addition to providing pension benefits, the Company provides certain postretirement health care and life insurance benefits for substantially all retired employees of KCP&L, Services and WCNOC. The cost of postretirement benefits charged to KCP&L are accrued during an employee's years of service and recovered through rates.

The following tables provide the components of net periodic benefit costs prior to the effects of capitalization and sharing with joint-owners of power plants. Included in net periodic benefit costs are settlement charges related to the workforce realignment, discussed below. The total amount of 2006 pension settlement charges related to the workforce realignments and other retirements will be determined in the fourth quarter after the year-end of the pension plans.

	Pension Benefits		Other Benefits	
Three Months Ended September 30	**2006**	**2005**	**2006**	**2005**
Components of net periodic benefit cost		(millions)		
Service cost	$ 4.7	$ 4.4	$ 0.3	$ 0.2
Interest cost	7.8	7.5	0.7	0.7
Expected return on plan assets	(8.1)	(8.2)	(0.1)	(0.2)
Amortization of prior service cost	1.0	1.1	-	0.1
Recognized net actuarial loss	7.9	4.7	0.2	0.2
Transition obligation	-	-	0.3	0.3
Settlement charges	2.0	-	-	-
Net periodic benefit cost before regulatory adjustment	15.3	9.5	1.4	1.3
Regulatory adjustment	(7.6)	(10.8)	-	-
Net periodic benefit cost	$ 7.7	$ (1.3)	$ 1.4	$ 1.3

	Pension Benefits		Other Benefits	
Year to Date September 30	**2006**	**2005**	**2006**	**2005**
Components of net periodic benefit cost		(millions)		
Service cost	$ 14.1	$ 13.0	$ 0.7	$ 0.7
Interest cost	23.2	22.4	2.2	2.1
Expected return on plan assets	(24.5)	(24.3)	(0.4)	(0.5)
Amortization of prior service cost	3.2	3.2	0.1	0.2
Recognized net actuarial loss	23.9	14.0	0.6	0.4
Transition obligation	-	-	0.9	0.9
Settlement charges	9.5	-	-	-
Net periodic benefit cost before regulatory adjustment	49.4	28.3	4.1	3.8
Regulatory adjustment	(22.9)	(10.8)	-	-
Net periodic benefit cost	$ 26.5	$ 17.5	$ 4.1	$ 3.8

During September 2006, the FASB issued Statement of SFAS No. 158, “Employers’ Accounting for Defined Pension and Other Postretirement Plans.” SFAS No. 158 addresses balance sheet measurements and reporting requirements and will require the Company to recognize the funded status of the pension and postretirement plans on the balance sheet in the fourth quarter of 2006. SFAS No. 158 will be applied prospectively. Prior to the adoption of SFAS No. 158, the funded status of the pension and postretirement plans was only disclosed in the notes to consolidated financial statements. Management is currently evaluating the impact of SFAS No. 158.

Skill Set Realignment and Pension Settlement Charges

In 2005 and early 2006, management undertook a process to assess, improve and reposition the skill sets of employees for implementation of the comprehensive energy plan. KCP&L recorded $9.4 million year to date September 30, 2006, related to this workforce realignment process reflecting severance, benefits and related payroll taxes provided by KCP&L to employees. Management has been filling positions with the specific skill sets and talent needed to achieve KCP&L’s goals. Management believes that the realignment allows for optimization of employee levels and avoids future additional

expense. For the three months ended and year to date September 30, 2006, KCP&L incurred $2.0 million and $9.3 million of pension settlement charges associated with the realignment resulting in $1.4 million and $6.2 million, respectively, of expense recorded after amounts capitalized and billed to joint owners of power plants. The pension settlement charges were a result of the number of employees retiring and selecting the lump-sum payment option.

KCP&L anticipates recording additional expense related to pension settlement charges after amounts capitalized and billed to joint owners of power plants of approximately $8 million during the fourth quarter of 2006 associated with its management and union pension plans as a result of additional employees retiring and selecting the lump-sum payment option. The total amount of 2006 pension settlement charges related to the workforce realignments and other retirements will be determined in the fourth quarter after the year-end of the pension plans. In the second quarter of 2006, KCP&L requested regulatory accounting treatment from MPSC and KCC to defer pension settlement charges, effective from January 1, 2006, and amortize the deferred amount over a five-year period to be established in the rate proceeding following the current 2006 proceedings. In the third quarter of 2006, KCP&L reached a negotiated settlement with certain parties in the Kansas rate proceeding and filed a Stipulation and Agreement with KCC that includes this requested regulatory treatment for pension costs. At September 30, 2006, no amounts have been deferred pending the outcome of these requests.

10. EQUITY COMPENSATION

As of January 1, 2006, the Company adopted SFAS No. 123 (revised 2004), “Share-Based Payment” using the modified prospective application method. The adoption of SFAS No. 123R had an insignificant effect on the companies’ consolidated statements of income and cash flows for the three months ended and year to date September 30, 2006.

The Company’s Long-Term Incentive Plan is an equity compensation plan approved by its shareholders. KCP&L does not have an equity compensation plan; however, KCP&L officers participate in Great Plains Energy’s Long-Term Incentive Plan. The Long-Term Incentive Plan permits the grant of restricted stock, stock options, limited stock appreciation rights and performance shares to officers of the Company and its subsidiaries. The maximum number of shares of Great Plains Energy common stock that can be issued under the plan is 3.0 million. Common stock shares delivered by the Company under the Long-Term Incentive Plan may be authorized but unissued, held in the treasury or purchased on the open market (including private purchases) in accordance with applicable security laws. The Company has a policy of delivering newly issued shares, or shares surrendered by Plan participants on account of withholding taxes and held in treasury, or both, to satisfy share option exercises and does not expect to repurchase common shares during 2006 to satisfy stock option exercises for the period.

SFAS No. 123R requires forfeitures to be estimated. Forfeiture rates are based on historical forfeitures and future expectations and will be reevaluated annually. The following table summarizes Great Plains Energy's and KCP&L's equity compensation expense and income tax benefits.

	Three Months Ended September 30		Year to Date September 30	
	2006	2005	2006	2005
	(millions)			
Compensation expense				
Great Plains Energy	$ 1.2	$ 0.9	$ 2.9	$ 2.5
KCP&L	0.7	0.6	1.8	1.4
Income tax benefits				
Great Plains Energy	0.4	0.3	0.8	0.9
KCP&L	0.2	0.2	0.5	0.5

Stock Options Granted 2001 - 2003
Stock options were granted under the plan at market value of the shares on the grant date. The options vest three years after the grant date and expire in ten years if not exercised. The fair value for the stock options granted in 2001 - 2003 was estimated at the date of grant using the Black-Scholes option-pricing model. Compensation expense and accrued dividends related to stock options are recognized over the stated vesting period. Exercise prices range from $24.90 to $27.73 and all stock options are fully vested at September 30, 2006. All stock option activity year to date September 30, 2006, is summarized in the following table.

Stock Options	Shares	Exercise Price*
Beginning balance	111,455	$ 25.56
Forfeited or expired	(1,983)	27.73
Exercisable at September 30	109,472	25.52

* weighted-average

At September 30, 2006, the remaining weighted-average contractual term was 5.2 years. The total fair value of stock options vested was insignificant for the three months ended and year to date September 30, 2006 and 2005.

Performance Shares
The payment of performance shares is contingent upon achievement of specific performance goals over a stated period of time as approved by the Compensation and Development Committee of the Company's Board of Directors. The number of performance shares ultimately paid can vary from the number of shares initially granted depending on Company performance, based on internal and external measures, over stated performance periods. Performance shares have a value equal to the market value of the shares on the grant date with accruing dividends. Compensation expense, calculated by multiplying shares by the related grant-date fair value less the present value of dividends, and accrued dividends related to performance shares are recognized over the stated period.

Performance share activity year to date September 30, 2006, is summarized in the following table.

Performance	Shares	Grant Date Fair Value*
Beginning balance	172,761	$ 30.17
Performance adjustment	(2,650)	
Granted	94,159	28.20
Issued	(9,499)	27.73
Ending balance	254,771	29.56

* weighted-average

At September 30, 2006, the remaining weighted-average contractual term was 1.4 years. There was no activity for performance shares during the three months ended and the weighted-average grant-date fair value for shares granted was $28.20 and $30.34 year to date September 30, 2006 and 2005, respectively. At September 30, 2006, there was $3.1 million of total unrecognized compensation expense, net of forfeiture rates, related to performance shares granted under the Plan, which will be recognized over the remaining weighted-average contractual term. The total fair value of shares vested was insignificant during the three months ended and year to date September 30, 2006 and 2005.

Restricted Stock

Restricted stock cannot be sold or otherwise transferred by the recipient prior to vesting and has a value equal to the fair market value of the shares on the issue date. Restricted stock shares vest over a stated period of time with accruing reinvested dividends. Compensation expense, calculated by multiplying shares by the related grant-date fair value less the present value of dividends, and accrued dividends related to restricted stock are recognized over the stated vesting period. Restricted stock activity year to date September 30, 2006, is summarized in the following table.

Nonvested Restricted stock	Shares	Grant Date Fair Value*
Beginning balance	119,966	$ 30.50
Issued	48,041	28.22
Forfeited	(2,000)	28.20
Ending balance	166,007	29.86

* weighted-average

At September 30, 2006, the remaining weighted-average contractual term was 1.4 years. There was no activity for restricted shares during the three months ended and the weighted-average grant-date fair value of shares granted was $28.22 and $30.56 year to date September 30, 2006 and 2005, respectively. At September 30, 2006, there was $1.7 million of total unrecognized compensation expense, net of forfeiture rates, related to nonvested restricted stock granted under the Plan, which will be recognized over the remaining weighted-average contractual term. No shares vested during the three months ended and year to date September 30, 2006 and 2005.

11. INCOME TAXES

Components of income taxes are detailed in the following tables.

Great Plains Energy	Three Months Ended September 30 2006	2005	Year to Date September 30 2006	2005
		(millions)		
Current income taxes				
Federal	$ 38.3	$ 39.4	$ 67.6	$ 49.9
State	2.9	0.7	4.3	0.1
Total	41.2	40.1	71.9	50.0
Deferred income taxes				
Federal	(12.0)	(2.4)	(26.7)	0.1
State	(1.9)	(18.0)	(6.2)	(15.8)
Total	(13.9)	(20.4)	(32.9)	(15.7)
Investment tax credit amortization	(0.8)	(1.0)	(2.3)	(2.9)
Total income tax expense	26.5	18.7	36.7	31.4
Less: taxes on discontinued operations				
Current tax (benefit) expense	-	1.4	-	(1.0)
Income taxes on continuing operations	$ 26.5	$ 17.3	$ 36.7	$ 32.4

Consolidated KCP&L	Three Months Ended September 30 2006	2005	Year to Date September 30 2006	2005
		(millions)		
Current income taxes				
Federal	$ 36.5	$ 45.1	$ 60.0	$ 63.2
State	4.6	1.6	7.3	4.2
Total	41.1	46.7	67.3	67.4
Deferred income taxes				
Federal	(0.9)	(10.6)	(2.8)	(13.7)
State	(0.1)	(18.5)	(0.3)	(18.8)
Total	(1.0)	(29.1)	(3.1)	(32.5)
Investment tax credit amortization	(0.8)	(1.0)	(2.3)	(2.9)
Total	$ 39.3	$ 16.6	$ 61.9	$ 32.0

Income Tax Expense and Effective Income Tax Rates
Income tax expense and the effective income tax rates reflected in continuing operations in the financial statements and the reasons for their differences from the statutory federal rates are detailed in the following tables.

Great Plains Energy

	Income Tax Expense		Income Tax Rate	
Three Month Ended September 30	**2006**	**2005**	**2006**	**2005**
Federal statutory income tax	$ 28.6	$ 37.3	35.0%	35.0%
Differences between book and tax depreciation not normalized	0.2	1.2	0.2	1.2
Amortization of investment tax credits	(0.8)	(1.0)	(0.9)	(0.9)
Federal income tax credits	(2.1)	(2.2)	(2.5)	(2.1)
State income taxes	0.9	2.5	1.0	2.4
Changes in uncertain tax positions, net	0.2	(7.8)	0.2	(7.3)
Rate change on deferred taxes	-	(11.7)	-	(11.0)
Other	(0.5)	(1.0)	(0.6)	(1.0)
Total	$ 26.5	$ 17.3	32.4%	16.3%

	Income Tax Expense		Income Tax Rate	
Year to Date September 30	**2006**	**2005**	**2006**	**2005**
Federal statutory income tax	$ 44.6	$ 58.5	35.0%	35.0%
Differences between book and tax depreciation not normalized	0.9	2.1	0.7	1.2
Amortization of investment tax credits	(2.3)	(2.9)	(1.8)	(1.7)
Federal income tax credits	(4.5)	(7.4)	(3.5)	(4.4)
State income taxes	-	2.9	(0.1)	1.8
Changes in uncertain tax positions, net	0.2	(6.8)	0.1	(4.1)
Rate change on deferred taxes	-	(11.7)	-	(7.0)
Other	(2.2)	(2.3)	(1.6)	(1.4)
Total	$ 36.7	$ 32.4	28.8%	19.4%

Consolidated KCP&L

	Income Tax Expense		Income Tax Rate	
Three Month Ended September 30	**2006**	**2005**	**2006**	**2005**
Federal statutory income tax	$ 37.9	$ 29.9	35.0%	35.0%
Differences between book and tax depreciation not normalized	0.2	1.2	0.2	1.4
Federal income tax credits	(0.9)	-	(0.8)	-
Amortization of investment tax credits	(0.8)	(1.0)	(0.7)	(1.1)
State income taxes	3.0	2.0	2.8	2.3
Changes in uncertain tax positions, net	0.1	(1.9)	0.1	(2.2)
Parent company tax benefits	(1.1)	(1.7)	(1.0)	(2.0)
Rate change on deferred taxes	-	(11.7)	-	(13.7)
Other	0.9	(0.2)	0.8	(0.4)
Total	$ 39.3	$ 16.6	36.4%	19.3%

	Income Tax Expense		Income Tax Rate	
Year to Date September 30	**2006**	**2005**	**2006**	**2005**
Federal statutory income tax	$ 62.5	$ 49.1	35.0%	35.0%
Differences between book and tax depreciation not normalized	0.9	2.1	0.5	1.5
Federal income tax credits	(0.9)	-	(0.5)	-
Amortization of investment tax credits	(2.3)	(2.9)	(1.3)	(2.1)
State income taxes	4.7	3.2	2.7	2.3
Changes in uncertain tax positions, net	0.6	(1.2)	0.3	(0.8)
Parent company tax benefits	(3.3)	(4.5)	(1.9)	(3.2)
Rate change on deferred taxes	-	(11.7)	-	(8.4)
Other	(0.3)	(2.1)	(0.1)	(1.5)
Total	$ 61.9	$ 32.0	34.7%	22.8%

For the three months ended and year to date September 30, 2005, Great Plains Energy's and consolidated KCP&L's income taxes were reduced by $11.7 million reflecting a reduction of KCP&L's deferred tax balances as a result of a reduction in the companies' composite tax rate due to the favorable impact of sustained audit positions. SFAS No. 109, "Accounting for Income Taxes" required the companies to adjust deferred tax balances to reflect tax rates that are anticipated to be in effect when the differences reverse. Great Plains Energy's income tax expense was also reduced in 2005 by $5.7 million due to events during the three months ended September 30, 2005, that strengthened the probability of sustaining tax deductions taken on previously filed tax returns.

Deferred Income Taxes
Great Plains Energy's combined deferred income taxes - current assets and deferred income taxes - current liabilities changed from a liability of $1.3 million at December 31, 2005, to an asset of $46.3 million. The change in the fair value of Strategic Energy's energy-related derivative instruments increased the asset $39.0 million.

Uncertain Tax Positions
In July 2006, the FASB issued FASB Interpretation (FIN) No. 48, "Accounting for Uncertainty in Income Taxes," an interpretation of SFAS No. 109, "Accounting for Income Taxes". FIN No. 48 clarifies how companies calculate and disclose uncertain tax positions. Great Plains Energy and consolidated KCP&L are required to adopt the provisions of FIN No. 48 for periods beginning in 2007, although earlier adoption is permitted. Management is currently evaluating the impact of FIN No. 48 and has not yet determined the impact on Great Plains Energy and consolidated KCP&L's consolidated financial statements. Management evaluates and records tax liabilities for uncertain tax positions based on the probability of ultimately sustaining the tax deductions or income positions. Management assesses the probabilities of successfully defending the tax deductions or income positions based upon statutory, judicial or administrative authority.

At September 30, 2006 and December 31, 2005, the Company had $4.8 million and $4.6 million, respectively, of liabilities for uncertain tax positions related to tax deductions or income positions taken on the Company's tax returns. Consolidated KCP&L had liabilities for uncertain tax positions of $1.8 million and $1.2 million at September 30, 2006 and December 31, 2005, respectively. Management believes the tax deductions or income positions are properly treated on such tax returns but has recorded reserves based upon its assessment of the probabilities that certain deductions or income positions may not be sustained when the returns are audited. The tax returns containing these tax deductions or income positions are currently under audit or will likely be audited. The timing of the resolution of these audits is uncertain. If the positions are ultimately sustained, the companies will reverse these tax provisions to net income. If the positions are not ultimately sustained, the companies

may be required to make cash payments plus interest and/or utilize the companies' federal and state credit carryforwards.

12. KLT GAS DISCONTINUED OPERATIONS

The KLT Gas natural gas properties (KLT Gas portfolio) was reported as discontinued operations in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" after the 2004 Board of Directors approval to sell the KLT Gas portfolio and discontinue the gas business. During 2004 and 2005, KLT Gas completed sales of the KLT Gas portfolio and in 2006 KLT Gas has no active operations.

13. RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

Consolidated KCP&L receives various support and administrative services from Services. These services are billed to consolidated KCP&L at cost, based on payroll and other expenses, incurred by Services for the benefit of consolidated KCP&L. These costs totaled $4.6 million and $14.1 million for the three months ended and year to date September 30, 2006, respectively, and $7.0 million and $37.9 million for the same periods in 2005. These costs consisted primarily of employee compensation, benefits and fees associated with various professional services. At September 30, 2006, and December 31, 2005, consolidated KCP&L had a net intercompany payable to Services of $2.6 million and $3.5 million, respectively. In the third quarter of 2005, approximately 80% of Services' employees were transferred to KCP&L to better align resources with the operating business. At September 30, 2006, and December 31, 2005, consolidated KCP&L's balance sheets reflect a note payable from HSS to Great Plains Energy of $0.6 million.

14. COMMITMENTS AND CONTINGENCIES

Environmental Matters
The Company is subject to regulation by federal, state and local authorities with regard to air and other environmental matters primarily through KCP&L's operations. The generation, transmission and distribution of electricity produces and requires disposal of certain hazardous products that are subject to these laws and regulations. In addition to imposing continuing compliance obligations, these laws and regulations authorize the imposition of substantial penalties for noncompliance, including fines, injunctive relief and other sanctions. Failure to comply with these laws and regulations could have a material adverse effect on consolidated KCP&L and Great Plains Energy.

KCP&L operates in an environmentally responsible manner and seeks to use current technology to avoid and treat contamination. KCP&L regularly conducts environmental audits designed to ensure compliance with governmental regulations and to detect contamination. At September 30, 2006, and December 31, 2005, KCP&L had $0.3 million accrued for environmental remediation expenses for water monitoring at one site. The amounts accrued were established on an undiscounted basis and KCP&L does not currently have an estimated time frame over which the accrued amounts may be paid out.

Environmental-related legislation is regularly introduced. Such legislation typically includes various compliance dates and compliance limits. Such legislation, including, but not limited to, potential carbon tax legislation, could have the potential for a significant financial impact on KCP&L, including the installation of new pollution control equipment to achieve compliance. However, KCP&L's expectation is that any required environmental expenditures will be recovered through rates. KCP&L will continue to monitor proposed legislation.

The following table contains current estimates of expenditures to comply with environmental laws and regulations described below. The range of estimated expenditures has increased significantly from the range reported in the companies' June 30, 2006, Form 10-Q. The demand for environmental projects has increased substantially with many utilities in the United States starting similar projects to address changing environmental regulations. This demand has constrained labor and material resources resulting in a significant escalation in the cost and completion times for environmental retrofits. KCP&L continues to refine its cost estimates detailed in the table below and explore alternatives. The allocation between states is based on location of the facilities and has no bearing as to recovery in jurisdictional rates.

Clean Air Estimated Required Environmental Expenditures	**Missouri**	**Kansas**	**Total**	**Estimated Timetable**
		(millions)		
CAIR	$375 - 993	$ -	$375 - 993	2006 - 2015
Incremental BART	-	272 - 527	272 - 527	2006 - 2017
Incremental CAMR	11 - 15	5 - 6	16 - 21	2010 - 2018
Estimated required environmental expenditures	$386 - 1,008	$277 - 533	$633 - 1,541	

Expenditure estimates provided in the table above include, but are not limited to, the accelerated environmental upgrade expenditures included in KCP&L's comprehensive energy plan. See Note 7 for additional information regarding the status of environmental upgrade expenditures under KCP&L's comprehensive energy plan. These expenditures are expected to reduce SO_2, NO_x, mercury and air particulate matter emissions.

Clean Air Interstate Rule

The Environmental Protection Agency (EPA) Clean Air Interstate Rule (CAIR) requires reductions in SO_2 and NO_x emissions in 28 states, including Missouri. The reduction in both SO_2 and NO_x emissions will be accomplished through establishment of permanent statewide caps for NO_x effective January 1, 2009, and SO_2 effective January 1, 2010. More restrictive caps will be effective January 1, 2015. KCP&L's fossil fuel-fired plants located in Missouri are subject to CAIR, while its fossil fuel-fired plants in Kansas are not.

KCP&L expects to meet the emissions reductions required by CAIR at its Missouri plants through a combination of pollution control capital projects and the purchase of emission allowances in the open market as needed. The final CAIR rule establishes a market-based cap-and-trade program. Missouri has developed State Implementation Plan (SIP) rules, which include an emission allowance allocation mechanism, and has currently accepted comments on these preliminary rules in development. The SIP proposed rules will next be published for additional comment. Facilities will demonstrate compliance with CAIR by holding sufficient allowances for each ton of SO_2 and NO_x emitted in any given year with SO_2 emission allowances transferable among all regulated facilities nationwide and NO_x emission allowances transferable among all regulated facilities within the 28 CAIR states. KCP&L will also be allowed to utilize unused SO_2 emission allowances that it has accumulated during previous years of the Acid Rain Program to meet the more stringent CAIR requirements. At September 30, 2006, KCP&L had accumulated unused SO_2 emission allowances sufficient to support just under 120,000 tons of SO_2 emission under the provisions of the Acid Rain program, which are recorded in inventory at zero cost. KCP&L is permitted to sell excess SO_2 emission allowances in accordance with KCP&L's comprehensive energy plan as approved by the MPSC and KCC.

Analysis of the final CAIR rule indicates that selective catalytic reduction technology for NO_x control and scrubbers for SO_2 control will likely be required for KCP&L's Montrose Station in Missouri, in addition to the environmental upgrades at Iatan No. 1 included in the comprehensive energy plan. The timing of

the installation of such control equipment is currently being developed. As discussed below, certain of the control technology for SO_2 and NO_x will also aid in the control of mercury.

Best Available Retrofit Technology Rule
The EPA best available retrofit technology rule (BART) directs state air quality agencies to identify whether visibility-reducing emissions from sources subject to BART are below limits set by the state or whether retrofit measures are needed to reduce emissions. BART applies to specific eligible facilities including LaCygne Nos. 1 and 2 in Kansas and Iatan No. 1 and Montrose No. 3 in Missouri. The CAIR suggests that states that meet the CAIR requirements may also meet BART requirements for individual sources. Missouri has included this understanding as part of the proposed CAIR SIP. Kansas is not a CAIR state and therefore BART will likely impact LaCygne Nos. 1 and 2. Kansas is in the process of completing modeling associated with the rule. States must submit a BART implementation plan in 2007 with required emission controls. The BART emission control equipment must be compliant within five years after the SIP is approved by the EPA. If emission controls to comply with BART are required at LaCygne Nos. 1 and 2, additional capital expenditures will be required above comprehensive energy plan upgrades. The ultimate cost of these regulations could be significantly different from the amounts estimated.

Mercury Emissions
The EPA Clean Air Mercury Rule (CAMR) regulates mercury emissions from coal-fired power plants located in 48 states, including Kansas and Missouri, under the New Source Performance Standards of the Clean Air Act. The rule established a market-based cap-and-trade program that will reduce nationwide utility emissions of mercury in two phases. The first phase cap is effective January 1, 2010, and will establish a permanent nationwide cap of 38 tons of mercury for coal-fired power plants. Management anticipates meeting the first phase cap by taking advantage of KCP&L's mercury reductions achieved through capital expenditures to comply with CAIR and BART. The second phase is effective January 1, 2018, and will establish a permanent nationwide cap of 15 tons of mercury for coal-fired power plants. When fully implemented, the rule will reduce utility emissions of mercury by nearly 70% from current emissions of 48 tons per year.

Facilities will demonstrate compliance with the standard by holding allowances for each ounce of mercury emitted in any given year and allowances will be readily transferable among all regulated facilities nationwide. Under the cap-and-trade program, KCP&L will be able to purchase mercury allowances or elect to install pollution control equipment to achieve compliance. While it is expected that mercury allowances will be available in sufficient quantities for purchase in the 2010-2018 timeframe, the significant reduction in the nationwide cap in 2018 may hamper KCP&L's ability to obtain reasonably priced allowances beyond 2018. Management expects capital expenditures will be required to install additional pollution control equipment to meet the second phase cap. During the ensuing years, management will closely monitor advances in technology for removal of mercury from Powder River Basin (PRB) coal and expects to make decisions regarding second phase removal based on then available technology to meet the 2018 compliance date. KCP&L participated in the Department of Energy (DOE) National Energy Technology Laboratory project to investigate control technology options for mercury removal from coal-fired plants burning sub-bituminous coal.

Carbon Dioxide
The Clear Skies Initiative includes a climate change policy, which is a voluntary program that relies heavily on incentives to encourage industry to voluntarily limit emissions. The strategy includes tax credits, energy conservation programs, funding for research into new technologies, and a plan to encourage companies to track and report their emissions so that companies could gain credits for use in any future emissions trading program. The greenhouse strategy links growth in emissions of greenhouse gases to economic output and is intended to reduce the greenhouse gas intensity of the U.S. economy 18% by 2012. Greenhouse gas intensity measures the ratio of greenhouse gas

emissions to economic output as measured by Gross Domestic Product (GDP). Under this plan, as the economy grows, greenhouse gases also would continue to grow, although at a slower rate than they would have without these policies in place. When viewed per unit of economic output, the rate of emissions would drop. The plan projects that the U.S. would lower its rate of greenhouse gas emissions from an estimated 183 metric tons per $1 million of GDP in 2002 to 151 metric tons per $1 million of GDP by 2012.

KCP&L is a member of the Power Partners through Edison Electric Institute (EEI). Power Partners is a voluntary program with the DOE under which utilities commit to undertake measures to reduce, avoid or sequester CO_2 emissions. Power Partners entered into a cooperative umbrella memorandum of understanding (MOU) with the DOE. This MOU contains supply and demand-side actions as well as offset projects that will be undertaken to reduce the power sector's CO_2 emissions per kWh generated (carbon intensity), consistent with the EEI's 2003 commitment of a 3% to 5% reduction over the next decade.

Air Particulate Matter and Ozone

The EPA standards for ozone and particulate matter air quality include an eight-hour ozone standard and a standard for particulate matter less than 2.5 microns (PM-2.5) in diameter. The EPA has designated the Kansas City area as attainment with respect to the PM-2.5 National Ambient Air Quality Standards (NAAQS). Additionally, the EPA designated Jackson, Platte, Clay and Cass counties in Missouri and Johnson, Linn, Miami and Wyandotte counties in Kansas as attainment with respect to the eight-hour ozone NAAQS.

In September 2006, the EPA announced the new NAAQS for both fine (PM-2.5) and coarse (PM-10) particulate matter. The new standards for PM-2.5 are 35 micrograms per cubic meter on a 24-hour basis and 15 micrograms per cubic meter on an annual basis. The EPA retained the 24-hour standard of 150 micrograms per cubic meter for PM-10 and revoked the annual PM-10 standard as unnecessary. The new 24-hour standard for PM-2.5 will increase the number of counties in non-attainment, but the Kansas City metro area will remain in attainment based on recent emission data.

In September 2006, the Missouri Department of Natural Resources and the Kansas Department of Health and Environment conducted a stakeholder meeting to discuss issues related to the development of the Missouri and Kansas Maintenance Plans for the Control of Ozone for the Kansas City area. The EPA will require Missouri and Kansas to submit these SIPs by June 2007. As part of the SIP requirements, contingency control measures must be included. These measures would go into effect only if associated triggers (such as a violation of the eight-hour ozone standard) occur. Although it is anticipated the proposed controls for CAIR and BART will provide the contingency control measures at KCP&L generation facilities, management will continue to be involved and monitor the SIP development.

Water Use Regulations

The EPA Clean Water Act established standards for cooling water intake structures. This regulation applies to certain existing power producing facilities that employ cooling water intake structures that withdraw 50 million gallons or more per day from lakes and rivers and use 25% or more of that water for cooling purposes. The regulation is designed to protect aquatic life from being killed or injured by cooling water intake structures. KCP&L is required to complete a comprehensive demonstration study on each of its generating facilities' intake structures by the end of 2007. The studies are expected to cost a total of $1.2 million to $2.0 million. Depending on the outcome of the comprehensive demonstration studies, facilities may be required to implement technological, operational or restoration measures to achieve compliance. Compliance with this regulation is expected to be achieved between 2011 and 2014. Until the comprehensive demonstration studies are completed, the impact of this regulation cannot be quantified.

KCP&L holds a permit from the Missouri Department of Natural Resources covering water discharge from its Hawthorn Station. The permit authorizes KCP&L, among other things, to withdraw water from the Missouri river for cooling purposes and return the heated water to the Missouri river. KCP&L has applied for a renewal of this permit and the EPA has submitted an interim objection letter regarding the allowable amount of heat that can be contained in the returned water. Until this matter is resolved, KCP&L continues to operate under its current permit. KCP&L cannot predict the outcome of this matter; however, while less significant outcomes are possible, this matter may require KCP&L to reduce its generation at Hawthorn Station, install cooling towers or both, any of which could adversely affect KCP&L. The outcome could also affect the terms of water permit renewals at KCP&L's Iatan and Montrose Stations.

Contractual Obligations

The following table is an update to selected items from the contractual obligations in the 2005 Form 10-K to reflect significant changes.

Great Plains Energy Contractual Obligations

Payment due by period	Remainder of 2006	2007	2008	2009	2010	After 2010	Total
Purchase obligations							
Fuel	$ 86.6	$ 98.5	$ 107.1	$ 43.3	$ 43.0	$ 84.5	$ 463.0
Purchased power	184.5	526.4	195.3	113.2	94.7	48.7	1,162.8
Comprehensive energy plan	118.5	281.1	321.8	139.2	12.0	-	872.6
Total contractual obligations	$ 389.6	$ 906.0	$ 624.2	$ 295.7	$ 149.7	$ 133.2	$ 2,498.4

Consolidated KCP&L Contractual Obligations

Payment due by period	Remainder of 2006	2007	2008	2009	2010	After 2010	Total
Purchase obligations							
Fuel	$ 86.6	$ 98.5	$ 107.1	$ 43.3	$ 43.0	$ 84.5	$ 463.0
Comprehensive energy plan	118.5	281.1	321.8	139.2	12.0	-	872.6
Total contractual obligations	$ 205.1	$ 379.6	$ 428.9	$ 182.5	$ 55.0	$ 84.5	$ 1,335.6

Fuel represents KCP&L's 47% share of Wolf Creek nuclear fuel commitments, KCP&L's share of coal purchase commitments based on estimated prices to supply coal for generating plants and KCP&L's share of rail transportation commitments for moving coal to KCP&L's generating units. Purchased power represents Strategic Energy's agreements to purchase electricity at various fixed prices to meet estimated supply requirements. Comprehensive energy plan represents KCP&L's contractual commitments for projects contemplated by its comprehensive energy plan.

15. LEGAL PROCEEDINGS

Union Pacific

In 2005, KCP&L filed a rate complaint case with the Surface Transportation Board (STB) charging that Union Pacific Railroad Company's (Union Pacific) rates for transporting coal from the PRB in Wyoming to KCP&L's Montrose Station are unreasonably high. Prior to the end of 2005, the rates were established under a contract with Union Pacific. Efforts to extend the term of the contract were unsuccessful and Union Pacific is the only service for coal transportation from the PRB to Montrose Station. KCP&L charged that Union Pacific possesses market dominance over the traffic and requested the STB prescribe maximum reasonable rates. In February 2006, the STB announced a rulemaking proceeding to address certain issues associated with the calculation of stand-alone costs in rate complaint cases. Proceedings in KCP&L's rate complaint case have been suspended pending the outcome of this rulemaking. In the third quarter of 2006, the STB raised a question regarding

jurisdiction of the rate complaint. KCP&L and Union Pacific filed comments regarding the jurisdictional issue. If STB finds it does have jurisdiction, it will issue a new procedural schedule. Management currently expects a decision in the case in 2008. Until the STB case is decided, KCP&L is paying the higher tariff rates subject to refund.

Framatome
In 2005, WCNOC filed a lawsuit on behalf of itself, KCP&L and the other two Wolf Creek owners against Framatome ANP, Inc., and Framatome ANP Richland, Inc. (Framatome) in the District Court of Coffey County, Kansas. The suit alleged various claims against Framatome related to the proposed design, licensing and installation of a digital control system. The suit sought recovery of approximately $16 million in damages from Framatome. Framatome filed a counterclaim against the three Wolf Creek owners seeking recovery of damages alleged to be in excess of $20 million. In May 2006, the parties settled this case. The settlement had no significant impact on KCP&L's results of operations or financial position.

Hawthorn No. 5 Subrogation Litigation
KCP&L filed suit in 2001, in Jackson County, Missouri Circuit Court against multiple defendants who are alleged to have responsibility for the 1999 Hawthorn No. 5 boiler explosion. KCP&L and National Union Fire Insurance Company of Pittsburgh, Pennsylvania (National Union) have entered into a subrogation allocation agreement under which recoveries in this suit are generally allocated 55% to National Union and 45% to KCP&L. Certain defendants were dismissed from the suit and various defendants settled, with KCP&L receiving a total of $38.2 million, of which $18.5 million was recorded as a recovery of capital expenditures. Trial of this case with the one remaining defendant resulted in a March 2004 jury verdict finding KCP&L's damages as a result of the explosion were $452 million. In May 2004, the trial judge reduced the award against the defendant to $0.2 million. Both KCP&L and the defendant appealed this case to the Court of Appeals for the Western District of Missouri, and in May 2006, the Court of Appeals ordered the Circuit Court to enter judgment in KCP&L's favor in accordance with the jury verdict. The defendant filed a motion for transfer of this case to the Missouri Supreme Court, which was denied. After deduction of amounts received from pre-trail settlements with other defendants and an amount for KCP&L's comparative fault (as determined by the jury), KCP&L received proceeds of $38.9 million in 2006 pursuant to the subrogation allocation agreement after payment of attorney's fees. The proceeds reduced purchased power expense by $10.8 million and fuel expense by $3.7 million. The proceeds also increased wholesale revenues by $2.5 million and included $6.1 million of interest that increased non-operating income. The remaining $15.8 million of proceeds were recorded as a recovery of capital expenditures.

KCP&L previously received reimbursement for Hawthorn No. 5 damages under a property damage insurance policy with Travelers Property Casualty Company of America (Travelers). Travelers filed suit in the Federal District Court for the Eastern District of Missouri in November 2005, against National Union, and KCP&L was added as a defendant in June 2006. Travelers seeks recovery of $10 million that KCP&L recovered in the April 2001 lawsuit described in the preceding paragraph. Management is unable to predict the outcome of this litigation.

Emergis Technologies, Inc.
In March 2006, Emergis Technologies, Inc. f/k/a BCE Emergis Technologies, Inc. (Emergis) filed suit against KCP&L in Federal District Court for the Western District of Missouri, alleging infringement of a patent, entitled "Electronic Invoicing and Payment System." This patent relates to automated electronic bill presentment and payment systems, particularly those involving Internet billing and collection. In March 2006, KCP&L filed a response and denied infringing the patent. KCP&L counterclaimed for a declaration that the patent is invalid and not infringed. Emergis responded to KCP&L's counterclaims in April 2006. Court ordered mediation occurred in July 2006, but the case was not resolved.

Management does not expect the outcome of this litigation to have a material impact on Great Plains Energy's or consolidated KCP&L's results of operations and financial position.

Spent Nuclear Fuel and Radioactive Waste
In 2004, KCP&L and the other two Wolf Creek owners filed suit against the United States in the U.S. Court of Federal Claims seeking an unspecified amount of monetary damages resulting from the government's failure to begin accepting spent fuel for disposal in January 1998, as the government was required to do by the Nuclear Waste Policy Act of 1982. Approximately sixty other similar cases are pending before that court. A handful of the cases have received damages awards, most of which are on appeal now. The Wolf Creek case, previously on a court-ordered stay until October 2006 to allow for some of the earlier cases to be decided first, recently received an extension of the stay to January 2007. Another federal court already has determined that the government breached its obligation to begin accepting spent fuel for disposal. The questions now before the court in the pending cases are whether and to what extent the utilities are entitled to monetary damages for that breach. KCP&L management cannot predict the outcome of this Wolf Creek case.

Class Action Complaint
In 2005, a class action complaint for breach of contract was filed against Strategic Energy in the Court of Common Pleas of Allegheny County, Pennsylvania. The plaintiffs purportedly represent the interests of certain customers in Pennsylvania who entered into Power Supply Coordination Service Agreements (Agreements) for a certain product in Pennsylvania. The complaint seeks monetary damages, attorney fees and costs and a declaration that the customers may terminate their Agreements with Strategic Energy. In response to Strategic Energy's preliminary objections, plaintiffs have filed an amended complaint that management is evaluating. The plaintiffs have granted Strategic Energy an indefinite extension of time to answer the complaint. Management is unable to predict the outcome of this litigation.

Texas Customer Dispute
In February 2006, a customer in Texas that procures electricity for schools notified Strategic Energy that it had selected another provider for its school members during the time it was under contract with Strategic Energy. Strategic Energy exercised it rights under the agreement for breach. In June 2006, Strategic Energy received a notice of demand for arbitration from the customer pursuant to the agreement. Management is evaluating the merits of the customer's alleged damages and the parties are in the process of selecting an arbitrator. Management believes the ultimate outcome of this matter will not have a material impact on the Company's financial position or results of operations.

Haberstroh
In 2004, Robert C. Haberstroh filed suit for breach of employment contract and violation of the Pennsylvania Wage Payment Collection Act against Strategic Energy Partners, Ltd. (Partners), SE Holdings, L.L.C. (SE Holdings) and Strategic Energy in the Court of Common Pleas of Allegheny County, Pennsylvania. In the first quarter of 2006, the suit was settled and as part of the settlement, Great Plains Energy acquired the remaining indirect interest in Strategic Energy for an insignificant amount.

Weinstein v. KLT Telecom
Richard D. Weinstein (Weinstein) filed suit against KLT Telecom Inc. (KLT Telecom) in September 2003 in the St. Louis County, Missouri Circuit Court. KLT Telecom acquired a controlling interest in DTI Holdings, Inc. (Holdings) in February 2001 through the purchase of approximately two-thirds of the Holdings stock held by Weinstein. In connection with that purchase, KLT Telecom entered into a put option in favor of Weinstein, which granted Weinstein an option to sell to KLT Telecom his remaining shares of Holdings stock. The put option provided for an aggregate exercise price for the remaining shares equal to their fair market value with an aggregate floor amount of $15 million and was

exercisable between September 1, 2003, and August 31, 2005. In June 2003, the stock of Holdings was cancelled and extinguished pursuant to the joint Chapter 11 plan confirmed by the Bankruptcy Court. In September 2003, Weinstein delivered a notice of exercise of his claimed rights under the put option. KLT Telecom rejected the notice of exercise, and Weinstein filed suit, alleging breach of contract. Weinstein sought damages of at least $15 million, plus statutory interest. In April 2005, summary judgment was granted in favor of KLT Telecom, and Weinstein appealed this judgment to the Missouri Court of Appeals for the Eastern District. In May 2006, the Court of Appeals affirmed the judgment. During July 2006, Weinstein filed an application for transfer of this case to the Missouri Supreme Court, which was granted. Oral arguments are scheduled for December 2006. The $15 million reserve has not been reversed pending the outcome of the appeal process.

16. SEGMENT AND RELATED INFORMATION

Great Plains Energy

Great Plains Energy has two reportable segments based on its method of internal reporting, which generally segregates the reportable segments based on products and services, management responsibility and regulation. The two reportable business segments are KCP&L, an integrated, regulated electric utility, and Strategic Energy, a competitive electricity supplier. Other includes the operations of HSS, Services, all KLT Inc. operations other than Strategic Energy, unallocated corporate charges, consolidating entries and intercompany eliminations. Intercompany eliminations include insignificant amounts of intercompany financing-related activities. The summary of significant accounting policies applies to all of the reportable segments. For segment reporting, each segment's income taxes include the effects of allocating holding company tax benefits. Segment performance is evaluated based on net income.

The following tables reflect summarized financial information concerning Great Plains Energy's reportable segments.

Three Months Ended September 30, 2006	KCP&L	Strategic Energy	Other	Great Plains Energy
			(millions)	
Operating revenues	$ 359.3	$ 459.2	$ -	$ 818.5
Depreciation and amortization	(38.5)	(1.9)	-	(40.4)
Interest charges	(15.5)	(0.6)	(1.9)	(18.0)
Income taxes	(39.5)	10.2	2.8	(26.5)
Loss from equity investments	-	-	(0.4)	(0.4)
Net income (loss)	70.0	(10.9)	(3.9)	55.2

Three Months Ended September 30, 2005	KCP&L	Strategic Energy	Other	Great Plains Energy
			(millions)	
Operating revenues	$ 353.0	$ 429.9	$ -	$ 782.9
Depreciation and amortization	(36.7)	(1.6)	(0.1)	(38.4)
Interest charges	(15.0)	(0.7)	(2.2)	(17.9)
Income taxes	(16.4)	(9.4)	8.5	(17.3)
Loss from equity investments	-	-	(0.1)	(0.1)
Discontinued operations	-	-	1.8	1.8
Net income	69.1	18.1	3.7	90.9

Year to Date September 30, 2006	KCP&L	Strategic Energy	Other	Great Plains Energy
		(millions)		
Operating revenues	$ 890.6	$ 1,129.2	$ -	$ 2,019.8
Depreciation and amortization	(112.8)	(5.8)	-	(118.6)
Interest charges	(45.4)	(1.5)	(6.2)	(53.1)
Income taxes	(62.1)	17.4	8.0	(36.7)
Loss from equity investments	-	-	(1.0)	(1.0)
Net income (loss)	117.8	(17.6)	(9.5)	90.7

Year to Date September 30, 2005	KCP&L	Strategic Energy	Other	Great Plains Energy
		(millions)		
Operating revenues	$ 858.3	$ 1,101.3	$ 0.1	$ 1,959.7
Depreciation and amortization	(109.7)	(4.6)	(0.2)	(114.5)
Interest charges	(45.1)	(2.2)	(6.5)	(53.8)
Income taxes	(32.4)	(20.9)	20.9	(32.4)
Loss from equity investments	-	-	(0.8)	(0.8)
Discontinued operations	-	-	(1.8)	(1.8)
Net income (loss)	109.0	34.6	(10.6)	133.0

	KCP&L	Strategic Energy	Other	Great Plains Energy
September 30, 2006		(millions)		
Assets	$ 3,633.8	$ 450.9	$ 29.9	$ 4,114.6
Capital expenditures [(a)]	371.1	3.2	0.3	374.6
December 31, 2005				
Assets	$ 3,334.6	$ 441.8	$ 57.3	$ 3,833.7
Capital expenditures [(a)]	332.2	6.6	(4.7)	334.1

[(a)] Capital expenditures reflect year to date amounts for the periods presented.

Consolidated KCP&L

The following tables reflect summarized financial information concerning consolidated KCP&L's reportable segment. Other includes the operations of HSS and intercompany eliminations. Intercompany eliminations include insignificant amounts of intercompany financing-related activities.

Three Months Ended September 30, 2006	KCP&L	Other	Consolidated KCP&L
		(millions)	
Operating revenues	$ 359.3	$ -	$ 359.3
Depreciation and amortization	(38.5)	-	(38.5)
Interest charges	(15.5)	(0.1)	(15.6)
Income taxes	(39.5)	0.2	(39.3)
Net income (loss)	70.0	(1.2)	68.8

Three Months Ended September 30, 2005	KCP&L	Other	Consolidated KCP&L
		(millions)	
Operating revenues	$ 353.0	$ -	$ 353.0
Depreciation and amortization	(36.7)	-	(36.7)
Interest charges	(15.0)	-	(15.0)
Income taxes	(16.4)	(0.2)	(16.6)
Net income (loss)	69.1	(0.2)	68.9

Year to Date September 30, 2006	KCP&L	Other	Consolidated KCP&L
		(millions)	
Operating revenues	$ 890.6	$ -	$ 890.6
Depreciation and amortization	(112.8)	-	(112.8)
Interest charges	(45.4)	(0.1)	(45.5)
Income taxes	(62.1)	0.2	(61.9)
Net income (loss)	117.8	(1.2)	116.6

Year to Date September 30, 2005	KCP&L	Other	Consolidated KCP&L
		(millions)	
Operating revenues	$ 858.3	$ 0.1	$ 858.4
Depreciation and amortization	(109.7)	(0.1)	(109.8)
Interest charges	(45.1)	-	(45.1)
Income taxes	(32.4)	0.4	(32.0)
Net income (loss)	109.0	(0.8)	108.2

	KCP&L	Other	Consolidated KCP&L
September 30, 2006		(millions)	
Assets	$ 3,633.8	$ 3.4	$ 3,637.2
Capital expenditures [a]	371.1	-	371.1
December 31, 2005			
Assets	$ 3,334.6	$ 3.9	$ 3,338.5
Capital expenditures [a]	332.2	-	332.2

[a] Capital expenditures reflect year to date amounts for the periods presented.

17. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations associated with tangible long-lived assets are those for which a legal obligation exists under enacted laws, statutes and written or oral contracts, including obligations arising under the doctrine of promissory estoppel. These liabilities are recognized at estimated fair value as incurred and capitalized as part of the cost of the related long-lived assets and depreciated over their useful lives. Accretion of the liabilities due to the passage of time is recorded as an operating expense. Changes in the estimated fair values of the liabilities are recognized when known.

In the second quarter of 2006, KCP&L incurred an ARO related to decommissioning and site remediation associated with its Spearville Wind Energy Facility, a 100.5 MW wind project in western Kansas. KCP&L is obligated to remove the wind turbine towers and perform site remediation within 12 months after the end of the associated 30-year land lease agreements. The ARO was derived from a third party estimate of decommissioning and remediation costs. To estimate the ARO, KCP&L used a

credit-adjusted risk free discount rate of 6.68%. This rate was based on the rate at which KCP&L could issue 30-year bonds. KCP&L recorded a $3.1 million ARO for the decommissioning and site remediation and increased property and equipment by $3.1 million.

In the third quarter of 2006, WCNOC submitted an application for a new operating license for Wolf Creek with the NRC, which would extend Wolf Creek's operating period to 2045. Management has determined the fair value of KCP&L's ARO for nuclear decommissioning should reflect the change in timing in the undiscounted estimated cash flows to decommission Wolf Creek as a result of the extended operating period. Management calculated an ARO revision based on KCP&L's most recent cost estimates to decommission Wolf Creek. To estimate the ARO layer attributable to the change in timing, KCP&L used a credit-adjusted risk free discount rate of 6.26%. The rate was based on the rate at which KCP&L could issue 40-year bonds. KCP&L recorded a $65.0 million decrease in the ARO to decommission Wolf Creek with a $25.8 million net decrease in property and equipment. The regulatory asset for ARO decreased $8.2 million and a $31.0 million regulatory liability for ARO was established to recognize current funding of the related decommissioning trust at September 30, 2006, in excess of the ARO due to the extended operating period.

KCP&L is a regulated utility subject to the provisions of SFAS No. 71 and management believes it is probable that any differences between expenses under FIN No. 47, "Accounting for Conditional Asset Retirement Obligations" or SFAS No. 143, "Accounting for Asset Retirement Obligation," and expense recovered currently in rates will be recoverable in future rates. The following table summarizes the change in Great Plains Energy's and consolidated KCP&L's AROs.

	September 30 2006	December 31 2005
	(millions)	
Beginning balance	$ 145.9	$ 113.7
Additions	3.1	26.7
Extension of Wolf Creek life	(65.0)	-
Settlements	-	(2.0)
Accretion	7.1	7.5
Ending balance	$ 91.1	$ 145.9

18. DERIVATIVE INSTRUMENTS

The companies are exposed to a variety of market risks including interest rates and commodity prices. Management has established risk management policies and strategies to reduce the potentially adverse effects that the volatility of the markets may have on the companies' operating results. The risk management activities, including the use of derivative instruments, are subject to the management, direction and control of internal risk management committees. Management's interest rate risk management strategy uses derivative instruments to adjust the companies' liability portfolio to optimize the mix of fixed and floating rate debt within an established range. In addition, management uses derivative instruments to hedge against future interest rate fluctuations on anticipated debt issuances. Management maintains commodity-price risk management strategies that use derivative instruments to reduce the effects of fluctuations in fuel and purchased power expense caused by commodity price volatility. Counterparties to commodity derivatives and interest rate swap agreements expose the companies to credit loss in the event of nonperformance. This credit loss is limited to the cost of replacing these contracts at current market rates less the application of counterparty collateral held and contract-based netting of credit exposures against payable balances. Derivative instruments, excluding those instruments that qualify for the Normal Purchases and Normal Sales (NPNS) election, which are accounted for by accrual accounting, are recorded on the balance sheet at fair value as an asset or

liability. Changes in the fair value are recognized currently in net income unless specific hedge accounting criteria are met.

Fair Value Hedges - Interest Rate Risk Management
In 2002, KCP&L remarketed its 1998 Series A, B and D EIRR bonds totaling $146.5 million to a five-year fixed interest rate of 4.75% ending October 1, 2007. Simultaneously with the remarketing, KCP&L entered into an interest rate swap for the $146.5 million based on the London Interbank Offered Rate (LIBOR) to effectively create a floating interest rate obligation. The transaction is a fair value hedge with no ineffectiveness. Changes in the fair market value of the swap are recorded on the balance sheet as an asset or liability with an offsetting entry to the respective debt balances with no net impact on net income.

Cash Flow Hedges - Forward Starting Swaps
In the first quarter of 2006, KCP&L entered into two Forward Starting Swaps to hedge against interest rate fluctuations on the long-term debt that KCP&L plans to issue before the end of the first quarter of 2007. The FSS will be settled simultaneously with the issuance of the long-term fixed rate debt. The FSS effectively removes most of the interest rate and credit spread uncertainty with respect to the debt to be issued, thereby enabling KCP&L to predict with greater assurance what its future interest costs on that debt will be. The FSS is accounted for as a cash flow hedge and the fair value is recorded as a current asset or liability with an offsetting entry to OCI, to the extent the hedge is effective, until the forecasted transaction occurs. No ineffectiveness has been recorded on the FSS. The pre-tax gain or loss on the FSS recorded to OCI will be reclassified to interest expense over the life of the future debt issuance.

Cash Flow Hedges - Commodity Risk Management
KCP&L's risk management policy is to use derivative instruments to mitigate its exposure to market price fluctuations on a portion of its projected natural gas purchases to meet generation requirements for retail and firm wholesale sales. As of September 30, 2006, KCP&L had hedged 22% and 7% of its 2007 and 2008 projected natural gas usage for retail load and firm MWh sales, respectively, primarily by utilizing fixed forward physical contracts. The fair values of these instruments are recorded as current assets or current liabilities with an offsetting entry to OCI for the effective portion of the hedge. To the extent the hedges are not effective, the ineffective portion of the change in fair market value is recorded currently in fuel expense. KCP&L did not record any gains or losses due to ineffectiveness during the three months ended and year to date September 30, 2006 and 2005, respectively.

Strategic Energy maintains a commodity-price risk management strategy that uses forward physical energy purchases and other derivative instruments to reduce the effects of fluctuations in purchased power expense caused by commodity-price volatility. Derivative instruments are used to limit the unfavorable effect that price increases will have on electricity purchases, effectively fixing the future purchase price of electricity for the applicable forecasted usage and protecting Strategic Energy from significant price volatility. The maximum term over which Strategic Energy hedged its exposure and variability of future cash flows was approximately five years at September 30, 2006 and December 31, 2005.

Certain forward fixed price purchases and swap agreements are designated as cash flow hedges. The fair values of these instruments are recorded as assets or liabilities with an offsetting entry to OCI for the effective portion of the hedge. To the extent the hedges are not effective, the ineffective portion of the change in fair market value is recorded currently in purchased power. When the forecasted purchase is completed, the amounts in OCI are reclassified to purchased power. Purchased power expense for the three months ended and year to date September 30, 2006, includes a $13.1 million and $27.1 million loss, respectively, due to ineffectiveness of the cash flow hedges. Strategic Energy

recorded an $8.3 million and $10.4 million gain for the three months ended and year to date September 30, 2005, respectively, due to ineffectiveness of the cash flow hedges.

As part of its commodity-price risk management strategy, Strategic Energy also enters into economic hedges (non-hedging derivatives) that do not qualify for cash flow hedge accounting. The changes in the fair value of these derivative instruments recorded to purchased power expense were a $13.5 million loss and $9.9 million gain for the three months ended September 30, 2006 and 2005, respectively, and a $37.4 million loss and $15.6 million gain year to date September 30, 2006 and 2005, respectively.

The fair value of non-hedging derivatives at September 30, 2006, also includes certain forward contracts at Strategic Energy that were amended during 2005. Prior to being amended, the contracts were accounted for under the NPNS election in accordance with SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities.” As a result of being amended, the contracts no longer qualify for NPNS exceptions or cash flow hedge accounting and are now accounted for as non-hedging derivatives with the fair value at amendment being recorded as a deferred liability that will be reclassified to net income as the contracts settle. For the three months ended and year to date September 30, 2006, Strategic Energy amortized $0.4 million and $5.0 million, respectively, of the deferred liability to purchased power expense related to the delivery of power under the contracts. Strategic Energy will amortize the remaining deferred liability over the remaining original contract lengths, which end in the first quarter of 2008. After the amendment, Strategic Energy is recording the change in fair value of these contracts to purchased power expense.

The notional and recorded fair values of the companies’ derivative instruments are summarized in the following table. The fair values of these derivatives are recorded on the consolidated balance sheets.

	September 30 2006		December 31 2005	
	Notional Contract Amount	Fair Value	Notional Contract Amount	Fair Value
Great Plains Energy		(millions)		
Swap contracts				
Cash flow hedges	$ 323.7	$ (47.6)	$ 164.7	$ 23.8
Non-hedging derivatives	43.2	(8.8)	35.5	-
Forward contracts				
Cash flow hedges	577.2	(56.6)	121.9	21.0
Non-hedging derivatives	214.1	(30.1)	178.3	3.6
Forward starting swap				
Cash flow hedges	225.0	(0.8)	-	-
Interest rate swaps				
Fair value hedges	146.5	(2.2)	146.5	(2.6)
Consolidated KCP&L				
Forward contracts				
Cash flow hedges	5.2	(0.1)	-	-
Forward starting swap				
Cash flow hedges	225.0	(0.8)	-	-
Interest rate swaps				
Fair value hedges	146.5	(2.2)	146.5	(2.6)

The amounts recorded in accumulated OCI related to the cash flow hedges are summarized in the following table.

	Great Plains Energy		Consolidated KCP&L	
	September 30 2006	December 31 2005	September 30 2006	December 31 2005
		(millions)		
Current assets	$ 10.4	$ 35.8	$ 11.6	$ 11.9
Other deferred charges	-	11.8	(0.8)	-
Other current liabilities	(44.2)	1.6	-	-
Deferred income taxes	30.3	(20.5)	(4.1)	(4.5)
Other deferred credits	(39.0)	1.0	-	-
Total	$ (42.5)	$ 29.7	$ 6.7	$ 7.4

Great Plains Energy's accumulated OCI includes $44.3 million that is expected to be reclassified to expense over the next twelve months. Consolidated KCP&L's accumulated OCI includes an insignificant amount that is expected to be reclassified to expense over the next twelve months.

The amounts reclassified to expenses are summarized in the following table.

	Three Months Ended September 30		Year to Date September 30	
	2006	2005	2006	2005
Great Plains Energy		(millions)		
Fuel expense	$ -	$ (0.5)	$ -	$ (0.5)
Purchased power expense	13.0	(21.1)	29.6	(27.2)
Interest expense	(0.1)	-	(0.3)	-
Income taxes	(5.3)	8.9	(12.2)	11.6
OCI	$ 7.6	$ (12.7)	$ 17.1	$ (16.1)
Consolidated KCP&L				
Fuel expense	$ -	$ (0.5)	$ -	$ (0.5)
Interest expense	(0.1)	-	(0.3)	-
Income taxes	-	0.2	0.1	0.2
OCI	$ (0.1)	$ (0.3)	$ (0.2)	$ (0.3)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The MD&A that follows is a combined presentation for Great Plains Energy and consolidated KCP&L, both registrants under this filing. The discussion and analysis by management focuses on those factors that had a material effect on the financial condition and results of operations of the registrants during the periods presented.

Great Plains Energy is a public utility holding company and does not own or operate any significant assets other than the stock of its subsidiaries. Great Plains Energy's direct subsidiaries with operations or active subsidiaries are KCP&L, KLT Inc., IEC and Services. As a diversified energy company, Great Plains Energy's reportable business segments include KCP&L and Strategic Energy.

EXECUTING ON STRATEGIC INTENT

KCP&L's Comprehensive Energy Plan

KCP&L continues to make progress in implementing its comprehensive energy plan under orders received from the MPSC and KCC in 2005. The Sierra Club and Concerned Citizens of Platte County have appealed the MPSC order, and the Sierra Club has appealed the KCC order. In March 2006, the Circuit Court of Cole County, Missouri, affirmed the MPSC Order and the Sierra Club has appealed the decision to the Missouri Court of Appeals. The Kansas District Court denied the Sierra Club's appeal in May 2006 and the Sierra Club has appealed to the Kansas Court of Appeals. Although subject to the appeals, the MPSC and KCC orders remain in effect pending the applicable court's decision.

Although control budgets and workflow scheduling are not complete, developing market conditions indicate overall cost estimates of the comprehensive energy plan are currently expected to be about 20% above the estimate in the 2005 Form 10-K. The primary driver of the increased cost of the comprehensive energy plan is the environmental retrofit of selected existing coal-fired plants. The demand for environmental projects has increased substantially with many utilities in the United States starting similar projects to address changing environmental regulations. This demand has constrained labor and material resources resulting in a significant escalation in the cost and completion times for environmental retrofits. The first phase of environmental upgrades at LaCygne No. 1, installation of SCR equipment, began in late 2005 and is expected to be in-service for the summer of 2007. KCP&L has approximately 88% of the total estimated cost for the first phase under firm contract as of September 30, 2006. The second phase of environmental upgrades at LaCygne No. 1 is currently in the planning stage, and the market conditions noted above could impact the scope and timing. Iatan No. 1 environmental upgrades are on schedule with approximately 80% of the total estimated costs under firm contract as of September 30, 2006.

The construction projects contemplated in the comprehensive energy plan rely upon the supply of a significant percentage of materials from overseas sources. This global procurement subjects the delivery of procured material to issues beyond what would be expected if such material were supplied from sources within the United States. These risks include, but are not limited to, delays in clearing customs, ocean transportation and potential civil unrest in sourcing countries, among others. Additionally, as with any major construction program, inadequate availability of qualified craft labor may have an adverse impact on both the estimated cost and completion date of the projects.

Over the last several months, KCP&L has finalized contracts and received bids for the largest cost components of the construction of Iatan No. 2. The estimated costs for Iatan No. 2 have also increased due to the constrained labor and material resources discussed above; however, the Iatan No. 2 estimated costs have not been as impacted as the estimated costs of the environmental retrofits. KCP&L has approximately 60% of the total estimated cost of Iatan No. 2 under firm contract as of September 30, 2006, and has started construction activities at the site. An owners' engineer has been

hired and the engineering design for Iatan Station is approximately 25% complete, which is on schedule with the targeted project completion in summer 2010. During the second quarter of 2006, KCP&L finalized Iatan No. 2 co-ownership agreements with Aquila Inc., The Empire District Electric Company, Kansas Electric Power Cooperative and Missouri Joint Municipal Electric Utility Commission. KCP&L will own 54.71% or approximately 465 MW of the new unit. In the first quarter of 2006, KCP&L received the air permit and a water quality certification from the Missouri Department of Natural Resources relating to Iatan Station. The Sierra Club is appealing the air permit. In the third quarter of 2006, the Sierra Club filed a motion requesting that construction on Iatan No. 2 be stayed pending the outcome of its appeal. This motion was denied. KCP&L has received the remaining permits necessary to begin construction at Iatan Station, which included the wetlands permit and a permit for the construction of a temporary barge slip and collector wells from the U.S. Army Corps of Engineers (Corps). The Corps also executed an Environmental Assessment with a Finding of No Significant Impact.

Construction and commissioning of the 67 turbines at KCP&L's Spearville Wind Energy Facility, a 100.5 MW wind project in western Kansas, was completed during the third quarter of 2006 in-line with cost estimates reported in the 2005 Form 10-K. Additional transmission construction to enhance KCP&L's ability to carry power from the facility to its service territory is expected to be completed in the first half of 2007, and is reflected in the current cost estimates provided above.

KCP&L has implemented nine pilot affordability, energy efficiency and demand response programs in Missouri and four in Kansas. Initial results from the implemented pilot programs are beginning to demonstrate an ability to manage KCP&L's customers' retail load requirements and are on target with management's goal to achieve a potential 40MW reduction in retail load requirements by the end of 2006. These early results are evidenced by the success of KCP&L's residential air conditioning cycling program, Energy Optimizer, which has experienced strong early participation with over 8,200 installations year to date September 30, 2006. Additionally, in September 2006, KCC initiated a generic investigation into energy efficiency. The general issues that KCC is investigating relate to when and how utilities should promote energy efficiency by their customers and what ratemaking treatment, including special mechanisms, is appropriate or desirable. This investigation provides a significant opportunity for the continued development of energy efficiency policy regulation in Kansas.

KCP&L Regulatory Proceedings
In February 2006, KCP&L filed requests with the MPSC and KCC for annual rate increases of $55.8 million or 11.5% and $42.3 million or 10.5%, respectively. The requested rate increases reflect recovery of increasing operating costs including fuel, transportation and pensions as well as investments in wind generation and customer programs and compensation for wholesale sales volatility and construction risks. The request is based on a return on equity of 11.5% and an adjusted equity ratio of 53.8%.

KCP&L reached a negotiated settlement with certain parties to the Kansas rate proceeding and filed an unopposed Stipulation and Agreement (Agreement) with KCC in the third quarter of 2006. The Agreement stipulates a $29 million increase in annual revenues effective January 1, 2007, including $4 million of accelerated depreciation to maintain cash flow levels as contemplated in the stipulation and agreement approved by KCC in 2005. The Agreement does not propose an energy cost adjustment (ECA) clause; however, KCP&L agreed to propose an ECA clause in its next rate case to be filed no later than March 1, 2007. The Agreement recommends various accounting and other provisions, including but not limited to, establishing annual pension costs beginning January 1, 2007, at approximately $43 million through the creation of a regulatory asset or liability, and establishing a regulatory asset or liability, effective January 1, 2006, for costs arising from defined benefit plan settlements and curtailments to be amortized over a five-year period beginning with the effective date of rates approved in KCP&L's next rate case. The Agreement is subject to KCC approval, and is voidable

if not approved in its entirety. KCP&L expects KCC to act on the Agreement before the end of the year with any rate changes being effective on January 1, 2007.

In August 2006, the MPSC Staff filed its case regarding KCP&L's rate request. In its filing, the Staff asserted that KCP&L's annual revenues should be decreased by between $4.3 million and $5.1 million, before adjustments resulting from the September 30, 2006, true-up of test year information. The Staff's filing assumed adjustments resulting from this true-up would increase revenue requirements by approximately $20 million, resulting in a net required increase in annual revenues of between $14.9 million and $15.7 million, which reflected approximately $75 million in accelerated depreciation, which the Staff asserted will maintain certain KCP&L credit ratios at investment-grade levels as provided for in the stipulation and agreement approved by the MPSC in 2005. The Staff's position was revised in the hearings that were held in October 2006. The Staff's current position is that KCP&L's annual revenues should be increased by approximately $52 million (reflecting approximately $86 million in accelerated depreciation), before adjustments resulting from the September 30, 2006, true-up. A decision by the MPSC is expected before the end of the year with any rate changes being effective on January 1, 2007.

KCP&L BUSINESS OVERVIEW

KCP&L is an integrated, regulated electric utility that engages in the generation, transmission, distribution and sale of electricity. KCP&L has over 4,000 MWs of generating capacity and has transmission and distribution facilities that provide electricity to slightly over 500,000 customers in the states of Missouri and Kansas. KCP&L has continued to experience modest load growth. Load growth consists of higher usage per customer and the addition of new customers. Retail electricity rates are below the national average.

KCP&L's residential customers' usage is significantly affected by weather. Bulk power sales, the major component of wholesale sales, vary with system requirements, generating unit and purchased power availability, fuel costs and requirements of other electric systems. Less than 1% of revenues include an automatic fuel adjustment provision. KCP&L's coal base load equivalent availability factor was 88% for the three months ended and 82% year to date September 30, 2006, compared to 82% and 80% for the same periods in 2005.

KCP&L's nuclear unit, Wolf Creek, accounts for approximately 20% of its base load capacity. In the third quarter of 2006, WCNOC submitted an application for a new operating license for Wolf Creek with the NRC, which would extend Wolf Creek's operating period to 2045. Wolf Creek's latest refueling outage began in early October 2006 and is currently expected to last approximately 30 days. The next refueling outage is scheduled to begin in March 2008.

The owners of Wolf Creek have on hand or under contract all of the uranium and conversion services needed to operate Wolf Creek through March 2011 and approximately 75% after that date through September 2018. The owners also have under contract 100% of the uranium enrichment required to operate Wolf Creek through March 2008. A non-binding letter of intent has been issued with a supplier for a substantial portion of Wolf Creek's uranium enrichment requirements extending through at least 2024. Fabrication requirements are under contract through 2024. Management expects its cost of nuclear fuel to remain relatively stable through 2009 because of contracts in place. Between 2010 and 2018, management anticipates the cost of nuclear fuel to increase approximately 30% to 50% due to higher contracted prices and market conditions. Even with this anticipated increase, management expects nuclear fuel cost per MWh generated to remain less than the cost of other fuel sources.

The fuel cost per MWh generated and the purchased power cost per MWh has a significant impact on the results of operations for KCP&L. Generation fuel mix can substantially change the fuel cost per MWh generated. Nuclear fuel cost per MWh generated is substantially less than the cost of coal per

MWh generated, which is significantly lower than the cost of natural gas and oil per MWh generated. The cost per MWh for purchased power is significantly higher than the cost per MWh of coal and nuclear generation. KCP&L continually evaluates its system requirements, the availability of generating units, availability and cost of fuel supply and purchased power, and the requirements of other electric systems to provide reliable power economically.

Rail companies have experienced longer cycle times for coal deliveries to utilities across the country since 2004. Approximately 98% of KCP&L's coal requirements come from the PRB and originate on the Burlington Northern Santa Fe and the Union Pacific railroads, both of which have been affected by the current rail situation. Maintenance to repair significant sections of track on this rail line began in 2005 and is expected to be completed by the end of 2006. These repairs must be completed before normal train operations from the PRB can resume, which affects all users of PRB coal. Year to date coal shipments have improved significantly compared to deliveries experienced in 2005 and as a result, inventory levels have improved. KCP&L has suspended its coal conservation measures, implemented in 2005, of reducing coal generation. Management is monitoring the situation closely and steps will be taken, as necessary, to maintain an adequate energy supply for KCP&L's retail load and firm MWh sales. However, an inability to obtain timely delivery of coal to meet generation requirements in the future could materially impact KCP&L's results of operations by increasing its cost to serve its retail customers and/or reducing wholesale MWh sales.

STRATEGIC ENERGY BUSINESS OVERVIEW

Great Plains Energy indirectly owns 100% of Strategic Energy. Strategic Energy does not own any generation, transmission or distribution facilities. Strategic Energy provides competitive retail electricity supply services by entering into power supply contracts to supply electricity to its end-use customers. Of the states that offer retail choice, Strategic Energy operates in California, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania and Texas. Strategic Energy has begun expansion into Illinois, as well as additional utility territories in New York. Deliveries in Illinois are expected to begin in December 2006.

In addition to competitive retail electricity supply services, Strategic Energy also provides strategic planning, consulting and billing and scheduling services in the natural gas and electricity markets. The cost of supplying electric service to retail customers can vary widely by geographic market. This variability can be affected by many factors, including, but not limited to, geographic differences in the cost per MWh of purchased power, renewable energy requirements and capacity charges due to regional purchased power availability and requirements of other electricity providers and differences in transmission charges.

Strategic Energy provides services to approximately 70,400 commercial, institutional and small manufacturing accounts for approximately 20,900 customers including numerous Fortune 500 companies, smaller companies and governmental entities. Strategic Energy offers an array of products, including fixed price, index-based and month-to-month renewal products, designed to meet the various requirements of a diverse customer base. Strategic Energy's volume-based customer retention rate, excluding month-to-month customers on market-based rates, was 58% for the three months ended and 53% year to date September 30, 2006. The corresponding volume-based customer retention rates including month-to-month customers on market-based rates were 80% and 66%, respectively. Retention rates year to date September 30, 2006, are lower than Strategic Energy has experienced. The decline is attributable to customer contract expirations in midwestern states where the savings competitive suppliers can offer to customers are reduced or in some cases unavailable due to host utility default rates that are not aligned with market prices for power. In these states, customers can receive lower rates from the host utility and are choosing to return to host utility service as their contracts with Strategic Energy expire. Management expects to have continued difficulty competing in

these states until more competitive market-driven pricing mechanisms are in place or market prices for power decrease below host utility rates.

Management has repositioned sales and marketing efforts to focus on states that currently provide a more competitive pricing environment in relation to host utility default rates. In these states, Strategic Energy continues to experience improvement in certain key metrics, including strong forecasted future MWh commitments (backlog) growth and longer contract durations. As a result, total backlog grew to 28.4 million at September 30, 2006, compared to 15.2 million at September 30, 2005, and average contract durations grew to 17 months from 13 months, respectively. Based solely on expected usage under current signed contracts, Strategic Energy has backlog of 4.1 million for the remainder of 2006, 11.2 million and 6.4 million for the years 2007 and 2008, respectively, and 6.7 million for 2009 through 2012. The combination of MWhs delivered through September 30, 2006, and backlog for the remainder of the year is 16.5 million, which is within the previously projected range for 2006 total MWhs delivered of 16 to 18 million. Strategic Energy expects to deliver additional MWhs above amounts currently in backlog through new and renewed term contracts and MWh deliveries to month-to-month customers.

The average retail gross margin per MWh (retail revenues less retail purchased power divided by retail MWhs delivered) reflected in the 11.2 million MWhs of 2007 backlog is projected to be in the range of $4.50 to $5.50. This range excludes unrealized changes in fair value of non-hedging energy contracts and from hedge ineffectiveness because management does not predict the future impact of these unrealized changes. This range is higher than the retail gross margin per MWh for new customer contracts discussed below primarily due to more favorable customer and product mix.

Management continues to expect Strategic Energy’s retail gross margin per MWh on new customer contracts entered into in 2006 to average from $3.00 to $4.00, excluding unrealized changes in fair value of non-hedging energy contracts and from hedge ineffectiveness. Management expects to realize additional retail gross margin on fixed price contracts of up to $0.50 per MWh over the life of the contracts. The additional expected margin is derived from management of the retail portfolio load requirements. These activities include benefits from financial transmission rights and auction revenue rights, short-term load balancing activities, short-term arbitrage activities and identifying and utilizing favorable transmission paths. Actual retail gross margin per MWh may differ from these estimates.

GREAT PLAINS ENERGY RESULTS OF OPERATIONS

The following table summarizes Great Plains Energy's comparative results of operations.

	Three Months Ended September 30		Year to Date September 30	
	2006	2005	2006	2005
		(millions)		
Operating revenues	$ 818.5	$ 782.9	$ 2,019.8	$ 1,959.7
Fuel	(77.2)	(73.9)	(180.8)	(160.2)
Purchased power	(467.4)	(414.8)	(1,136.2)	(1,059.8)
Skill set realignment costs	(1.4)	-	(15.9)	-
Other operating expenses	(139.7)	(126.9)	(398.5)	(393.4)
Depreciation and amortization	(40.4)	(38.4)	(118.6)	(114.5)
Gain (loss) on property	-	(3.4)	0.6	(1.9)
Operating income	92.4	125.5	170.4	229.9
Non-operating income (expenses)	7.7	(1.1)	11.1	(0.3)
Interest charges	(18.0)	(17.9)	(53.1)	(53.8)
Income taxes	(26.5)	(17.3)	(36.7)	(32.4)
Minority interest in subsidiaries	-	-	-	(7.8)
Loss from equity investments	(0.4)	(0.1)	(1.0)	(0.8)
Income from continuing operations	55.2	89.1	90.7	134.8
Discontinued operations	-	1.8	-	(1.8)
Net income	55.2	90.9	90.7	133.0
Preferred dividends	(0.5)	(0.5)	(1.3)	(1.3)
Earnings available for common shareholders	$ 54.7	$ 90.4	$ 89.4	$ 131.7

Great Plains Energy's earnings for the three months ended September 30, 2006, decreased to $54.7 million, or $0.68 per share, from $90.4 million, or $1.21 per share, in the same period of 2005. Earnings year to date September 30, 2006, decreased to $89.4 million, or $1.16 per share, from $131.7 million, or $1.77 per share, compared to the same period of 2005.

Consolidated KCP&L's net income was consistent for the three months ended and increased $8.4 million year to date September 30, 2006, compared to the same periods in 2005. Three months ended and year to date September 30, 2006, was favorably impacted by lower purchased power expense and year to date was favorably impacted by higher wholesale revenues. The year to date increase was partially offset by costs related to skill set realignments and increased fuel expense. Both three months ended and year to date September 30, 2006, reflect higher income taxes due to higher pre-tax income in 2006 and a decrease in 2005 income taxes reflecting a reduction in KCP&L's deferred tax balances as a result of a reduction in KCP&L's composite tax rate.

Strategic Energy had a net loss of $10.9 million for the three months ended and $17.6 million year to date September 30, 2006, compared to net income of $18.1 million and $34.6 million for the same periods in 2005, respectively. The net loss was primarily the result of the impact of $26.6 million and $64.5 million, respectively, in changes in fair value related to non-hedging energy contracts and from cash flow hedge ineffectiveness.

CONSOLIDATED KCP&L RESULTS OF OPERATIONS

The following discussion of consolidated KCP&L results of operations includes KCP&L, an integrated, regulated electric utility and HSS, an unregulated subsidiary of KCP&L. References to KCP&L, in the

discussion that follows, reflect only the operations of the utility. The following table summarizes consolidated KCP&L's comparative results of operations.

	Three Months Ended September 30		Year to Date September 30	
	2006	2005	2006	2005
	(millions)			
Operating revenues	$ 359.3	$ 353.0	$ 890.6	$ 858.4
Fuel	(77.2)	(73.9)	(180.8)	(160.2)
Purchased power	(5.1)	(28.3)	(18.8)	(56.6)
Skill set realignment costs	(1.4)	-	(15.6)	-
Other operating expenses	(119.9)	(110.4)	(348.0)	(345.0)
Depreciation and amortization	(38.5)	(36.7)	(112.8)	(109.8)
Gain (loss) on property	-	(3.6)	0.6	(3.1)
Operating income	117.2	100.1	215.2	183.7
Non-operating income (expenses)	6.5	0.4	8.8	9.4
Interest charges	(15.6)	(15.0)	(45.5)	(45.1)
Income taxes	(39.3)	(16.6)	(61.9)	(32.0)
Minority interest in subsidiaries	-	-	-	(7.8)
Net income	$ 68.8	$ 68.9	$ 116.6	$ 108.2

Consolidated KCP&L Sales Revenues and MWh Sales

	Three Months Ended September 30			Year to Date September 30		
	2006	2005	% Change	2006	2005	% Change
Retail revenues	(millions)			(millions)		
Residential	$ 140.2	$ 139.6	1	$ 310.4	$ 304.6	2
Commercial	140.2	138.3	1	347.7	341.3	2
Industrial	28.7	29.6	(3)	77.6	78.7	(1)
Other retail revenues	2.3	2.0	3	6.7	6.3	3
Total retail	311.4	309.5	1	742.4	730.9	2
Wholesale revenues	43.7	39.3	11	137.4	115.7	19
Other revenues	4.2	4.2	5	10.8	11.7	(7)
KCP&L electric revenues	359.3	353.0	2	890.6	858.3	4
Subsidiary revenues	-	-	-	-	0.1	NM
Consolidated KCP&L revenues	$ 359.3	$ 353.0	2	$ 890.6	$ 858.4	4

	Three Months Ended September 30			Year to Date September 30		
	2006	2005	% Change	2006	2005	% Change
Retail MWh sales	(thousands)			(thousands)		
Residential	1,769	1,770	-	4,232	4,173	1
Commercial	2,117	2,116	-	5,654	5,577	1
Industrial	579	602	(4)	1,643	1,660	(1)
Other retail MWh sales	21	20	5	63	60	5
Total retail	4,486	4,508	(1)	11,592	11,470	1
Wholesale MWh Sales	1,058	918	15	3,240	3,166	2
KCP&L electric revenues	5,544	5,426	2	14,832	14,636	1

Retail revenues increased $1.9 million for the three months ended and $11.5 million year to date September 30, 2006, compared to the same periods in 2005. The year to date increase was primarily due to load growth, which consists of higher usage per customer and the addition of new customers.

Wholesale revenues increased $4.4 million for the three months ended September 30, 2006, compared to the same period in 2005 due to a 15% increase in wholesale MWh sales primarily due to greater plant availability. KCP&L's coal base load equivalent availability factor increased to 88% for the three months ended compared to 82% for the same period in 2005. This increase in wholesale MWh sales was partially offset by a 25% decrease in the average market price per MWh to $37.99. Wholesale revenues increased $21.7 million year to date September 30, 2006, compared to the same period in 2005 primarily due to a 12% increase in the average market price per MWh to $45.09. Additionally, wholesale revenues for the three months ended and year to date September 30, 2006, include $2.5 million in litigation recoveries for the loss of use of Hawthorn No. 5 from a 1999 boiler explosion.

Consolidated KCP&L Fuel and Purchased Power

	Three Months Ended September 30		%	Year to Date September 30		%
	2006	2005	Change	2006	2005	Change
Net MWhs Generated by Fuel Type	(thousands)			(thousands)		
Coal	4,067	3,760	8	10,945	11,177	(2)
Nuclear	1,216	1,216	-	3,641	2,910	25
Natural gas and oil	346	356	(3)	522	456	15
Wind	24	-	-	24	-	-
Total Generation	5,653	5,332	6	15,132	14,543	4

Fuel expense increased $3.3 million for the three months ended and $20.6 million year to date September 30, 2006, compared to the same periods in 2005 due to the 6% and 4% increases, respectively, in MWhs generated and increased coal and coal transportation costs offset by $3.7 million in Hawthorn No. 5 litigation recoveries. KCP&L's current coal and coal transportation contracts, including higher tariff rates being charged by Union Pacific, were entered into at higher average prices than related contracts in the same periods of 2005. KCP&L has filed a rate case complaint against Union Pacific with the STB and until the case is finalized, KCP&L is paying the tariff rates subject to refund. See Note 15 to the consolidated financial statements for more information.

Purchased power expense decreased $23.2 million for the three months ended and $37.8 million year to date September 30, 2006, compared to the same periods in 2005. The decreases were primarily due to recording $10.8 million in Hawthorn No. 5 litigation recoveries as a reduction in purchased power expense and a greater than 50% reduction in MWhs purchased during both periods. The reduction in MWhs purchased was due to uneconomical purchased power prices and increased net MWhs generated. In addition, capacity payments decreased $5.7 million year to date September 30, 2006, due to the expiration of two large contracts in the second quarter of 2005. KCP&L entered into new capacity contracts in June 2006.

In August 2005, Hawthorn No. 5's generator step-up transformer (GSU) failed. A spare GSU was installed in September 2005; however, the size of the spare GSU limited the net capacity of the unit to 500 MW. During June 2006, a new GSU was installed at Hawthorn No. 5 returning its net capacity to 563 MW. The outage for the installation lasted 14 days.

Consolidated KCP&L Other Operating Expenses *(including other operating, maintenance and general taxes)*
Consolidated KCP&L's other operating expenses increased $9.5 million for the three months ended September 30, 2006, compared to the same period in 2005. This increase reflects a decrease in other operating expenses in the three months ended September 30, 2005, due to the regulatory accounting treatment of pension costs effective January 1, 2005, which reduced pension expense by $5.6 million related to the first six months of 2005.

Consolidated KCP&L Skill Set Realignment and Pension Settlement Charges
In 2005 and early 2006, management undertook a process to assess, improve and reposition the skill sets of employees for implementation of the comprehensive energy plan. KCP&L recorded $9.4 million year to date September 30, 2006, related to this workforce realignment process reflecting severance, benefits and related payroll taxes provided by KCP&L to employees. Management has been filling positions with the specific skill sets and talent needed to achieve KCP&L's goals. Management believes that the realignment allows for optimization of employee levels and avoids future additional expense. For the three months ended and year to date September 30, 2006, KCP&L incurred $2.0 million and $9.3 million of pension settlement charges associated with the realignment resulting in $1.4 million and $6.2 million, respectively, of expense recorded after amounts capitalized and billed to joint owners of power plants. The pension settlement charges were a result of the number of employees retiring and selecting the lump-sum payment option.

KCP&L anticipates recording additional expense related to pension settlement charges after amounts capitalized and billed to joint owners of power plants of approximately $8 million during the fourth quarter of 2006 associated with its management and union pension plans as a result of additional employees retiring and selecting the lump-sum payment option. The total amount of 2006 pension settlement charges related to the workforce realignments and other retirements will be determined in the fourth quarter after the year-end of the pension plans. In the second quarter of 2006, KCP&L requested regulatory accounting treatment from MPSC and KCC to defer pension settlement charges, effective from January 1, 2006, and amortize the deferred amount over a five-year period to be established in the rate proceeding following the current 2006 proceedings. In the third quarter of 2006, KCP&L reached a negotiated settlement with certain parties in the Kansas rate proceeding and filed a Stipulation and Agreement with KCC that includes this requested regulatory treatment for pension costs. At September 30, 2006, no amounts have been deferred pending the outcome of these requests.

Potential Future Pension Settlement Charges
Through 2010, approximately 21% of KCP&L's current employees are eligible to retire with full pension benefits. The timing and number of employees retiring and selecting the lump-sum payment option could result in additional settlement charges that could materially affect KCP&L's results of operations after 2006. If KCP&L receives its requested regulatory treatment, pension settlement charges would be deferred and amortized over five years beginning with the effective date of rates approved in KCP&L's next rate case.

Consolidated KCP&L Income Taxes
Consolidated KCP&L's income taxes increased $22.7 million for the three months ended and $29.9 million year to date September 30, 2006, compared to the same periods of 2005 due to an increase in pre-tax income in 2006 and a decrease in 2005 of $11.7 million due to the impact of a lower composite tax rate on KCP&L's deferred tax balances resulting from the favorable impact of sustained audit positions.

STRATEGIC ENERGY RESULTS OF OPERATIONS

The following table summarizes Strategic Energy's comparative results of operations.

	Three Months Ended September 30		Year to Date September 30	
	2006	2005	2006	2005
	(millions)			
Operating revenues	$ 459.2	$ 429.9	$ 1,129.2	$ 1,101.3
Purchased power	(462.3)	(386.5)	(1,117.4)	(1,003.2)
Other operating expenses	(16.6)	(14.3)	(42.5)	(37.6)
Depreciation and amortization	(1.9)	(1.6)	(5.8)	(4.6)
Operating income (loss)	(21.6)	27.5	(36.5)	55.9
Non-operating income (expenses)	1.1	0.7	3.0	1.8
Interest charges	(0.6)	(0.7)	(1.5)	(2.2)
Income taxes	10.2	(9.4)	17.4	(20.9)
Net income (loss)	$ (10.9)	$ 18.1	$ (17.6)	$ 34.6

Retail MWhs delivered decreased 12% to 4.8 million for the three months ended and 18% to 12.4 million year to date September 30, 2006, compared to the same periods in 2005 due to the effect of market conditions in midwestern states and competition in other markets where Strategic Energy serves customers. The average retail gross margin per MWh declined to $(0.79) for the three months ended and $0.78 year to date September 30, 2006, compared to $7.84 and $6.29 for the same periods in 2005. The decline in the average retail gross margin per MWh for the three months ended and year to date was primarily due to the impact of $26.6 million and $64.5 million, respectively, in changes in fair value related to non-hedging energy contracts and from cash flow hedge ineffectiveness.

	Three Months Ended September 30		Year to Date September 30	
	2006	2005	2006	2005
Average retail gross margin per MWh	$ (0.79)	$ 7.84	$ 0.78	$ 6.29
Change in fair value related to non-hedging energy contracts and from cash flow hedge ineffectiveness	5.60	(3.36)	5.21	(1.71)
Average retail gross margin per MWh without fair value impacts	$ 4.81	$ 4.48	$ 5.99	$ 4.58

Average retail gross margin per MWh without fair value impacts is a non-GAAP financial measure that differs from GAAP because it excludes the impact of unrealized fair value gains or losses. Management and the Board of Directors use this as a measurement of Strategic Energy’s realized retail gross margin per delivered MWh, which are settled upon delivery at contracted prices. Fair value impacts result from changes in fair value of non-hedging energy contracts and from hedge ineffectiveness associated with MWhs under contract but not yet delivered. Due to their non-cash nature and volatility during periods prior to delivery, management believes excluding these fair value impacts results in a measure of retail gross margin per MWh that is more representative of contracted prices.

As detailed in the table above, average retail gross margin per MWh without the impact of unrealized fair value gains and losses increased to $4.81 for the three months ended and $5.99 year to date September 30, 2006, compared to $4.48 and $4.58 for the same periods in 2005. The increases for the three months ended and year to date September 30, 2006, were primarily due to the net impact of SECA recoveries and charges as compared to the same periods of 2005. The net SECA impact was

insignificant for the three months ended and increased average retail gross margin per MWh year to date September 30, 2006, by $0.08. During 2005, the net SECA impact decreased average retail gross margin per MWh by $0.18 and $0.54, respectively. Strategic Energy recorded SECA charges in excess of recoveries of $1.0 million for the three months ended and $8.2 million year to date September 30, 2005. Additional impacts to the average retail gross margin per MWh included increases primarily due to the management of retail portfolio load requirements, favorable product mix and settlements of supplier contracts. The increases were partially offset by higher customer acquisition costs in 2006. Additionally, the year to date increase was partially offset by a $1.2 million reduction of a gross receipts tax contingency in the first quarter of 2005.

Strategic Energy Purchased Power

Purchased power is the cost component of Strategic Energy's average retail gross margin. Strategic Energy purchases electricity from power suppliers based on forecasted peak demand for its retail customers. Actual customer demand does not always equate to the volume purchased based on forecasted peak demand. Consequently, Strategic Energy makes short-term power purchases in the wholesale market when necessary to meet actual customer requirements. Strategic Energy also sells any excess retail electricity supply over actual customer requirements back into the wholesale market. These sales occur on many contracts, are usually short-term power sales (day ahead) and typically settle within the reporting period. Excess retail electricity supply sales also include long-term and short-term forward physical sales to wholesale counterparties, which are accounted for on a mark-to-market basis. Strategic Energy typically executes these transactions to manage basis and credit risks. The proceeds from excess retail supply sales are recorded as a reduction of purchased power, as they do not represent the quantity of electricity consumed by Strategic Energy's customers. The amount of excess retail supply sales that reduced purchased power was $1.6 million for the three months ended and $67.0 million year to date September 30, 2006, compared to $48.1 million and $91.8 million for the same periods of 2005. Additionally, in certain markets, load-serving entities are required to sell to and purchase power from a RTO/ISO rather than directly transact with suppliers and end use customers. The sale and purchase activity related to these certain RTO/ISO markets is reflected on a net basis in Strategic Energy's purchased power.

Strategic Energy utilizes derivative instruments, including forward physical delivery contracts, in the procurement of electricity. Purchased power is also impacted by the net change in fair value related to non-hedging energy contracts and from cash flow hedge ineffectiveness. Net changes in fair value increased purchased power expenses by $26.6 million for the three months ended and $64.5 million year to date September 30, 2006, compared to reductions of $18.2 million and $26.0 million for the same periods in 2005. The increase in purchased power expense for the three months ended and year to date September 30, 2006, is a result of decreases in the forward market prices for power combined with Strategic Energy designating more derivative instruments as cash flow hedges that no longer quality for the NPNS election. See Note 18 to the consolidated financial statements for more information.

OTHER NON-REGULATED ACTIVITIES

Other non-regulated activities include the impact of investments in affordable housing limited partnerships discussed below. Additionally, other non-regulated net loss from continuing operations increased $5.1 million for the three months ended and $1.6 million year to date September 30, 2006, compared to the same periods in 2005. The three months ended and year to date September 30, 2005, net loss was favorably impacted by a $5.0 million net release of tax contingency reserves. This 2005 favorable impact was mostly offset year to date September 30, 2006, due to lower operating expenses as a result of Services transferring approximately 80% of its employees to KCP&L in the third quarter of 2005 to better align resources with the operating business.

Investment in Affordable Housing Limited Partnerships - KLT Investments
KLT Investments Inc.'s (KLT Investments) net income for the three months ended September 30, 2006, totaled $1.2 million (including no after-tax reduction in its affordable housing investment) compared to net income of $1.9 million for the three months ended September 30, 2005 (including an after tax reduction of $0.9 million in its affordable housing investment). KLT Investments' net income included accrued tax credits related to its investments in affordable housing limited partnerships of $2.2 million and $3.7 million for the three months ended September 30, 2006 and 2005, respectively. Net income year to date September 30, 2006, totaled $3.3 million (including an after tax reduction of $0.7 million in its affordable housing investment) compared to net income of $2.4 million year to date September 30, 2005 (including an after tax reduction of $6.2 million in its affordable housing investment). KLT Investments' net income included accrued tax credits of $6.8 million and $11.5 million year to date September 30, 2006 and 2005, respectively.

At September 30, 2006, KLT Investments had $24.5 million in affordable housing limited partnerships. Approximately 63% of these investments were recorded at cost; the equity method was used for the remainder. Tax expense is reduced in the year tax credits are generated. The investments generate future cash flows from tax credits and tax losses of the partnerships. The investments also generate cash flows from sales of the properties. For most investments, tax credits are received over ten years. A change in accounting principle relating to investments made after May 19, 1995, requires the use of the equity method when a company owns more than 5% in a limited partnership investment. Of the investments recorded at cost, $15.1 million exceed this 5% level but were made before May 19, 1995. Management does not anticipate making additional investments in affordable housing limited partnerships at this time.

On a quarterly basis, KLT Investments compares the cost of properties accounted for by the cost method to the total of projected residual value of the properties and remaining tax credits to be received. Based on the latest comparison, KLT Investments did not reduce its investments in affordable housing limited partnerships for the three months ended and recorded a $1.2 million reduction year to date September 30, 2006, compared to $1.4 million and $10.0 million for the three months ended and year to date September 30, 2005. Pre-tax reductions in affordable housing investments are estimated to be insignificant for the remainder of 2006 and $2 million for 2007. These projections are based on the latest information available but the ultimate amount and timing of actual reductions could be significantly different from the above estimates. Even after these estimated reductions, net income from the investments in affordable housing is expected to be positive for 2006 through 2008. The properties underlying the partnership investment are subject to certain risks inherent in real estate ownership and management.

GREAT PLAINS ENERGY AND CONSOLIDATED KCP&L Significant Balance Sheet Changes (September 30, 2006 compared to December 31, 2005)

- Great Plains Energy's and consolidated KCP&L's receivables increased $96.5 million and $52.0 million, respectively. KCP&L's receivables increased $23.6 million due to seasonal increases from higher summer tariff rates and usage and $22.4 million due to additional receivables from joint owners of comprehensive energy plan projects. Strategic Energy's receivables increased $47.0 million due to seasonal increases in MWh deliveries and more customers billed on higher index-based rates.

- Great Plains Energy's and consolidated KCP&L's fuel inventories increased $8.2 million primarily due to a $7.8 million increase in coal inventory as a result of planned plant outages, improved railroad performance in delivering coal and an increase in coal and coal transportation costs.

- Great Plains Energy's combined deferred income taxes - current assets and deferred income taxes - current liabilities changed from a liability of $1.3 million at December 31, 2005, to an asset of $46.3 million. The temporary differences due to the change in the fair value of Strategic Energy's energy-related derivative instruments increased the asset $39.0 million. Consolidated KCP&L's deferred income taxes - current assets increased $2.3 million primarily due to the timing of the Wolf Creek refueling outage.

- Great Plains Energy's derivative instruments, including current and deferred assets and liabilities, decreased $191.8 million from a net asset at December 31, 2005, to a net liability at September 30, 2006, primarily due to a $191.4 million decrease in the fair value of Strategic Energy's energy-related derivative instruments as a result of decreases in the forward market prices for power combined with Strategic Energy designating more derivative instruments as cash flow hedges that no longer quality for the NPNS election.

- Great Plains Energy's and consolidated KCP&L's combined electric utility plant and construction work in progress increased $323.7 million primarily due to $232.2 million related to KCP&L's comprehensive energy plan, including $161.2 million for wind generation, $41.0 million for environmental upgrades and $30.0 million related to Iatan No. 2. Additionally, purchases of automated meter reading equipment for $13.8 million and rail cars for $23.4 million as well as $10.2 million in upgrades to a transmission line increased electric utility plant.

- Great Plains Energy's and consolidated KCP&L's regulatory assets increased $27.5 million primarily due to the regulatory accounting treatment for pension expense and the change in Wolf Creek depreciable life for regulatory purposes in accordance with MPSC and KCC orders, which combined increased the asset $35.4 million. This increase was partially offset by an $8.2 million reduction in the regulatory asset related to the asset retirement obligation for decommissioning of Wolf Creek as a result of filing for a new 40-year operating license.

- Great Plains Energy's and consolidated KCP&L's prepaid pension costs decreased $27.5 million and $27.2 million, respectively, due to 2006 pension expense accruals, including pension settlement charges of $8.6 million, in excess of contributions.

- Great Plains Energy's and consolidated KCP&L's commercial paper increased $48.7 million primarily to support expenditures related to the comprehensive energy plan.

- Great Plains Energy's and consolidated KCP&L's accrued taxes increased $60.3 million and $71.9 million, respectively, primarily due to the timing of annual property tax payments and income taxes currently payable due to year to date September 30, 2006, taxable income, partially offset by a third quarter 2006 income tax payment.

- Great Plains Energy's and consolidated KCP&L's asset retirement obligations decreased $54.8 million due to a $65.0 million decrease for the decommissioning of Wolf Creek as a result of filing for a new operating license. This decrease was partially offset by a $3.1 million addition for the Spearville Wind Energy Facility and $7.1 million for accretion.

- Great Plains Energy's and consolidated KCP&L's regulatory liabilities increased $37.9 million due to a $31.0 million increase in KCP&L's regulatory liability related to the asset retirement obligation for decommissioning of Wolf Creek as a result of filing for a new operating license and amortization of $7.7 million related to the change in Wolf Creek depreciable life for regulatory purposes in accordance with an MPSC order.

- Great Plains Energy’s accumulated other comprehensive loss increased $72.1 million primarily due to changes in the fair value of Strategic Energy’s energy related derivative instruments resulting from decreases in the forward market prices for power combined with Strategic Energy designating more derivative instruments as cash flow hedges that no longer quality for the NPNS election.

- Great Plains Energy’s long-term debt decreased $388.6 million primarily to reflect FELINE PRIDES Senior Notes and consolidated KCP&L’s $225.0 million 6.00% Senior Notes as current maturities. Current maturities of long-term debt for the respective companies increased as a result of these classifications.

CAPITAL REQUIREMENTS AND LIQUIDITY

Great Plains Energy operates through its subsidiaries and has no material assets other than the stock of its subsidiaries. Great Plains Energy’s ability to make payments on its debt securities and its ability to pay dividends is dependent on its receipt of dividends or other distributions from its subsidiaries and proceeds from the issuance of its securities.

Great Plains Energy’s capital requirements are principally comprised of KCP&L’s utility construction and other capital expenditures, debt maturities and credit support provided to Strategic Energy. These items as well as additional cash and capital requirements for the companies are discussed below.

Great Plains Energy's liquid resources at September 30, 2006, consisted of $59.3 million of cash and cash equivalents on hand, including $0.4 million at consolidated KCP&L, and $858.0 million of unused bank lines of credit. The unused lines consisted of $319.4 million from KCP&L's revolving credit facility, $64.1 million from Strategic Energy’s revolving credit facility and $474.5 million from Great Plains Energy's revolving credit facility. See the Debt Agreements section below for more information on these agreements. At October 31, 2006, Great Plains Energy's unused bank lines of credit increased $35.8 million from the amount at September 30, 2006, due to a $16.2 million increase at consolidated KCP&L primarily due to the repayment of commercial paper and a $19.6 million increase due to less letters of credit outstanding.

KCP&L currently expects to fund its comprehensive energy plan from a combination of internal and external sources including, but not limited to, contributions from rate increases, capital contributions to KCP&L from Great Plains Energy's proceeds of equity issuances, including FELINE PRIDES equity to be issued in 2007, new short and long-term debt financing and internally generated funds.

KCP&L expects to meet day-to-day cash flow requirements including interest payments, construction requirements (excluding its comprehensive energy plan), dividends to Great Plains Energy and pension benefit plan funding requirements, discussed below, with internally generated funds. KCP&L might not be able to meet these requirements with internally generated funds because of the effect of inflation on operating expenses, the level of MWh sales, regulatory actions, compliance with future environmental regulations and the availability of generating units. The funds Great Plains Energy and consolidated KCP&L need to retire maturing debt will be provided from operations, the issuance of long and short-term debt and/or the issuance of equity or equity-linked instruments. In addition, the Company may issue debt, equity and/or equity-linked instruments to finance growth or take advantage of new opportunities.

Strategic Energy expects to meet day-to-day cash flow requirements including interest payments, credit support fees, capital expenditures and dividends to Great Plains Energy with internally generated funds. Strategic Energy might not be able to meet these requirements with internally generated funds

because of the effect of inflation on operating expenses, the level of MWh sales, seasonal working capital requirements, commodity-price volatility and the effects of counterparty non-performance.

Cash Flows from Operating Activities
Great Plains Energy and consolidated KCP&L generated positive cash flows from operating activities for the periods presented. The decrease in cash flows from operating activities for Great Plains Energy and consolidated KCP&L year to date September 30, 2006, compared to the same period in 2005 was primarily due to KCP&L's sales of SO_2 emission allowances during 2005 resulting in proceeds of $31.0 million. The timing of the Wolf Creek outage affects the refueling outage accrual, deferred income taxes and amortization of nuclear fuel. Other changes in working capital detailed in Note 4 to the consolidated financial statements also impacted operating cash flows. The individual components of working capital vary with normal business cycles and operations.

Cash Flows from Investing Activities
Great Plains Energy's and consolidated KCP&L's cash used for investing activities varies with the timing of utility capital expenditures and purchases of investments and nonutility property. Investing activities are offset by the proceeds from the sale of properties and insurance recoveries. Great Plains Energy's and consolidated KCP&L's utility capital expenditures increased $110.5 million and $105.7 million, respectively, year to date September 30, 2006, compared to the same period of 2005 primarily due to KCP&L's cash utility capital expenditures including $175.1 million related to KCP&L's comprehensive energy plan, $10.2 million to upgrade a transmission line, $13.8 million to purchase automated meter reading equipment and $23.4 million to purchase rail cars. KCP&L's year to date September 30, 2005, capital expenditures included the exercise of its early termination option in the combustion turbine synthetic lease to purchase the leased property for $154.0 million. Additionally in 2006, KCP&L received $15.8 million of litigation recoveries related to Hawthorn No. 5, which were partially offset by $10.0 million of insurance recoveries received in 2005.

Cash Flows from Financing Activities
The change in Great Plains Energy's cash flows from financing activities year to date September 30, 2006, compared to the same period in 2005 reflects Great Plains Energy's May 2006 proceeds of $144.3 million from the issuance of 5.2 million shares of common stock at $27.50 per share. Fees related to this issuance were $5.2 million. Great Plains Energy used the proceeds to make a $134.6 million equity contribution to KCP&L. Additionally, Great Plains Energy and consolidated KCP&L's net cash from financing activities in 2006 increased due to an increase in KCP&L's commercial paper primarily to support expenditures related to the comprehensive energy plan. Consolidated KCP&L's net cash from financing activities also increased due to an $18.7 million decrease in dividends paid to Great Plains Energy.

Significant Financing Activities
Great Plains Energy filed a shelf registration statement with the SEC in May 2006 relating to Senior Debt Securities, Subordinated Debt Securities, shares of Common Stock, Warrants, Stock Purchase Contracts and Stock Purchase Units. In May 2006, Great Plains Energy issued 5.2 million shares of common stock at $27.50 per share under this registration statement with $144.3 million in gross proceeds and issuance costs of $5.2 million.

In May 2006, Great Plains Energy also entered into a forward sale agreement with Merrill Lynch Financial Markets, Inc. (forward purchaser) for 1.8 million shares of Great Plains Energy common stock. The forward purchaser borrowed and sold the same number of shares of Great Plains Energy's common stock to hedge its obligations under the forward sale agreement. Great Plains Energy did not initially receive any proceeds from the sale of common stock shares by the forward purchaser. The forward sale agreement provides for a settlement date or dates to be specified at Great Plains Energy's discretion, subject to certain exceptions, no later than May 23, 2007. Subject to the provisions of the

forward sale agreement, Great Plains Energy will receive an amount equal to $26.6062 per share, plus interest based on the federal funds rate less a spread and less certain scheduled decreases if Great Plains Energy elects to physically settle the forward sale agreement by delivering solely shares of common stock. In most circumstances, Great Plains Energy also has the right, in lieu of physical settlement, to elect cash or net physical settlement.

Great Plains Energy's FELINE PRIDES senior notes must be remarketed by February 16, 2007. During October 2006, Great Plains Energy entered into a T-Lock to hedge against interest rate fluctuations on the U.S. Treasury rate component of $77.6 million of the FELINE PRIDES senior notes. The T-Lock will be settled simultaneously with the issuance of the long-term fixed rate debt and is accounted for as a cash flow hedge.

KCP&L's long-term financing activities are subject to the authorization of the MPSC. In November 2005, the MPSC authorized KCP&L to issue up to $635.0 million of long-term debt and to enter into interest rate hedging instruments in connection with such debt through December 31, 2009. KCP&L utilized $250.0 million of this amount with the issuance of its 6.05% unsecured senior notes maturing in 2035 leaving $385.0 million of authorization remaining. Under stipulations with the MPSC and KCC, Great Plains Energy and KCP&L maintain common equity at not less than 30% and 35%, respectively, of total capitalization.

During 2006, FERC authorized KCP&L to issue up to a total of $600.0 million in outstanding short-term debt instruments through February 2008. The authorizations are subject to four restrictions: (i) proceeds of debt backed by utility assets must be used for utility purposes; (ii) if any utility assets that secure authorized debt are divested or spun off, the debt must follow the assets and also be divested or spun off; (iii) if any proceeds of the authorized debt are used for non-utility purposes, the debt must follow the non-utility assets (specifically, if the non-utility assets are divested or spun off, then a proportionate share of the debt must follow the divested or spun off non-utility assets); and (iv) if utility assets financed by the authorized short-term debt are divested or spun off to another entity, a proportionate share of the debt must also be divested or spun off.

During 2006, KCP&L entered into two Forward Starting Swaps with a combined notional principal amount of $225.0 million to effectively remove most of the interest rate and credit spread uncertainty with respect to the anticipated refinancing of KCP&L's $225.0 million senior notes that mature in March 2007. See Note 18 to the consolidated financial statements for more information.

In 2006, KCP&L completed an exchange of $250.0 million privately placed notes for $250.0 million registered 6.05% unsecured senior notes maturing in 2035 to fulfill its obligations under a 2005 registration rights agreement.

Debt Agreements
During 2006, Great Plains Energy entered into a five-year $600 million revolving credit facility with a group of banks. The facility replaced a $550 million revolving credit facility with a group of banks. A default by Great Plains Energy or any of its significant subsidiaries on other indebtedness totaling more than $25.0 million is a default under the facility. Under the terms of this agreement, Great Plains Energy is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the agreement, not greater than 0.65 to 1.00 at all times. At September 30, 2006, the Company was in compliance with this covenant. At September 30, 2006, Great Plains Energy had no cash borrowings and had issued letters of credit totaling $125.5 million under the credit facility as credit support for Strategic Energy.

During 2006, KCP&L entered into a five-year $400 million revolving credit facility with a group of banks to provide support for its issuance of commercial paper and other general corporate purposes. Great

Plains Energy and KCP&L may transfer and re-transfer up to $200 million of unused lender commitments between Great Plains Energy's and KCP&L's facilities, so long as the aggregate lender commitments under either facility does not exceed $600 million and the aggregate lender commitments under both facilities does not exceed $1 billion. The facility replaced a $250 million revolving credit facility with a group of banks. A default by KCP&L on other indebtedness totaling more than $25.0 million is a default under the facility. Under the terms of the agreement, KCP&L is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the agreement, not greater than 0.65 to 1.00 at all times. At September 30, 2006, KCP&L was in compliance with this covenant. At September 30, 2006, KCP&L had $80.6 million of commercial paper outstanding, at a weighted-average interest rate of 5.48% and no cash borrowings under the facility.

Strategic Energy has a $135 million revolving credit facility with a group of banks that expires in June 2009. So long as Strategic Energy is in compliance with the agreement, it may increase this amount by up to $15 million by increasing the commitment of one or more lenders that have agreed to such increase, or by adding one or more lenders with the consent of the administrative agent. In October 2006, Great Plains Energy, as permitted by the terms of the agreement, requested and received a reduction in its guarantee of this facility to a maximum amount of $12.5 million and has guaranteed the $12.5 million. The facility contains a MAC clause that requires Strategic Energy to represent, prior to receiving funding, that no MAC has occurred. A default by Strategic Energy on other indebtedness, as defined in the facility, totaling more than $7.5 million is a default under the facility. Under the terms of this agreement, Strategic Energy is required to maintain a minimum net worth of $75.0 million, a minimum fixed charge coverage ratio of at least 1.05 to 1.00 and a minimum debt service coverage ratio of at least 4.00 to 1.00, as those terms are defined in the agreement. In addition, under the terms of this agreement, Strategic Energy is required to maintain a maximum funded indebtedness to EBITDA ratio, as defined in the agreement, of 3.00 to 1.00, on a quarterly basis through June 30, 2007, and 2.75 to 1.00 thereafter. In the event of a breach of one or more of these four covenants, so long as no other default has occurred, Great Plains Energy may cure the breach through a cash infusion, a guarantee increase or a combination of the two. At September 30, 2006, Strategic Energy was in compliance with these covenants. At September 30, 2006, $70.9 million in letters of credit had been issued and there were no cash borrowings under the agreement.

Great Plains Energy has agreements with KLT Investments associated with notes KLT Investments issued to acquire its affordable housing investments. Great Plains Energy has agreed not to take certain actions including, but not limited to, merging, dissolving or causing the dissolution of KLT Investments, or withdrawing amounts from KLT Investments if the withdrawals would result in KLT Investments not being in compliance with minimum net worth and cash balance requirements. The agreements also give KLT Investments' lenders the right to have KLT Investments repurchase the notes if Great Plains Energy's senior debt rating falls below investment grade or if Great Plains Energy ceases to own at least 80% of KCP&L's stock. At September 30, 2006, KLT Investments had $1.7 million in outstanding notes, including current maturities.

KCP&L Projected Utility Capital Expenditures

KCP&L's utility capital expenditure plan is subject to continual review and change and includes utility capital expenditures related to KCP&L's comprehensive energy plan for environmental investments and new capacity. Although control budgets and workflow scheduling are not complete, developing market conditions indicate overall cost estimates of the comprehensive energy plan are currently expected to be about 20% above the estimate in the 2005 Form 10-K. The primary drivers are increases in materials and labor costs due to a substantial increase in market demand for these materials and services. Actual costs could be materially different than the current estimates; however, management is confident that project costs will be competitive with other similar projects built in the same timeframe.

Pensions
The Company maintains defined benefit plans for substantially all employees of KCP&L, Services and WCNOC and incurs significant costs in providing the plans, with the majority incurred by KCP&L. At a minimum, plans are funded on an actuarial basis to provide assets sufficient to meet benefits to be paid to plan participants consistent with the funding requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and further contributions may be made when deemed financially advantageous.

Year to date September 30, 2006, the Company has contributed $18.6 million to the plans and expects to contribute an additional $1.2 million during the remainder of 2006, all of which will be paid by KCP&L. Management believes the Company has adequate access to capital resources through cash flows from operations or through existing lines of credit to support the funding requirements.

Participants in the plans may request a lump-sum cash payment upon termination of their employment. A change in payment assumptions, including the amount and timing of lump-sum distributions, could result in increased cash requirements from pension plan assets with the Company being required to accelerate future funding. Under the terms of the pension plans, the Company reserves the right to amend or terminate the plans, and from time to time benefits have changed.

The Pension Protection Act of 2006, signed into law on August 17, 2006, alters the manner in which pension plan assets and liabilities are valued for purposes of calculating required pension contributions and changes the timing in which required contributions to underfunded plans are made. The funding rules, which become effective in 2008, could significantly affect the Company's funding requirements.

Strategic Energy Supplier Concentration and Credit
Strategic Energy enters into forward physical contracts with multiple suppliers. At September 30, 2006, Strategic Energy's five largest suppliers under forward supply contracts represented 70% of the total future dollar committed purchases. Four of Strategic Energy's five largest suppliers, or their guarantors, are rated investment grade; and the non-investment grade rated supplier collateralizes its position with Strategic Energy. In the event of supplier non-delivery or default, Strategic Energy's results of operations could be affected to the extent the cost of replacement power exceeded the combination of the contracted price with the supplier and the amount of collateral held by Strategic Energy to mitigate its credit risk with the supplier. In addition to the collateral, if any, that the supplier provides, Strategic Energy's risk may be further mitigated by the obligation of the supplier to make a default payment equal to the shortfall and to pay liquidated damages in the event of a failure to deliver power. There is no assurance that the supplier in such an instance would make the default payment and/or pay liquidated damages. Strategic Energy's results of operations and financial position could also be affected, in a given period, if it were required to make a payment upon termination of a supplier contract to the extent the contracted price with the supplier exceeded the market value of the contract at the time of termination.

The following tables provide information on Strategic Energy's credit exposure to suppliers, net of collateral, at September 30, 2006.

Rating	Exposure Before Credit Collateral	Credit Collateral	Net Exposure	Number Of Counterparties Greater Than 10% Of Net Exposure	Net Exposure Of Counterparties Greater Than 10% of Net Exposure
External rating		(millions)			(millions)
Investment Grade	$ 4.2	$ -	$ 4.2	3	$ 4.2
Non-Investment Grade	3.8	3.8	-	-	-
Internal rating					
Investment Grade	0.2	-	0.2	-	-
Non-Investment Grade	1.0	0.6	0.4	-	-
Total	$ 9.2	$ 4.4	$ 4.8	3	$ 4.2

Maturity Of Credit Risk Exposure Before Credit Collateral			
Rating	Less Than 2 Years	2 - 5 Years	Total Exposure
External rating		(millions)	
Investment Grade	$ 4.2	$ -	$ 4.2
Non-Investment Grade	(0.3)	4.1	3.8
Internal rating			
Investment Grade	0.2	-	0.2
Non-Investment Grade	(0.3)	1.3	1.0
Total	$ 3.8	$ 5.4	$ 9.2

External ratings are determined by using publicly available credit ratings of the counterparty. If a counterparty has provided a guarantee by a higher rated entity, the determination has been based on the rating of its guarantor. Internal ratings are determined by, among other things, an analysis of the counterparty's financial statements and consideration of publicly available credit ratings of the counterparty's parent. Investment grade counterparties are those with a minimum senior unsecured debt rating of BBB- from Standard & Poor's or Baa3 from Moody's Investors Service. Exposure before credit collateral has been calculated considering all netting agreements in place, netting accounts payable and receivable exposure with net mark-to-market exposure. Exposure before credit collateral, after consideration of all netting agreements, is impacted significantly by the power supply volume under contract with a given counterparty and the relationship between current market prices and contracted power supply prices. Credit collateral includes the amount of cash deposits and letters of credit received from counterparties. Net exposure has only been calculated for those counterparties to which Strategic Energy is exposed and excludes counterparties exposed to Strategic Energy.

Strategic Energy's total exposure before credit collateral at September 30, 2006, decreased $246.1 million from December 31, 2005, primarily due to lower wholesale electricity prices. At September 30, 2006, Strategic Energy had exposure before collateral to non-investment grade counterparties totaling $4.8 million. In addition, Strategic Energy held collateral totaling $4.4 million limiting its exposure to these non-investment grade counterparties to $0.4 million.

Strategic Energy contracts with national and regional counterparties that have direct supplies and assets in the region of demand. Strategic Energy also manages its counterparty portfolio through

disciplined margining, collateral requirements and contract-based netting of credit exposures against payable balances.

Supplemental Capital Requirements and Liquidity Information
The following table is an update for significant changes to selected items from the contractual obligations in the 2005 Form 10-K.

Great Plains Energy Contractual Obligations

Payment due by period	Remainder of 2006	2007	2008	2009	2010	After 2010	Total
Purchase obligations							
Fuel	$ 86.6	$ 98.5	$ 107.1	$ 43.3	$ 43.0	$ 84.5	$ 463.0
Purchased power	184.5	526.4	195.3	113.2	94.7	48.7	1,162.8
Comprehensive energy plan	118.5	281.1	321.8	139.2	12.0	-	872.6
Total contractual obligations	$ 389.6	$ 906.0	$ 624.2	$ 295.7	$ 149.7	$ 133.2	$ 2,498.4

Consolidated KCP&L Contractual Obligations

Payment due by period	Remainder of 2006	2007	2008	2009	2010	After 2010	Total
Purchase obligations							
Fuel	$ 86.6	$ 98.5	$ 107.1	$ 43.3	$ 43.0	$ 84.5	$ 463.0
Comprehensive energy plan	118.5	281.1	321.8	139.2	12.0	-	872.6
Total contractual obligations	$ 205.1	$ 379.6	$ 428.9	$ 182.5	$ 55.0	$ 84.5	$ 1,335.6

Fuel represents KCP&L's 47% share of Wolf Creek nuclear fuel commitments, KCP&L's share of coal purchase commitments based on estimated prices to supply coal for generating plants and KCP&L's share of rail transportation commitments for moving coal to KCP&L's generating units. Purchased power represents Strategic Energy's agreements to purchase electricity at various fixed prices to meet estimated supply requirements. Comprehensive energy plan represents KCP&L' contractual commitments for projects contemplated by its comprehensive energy plan.

Off-Balance Sheet Arrangements
In the normal course of business, Great Plains Energy and certain of its subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries. Such agreements include, for example, guarantees, stand-by letters of credit and surety bonds. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to a subsidiary on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish the subsidiaries' intended business purposes. Great Plains Energy's guarantees provided on behalf of Strategic Energy for its power purchases and regulatory requirements increased $126.4 million to $248.4 million at September 30, 2006, compared to $122.0 million at December 31, 2005. This increase is comprised of $39.4 million in direct guarantees and $87.0 million of letters of credit and is due to a combination of higher collateral requirements at Strategic Energy and more emphasis on using Great Plains Energy's facilities for credit support due to its lower cost. Consolidated KCP&L's guarantees of $3.9 million at September 30, 2006, were unchanged from December 31, 2005.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Great Plains Energy and consolidated KCP&L are exposed to market risks associated with commodity price and supply, interest rates and equity prices. Market risks are handled in accordance with established policies, which may include entering into various derivative transactions. In the normal

course of business, Great Plains Energy and consolidated KCP&L also face risks that are either non-financial or non-quantifiable. Such risks principally include business, legal, regulatory, operational and credit risks and are discussed elsewhere in this document as well as in the 2005 Form 10-K and therefore are not represented here.

Great Plains Energy and consolidated KCP&L interim period disclosures about market risk included in quarterly reports on Form 10-Q address material changes, if any, from the most recently filed annual report on Form 10-K. Therefore, these interim period disclosures should be read in connection with Item 7A. Quantitative and Qualitative Disclosures About Market Risk, included in the companies' 2005 Form 10-K, incorporated herein by reference. There have been no material changes in Great Plains Energy's or consolidated KCP&L's market risk since December 31, 2005.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures
Great Plains Energy and KCP&L carried out evaluations of their disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the fiscal quarter ended September 30, 2006. These evaluations were conducted under the supervision, and with the participation, of each company's management, including the chief executive officer and chief financial officer of each company and the companies' disclosure committee.

Based upon these evaluations, the chief executive officer and chief financial officer of Great Plains Energy, and the chief executive officer and chief financial officer of KCP&L, respectively, have concluded as of the end of the period covered by this report that the disclosure controls and procedures of Great Plains Energy and KCP&L are functioning effectively to provide reasonable assurance that: (i) the information required to be disclosed by the respective companies in the reports that they file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (ii) the information required to be disclosed by the respective companies in the reports that they file or submit under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to their respective management, including the principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting
There has been no change in Great Plains Energy's or KCP&L's internal control over financial reporting that occurred during the quarterly period ended September 30, 2006, that has materially affected, or is reasonably likely to materially affect, those companies' internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

KCP&L Rate Cases
On February 1, 2006, KCP&L filed retail rates cases with the MPSC and KCC, requesting annual rate increases effective January 1, 2007, of approximately $55.8 million (11.5%) and $42.3 million (10.5%), respectively, over current levels.

On September 29, 2006, KCP&L filed a stipulation containing a negotiated settlement of its Kansas request with the KCC Staff and certain other parties. The stipulation recommends a $29 million increase in annual revenues effective January 1, 2007, with $4 million of that amount resulting from accelerated depreciation to help maintain cash flow levels as contemplated in the stipulation and agreement approved by the KCC (filed as Exhibit 10.2.a to Form 10-Q for the quarter ended June 30, 2005). The Agreement does not propose an energy cost adjustment (ECA) clause; however, KCP&L

has agreed to propose an ECA clause in its next rate case to be filed no later than March 1, 2007. The Agreement recommends various accounting and other provisions, including but not limited to: (i) establishing for regulatory purposes annual pension cost for the period beginning January 1, 2007, of approximately $43 million ($19 million on a Kansas jurisdictional basis) through the creation of a regulatory asset or liability, as appropriate; (ii) establishing, effective January 1, 2006, a regulatory asset or liability as appropriate for costs arising from defined benefit plan settlements and curtailments which will be amortized over a five-year period beginning with the effective date of rates approved in KCP&L's next rate case; and (iii) setting at 8.5% the equity rate for the equity component of the allowance for funds used during construction rate calculation for Iatan 2. The stipulation is subject to KCC approval, and is voidable if not approved in its entirety. KCP&L expects the KCC to act on the stipulation before the end of the year.

In August 2006, MPSC Staff filed its case regarding KCP&L's rate request. In its filing, the Staff asserted that KCP&L's annual revenues should be decreased by between $4.3 million and $5.1 million, before adjustments resulting from the September 30, 2006, true-up of test year information. The Staff's filing assumed that adjustments resulting from this true-up will increase revenue requirements by approximately $20 million, resulting in a net required increase in annual revenues of between $14.9 million and $15.7 million, which reflected approximately $75 million in accelerated depreciation. Staff's current position is that KCP&L's annual revenues should be increased by approximately $52 million (reflecting approximately $86 million in accelerated depreciation) before adjustments resulting from the September 30, 2006, true-up. A decision by the MPSC is expected before the end of the year with any rate changes being effective on January 1, 2007.

Hawthorn No. 5 Litigation
KCP&L filed suit on April 3, 2001, in Jackson County, Missouri Circuit Court against multiple defendants who are alleged to have responsibility for the 1999 boiler explosion at KCP&L's Hawthorn No. 5 generating unit, which was subsequently reconstructed and returned to service. KCP&L and National Union entered into a subrogation allocation agreement under which recoveries in this suit were generally allocated 55% to National Union and 45% to KCP&L. Certain defendants were dismissed from the suit and various defendants settled. Trial of this case with the one remaining defendant resulted in a March 2004 jury verdict finding KCP&L's damages as a result of the explosion were $452 million. In May 2004, the trial judge reduced the award against the defendant to $0.2 million. Both KCP&L and the defendant appealed this case to the Court of Appeals for the Western District of Missouri and on May 9, 2006, the Court of Appeals ordered the Circuit Court to enter judgment in KCP&L's favor in accordance with the jury verdict. The defendant filed a motion for transfer of this case to the Missouri Supreme Court, which was denied. After deduction of amounts received from pre-trial settlements with other defendants and an amount for KCP&L's comparative fault (as determined by the jury), KCP&L received proceeds of $38.9 million pursuant to the subrogation allocation agreement after payment of attorney's fees.

Weinstein v. KLT Telecom
Richard D. Weinstein (Weinstein) filed suit against KLT Telecom Inc. (KLT Telecom) in September 2003 in the St. Louis County, Missouri Circuit Court. KLT Telecom acquired a controlling interest in DTI Holdings, Inc. (Holdings) in February 2001 through the purchase of approximately two-thirds of the Holdings stock held by Weinstein. In connection with that purchase, KLT Telecom entered into a put option in favor of Weinstein, which granted Weinstein an option to sell to KLT Telecom his remaining shares of Holdings stock. The put option provided for an aggregate exercise price for the remaining shares equal to their fair market value with an aggregate floor amount of $15 million and was exercisable between September 1, 2003, and August 31, 2005. In June 2003, the stock of Holdings was cancelled and extinguished pursuant to the joint Chapter 11 plan confirmed by the Bankruptcy Court. In September 2003, Weinstein delivered a notice of exercise of his claimed rights under the put option. KLT Telecom rejected the notice of exercise, and Weinstein filed suit alleging breach of

contract. Weinstein sought damages of at least $15 million, plus statutory interest. In April 2005, summary judgment was granted in favor of KLT Telecom, and Weinstein appealed this judgment to the Missouri Court of Appeals for the Eastern District. On May 16, 2006, the Court of Appeals affirmed the judgment. Weinstein filed a motion for transfer of this case to the Missouri Supreme Court, which was granted. Oral arguments are scheduled for December 2006. The $15 million reserve has not been reversed pending the outcome of the appeal process.

Other Proceedings
The companies are parties to various other lawsuits and regulatory proceedings in the ordinary course of their respective businesses. For information regarding other lawsuits and proceedings, see Notes 6, 7, 14 and 15 to the consolidated financial statements. Such descriptions are incorporated herein by reference.

ITEM 1A. RISK FACTORS

Actual results in future periods for Great Plains Energy and consolidated KCP&L could differ materially from historical results and the forward-looking statements contained in this report. Factors that might cause or contribute to such differences include, but are not limited to, those discussed below and in Item 1A. Risk Factors included in the companies' 2005 Form 10-K. The companies' business is influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual results, and are often beyond the companies' control. Additional risks and uncertainties not presently known or that the companies' management currently believes to be immaterial may also adversely affect the companies. The information presented below updates the risk factors described in the companies' 2005 Form 10-K. This information, as well as the other information included in this report and in the other documents filed with the SEC, should be carefully considered before making an investment in the securities of Great Plains Energy and KCP&L. Risk factors of consolidated KCP&L are also risk factors for Great Plains Energy.

The outcome of KCP&L's pending and future retail rate proceedings could have a material impact on its business and are largely outside its control.
The rates that KCP&L is allowed to charge its customers are the single most important item influencing its results of operations, financial position and liquidity. These rates are subject to the determination, in large part, of governmental entities outside of KCP&L's control, including the MPSC, KCC and FERC. Decisions made by these entities could have a material impact on KCP&L's business including its results of operations, financial position, or liquidity.

In February 2006, for the first time in 20 years, KCP&L filed with the MPSC and KCC requests to increase the rates it is permitted to charge its retail customers in Missouri and Kansas, respectively. In these initial filings KCP&L sought an increase in annual rates of $55.8 million in Missouri and $42.3 million in Kansas. In September 2006, KCP&L, KCC Staff and other parties reached a negotiated settlement and submitted a stipulation to the KCC recommending a $29 million increase in annual rates in Kansas. The stipulation does not propose an energy cost adjustment (ECA) clause, but KCP&L has agreed to propose an ECA clause in its next rate case to be filed no later than March 1, 2007. Hearings in the Missouri rate proceedings concluded in October 2006. The MPSC Staff's current position is that KCP&L's annual revenues should be increased by approximately $52 million (reflecting approximately $86 million in accelerated depreciation) before adjustments resulting from a September 30, 2006, true-up of information. The requested rate increases are subject to the approval of the MPSC and KCC, which are expected to rule before the end of 2006. It is possible that the MPSC and/or KCC will authorize a lower rate increase than what KCP&L has requested, or no increase or a rate reduction. Management cannot predict or provide any assurances regarding the outcome of these, or any future, rate proceedings. Any rate changes approved by the MPSC and KCC in the pending proceedings are expected to take effect on January 1, 2007.

As a part of the Missouri and Kansas stipulations approved by the MPSC and KCC in 2005, KCP&L undertook to implement a Comprehensive Energy Plan (Plan). Under the Plan, KCP&L agreed to undertake certain projects, including building and owning a portion of Iatan No. 2, installing a new wind-powered generating facility, and installing environmental upgrades to certain existing plants. A reduction or rejection by the MPSC or KCC of rate increase requests may result in increased financing requirements for KCP&L. This could have a material impact on its results of operations, financial position or liquidity.

In response to competitive, economic, political, legislative and regulatory pressures, KCP&L may be subject to rate moratoriums, rate refunds, limits on rate increases or rate reductions, including phase-in plans. Any or all of these could have a significant adverse effect on KCP&L's results of operations, financial position or liquidity.

KCP&L has Construction-Related Risks
KCP&L's comprehensive energy plan includes the construction of an estimated 850 MW coal-fired generating plant, 100.5 MW of wind generation and environmental retrofits at two existing coal-fired units. KCP&L has not recently managed a construction program of this magnitude. There are risks that actual costs may exceed budget estimates, delays may occur in obtaining permits and materials, suppliers and contractors may not perform as required under their contracts, and other events beyond KCP&L's control may occur that may materially affect the schedule, budget and performance of these projects.

The construction projects contemplated in the comprehensive energy plan rely upon the supply of a significant percentage of materials from overseas sources. This global procurement subjects the delivery of procured material to issues beyond what would be expected if such material were supplied from sources within the United States. These risks include, but are not limited to, delays in clearing customs, ocean transportation and potential civil unrest in sourcing countries, among others. Additionally, as with any major construction program, inadequate availability of qualified craft labor may have an adverse impact on both the estimated cost and completion date of the projects.

Although control budgets and workflow scheduling are not complete, developing market conditions indicate overall cost estimates of the comprehensive energy plan are currently expected to be about 20% above the estimate in the 2005 Form 10-K. The primary driver of the increased cost of the comprehensive energy plan is the environmental retrofit of selected existing coal-fired plants. The demand for environmental projects has increased substantially with many utilities in the United States starting similar projects to address changing environmental regulations. This demand has constrained labor and material resources resulting in a significant escalation in the cost and completion times for environmental retrofits. The second phase of environmental upgrades at LaCygne No. 1 is currently in the planning stage, and the market conditions noted above could impact the scope and timing.

Over the last several months, KCP&L has finalized contracts and received bids for the largest cost components of the construction of Iatan No. 2. The estimated costs for Iatan No. 2 have also increased due to the constrained labor and material resources discussed above; however, the Iatan No. 2 estimated costs have not been as impacted as the estimated costs of the environmental retrofits.

These and other risks may increase the costs of these construction projects, require KCP&L to purchase additional electricity to supply its retail customers until the projects are completed, or both, and may materially affect KCP&L's results of operations and financial position.

KCP&L has Retirement-Related Risks
Through 2010, approximately 21% of KCP&L's current employees will be eligible to retire with full pension benefits. Failure to hire and adequately train replacement employees, including the transfer of

significant internal historical knowledge and expertise to the new employees, may adversely affect KCP&L's ability to manage and operate its business.

Substantially all of KCP&L's employees participate in defined benefit and postretirement plans. If KCP&L employees retire when they become eligible for retirement through 2010, or if KCP&L's plans experience adverse market returns on their investments, or if interest rates materially fall, KCP&L's pension expense and contributions to the plans could rise substantially over historical levels. KCP&L expects to recognize additional pension settlement charges in 2006 resulting from employees retiring and electing to receive the pension benefit lump-sum payment option. The current estimate of additional expense related to pension settlement charges, based on retirement-eligible employees who left the company through September 2006, is approximately $8 million. The actual pension settlement charges in 2006 will depend on actual pension plan results during the pension plan year and the number of employees retiring throughout the year who select the lump-sum payment option. The amount of expense related to pension settlement charges to be recognized in 2006 may be materially greater than the current estimate. The timing and number of employees retiring after 2006 and selecting the lump-sum payment option could result in further pension settlement charges that could materially affect KCP&L's results of operations. KCP&L has requested regulatory accounting treatment from MPSC and KCC to defer pension settlement charges, effective from to January 1, 2006, and amortize the deferred amount over a five-year period to be established in the rate proceeding following the current 2006 proceedings. At September 30, 2006, no amounts were deferred pending the outcome of these requests. In addition, assumptions related to future costs, returns on investments, interest rates and other actuarial assumptions, including projected retirements, have a significant impact on KCP&L's results of operations and financial position.

The Pension Protection Act of 2006, signed into law on August 17, 2006, alters the manner in which pension plan assets and liabilities are valued for purposes of calculating required pension contributions and changes the timing in which required contributions to underfunded plans are made. The funding rules, which become effective in 2008, could significantly affect the Company's funding requirements. During September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 158, "Employers' Accounting for Defined Pension and Other Postretirement Plans." SFAS No. 158 addresses balance sheet measurements and reporting requirements and will require the Company to recognize the funded status of the pension and postretirement plans on the balance sheet for in the fourth quarter of 2006. The effects of SFAS No. 158 are currently being evaluated. The FASB has a project to reconsider the accounting for pensions and other post-retirement benefits. This project may result in accelerated expense, liability recognition and contributions.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

Change of Control Severance Agreement
The following information was required to be disclosed under Items 1.01 and 1.02 of Form 8-K but was not reported.

In connection with the offering of new change of control severance agreements (new agreements) described below, Great Plains Energy sent notice on September 1, 2006, to the executive and other officers that their existing change of control severance agreements (old agreements) would be terminated 120 days after the notice was provided to the officers. The forms of the old agreements were filed as Exhibit 10-e to Form 10-K for the year ended December 31, 2000, Exhibit 10.1.b to Form 10-Q for the period ended March 31, 2003, and Exhibit 10.1.q to Form 10-K for the year ended December 31, 2004.

The old agreements were similar to the new agreements. However, among other things the old agreements provided for benefits if the officer's employment were terminated for good reason or otherwise than for cause during the three-year period after the first date on which a Change in Control occurs, or if the officer’s employment was terminated for any reason within a thirty day period starting one year after a Change in Control occurred.

Subsequent to the September 1, 2006, notice, Great Plains Energy entered into new agreements with the executive and other officers of Great Plains Energy and its wholly owned subsidiaries KCP&L and Strategic Energy, L.L.C. (Strategic Energy). The form of the new agreements with Michael J. Chesser, Chairman of the Board and Chief Executive Officer of Great Plains Energy; William H. Downey, President and Chief Operating Officer of Great Plains Energy and President and Chief Executive Officer of KCP&L; John R. Marshall, Senior Vice President - Delivery of KCP&L; Shahid Malik, Executive Vice President of Great Plains Energy and President and Chief Executive Officer of Strategic Energy; and the other executive officers of Great Plains Energy and KCP&L are attached hereto as Exhibits 10.1.a, 10.1.b, 10.1.c, 10.1.d and 10.1.e, respectively.

Under the new agreements, an officer would be entitled to receive a lump-sum cash payment and certain insurance benefits if the officer's employment is terminated during the two-year period after the first date on which a Change in Control occurs (i) by the Company other than for cause or upon death or disability, or (ii) by the officer for good reason (as those terms are defined in the new agreements). These benefits would also be payable if the officer’s employment is terminated as described in the preceding sentence during the period beginning when (i) Great Plains Energy enters into an agreement, the consummation of which would result in a Change in Control, (ii) Great Plains Energy or any person publicly announces an intention to take or consider taking actions which if consummated would constitute a Change in Control; (iii) any person (other than Great Plains Energy, its subsidiaries, their respective employee benefit plans, underwriters temporarily holding securities pursuant to an offering, or a corporation owned directly or indirectly by the stockholders of Great Plains Energy in substantially the same proportions as their ownership of stock of Great Plains Energy) becomes the beneficial owner of 10% or more of the combined voting power of Great Plains Energy’s then outstanding voting securities, or (iv) the Board or stockholders adopt a resolution approving any of the foregoing or approving any Change in Control. Such period ends when the Change in Control transaction is either consummated, abandoned or terminated.

A Change in Control is defined as: (i) an acquisition by a person or group (other than Great Plains Energy, its subsidiaries, their respective employee benefit plans, underwriters temporarily holding securities pursuant to an offering, or a corporation owned directly or indirectly by the stockholders of Great Plains Energy in substantially the same proportions as their ownership of stock of Great Plains Energy) of 35% or more of the Great Plains Energy common stock (not including shares directly acquired from Great Plains Energy or its affiliates other than in connection with the acquisition by Great Plains Energy or its affiliates of a business); (ii) a change in a majority of the directors of the Board; (iii) a consummation of a merger, consolidation, reorganization or similar transaction (unless shareholders receive 60% or more of the stock of the surviving entity, or unless the transaction is effected to implement a recapitalization in which no person is or becomes the beneficial owner of 20% or more of the then outstanding shares); or (iii) the occurrence, or shareholder approval, of liquidation, dissolution or sale of

substantially all of Great Plains Energy's assets (except to an entity in which Great Plains Energy's shareholders have at least 60% of the combined voting power in substantially the same proportions as their ownership of Great Plains Energy stock immediately prior to the sale). The definition of Change in Control in Mr. Malik's new agreement also includes certain events resulting in changes of 50% or more in the beneficial ownership of voting power in Strategic Energy.

Upon a termination entitling the officer for benefits under the new agreements, a lump-sum cash payment will be made to the officer of (i) the officer's base salary through the date of termination; (ii) a pro-rated bonus based upon the average of the bonuses paid to the officer for the last five fiscal years (or, if shorter, the years during which the officer was employed by the company); (iii) any accrued vacation pay; (iv) any compensation previously deferred by the officer; (v) two or three times the officer's highest base salary during the prior 12 months; (vi) two or three times the average of the bonuses paid to the officer for the last five fiscal years (or, if shorter, the years during which the officer was employed by the company); (vii) the actuarial equivalent of the excess of the officer's accrued pension benefits at age 65 including supplemental retirement benefits computed without reduction for early retirement and including two or three additional years of benefit accrual service, over the officer's vested accrued pension benefits (with the exception of Messrs. Chesser and Marshall, whose compensatory arrangements provide for two years of credited service for pension calculation purposes for every one year of service, resulting in additional years of benefit accrual service under their respective agreements); and (viii) the value of any unvested Great Plains Energy contributions for the benefit of the officer under the Great Plains Energy Employee Savings Plus Plan. Mr. Malik's new agreement also provides, upon a termination entitling him to the benefits described in the preceding sentence, for the immediate vesting of all restricted stock previously granted to him, and a cash amount equal to the bonus he would have received under applicable long term incentive plans with respect to all outstanding grants and assuming performance at target levels.

In addition, health, disability and life insurance plan coverage must be provided to the officer and dependents substantially on the same terms and conditions that existed immediately prior to the termination for two or three years, or, if earlier, until the executive officer is covered by equivalent plan benefits. Certain "gross-up" payments regarding tax obligations relating to payments under the new agreements are required to be made, as well reimbursement of certain expenses relating to possible disputes that might arise.

The new agreements also provide that the officer will not disclose confidential information, and will not (without consent) either participate in a business that directly competes with the company, or solicit current employees of the company, during the time the officer is an employee of the company and for six months thereafter.

The term of the new agreements is for an initial period of two years, and the term will be automatically extended on each annual anniversary date for an additional year unless Great Plains Energy gives at least 60 days prior notice that the term will not be extended. However, during any period of time when the Board has knowledge that any person has taken steps reasonably calculated to effect a Change in Control, the term shall automatically be extended (and may not terminate) until, in the opinion of the Board, such person has abandoned or terminated its efforts to effect a Change in Control.

The description of the old agreements and new agreements set forth above is not complete and is qualified in its entirety by reference to such agreements.

Amendments to Strategic Energy Annual and Long Term Incentive Plans

The following information was required to be disclosed under Item 1.01 of Form 8-K but was not reported. At its October 31, 2006, meeting, the independent members of Great Plains Energy's Board of Directors approved amendments to the Strategic Energy annual and long-term incentive plans. The

amendment to the annual incentive plan goals for 2006 removed the customer satisfaction metric, and reallocated the 10% weighting assigned to that metric equally between the expected future margin and MWhs under management metrics. The amendment to the long-term incentive plans for the periods 2005-2006 and 2005-2007 removed the return on average book equity metric and reallocated the 25% weighting assigned to that metric equally among the cumulative pre-tax net income, increase in customer accounts under contract, cumulative reduction in sales, general and administrative expense per MWh and supply cost reduction metrics.

ITEM 6. EXHIBITS

Great Plains Energy Documents

Exhibit Number		Description of Document
3.1		Articles of Incorporation of Great Plains Energy Incorporated dated as of February 26, 2001, and corrected as of October 13, 2006.
10.1.a	+	Form of Change of Control Severance Agreement with Michael J. Chesser.
10.1.b	+	Form of Change of Control Severance Agreement with William H. Downey.
10.1.c	+	Form of Change of Control Severance Agreement with John R. Marshall.
10.1.d	+	Form of Change of Control Severance Agreement with Shahid Malik.
10.1.e	+	Form of Change of Control Severance Agreement with certain officers of Great Plains Energy Incorporated, Kansas City Power & Light Company and Strategic Energy, L.L.C.
10.1.f		Amendment dated as of October 2, 2006, to Amended and Restated Limited Guaranty dated as of July 2, 2004, by Great Plains Energy Incorporated in favor of the lenders under the Amended and Restated Credit Agreement dated as of July 2, 2004, among Strategic Energy, L.L.C. and the financial institutions from time to time parties thereto.
10.1.g	+	Strategic Energy, L.L.C. Long-Term Incentive Plan Grants 2005, as amended May 2, 2005 and October 31, 2006.
10.1.h	+	Strategic Energy, L.L.C. Annual Incentive Plan 2006 goals as amended October 31, 2006.
12.1		Ratio of Earnings to Fixed Charges.
31.1.a		Rule 13a-14(a)/15d-14(a) Certifications of Michael J. Chesser.
31.1.b		Rule 13a-14(a)/15d-14(a) Certifications of Terry Bassham.
32.1		Section 1350 Certifications.

+ Indicates management contract or compensatory plan or arrangement.

Copies of any of the exhibits filed with the SEC in connection with this document may be obtained from Great Plains Energy upon written request.

KCP&L Documents

Exhibit Number	Description of Document
10.2.a	Contract between Kansas City Power & Light Company and ALSTOM Power Inc. for Engineering, Procurement, and Constructions Services for Air Quality Control Systems and Selective Catalytic Reduction Systems at Iatan Generating Station Units 1 and 2 and the Pulverized Coal-Fired Boiler at Iatan Generating Station Unit 2, dated as of August 10, 2006.
10.2.b	Stipulation and Agreement dated as of September 29, 2006, among Kansas City Power & Light Company, the Staff of the Kansas Corporation Commission, the Citizens' Utility Ratepayer Board, Wal-Mart Stores Inc. and the International Brotherhood of Electrical Workers, Local Union Nos. 412, 1464 and 1613.
12.2	Ratio of Earnings to Fixed Charges.
31.2.a	Rule 13a-14(a)/15d-14(a) Certifications of William H. Downey.
31.2.b	Rule 13a-14(a)/15d-14(a) Certifications of Terry Bassham.
32.2	Section 1350 Certifications.

Copies of any of the exhibits filed with the SEC in connection with this document may be obtained from KCP&L upon written request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Great Plains Energy Incorporated and Kansas City Power & Light Company have duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GREAT PLAINS ENERGY INCORPORATED

Dated: November 7, 2006

By: /s/Michael J. Chesser
(Michael J. Chesser)
(Chief Executive Officer)

Dated: November 7, 2006

By: /s/Lori A. Wright
(Lori A. Wright)
(Principal Accounting Officer)

KANSAS CITY POWER & LIGHT COMPANY

Dated: November 7, 2006

By: /s/William H. Downey
(William H. Downey)
(Chief Executive Officer)

Dated: November 7, 2006

By: /s/Lori A. Wright
(Lori A. Wright)
(Principal Accounting Officer)

ARTICLES OF INCORPORATION
OF
GREAT PLAINS ENERGY INCORPORATED

The undersigned natural person(s) of the age of eighteen years or more for the purpose of forming a corporation under the General and Business Corporation Law of Missouri adopts the following Articles of Incorporation:

ARTICLE ONE

The name of this corporation shall be GREAT PLAINS ENERGY INCORPORATED.

ARTICLE TWO

The address, including street and number, if any, of the corporation's initial registered office in this state is 1201 Walnut, Kansas City, Jackson County, Missouri 64106, but it shall have power to transact business anywhere in Missouri, and also in several states of the United States if and when so desired under the respective laws thereof regarding foreign corporations. The name of its initial agent at such address is Jeanie Sell Latz.

ARTICLE THREE

The amount of authorized capital stock of the Company is One Hundred Sixty-Two Million Nine Hundred Sixty-Two Thousand (162,962,000) shares divided into classes as follows:

Three Hundred Ninety Thousand (390,000) shares of Cumulative Preferred Stock, of the par value of One Hundred Dollars ($100) each.
One Million Five Hundred Seventy-Two Thousand (1,572,000) shares of Cumulative No Par Preferred Stock without par value.
Eleven Million (11,000,000) shares of Preference Stock without par value.
One Hundred Fifty Million (150,000,000) shares of Common Stock without par value.

The preferences, qualifications, limitations, restrictions, and special or relative rights of the Cumulative Preferred Stock, the Cumulative No Par Preferred Stock, the Preference Stock and the Common Stock shall be as follows:

CUMULATIVE PREFERRED STOCK AND
CUMULATIVE NO PAR PREFERRED STOCK

(i) Series and Variations Between Series of Cumulative Preferred Stock. The Cumulative Preferred Stock may be divided into and issued in series. The Board of Directors is hereby expressly authorized to cause such shares to be issued from time to time in series, and, by resolution adopted prior to the issue of shares of a particular series, to fix and determine the following with respect to such series, as to which matters the shares of a particular series may vary from those of any or all other series:

(a) The distinctive serial designation of the shares of such series;

(b) The dividend rate thereof;

(c) The redemption price or prices and the terms of redemption (except as fixed in this Division A);

(d) The terms and amount of any sinking fund for the purchase or redemption thereof; and

(e) The terms and conditions, if any, under which said shares may be converted.

Except as the shares of a particular series of Cumulative Preferred Stock may vary from those of any or all other series in the foregoing respects, all of the shares of the Cumulative Preferred Stock, regardless of series, shall in all respects be equal and shall have the preferences, rights, privileges and restrictions herein fixed.

(ii) Series and Variations Between Series of Cumulative No Par Preferred Stock. The Cumulative No Par Preferred Stock may be divided into and issued in series. The Board of Directors is hereby expressly authorized to cause such shares to be issued from time to time in series, and, by resolution adopted prior to the issue of shares of a particular series, to fix and determine the following with respect to such series, as to which matters the shares of a particular series may vary from those of any or all other series:

(a) The distinctive serial designation of the shares of such series;

(b) The dividend rate thereof;

(c) The redemption price or prices and the terms of redemption (except as fixed in this Division A);

(d) The terms and amount of any sinking fund for the purchase or redemption thereof;

(e) The terms and conditions, if any, under which said shares may be converted;

(f) The rights of the shares of the series in the event of involun-tary dissolution or liquidation of the Company;

(g) The consideration to be paid for the shares of such series, and the portion of such consideration to be designated as stated value or capital; and

(h) Any other powers, preferences and relative, participating, optional or other special rights, and qualifications, limita-tions or restrictions thereof, of the shares of such series, as the Board of Directors may deem advisable and as shall not be inconsistent with the provisions of these Articles of Incorporation.

Except as the shares of a particular series of Cumulative No Par Preferred Stock may vary from those of any or all other series in the fore-going respects, all of the shares of the Cumulative No Par Preferred Stock, regardless of series, shall in all respects be equal and shall have the preferences, rights, privileges and restrictions herein fixed.

(iii) Dividends. The holders of shares of each series of Cumulative Preferred Stock and Cumulative No Par Preferred Stock shall be entitled to receive, as and when declared payable by the Board of Directors from funds legally available for the payment thereof, preferential dividends in lawful money of the United States of America at the rate per annum fixed and determined as herein authorized for the shares of such series, but no more, payable quarterly on the first day of each of the months of December, March, June and September (the quarterly dividend payment dates) in each year with respect to the quarterly period ending on the day prior to each such respec-tive dividend payment date. Such dividends shall be cumulative with respect to each share from and including the quarterly dividend payment date next preceding the date of issue thereof unless (a) the date of issue be a quarterly dividend payment date, in which case dividends shall be cumulative from and including the date of issue, (b) issued during an interval between a record date for the payment of a quarterly dividend on shares of such series and the payment date for such dividend, in which case dividends shall be cumulative from and including such payment date, or (c) the Board of Directors shall determine that

the first dividend with respect to shares of a particular series issued during an interval between quarterly dividend payment dates shall be cumulative from and including a date during such interval, in which event dividends shall be cumulative from and including such date. No divi-dends shall be declared on shares of any series of Cumulative Preferred Stock or Cumulative No Par Preferred Stock in respect of accumulations for any quarterly dividend period or portion thereof unless dividends shall likewise be or have been declared with respect to accumulations on all then outstanding shares of each other series of Cumulative Preferred Stock and Cumulative No Par Preferred Stock for the same period or portion thereof; and the ratios of the dividends declared to dividends accumulated with respect to any quarterly dividend period on the shares of each series outstanding shall be identical. Accumulations of dividends shall not bear interest.

So long as any shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock remain outstanding, no dividend shall be paid or declared, or other distribution made, on shares of junior stock, nor shall any shares of junior stock be purchased, redeemed, retired or otherwise acquired for a consideration (a) unless preferential dividends on outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock for the current and all past quarterly dividend periods shall have been paid, or declared and set apart for payment, provided, however, that the restrictions of this subparagraph (a) shall not apply to the declaration and payment of dividends on shares of junior stock if payable solely in shares of junior stock, nor to the acquisition of any shares of junior stock through applica-tion of proceeds of any shares of junior stock sold at or about the time of such acquisition, nor shall such restrictions prevent the transfer of any amount from surplus to stated capital; and (b) except to the extent of earned surplus, provided, however, that the restrictions in this subparagraph (b) shall not apply to any of the acts described in the proviso set forth in subparagraph (a) above and shall not apply either to the acquisition of any shares of junior stock issued after December 1, 1946, to the extent of the proceeds received for the issue of such shares, or to the payment of any dividend within 60 days after the date of declaration thereof, if at said date of declaration said dividend conforms with the provisions of this subparagraph (b).

(iv) Liquidation Preferences. In the event of voluntary dissolution or liquidation of the Company, the holders of outstanding shares of each series of Cumulative Preferred Stock and Cumulative No Par Preferred Stock shall be entitled to receive out of the assets of the Company an amount per share equal to that which such holders would have been entitled to receive had shares held by them been redeemed (otherwise than through operation of a sinking fund) on the date fixed for payment, but no more. In the event of involuntary dis-solution or liquidation of the Company, (a) the holders of shares of Cumulative Preferred Stock of each series outstanding shall be entitled to receive out of the assets of the Company $100 per share, plus preferential dividends at the rate fixed and determined for such series as herein authorized, accrued, and unpaid to the date fixed for payment, but no more; and (b) the holders of shares of Cumulative No Par Preferred Stock of each series shall be entitled to receive out of the assets of the Company the amount per share fixed and determined for such series as herein authorized, plus preferential dividends at the rate fixed and determined for such series as herein authorized, accrued and unpaid to the date fixed for payment, but no more. Until payment to the holders of outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock as aforesaid, or until moneys or other assets sufficient for such payment shall have been set apart for payment by the Company, separate and apart from its other funds and assets for the account of such holders, so as to be and continue to be available for payment to such holders, no payment or distribution shall be made to holders of shares of junior stock in connection with or upon such dissolution or liquidation. If upon any such dissolution or liquidation the assets of the Company available for payment and distribution to shareholders are insuffi-cient to make payment in full, as hereinabove provided, to the holders of shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock, payment shall be made to such holders ratably in accordance with the payment each such holder would have been entitled to receive as hereinabove provided.

Neither a consolidation nor merger of the Company with or into any other corporation, nor a merger of any other corporation into the Company, nor the purchase or redemption of all or any part of the outstanding shares of any class or classes of stock of the Company, nor the sale or transfer of the property and business of the Company as or substantially as an entirety shall be construed to be a dissolution or liquidation of the Company within the meaning of the foregoing provisions.

(v) Redemption and Repurchase. The Company may, at its option expressed by vote of the Board of Directors, at any time or from time to time redeem the whole or any part of the Cumulative Preferred Stock, or of any series thereof, or Cumulative No Par Preferred Stock, or any series thereof, at the redemption price or prices at the time in effect, any such redemption to be on such redemption date and at such place in the City of Kansas City, State of Missouri, or in the City, County and State of New York, as shall likewise be determined by vote of the Board of Directors. Notice of any proposed redemp-tion of shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock shall be given by the Company by mailing a copy of such notice, not more than 60 or less than 30 days prior to the redemption date, to the holders of record of the shares to be redeemed, at their respective addresses then appearing on the books of the Company; and by publishing such notice at least once in each week for four successive weeks in a newspaper customarily published at least on each business day, other than Sundays and holidays, which is printed in the English language and published and of general circu-lation in the Borough of Manhattan, City and State of New York, and in such a newspaper so printed which is published and of general circulation in the City of Kansas City, State of Missouri. Publication of such notice shall be commenced not more than 60 days, and shall be concluded no less than 30 days, prior to the redemption date, but such notice need not necessarily be published on the same day of each week or in the same newspaper. In case less than all of the shares of any series are to be redeemed, the shares so to be redeemed shall be determined by lot in such manner as may be prescribed by the Board of Directors, and the certificates evidencing such shares shall be specified by number in the notice of such redemption. On the redemption date the Company shall, and at any time within 60 days prior to such redemption date may, deposit in trust, for the account of the holders of shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock to be redeemed, funds necessary for such redemption with a bank or trust company in good standing, organized under the laws of the United States of America or of the State of Missouri or of the State of New York, doing business in the City of Kansas City, Missouri, or in the City, County and State of New York and having combined capital, surplus and undivided profits of at least $5,000,000, which shall be designated in such notice of redemption. Notice of redemption having been duly given, or said bank or trust company having been irrevocably authorized by the Company to give such notice, and funds necessary for such redemption having been deposited, all as aforesaid, all shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock with respect to which such deposit shall have been made shall forthwith, whether or not the date fixed for such redemption shall have occurred or the certificates for such shares shall have been surrendered for cancellation, be deemed no longer to be outstanding for any purpose, and all rights with respect to such shares shall thereupon cease and terminate, excepting only the right of the holders of the certificates for such shares to receive, out of the funds so deposited in trust, on the redemption date (unless an earlier date is fixed by the Board of Directors), the redemption funds, without interest, to which they are entitled, and the right to exercise any privilege of conversion not theretofore expiring, the Company to be entitled to the return of any funds deposited for redemption of shares converted pursuant to such privilege. At the expiration of six years after the redemption date such trust shall terminate. Any such moneys then remaining on deposit, together with any interest thereon which may be allowed by the bank or trust company with which the deposit shall have been made, shall be paid by it to the Company, free of trust, and thereafter the holders of the certificates for such shares shall have no claim against such bank or trust company but only claims as unsecured creditors against the Company for the amounts payable upon redemption thereof, without interest. Interest, if any, allowed by the bank or trust company as aforesaid shall belong to the Company.

Subject to applicable law, the Company may from time to time purchase or otherwise acquire outstanding shares of Cumulative Preferred Stock or Cumula-tive No Par Preferred Stock at a price per share not exceeding the amount (inclusive of any accrued dividends) then payable in the event of redemption thereof otherwise than through operation of a sinking fund, if any.

Any and all shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock which shall at any time have been redeemed or purchased through operation of any sinking fund with respect thereto, or which shall have been converted into or exchanged for shares of any other class or classes or other securities of the Company pursuant to a right of conversion or exchange reserved in such Cumulative Preferred Stock or Cumulative No Par Preferred Stock, shall be canceled and shall not be reissued, and the Company shall, from time to time, take such corporate action as may be appropriate or necessary to reduce the authorized number of shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock accordingly.

(vi) Voting Rights. So long as any shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock are outstanding, the Company shall not, without the consent (given by vote in person or by proxy at a meeting called for that purpose) of the holders of at least two-thirds of the outstanding shares of Cumulative Preferred Stock and at least two-thirds of the outstand-ing shares of Cumulative No Par Preferred Stock, voting separately as classes:

(a) Increase the amount of Cumulative Preferred Stock or Cumulative No Par Preferred Stock at the time authorized;

(b) Create or authorize any shares of senior or parity stock, or create or authorize any obligation or security convertible into any such shares;

(c) Alter or change the preferences, priorities, special rights or special powers of then outstanding Cumulative Preferred Stock or Cumula-tive No Par Preferred Stock so as to affect the holders thereof adversely, provided, however, if any such alteration or change would adversely affect the holders of one or more, but not all, of the series of Cumulative Preferred Stock or Cumulative No Par Preferred Stock at the time outstanding, only the consent of holders of two-thirds of the shares of each series so affected shall be required; or

(d) Issue, sell or otherwise dispose of shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock or any shares of senior or parity stock, or securities convertible into shares of Cumula-tive Preferred Stock, Cumulative No Par Preferred Stock or senior or parity stock, other than in exchange for or in connection with the retirement (by redemption or otherwise) of, not less than a like number of shares of Cumulative Preferred Stock, Cumulative No Par Preferred Stock or senior or parity stock, or securities convertible into not less than a like number of such shares, as the case may be, at the time outstanding, unless

Immediately after such proposed issue, sale or other disposi-tion, the aggregate of the capital of the Company applicable to all shares of Common Stock then to be outstanding (including premium on all shares of Common Stock) plus earned surplus and paid in or capital surplus, shall be at least equal to the involuntary liquida-tion preference of all shares of Cumulative Preferred Stock, Cumulative No Par Preferred Stock and senior or parity stock then to be outstanding, provided that until such additional shares or securities, as the case may be, or the equivalent thereof (in terms of involuntary liquidating preference) in shares of Cumulative Preferred Stock, Cumulative No Par Preferred Stock or senior or parity stock, shall have been retired, earned surplus of the Company used to meet the requirements of this clause in connection with the issuance of additional shares of Cumulative Preferred Stock, Cumulative No Par Preferred Stock or senior or parity stock or securities convertible into either thereof shall not, after the issue of such shares or securities, be available for dividends or other distribution Common Stock (other than dividends payable in Common Stock), except in an amount equal to the cash subsequently received by the Company as a contribution to its Common Stock capital or as consideration for the issuance of additional shares of Common Stock; and

The gross income of the Company for a period of 12 consecutive calendar months within the 15 calendar months immediately preceding the issuance, sale or other disposition of such shares,

determined in accordance with such system of accounts as may be prescribed by governmental authorities having jurisdiction in the premises, or, in the absence thereof, in accordance with sound accounting practice (but in any event after deducting the amount for said period charged by the Company on its books to depreciation expense and taxes) to be available for the payment of interest, shall have been equal to at least one and one-half times the sum of (x) the interest charges for one year on all interest bearing indebtedness of the Company (plus all amortization of debt discount and expense, and less all amortization of premium on debt, applicable to the aforesaid 12 months' period) and (y) the dividend requirements for one year on all outstanding Cumulative Preferred Stock, Cumulative No Par Preferred Stock and senior and parity stock; and for the purpose of both such computations the shares and any indebtedness then proposed to be issued shall be included, and any indebtedness and shares then proposed to be retired shall be excluded, and in determining such gross income the Board of Directors shall make such adjustments, by way of increase or decrease in such gross income, as shall in its opinion be necessary to give effect, for the entire 12 months for which such gross income is determined, to any acquisition or dispo-sition of property, the income from which can be separately ascertained.

So long as any Cumulative Preferred Stock or any Cumulative No Par Preferred Stock is outstanding, the Company shall not, without the consent (given by vote in person or by proxy at a meeting called for that purpose) of the holders of at least a majority of the total number of outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock, voting as a single class:

(e) Merge or consolidate with or into any other corporation, provided that this provision shall not apply to a purchase or other acquisition by the Company of franchises or assets of another corporation in any manner which does not involve a statutory merger or consolidation; or

(f) Sell, lease, or exchange all or substantially all of its property and assets, unless the fair value of the net assets of the Company, after completion of such transaction, shall at least equal the then involuntary liquidation value of Cumulative Preferred Stock of all series, Cumulative No Par Preferred Stock of all series, and all senior or parity stock, then outstanding; or

(g) Intentionally omitted.

No consent of the holders of Cumulative Preferred Stock or Cumulative No Par Preferred Stock provided for in paragraph (e) or (f) above shall be required with respect to any consolidation, merger, sale, lease or exchange ordered, approved or permitted by the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935, or by any successor commission or regulatory authority of the United States having jurisdiction in the premises. No consent hereinbefore in this subdivision (vi) provided for shall be required in the case of the holders of any shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock which are to be redeemed at or prior to the time when an alteration or change is to take effect, or at or prior to the time of authorization, issuance, sale or other disposition of any additional Cumulative Preferred Stock, Cumulative No Par Preferred Stock or shares of senior or parity stock or convertible securities, or a consolidation or merger is to take effect, as the case may be.

If at any time dividends on any of the outstanding shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock shall be in default in an amount equivalent to four or more full quarterly divi-dends, the holders of outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock, voting as a single class, shall be entitled to elect the smallest number of Directors necessary to consti-tute a majority of the full Board of Directors, which right shall con-tinue in force and effect until all arrears of dividends on outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock shall have been declared and paid or deposited in trust with a bank or trust company having the qualifications set forth in subdivision (v) of this Division A for payment on or before the next succeeding dividend payment date. When all such arrears have been declared and paid or deposited in trust for payment as aforesaid, such right to elect a majority of the Board of Directors shall cease and terminate unless and until the equivalent of four or more full quarterly dividends shall again be in default on outstanding shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock. Such right to elect a majority of the Board of Directors is subject to the following terms and conditions:

(h) While holders of outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock remain entitled to elect a majority of the Board of Directors as aforesaid, the payment of dividends on such stock including dividends in arrears, shall not be unreasonably withheld if the financial condi-tion of the Company permits payment thereof;

(i) Such right to elect a majority of the Board of Directors may be exercised at any annual meeting of shareholders, or, within the limitations herein provided, at a special meeting of share-holders held for such purpose. Whenever such right to elect a majority of the Board of Directors shall vest, on request signed by any holder of record of shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock then outstanding and delivered to the Company's principal office not less than 120 days prior to the date of the annual meeting next following the date when such right vests, the President or a Vice-President of the Company shall call a special meeting of shareholders to be held within 30 days after receipt of such request for the purpose of electing a new Board of Directors of which holders of outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock shall be entitled to elect the smallest number necessary to constitute a majority and holders of outstanding shares otherwise entitled to vote shall be entitled to elect the remaining Directors, in each case to serve until the next annual meeting of shareholders or until their successors shall be elected and shall qualify;

(j) Whenever, under the terms hereof, holders of outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock shall be divested of the right to elect a majority of the Board of Directors, upon request signed by any holders of record of shares otherwise entitled to vote and delivered to the Company at its principal office not less than 120 days prior to the date for the annual meeting next following the date of such divesting, the President or a Vice-President of the Company shall call a special meeting of the holders of shares otherwise entitled to vote to be held within 30 days after receipt of such request for the purpose of electing a new Board of Directors to serve until the next annual meeting or until their respective successors shall be elected and shall qualify;

(k) If, while holders of outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock are entitled to elect a majority of the Directors, the holders of shares entitled as a class to elect certain Directors shall fail to elect the full number of Directors which they are entitled to elect, either at an annual meeting of shareholders or a special meeting thereof held as in this subdivision (vi) provided, or at an adjourned session of either thereof held within a period of 90 days beginning with the date of such meeting, then after the expiration of such period holders of outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock and holders of outstanding shares otherwise entitled to vote, voting as a single class, shall be entitled to elect such number of Directors as shall not have been elected during such period by holders of outstanding shares of the class or classes then entitled to elect the same, to serve until the next annual meeting of shareholders or until their successors shall be elected and shall qualify. The term of office of all Directors in office immediately prior to the date of such annual or special meeting shall terminate as and when a full Board of Directors shall have been elected at such meeting or a later meeting of shareholders for the election of Directors, or an adjourned session of either thereof;

(l) At any annual or special meeting of the shareholders or adjournment thereof, held for the purpose of electing Directors while the holders of outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock shall be entitled to elect a majority of the Board of Directors, the presence in person or by proxy of the holders of a majority of outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock, counting all such shares as a single class, shall be necessary to constitute a quorum for the election by such class of a majority of the Board of Directors and the presence in person or by proxy of the holders of a majority of outstanding shares of a class otherwise entitled to vote shall be necessary to constitute a quorum of such class of shares for the election of Directors which holders of such class of shares are then entitled to elect. In case of a failure by the holders of any class or classes to elect, at such meeting or an adjourned session held within said period of 90 days, the number of Directors which they are entitled to elect at such meeting, such meeting shall be deemed ipso facto to have been adjourned to recon-vene at 11:00 A.M., Central Standard Time, on the fourth full business day next following the close of such 90-day period, at which time, or at a subsequent adjourned session of such meeting, such number of Directors as shall not have been elected during such period by holders of outstanding shares of the class or classes then entitled to elect the same, may be elected by holders of outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock and holders of outstanding shares otherwise entitled to vote, voting as a single class. Subject to the preceding provisions of this subdivision (vi), a majority of the holders of shares of any class or classes at the time present in person or by proxy shall have power to adjourn such meeting for the election of Directors by holders of shares of such class or classes from time to time without notice other than announcement at the meeting;

(m) At any election of Directors each holder of outstanding shares of any class entitled to vote thereat shall have the right to cast as many votes in the aggregate as shall equal the number of shares of such class held multiplied by the number of Directors to be elected by holders of shares of such class, and may cast the whole number of votes, either in person or by proxy, for one candi-date, or distribute them among two or more candidates as such holder shall elect; and

(n) While the holders of outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock remain entitled to elect a majority of the Board of Directors, any holder of record of

outstanding shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock shall have the right, during regular business hours, in person or by a duly authorized represen-tative, to examine the Company's stock records of Cumulative Preferred Stock and Cumulative No Par Preferred Stock for the purpose of communicating with other holders of shares of such stock with respect to the exercise of such right of election, and to make a list of such holders.

So long as any shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock are outstanding, the right of the Company, except as otherwise authorized by the consent (given by vote in person or by proxy at a meeting called for that purpose) of the holders of at least two-thirds of the total number of outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock, voting as a single class, to pay or declare any dividends on its junior stock (other than dividends payable in junior stock) or to make any distribution on, or to purchase or otherwise acquire for value, any shares of its junior stock (each and all of such actions being hereafter embraced collectively in the term "dividends on its junior stock" and each thereof being regarded for purposes hereof as a "dividend"), shall be subject to the following limitations:

(o) If and so long as the junior stock equity (as hereinafter defined) at the end of the calendar month immediately preceding the date on which a dividend on the junior stock is declared is, or as a result of such dividend would become less than 20% of total capitalization (as hereinafter defined), the Company shall not declare dividends on any of its junior stock in an amount which, together with all other dividends on its junior stock declared within the year ending with but including the date of such dividend declaration, exceeds 50% of the net income of the Company available for dividends on its junior stock for the 12 consecutive calendar months immediately preceding the month in which such dividend is declared; and

(p) If and so long as the junior stock equity (as hereinafter defined) at the end of the calendar month immediately preceding the date on which a dividend on its junior stock is declared is, or as a result of such dividend would become less than 25%, but more than 20% of total capitalization (as hereinafter defined), the Company shall not declare such dividend on its junior stock in an amount which, together with all other dividends on its junior stock declared within the year ending with but including the date of such dividend declaration, exceeds 75% of the net income of the Company available for dividends on its junior stock for the 12 consecutive calendar months immediately preceding the month in which such dividend is declared; and

(q) Except to the extent permitted by the preceding sub-paragraphs (o) and (p) the Company may not pay dividends on its junior stock which would reduce the junior stock equity below 25% of total capitalization. For the purposes of subparagraphs (d), (o), (p) and (q) of this subdivision (vi):

The total capitalization of the Company shall be deemed to consist of the sum of (x) the principal amount of all outstanding indebtedness of the Company represented by bonds, notes or other evidences of indebtedness maturing by their terms one year or more from the date of issue thereof, (y) the aggregate amount of par or stated capital represented by all issued and outstanding capital stock of all classes of the Company having preference as to divi-dends or upon liquidation over its junior stock (including premiums on stock of such classes), and (z) the junior stock equity of the Company (as hereinafter defined).

The junior stock equity of the Company shall be deemed to consist of the sum of the amount of par or stated capital repre-sented by all issued and outstanding junior stock, including premiums on junior stock, and the surplus (including paid-in or capital surplus) of the Company.

The surplus accounts shall be adjusted to eliminate the amount, if any, by which the total (as shown by the Company's books) of amounts expended by the Company after November 30, 1946, and up to the end of the latest calendar month ended prior to the proposed payment of dividends on its junior stock for maintenance and repairs to, and of provisions made by the Company during such period for depreciation of, the mortgaged property (as defined in the Company's Indenture of Mortgage and Deed of Trust, dated as of December 1, 1946) is less than the cumulative maintenance and replacement requirement for the period beginning December 1, 1946, and ending at the end of the latest calendar month concluded prior to said proposed payment, all as determined and calculated as though one or more maintenance and replacement certificates covering the entire period had been filed pursuant to the Company's Supplemental Indenture dated as of December 1, 1946, and otherwise in accordance with the provisions of said Supplemental Indenture.

In computing gross income and net income available for divi-dends on the Company's junior stock for any particular 12 months, operating expenses, among other things, shall include the greater of (x) the provision for depreciation of the mortgaged property (as defined as aforesaid) as recorded on the Company's books, or, (y) the amount by which expenditures by the Company during such period for maintenance and repairs of the mortgaged property (as defined as aforesaid) as shown by the Company's books is less than the maintenance and replacement requirement for such period, all as determined and calculated as though a maintenance certificate for such period had been filed pursuant to said Supplemental Indenture, and otherwise in accordance with said Supplemental Indenture.

In addition to the requirements set forth in the two immediately preceding clauses, net income available for dividends on the Company's junior stock and surplus (including paid-in or capital surplus) shall be determined in accordance with such system of accounts as may be prescribed by governmental authorities having jurisdiction in the premises, or, in the absence thereof, in accor-dance with sound accounting practice.

Except as provided in this subdivision (vi) of this Division A, and as by statute at the time mandatorily provided, holders of outstanding shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock shall not be entitled to vote; and except as by statute at the time mandatorily provided, holders of shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock shall not be entitled to receive notice of any meeting of shareholders at which they are not entitled to vote or consent.

(vii) No Preemptive Rights. No holder of outstanding shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock shall have any preemptive right to subscribe for or acquire any shares of stock or other securities of any kind hereafter issued by the Company.

B. PREFERENCE STOCK

(i) Series of Preference Stock. Shares of Preference Stock may be issued from time to time in one or more series as provided herein. Each such series shall be designated so as to distinguish the shares thereof from the shares of all other series, and shall have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the Articles of Incorporation or any amendment thereto or in the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors pursuant to authority expressly vested in it by the provisions of this Articles of Incorporation, subject however, to the prior rights and preferences of the Cumulative Preferred Stock and the Cumulative No Par Preferred Stock with respect to dividends, liquidation, preferences, redemption and repurchase, and voting rights as set forth in Division A of this ARTICLE THIRD. Any of the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of any series of Preference Stock may be made dependent upon facts ascertainable outside these Articles of Incorporation or of any amendment thereto, or outside the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors, provided that the manner in which such facts shall operate upon the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of such class of stock is clearly and expressly set forth in these Articles of Incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors. The shares of Preference Stock of all series shall be of equal rank, and all shares of any particular series of Preference Stock shall be identical, except that, if the dividends, if any, thereon are cumulative, the date or dates from which they shall be cumulative may differ. The terms of any series of Preference Stock may vary from the terms of any other series of Preference Stock to the full extent now or hereafter permitted by the Missouri General and Business Corporation Law, and the terms of each series shall be fixed, prior to the issuance thereof, in the manner provided for herein. Without limiting the generality of the foregoing, shares of Preference Stock of different series may, subject to any applicable provisions of law, vary with respect to the following terms:

(a) The distinctive designation of such series and the number of shares of such series;

(b) The rate or rates at which shares of such series shall be entitled to receive dividends, the conditions upon, and the times of payment of such dividends, the relationship and preference, if any, of such dividends to dividends payable on any other class or classes or any other series of stock, and whether such dividends shall be cumulative or noncumulative, and, if cumulative, the date or dates from which such dividends shall be cumulative;

(c) The right, if any, to exchange or convert the shares of such series into shares of any other class or classes, or of any other series of the same or any other class or classes of stock of the Company, and if so convertible or exchangeable, the conversion price or prices, or the rates of exchange, and the adjustments, if any, at which such conversion or exchange may be made;

(d) If shares of such series are subject to redemption, the time or times and the price or prices at which, at the terms and conditions on which, such shares shall be redeemable;

(e) The preference of the shares of such series as to both dividends and assets in the event of any voluntary or involuntary liquidation or dissolution or winding up or distribution of assets of the Company;

(f) The obligation, if any, of the Company to purchase, redeem or retire shares of such series and/or maintain a fund for such purposes, and the amount or amounts to be payable from time to time for such purpose or into such fund, the number of shares to be purchased, redeemed or retired, and the other terms and conditions of any such obligation;

(g) The voting rights, if any, full or limited, to be given the shares of such series, including without limiting the generality of the foregoing, the right, if any, as a series or in conjunction with other series or classes, to elect one or more members of the Board of Directors either generally or at certain specified times or under certain circumstances, and restrictions, if any, on particular corporate acts without a specified vote or consent of holders of such shares (such as, among others, restrictions on modifying the terms of such series of Preference Stock, authorizing or issuing additional shares of Preference Stock or creating any additional shares of Preference Stock or creating any class of stock ranking prior to or on a parity with the Preference Stock as to dividends or assets); and

(h) Any other preferences, and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof.

(ii) Authority for Issuance Granted to Board of Directors. Authority is hereby expressly granted to and vested in the Board of Directors at any time or from time to time to issue the Preference Stock as Preference Stock of any series, and in connection with the creation of each such series, so far as not inconsistent with the provisions of this ARTICLE THREE applicable to all series of Preference Stock, to fix, prior to the issuance thereof, by resolution or resolutions providing for the issue of shares thereof, the authorized number of shares of such series, which number may be increased, unless otherwise provided by the Board of Directors in creating such series, or decreased, but not below the number of shares thereof then outstanding, from time to time by like action of the Board of Directors, the voting powers of such series and the designations, rights, preferences, and relative, participating, optional or other special rights, if any, and the qualifications, limitations or restrictions thereof, if any, of such series.

C. COMMON STOCK

(i) Dividends. Subject to the limitations in this ARTICLE THREE set forth, dividends may be paid on the Common Stock out of any funds legally available for the purpose, when and as declared by the Board of Directors.

(ii) Liquidation Rights. In the event of any liquidation or dissolution of the Company, after there shall have been paid to or set aside for the holders of outstanding shares having superior liquidation preferences to Common Stock the full preferential amounts to which they are respectively entitled, the holders of outstanding shares of Common Stock shall be entitled to receive pro rata, according to the number of shares held by each, the remaining assets of the Company available for distribution.

(iii) Voting Rights. Except as set forth in this ARTICLE THIRD or as by statute otherwise mandatorily provided, the holders of the Common Stock shall exclusively possess full voting powers for the election of Directors and for all other purposes.

D. GENERAL

(i) Consideration for Shares. Subject to applicable law, the shares of the Company, now or hereafter authorized, may be issued for such consideration as may be fixed from time to time by the Board of Directors. Subject to applicable law and to the provisions of this ARTICLE THREE, shares of the Company issued and thereafter acquired by the Company may be disposed of by the Company for such consideration as may be fixed from time to time by the Board of Directors.

(ii) Crediting Consideration to Capital. The entire consideration hereafter received upon the issuance of shares of Common Stock without par value shall be credited to capital, and this requirement may not be eliminated or amended without the affirmative vote or consent of the holders of two-thirds of the outstanding Common Stock.

E. CERTAIN DEFINITIONS

In this ARTICLE THREE, and in any resolution of the Board of Directors adopted pursuant to this ARTICLE THIRD establishing a series of Cumulative Preferred Stock, a series of Cumulative No Par Preferred Stock or a series of Preference Stock, and fixing the designation, description and terms thereof, the meanings below assigned shall control:

"Senior stock" shall mean shares of stock of any class ranking prior to shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock as to dividends or upon dissolution or liquidation;

"Parity stock" shall mean shares of stock of any class ranking on a parity with, but not prior to, shares of Cumulative Preferred Stock and Cumulative No Par Preferred Stock as to dividends or upon dissolution or liquidation;

"Junior stock" shall mean shares of stock of any class ranking subordinate to shares of Cumulative Preferred Stock or Cumulative No Par Preferred Stock as to dividends and upon dissolution or liquidation; and

Preferential dividends accrued and unpaid on a share of Cumulative Preferred Stock, Cumulative No Par Preferred Stock or Preference Stock, to any particular date shall mean an amount per share at the annual dividend rate applicable to such share for the period beginning with the date from and including which dividends on such share are cumulative and concluding on the day prior to such particular date, less the aggregate of all dividends paid with respect to such share during such period.

ARTICLE FOUR

No holder of outstanding shares of any class shall have any preemptive right to subscribe for or acquire shares of stock or any securities of any kind issued by the Corporation.

ARTICLE FIVE

The name and place of residence of each incorporator is as follows:

Bernard J. Beaudoin
11439 West 105th Street
Overland Park, Kansas 66214

ARTICLE SIX

The number of Directors to constitute the first Board of Directors shall is ten (10). Thereafter the number of directors shall be fixed by, or in the manner provided by the By-laws . Any changes in the number will be reported to the Secretary of State within thirty calendar days of such change.

ARTICLE SEVEN

The duration of the corporation is perpetual.

ARTICLE EIGHT

The corporation is formed for the following purposes:

The acquisition, construction, maintenance and operation of electric power and heating plant or plants and distribution systems therefor; the purchase of electrical current and of steam and of other heating mediums and forms of energy; distribution and sale thereof; the doing of all things necessary or incident to carrying on the business aforesaid in the State of Missouri and elsewhere, and generally the doing of all other things the law may authorize such a corporation so to do.

ARTICLE NINE

The Board of Directors may make, alter, amend or repeal By-laws of the Company by a majority vote of the whole Board of Directors at any regular meeting of the Board or at any special meeting of the Board if notice thereof has been given in the notice of such special meeting. Nothing in this ARTICLE NINE shall be construed to limit the power of the shareholders to make, alter, amend or repeal By-laws of the Company at any annual or special meeting of shareholders by a majority vote of the shareholders present and entitled to vote at such meeting, provided a quorum is present.

ARTICLE TEN

At any meeting of shareholders, a majority of the out-standing shares entitled to vote represented in person or by proxy shall constitute a quorum; provided, that less than such quorum shall have the right successively to adjourn the meeting to a specified date not longer than 90 days after such adjournment, and no notice need be given of such adjournment to shareholders not present at the meeting.

ARTICLE ELEVEN

These Articles of Incorporation may be amended in accordance with and upon the vote prescribed by the laws of the State of Missouri; provided, that in no event shall any such amendment be adopted after the date of the adoption of this ARTICLE ELEVEN without receiving the affirmative vote of at least a majority of the outstanding shares of the Company entitled to vote.

ARTICLE TWELVE

In addition to any affirmative vote required by these Articles of Incorporation or By-laws, the affirmative vote of the holders of at least 80% of the outstanding shares of Common Stock of the Company entitled to vote shall be required for the approval or authorization of any Business Combination with an Interested Shareholder; provided, however, that such 80% voting requirement shall not be applicable if:

(a) the Business Combination shall have been approved by a majority of the Continuing Directors; or

(b) the cash or the Fair Market Value of the property, securities or other consideration to be received per share by holders of the Common Stock in such Business Combination is not less than the highest per share price paid by or on behalf of the Interested Shareholder for any shares of Common Stock during the five-year period preceding the announcement of such Business Combination.

The following definitions shall apply for purposes of this ARTICLE TWELVE:

(a) The term "Business Combination" shall mean: (i) any merger or consolidation involving the Company or a subsidiary of the Company with or into an Interested Shareholder; (ii) any sale, lease, exchange, transfer or other disposition (in one transaction or a series) of any Substantial Part of the assets of the Company or a subsidiary of the Company to or with an Interested Shareholder; (iii) the issuance of any securities of the Company or a subsidiary of the Company to an Interested Shareholder other than the issuance on a pro rata basis to all holders of shares of the same class pursuant to a stock split or stock dividend; (iv) any recapitalization or reclassification or other transaction that would have the effect of increasing the proportionate voting power of an Interested Shareholder; (v) any liquida-tion, spinoff, splitup or dissolution of the Company proposed by or on behalf of an Interested Shareholder; or (vi) any agreement, contract, arrangement or understanding providing for any of the transactions described in this definition of Business Combination;

(b) The term "Interested Shareholder" shall mean and include (i) any individual, corporation, partnership or other person or entity which, together with its "Affiliates" or "Associates" (as defined on March 1, 1986, in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934) "beneficially owns" (as defined on March 1, 1986, in Rule 13d-3 of the General Rules and Regulations under the Securities Exchange Act of 1934) in the aggregate 5% or more of the outstanding shares of the Common Stock of the Company, and (ii) any Affiliate or Associate of any such Interested Shareholder;

(c) The term "Continuing Director" shall mean any member of the Board of Directors of the Company who is unaffiliated with the Interested Shareholder and was a member of the Board of Directors prior to the time that the Interested Shareholder became an Interested Shareholder, and any successor of a Continuing Director if the successor is unaffiliated with the Interested Shareholder and is recommended or elected to succeed the Continuing Director by a majority of Continuing Directors;

(d) The term "Fair Market Value" shall mean: (i) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, or, if such stock is not listed on such Exchange, on the principal United States securities exchange registered under the Securities and Exchange Act of 1934 on which such stock is listed, or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any similar system then in use, or, if no such quotations are available, the Fair Market Value on the date in question of a share of such stock as determined by a majority of the Continuing Directors; and (ii) in the case of property other than cash or stock, the Fair Market Value of such property on the date in question as determined by a majority of the Continuing Directors; and

(e) The term "Substantial Part" shall mean 10% or more of the Fair Market Value of the total assets as reflected on the most recent balance sheet existing at the time the shareholders of the Company would be required to approve or authorize the Business Combination involving the assets constituting any such Substantial Part.

Notwithstanding ARTICLE ELEVEN or any other provisions of these Articles of Incorporation or the By-laws of the Company (and not withstanding the fact that a lesser percentage may be specified by law), this ARTICLE TWELVE may not be altered, amended or repealed except by the affirmative vote of the holders of at least 80% or more of the outstanding shares of Common Stock of the Company entitled to vote.

ARTICLE THIRTEEN

(a) Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a Director or officer of the Company or is or was an employee of the Company acting within the scope and course of his or her employment or is or was serving at the request of the Company as a Director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, shall be indemnified and held harmless by the Company to the fullest extent authorized by The Missouri General and Business Corporation Law, as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid to or to be paid in settlement) actually and reasonably incurred by such person in connection therewith. The Company may in its discretion by action of its Board of Directors provide indemnification to agents of the Company as provided for in this ARTICLE THIRTEEN. Such indemnification shall continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators.

(b) Rights Not Exclusive. The indemnification and other rights provided by this ARTICLE THIRTEEN shall not be deemed exclusive of any other rights to which a person may be entitled under any applicable law, By-laws of the Company, agreement, vote of shareholders or disinterested Directors or otherwise, both as to action in such person's official capacity and as to action in any other capacity while holding the office of Director or officer, and the Company is hereby expressly authorized by the shareholders of the Company to enter into agreements with its Directors and officers which provide greater indemnification rights than that generally provided by The Missouri General and Business Corporation Law; provided, however, that no such further indemnity shall indemnify any person from or on account of such Director's or officer's conduct which was finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct. Any such agreement providing for further indemnity entered into pursuant to this ARTICLE THIRTEEN after the date of approval of this ARTICLE THIRTEEN by the Company's shareholders need not be further approved by the shareholders of the Company in order to be fully effective and enforceable.

Insurance. The Company may purchase and maintain insurance on behalf of any person who was or is a Director, officer, employee or agent of the Company, or was or is serving at the request of the Company as a Director, officer, employee or agent of another Company, partnership, joint venture, trust or other enterprise against any liability asserted against or incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Company would have the power to indemnify such person against such liability under the provisions of this ARTICLE THIRTEEN.

Amendment. This ARTICLE THIRTEEN may be hereafter amended or repealed; however, no amendment or repeal shall reduce, terminate or otherwise adversely affect the right of a person entitled to obtain indemnification or an advance of expenses with respect to an action, suit or proceeding that pertains to or arises out of actions or omissions that occur prior to the later of (a) the effective date of such amendment or repeal; (b) the expiration date of such person's then current term of office with, or service for, the Company (provided such person has a stated

term of office or service and completes such term); or (c) the effective date such person resigns his or her office or terminates his or her service (provided such person has a stated term of office or service but resigns prior to the expiration of such term).

IN WITNESS WHEREOF, these Articles of Incorporation have been signed on February 26, 2001.

By: /s/Bernard J. Beaudoin Bernard J. Beaudoin
Signature *Printed Name*

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

I, Jacquetta L. Hartman, a Notary Public, do hereby certify that on February 26, 2001, personally appeared before me Bernard J. Beaudoin, and being duly sworn by me, acknowledged that he/she signed as his/her own free act and deed the foregoing document in the capacity therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.

/s/Jacquetta L. Hartman
(Notarial Seal or Stamp) Notary Public: Jacquetta L. Hartman

My commission expires: April 8, 2004

My County of Commission: Ray

EXHIBIT 1

3.80% CUMULATIVE PREFERRED STOCK

(a) **Establishment of Series and Designation Thereof.** There shall be and hereby is established a series of Cumulative Preferred Stock, the distinctive serial designation of the shares of which shall be, and such shares shall be known as, 3.80% Cumulative Preferred Stock. Such series shall be a closed series consisting of One Hundred Thousand (100,000) shares of the Cumulative Preferred Stock.

(b) **Rate of Dividend.** The rate per annum for preferential dividends on the shares of 3.80% Cumulative Preferred Stock shall be $3.80, which shall be cumulative from and including the date of issue thereof.

(c) **Prices at which Redeemable.** The shares of 3.80% Cumulative Preferred Stock shall be redeemable at any time after the issue thereof for $103.70 per share plus preferential dividends at the rate aforesaid accrued and unpaid to the date of redemption.

(d) **No Sinking Fund.** There shall be no sinking fund for the purchase or redemption of shares of 3.80% Cumulative Preferred Stock.

(e) **No Conversion Privilege.** The shares of 3.80% Cumulative Preferred Stock shall not be convertible into other shares or securities of the Company.

EXHIBIT 2

4.50% CUMULATIVE PREFERRED STOCK

(a) **Establishment of Series and Designation thereof.** There shall be and hereby is established a second series of Cumulative Preferred Stock, the distinctive serial designation of the shares of which shall be, and the shares of which shall be known as, 4.50% Cumulative Preferred Stock. Such series shall be a closed series consisting of 100,000 shares of the Cumulative Preferred Stock.

(b) **Rate of Dividend.** The rate per annum for preferential dividends on the shares of 4.50% Cumulative Preferred Stock shall be $4.50 per share, which shall be cumulative from and including the date of issue thereof.

(c) **Prices at which Redeemable.** The shares of 4.50% Cumulative Preferred Stock shall be redeemable at any time after the issue thereof for $101.00 per share plus preferential dividends at the rate aforesaid accrued and unpaid to the date of redemption.

(d) **No Sinking Fund.** There shall be no sinking fund for the purchase or redemption of shares of 4.50% Cumulative Preferred Stock.

(e) **No Conversion Privilege.** The shares of 4.50% Cumulative Preferred Stock shall not be convertible into other shares or securities of the Company.

EXHIBIT 3

4.20% CUMULATIVE PREFERRED STOCK

(a) **Establishment of Series and Designation thereof.** There shall be and hereby is established a fourth series of Cumulative Preferred Stock, the distinctive serial designation of the shares of which shall be, and the shares of which shall be known as, 4.20% Cumulative Preferred Stock. Such series shall be a closed series consisting of 70,000 shares of the Cumulative Preferred Stock.

(b) **Rate of Dividend.** The rate per annum for preferential dividends on the shares of 4.20% Cumulative Preferred Stock shall be $4.20 per share, which shall be cumulative from and including the date of issue thereof.

(c) **Prices at which Redeemable.** The shares of 4.20% Cumulative Preferred Stock shall be redeemable at any time after the issue thereof for $102.00 per share plus preferential dividends at the rate aforesaid accrued and unpaid to the date of redemption.

(d) **No Sinking Fund.** There shall be no sinking fund for the purchase or redemption of shares of 4.20% Cumulative Preferred Stock.

(e) **No Conversion Privilege.** The shares of 4.20% Cumulative Preferred Stock shall not be convertible into other shares or securities of the Company.

EXHIBIT 4

4.35% CUMULATIVE PREFERRED STOCK

(a) **Establishment of Series and Designation thereof.** There shall be and hereby is established a fifth series of Cumulative Preferred Stock, the distinctive serial designation of the shares of which shall be, and the shares of which shall be known as, 4.35% Cumulative Preferred Stock. Such series shall be a closed series consisting of 120,000 shares of the Cumulative Preferred Stock.

(b) **Rate of Dividend.** The rate per annum for preferential dividends on the shares of 4.35% Cumulative Preferred Stock shall be $4.35 per share, which shall be cumulative from and including the date of issue thereof.

(c) **Prices at which Redeemable.** The shares of 4.35% Cumulative Preferred Stock shall be redeemable at any time after the issue thereof for $101.00 per share plus preferential dividends at the rate aforesaid accrued and unpaid to the date of redemption.

(d) **No Sinking Fund.** There shall be no sinking fund for the purchase or redemption of shares of 4.35% Cumulative Preferred Stock.

(e) **No Conversion Privilege.** The shares of 4.35% Cumulative Preferred Stock shall not be convertible into other shares or securities of the Company.

CHANGE IN CONTROL SEVERANCE AGREEMENT

THIS CHANGE IN CONTROL SEVERANCE AGREEMENT is entered into as of the ___ day of _____, 2006, between Great Plains Energy Incorporated, a Missouri corporation ("Great Plains Energy"), and Michael J. Chesser ("Executive").

WITNESSETH:

WHEREAS, Executive is the Chairman of the Board and Chief Executive Officer of Great Plain Energy and a valued employee of Great Plains Energy or a subsidiary thereof (the "Company"); and

WHEREAS, the Board (as defined herein) believes that it is in the best interests of the Company and its shareholders (i) to provide assurance that the Company will have the continued service of Executive notwithstanding the possibility, threat or occurrence of a Change in Control (as defined in Section 1), (ii) to diminish the distraction to Executive that may arise by virtue of the personal uncertainties and risks created by such a threatened or pending Change in Control, and (iii) to encourage Executive's full attention and dedication to the Company currently and in the event of a threatened or pending Change in Control; and

WHEREAS, the Board and Executive previously entered into a severance agreement dated October 1, 2003, the "Prior Severance Agreement" whereby Great Plains Energy agreed to provide Executive with certain compensation and perquisites following Executive's termination or constructive termination of employment with the Company in connection with a change in control or potential change in control of Great Plains Energy; and

WHEREAS, the Board and Executive agree that, in connection with both parties entering into this Agreement, the Prior Severance Agreement shall be terminated, rendered null and void, and all duties and rights conferred upon the parties thereto extinguished, and that such Prior Severance Agreement is replaced in its entirety with the benefits, duties, terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

1. Certain Definitions. As used in this Agreement, unless otherwise defined herein or unless the context otherwise requires, the following terms shall have the following meanings:

(a) Agreement. "Agreement" means this Change in Control Severance Agreement as amended from time to time.

(b) Beneficial Owner. "Beneficial Owner" shall have the same meaning as set forth in Rule 13d-3 of the Exchange Act.

(c) Board. "Board" means the Board of Directors of Great Plains Energy.

(d) Cause. "Cause" means (i) the material misappropriation of any of the Company's funds, Confidential Information or property; (ii) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, or the equivalent thereof; (iii) commission of act of willful damage, willful misrepresentation, willful dishonesty, or other willful conduct that can reasonably be expected to have a material adverse effect on the business, reputation, or financial situation of the Company; or (iv) gross negligence or willful misconduct in performance of Executive's duties; provided, however, "cause" shall not exist under clause (iv), above, with respect to an act or failure to act unless (A) Executive has been provided written notice describing in sufficient detail the acts or failure to act giving rise to the Company's assertion of such gross negligence or misconduct, (B) been provided a reasonable period to remedy any such occurrence and (C) failed to sufficiently remedy the occurrence.

(e) Change in Control. "Change in Control" means the occurrence of one of the following events, whether in a single transaction or a series of related transactions:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Great Plains Energy (not including in the securities beneficially owned by such Person any securities acquired directly from Great Plains Energy or its affiliates other than in connection with the acquisition by Great Plains Energy or its affiliates of a business) representing 35% or more of either the then outstanding shares of common stock of Great Plains Energy or the combined voting power of Great Plains Energy's then outstanding securities; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Great Plains Energy, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) whose appointment or election by the Board or nomination for election by Great Plains Energy's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved; or

(iii) the consummation of a merger, consolidation, reorganization or similar corporate transaction of Great Plains Energy, whether or not Great Plains Energy is the surviving corporation in such transaction, other than (A) a merger, consolidation, or reorganization that would result in the voting securities of Great Plains Energy outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 60% of the combined voting power of the voting securities of Great Plains Energy or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or reorganization, or (B) a merger, consolidation or reorganization effected to implement a recapitalization of Great Plains Energy (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Great Plains Energy (not including in the securities Beneficially Owned by such Person any securities acquired directly from Great Plains Energy or its affiliates other than in connection with the acquisition by Great Plains Energy or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of Great Plains Energy or the combined voting power of Great Plains Energy's then outstanding securities; or

(iv) the occurrence of, or the stockholders of Great Plains Energy approve a plan of, a complete liquidation or dissolution of Great Plains Energy or an agreement for the sale or disposition by Great Plains Energy of all or substantially all of Great Plains Energy's assets, other than a sale or disposition of all or substantially all of Great Plains Energy's assets to an entity, at least 60% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of Great Plains Energy immediately prior to such sale.

Notwithstanding the foregoing, no "Change in Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the common stock of Great Plains Energy immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Great Plains Energy immediately following such transaction or series of transactions.

(f) Change in Control Period. "Change in Control Period" means the period commencing on the date hereof and ending on the second anniversary of such date; provided, however, that commencing on a date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof being hereinafter referred to as the "Renewal Date"), the Change in Control Period shall be automatically extended so as to terminate two years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to Executive that the Change in Control Period shall not be so extended; provided, further that during any period of time when the Board or the governing body of Great Plains Energy has knowledge that any person has taken steps reasonably calculated to effect a Change in Control, the Change in Control Period shall automatically be extended (and may not terminate) until, in the opinion of the Board, such person has abandoned or terminated its efforts to effect a Change in Control.

(g) Company. "Company" means, except as the context requires otherwise, references to Great Plains Energy Incorporated, a Missouri corporation, its successors and assigns, and/or any subsidiary thereof, as applicable.

(h) Confidential Information. "Confidential Information" means (1) any and all trade secrets concerning the business and affairs of the Company, product specifications, data, know-how, formulae, algorithms, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current, and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer software and programs (including object code and source code), computer software and database technologies, systems, structures, and architectures; (2) information concerning the business and affairs of the Company (which includes historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, the names and backgrounds of key personnel, personnel training and techniques and materials); and (3) notes, analysis, compilations, studies, summaries, and other material prepared by or for the Company containing or based, in whole or in part, or any information included in the foregoing, whether reduced to writing or not and which has not become publicly known or made generally available through no wrongful act of Executive or others who were under confidentiality obligations as to the item or items involved.

(i) Date of Termination. "Date of Termination" means (i) if Executive's employment is terminated by the Company for Cause, or by Executive for Good Reason, the date of receipt of the Notice of Termination or any later date permitted to be specified therein, as the case may be, (ii) if Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies Executive of such termination, (iii) if Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of Executive or the Disability Effective Date (as defined in Section 2(a)), as the case may be and (iv) if Executive's employment is terminated by Executive for other than Good Reason, the Date of Termination shall be the date on which Executive notifies the Company in writing of such termination or any later date permitted to be specified therein, as the case may be.

(j) Disability or Disabled. The term "Disability" or "Disabled" shall mean an individual (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than 3 months under a Company sponsored accident or health plan.

(k) Effective Date. "Effective Date" means the first date on which a Change in Control occurs during the Change in Control Period.

(l) Exchange Act. "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

(m) Good Reason. "Good Reason" means, without Executive's written consent any of the following:

(i) Any material and adverse reduction or material and adverse diminution in Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities held, exercised or assigned at any time during the 90-day period immediately preceding the commencement of the Pre-CIC Protected Period;

(ii) Any reduction in Executive's annual base salary as in effect immediately preceding the commencement of the Pre-CIC Protected Period or as the same may be increased from time to time;

(iii) Any reduction in benefits received by Executive under Company Plans (as defined below) to less than the most favorable benefits provided to Executive by the Company under Company Plans at any time during the 90-day period immediately preceding the commencement of the Pre-CIC Protected Period. "Company Plans" means (1) all incentive, savings and retirement plans, practices, policies and programs sponsored or maintained by the Company, (2) all welfare benefit plans, practices, policies and programs (including medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) sponsored or maintained by the Company, (3) expense reimbursement by the Company for all reasonable out-of-pocket employment expenses incurred by Executive, (4) the provision of fringe benefits, and (5) the provision of paid vacation time by the Company;

(iv) Executive being required by the Company to be based at any office or location that is more than 70 miles from the location where Executive was employed immediately preceding the commencement of the Pre-CIC Protected Period; or

(v) Any failure by the Company to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place, or any failure by any such successor after ten (10) days notice from Executive to so perform under this Agreement.

Provided, however, notwithstanding the occurrence of any of the events set forth above in this Section 1(m), Good Reason shall not include for the purpose of this definition (1) an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive, or (2) if occurring within the Pre-CIC Protected Period, any reduction in Executive's base annual salary or reduction in benefits received by Executive where such reduction is in connection with a company-wide reduction in salaries or benefits.

(n) Notice of Termination. "Notice of Termination" means a written notice of termination which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated and (iii) if the Date of Termination is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than fifteen (15) days after the giving of such notice), unless another date is mutually agreed upon between Executive and the Company.

(o) Person. "Person" has the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (1) Great Plains Energy or any of its subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly, or indirectly, by the stockholders of Great Plains Energy in substantially the same proportions as their ownership of stock of Great Plains Energy.

(p) Post-Effective Period. "Post-Effective Period" means the period commencing on the Effective Date and ending on the earlier of (i) the second anniversary of such date or (ii) Executive's 70^{th} birthday.

(q) Pre-CIC Protected Period. "Pre-CIC Protected Period" means the period that is within the Change in Control Period and begins when (A) Great Plains Energy enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; (B) Great Plains Energy or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; (C) any Person becomes the Beneficial Owner, directly or indirectly, of voting securities of Great Plains Energy representing 10% or more of the combined voting power of Great Plains Energy's then outstanding voting securities; or (D) the Board, the members or the stockholders of Great Plains Energy adopts a resolution approving any of the foregoing or approving any Change in Control, and ends upon the date the Change in Control transaction is either consummated, abandoned or terminated (for this purpose, the Board shall have the sole and absolute discretion to determine that a proposed transaction has been abandoned).

2. Termination of Employment During the Post-Effective Period.

(a) Death or Disability. Executive's employment shall terminate automatically upon Executive's death or, with written notice by the Company of its intention to terminate Executive's employment, upon Executive's Disability. In such event, Executive's employment with the Company shall terminate effective on the 90th day after receipt of such notice by Executive (the "Disability Effective Date"), provided that within the 90 days after such receipt Executive shall not have returned to full-time performance of Executive's duties.

(b) Cause. The Company may terminate Executive's employment at any time for Cause or without Cause. Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for Cause without (i) reasonable notice to Executive setting forth the reasons for the Company's intention to terminate for Cause, (ii) an opportunity for Executive, together with his counsel, to be heard before the Board within fifteen (15) days of such notice, and (iii) delivery to Executive of a Notice of Termination from the Board finding that, in the good faith opinion of the Board, that Executive was guilty of conduct set forth in Section 1(d), and specifying the particulars thereof in reasonable detail.

(c) Executive Resignation. Executive's employment may be terminated at any time by Executive for Good Reason or without Good Reason.

(d) Notice of Termination. Any termination by the Company for Cause, or by Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto. The failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of Executive or the Company hereunder or preclude Executive or the Company from asserting such fact or circumstance in enforcing Executive's or the Company's rights hereunder.

3. Obligations of the Company Upon Termination of Employment.

(a) Post-Effective Period Terminations Other Than for Cause, Death or Disability; Post-Effective Period Executive Resignation. If, during the Post-Effective Period, the Company shall terminate Executive's employment other than (I) for Cause or (II) on account of Executive's death or Disability, or Executive shall terminate employment for Good Reason, the Company shall pay to Executive, in a lump-sum cash payment made within 30 days following the Date of Termination, as compensation for services rendered to the Company, an amount equal to the aggregate of the following amounts set forth below in Sections 3(a)(i), (ii), (iii), and (iv), and provide to Executive the benefits provided in Section 3(a)(v).

(i) A cash amount equal to the sum of (A) Executive's full annual base salary from the Company and its affiliated companies through the Date of Termination, to the extent not theretofore paid, (B) a bonus in an amount at least equal to the average annualized incentive awards paid or payable pursuant to any Company-sponsored annual incentive compensation plan, including by reason of any deferral under a Company-sponsored deferred compensation program, to Executive by the Company and its affiliated companies during the five fiscal years of the Company (or if Executive shall have performed services for the Company and its affiliated companies for four fiscal years or less, the years during which Executive performed services) immediately preceding the fiscal year in which the Change in Control (or if benefits are payable pursuant to Section 3(c), the Date of Termination) occurs, multiplied by a fraction, the numerator of which is the number of days in the fiscal year in which the Date of Termination occurs through the Date of Termination and the denominator of which is 365 or 366, as applicable, to the extent not theretofore paid, (C) any amount credited to Executive's CAP Excess Benefits Account pursuant to the Great Plains Energy Incorporated Nonqualified Deferred Compensation Plan and any other compensation previously deferred by Executive (together with any interest and earnings thereon), in each case to the extent not theretofore paid, and (D) any accrued unpaid vacation pay;

(ii) a cash amount equal to (A) three (3) times Executive's highest annual base salary from the Company and its affiliated companies in effect during the twelve (12)-month period prior to the Date of Termination, plus (B) three (3) times Executive's average annualized annual incentive compensation awards, paid, or, but for a deferral under a Company-sponsored deferred compensation program, would have been paid, to Executive by the Company and its affiliated companies during the five fiscal years of the Company (or if Executive shall have performed services for the Company and its affiliated companies for four fiscal years or less, the years during which Executive performed services) immediately preceding the fiscal year in which the Change in Control (or if benefits are payable pursuant to Section 3(c), the Date of Termination) occurs; provided, however, that in the event there are fewer than thirty-six (36) whole months remaining from the Date of Termination to the date of Executive's 70th birthday, the amount calculated in accordance with this Section 3(a)(ii) shall be reduced by multiplying such amount by a fraction the numerator of which is the number of months, including a partial month (with a partial month being expressed as a fraction the numerator of which is the number of days remaining in such month and the denominator of which is the number of days in such month), so remaining and the denominator of which is thirty-six (36) months; provided further that any amount paid pursuant to this Section 3(a)(ii) shall be paid in lieu of any other amount of severance pay to be received by Executive upon termination of employment of Executive under any severance plan, policy or arrangement of the Company;

(iii) a cash amount equal to the excess of (A) the actuarial equivalent value of the monthly accrued benefits payable to Executive at age 65 under the Great Plains Energy Incorporated Management Pension Plan (the "Pension Plan") as in effect on the date of this Agreement and the benefits provided under the Supplemental Executive Retirement Plan in respect of the Pension Plan as in effect on the date of this Agreement, assuming (1) that benefits have accrued thereunder and Executive is entitled to such benefits, (2) each such benefit shall be computed as if Executive had two Years of Credited Service for every one actual Year of Credited Service earned under the Pension Plan, plus six additional Years of Credited Service earned under the Pension Plan and (3) Executive were fully vested in such hypothetical benefits, over (B) the actuarial equivalent value of Executive's vested accrued benefits under the Pension Plan and benefits payable under the Supplemental Executive Retirement Plan computed as if Executive had two Years of Credited Service for every one actual Year of Credited Service earned under the Pension Plan. Such cash amount shall be computed using the same actuarial methods and assumptions then in use for purposes of computing benefits under the Pension Plan, except that the computation shall be made without actuarial reduction for early retirement and provided that the interest rate used in such computation shall be the interest rate used on the Date of Termination by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution pursuant to a plan termination;

(iv) if on the Date of Termination Executive shall not be fully vested in the matching employer contributions made on Executive's behalf under the Great Plains Energy Incorporated Cash or Deferred Arrangement, a cash amount equal to the value of the unvested portion of such matching employer contributions;

(v) for a period of three (3) years commencing on the Date of Termination, the Company shall provide Executive and Executive's dependents with medical, accident, disability and life insurance coverage upon substantially the same terms and otherwise substantially to the same extent as such coverage was being provided to Executive and Executive's dependent(s) immediately prior to the Date of Termination. At the Company's election, such continuation coverage may be provided by (A) continuing such coverage under the Company's existing welfare benefit plans, (B) with respect to any group health care plan and for the applicable period permitted under Code Section 4980B(f)(2), Executive and/or Executive's dependent(s) being deemed to have elected to receive such coverage pursuant to a continuation election under Code Section 4980B with the Company being obligated to pay for the entire portion of the applicable COBRA premiums, (C) the Company purchasing an individual policy (to the extent such a policy is reasonably available in the marketplace) for Executive and/or Executive's dependent(s) providing substantially similar coverage as offered under the Company's plan, or (D) any combination of the forgoing methods under (A), (B) and (C) of this paragraph. Notwithstanding the foregoing sentence, if any of the medical, accident, disability or life insurance plans then in effect generally with respect to other peer executives of the Company and its affiliated companies would be more favorable to Executive, such plan coverage shall be substituted for the analogous plan coverage provided to Executive immediately prior to the Date of Termination, and the Company and Executive shall share the costs of such plan coverage in the same proportion as such costs were shared immediately prior to the Date of Termination. The obligation of the Company to continue coverage of Executive and Executive's dependent(s) under such plans and in accordance with this paragraph shall cease at such time as Executive and Executive's dependent(s) obtain comparable coverage under another plan, including a plan maintained by a new employer. With respect to any Company group health care plan, any continuation coverage provided under this paragraph shall be considered as alternative continuation coverage to any rights Executive or Executive's dependent(s) may have with respect to any other group health plan continuation coverage required by Code Section 4980B or any applicable state statute mandating health insurance continuation coverage. Except to the extent required by law, upon termination of the coverage provided for under this Section 3(a)(v), Executive and/or Executive's dependent(s) shall have no further right to continuation of coverage under any group health plan maintained by the Company or its affiliated companies.

(b) Termination for Cause, Disability, Death or Other than for Good Reason. If at any time during the Change in Control Period Executive's employment shall be terminated for Cause, Executive's employment is terminated due to Executive's death or Disability, or if Executive terminates employment other than for Good Reason, this Agreement shall terminate without further obligation of the Company to Executive other than (i) the obligation to pay to Executive his or her base salary through the Date of Termination, any incentive bonus and other compensation, payments and benefits for the most recently completed fiscal year and any accrued vacation pay, to the extent theretofore unpaid, which amounts shall be paid to Executive in a lump sum in cash within thirty (30) days of the Date of Termination, and (ii) the obligation to pay to Executive all amounts or benefits to which Executive is entitled for the period prior to the Date of Termination under any plan, program, policy, practice, contract or agreement of the Company (excluding amounts otherwise required to be paid under this Section 3(b)), at the time such amounts or benefits are due.

(c) Certain Terminations During Pre-CIC Protected Period. If, during the Pre-CIC Protected Period, Executive's employment is terminated by the Company other than for Cause or Executive terminates his or her employment for Good Reason, then Executive shall be entitled to receive the same benefits he or she would be entitled to receive under Section 3(a) if such termination of employment would have occurred during the Post-Effective Period. Any benefits or payments to be paid pursuant to this Section 3(c) shall be paid in a lump-sum payment and, subject to Section 3(d), within thirty (30) days following the termination of Executive's employment.

(d) Payments to Executive Following Termination. If (i) Executive is a "specified employee," as defined in Code section 409A(a)(1)(B)(i), and (ii) Executive's employment is terminated, either by Executive or by the Company, due to any reason, other than Executive's death, then, notwithstanding Sections 3(a) or 3(c) of this Agreement, Executive shall not receive any payment pursuant to Sections 3(a) or 3(c) until the first business day after six full months after Executive's Date of Termination.

4. Section 280G Gross-Up.

(a) Except as provided for in Section 4(e) below and notwithstanding any other provision in this Agreement to the contrary, in the event it shall be determined that any payment or distribution by the Company or its affiliated companies to or for the benefit of Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 4) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code, or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Company shall pay to Executive an additional payment (a "Gross-Up Payment") in an amount such that after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (except for any income tax under Section 409A of the Code), any interest and penalties imposed with respect thereto, and Excise Tax imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 4(c), all determinations required to be made under this Section 4, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by an independent registered public accounting firm selected by the Company that is not also the Company's then current accounting firm for annual audit purposes (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and Executive within fifteen (15) business days of the receipt of notice from Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, Executive shall appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 4, shall be paid by the Company to Executive within five (5) days of the receipt of the Accounting Firm's determination, but in no event later than the time set forth in Section 4(f), below. If the Accounting Firm determines that no Excise Tax is payable by Executive, it shall furnish Executive with a written opinion that failure to report the Excise Tax on Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 4(c) and Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of Executive.

(c) Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten (10) business days after Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the thirty (30) day period following the date on which Executive gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 4(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive shall prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided further, that if the Company desires Executive to pay such claim and sue for a refund, the Company shall, on Executive's behalf, pay such claim and on an after-tax basis reimburse Executive from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such payment and provided further, that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after payment by the Company pursuant to Section 4(c), Executive becomes entitled to receive, and receives, any refund with respect to such claim, Executive shall (subject to the Company's complying with the requirements of Section 4(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment of an amount by the Company pursuant to Section 4(c), a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) Notwithstanding Executive otherwise being eligible for a Gross-Up Payment under this Section 4, if, excluding any Gross-Up Payment required to be made pursuant to this Section 4, the "parachute payment" made to Executive does not exceed three times Executive's "base amount" by more than $1,000, then the payments and benefits to be paid or provided under this Agreement will be reduced to the minimum extent necessary so that no portion of any payment or benefit to Executive, as so reduced, constitutes an "excess parachute payment." For purposes of this Section 4(e), the terms "excess parachute payment," "parachute payment," and "base amount" will have the meanings assigned to them by Section 280G of the Code. The determination of whether any reduction in such payments or benefits to be provided under this Agreement is required pursuant to the preceding sentence will be made at the expense of the Company by the Accounting Firm. The fact that Executive's right to payments or benefits may be reduced by reason of the limitations contained in this Section 4(e) will not of itself limit or otherwise affect any other rights of Executive other than pursuant to this Agreement. In the event that any payment or benefit intended to be provided under this Agreement or otherwise is required to be reduced pursuant to this Section 4(e), Executive will be entitled to designate the payments and/or benefits to be so reduced in order to give effect to this Section. The Company will provide Executive with all information reasonably requested by Executive to permit Executive to make such designation. In the event that Executive fails to make such designation within 10 business days of the date of termination of Executive's employment, the Company may effect such reduction in any manner it deems appropriate.

(f) Any Gross-Up Payment made to Executive pursuant to this Section 4 shall be exempt from Code Section 409A pursuant to the short-term deferral exception to Code Section 409A. Absent further guidance from the United States Treasury Department, the Internal Revenue Service or any judicial authority relating to the application of Section 409A to Section 280G Gross-Up Payments, Gross-Up Payments pursuant to this Section 4 shall be made as follows:

(i) With respect to any Gross-Up Payment that can be reasonably calculated as of the time of a Change in Control or shortly thereafter, such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the Change in Control occurs;

(ii) With respect to any Gross-Up Payment that results from Executive becoming eligible for benefits under this Agreement upon Executive's termination of employment, such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the earlier of (A) the event giving rise to Executive's Good Reason occurs or (B) Executive's termination of employment; and

(iii) With respect to any Gross-Up Payment that is required to be made to Executive pursuant to Section 4(c), such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the alleged obligation of Executive, as reflected by Executive's receipt of a claim by the Internal Revenue Service, is received by Executive.

5. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit Executive's continuing or future participation in any plan, program, policy or practice provided by the Company and for which Executive may qualify, nor shall anything herein limit or otherwise affect such rights as Executive may have under any contract or agreement with the Company. Amounts that are vested benefits or that Executive is otherwise entitled to receive at or subsequent to the Date of Termination under any plan, policy, practice or program of or any contract or agreement with the Company shall be payable in accordance with such plan, policy, practice or program or contract or agreement, except as explicitly modified by this Agreement.

6. Full Settlement; Resolution of Disputes.

(a) Except where Executive's employment is terminated for Cause, the Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Executive obtains other employment. Subject to Executive's agreement to repay certain fees and expenses as provided below in Section 6(b), the Company shall pay promptly as incurred, to the full extent permitted by law, all legal fees and expenses that Executive may reasonably incur as a result of any dispute or contest (regardless of the outcome thereof) by the Company, Executive or others of the validity or enforceability of, or the existence of liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at one hundred twenty percent (120%) of the Federal Mid-Term Rate under Section 1274(d) of the Code.

(b) If there shall be any dispute or contest between the Company and Executive (i) in the event of any termination of Executive's employment by the Company, whether such termination was for Cause, or (ii) in the event of any termination of employment by Executive whether Good Reason existed, then the resolution of such dispute or contest shall be finally determined by arbitration, which may be initiated by either the Company or Executive, pursuant to the Federal Arbitration Act in accordance with the rules then in force of the American Arbitration Association. The arbitration proceedings shall take place in Kansas City, Missouri or such other location as the parties in dispute hereafter may agree upon; and such proceedings will be conducted in the English language and shall be governed by the laws of the State of Missouri as such laws are applied to agreements between residents of the State entered into and to be performed entirely within the State. There shall be one arbitrator, as shall be agreed upon by the parties in dispute, who shall be an individual skilled in the legal and business aspects of the subject matter of this Agreement and of the dispute. In the absence of such agreement, each party in dispute shall select one arbitrator and the arbitrators so selected shall select a third arbitrator. In the event the arbitrators cannot agree upon the selection of a third arbitrator, such third arbitrator shall be appointed by the American Arbitration Association at the request of any of the parties in dispute. The arbitrators shall be individuals skilled in the legal and business aspects of the subject matter of this Agreement and of the dispute. The decision rendered by the arbitrator or arbitrators shall be accompanied by a written opinion in support thereof. Such decision shall be final and binding upon the parties in dispute without right of appeal, it being the intent of the parties that such decision, and, irrespective of any contrary provision of the laws of the State respecting rights of appeal, such decision may not be appealed. The burden of proving that Executive is not entitled to receive the amounts and the benefits contemplated by this Agreement shall be on the Company.

(c) In the event of such an arbitration and provided that Executive shall repay the following amounts, fees and expenses if the final and binding decision of the arbitrator(s) is that Executive's termination was for Cause or that Good Reason did not exist for termination of employment by Executive, (i) Great Plains Energy shall advance to Executive all legal fees and expenses that Executive may reasonably incur as a result of any such action, and (ii) if a final and binding decision of the arbitrator(s) is not obtained by the six-month anniversary of the date the Company or Executive first provided notice to the other party of the dispute or contest (the "Dispute Notice"), Great Plains Energy shall pay all amounts, and provide all benefits, to Executive and/or Executive's family or other beneficiaries, as the case may be, that Great Plains Energy would be required to pay or provide pursuant to Sections 3(a) or 3(c) if such termination were by the Company without Cause or by Executive with Good Reason. If the final and binding decision of the arbitrator(s) is that Executive's termination was not for Cause or that Good Reason did exist for such termination by Executive then, (I) if such decision is before the six-month anniversary of the receipt of the Dispute Notice, Executive shall receive all payments and benefits contemplated by this Agreement, plus interest on any delayed payment or benefit at one hundred twenty percent (120%) of the Federal Mid-Term Rate under Section 1274(d) of the Code or (II) if such decision is after the six-month anniversary of the receipt of the Dispute Notice such that all payments and benefits contemplated by this Agreement have already been paid, Executive shall receive interest (calculated in the same manner as set forth above) for the six-month period the payments and provision of benefits were delayed. In no event may the arbitrator or arbitrators award any other damages or award of any kind. Notwithstanding the foregoing, nothing in this Agreement is intended to, or shall be construed as, affecting the rights and obligations of Executive and the Company to submit any dispute (other than such disputes contemplated by, and resolved in accordance with Sections 6(b) and 6(c)) to the appropriate dispute resolution process in accordance with any applicable dispute resolution plan intended to provide a procedural mechanism, whether exclusive or non-exclusive, for the resolution of any and all disputes between the Company and its present or former employees.

7. Restrictive Covenants.

(a) Nondisclosure of Confidential Information. Executive shall hold in confidence for the benefit of the Company all Confidential Information. Executive agrees that Executive will not disclose any Confidential Information to any person or entity other than the Company and those designated by it, either during or subsequent to Executive's employment by the Company, nor will Executive use any Confidential Information, except (i) in the regular course of Executive's employment by the Company, without the prior written consent of the Company or (ii) as may otherwise be required by law or legal process.

(b) Actions Upon Termination; Assistance with Claims. Upon Executive's employment termination for whatever reason, Executive shall neither take or copy nor allow a third party to take or copy, and shall deliver to the Company all property of the Company, including, but not limited to, all Confidential Information regardless of the medium (i.e., hard copy, computer disk, CD ROM) on which the information is contained. During and after Executive's employment by the Company, Executive will provide reasonable assistance to the Company in the defense of any claims or potential claims that may be made or threatened to be made against the Company in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative ("Proceeding") and will provide reasonable assistance to the Company in the prosecution of any claims that may be made by the Company in any Proceeding, to the extent that such claims may relate to Executive's employment by the Company. For the avoidance of doubt, reasonable assistance would not include Executive being required to provide information that could reasonably result in criminal or civil charges or penalties being assessed or imposed against Executive in his individual capacity. Executive shall, unless precluded by law, promptly inform the Company if Executive is asked to participate (or otherwise become involved) in any Proceeding involving such claims or potential claims. Executive also shall, unless precluded by law, promptly inform the Company if Executive is asked to assist in any investigation (whether governmental or private) of the Company (or its actions), regardless of whether a lawsuit has then been filed against the Company with respect to such investigation. The Company shall reimburse Executive for all of Executive's reasonable out-of-pocket expenses associated with such assistance, including travel expenses and any attorneys' fees and shall pay a reasonable per diem fee (equal to 1/250th of Executive's annual salary rate at Executive's Date of Termination) for Executive's services.

(c) Noncompetition. Executive agrees that so long as Executive is employed by the Company and for a period of six (6) months thereafter, Executive shall not, without the prior written consent of the Company, which in the case of termination will not be unreasonably withheld, participate or engage in, directly or indirectly (as an owner, partner, employee, officer, director, independent contractor, consultant, advisor or in any other capacity calling for the rendition of services, advice, or acts of management, operation or control), any business that, during Executive's employment, is in direct competition with the business conducted by the Company or any of its affiliates within the United States (hereinafter, the "Geographic Area"); provided, however, that the foregoing shall not be construed to preclude Executive from making any investments in any securities to the extent such securities are traded on a national securities exchange or over-the-counter market and such investment does not exceed five percent (5%) of the issued and outstanding voting securities of such issuer.

(d) Nonsolicitation of Employees. During Executive's employment and for a period of six (6) months thereafter, Executive shall not, without the consent of the Company, directly or indirectly solicit any current employee of the Company or any of its affiliates, to leave such employment and join or become affiliated with any business that is in direct competition with the business conducted by the Company or any of its affiliates within the Geographic Area.

(e) Mutual Non-disparagement. Executive shall refrain from making any statements about the Company or its officers or directors that would disparage, or reflect unfavorably upon the image or reputation of the Company or any such officer or director. The Company shall refrain from making any statements about Executive that would disparage, or reflect unfavorably upon the image or reputation of, Executive.

(f) Irreparable Harm. Executive acknowledges that: (i) Executive's compliance with this Section 7 is necessary to preserve and protect the Confidential Information, and the goodwill of the Company and its affiliates as going concerns; (ii) any failure by Executive to comply with the provisions of this Section may result in irreparable and continuing injury for which there may be no adequate remedy at law; and (iii) in the event that Executive should fail to comply with the terms and conditions of this Section, the Company shall be entitled, in addition to such other relief as may be proper, to seek all types of equitable relief (including, but not limited to, the issuance of an injunction and/or temporary restraining order) as may be necessary to cause Executive to comply with this Section, to restore to the Company its property, and to make the Company whole.

(g) Unenforceability. If any provision(s) of this Section 7 shall be found invalid or unenforceable, in whole or in part, then such provision(s) shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision(s) had been originally incorporated herein as so modified or restricted, or as if such provision(s) had not been originally incorporated herein, as the case may be.

8. Successors.

(a) This Agreement is personal to Executive and shall not be assignable by Executive without the prior written consent of the Company otherwise than by will or the laws of descent and distribution. If Executive should die while any amounts would still be payable to Executive hereunder if she or he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's heirs or representatives or, if there be no such designee, to Executive's estate.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

9. Prohibition of Payments by Regulatory Agencies. Notwithstanding anything to the contrary contained in this Agreement, the Company shall not be obligated to make any payment to Executive under this Agreement if the payment would violate any rule, regulation or order of any regulatory agency having jurisdiction over the Company or any of its subsidiaries; provided, however, that the Company covenants to Executive that it will take all reasonable steps to obtain any regulatory agency approvals that may be required in order to make payments to Executive as provided herein.

10. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto. This Agreement supersedes all previous agreements relating to the subject matter of this Agreement, written or oral, between the parties hereto and contains the entire understanding of the parties hereto including, but not limited to that Prior Severance Agreement dated October 1, 2003, between the Board and Executive.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:

Great Plains Energy Incorporated
Attn: General Counsel
1201 Walnut
Kansas City, Missouri
64106-2124

If to Executive:

Michael J. Chesser
Great Plains Energy Incorporated
1201 Walnut
Kansas City, Missouri
64106-2124

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which other provisions shall remain in full force and effect.

(d) This Agreement is intended to meet the requirements of Section 409A of the Code and may be administered in a manner that is intended to meet those requirements and shall be construed and interpreted in accordance with such intent. To the extent that any payment or benefit provided hereunder is subject to Section 409A of the Code, such payment or benefit shall be provided in a manner that will meet the requirements of Section 409A of the Code, including regulations or other guidance issued with respect thereto, such that the payment or benefit shall not be subject to the excise tax applicable under Section 409A of the Code. Any provision of this Agreement that would cause any payment or benefit to fail to satisfy Section 409A of the Code shall be amended (in a manner that as closely as practicable achieves the original intent of this Agreement) to comply with Section 409A of the Code on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Section 409A of the Code. In the event additional regulations or other guidance is issued under Section 409A of the Code or a court of competent jurisdiction provides additional authority concerning the application of Section 409A with respect to the payments described in Section 4 of the Agreement, then the provisions of such Section shall be amended to permit such payments to be made at the earliest time permitted under such additional regulations, guidance or authority that is practicable and achieves the original intent of this Agreement.

(e) The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(f) Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Executive or the Company may have hereunder, including, without limitation, the right of Executive to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) Executive and Great Plains Energy acknowledge that, except as may otherwise be provided under any other written agreement between Executive and the Company, the employment of Executive by the Company is "at will" and, may be terminated by either Executive or the Company at any time. Except as provided in Section 3(c), if prior to the Effective Date, Executive's employment with the Company terminates, then Executive shall have no further rights under this Agreement.

(h) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one agreement that is binding upon each of the parties hereto, notwithstanding that all parties are not signatories to the same counterpart.

IN WITNESS WHEREOF, each of Great Plains Energy and Executives has executed this Agreement as of the day and year first above written.

GREAT PLAINS ENERGY INCORPORATED

By:
Name:
Title:

EXECUTIVE:

Michael J. Chesser

CHANGE IN CONTROL SEVERANCE AGREEMENT

THIS CHANGE IN CONTROL SEVERANCE AGREEMENT is entered into as of the ___ day of _____, 2006, between Great Plains Energy Incorporated, a Missouri corporation ("Great Plains Energy"), and William H. Downey ("Executive").

WITNESSETH:

WHEREAS, Executive is a valued employee of Great Plains Energy or a subsidiary thereof (the "Company"); and

WHEREAS, the Board (as defined herein) believes that it is in the best interests of the Company and its shareholders (i) to provide assurance that the Company will have the continued service of Executive notwithstanding the possibility, threat or occurrence of a Change in Control (as defined in Section 1), (ii) to diminish the distraction to Executive that may arise by virtue of the personal uncertainties and risks created by such a threatened or pending Change in Control, and (iii) to encourage Executive's full attention and dedication to the Company currently and in the event of a threatened or pending Change in Control; and

WHEREAS, the Board and Executive previously entered into a severance agreement dated September 25, 2000, the "Prior Severance Agreement" whereby Great Plains Energy agreed to provide Executive with certain compensation and perquisites following Executive's termination or constructive termination of employment with the Company in connection with a change in control or potential change in control of Great Plains Energy; and

WHEREAS, the Board and Executive agree that, in connection with both parties entering into this Agreement, the Prior Severance Agreement shall be terminated, rendered null and void, and all duties and rights conferred upon the parties thereto extinguished, and that such Prior Severance Agreement is replaced in its entirety with the benefits, duties, terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

1. Certain Definitions. As used in this Agreement, unless otherwise defined herein or unless the context otherwise requires, the following terms shall have the following meanings:

(a) Agreement. "Agreement" means this Change in Control Severance Agreement as amended from time to time.

(b) Beneficial Owner. "Beneficial Owner" shall have the same meaning as set forth in Rule 13d-3 of the Exchange Act.

(c) Board. "Board" means the Board of Directors of Great Plains Energy.

(d) Cause. "Cause" means (i) the material misappropriation of any of the Company's funds, Confidential Information or property; (ii) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, or the equivalent thereof; (iii) commission of act of willful damage, willful misrepresentation, willful dishonesty, or other willful conduct that can reasonably be expected to have a material adverse effect on the business, reputation, or financial situation of the Company; or (iv) gross negligence or willful misconduct in performance of Executive's duties; provided, however, "cause" shall not exist under clause (iv), above, with respect to an act or failure to act unless (A) Executive has been provided written notice describing in sufficient detail the acts or failure to act giving rise to the Company's assertion of such gross negligence or misconduct, (B) been provided a reasonable period to remedy any such occurrence and (C) failed to sufficiently remedy the occurrence.

(e) Change in Control. "Change in Control" means the occurrence of one of the following events, whether in a single transaction or a series of related transactions:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Great Plains Energy (not including in the securities beneficially owned by such Person any securities acquired directly from Great Plains Energy or its affiliates other than in connection with the acquisition by Great Plains Energy or its affiliates of a business) representing 35% or more of either the then outstanding shares of common stock of Great Plains Energy or the combined voting power of Great Plains Energy's then outstanding securities; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Great Plains Energy, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) whose appointment or election by the Board or nomination for election by Great Plains Energy's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved; or

(iii) the consummation of a merger, consolidation, reorganization or similar corporate transaction of Great Plains Energy, whether or not Great Plains Energy is the surviving corporation in such transaction, other than (A) a merger, consolidation, or reorganization that would result in the voting securities of Great Plains Energy outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 60% of the combined voting power of the voting securities of Great Plains Energy or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or reorganization, or (B) a merger, consolidation or reorganization effected to implement a recapitalization of Great Plains Energy (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Great Plains Energy (not including in the securities Beneficially Owned by such Person any securities acquired directly from Great Plains Energy or its affiliates other than in connection with the acquisition by Great Plains Energy or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of Great Plains Energy or the combined voting power of Great Plains Energy's then outstanding securities; or

(iv) the occurrence of, or the stockholders of Great Plains Energy approve a plan of, a complete liquidation or dissolution of Great Plains Energy or an agreement for the sale or disposition by Great Plains Energy of all or substantially all of Great Plains Energy's assets, other than a sale or disposition of all or substantially all of Great Plains Energy's assets to an entity, at least 60% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of Great Plains Energy immediately prior to such sale.

Notwithstanding the foregoing, no "Change in Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the common stock of Great Plains Energy immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Great Plains Energy immediately following such transaction or series of transactions.

(f) Change in Control Period. "Change in Control Period" means the period commencing on the date hereof and ending on the second anniversary of such date; provided, however, that commencing on a date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof being hereinafter referred to as the "Renewal Date"), the Change in Control Period shall be automatically extended so as to terminate two years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to Executive that the Change in Control Period shall not be so extended; provided, further that during any period of time when the Board or the governing body of Great Plains Energy has knowledge that any person has taken steps reasonably calculated to effect a Change in Control, the Change in Control Period shall automatically be extended (and may not terminate) until, in the opinion of the Board, such person has abandoned or terminated its efforts to effect a Change in Control.

(g) Company. "Company" means, except as the context requires otherwise, references to Great Plains Energy Incorporated, a Missouri corporation, its successors and assigns, and/or any subsidiary thereof, as applicable.

(h) Confidential Information. "Confidential Information" means (1) any and all trade secrets concerning the business and affairs of the Company, product specifications, data, know-how, formulae, algorithms, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current, and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer software and programs (including object code and source code), computer software and database technologies, systems, structures, and architectures; (2) information concerning the business and affairs of the Company (which includes historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, the names and backgrounds of key personnel, personnel training and techniques and materials); and (3) notes, analysis, compilations, studies, summaries, and other material prepared by or for the Company containing or based, in whole or in part, or any information included in the foregoing, whether reduced to writing or not and which has not become publicly known or made generally available through no wrongful act of Executive or others who were under confidentiality obligations as to the item or items involved.

(i) Date of Termination. "Date of Termination" means (i) if Executive's employment is terminated by the Company for Cause, or by Executive for Good Reason, the date of receipt of the Notice of Termination or any later date permitted to be specified therein, as the case may be, (ii) if Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies Executive of such termination, (iii) if Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of Executive or the Disability Effective Date (as defined in Section 2(a)), as the case may be and (iv) if Executive's employment is terminated by Executive for other than Good Reason, the Date of Termination shall be the date on which Executive notifies the Company in writing of such termination or any later date permitted to be specified therein, as the case may be.

(j) Disability or Disabled. The term "Disability" or "Disabled" shall mean an individual (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than 3 months under a Company sponsored accident or health plan.

(k) Effective Date. "Effective Date" means the first date on which a Change in Control occurs during the Change in Control Period.

(l) Exchange Act. "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

(m) Good Reason. "Good Reason" means, without Executive's written consent any of the following:

(i) Any material and adverse reduction or material and adverse diminution in Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities held, exercised or assigned at any time during the 90-day period immediately preceding the commencement of the Pre-CIC Protected Period;

(ii) Any reduction in Executive's annual base salary as in effect immediately preceding the commencement of the Pre-CIC Protected Period or as the same may be increased from time to time;

(iii) Any reduction in benefits received by Executive under Company Plans (as defined below) to less than the most favorable benefits provided to Executive by the Company under Company Plans at any time during the 90-day period immediately preceding the commencement of the Pre-CIC Protected Period. "Company Plans" means (1) all incentive, savings and retirement plans, practices, policies and programs sponsored or maintained by the Company, (2) all welfare benefit plans, practices, policies and programs (including medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) sponsored or maintained by the Company, (3) expense reimbursement by the Company for all reasonable out-of-pocket employment expenses incurred by Executive, (4) the provision of fringe benefits, and (5) the provision of paid vacation time by the Company;

(iv) Executive being required by the Company to be based at any office or location that is more than 70 miles from the location where Executive was employed immediately preceding the commencement of the Pre-CIC Protected Period; or

(v) Any failure by the Company to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place, or any failure by any such successor after ten (10) days notice from Executive to so perform under this Agreement.

Provided, however, notwithstanding the occurrence of any of the events set forth above in this Section 1(m), Good Reason shall not include for the purpose of this definition (1) an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive, or (2) if occurring within the Pre-CIC Protected Period, any reduction in Executive's base annual salary or reduction in benefits received by Executive where such reduction is in connection with a company-wide reduction in salaries or benefits.

(n) Notice of Termination. "Notice of Termination" means a written notice of termination which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated and (iii) if the Date of Termination is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than fifteen (15) days after the giving of such notice), unless another date is mutually agreed upon between Executive and the Company.

(o) Person. "Person" has the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (1) Great Plains Energy or any of its subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly, or indirectly, by the stockholders of Great Plains Energy in substantially the same proportions as their ownership of stock of Great Plains Energy.

(p) Post-Effective Period. "Post-Effective Period" means the period commencing on the Effective Date and ending on the earlier of (i) the second anniversary of such date or (ii) Executive's 70th birthday.

(q) Pre-CIC Protected Period. "Pre-CIC Protected Period" means the period that is within the Change in Control Period and begins when (A) Great Plains Energy enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; (B) Great Plains Energy or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; (C) any Person becomes the Beneficial Owner, directly or indirectly, of voting securities of Great Plains Energy representing 10% or more of the combined voting power of Great Plains Energy's then outstanding voting securities; or (D) the Board, the members or the stockholders of Great Plains Energy adopts a resolution approving any of the foregoing or approving any Change in Control, and ends upon the date the Change in Control transaction is either consummated, abandoned or terminated (for this purpose, the Board shall have the sole and absolute discretion to determine that a proposed transaction has been abandoned).

2. Termination of Employment During the Post-Effective Period.

(a) Death or Disability. Executive's employment shall terminate automatically upon Executive's death or, with written notice by the Company of its intention to terminate Executive's employment, upon Executive's Disability. In such event, Executive's employment with the Company shall terminate effective on the 90th day after receipt of such notice by Executive (the "Disability Effective Date"), provided that within the 90 days after such receipt Executive shall not have returned to full-time performance of Executive's duties.

(b) Cause. The Company may terminate Executive's employment at any time for Cause or without Cause. Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for Cause without (i) reasonable notice to Executive setting forth the reasons for the Company's intention to terminate for Cause, (ii) an opportunity for Executive, together with his counsel, to be heard before the Board within fifteen (15) days of such notice, and (iii) delivery to Executive of a Notice of Termination from the Board finding that, in the good faith opinion of the Board, that Executive was guilty of conduct set forth in Section 1(d), and specifying the particulars thereof in reasonable detail.

(c) Executive Resignation. Executive's employment may be terminated at any time by Executive for Good Reason or without Good Reason.

(d) Notice of Termination. Any termination by the Company for Cause, or by Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto. The failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of Executive or the Company hereunder or preclude Executive or the Company from asserting such fact or circumstance in enforcing Executive's or the Company's rights hereunder.

3. Obligations of the Company Upon Termination of Employment.

(a) Post-Effective Period Terminations Other Than for Cause, Death or Disability; Post-Effective Period Executive Resignation. If, during the Post-Effective Period, the Company shall terminate Executive's employment other than (I) for Cause or (II) on account of Executive's death or Disability, or Executive shall terminate employment for Good Reason, the Company shall pay to Executive, in a lump-sum cash payment made within 30 days following the Date of Termination, as compensation for services rendered to the Company, an amount equal to the aggregate of the following amounts set forth below in Sections 3(a)(i), (ii), (iii), and (iv), and provide to Executive the benefits provided in Section 3(a)(v).

(i) A cash amount equal to the sum of (A) Executive's full annual base salary from the Company and its affiliated companies through the Date of Termination, to the extent not theretofore paid, (B) a bonus in an amount at least equal to the average annualized incentive awards paid or payable pursuant to any Company-sponsored annual incentive compensation plan, including by reason of any deferral under a Company-sponsored deferred compensation program, to Executive by the Company and its affiliated companies during the five fiscal years of the Company (or if Executive shall have performed services for the Company and its affiliated companies for four fiscal years or less, the years during which Executive performed services) immediately preceding the fiscal year in which the Change in Control (or if benefits are payable pursuant to Section 3(c), the Date of Termination) occurs, multiplied by a fraction, the numerator of which is the number of days in the fiscal year in which the Date of Termination occurs through the Date of Termination and the denominator of which is 365 or 366, as applicable, to the extent not theretofore paid, (C) any amount credited to Executive's CAP Excess Benefits Account pursuant to the Great Plains Energy Incorporated Nonqualified Deferred Compensation Plan and any other compensation previously deferred by Executive (together with any interest and earnings thereon), in each case to the extent not theretofore paid, and (D) any accrued unpaid vacation pay;

(ii) a cash amount equal to (A) three (3) times Executive's highest annual base salary from the Company and its affiliated companies in effect during the twelve (12)-month period prior to the Date of Termination, plus (B) three (3) times Executive's average annualized annual incentive compensation awards, paid, or, but for a deferral under a Company-sponsored deferred compensation program, would have been paid, to Executive by the Company and its affiliated companies during the five fiscal years of the Company (or if Executive shall have performed services for the Company and its affiliated companies for four fiscal years or less, the years during which Executive performed services) immediately preceding the fiscal year in which the Change in Control (or if benefits are payable pursuant to Section 3(c), the Date of Termination) occurs; provided, however, that in the event there are fewer than thirty-six (36) whole months remaining from the Date of Termination to the date of Executive's 70th birthday, the amount calculated in accordance with this Section 3(a)(ii) shall be reduced by multiplying such amount by a fraction the numerator of which is the number of months, including a partial month (with a partial month being expressed as a fraction the numerator of which is the number of days remaining in such month and the denominator of which is the number of days in such month), so remaining and the denominator of which is thirty-six (36) months; provided further that any amount paid pursuant to this Section 3(a)(ii) shall be paid in lieu of any other amount of severance pay to be received by Executive upon termination of employment of Executive under any severance plan, policy or arrangement of the Company;

(iii) a cash amount equal to the excess of (A) the actuarial equivalent value of the monthly accrued benefits payable to Executive at age 65 under the Great Plains Energy Incorporated Management Pension Plan (the "Pension Plan") as in effect on the date of this Agreement and the benefits provided under the Supplemental Executive Retirement Plan in respect of the Pension Plan as in effect on the date of this Agreement, assuming (1) that benefits have accrued thereunder and Executive is entitled to such benefits, (2) each such benefit shall be computed as if Executive had three (3) additional Years of Credited Service earned under the Pension Plan and (3) Executive were fully vested in such hypothetical benefits, over (B) the actuarial equivalent value of Executive's vested accrued benefits under the Pension Plan and benefits payable under the Supplemental Executive Retirement Plan. Such cash amount shall be computed using the same actuarial methods and assumptions then in use for purposes of computing benefits under the Pension Plan, except that the computation shall be made without actuarial reduction for early retirement and provided that the interest rate used in such computation shall be the interest rate used on the Date of Termination by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution pursuant to a plan termination;

(iv) if on the Date of Termination Executive shall not be fully vested in the matching employer contributions made on Executive's behalf under the Great Plains Energy Incorporated Cash or Deferred Arrangement, a cash amount equal to the value of the unvested portion of such matching employer contributions;

(v) for a period of three (3) years commencing on the Date of Termination, the Company shall provide Executive and Executive's dependents with medical, accident, disability and life insurance coverage upon substantially the same terms and otherwise substantially to the same extent as such coverage was being provided to Executive and Executive's dependent(s) immediately prior to the Date of Termination. At the Company's election, such continuation coverage may be provided by (A) continuing such coverage under the Company's existing welfare benefit plans, (B) with respect to any group health care plan and for the applicable period permitted under Code Section 4980B(f)(2), Executive and/or Executive's dependent(s) being deemed to have elected to receive such coverage pursuant to a continuation election under Code Section 4980B with the Company being obligated to pay for the entire portion of the applicable COBRA premiums, (C) the Company purchasing an individual policy (to the extent such a policy is reasonably available in the marketplace) for Executive and/or Executive's dependent(s) providing substantially similar coverage as offered under the Company's plan, or (D) any combination of the forgoing methods under (A), (B) and (C) of this paragraph. Notwithstanding the foregoing sentence, if any of the medical, accident, disability or life insurance plans then in effect generally with respect to other peer executives of the Company and its affiliated companies would be more favorable to Executive, such plan coverage shall be substituted for the analogous plan coverage provided to Executive immediately prior to the Date of Termination, and the Company and Executive shall share the costs of such plan coverage in the same proportion as such costs were shared immediately prior to the Date of Termination. The obligation of the Company to continue coverage of Executive and Executive's dependent(s) under such plans and in accordance with this paragraph shall cease at such time as Executive and Executive's dependent(s) obtain comparable coverage under another plan, including a plan maintained by a new employer. With respect to any Company group health care plan, any continuation coverage provided under this paragraph shall be considered as alternative continuation coverage to any rights Executive or Executive's dependent(s) may have with respect to any other group health plan continuation coverage required by Code Section 4980B or any applicable state statute mandating health insurance continuation coverage. Except to the extent required by law, upon termination of the coverage provided for under this Section 3(a)(v), Executive and/or Executive's dependent(s) shall have no further right to continuation of coverage under any group health plan maintained by the Company or its affiliated companies.

(b) Termination for Cause, Disability, Death or Other than for Good Reason. If at any time during the Change in Control Period Executive's employment shall be terminated for Cause, Executive's employment is terminated due to Executive's death or Disability, or if Executive terminates employment other than for Good Reason, this Agreement shall terminate without further obligation of the Company to Executive other than (i) the obligation to pay to Executive his or her base salary through the Date of Termination, any incentive bonus and other compensation, payments and benefits for the most recently completed fiscal year and any accrued vacation pay, to the extent theretofore unpaid, which amounts shall be paid to Executive in a lump sum in cash within thirty (30) days of the Date of Termination, and (ii) the obligation to pay to Executive all amounts or benefits to which Executive is entitled for the period prior to the Date of Termination under any plan, program, policy, practice, contract or agreement of the Company (excluding amounts otherwise required to be paid under this Section 3(b)), at the time such amounts or benefits are due.

(c) Certain Terminations During Pre-CIC Protected Period. If, during the Pre-CIC Protected Period, Executive's employment is terminated by the Company other than for Cause or Executive terminates his or her employment for Good Reason, then Executive shall be entitled to receive the same benefits he or she would be entitled to receive under Section 3(a) if such termination of employment would have occurred during the Post-Effective Period. Any benefits or payments to be paid pursuant to this Section 3(c) shall be paid in a lump-sum payment and, subject to Section 3(d), within thirty (30) days following the termination of Executive's employment.

(d) Payments to Executive Following Termination. If (i) Executive is a "specified employee," as defined in Code section 409A(a)(1)(B)(i), and (ii) Executive's employment is terminated, either by Executive or by the Company, due to any reason, other than Executive's death, then, notwithstanding Sections 3(a) or 3(c) of this Agreement, Executive shall not receive any payment pursuant to Sections 3(a) or 3(c) until the first business day after six full months after Executive's Date of Termination.

4. Section 280G Gross-Up.

(a) Except as provided for in Section 4(e) below and notwithstanding any other provision in this Agreement to the contrary, in the event it shall be determined that any payment or distribution by the Company or its affiliated companies to or for the benefit of Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 4) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code, or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Company shall pay to Executive an additional payment (a "Gross-Up Payment") in an amount such that after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (except for any income tax under Section 409A of the Code), any interest and penalties imposed with respect thereto, and Excise Tax imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 4(c), all determinations required to be made under this Section 4, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by an independent registered public accounting firm selected by the Company that is not also the Company's then current accounting firm for annual audit purposes (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and Executive within fifteen (15) business days of the receipt of notice from Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, Executive shall appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 4, shall be paid by the Company to Executive within five (5) days of the receipt of the Accounting Firm's determination, but in no event later than the time set forth in Section 4(f), below. If the Accounting Firm determines that no Excise Tax is payable by Executive, it shall furnish Executive with a written opinion that failure to report the Excise Tax on Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 4(c) and Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of Executive.

(c) Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten (10) business days after Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the thirty (30) day period following the date on which Executive gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 4(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive shall prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided further, that if the Company desires Executive to pay such claim and sue for a refund, the Company shall, on Executive's behalf, pay such claim and on an after-tax basis reimburse Executive from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such payment and provided further, that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after payment by the Company pursuant to Section 4(c), Executive becomes entitled to receive, and receives, any refund with respect to such claim, Executive shall (subject to the Company's complying with the requirements of Section 4(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment of an amount by the Company pursuant to Section 4(c), a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) Notwithstanding Executive otherwise being eligible for a Gross-Up Payment under this Section 4, if, excluding any Gross-Up Payment required to be made pursuant to this Section 4, the "parachute payment" made to Executive does not exceed three times Executive's "base amount" by more than $1,000, then the payments and benefits to be paid or provided under this Agreement will be reduced to the minimum extent necessary so that no portion of any payment or benefit to Executive, as so reduced, constitutes an "excess parachute payment." For purposes of this Section 4(e), the terms "excess parachute payment," "parachute payment," and "base amount" will have the meanings assigned to them by Section 280G of the Code. The determination of whether any reduction in such payments or benefits to be provided under this Agreement is required pursuant to the preceding sentence will be made at the expense of the Company by the Accounting Firm. The fact that Executive's right to payments or benefits may be reduced by reason of the limitations contained in this Section 4(e) will not of itself limit or otherwise affect any other rights of Executive other than pursuant to this Agreement. In the event that any payment or benefit intended to be provided under this Agreement or otherwise is required to be reduced pursuant to this Section 4(e), Executive will be entitled to designate the payments and/or benefits to be so reduced in order to give effect to this Section. The Company will provide Executive with all information reasonably requested by Executive to permit Executive to make such designation. In the event that Executive fails to make such designation within 10 business days of the date of termination of Executive's employment, the Company may effect such reduction in any manner it deems appropriate.

(f) Any Gross-Up Payment made to Executive pursuant to this Section 4 shall be exempt from Code Section 409A pursuant to the short-term deferral exception to Code Section 409A. Absent further guidance from the United States Treasury Department, the Internal Revenue Service or any judicial authority relating to the application of Section 409A to Section 280G Gross-Up Payments, Gross-Up Payments pursuant to this Section 4 shall be made as follows:

(i) With respect to any Gross-Up Payment that can be reasonably calculated as of the time of a Change in Control or shortly thereafter, such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the Change in Control occurs;

(ii) With respect to any Gross-Up Payment that results from Executive becoming eligible for benefits under this Agreement upon Executive's termination of employment, such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the earlier of (A) the event giving rise to Executive's Good Reason occurs or (B) Executive's termination of employment; and

(iii) With respect to any Gross-Up Payment that is required to be made to Executive pursuant to Section 4(c), such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the alleged obligation of Executive, as reflected by Executive's receipt of a claim by the Internal Revenue Service, is received by Executive.

5. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit Executive's continuing or future participation in any plan, program, policy or practice provided by the Company and for which Executive may qualify, nor shall anything herein limit or otherwise affect such rights as Executive may have under any contract or agreement with the Company. Amounts that are vested benefits or that Executive is otherwise entitled to receive at or subsequent to the Date of Termination under any plan, policy, practice or program of or any contract or agreement with the Company shall be payable in accordance with such plan, policy, practice or program or contract or agreement, except as explicitly modified by this Agreement.

6. Full Settlement; Resolution of Disputes.

(a) Except where Executive's employment is terminated for Cause, the Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Executive obtains other employment. Subject to Executive's agreement to repay certain fees and expenses as provided below in Section 6(b), the Company shall pay promptly as incurred, to the full extent permitted by law, all legal fees and expenses that Executive may reasonably incur as a result of any dispute or contest (regardless of the outcome thereof) by the Company, Executive or others of the validity or enforceability of, or the existence of liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at one hundred twenty percent (120%) of the Federal Mid-Term Rate under Section 1274(d) of the Code.

(b) If there shall be any dispute or contest between the Company and Executive (i) in the event of any termination of Executive's employment by the Company, whether such termination was for Cause, or (ii) in the event of any termination of employment by Executive whether Good Reason existed, then the resolution of such dispute or contest shall be finally determined by arbitration, which may be initiated by either the Company or Executive, pursuant to the Federal Arbitration Act in accordance with the rules then in force of the American Arbitration Association. The arbitration proceedings shall take place in Kansas City, Missouri or such other location as the parties in dispute hereafter may agree upon; and such proceedings will be conducted in the English language and shall be governed by the laws of the State of Missouri as such laws are applied to agreements between residents of the State entered into and to be performed entirely within the State. There shall be one arbitrator, as shall be agreed upon by the parties in dispute, who shall be an individual skilled in the legal and business aspects of the subject matter of this Agreement and of the dispute. In the absence of such agreement, each party in dispute shall select one arbitrator and the arbitrators so selected shall select a third arbitrator. In the event the arbitrators cannot agree upon the selection of a third arbitrator, such third arbitrator shall be appointed by the American Arbitration Association at the request of any of the parties in dispute. The arbitrators shall be individuals skilled in the legal and business aspects of the subject matter of this Agreement and of the dispute. The decision rendered by the arbitrator or arbitrators shall be accompanied by a written opinion in support thereof. Such decision shall be final and binding upon the parties in dispute without right of appeal, it being the intent of the parties that such decision, and, irrespective of any contrary provision of the laws of the State respecting rights of appeal, such decision may not be appealed. The burden of proving that Executive is not entitled to receive the amounts and the benefits contemplated by this Agreement shall be on the Company.

(c) In the event of such an arbitration and provided that Executive shall repay the following amounts, fees and expenses if the final and binding decision of the arbitrator(s) is that Executive's termination was for Cause or that Good Reason did not exist for termination of employment by Executive, (i) Great Plains Energy shall advance to Executive all legal fees and expenses that Executive may reasonably incur as a result of any such action, and (ii) if a final and binding decision of the arbitrator(s) is not obtained by the six-month anniversary of the date the Company or Executive first provided notice to the other party of the dispute or contest (the "Dispute Notice"), Great Plains Energy shall pay all amounts, and provide all benefits, to Executive and/or Executive's family or other beneficiaries, as the case may be, that Great Plains Energy would be required to pay or provide pursuant to Sections 3(a) or 3(c) if such termination were by the Company without Cause or by Executive with Good Reason. If the final and binding decision of the arbitrator(s) is that Executive's termination was not for Cause or that Good Reason did exist for such termination by Executive then, (I) if such decision is before the six-month anniversary of the receipt of the Dispute Notice, Executive shall receive all payments and benefits contemplated by this Agreement, plus interest on any delayed payment or benefit at one hundred twenty percent (120%) of the Federal Mid-Term Rate under Section 1274(d) of the Code or (II) if such decision is after the six-month anniversary of the receipt of the Dispute Notice such that all payments and benefits contemplated by this Agreement have already been paid, Executive shall receive interest (calculated in the same manner as set forth above) for the six-month period the payments and provision of benefits were delayed. In no event may the arbitrator or arbitrators award any other damages or award of any kind. Notwithstanding the foregoing, nothing in this Agreement is intended to, or shall be construed as, affecting the rights and obligations of Executive and the Company to submit any dispute (other than such disputes contemplated by, and resolved in accordance with Sections 6(b) and 6(c)) to the appropriate dispute resolution process in accordance with any applicable dispute resolution plan intended to provide a procedural mechanism, whether exclusive or non-exclusive, for the resolution of any and all disputes between the Company and its present or former employees.

7. Restrictive Covenants.

(a) Nondisclosure of Confidential Information. Executive shall hold in confidence for the benefit of the Company all Confidential Information. Executive agrees that Executive will not disclose any Confidential Information to any person or entity other than the Company and those designated by it, either during or subsequent to Executive's employment by the Company, nor will Executive use any Confidential Information, except (i) in the regular course of Executive's employment by the Company, without the prior written consent of the Company or (ii) as may otherwise be required by law or legal process.

(b) Actions Upon Termination; Assistance with Claims. Upon Executive's employment termination for whatever reason, Executive shall neither take or copy nor allow a third party to take or copy, and shall deliver to the Company all property of the Company, including, but not limited to, all Confidential Information regardless of the medium (i.e., hard copy, computer disk, CD ROM) on which the information is contained. During and after Executive's employment by the Company, Executive will provide reasonable assistance to the Company in the defense of any claims or potential claims that may be made or threatened to be made against the Company in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative ("Proceeding") and will provide reasonable assistance to the Company in the prosecution of any claims that may be made by the Company in any Proceeding, to the extent that such claims may relate to Executive's employment by the Company. For the avoidance of doubt, reasonable assistance would not include Executive being required to provide information that could reasonably result in criminal or civil charges or penalties being assessed or imposed against Executive in his individual capacity. Executive shall, unless precluded by law, promptly inform the Company if Executive is asked to participate (or otherwise become involved) in any Proceeding involving such claims or potential claims. Executive also shall, unless precluded by law, promptly inform the Company if Executive is asked to assist in any investigation (whether governmental or private) of the Company (or its actions), regardless of whether a lawsuit has then been filed against the Company with respect to such investigation. The Company shall reimburse Executive for all of Executive's reasonable out-of-pocket expenses associated with such assistance, including travel expenses and any attorneys' fees and shall pay a reasonable per diem fee (equal to 1/250th of Executive's annual salary rate at Executive's Date of Termination) for Executive's services.

(c) Noncompetition. Executive agrees that so long as Executive is employed by the Company and for a period of six (6) months thereafter, Executive shall not, without the prior written consent of the Company, which in the case of termination will not be unreasonably withheld, participate or engage in, directly or indirectly (as an owner, partner, employee, officer, director, independent contractor, consultant, advisor or in any other capacity calling for the rendition of services, advice, or acts of management, operation or control), any business that, during Executive's employment, is in direct competition with the business conducted by the Company or any of its affiliates within the United States (hereinafter, the "Geographic Area"); provided, however, that the foregoing shall not be construed to preclude Executive from making any investments in any securities to the extent such securities are traded on a national securities exchange or over-the-counter market and such investment does not exceed five percent (5%) of the issued and outstanding voting securities of such issuer.

(d) Nonsolicitation of Employees. During Executive's employment and for a period of six (6) months thereafter, Executive shall not, without the consent of the Company, directly or indirectly solicit any current employee of the Company or any of its affiliates, to leave such employment and join or become affiliated with any business that is in direct competition with the business conducted by the Company or any of its affiliates within the Geographic Area.

(e) Mutual Non-disparagement. Executive shall refrain from making any statements about the Company or its officers or directors that would disparage, or reflect unfavorably upon the image or reputation of the Company or any such officer or director. The Company shall refrain from making any statements about Executive that would disparage, or reflect unfavorably upon the image or reputation of, Executive.

(f) Irreparable Harm. Executive acknowledges that: (i) Executive's compliance with this Section 7 is necessary to preserve and protect the Confidential Information, and the goodwill of the Company and its affiliates as going concerns; (ii) any failure by Executive to comply with the provisions of this Section may result in irreparable and continuing injury for which there may be no adequate remedy at law; and (iii) in the event that Executive should fail to comply with the terms and conditions of this Section, the Company shall be entitled, in addition to such other relief as may be proper, to seek all types of equitable relief (including, but not limited to, the issuance of an injunction and/or temporary restraining order) as may be necessary to cause Executive to comply with this Section, to restore to the Company its property, and to make the Company whole.

(g) Unenforceability. If any provision(s) of this Section 7 shall be found invalid or unenforceable, in whole or in part, then such provision(s) shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision(s) had been originally incorporated herein as so modified or restricted, or as if such provision(s) had not been originally incorporated herein, as the case may be.

8. Successors.

(a) This Agreement is personal to Executive and shall not be assignable by Executive without the prior written consent of the Company otherwise than by will or the laws of descent and distribution. If Executive should die while any amounts would still be payable to Executive hereunder if she or he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's heirs or representatives or, if there be no such designee, to Executive's estate.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

9. Prohibition of Payments by Regulatory Agencies. Notwithstanding anything to the contrary contained in this Agreement, the Company shall not be obligated to make any payment to Executive under this Agreement if the payment would violate any rule, regulation or order of any regulatory agency having jurisdiction over the Company or any of its subsidiaries; provided, however, that the Company covenants to Executive that it will take all reasonable steps to obtain any regulatory agency approvals that may be required in order to make payments to Executive as provided herein.

10. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto. This Agreement supersedes all previous agreements relating to the subject matter of this Agreement, written or oral, between the parties hereto and contains the entire understanding of the parties hereto including, but not limited to that Prior Severance Agreement dated September 25, 2000, between the Board and Executive.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:	If to Executive:
Great Plains Energy Incorporated	William H. Downey
Attn: General Counsel	Great Plains Energy Incorporated
1201 Walnut	1201 Walnut
Kansas City, Missouri	Kansas City, Missouri
64106-2124	64106-2124

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which other provisions shall remain in full force and effect.

(d) This Agreement is intended to meet the requirements of Section 409A of the Code and may be administered in a manner that is intended to meet those requirements and shall be construed and interpreted in accordance with such intent. To the extent that any payment or benefit provided hereunder is subject to Section 409A of the Code, such payment or benefit shall be provided in a manner that will meet the requirements of Section 409A of the Code, including regulations or other guidance issued with respect thereto, such that the payment or benefit shall not be subject to the excise tax applicable under Section 409A of the Code. Any provision of this Agreement that would cause any payment or benefit to fail to satisfy Section 409A of the Code shall be amended (in a manner that as closely as practicable achieves the original intent of this Agreement) to comply with Section 409A of the Code on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Section 409A of the Code. In the event additional regulations or other guidance is issued under Section 409A of the Code or a court of competent jurisdiction provides additional authority concerning the application of Section 409A with respect to the payments described in Section 4 of the Agreement, then the provisions of such Section shall be amended to permit such payments to be made at the earliest time permitted under such additional regulations, guidance or authority that is practicable and achieves the original intent of this Agreement.

(e) The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(f) Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Executive or the Company may have hereunder, including, without limitation, the right of Executive to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) Executive and Great Plains Energy acknowledge that, except as may otherwise be provided under any other written agreement between Executive and the Company, the employment of Executive by the Company is "at will" and, may be terminated by either Executive or the Company at any time. Except as provided in Section 3(c), if prior to the Effective Date, Executive's employment with the Company terminates, then Executive shall have no further rights under this Agreement.

(h) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one agreement that is binding upon each of the parties hereto, notwithstanding that all parties are not signatories to the same counterpart.

IN WITNESS WHEREOF, each of Great Plains Energy and Executives has executed this Agreement as of the day and year first above written.

GREAT PLAINS ENERGY INCORPORATED

By:
Name:
Title:

EXECUTIVE:

William H. Downey

CHANGE IN CONTROL SEVERANCE AGREEMENT

THIS CHANGE IN CONTROL SEVERANCE AGREEMENT is entered into as of the ___ day of _____, 2006, between Great Plains Energy Incorporated, a Missouri corporation ("Great Plains Energy"), and John Marshall ("Executive").

WITNESSETH:

WHEREAS, Executive is a valued employee of Great Plains Energy or a subsidiary thereof (the "Company"); and

WHEREAS, the Board (as defined herein) believes that it is in the best interests of the Company and its shareholders (i) to provide assurance that the Company will have the continued service of Executive notwithstanding the possibility, threat or occurrence of a Change in Control (as defined in Section 1), (ii) to diminish the distraction to Executive that may arise by virtue of the personal uncertainties and risks created by such a threatened or pending Change in Control, and (iii) to encourage Executive's full attention and dedication to the Company currently and in the event of a threatened or pending Change in Control; and

WHEREAS, the Board and Executive previously entered into a severance agreement dated May 25, 2005, the "Prior Severance Agreement" whereby Great Plains Energy agreed to provide Executive with certain compensation and perquisites following Executive's termination or constructive termination of employment with the Company in connection with a change in control or potential change in control of Great Plains Energy; and

WHEREAS, the Board and Executive agree that, in connection with both parties entering into this Agreement, the Prior Severance Agreement shall be terminated, rendered null and void, and all duties and rights conferred upon the parties thereto extinguished, and that such Prior Severance Agreement is replaced in its entirety with the benefits, duties, terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

1. Certain Definitions. As used in this Agreement, unless otherwise defined herein or unless the context otherwise requires, the following terms shall have the following meanings:

(a) Agreement. "Agreement" means this Change in Control Severance Agreement as amended from time to time.

(b) Beneficial Owner. "Beneficial Owner" shall have the same meaning as set forth in Rule 13d-3 of the Exchange Act.

(c) Board. "Board" means the Board of Directors of Great Plains Energy.

(d) Cause. "Cause" means (i) the material misappropriation of any of the Company's funds, Confidential Information or property; (ii) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, or the equivalent thereof; (iii) commission of act of willful damage, willful misrepresentation, willful dishonesty, or other willful conduct that can reasonably be expected to have a material adverse effect on the business, reputation, or financial situation of the Company; or (iv) gross negligence or willful misconduct in performance of Executive's duties; provided, however, "cause" shall not exist under clause (iv), above, with respect to an act or failure to act unless (A) Executive has been provided written notice describing in sufficient detail the acts or failure to act giving rise to the Company's assertion of such gross negligence or misconduct, (B) been provided a reasonable period to remedy any such occurrence and (C) failed to sufficiently remedy the occurrence.

(e) Change in Control. "Change in Control" means the occurrence of one of the following events, whether in a single transaction or a series of related transactions:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Great Plains Energy (not including in the securities beneficially owned by such Person any securities acquired directly from Great Plains Energy or its affiliates other than in connection with the acquisition by Great Plains Energy or its affiliates of a business) representing 35% or more of either the then outstanding shares of common stock of Great Plains Energy or the combined voting power of Great Plains Energy's then outstanding securities; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Great Plains Energy, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) whose appointment or election by the Board or nomination for election by Great Plains Energy's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved; or

(iii) the consummation of a merger, consolidation, reorganization or similar corporate transaction of Great Plains Energy, whether or not Great Plains Energy is the surviving corporation in such transaction, other than (A) a merger, consolidation, or reorganization that would result in the voting securities of Great Plains Energy outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 60% of the combined voting power of the voting securities of Great Plains Energy or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or reorganization, or (B) a merger, consolidation or reorganization effected to implement a recapitalization of Great Plains Energy (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Great Plains Energy (not including in the securities Beneficially Owned by such Person any securities acquired directly from Great Plains Energy or its affiliates other than in connection with the acquisition by Great Plains Energy or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of Great Plains Energy or the combined voting power of Great Plains Energy's then outstanding securities; or

(iv) the occurrence of, or the stockholders of Great Plains Energy approve a plan of, a complete liquidation or dissolution of Great Plains Energy or an agreement for the sale or disposition by Great Plains Energy of all or substantially all of Great Plains Energy's assets, other than a sale or disposition of all or substantially all of Great Plains Energy's assets to an entity, at least 60% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of Great Plains Energy immediately prior to such sale.

Notwithstanding the foregoing, no "Change in Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the common stock of Great Plains Energy immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Great Plains Energy immediately following such transaction or series of transactions.

(f) Change in Control Period. "Change in Control Period" means the period commencing on the date hereof and ending on the second anniversary of such date; provided, however, that commencing on a date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof being hereinafter referred to as the "Renewal Date"), the Change in Control Period shall be automatically extended so as to terminate two years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to Executive that the Change in Control Period shall not be so extended; provided, further that during any period of time when the Board or the governing body of Great Plains Energy has knowledge that any person has taken steps reasonably calculated to effect a Change in Control, the Change in Control Period shall automatically be extended (and may not terminate) until, in the opinion of the Board, such person has abandoned or terminated its efforts to effect a Change in Control.

(g) Company. "Company" means, except as the context requires otherwise, references to Great Plains Energy Incorporated, a Missouri corporation, its successors and assigns, and/or any subsidiary thereof, as applicable.

(h) Confidential Information. "Confidential Information" means (1) any and all trade secrets concerning the business and affairs of the Company, product specifications, data, know-how, formulae, algorithms, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current, and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer software and programs (including object code and source code), computer software and database technologies, systems, structures, and architectures; (2) information concerning the business and affairs of the Company (which includes historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, the names and backgrounds of key personnel, personnel training and techniques and materials); and (3) notes, analysis, compilations, studies, summaries, and other material prepared by or for the Company containing or based, in whole or in part, or any information included in the foregoing, whether reduced to writing or not and which has not become publicly known or made generally available through no wrongful act of Executive or others who were under confidentiality obligations as to the item or items involved.

(i) Date of Termination. "Date of Termination" means (i) if Executive's employment is terminated by the Company for Cause, or by Executive for Good Reason, the date of receipt of the Notice of Termination or any later date permitted to be specified therein, as the case may be, (ii) if Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies Executive of such termination, (iii) if Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of Executive or the Disability Effective Date (as defined in Section 2(a)), as the case may be and (iv) if Executive's employment is terminated by Executive for other than Good Reason, the Date of Termination shall be the date on which Executive notifies the Company in writing of such termination or any later date permitted to be specified therein, as the case may be.

(j) Disability or Disabled. The term "Disability" or "Disabled" shall mean an individual (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than 3 months under a Company sponsored accident or health plan.

(k) Effective Date. "Effective Date" means the first date on which a Change in Control occurs during the Change in Control Period.

(l) Exchange Act. "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

(m) Good Reason. "Good Reason" means, without Executive's written consent any of the following:

(i) Any material and adverse reduction or material and adverse diminution in Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities held, exercised or assigned at any time during the 90-day period immediately preceding the commencement of the Pre-CIC Protected Period;

(ii) Any reduction in Executive's annual base salary as in effect immediately preceding the commencement of the Pre-CIC Protected Period or as the same may be increased from time to time;

(iii) Any reduction in benefits received by Executive under Company Plans (as defined below) to less than the most favorable benefits provided to Executive by the Company under Company Plans at any time during the 90-day period immediately preceding the commencement of the Pre-CIC Protected Period. "Company Plans" means (1) all incentive, savings and retirement plans, practices, policies and programs sponsored or maintained by the Company, (2) all welfare benefit plans, practices, policies and programs (including medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) sponsored or maintained by the Company, (3) expense reimbursement by the Company for all reasonable out-of-pocket employment expenses incurred by Executive, (4) the provision of fringe benefits, and (5) the provision of paid vacation time by the Company;

(iv) Executive being required by the Company to be based at any office or location that is more than 70 miles from the location where Executive was employed immediately preceding the commencement of the Pre-CIC Protected Period; or

(v) Any failure by the Company to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place, or any failure by any such successor after ten (10) days notice from Executive to so perform under this Agreement.

Provided, however, notwithstanding the occurrence of any of the events set forth above in this Section 1(m), Good Reason shall not include for the purpose of this definition (1) an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive, or (2) if occurring within the Pre-CIC Protected Period, any reduction in Executive's base annual salary or reduction in benefits received by Executive where such reduction is in connection with a company-wide reduction in salaries or benefits.

(n) Notice of Termination. "Notice of Termination" means a written notice of termination which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated and (iii) if the Date of Termination is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than fifteen (15) days after the giving of such notice), unless another date is mutually agreed upon between Executive and the Company.

(o) Person. "Person" has the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (1) Great Plains Energy or any of its subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly, or indirectly, by the stockholders of Great Plains Energy in substantially the same proportions as their ownership of stock of Great Plains Energy.

(p) Post-Effective Period. "Post-Effective Period" means the period commencing on the Effective Date and ending on the earlier of (i) the second anniversary of such date or (ii) Executive's 70^{th} birthday.

(q) Pre-CIC Protected Period. "Pre-CIC Protected Period" means the period that is within the Change in Control Period and begins when (A) Great Plains Energy enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; (B) Great Plains Energy or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; (C) any Person becomes the Beneficial Owner, directly or indirectly, of voting securities of Great Plains Energy representing 10% or more of the combined voting power of Great Plains Energy's then outstanding voting securities; or (D) the Board, the members or the stockholders of Great Plains Energy adopts a resolution approving any of the foregoing or approving any Change in Control, and ends upon the date the Change in Control transaction is either consummated, abandoned or terminated (for this purpose, the Board shall have the sole and absolute discretion to determine that a proposed transaction has been abandoned).

2. Termination of Employment During the Post-Effective Period.

(a) Death or Disability. Executive's employment shall terminate automatically upon Executive's death or, with written notice by the Company of its intention to terminate Executive's employment, upon Executive's Disability. In such event, Executive's employment with the Company shall terminate effective on the 90th day after receipt of such notice by Executive (the "Disability Effective Date"), provided that within the 90 days after such receipt Executive shall not have returned to full-time performance of Executive's duties.

(b) Cause. The Company may terminate Executive's employment at any time for Cause or without Cause. Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for Cause without (i) reasonable notice to Executive setting forth the reasons for the Company's intention to terminate for Cause, (ii) an opportunity for Executive, together with his counsel, to be heard before the Board within fifteen (15) days of such notice, and (iii) delivery to Executive of a Notice of Termination from the Board finding that, in the good faith opinion of the Board, that Executive was guilty of conduct set forth in Section 1(d), and specifying the particulars thereof in reasonable detail.

(c) Executive Resignation. Executive's employment may be terminated at any time by Executive for Good Reason or without Good Reason.

(d) Notice of Termination. Any termination by the Company for Cause, or by Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto. The failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of Executive or the Company hereunder or preclude Executive or the Company from asserting such fact or circumstance in enforcing Executive's or the Company's rights hereunder.

3. Obligations of the Company Upon Termination of Employment.

(a) Post-Effective Period Terminations Other Than for Cause, Death or Disability; Post-Effective Period Executive Resignation. If, during the Post-Effective Period, the Company shall terminate Executive's employment other than (I) for Cause or (II) on account of Executive's death or Disability, or Executive shall terminate employment for Good Reason, the Company shall pay to Executive, in a lump-sum cash payment made within 30 days following the Date of Termination, as compensation for services rendered to the Company, an amount equal to the aggregate of the following amounts set forth below in Sections 3(a)(i), (ii), (iii), and (iv), and provide to Executive the benefits provided in Section 3(a)(v).

(i) A cash amount equal to the sum of (A) Executive's full annual base salary from the Company and its affiliated companies through the Date of Termination, to the extent not theretofore paid, (B) a bonus in an amount at least equal to the average annualized incentive awards paid or payable pursuant to any Company-sponsored annual incentive compensation plan, including by reason of any deferral under a Company-sponsored deferred compensation program, to Executive by the Company and its affiliated companies during the five fiscal years of the Company (or if Executive shall have performed services for the Company and its affiliated companies for four fiscal years or less, the years during which Executive performed services) immediately preceding the fiscal year in which the Change in Control (or if benefits are payable pursuant to Section 3(c), the Date of Termination) occurs, multiplied by a fraction, the numerator of which is the number of days in the fiscal year in which the Date of Termination occurs through the Date of Termination and the denominator of which is 365 or 366, as applicable, to the extent not theretofore paid, (C) any amount credited to Executive's CAP Excess Benefits Account pursuant to the Great Plains Energy Incorporated Nonqualified Deferred Compensation Plan and any other compensation previously deferred by Executive (together with any interest and earnings thereon), in each case to the extent not theretofore paid, and (D) any accrued unpaid vacation pay;

(ii) a cash amount equal to (A) two (2) times Executive's highest annual base salary from the Company and its affiliated companies in effect during the twelve (12)-month period prior to the Date of Termination, plus (B) two (2) times Executive's average annualized annual incentive compensation awards, paid, or, but for a deferral under a Company-sponsored deferred compensation program, would have been paid, to Executive by the Company and its affiliated companies during the five fiscal years of the Company (or if Executive shall have performed services for the Company and its affiliated companies for four fiscal years or less, the years during which Executive performed services) immediately preceding the fiscal year in which the Change in Control (or if benefits are payable pursuant to Section 3(c), the Date of Termination) occurs; provided, however, that in the event there are fewer than twenty-four (24) whole months remaining from the Date of Termination to the date of Executive's 70th birthday, the amount calculated in accordance with this Section 3(a)(ii) shall be reduced by multiplying such amount by a fraction the numerator of which is the number of months, including a partial month (with a partial month being expressed as a fraction the numerator of which is the number of days remaining in such month and the denominator of which is the number of days in such month), so remaining and the denominator of which is twenty-four (24) months; provided further that any amount paid pursuant to this Section 3(a)(ii) shall be paid in lieu of any other amount of severance pay to be received by Executive upon termination of employment of Executive under any severance plan, policy or arrangement of the Company;

(iii) a cash amount equal to the excess of (A) the actuarial equivalent value of the monthly accrued benefits payable to Executive at age 65 under the Great Plains Energy Incorporated Management Pension Plan (the "Pension Plan") as in effect on the date of this Agreement and the benefits provided under the Supplemental Executive Retirement Plan in respect of the Pension Plan as in effect on the date of this Agreement, assuming (1) that benefits have accrued thereunder and Executive is entitled to such benefits, (2) each such benefit shall be computed as if Executive had two Years of Credited Service for every one actual Year of Credited Service earned under the Pension Plan, plus four additional Years of Credited Service earned under the Pension Plan and (3) Executive were fully vested in such hypothetical benefits, over (B) the actuarial equivalent value of Executive's vested accrued benefits under the Pension Plan and benefits payable under the Supplemental Executive Retirement Plan computed as if Executive had two Years of Credited Service for every one actual Year of Credited Service earned under the Pension Plan. Such cash amount shall be computed using the same actuarial methods and assumptions then in use for purposes of computing benefits under the Pension Plan, except that the computation shall be made without actuarial reduction for early retirement and provided that the interest rate used in such computation shall be the interest rate used on the Date of Termination by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution pursuant to a plan termination;

(iv) if on the Date of Termination Executive shall not be fully vested in the matching employer contributions made on Executive's behalf under the Great Plains Energy Incorporated Cash or Deferred Arrangement, a cash amount equal to the value of the unvested portion of such matching employer contributions;

(v) for a period of two (2) years commencing on the Date of Termination, the Company shall provide Executive and Executive's dependents with medical, accident, disability and life insurance coverage upon substantially the same terms and otherwise substantially to the same extent as such coverage was being provided to Executive and Executive's dependent(s) immediately prior to the Date of Termination. At the Company's election, such continuation coverage may be provided by (A) continuing such coverage under the Company's existing welfare benefit plans, (B) with respect to any group health care plan and for the applicable period permitted under Code Section 4980B(f)(2), Executive and/or Executive's dependent(s) being deemed to have elected to receive such coverage pursuant to a continuation election under Code Section 4980B with the Company being obligated to pay for the entire portion of the applicable COBRA premiums, (C) the Company purchasing an individual policy (to the extent such a policy is reasonably available in the marketplace) for Executive and/or Executive's dependent(s) providing substantially similar coverage as offered under the Company's plan, or (D) any combination of the forgoing methods under (A), (B) and (C) of this paragraph. Notwithstanding the foregoing sentence, if any of the medical, accident, disability or life insurance plans then in effect generally with respect to other peer executives of the Company and its affiliated companies would be more favorable to Executive, such plan coverage shall be substituted for the analogous plan coverage provided to Executive immediately prior to the Date of Termination, and the Company and Executive shall share the costs of such plan coverage in the same proportion as such costs were shared immediately prior to the Date of Termination. The obligation of the Company to continue coverage of Executive and Executive's dependent(s) under such plans and in accordance with this paragraph shall cease at such time as Executive and Executive's dependent(s) obtain comparable coverage under another plan, including a plan maintained by a new employer. With respect to any Company group health care plan, any continuation coverage provided under this paragraph shall be considered as alternative continuation coverage to any rights Executive or Executive's dependent(s) may have with respect to any other group health plan continuation coverage required by Code Section 4980B or any applicable state statute mandating health insurance continuation coverage. Except to the extent required by law, upon termination of the coverage provided for under this Section 3(a)(v), Executive and/or Executive's dependent(s) shall have no further right to continuation of coverage under any group health plan maintained by the Company or its affiliated companies.

(b) Termination for Cause, Disability, Death or Other than for Good Reason. If at any time during the Change in Control Period Executive's employment shall be terminated for Cause, Executive's employment is terminated due to Executive's death or Disability, or if Executive terminates employment other than for Good Reason, this Agreement shall terminate without further obligation of the Company to Executive other than (i) the obligation to pay to Executive his or her base salary through the Date of Termination, any incentive bonus and other compensation, payments and benefits for the most recently completed fiscal year and any accrued vacation pay, to the extent theretofore unpaid, which amounts shall be paid to Executive in a lump sum in cash within thirty (30) days of the Date of Termination, and (ii) the obligation to pay to Executive all amounts or benefits to which Executive is entitled for the period prior to the Date of Termination under any plan, program, policy, practice, contract or agreement of the Company (excluding amounts otherwise required to be paid under this Section 3(b)), at the time such amounts or benefits are due.

(c) Certain Terminations During Pre-CIC Protected Period. If, during the Pre-CIC Protected Period, Executive's employment is terminated by the Company other than for Cause or Executive terminates his or her employment for Good Reason, then Executive shall be entitled to receive the same benefits he or she would be entitled to receive under Section 3(a) if such termination of employment would have occurred during the Post-Effective Period. Any benefits or payments to be paid pursuant to this Section 3(c) shall be paid in a lump-sum payment and, subject to Section 3(d), within thirty (30) days following the termination of Executive's employment.

(d) Payments to Executive Following Termination. If (i) Executive is a "specified employee," as defined in Code section 409A(a)(1)(B)(i), and (ii) Executive's employment is terminated, either by Executive or by the Company, due to any reason, other than Executive's death, then, notwithstanding Sections 3(a) or 3(c) of this Agreement, Executive shall not receive any payment pursuant to Sections 3(a) or 3(c) until the first business day after six full months after Executive's Date of Termination.

4. Section 280G Gross-Up.

(a) Except as provided for in Section 4(e) below and notwithstanding any other provision in this Agreement to the contrary, in the event it shall be determined that any payment or distribution by the Company or its affiliated companies to or for the benefit of Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 4) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code, or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Company shall pay to Executive an additional payment (a "Gross-Up Payment") in an amount such that after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (except for any income tax under Section 409A of the Code), any interest and penalties imposed with respect thereto, and Excise Tax imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 4(c), all determinations required to be made under this Section 4, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by an independent registered public accounting firm selected by the Company that is not also the Company's then current accounting firm for annual audit purposes (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and Executive within fifteen (15) business days of the receipt of notice from Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, Executive shall appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 4, shall be paid by the Company to Executive within five (5) days of the receipt of the Accounting Firm's determination, but in no event later than the time set forth in Section 4(f), below. If the Accounting Firm determines that no Excise Tax is payable by Executive, it shall furnish Executive with a written opinion that failure to report the Excise Tax on Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 4(c) and Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of Executive.

(c) Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten (10) business days after Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the thirty (30) day period following the date on which Executive gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 4(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive shall prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided further, that if the Company desires Executive to pay such claim and sue for a refund, the Company shall, on Executive's behalf, pay such claim and on an after-tax basis reimburse Executive from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such payment and provided further, that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after payment by the Company pursuant to Section 4(c), Executive becomes entitled to receive, and receives, any refund with respect to such claim, Executive shall (subject to the Company's complying with the requirements of Section 4(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment of an amount by the Company pursuant to Section 4(c), a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) Notwithstanding Executive otherwise being eligible for a Gross-Up Payment under this Section 4, if, excluding any Gross-Up Payment required to be made pursuant to this Section 4, the "parachute payment" made to Executive does not exceed three times Executive's "base amount" by more than $1,000, then the payments and benefits to be paid or provided under this Agreement will be reduced to the minimum extent necessary so that no portion of any payment or benefit to Executive, as so reduced, constitutes an "excess parachute payment." For purposes of this Section 4(e), the terms "excess parachute payment," "parachute payment," and "base amount" will have the meanings assigned to them by Section 280G of the Code. The determination of whether any reduction in such payments or benefits to be provided under this Agreement is required pursuant to the preceding sentence will be made at the expense of the Company by the Accounting Firm. The fact that Executive's right to payments or benefits may be reduced by reason of the limitations contained in this Section 4(e) will not of itself limit or otherwise affect any other rights of Executive other than pursuant to this Agreement. In the event that any payment or benefit intended to be provided under this Agreement or otherwise is required to be reduced pursuant to this Section 4(e), Executive will be entitled to designate the payments and/or benefits to be so reduced in order to give effect to this Section. The Company will provide Executive with all information reasonably requested by Executive to permit Executive to make such designation. In the event that Executive fails to make such designation within 10 business days of the date of termination of Executive's employment, the Company may effect such reduction in any manner it deems appropriate.

(f) Any Gross-Up Payment made to Executive pursuant to this Section 4 shall be exempt from Code Section 409A pursuant to the short-term deferral exception to Code Section 409A. Absent further guidance from the United States Treasury Department, the Internal Revenue Service or any judicial authority relating to the application of Section 409A to Section 280G Gross-Up Payments, Gross-Up Payments pursuant to this Section 4 shall be made as follows:

(i) With respect to any Gross-Up Payment that can be reasonably calculated as of the time of a Change in Control or shortly thereafter, such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the Change in Control occurs;

(ii) With respect to any Gross-Up Payment that results from Executive becoming eligible for benefits under this Agreement upon Executive's termination of employment, such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the earlier of (A) the event giving rise to Executive's Good Reason occurs or (B) Executive's termination of employment; and

(iii) With respect to any Gross-Up Payment that is required to be made to Executive pursuant to Section 4(c), such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the alleged obligation of Executive, as reflected by Executive's receipt of a claim by the Internal Revenue Service, is received by Executive.

5. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit Executive's continuing or future participation in any plan, program, policy or practice provided by the Company and for which Executive may qualify, nor shall anything herein limit or otherwise affect such rights as Executive may have under any contract or agreement with the Company. Amounts that are vested benefits or that Executive is otherwise entitled to receive at or subsequent to the Date of Termination under any plan, policy, practice or program of or any contract or agreement with the Company shall be payable in accordance with such plan, policy, practice or program or contract or agreement, except as explicitly modified by this Agreement.

6. Full Settlement; Resolution of Disputes.

(a) Except where Executive's employment is terminated for Cause, the Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Executive obtains other employment. Subject to Executive's agreement to repay certain fees and expenses as provided below in Section 6(b), the Company shall pay promptly as incurred, to the full extent permitted by law, all legal fees and expenses that Executive may reasonably incur as a result of any dispute or contest (regardless of the outcome thereof) by the Company, Executive or others of the validity or enforceability of, or the existence of liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at one hundred twenty percent (120%) of the Federal Mid-Term Rate under Section 1274(d) of the Code.

(b) If there shall be any dispute or contest between the Company and Executive (i) in the event of any termination of Executive's employment by the Company, whether such termination was for Cause, or (ii) in the event of any termination of employment by Executive whether Good Reason existed, then the resolution of such dispute or contest shall be finally determined by arbitration, which may be initiated by either the Company or Executive, pursuant to the Federal Arbitration Act in accordance with the rules then in force of the American Arbitration Association. The arbitration proceedings shall take place in Kansas City, Missouri or such other location as the parties in dispute hereafter may agree upon; and such proceedings will be conducted in the English language and shall be governed by the laws of the State of Missouri as such laws are applied to agreements between residents of the State entered into and to be performed entirely within the State. There shall be one arbitrator, as shall be agreed upon by the parties in dispute, who shall be an individual skilled in the legal and business aspects of the subject matter of this Agreement and of the dispute. In the absence of such agreement, each party in dispute shall select one arbitrator and the arbitrators so selected shall select a third arbitrator. In the event the arbitrators cannot agree upon the selection of a third arbitrator, such third arbitrator shall be appointed by the American Arbitration Association at the request of any of the parties in dispute. The arbitrators shall be individuals skilled in the legal and business aspects of the subject matter of this Agreement and of the dispute. The decision rendered by the arbitrator or arbitrators shall be accompanied by a written opinion in support thereof. Such decision shall be final and binding upon the parties in dispute without right of appeal, it being the intent of the parties that such decision, and, irrespective of any contrary provision of the laws of the State respecting rights of appeal, such decision may not be appealed. The burden of proving that Executive is not entitled to receive the amounts and the benefits contemplated by this Agreement shall be on the Company.

(c) In the event of such an arbitration and provided that Executive shall repay the following amounts, fees and expenses if the final and binding decision of the arbitrator(s) is that Executive's termination was for Cause or that Good Reason did not exist for termination of employment by Executive, (i) Great Plains Energy shall advance to Executive all legal fees and expenses that Executive may reasonably incur as a result of any such action, and (ii) if a final and binding decision of the arbitrator(s) is not obtained by the six-month anniversary of the date the Company or Executive first provided notice to the other party of the dispute or contest (the "Dispute Notice"), Great Plains Energy shall pay all amounts, and provide all benefits, to Executive and/or Executive's family or other beneficiaries, as the case may be, that Great Plains Energy would be required to pay or provide pursuant to Sections 3(a) or 3(c) if such termination were by the Company without Cause or by Executive with Good Reason. If the final and binding decision of the arbitrator(s) is that Executive's termination was not for Cause or that Good Reason did exist for such termination by Executive then, (I) if such decision is before the six-month anniversary of the receipt of the Dispute Notice, Executive shall receive all payments and benefits contemplated by this Agreement, plus interest on any delayed payment or benefit at one hundred twenty percent (120%) of the Federal Mid-Term Rate under Section 1274(d) of the Code or (II) if such decision is after the six-month anniversary of the receipt of the Dispute Notice such that all payments and benefits contemplated by this Agreement have already been paid, Executive shall receive interest (calculated in the same manner as set forth above) for the six-month period the payments and provision of benefits were delayed. In no event may the arbitrator or arbitrators award any other damages or award of any kind. Notwithstanding the foregoing, nothing in this Agreement is intended to, or shall be construed as, affecting the rights and obligations of Executive and the Company to submit any dispute (other than such disputes contemplated by, and resolved in accordance with Sections 6(b) and 6(c)) to the appropriate dispute resolution process in accordance with any applicable dispute resolution plan intended to provide a procedural mechanism, whether exclusive or non-exclusive, for the resolution of any and all disputes between the Company and its present or former employees.

7. Restrictive Covenants.

(a) Nondisclosure of Confidential Information. Executive shall hold in confidence for the benefit of the Company all Confidential Information. Executive agrees that Executive will not disclose any Confidential Information to any person or entity other than the Company and those designated by it, either during or subsequent to Executive's employment by the Company, nor will Executive use any Confidential Information, except (i) in the regular course of Executive's employment by the Company, without the prior written consent of the Company or (ii) as may otherwise be required by law or legal process.

(b) Actions Upon Termination; Assistance with Claims. Upon Executive's employment termination for whatever reason, Executive shall neither take or copy nor allow a third party to take or copy, and shall deliver to the Company all property of the Company, including, but not limited to, all Confidential Information regardless of the medium (i.e., hard copy, computer disk, CD ROM) on which the information is contained. During and after Executive's employment by the Company, Executive will provide reasonable assistance to the Company in the defense of any claims or potential claims that may be made or threatened to be made against the Company in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative ("Proceeding") and will provide reasonable assistance to the Company in the prosecution of any claims that may be made by the Company in any Proceeding, to the extent that such claims may relate to Executive's employment by the Company. For the avoidance of doubt, reasonable assistance would not include Executive being required to provide information that could reasonably result in criminal or civil charges or penalties being assessed or imposed against Executive in his individual capacity. Executive shall, unless precluded by law, promptly inform the Company if Executive is asked to participate (or otherwise become involved) in any Proceeding involving such claims or potential claims. Executive also shall, unless precluded by law, promptly inform the Company if Executive is asked to assist in any investigation (whether governmental or private) of the Company (or its actions), regardless of whether a lawsuit has then been filed against the Company with respect to such investigation. The Company shall reimburse Executive for all of Executive's reasonable out-of-pocket expenses associated with such assistance, including travel expenses and any attorneys' fees and shall pay a reasonable per diem fee (equal to 1/250th of Executive's annual salary rate at Executive's Date of Termination) for Executive's services.

(c) Noncompetition. Executive agrees that so long as Executive is employed by the Company and for a period of six (6) months thereafter, Executive shall not, without the prior written consent of the Company, which in the case of termination will not be unreasonably withheld, participate or engage in, directly or indirectly (as an owner, partner, employee, officer, director, independent contractor, consultant, advisor or in any other capacity calling for the rendition of services, advice, or acts of management, operation or control), any business that, during Executive's employment, is in direct competition with the business conducted by the Company or any of its affiliates within the United States (hereinafter, the "Geographic Area"); provided, however, that the foregoing shall not be construed to preclude Executive from making any investments in any securities to the extent such securities are traded on a national securities exchange or over-the-counter market and such investment does not exceed five percent (5%) of the issued and outstanding voting securities of such issuer.

(d) Nonsolicitation of Employees. During Executive's employment and for a period of six (6) months thereafter, Executive shall not, without the consent of the Company, directly or indirectly solicit any current employee of the Company or any of its affiliates, to leave such employment and join or become affiliated with any business that is in direct competition with the business conducted by the Company or any of its affiliates within the Geographic Area.

(e) Mutual Non-disparagement. Executive shall refrain from making any statements about the Company or its officers or directors that would disparage, or reflect unfavorably upon the image or reputation of the Company or any such officer or director. The Company shall refrain from making any statements about Executive that would disparage, or reflect unfavorably upon the image or reputation of, Executive.

(f) Irreparable Harm. Executive acknowledges that: (i) Executive's compliance with this Section 7 is necessary to preserve and protect the Confidential Information, and the goodwill of the Company and its affiliates as going concerns; (ii) any failure by Executive to comply with the provisions of this Section may result in irreparable and continuing injury for which there may be no adequate remedy at law; and (iii) in the event that Executive should fail to comply with the terms and conditions of this Section, the Company shall be entitled, in addition to such other relief as may be proper, to seek all types of equitable relief (including, but not limited to, the issuance of an injunction and/or temporary restraining order) as may be necessary to cause Executive to comply with this Section, to restore to the Company its property, and to make the Company whole.

(g) Unenforceability. If any provision(s) of this Section 7 shall be found invalid or unenforceable, in whole or in part, then such provision(s) shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision(s) had been originally incorporated herein as so modified or restricted, or as if such provision(s) had not been originally incorporated herein, as the case may be.

8. Successors.

(a) This Agreement is personal to Executive and shall not be assignable by Executive without the prior written consent of the Company otherwise than by will or the laws of descent and distribution. If Executive should die while any amounts would still be payable to Executive hereunder if she or he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's heirs or representatives or, if there be no such designee, to Executive's estate.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

9. Prohibition of Payments by Regulatory Agencies. Notwithstanding anything to the contrary contained in this Agreement, the Company shall not be obligated to make any payment to Executive under this Agreement if the payment would violate any rule, regulation or order of any regulatory agency having jurisdiction over the Company or any of its subsidiaries; provided, however, that the Company covenants to Executive that it will take all reasonable steps to obtain any regulatory agency approvals that may be required in order to make payments to Executive as provided herein.

10. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto. This Agreement supersedes all previous agreements relating to the subject matter of this Agreement, written or oral, between the parties hereto and contains the entire understanding of the parties hereto including, but not limited to that Prior Severance Agreement dated May 25, 2005, between the Board and Executive.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:	If to Executive:
Great Plains Energy Incorporated	John Marshall
Attn: General Counsel	Great Plains Energy Incorporated
1201 Walnut	1201 Walnut
Kansas City, Missouri	Kansas City, Missouri
64106-2124	64106-2124

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which other provisions shall remain in full force and effect.

(d) This Agreement is intended to meet the requirements of Section 409A of the Code and may be administered in a manner that is intended to meet those requirements and shall be construed and interpreted in accordance with such intent. To the extent that any payment or benefit provided hereunder is subject to Section 409A of the Code, such payment or benefit shall be provided in a manner that will meet the requirements of Section 409A of the Code, including regulations or other guidance issued with respect thereto, such that the payment or benefit shall not be subject to the excise tax applicable under Section 409A of the Code. Any provision of this Agreement that would cause any payment or benefit to fail to satisfy Section 409A of the Code shall be amended (in a manner that as closely as practicable achieves the original intent of this Agreement) to comply with Section 409A of the Code on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Section 409A of the Code. In the event additional regulations or other guidance is issued under Section 409A of the Code or a court of competent jurisdiction provides additional authority concerning the application of Section 409A with respect to the payments described in Section 4 of the Agreement, then the provisions of such Section shall be amended to permit such payments to be made at the earliest time permitted under such additional regulations, guidance or authority that is practicable and achieves the original intent of this Agreement.

(e) The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(f) Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Executive or the Company may have hereunder, including, without limitation, the right of Executive to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) Executive and Great Plains Energy acknowledge that, except as may otherwise be provided under any other written agreement between Executive and the Company, the employment of Executive by the Company is "at will" and, may be terminated by either Executive or the Company at any time. Except as provided in Section 3(c), if prior to the Effective Date, Executive's employment with the Company terminates, then Executive shall have no further rights under this Agreement.

(h) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one agreement that is binding upon each of the parties hereto, notwithstanding that all parties are not signatories to the same counterpart.

IN WITNESS WHEREOF, each of Great Plains Energy and Executives has executed this Agreement as of the day and year first above written.

GREAT PLAINS ENERGY INCORPORATED

By:
Name:
Title:

EXECUTIVE:

John Marshall

CHANGE IN CONTROL SEVERANCE AGREEMENT

THIS CHANGE IN CONTROL SEVERANCE AGREEMENT is entered into as of the ___ day of _____, 2006, among Great Plains Energy Incorporated, a Missouri corporation, ("Great Plains Energy"), Strategic Energy, L.L.C., a Delaware limited liability company, (the "Company") and Shahid Malik ("Executive").

WITNESSETH:

WHEREAS, Executive is a valued employee of the Company; and

WHEREAS, Great Plains Energy and the Company believes that it is in the best interests of the Company and its members (i) to provide assurance that the Company will have the continued service of Executive notwithstanding the possibility, threat or occurrence of a Change in Control (as defined in Section 1) of any Parent Company (as defined in Section 1) or the Company, (ii) to diminish the distraction to Executive that may arise by virtue of the personal uncertainties and risks created by such a threatened or pending Change in Control, and (iii) to encourage Executive's full attention and dedication to the Company currently and in the event of a threatened or pending Change in Control; and

WHEREAS, Great Plains Energy, the Company and Executive previously entered into a severance agreement dated November 10, 2004, the "Prior Severance Agreement" whereby the Company agreed to provide Executive with certain compensation and perquisites following Executive's termination or constructive termination of employment with the Company in connection with a change in control or potential change in control of Great Plains Energy or the Company; and

WHEREAS, Great Plains Energy, the Company and Executive agree that, in connection with both parties entering into this Agreement, the Prior Severance Agreement shall be terminated, rendered null and void, and all duties and rights conferred upon the parties thereto extinguished, and that such Prior Severance Agreement is replaced in its entirety with the benefits, duties, terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

1. Certain Definitions. As used in this Agreement, unless otherwise defined herein or unless the context otherwise requires, the following terms shall have the following meanings:

(a) Agreement. "Agreement" means this Change in Control Severance Agreement as amended from time to time.

(b) Beneficial Owner. "Beneficial Owner" shall have the same meaning as set forth in Rule 13d-3 of the Exchange Act.

(c) Board. "Board" means the Board of Directors of Great Plains Energy.

(d) Cause. "Cause" means (i) the material misappropriation of any of the Company's or any Parent Company's funds, Confidential Information or property; (ii) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, or the equivalent thereof; (iii) commission of act of willful damage, willful misrepresentation, willful dishonesty, or other willful conduct that can reasonably be expected to have a material adverse effect on the business, reputation, or financial situation of the Company or any Parent Company; or (iv) gross negligence or willful misconduct in performance of Executive's duties; provided, however, "cause" shall not exist under clause (iv), above, with respect to an act or failure to act unless (A) Executive has been provided written notice describing in sufficient detail the acts or failure to act giving rise to the Company's assertion of such gross negligence or misconduct, (B) been provided a reasonable period to remedy any such occurrence and (C) failed to sufficiently remedy the occurrence.

(e) Change in Control. "Change in Control" means the occurrence of one of the following events, whether in a single transaction or a series of related transactions:

(1) With respect to the Company:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of membership interests of the Company (not including in the membership interests beneficially owned by such Person any membership interests acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of the combined voting power of the Company's then outstanding membership interests; or

(ii) the consummation of a merger, consolidation, reorganization or similar corporate transaction of the Company, whether or not the Company is the surviving entity in such transaction, other than (A) a merger, consolidation, or reorganization that would result in the voting interests of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting interests of the surviving entity or any parent thereof), at least 50% of the combined voting power of the voting interests of the Company or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or reorganization, or (B) a merger, consolidation or reorganization effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of interests of the Company (not including in the interests Beneficially Owned by such Person any interests acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of the then combined voting power of the Company's then outstanding membership interests; or

(iii) the members of the Company approve a plan of complete liquidation, a dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all the Company's assets.

Notwithstanding the foregoing, no "Change in Control" shall be deemed to have occurred with respect to the Company if there is consummated any transaction or series of integrated transactions immediately following which the holders of the membership interests of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(2) With respect to Great Plains Energy:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Great Plains Energy (not including in the securities beneficially owned by such Person any securities acquired directly from Great Plains Energy or its affiliates other than in connection with the acquisition by Great Plains Energy or its affiliates of a business) representing 35% or more of either the then outstanding shares of common stock of Great Plains Energy or the combined voting power of Great Plains Energy's then outstanding securities; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Great Plains Energy, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) whose appointment or election by the Board or nomination for election by Great Plains Energy's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved; or

(iii) the consummation of a merger, consolidation, reorganization or similar corporate transaction of Great Plains Energy, whether or not Great Plains Energy is the surviving corporation in such transaction, other than (A) a merger, consolidation, or reorganization that would result in the voting securities of Great Plains Energy outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 60% of the combined voting power of the voting securities of Great Plains Energy or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or reorganization, or (B) a merger, consolidation or reorganization effected to implement a recapitalization of Great Plains Energy (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Great Plains Energy (not including in the securities Beneficially Owned by such Person any securities acquired directly from Great Plains Energy or its affiliates other than in connection with the acquisition by Great Plains Energy or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of Great Plains Energy or the combined voting power of Great Plains Energy's then outstanding securities; or

(iv) the occurrence of, or the stockholders of Great Plains Energy approve a plan of, a complete liquidation or dissolution of Great Plains Energy or an agreement for the sale or disposition by Great Plains Energy of all or substantially all of Great Plains Energy's assets, other than a sale or disposition by Great Plains Energy of all or substantially all of Great Plains Energy 's assets to an entity, at least 60% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of Great Plains Energy Company immediately prior to such sale.

Notwithstanding the foregoing, no "Change in Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the common stock of Great Plains Energy immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Great Plains Energy immediately following such transaction or series of transactions.

(f) Change in Control Period. "Change in Control Period" means the period commencing on the date hereof and ending on the second anniversary of such date; provided, however, that commencing on a date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof being hereinafter referred to as the "Renewal Date"), the Change in Control Period shall be automatically extended so as to terminate two years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company or Great Plains Energy shall give notice to Executive that the Change in Control Period shall not be so extended; provided, further that during any period of time when the Board or the governing body of the Company has knowledge that any person has taken steps reasonably calculated to effect a Change in Control, the Change in Control Period shall automatically be extended (and may not terminate) until, in the opinion of the Board, such person has abandoned or terminated its efforts to effect a Change in Control.

(g) Company. "Company" means Strategic Energy, L.L.C., a Delaware limited liability company, and its successors and assigns.

(h) Confidential Information. "Confidential Information" means (1) any and all trade secrets concerning the business and affairs of the Company or any Parent Company, product specifications, data, know-how, formulae, algorithms, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current, and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer software and programs (including object code and source code), computer software and database technologies, systems, structures, and architectures; (2) information concerning the business and affairs of the Company or any Parent Company (which includes historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, the names and backgrounds of key personnel, personnel training and techniques and materials); and (3) notes, analysis, compilations, studies, summaries, and other material prepared by or for the Company or any Parent Company containing or based, in whole or in part, or any information included in the foregoing, whether reduced to writing or not and which has not become publicly known or made generally available through no wrongful act of Executive or others who were under confidentiality obligations as to the item or items involved.

(i) Date of Termination. "Date of Termination" means (i) if Executive's employment is terminated by the Company or any Parent Company for Cause, or by Executive for Good Reason, the date of receipt of the Notice of Termination or any later date permitted to be specified therein, as the case may be, (ii) if Executive's employment is terminated by the Company or any Parent Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies Executive of such termination, (iii) if Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of Executive or the Disability Effective Date (as defined in Section 2(a)), as the case may be and (iv) if Executive's employment is terminated by Executive for other than Good Reason, the Date of Termination shall be the date on which Executive notifies the Company in writing of such termination or any later date permitted to be specified therein, as the case may be.

(j) Disability or Disabled. The term "Disability" or "Disabled" shall mean an individual (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than 3 months under an accident or health plan sponsored by the Company or any Parent Company.

(k) Effective Date. "Effective Date" means the first date on which a Change in Control occurs during the Change in Control Period.

(l) Exchange Act. "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

(m) Good Reason. "Good Reason" means, without Executive's written consent any of the following:

(i) Any material and adverse reduction or material and adverse diminution in Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities held, exercised or assigned at any time during the 90-day period immediately preceding the commencement of the Pre-CIC Protected Period;

(ii) Any reduction in Executive's annual base salary as in effect immediately preceding the commencement of the Pre-CIC Protected Period or as the same may be increased from time to time;

(iii) Any reduction in benefits received by Executive under Company Plans (as defined below) to less than the most favorable benefits provided to Executive by the Company under Company Plans at any time during the 90-day period immediately preceding the commencement of the Pre-CIC Protected Period. "Company Plans" means, with respect to either the Company or any Parent Company, (1) all incentive, savings and retirement plans, practices, policies and programs sponsored or maintained by the Company, any Parent Company, or any affiliate thereof, (2) all welfare benefit plans, practices, policies and programs (including medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) sponsored or maintained by the Company, any Parent Company, or any affiliate thereof, (3) expense reimbursement by the Company, any Parent Company, or any affiliate thereof for all reasonable out-of-pocket employment expenses incurred by Executive, (4) the provision of fringe benefits, and (5) the provision of paid vacation time by the Company, any Parent Company, or any affiliate thereof;

(iv) Executive being required by the Company to be based at any office or location that is more than 35 miles from the location where Executive was employed immediately preceding the commencement of the Pre-CIC Protected Period; or

(v) Any failure by the Company to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or Great Plains Energy to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place, or any failure by any such successor after ten (10) days notice from Executive to so perform under this Agreement.

Provided, however, notwithstanding the occurrence of any of the events set forth above in this Section 1(m), Good Reason shall not include for the purpose of this definition (1) an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive, or (2) if occurring within the Pre-CIC Protected Period, any reduction in Executive's base annual salary or reduction in benefits received by Executive where such reduction is in connection with a company-wide reduction in salaries or benefits.

(n) Notice of Termination. "Notice of Termination" means a written notice of termination which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated and (iii) if the Date of Termination is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than fifteen (15) days after the giving of such notice), unless another date is mutually agreed upon between Executive and the Company.

(o) Parent Company. "Parent Company" means Great Plains Energy or any other company which is a direct or indirect parent company of the Company.

(p) Person. "Person" has the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (1) Great Plains Energy or any Parent Company, (2) a trustee or other fiduciary holding securities under an employee benefit plan of Great Plains Energy or any of its subsidiaries, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly, or indirectly, by the stockholders of Great Plains Energy or any Parent Company in substantially the same proportions as their ownership of stock of Great Plains Energy or any Parent Company.

(q) Post-Effective Period. "Post-Effective Period" means the period commencing on the Effective Date and ending on the earlier of (i) the second anniversary of such date or (ii) Executive's 70th birthday.

(r) Pre-CIC Protected Period. "Pre-CIC Protected Period" means the period that is within the Change in Control Period and begins when (A) the Company or any Parent Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; (B) the Company, any Parent Company or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; (C) any Person becomes the Beneficial Owner, directly or indirectly, of voting securities of the Company or any Parent Company representing 10% or more of the combined voting power of the Company's or any Parent Company's then outstanding voting securities; or (D) the Board, the members or the stockholders of the Company or any Parent Company adopts a resolution approving any of the foregoing or approving any Change in Control, and ends upon the date the Change in Control transaction is either consummated, abandoned or terminated (for this purpose, the Board shall have the sole and absolute discretion to determine that a proposed transaction has been abandoned).

2. Termination of Employment During the Post-Effective Period.

(a) Death or Disability. Executive's employment shall terminate automatically upon Executive's death or, with written notice by the Company of its intention to terminate Executive's employment, upon Executive's Disability. In such event, Executive's employment with the Company shall terminate effective on the 90th day after receipt of such notice by Executive (the "Disability Effective Date"), provided that within the 90 days after such receipt Executive shall not have returned to full-time performance of Executive's duties.

(b) Cause. The Company may terminate Executive's employment at any time for Cause or without Cause. Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for Cause without (i) reasonable notice to Executive setting forth the reasons for the Company's intention to terminate for Cause, (ii) an opportunity for Executive, together with his counsel, to be heard before the Board within fifteen (15) days of such notice, and (iii) delivery to Executive of a Notice of Termination from the Board finding that, in the good faith opinion of the Board, that Executive was guilty of conduct set forth in Section 1(d), and specifying the particulars thereof in reasonable detail.

(c) Executive Resignation. Executive's employment may be terminated at any time by Executive for Good Reason or without Good Reason.

(d) Notice of Termination. Any termination by the Company for Cause, or by Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto. The failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of Executive or the Company hereunder or preclude Executive or the Company from asserting such fact or circumstance in enforcing Executive's or the Company's rights hereunder.

3. Obligations of the Company Upon Termination of Employment

(a) Post-Effective Period Terminations Other Than for Cause, Death or Disability; Post-Effective Period Executive Resignation. If, during the Post-Effective Period, the Company shall terminate Executive's employment other than (I) for Cause or (II) on account of Executive's death or Disability, or Executive shall terminate employment for Good Reason, then all shares of restricted stock granted under the Company's Long-Term Incentive Plan (the "LTIP") shall become fully vested and the Company shall pay to Executive, in a lump-sum cash payment made within 30 days following the Date of Termination, as compensation for services rendered to the Company, an amount equal to the aggregate of the following amounts set forth below in Sections 3(a)(i) and (ii), and (iii), and provide to Executive the benefits provided in Section 3(a)(iv).

(i) A cash amount equal to the sum of (A) Executive's full annual base salary from the Company and its affiliated companies through the Date of Termination, to the extent not theretofore paid, (B) a bonus in an amount at least equal to the average annualized incentive awards paid or payable pursuant to any Company-sponsored annual incentive compensation plan, including by reason of any deferral under a Company-sponsored deferred compensation program, to Executive by the Company and its affiliated companies during the five fiscal years of the Company (or if Executive shall have performed services for the Company and its affiliated companies for four fiscal years or less, the years during which Executive performed services) immediately preceding the fiscal year in which the Change in Control (or the Date of Termination if benefits are payable pursuant to Section 3(c)) occurs, multiplied by a fraction, the numerator of which is the number of days in the fiscal year in which the Date of Termination occurs through the Date of Termination and the denominator of which is 365 or 366, as applicable, to the extent not theretofore paid, (C) any amount credited to Executive under any deferred contribution nonqualified deferred compensation plan sponsored by any Parent Company or the Company and any other compensation previously deferred by Executive (together with any interest and earnings thereon), in each case to the extent not theretofore paid, and (D) any accrued unpaid vacation pay;

(ii) A cash amount equal to the performance bonus Executive would have received under the LTIP with respect to all outstanding grants and assuming performance at target;

(iii) a cash amount equal to (A) three (3) times Executive's highest annual base salary from the Company and its affiliated companies in effect during the twelve (12)-month period prior to the Date of Termination, plus (B) three (3) times Executive's average annualized annual incentive compensation awards, paid, or, but for a deferral under a Company-sponsored deferred compensation program, would have been paid, to Executive by the Company and its affiliated companies during the five fiscal years of the Company (or if Executive shall have performed services for the Company and its affiliated companies for four fiscal years or less, the years during which Executive performed services) immediately preceding the fiscal year in which the Change in Control (or if benefits are payable pursuant to Section 3(c), the Date of Termination) occurs; provided, however, that in the event there are fewer than thirty-six (36) whole months remaining from the Date of Termination to the date of Executive's 70th birthday, the amount calculated in accordance with this Section 3(a)(iii) shall be reduced by multiplying such amount by a fraction the numerator of which is the number of months, including a partial month (with a partial month being expressed as a fraction the numerator of which is the number of days remaining in such month and the denominator of which is the number of days in such month), so remaining and the denominator of which is thirty-six (36) months; provided further, that any amount paid pursuant to this Section 3(a)(iii) shall be paid in lieu of any other amount of severance pay to be received by Executive upon termination of employment of Executive under any severance plan, policy or arrangement of the Company;

(iv) for a period of three (3) years commencing on the Date of Termination, the Company or the Parent Company shall provide Executive and Executive's dependents with medical, accident, disability and life insurance coverage upon substantially the same terms and otherwise substantially to the same extent as such coverage was being provided to Executive and Executive's dependent(s) immediately prior to the Date of Termination. At the Company's or Parent Company's election, such continuation coverage may be provided by (A) continuing such coverage under the Company's or Parent Company's existing welfare benefit plans, (B) with respect to any group health care plan and for the applicable period permitted under Code Section 4980B(f)(2), Executive and/or Executive's dependent(s) being deemed to have elected to receive such coverage pursuant to a continuation election under Code Section 4980B with the Company being obligated to pay for the entire portion of the applicable COBRA premiums, (C) the Company purchasing an individual policy (to the extent such a policy is reasonably available in the marketplace) for Executive and/or Executive's dependent(s) providing substantially similar coverage as offered under the Company's or Parent Company's plan, or (D) any combination of the forgoing methods under (A), (B) and (C) of this paragraph. Notwithstanding the foregoing sentence, if any of the medical, accident, disability or life insurance plans then in effect generally with respect to other peer executives of the Company and its affiliated companies would be more favorable to Executive, such plan coverage shall be substituted for the analogous plan coverage provided to Executive immediately prior to the Date of Termination, and the Company and Executive shall share the costs of such plan coverage in the same proportion as such costs were shared immediately prior to the Date of Termination. The obligation of the Company to continue coverage of Executive and Executive's dependent(s) under such plans and in accordance with this paragraph shall cease at such time as Executive and Executive's dependent(s) obtain comparable coverage under another plan, including a plan maintained by a new employer. With respect to any Company or Parent Company group health care plan, any continuation coverage provided under this paragraph shall be considered as alternative continuation coverage to any rights Executive or Executive's dependent(s) may have with respect to any other group health plan continuation coverage required by Code Section 4980B or any applicable state statute mandating health insurance continuation coverage. Except to the extent required by law, upon termination of the coverage provided for under this Section 3(a)(iv), Executive and/or Executive's dependent(s) shall have no further right to continuation of coverage under any group health plan maintained by the Company or its affiliated companies.

(b) Termination for Cause, Disability, Death or Other than for Good Reason. If at any time during the Change in Control Period, Executive's employment shall be terminated for Cause, Executive's employment is terminated due to Executive's death or Disability, or if Executive terminates employment other than for Good Reason, this Agreement shall terminate without further obligation of the Company to Executive other than (i) the obligation to pay to Executive his or her base salary through the Date of Termination, any incentive bonus and other compensation, payments and benefits for the most recently completed fiscal year and any accrued vacation pay, to the extent theretofore unpaid, which amounts shall be paid to Executive in a lump sum in cash within thirty (30) days of the Date of Termination, and (ii) the obligation to pay to Executive all amounts or benefits to which Executive is entitled for the period prior to the Date of Termination under any plan, program, policy, practice, contract or agreement of the Company (excluding amounts otherwise required to be paid under this Section 3(b)), at the time such amounts or benefits are due.

(c) Certain Terminations during Pre-CIC Protected Period. If, during the Pre-CIC Protected Period, Executive's employment is terminated by the Company other than for Cause or Executive terminates his or her employment for Good Reason, then, Executive shall be entitled to receive the same benefits he or she would be entitled to receive under Section 3(a) if such termination of employment would have occurred during the Post-Effective Period. Any benefits or payments to be paid pursuant to this Section 3(c) shall be paid in a lump-sum payment and, subject to Section 3(d), within thirty (30) days following the termination of Executive's employment.

(d) Payments to Executive Following Termination. If (i) Executive is a "specified employee," as defined in Code section 409A(a)(1)(B)(i), and (ii) Executive's employment is terminated, either by Executive or by the Company, due to any reason other than Executive's death, then, notwithstanding Sections 3(a) or 3(c) of this Agreement, Executive shall not receive any payment pursuant to Sections 3(a) or 3(c) until the first business day after six full months after Executive's Date of Termination.

4. Section 280G Gross-Up.

(a) Except as provided for in Section 4(e) below and notwithstanding any other provision in this Agreement to the contrary, in the event it shall be determined that any payment or distribution by the Company or its affiliated companies to or for the benefit of Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 4) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code, or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Company shall pay to Executive an additional payment (a "Gross-Up Payment") in an amount such that after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (except for any income tax under Section 409A of the Code), any interest and penalties imposed with respect thereto, and Excise Tax imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 4(c), all determinations required to be made under this Section 4, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by an independent registered public accounting firm selected by the Company that is not also the Company's then current accounting firm for annual audit purposes (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and Executive within fifteen (15) business days of the receipt of notice from Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, Executive shall appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 4, shall be paid by the Company to Executive within five (5) days of the receipt of the Accounting Firm's determination, but in no event later than the time set forth in Section 4(f), below. If the Accounting Firm determines that no Excise Tax is payable by Executive, it shall furnish Executive with a written opinion that failure to report the Excise Tax on Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 4(c) and Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of Executive.

(c) Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten (10) business days after Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the thirty (30) day period following the date on which Executive gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 4(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive shall prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided further, that if the Company desires Executive to pay such claim and sue for a refund, the Company shall, on Executive's behalf, pay such claim and on an after-tax basis reimburse Executive from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such payment and provided further, that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after payment by the Company pursuant to Section 4(c), Executive becomes entitled to receive, and receives, any refund with respect to such claim, Executive shall (subject to the Company's complying with the requirements of Section 4(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment of an amount by the Company pursuant to Section 4(c), a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) Notwithstanding Executive otherwise being eligible for a Gross-Up Payment under this Section 4, if, excluding any Gross-Up Payment required to be made pursuant to this Section 4, the "parachute payment" made to Executive does not exceed three times Executive's "base amount" by more than $1,000, then the payments and benefits to be paid or provided under this Agreement will be reduced to the minimum extent necessary so that no portion of any payment or benefit to Executive, as so reduced, constitutes an "excess parachute payment." For purposes of this Section 4(e), the terms "excess parachute payment," "parachute payment," and "base amount" will have the meanings assigned to them by Section 280G of the Code. The determination of whether any reduction in such payments or benefits to be provided under this Agreement is required pursuant to the preceding sentence will be made at the expense of the Company by the Accounting Firm. The fact that Executive's right to payments or benefits may be reduced by reason of the limitations contained in this Section 4(e) will not of itself limit or otherwise affect any other rights of Executive other than pursuant to this Agreement. In the event that any payment or benefit intended to be provided under this Agreement or otherwise is required to be reduced pursuant to this Section 4(e), Executive will be entitled to designate the payments and/or benefits to be so reduced in order to give effect to this Section. The Company will provide Executive with all information reasonably requested by Executive to permit Executive to make such designation. In the event that Executive fails to make such designation within 10 business days of the date of termination of Executive's employment, the Company may effect such reduction in any manner it deems appropriate.

(f) Any Gross-Up Payment made to Executive pursuant to this Section 4 shall be exempt from Code Section 409A pursuant to the short-term deferral exception to Code Section 409A. Absent further guidance from the United States Treasury Department, the Internal Revenue Service or any judicial authority relating to the application of Section 409A to Section 280G Gross-Up Payments, Gross-Up Payments pursuant to this Section 4 shall be made as follows:

(i) With respect to any Gross-Up Payment that can be reasonably calculated as of the time of a Change in Control or shortly thereafter, such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the Change in Control occurs;

(ii) With respect to any Gross-Up Payment that results from Executive becoming eligible for benefits under this Agreement upon Executive's termination of employment, such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the earlier of (A) the event giving rise to Executive's Good Reason occurs or (B) Executive's termination of employment; and

(iii) With respect to any Gross-Up Payment that is required to be made to Executive pursuant to Section 4(c), such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the alleged obligation of Executive, as reflected by Executive's receipt of a claim by the Internal Revenue Service, is received by Executive.

5. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any Parent Company and for which Executive may qualify, nor shall anything herein limit or otherwise affect such rights as Executive may have under any contract or agreement with the Company or any Parent Company. Amounts that are vested benefits or that Executive is otherwise entitled to receive at or subsequent to the Date of Termination under any plan, policy, practice or program of or any contract or agreement with the Company shall be payable in accordance with such plan, policy, practice or program or contract or agreement, except as explicitly modified by this Agreement.

6. Full Settlement; Resolution of Disputes.

(a) Except where Executive's employment is terminated for Cause, the Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Executive obtains other employment. Subject to Executive's agreement to repay certain fees and expenses as provided below in Section 6(c), the Company shall pay promptly as incurred, to the full extent permitted by law, all legal fees and expenses that Executive may reasonably incur as a result of any dispute or contest (regardless of the outcome thereof) by the Company, Executive or others of the validity or enforceability of, or the existence of liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at one hundred twenty percent (120%) of the Federal Mid-Term Rate under Section 1274(d) of the Code.

(b) If there shall be any dispute or contest between the Company and Executive (i) in the event of any termination of Executive's employment by the Company, whether such termination was for Cause, or (ii) in the event of any termination of employment by Executive whether Good Reason existed, then the resolution of such dispute or contest shall be finally determined by arbitration, which may be initiated by either the Company or Executive, pursuant to the Federal Arbitration Act in accordance with the rules then in force of the American Arbitration Association. The arbitration proceedings shall take place in Pittsburgh, Pennsylvania or such other location as the parties in dispute hereafter may agree upon; and such proceedings will be conducted in the English language and shall be governed by the laws of the State of Pennsylvania as such laws are applied to agreements between residents of the State entered into and to be performed entirely within the State. There shall be one arbitrator, as shall be agreed upon by the parties in dispute, who shall be an individual skilled in the legal and business aspects of the subject matter of this Agreement and of the dispute. In the absence of such agreement, each party in dispute shall select one arbitrator and the arbitrators so selected shall select a third arbitrator. In the event the arbitrators cannot agree upon the selection of a third arbitrator, such third arbitrator shall be appointed by the American Arbitration Association at the request of any of the parties in dispute. The arbitrators shall be individuals skilled in the legal and business aspects of the subject matter of this Agreement and of the dispute. The decision rendered by the arbitrator or arbitrators shall be accompanied by a written opinion in support thereof. Such decision shall be final and binding upon the parties in dispute without right of appeal, it being the intent of the parties that such decision, and, irrespective of any contrary provision of the laws of the State respecting rights of appeal, such decision may not be appealed. The burden of proving that Executive is not entitled to receive the amounts and the benefits contemplated by this Agreement shall be on the Company.

(c) In the event of such an arbitration and provided that Executive shall repay the following amounts, fees and expenses if the final and binding decision of the arbitrator(s) is that Executive's termination was for Cause or that Good Reason did not exist for termination of employment by Executive, (i) the Company shall advance to Executive all legal fees and expenses that Executive may reasonably incur as a result of any such action, and (ii) if a final and binding decision of the arbitrator(s) is not obtained by the six-month anniversary of the date the Company or Executive first provided notice to the other party of the dispute or contest (the "Dispute Notice"), the Company shall pay all amounts, and provide all benefits, to Executive and/or Executive's family or other beneficiaries, as the case may be, that the Company would be required to pay or provide pursuant to Sections 3(a) or 3(c) if such termination were by the Company without Cause or by Executive with Good Reason. If the final and binding decision of the arbitrator(s) is that Executive's termination was not for Cause or that Good Reason did exist for such termination by Executive then, (I) if such decision is before the six-month anniversary of the receipt of the Dispute Notice, Executive shall receive all payments and benefits contemplated by this Agreement, plus interest on any delayed payment or benefit at one hundred twenty percent (120%) of the Federal Mid-Term Rate under Section 1274(d) of the Code or (II) if such decision is after the six-month anniversary of the receipt of the Dispute Notice such that all payments and benefits contemplated by this Agreement have already been paid, Executive shall receive interest (calculated in the same manner as set forth above) for the six-month period the payments and provision of benefits were delayed. In no event may the arbitrator or arbitrators award any other damages or award of any kind. Notwithstanding the foregoing, nothing in this Agreement is intended to, or shall be construed as, affecting the rights and obligations of Executive and the Company to submit any dispute (other than such disputes contemplated by, and resolved in accordance with Sections 6(b) and 6(c)) to the appropriate dispute resolution process in accordance with any applicable dispute resolution plan intended to provide a procedural mechanism, whether exclusive or non-exclusive, for the resolution of any and all disputes between the Company and its present or former employees.

7. Restrictive Covenants.

(a) Nondisclosure of Confidential Information. Executive shall hold in confidence for the benefit of the Company and any Parent Company all Confidential Information. Executive will not disclose any Confidential Information to any person or entity other than the Company or any Parent Company and those designated by them, either during or subsequent to Executive's employment by the Company, nor will Executive use any Confidential Information, except (i) in the regular course of Executive's employment by the Company, without the prior written consent of the Company or any Parent Company or (ii) as may otherwise be required by law or legal process.

(b) Actions Upon Termination; Assistance with Claims. Upon Executive's employment termination for whatever reason, Executive shall neither take or copy nor allow a third party to take or copy, and shall deliver to the Company all property of the Company and any Parent Company, including, but not limited to, all Confidential Information regardless of the medium (i.e., hard copy, computer disk, CD ROM) on which the information is contained. During and after Executive's employment by the Company, Executive will provide reasonable assistance to the Company and any Parent Company in the defense of any claims or potential claims that may be made or threatened to be made against the Company or any Parent Company in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative ("Proceeding") and will provide reasonable assistance to the Company and any Parent Company in the prosecution of any claims that may be made by the Company or any Parent Company in any Proceeding, to the extent that such claims may relate to Executive's employment by the Company. For the avoidance of doubt, reasonable assistance would not include Executive being required to provide information that could reasonably result in criminal or civil charges or penalties being assessed or imposed against Executive in his individual capacity. Executive shall, unless precluded by law, promptly inform the Company if Executive is asked to participate (or otherwise become involved) in any Proceeding involving such claims or potential claims. Executive shall also, unless precluded by law, promptly inform the Company if Executive is asked to assist in any investigation (whether governmental or private) of the Company or any Parent Company (or their actions), regardless of whether a lawsuit has then been filed against the Company or Parent Company with respect to such investigation. The Company shall reimburse Executive for all of Executive's reasonable out-of-pocket expenses associated with such assistance, including travel expenses and any attorneys' fees and shall pay a reasonable per diem fee (equal to 1/250th of Executive's annual salary rate at Executive's Date of Termination) for Executive's services.

(c) Noncompetition. As long as Executive is employed by the Company and for a period of six (6) months thereafter, Executive shall not, without the prior written consent of the Company or any Parent Company, which in the case of termination will not be unreasonably withheld, participate or engage in, directly or indirectly (as an owner, partner, employee, officer, director, independent contractor, consultant, advisor or in any other capacity calling for the rendition of services, advice, or acts of management, operation or control), any segment or division of a business that, during Executive's employment, is in direct competition with the business conducted by the Company, any Parent Company or any of their affiliates within the United States (hereinafter, the "Geographic Area"); provided, however, that the foregoing shall not be construed to preclude Executive from making any investments in any securities to the extent such securities are traded on a national securities exchange or over-the-counter market and such investment does not exceed five percent (5%) of the issued and outstanding voting securities of such issuer.

(d) Nonsolicitation of Employees. During Executive's employment and for a period of six (6) months thereafter, Executive shall not, without the consent of the Company or any Parent Company, directly or indirectly solicit any current employee of the Company, any Parent Company or any of their affiliates to leave such employment and join or become affiliated with any business that is in direct competition with the business conducted by the Company, the Parent Company, or any of their affiliates within the Geographic Area.

(e) Mutual Non-disparagement. Executive shall refrain from making any statements about the Company, the Parent Company, or their officers or directors that would disparage, or reflect unfavorably upon the image or reputation of the Company, the Parent Company or any such officer or director. The Company and the Parent Company shall refrain from making any statements about Executive that would disparage, or reflect unfavorably upon the image or reputation of, Executive.

(f) Irreparable Harm. Executive acknowledges that: (i) Executive's compliance with this Section 7 is necessary to preserve and protect the Confidential Information, and the goodwill of the Company, the Parent Company and their affiliates as going concerns; (ii) any failure by Executive to comply with the provisions of this Section may result in irreparable and continuing injury for which there may be no adequate remedy at law; and (iii) in the event that Executive should fail to comply with the terms and conditions of this Section, the Company or any Parent Company shall be entitled, in addition to such other relief as may be proper, to seek all types of equitable relief (including, but not limited to, the issuance of an injunction and/or temporary restraining order) as may be necessary to cause Executive to comply with this Section, to restore to the Company or the Parent Company its property, and to make the Company and the Parent Company whole.

(g) Unenforceability. If any provision(s) of this Section 7 shall be found invalid or unenforceable, in whole or in part, then such provision(s) shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision(s) had been originally incorporated herein as so modified or restricted, or as if such provision(s) had not been originally incorporated herein, as the case may be.

8. Successors.

(a) This Agreement is personal to Executive and shall not be assignable by Executive without the prior written consent of the Company otherwise than by will or the laws of descent and distribution. If Executive should die while any amounts would still be payable to Executive hereunder if she or he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's heirs or representatives or, if there be no such designee, to Executive's estate.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

9. Prohibition of Payments by Regulatory Agencies. Notwithstanding anything to the contrary contained in this Agreement, the Company shall not be obligated to make any payment to Executive under this Agreement if the payment would violate any rule, regulation or order of any regulatory agency having jurisdiction over the Company or any of its subsidiaries; provided, however, that the Company covenants to Executive that it will take all reasonable steps to obtain any regulatory agency approvals that may be required in order to make payments to Executive as provided herein.

10. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto. This Agreement supersedes all previous agreements relating to the subject matter of this Agreement, written or oral, between the parties hereto and contains the entire understanding of the parties hereto including, but not limited to that Prior Severance Agreement dated November 10, 2004, between Great Plains Energy, the Company and Executive.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:	If to Executive:
Strategic Energy L.L.C.	Shahid Malik
Attn: General Counsel	Strategic Energy L.L.C.
Two Gateway Center	Two Gateway Center
Pittsburgh, Pennsylvania	Pittsburgh, Pennsylvania
15222	15222

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which other provisions shall remain in full force and effect.

(d) This Agreement is intended to meet the requirements of Section 409A of the Code and may be administered in a manner that is intended to meet those requirements and shall be construed and interpreted in accordance with such intent. To the extent that any payment or benefit provided hereunder is subject to Section 409A of the Code, such payment or benefit shall be provided in a manner that will meet the requirements of Section 409A of the Code, including regulations or other guidance issued with respect thereto, such that the payment or benefit shall not be subject to the excise tax applicable under Section 409A of the Code. Any provision of this Agreement that would cause any payment or benefit to fail to satisfy Section 409A of the Code shall be amended (in a manner that as closely as practicable achieves the original intent of this Agreement) to comply with Section 409A of the Code on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Section 409A of the Code. In the event additional regulations or other guidance is issued under Section 409A of the Code or a court of competent jurisdiction provides additional authority concerning the application of Section 409A with respect to the payments described in Section 4 of the Agreement, then the provisions of such Section shall be amended to permit such payments to be made at the earliest time permitted under such additional regulations, guidance or authority that is practicable and achieves the original intent of this Agreement.

(e) The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(f) Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Executive or the Company may have hereunder, including, without limitation, the right of Executive to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between Executive and the Company, the employment of Executive by the Company is "at will" and, may be terminated by either Executive or the Company at any time. Except as provided in Section 3(c), if prior to the Effective Date, Executive's employment with the Company terminates, then Executive shall have no further rights under this Agreement.

(h) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one agreement that is binding upon each of the parties hereto, notwithstanding that all parties are not signatories to the same counterpart.

11. Guarantee of Payment. Great Plains Energy hereby guarantees to Executive, the payment of any and all amounts that may be due Executive under this Agreement, and the performance and discharge of all other obligations of the Company under this Agreement after written demand has been delivered to the Company and the Company has refused to so pay or perform; provided, however, that Great Plains Energy's obligation to perform hereunder is subject to all the conditions to the obligations of the Company to pay or perform under this Agreement and any rights of non-payment or non-performance that the Company may have (other than bankruptcy or insolvency).

IN WITNESS WHEREOF, each of Great Plains Energy, the Company and Executive has executed this Agreement as of the day and year first above written.

GREAT PLAINS ENERGY INCORPORATED

By:
Name:
Title:

EXECUTIVE:

Shahid Malik

STRATEGIC ENERGY, L.L.C.

By:
Name:
Title:

CHANGE IN CONTROL SEVERANCE AGREEMENT

THIS CHANGE IN CONTROL SEVERANCE AGREEMENT is entered into as of the ___ day of _____, 2006, between Great Plains Energy Incorporated, a Missouri corporation ("Great Plains Energy"), and _____ ("Executive").

WITNESSETH:

WHEREAS, Executive is a valued employee of Great Plains Energy or a subsidiary thereof (the "Company"); and

WHEREAS, the Board (as defined herein) believes that it is in the best interests of the Company and its shareholders (i) to provide assurance that the Company will have the continued service of Executive notwithstanding the possibility, threat or occurrence of a Change in Control (as defined in Section 1), (ii) to diminish the distraction to Executive that may arise by virtue of the personal uncertainties and risks created by such a threatened or pending Change in Control, and (iii) to encourage Executive's full attention and dedication to the Company currently and in the event of a threatened or pending Change in Control; and

WHEREAS, the Board and Executive previously entered into a severance agreement dated _____, ____, the "Prior Severance Agreement" whereby Great Plains Energy agreed to provide Executive with certain compensation and perquisites following Executive's termination or constructive termination of employment with the Company in connection with a change in control or potential change in control of Great Plains Energy; and

WHEREAS, the Board and Executive agree that, in connection with both parties entering into this Agreement, the Prior Severance Agreement shall be terminated, rendered null and void, and all duties and rights conferred upon the parties thereto extinguished, and that such Prior Severance Agreement is replaced in its entirety with the benefits, duties, terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereto agree as follows:

1. Certain Definitions. As used in this Agreement, unless otherwise defined herein or unless the context otherwise requires, the following terms shall have the following meanings:

(a) Agreement. "Agreement" means this Change in Control Severance Agreement as amended from time to time.

(b) Beneficial Owner. "Beneficial Owner" shall have the same meaning as set forth in Rule 13d-3 of the Exchange Act.

(c) Board. "Board" means the Board of Directors of Great Plains Energy.

(d) Cause. "Cause" means (i) the material misappropriation of any of the Company's funds, Confidential Information or property; (ii) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, or the equivalent thereof; (iii) commission of act of willful damage, willful misrepresentation, willful dishonesty, or other willful conduct that can reasonably be expected to have a material adverse effect on the business, reputation, or financial situation of the Company; or (iv) gross negligence or willful misconduct in performance of Executive's duties; provided, however, "cause" shall not exist under clause (iv), above, with respect to an act or failure to act unless (A) Executive has been provided written notice describing in sufficient detail the acts or failure to act giving rise to the Company's assertion of such gross negligence or misconduct, (B) been provided a reasonable period to remedy any such occurrence and (C) failed to sufficiently remedy the occurrence.

(e) Change in Control. "Change in Control" means the occurrence of one of the following events, whether in a single transaction or a series of related transactions:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Great Plains Energy (not including in the securities beneficially owned by such Person any securities acquired directly from Great Plains Energy or its affiliates other than in connection with the acquisition by Great Plains Energy or its affiliates of a business) representing 35% or more of either the then outstanding shares of common stock of Great Plains Energy or the combined voting power of Great Plains Energy's then outstanding securities; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of Great Plains Energy, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) whose appointment or election by the Board or nomination for election by Great Plains Energy's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved; or

(iii) the consummation of a merger, consolidation, reorganization or similar corporate transaction of Great Plains Energy, whether or not Great Plains Energy is the surviving corporation in such transaction, other than (A) a merger, consolidation, or reorganization that would result in the voting securities of Great Plains Energy outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 60% of the combined voting power of the voting securities of Great Plains Energy or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or reorganization, or (B) a merger, consolidation or reorganization effected to implement a recapitalization of Great Plains Energy (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Great Plains Energy (not including in the securities Beneficially Owned by such Person any securities acquired directly from Great Plains Energy or its affiliates other than in connection with the acquisition by Great Plains Energy or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of Great Plains Energy or the combined voting power of Great Plains Energy's then outstanding securities; or

(iv) the occurrence of, or the stockholders of Great Plains Energy approve a plan of, a complete liquidation or dissolution of Great Plains Energy or an agreement for the sale or disposition by Great Plains Energy of all or substantially all of Great Plains Energy's assets, other than a sale or disposition of all or substantially all of Great Plains Energy's assets to an entity, at least 60% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of Great Plains Energy immediately prior to such sale.

Notwithstanding the foregoing, no "Change in Control" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the common stock of Great Plains Energy immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Great Plains Energy immediately following such transaction or series of transactions.

(f) Change in Control Period. "Change in Control Period" means the period commencing on the date hereof and ending on the second anniversary of such date; provided, however, that commencing on a date one year after the date hereof, and on each annual anniversary of such date (such date and each annual anniversary thereof being hereinafter referred to as the "Renewal Date"), the Change in Control Period shall be automatically extended so as to terminate two years from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company shall give notice to Executive that the Change in Control Period shall not be so extended; provided, further that during any period of time when the Board or the governing body of Great Plains Energy has knowledge that any person has taken steps reasonably calculated to effect a Change in Control, the Change in Control Period shall automatically be extended (and may not terminate) until, in the opinion of the Board, such person has abandoned or terminated its efforts to effect a Change in Control.

(g) Company. "Company" means, except as the context requires otherwise, references to Great Plains Energy Incorporated, a Missouri corporation, its successors and assigns, and/or any subsidiary thereof, as applicable.

(h) Confidential Information. "Confidential Information" means (1) any and all trade secrets concerning the business and affairs of the Company, product specifications, data, know-how, formulae, algorithms, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current, and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer software and programs (including object code and source code), computer software and database technologies, systems, structures, and architectures; (2) information concerning the business and affairs of the Company (which includes historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, the names and backgrounds of key personnel, personnel training and techniques and materials); and (3) notes, analysis, compilations, studies, summaries, and other material prepared by or for the Company containing or based, in whole or in part, or any information included in the foregoing, whether reduced to writing or not and which has not become publicly known or made generally available through no wrongful act of Executive or others who were under confidentiality obligations as to the item or items involved.

(i) Date of Termination. "Date of Termination" means (i) if Executive's employment is terminated by the Company for Cause, or by Executive for Good Reason, the date of receipt of the Notice of Termination or any later date permitted to be specified therein, as the case may be, (ii) if Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies Executive of such termination, (iii) if Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of Executive or the Disability Effective Date (as defined in Section 2(a)), as the case may be and (iv) if Executive's employment is terminated by Executive for other than Good Reason, the Date of Termination shall be the date on which Executive notifies the Company in writing of such termination or any later date permitted to be specified therein, as the case may be.

(j) Disability or Disabled. The term "Disability" or "Disabled" shall mean an individual (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than 3 months under a Company sponsored accident or health plan.

(k) Effective Date. "Effective Date" means the first date on which a Change in Control occurs during the Change in Control Period.

(l) Exchange Act. "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

(m) Good Reason. "Good Reason" means, without Executive's written consent any of the following:

(i) Any material and adverse reduction or material and adverse diminution in Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities held, exercised or assigned at any time during the 90-day period immediately preceding the commencement of the Pre-CIC Protected Period;

(ii) Any reduction in Executive's annual base salary as in effect immediately preceding the commencement of the Pre-CIC Protected Period or as the same may be increased from time to time;

(iii) Any reduction in benefits received by Executive under Company Plans (as defined below) to less than the most favorable benefits provided to Executive by the Company under Company Plans at any time during the 90-day period immediately preceding the commencement of the Pre-CIC Protected Period. "Company Plans" means (1) all incentive, savings and retirement plans, practices, policies and programs sponsored or maintained by the Company, (2) all welfare benefit plans, practices, policies and programs (including medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) sponsored or maintained by the Company, (3) expense reimbursement by the Company for all reasonable out-of-pocket employment expenses incurred by Executive, (4) the provision of fringe benefits, and (5) the provision of paid vacation time by the Company;

(iv) Executive being required by the Company to be based at any office or location that is more than 70 miles from the location where Executive was employed immediately preceding the commencement of the Pre-CIC Protected Period; or

(v) Any failure by the Company to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place, or any failure by any such successor after ten (10) days notice from Executive to so perform under this Agreement.

Provided, however, notwithstanding the occurrence of any of the events set forth above in this Section 1(m), Good Reason shall not include for the purpose of this definition (1) an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive, or (2) if occurring within the Pre-CIC Protected Period, any reduction in Executive's base annual salary or reduction in benefits received by Executive where such reduction is in connection with a company-wide reduction in salaries or benefits.

(n) Notice of Termination. "Notice of Termination" means a written notice of termination which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated and (iii) if the Date of Termination is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than fifteen (15) days after the giving of such notice), unless another date is mutually agreed upon between Executive and the Company.

(o) Person. "Person" has the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (1) Great Plains Energy or any of its subsidiaries, (2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, or (4) a corporation owned, directly, or indirectly, by the stockholders of Great Plains Energy in substantially the same proportions as their ownership of stock of Great Plains Energy.

(p) Post-Effective Period. "Post-Effective Period" means the period commencing on the Effective Date and ending on the earlier of (i) the second anniversary of such date or (ii) Executive's 70th birthday.

(q) Pre-CIC Protected Period. "Pre-CIC Protected Period" means the period that is within the Change in Control Period and begins when (A) Great Plains Energy enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; (B) Great Plains Energy or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; (C) any Person becomes the Beneficial Owner, directly or indirectly, of voting securities of Great Plains Energy representing 10% or more of the combined voting power of Great Plains Energy's then outstanding voting securities; or (D) the Board, the members or the stockholders of Great Plains Energy adopts a resolution approving any of the foregoing or approving any Change in Control, and ends upon the date the Change in Control transaction is either consummated, abandoned or terminated (for this purpose, the Board shall have the sole and absolute discretion to determine that a proposed transaction has been abandoned).

2. Termination of Employment During the Post-Effective Period.

(a) Death or Disability. Executive's employment shall terminate automatically upon Executive's death or, with written notice by the Company of its intention to terminate Executive's employment, upon Executive's Disability. In such event, Executive's employment with the Company shall terminate effective on the 90th day after receipt of such notice by Executive (the "Disability Effective Date"), provided that within the 90 days after such receipt Executive shall not have returned to full-time performance of Executive's duties.

(b) Cause. The Company may terminate Executive's employment at any time for Cause or without Cause. Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for Cause without (i) reasonable notice to Executive setting forth the reasons for the Company's intention to terminate for Cause, (ii) an opportunity for Executive, together with his counsel, to be heard before the Board within fifteen (15) days of such notice, and (iii) delivery to Executive of a Notice of Termination from the Board finding that, in the good faith opinion of the Board, that Executive was guilty of conduct set forth in Section 1(d), and specifying the particulars thereof in reasonable detail.

(c) Executive Resignation. Executive's employment may be terminated at any time by Executive for Good Reason or without Good Reason.

(d) Notice of Termination. Any termination by the Company for Cause, or by Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto. The failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Good Reason or Cause shall not waive any right of Executive or the Company hereunder or preclude Executive or the Company from asserting such fact or circumstance in enforcing Executive's or the Company's rights hereunder.

3. Obligations of the Company Upon Termination of Employment.

(a) Post-Effective Period Terminations Other Than for Cause, Death or Disability; Post-Effective Period Executive Resignation. If, during the Post-Effective Period, the Company shall terminate Executive's employment other than (I) for Cause or (II) on account of Executive's death or Disability, or Executive shall terminate employment for Good Reason, the Company shall pay to Executive, in a lump-sum cash payment made within 30 days following the Date of Termination, as compensation for services rendered to the Company, an amount equal to the aggregate of the following amounts set forth below in Sections 3(a)(i), (ii), (iii), and (iv), and provide to Executive the benefits provided in Section 3(a)(v).

(i) A cash amount equal to the sum of (A) Executive's full annual base salary from the Company and its affiliated companies through the Date of Termination, to the extent not theretofore paid, (B) a bonus in an amount at least equal to the average annualized incentive awards paid or payable pursuant to any Company-sponsored annual incentive compensation plan, including by reason of any deferral under a Company-sponsored deferred compensation program, to Executive by the Company and its affiliated companies during the five fiscal years of the Company (or if Executive shall have performed services for the Company and its affiliated companies for four fiscal years or less, the years during which Executive performed services) immediately preceding the fiscal year in which the Change in Control (or if benefits are payable pursuant to Section 3(c), the Date of Termination) occurs, multiplied by a fraction, the numerator of which is the number of days in the fiscal year in which the Date of Termination occurs through the Date of Termination and the denominator of which is 365 or 366, as applicable, to the extent not theretofore paid, (C) any amount credited to Executive's CAP Excess Benefits Account pursuant to the Great Plains Energy Incorporated Nonqualified Deferred Compensation Plan and any other compensation previously deferred by Executive (together with any interest and earnings thereon), in each case to the extent not theretofore paid, and (D) any accrued unpaid vacation pay;

(ii) a cash amount equal to (A) two (2) times Executive's highest annual base salary from the Company and its affiliated companies in effect during the twelve (12)-month period prior to the Date of Termination, plus (B) two (2) times Executive's average annualized annual incentive compensation awards, paid, or, but for a deferral under a Company-sponsored deferred compensation program, would have been paid, to Executive by the Company and its affiliated companies during the five fiscal years of the Company (or if Executive shall have performed services for the Company and its affiliated companies for four fiscal years or less, the years during which Executive performed services) immediately preceding the fiscal year in which the Change in Control (or if benefits are payable pursuant to Section 3(c), the Date of Termination) occurs; provided, however, that in the event there are fewer than twenty-four (24) whole months remaining from the Date of Termination to the date of Executive's 70th birthday, the amount calculated in accordance with this Section 3(a)(ii) shall be reduced by multiplying such amount by a fraction the numerator of which is the number of months, including a partial month (with a partial month being expressed as a fraction the numerator of which is the number of days remaining in such month and the denominator of which is the number of days in such month), so remaining and the denominator of which is twenty-four (24) months; provided further that any amount paid pursuant to this Section 3(a)(ii) shall be paid in lieu of any other amount of severance pay to be received by Executive upon termination of employment of Executive under any severance plan, policy or arrangement of the Company;

(iii) a cash amount equal to the excess of (A) the actuarial equivalent value of the monthly accrued benefits payable to Executive at age 65 under the Great Plains Energy Incorporated Management Pension Plan (the "Pension Plan") as in effect on the date of this Agreement and the benefits provided under the Supplemental Executive Retirement Plan in respect of the Pension Plan as in effect on the date of this Agreement, assuming (1) that benefits have accrued thereunder and Executive is entitled to such benefits, (2) each such benefit shall be computed as if Executive had two (2) additional Years of Credited Service earned under the Pension Plan and (3) Executive were fully vested in such hypothetical benefits, over (B) the actuarial equivalent value of Executive's vested accrued benefits under the Pension Plan and benefits payable under the Supplemental Executive Retirement Plan. Such cash amount shall be computed using the same actuarial methods and assumptions then in use for purposes of computing benefits under the Pension Plan, except that the computation shall be made without actuarial reduction for early retirement and provided that the interest rate used in such computation shall be the interest rate used on the Date of Termination by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution pursuant to a plan termination;

(iv) if on the Date of Termination Executive shall not be fully vested in the matching employer contributions made on Executive's behalf under the Great Plains Energy Incorporated Cash or Deferred Arrangement, a cash amount equal to the value of the unvested portion of such matching employer contributions;

(v) for a period of two (2) years commencing on the Date of Termination, the Company shall provide Executive and Executive's dependents with medical, accident, disability and life insurance coverage upon substantially the same terms and otherwise substantially to the same extent as such coverage was being provided to Executive and Executive's dependent(s) immediately prior to the Date of Termination. At the Company's election, such continuation coverage may be provided by (A) continuing such coverage under the Company's existing welfare benefit plans, (B) with respect to any group health care plan and for the applicable period permitted under Code Section 4980B(f)(2), Executive and/or Executive's dependent(s) being deemed to have elected to receive such coverage pursuant to a continuation election under Code Section 4980B with the Company being obligated to pay for the entire portion of the applicable COBRA premiums, (C) the Company purchasing an individual policy (to the extent such a policy is reasonably available in the marketplace) for Executive and/or Executive's dependent(s) providing substantially similar coverage as offered under the Company's plan, or (D) any combination of the forgoing methods under (A), (B) and (C) of this paragraph. Notwithstanding the foregoing sentence, if any of the medical, accident, disability or life insurance plans then in effect generally with respect to other peer executives of the Company and its affiliated companies would be more favorable to Executive, such plan coverage shall be substituted for the analogous plan coverage provided to Executive immediately prior to the Date of Termination, and the Company and Executive shall share the costs of such plan coverage in the same proportion as such costs were shared immediately prior to the Date of Termination. The obligation of the Company to continue coverage of Executive and Executive's dependent(s) under such plans and in accordance with this paragraph shall cease at such time as Executive and Executive's dependent(s) obtain comparable coverage under another plan, including a plan maintained by a new employer. With respect to any Company group health care plan, any continuation coverage provided under this paragraph shall be considered as alternative continuation coverage to any rights Executive or Executive's dependent(s) may have with respect to any other group health plan continuation coverage required by Code Section 4980B or any applicable state statute mandating health insurance continuation coverage. Except to the extent required by law, upon termination of the coverage provided for under this Section 3(a)(v), Executive and/or Executive's dependent(s) shall have no further right to continuation of coverage under any group health plan maintained by the Company or its affiliated companies.

(b) Termination for Cause, Disability, Death or Other than for Good Reason. If at any time during the Change in Control Period Executive's employment shall be terminated for Cause, Executive's employment is terminated due to Executive's death or Disability, or if Executive terminates employment other than for Good Reason, this Agreement shall terminate without further obligation of the Company to Executive other than (i) the obligation to pay to Executive his or her base salary through the Date of Termination, any incentive bonus and other compensation, payments and benefits for the most recently completed fiscal year and any accrued vacation pay, to the extent theretofore unpaid, which amounts shall be paid to Executive in a lump sum in cash within thirty (30) days of the Date of Termination, and (ii) the obligation to pay to Executive all amounts or benefits to which Executive is entitled for the period prior to the Date of Termination under any plan, program, policy, practice, contract or agreement of the Company (excluding amounts otherwise required to be paid under this Section 3(b)), at the time such amounts or benefits are due.

(c) Certain Terminations During Pre-CIC Protected Period. If, during the Pre-CIC Protected Period, Executive's employment is terminated by the Company other than for Cause or Executive terminates his or her employment for Good Reason, then Executive shall be entitled to receive the same benefits he or she would be entitled to receive under Section 3(a) if such termination of employment would have occurred during the Post-Effective Period. Any benefits or payments to be paid pursuant to this Section 3(c) shall be paid in a lump-sum payment and, subject to Section 3(d), within thirty (30) days following the termination of Executive's employment.

(d) Payments to Executive Following Termination. If (i) Executive is a "specified employee," as defined in Code section 409A(a)(1)(B)(i), and (ii) Executive's employment is terminated, either by Executive or by the Company, due to any reason, other than Executive's death, then, notwithstanding Sections 3(a) or 3(c) of this Agreement, Executive shall not receive any payment pursuant to Sections 3(a) or 3(c) until the first business day after six full months after Executive's Date of Termination.

4. Section 280G Gross-Up.

(a) Except as provided for in Section 4(e) below and notwithstanding any other provision in this Agreement to the contrary, in the event it shall be determined that any payment or distribution by the Company or its affiliated companies to or for the benefit of Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 4) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code, or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Company shall pay to Executive an additional payment (a "Gross-Up Payment") in an amount such that after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (except for any income tax under Section 409A of the Code), any interest and penalties imposed with respect thereto, and Excise Tax imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) Subject to the provisions of Section 4(c), all determinations required to be made under this Section 4, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by an independent registered public accounting firm selected by the Company that is not also the Company's then current accounting firm for annual audit purposes (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and Executive within fifteen (15) business days of the receipt of notice from Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, Executive shall appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 4, shall be paid by the Company to Executive within five (5) days of the receipt of the Accounting Firm's determination, but in no event later than the time set forth in Section 4(f), below. If the Accounting Firm determines that no Excise Tax is payable by Executive, it shall furnish Executive with a written opinion that failure to report the Excise Tax on Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 4(c) and Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of Executive.

(c) Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten (10) business days after Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the thirty (30) day period following the date on which Executive gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 4(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive shall prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided further, that if the Company desires Executive to pay such claim and sue for a refund, the Company shall, on Executive's behalf, pay such claim and on an after-tax basis reimburse Executive from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such payment and provided further, that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after payment by the Company pursuant to Section 4(c), Executive becomes entitled to receive, and receives, any refund with respect to such claim, Executive shall (subject to the Company's complying with the requirements of Section 4(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after payment of an amount by the Company pursuant to Section 4(c), a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such payment shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(e) Notwithstanding Executive otherwise being eligible for a Gross-Up Payment under this Section 4, if, excluding any Gross-Up Payment required to be made pursuant to this Section 4, the "parachute payment" made to Executive does not exceed three times Executive's "base amount" by more than $1,000, then the payments and benefits to be paid or provided under this Agreement will be reduced to the minimum extent necessary so that no portion of any payment or benefit to Executive, as so reduced, constitutes an "excess parachute payment." For purposes of this Section 4(e), the terms "excess parachute payment," "parachute payment," and "base amount" will have the meanings assigned to them by Section 280G of the Code. The determination of whether any reduction in such payments or benefits to be provided under this Agreement is required pursuant to the preceding sentence will be made at the expense of the Company by the Accounting Firm. The fact that Executive's right to payments or benefits may be reduced by reason of the limitations contained in this Section 4(e) will not of itself limit or otherwise affect any other rights of Executive other than pursuant to this Agreement. In the event that any payment or benefit intended to be provided under this Agreement or otherwise is required to be reduced pursuant to this Section 4(e), Executive will be entitled to designate the payments and/or benefits to be so reduced in order to give effect to this Section. The Company will provide Executive with all information reasonably requested by Executive to permit Executive to make such designation. In the event that Executive fails to make such designation within 10 business days of the date of termination of Executive's employment, the Company may effect such reduction in any manner it deems appropriate.

(f) Any Gross-Up Payment made to Executive pursuant to this Section 4 shall be exempt from Code Section 409A pursuant to the short-term deferral exception to Code Section 409A. Absent further guidance from the United States Treasury Department, the Internal Revenue Service or any judicial authority relating to the application of Section 409A to Section 280G Gross-Up Payments, Gross-Up Payments pursuant to this Section 4 shall be made as follows:

(i) With respect to any Gross-Up Payment that can be reasonably calculated as of the time of a Change in Control or shortly thereafter, such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the Change in Control occurs;

(ii) With respect to any Gross-Up Payment that results from Executive becoming eligible for benefits under this Agreement upon Executive's termination of employment, such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the earlier of (A) the event giving rise to Executive's Good Reason occurs or (B) Executive's termination of employment; and

(iii) With respect to any Gross-Up Payment that is required to be made to Executive pursuant to Section 4(c), such Gross-Up Payment shall be made to Executive no later than March 15th of the calendar year following the year in which the alleged obligation of Executive, as reflected by Executive's receipt of a claim by the Internal Revenue Service, is received by Executive.

5. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit Executive's continuing or future participation in any plan, program, policy or practice provided by the Company and for which Executive may qualify, nor shall anything herein limit or otherwise affect such rights as Executive may have under any contract or agreement with the Company. Amounts that are vested benefits or that Executive is otherwise entitled to receive at or subsequent to the Date of Termination under any plan, policy, practice or program of or any contract or agreement with the Company shall be payable in accordance with such plan, policy, practice or program or contract or agreement, except as explicitly modified by this Agreement.

6. Full Settlement; Resolution of Disputes.

(a) Except where Executive's employment is terminated for Cause, the Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Executive obtains other employment. Subject to Executive's agreement to repay certain fees and expenses as provided below in Section 6(b), the Company shall pay promptly as incurred, to the full extent permitted by law, all legal fees and expenses that Executive may reasonably incur as a result of any dispute or contest (regardless of the outcome thereof) by the Company, Executive or others of the validity or enforceability of, or the existence of liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at one hundred twenty percent (120%) of the Federal Mid-Term Rate under Section 1274(d) of the Code.

(b) If there shall be any dispute or contest between the Company and Executive (i) in the event of any termination of Executive's employment by the Company, whether such termination was for Cause, or (ii) in the event of any termination of employment by Executive whether Good Reason existed, then the resolution of such dispute or contest shall be finally determined by arbitration, which may be initiated by either the Company or Executive, pursuant to the Federal Arbitration Act in accordance with the rules then in force of the American Arbitration Association. The arbitration proceedings shall take place in Kansas City, Missouri or such other location as the parties in dispute hereafter may agree upon; and such proceedings will be conducted in the English language and shall be governed by the laws of the State of Missouri as such laws are applied to agreements between residents of the State entered into and to be performed entirely within the State. There shall be one arbitrator, as shall be agreed upon by the parties in dispute, who shall be an individual skilled in the legal and business aspects of the subject matter of this Agreement and of the dispute. In the absence of such agreement, each party in dispute shall select one arbitrator and the arbitrators so selected shall select a third arbitrator. In the event the arbitrators cannot agree upon the selection of a third arbitrator, such third arbitrator shall be appointed by the American Arbitration Association at the request of any of the parties in dispute. The arbitrators shall be individuals skilled in the legal and business aspects of the subject matter of this Agreement and of the dispute. The decision rendered by the arbitrator or arbitrators shall be accompanied by a written opinion in support thereof. Such decision shall be final and binding upon the parties in dispute without right of appeal, it being the intent of the parties that such decision, and, irrespective of any contrary provision of the laws of the State respecting rights of appeal, such decision may not be appealed. The burden of proving that Executive is not entitled to receive the amounts and the benefits contemplated by this Agreement shall be on the Company.

(c) In the event of such an arbitration and provided that Executive shall repay the following amounts, fees and expenses if the final and binding decision of the arbitrator(s) is that Executive's termination was for Cause or that Good Reason did not exist for termination of employment by Executive, (i) Great Plains Energy shall advance to Executive all legal fees and expenses that Executive may reasonably incur as a result of any such action, and (ii) if a final and binding decision of the arbitrator(s) is not obtained by the six-month anniversary of the date the Company or Executive first provided notice to the other party of the dispute or contest (the "Dispute Notice"), Great Plains Energy shall pay all amounts, and provide all benefits, to Executive and/or Executive's family or other beneficiaries, as the case may be, that Great Plains Energy would be required to pay or provide pursuant to Sections 3(a) or 3(c) if such termination were by the Company without Cause or by Executive with Good Reason. If the final and binding decision of the arbitrator(s) is that Executive's termination was not for Cause or that Good Reason did exist for such termination by Executive then, (I) if such decision is before the six-month anniversary of the receipt of the Dispute Notice, Executive shall receive all payments and benefits contemplated by this Agreement, plus interest on any delayed payment or benefit at one hundred twenty percent (120%) of the Federal Mid-Term Rate under Section 1274(d) of the Code or (II) if such decision is after the six-month anniversary of the receipt of the Dispute Notice such that all payments and benefits contemplated by this Agreement have already been paid, Executive shall receive interest (calculated in the same manner as set forth above) for the six-month period the payments and provision of benefits were delayed. In no event may the arbitrator or arbitrators award any other damages or award of any kind. Notwithstanding the foregoing, nothing in this Agreement is intended to, or shall be construed as, affecting the rights and obligations of Executive and the Company to submit any dispute (other than such disputes contemplated by, and resolved in accordance with Sections 6(b) and 6(c)) to the appropriate dispute resolution process in accordance with any applicable dispute resolution plan intended to provide a procedural mechanism, whether exclusive or non-exclusive, for the resolution of any and all disputes between the Company and its present or former employees.

7. Restrictive Covenants.

(a) Nondisclosure of Confidential Information. Executive shall hold in confidence for the benefit of the Company all Confidential Information. Executive agrees that Executive will not disclose any Confidential Information to any person or entity other than the Company and those designated by it, either during or subsequent to Executive's employment by the Company, nor will Executive use any Confidential Information, except (i) in the regular course of Executive's employment by the Company, without the prior written consent of the Company or (ii) as may otherwise be required by law or legal process.

(b) Actions Upon Termination; Assistance with Claims. Upon Executive's employment termination for whatever reason, Executive shall neither take or copy nor allow a third party to take or copy, and shall deliver to the Company all property of the Company, including, but not limited to, all Confidential Information regardless of the medium (i.e., hard copy, computer disk, CD ROM) on which the information is contained. During and after Executive's employment by the Company, Executive will provide reasonable assistance to the Company in the defense of any claims or potential claims that may be made or threatened to be made against the Company in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative ("Proceeding") and will provide reasonable assistance to the Company in the prosecution of any claims that may be made by the Company in any Proceeding, to the extent that such claims may relate to Executive's employment by the Company. For the avoidance of doubt, reasonable assistance would not include Executive being required to provide information that could reasonably result in criminal or civil charges or penalties being assessed or imposed against Executive in his individual capacity. Executive shall, unless precluded by law, promptly inform the Company if Executive is asked to participate (or otherwise become involved) in any Proceeding involving such claims or potential claims. Executive also shall, unless precluded by law, promptly inform the Company if Executive is asked to assist in any investigation (whether governmental or private) of the Company (or its actions), regardless of whether a lawsuit has then been filed against the Company with respect to such investigation. The Company shall reimburse Executive for all of Executive's reasonable out-of-pocket expenses associated with such assistance, including travel expenses and any attorneys' fees and shall pay a reasonable per diem fee (equal to 1/250th of Executive's annual salary rate at Executive's Date of Termination) for Executive's services.

(c) Noncompetition. Executive agrees that so long as Executive is employed by the Company and for a period of six (6) months thereafter, Executive shall not, without the prior written consent of the Company, which in the case of termination will not be unreasonably withheld, participate or engage in, directly or indirectly (as an owner, partner, employee, officer, director, independent contractor, consultant, advisor or in any other capacity calling for the rendition of services, advice, or acts of management, operation or control), any business that, during Executive's employment, is in direct competition with the business conducted by the Company or any of its affiliates within the United States (hereinafter, the "Geographic Area"); provided, however, that the foregoing shall not be construed to preclude Executive from making any investments in any securities to the extent such securities are traded on a national securities exchange or over-the-counter market and such investment does not exceed five percent (5%) of the issued and outstanding voting securities of such issuer.

(d) Nonsolicitation of Employees. During Executive's employment and for a period of six (6) months thereafter, Executive shall not, without the consent of the Company, directly or indirectly solicit any current employee of the Company or any of its affiliates, to leave such employment and join or become affiliated with any business that is in direct competition with the business conducted by the Company or any of its affiliates within the Geographic Area.

(e) Mutual Non-disparagement. Executive shall refrain from making any statements about the Company or its officers or directors that would disparage, or reflect unfavorably upon the image or reputation of the Company or any such officer or director. The Company shall refrain from making any statements about Executive that would disparage, or reflect unfavorably upon the image or reputation of, Executive.

(f) Irreparable Harm. Executive acknowledges that: (i) Executive's compliance with this Section 7 is necessary to preserve and protect the Confidential Information, and the goodwill of the Company and its affiliates as going concerns; (ii) any failure by Executive to comply with the provisions of this Section may result in irreparable and continuing injury for which there may be no adequate remedy at law; and (iii) in the event that Executive should fail to comply with the terms and conditions of this Section, the Company shall be entitled, in addition to such other relief as may be proper, to seek all types of equitable relief (including, but not limited to, the issuance of an injunction and/or temporary restraining order) as may be necessary to cause Executive to comply with this Section, to restore to the Company its property, and to make the Company whole.

(g) Unenforceability. If any provision(s) of this Section 7 shall be found invalid or unenforceable, in whole or in part, then such provision(s) shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision(s) had been originally incorporated herein as so modified or restricted, or as if such provision(s) had not been originally incorporated herein, as the case may be.

8. Successors.

(a) This Agreement is personal to Executive and shall not be assignable by Executive without the prior written consent of the Company otherwise than by will or the laws of descent and distribution. If Executive should die while any amounts would still be payable to Executive hereunder if she or he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's heirs or representatives or, if there be no such designee, to Executive's estate.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

9. Prohibition of Payments by Regulatory Agencies. Notwithstanding anything to the contrary contained in this Agreement, the Company shall not be obligated to make any payment to Executive under this Agreement if the payment would violate any rule, regulation or order of any regulatory agency having jurisdiction over the Company or any of its subsidiaries; provided, however, that the Company covenants to Executive that it will take all reasonable steps to obtain any regulatory agency approvals that may be required in order to make payments to Executive as provided herein.

10. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto. This Agreement supersedes all previous agreements relating to the subject matter of this Agreement, written or oral, between the parties hereto and contains the entire understanding of the parties hereto including, but not limited to that Prior Severance Agreement dated March 16, 2005, between the Board and Executive.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:	If to Executive:
Great Plains Energy Incorporated	
Attn: General Counsel	
1201 Walnut	
Kansas City, Missouri	
64106-2124	

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which other provisions shall remain in full force and effect.

(d) This Agreement is intended to meet the requirements of Section 409A of the Code and may be administered in a manner that is intended to meet those requirements and shall be construed and interpreted in accordance with such intent. To the extent that any payment or benefit provided hereunder is subject to Section 409A of the Code, such payment or benefit shall be provided in a manner that will meet the requirements of Section 409A of the Code, including regulations or other guidance issued with respect thereto, such that the payment or benefit shall not be subject to the excise tax applicable under Section 409A of the Code. Any provision of this Agreement that would cause any payment or benefit to fail to satisfy Section 409A of the Code shall be amended (in a manner that as closely as practicable achieves the original intent of this Agreement) to comply with Section 409A of the Code on a timely basis, which may be made on a retroactive basis, in accordance with regulations and other guidance issued under Section 409A of the Code. In the event additional regulations or other guidance is issued under Section 409A of the Code or a court of competent jurisdiction provides additional authority concerning the application of Section 409A with respect to the payments described in Section 4 of the Agreement, then the provisions of such Section shall be amended to permit such payments to be made at the earliest time permitted under such additional regulations, guidance or authority that is practicable and achieves the original intent of this Agreement.

(e) The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(f) Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Executive or the Company may have hereunder, including, without limitation, the right of Executive to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(g) Executive and Great Plains Energy acknowledge that, except as may otherwise be provided under any other written agreement between Executive and the Company, the employment of Executive by the Company is "at will" and, may be terminated by either Executive or the Company at any time. Except as provided in Section 3(c), if prior to the Effective Date, Executive's employment with the Company terminates, then Executive shall have no further rights under this Agreement.

(h) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one agreement that is binding upon each of the parties hereto, notwithstanding that all parties are not signatories to the same counterpart.

IN WITNESS WHEREOF, each of Great Plains Energy and Executives has executed this Agreement as of the day and year first above written.

GREAT PLAINS ENERGY INCORPORATED

EXECUTIVE:

By:
Name:
Title:

0 ; October 2, 2006

TO: LaSalle Bank National Association, as contractual representative for the Lenders, (the "Administrative Agent") under that certain Amended and Restated Credit Agreement, dated as of July 2, 2004 (the "Credit Agreement"), by and among Strategic Energy, L.L.C. (the "Borrower"), the financial institutions from time to time parties thereto as lenders (the "Lenders") and the Administrative Agent.

Unless otherwise defined herein, terms defined or used in that certain Amended and Restated Limited Guaranty dated as of July 2, 2004 and reaffirmed from time to time from Great Plains Energy Incorporated (the "Guarantor") in favor of the Lenders under the Credit Agreement (the "GPE Guaranty") shall have the same meanings in this Guaranty Amount Amendment Agreement.

Upon the Effective Date (as hereinafter defined), the Guarantor amends the GPE Guaranty to decrease the Guaranty Adjustment Amount to $12,500,000 (which amount is not less than zero (0)).

The Guarantor hereby represents and warrants that:

(i) The Guarantor (a) is a corporation duly organized, validly existing and in existence under the laws of the jurisdiction of its organization, (b) is duly qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing could reasonably be expected to have a material adverse effect on the business, condition (financial or otherwise), operations, performance, properties or prospects of the Guarantor, and (c) has all requisite corporate power and authority to own, operate and encumber its property;

(ii) The Guarantor has the requisite corporate power and authority to execute, deliver and perform this Guaranty Amount Amendment Agreement and any other document required to be delivered by it under the Credit Agreement or the GPE Guaranty, and this Guaranty Amount Amendment Agreement has been duly executed and delivered and constitutes the legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms;

(iii) The execution, delivery and performance of this Guaranty Amount Amendment Agreement do not and will not (a) conflict with the Articles of Incorporation or By-Laws of the Guarantor, (b) require any approval of the Guarantor's shareholders except such as has been obtained, (c) require any approval or consent of any Person or Governmental Authority, or under the terms of any material agreement except as such has been obtained, and (d) will not result in or require the creation of any lien or security interest upon or with respect to any of the properties or assets of the Guarantor other than pursuant to the Loan Documents;

(iv) No Default or Unmatured Default has occurred and is continuing under the Credit Agreement or will result from the execution, delivery and performance of this Guaranty Amount Amendment Agreement; and

(v) No Event of Default or GPE Cross Default has occurred and is continuing under the GPE Guaranty.

This Guaranty Amount Amendment Agreement, and the amendment of the GPE Guaranty contemplated thereby, will become effective on the date that all of the following conditions precedent have been met (or waived) as determined by the Administrative Agent in its sole discretion (the "Effective Date"): (i) execution of this Guaranty Amount Amendment Agreement by the Guarantor, the Borrower and the Administrative Agent, (ii) the representations and warranties contained herein shall be true and correct in all respects, and (iii) receipt by the Administrative Agent of any certificates establishing compliance with the Financial Covenants.

Except as expressly set forth herein, this Guaranty Amount Amendment Agreement shall not be deemed to waive or modify any provision of the GPE Guaranty and, as so modified, the GPE Guaranty is hereby reaffirmed and remains in full force and effect. This Guaranty Amount Amendment Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. THIS GUARANTY AMOUNT AMENDMENT AGREEMENT SHALL BE GOVERNED BY, CONSTRUED UNDER AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAW, AS OPPOSED TO THE CONFLICT OF LAWS PROVISIONS, OF THE STATE OF ILLINOIS. This Guaranty Amount Amendment Agreement may be delivered by facsimile and executed in one or more counterparts and by different parties in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all of which counterparts taken together shall constitute but one and the same agreement.

GREAT PLAINS ENERGY INCORPORATED

By: _____

Name: Michael W. Cline

Title: Treasurer and Chief Risk Officer

Date: _____

Acknowledged and Agreed:

STRATEGIC ENERGY, L.L.C.

By: _____

Name: _____

Title: _____

Date: _____

LASALLE BANK NATIONAL ASSOCIATION,
as Administrative Agent

By: _________________________________

Name: _________________________________

Title: _________________________________

Date: _________________________________

Strategic Energy, L.L.C.
Long-Term Incentive Plan Grants
2005
Amended May 2, 2005
Amended October 31, 2006

Objective
The Strategic Energy LLC (SE) Long Term Incentive Plan (Plan) is designed to reward sustained value creation by providing competitive incentives for the achievement of long-term financial and operational performance goals. By providing market-competitive target awards, the plan supports the attraction and retention of talent critical to achieving SE's strategic business objectives.

Eligible participants include executives as approved by the Compensation Committee (Committee) of the Board of Directors.

2005 Grants
For 2005, there will be two grants under the Plan. One will be a two-year grant for 2005-2006 performance (in lieu of 2004 grant) and the second will be a three-year grant for 2005-2007 performance.

Target Awards
Award levels will be approved by the Committee and set forth as a percentage of the executive's base salary at target. The percentage will vary based on organizational responsibilities and market-compilation based on industry data. Awards will be paid 25% in time vested restricted stock with the remaining 75% based on performance and payable in cash. The annual target award percentages of base salary are set forth on Appendix I attached hereto.

Performance Goals
The award payout under the Plan will be determined by the proposed goals in Appendix II attached hereto. Performance at target will produce 100% of award and the level of such award can be increased or decreased based on performance. The maximum award is 300% of target value.

Goals are fixed for the duration of the period and will only be changed upon the approval of the Committee.

APPENDIX I

Strategic Energy, L.L.C.
Long-Term Incentive Plan Grants
2005

Target Award Levels
(expressed as a percent of base salary)

Executive	Annual Target Award Opportunity	Amount of Restricted Shares*	Amount of Cash at Target*
Malik	150%	$150,000	$450,000
Purdy	100%	_____	_____
Lauer	100%	_____	_____
Washburn	100%	_____	_____
Sebben	80%	_____	_____
Fox	100%	_____	_____
Shaw	80%	_____	_____

*Dividends will accrue quarterly on the Restricted Shares and restricted in the same manner as the shares.

The number of shares to be determined at time of grant based on market. Amount of cash (remainder of award) to be determined based on 2005 salaries.

NOTE: Information regarding non-executive officers of Great Plains Energy has been removed.

APPENDIX II

Strategic Energy, L.L.C.
Long-Term Incentive Plan Grants
2005

Goals

The performance goals for plan years 2005 and 2006 are:

Percentage Allocation	Goals		Indicative Measures
31.3%	Cumulative Pre-tax Net Income	80% chance of Achieving:	$___ million (50% payout)
		50% chance of Achieving:	$___ million (100% payout)
		20% chance of Achieving:	$___ million (200% payout)
		10% chance of Achieving:	$___ million (300% payout)
22.9%	Cumulative Increase in Customer Accounts Under Contract from 2004 Baseline Customer Accounts	80% chance of Achieving:	___% (50% payout)
		50% chance of Achieving:	___% (100% payout)
		20% chance of Achieving:	___% (200% payout)
		10% chance of Achieving:	___% (300% payout)
22.9%	Cumulative Reduction in General and Administrative Expenses from 2004 Baseline of $___/MWh**	80% chance of Achieving:	___% (50% payout)
		50% chance of Achieving:	___% (100% payout)
		20% chance of Achieving:	___% (200% payout)
		10% chance of Achieving:	___% (300% payout)
22.9%	Reduce Supply Cost to Retail from the 2004 Results After Adjusting for Market Changes (based on $__/MWH marker)	80% chance of Achieving:	___% (50% payout)
		50% chance of Achieving:	___% (100% payout)
		20% chance of Achieving:	___% (200% payout)
		10% chance of Achieving:	___% (300% payout)

Note: Specific information regarding goals and indicative measures is confidential and has been removed.

The performance goals for plan years 2005, 2006 & 2007 are:

Percentage Allocation	Goals		Indicative Measures
31.3%	Cumulative Pre-tax Net Income	80% chance of Achieving:	$___ million (50% payout)
		50% chance of Achieving:	$___ million (100% payout)
		20% chance of Achieving:	$___ million (200% payout)
		10% chance of Achieving:	$___ million (300% payout)
22.9%	Cumulative Increase in Customer Accounts Under Contract from 2004 Baseline Customer Accounts	80% chance of Achieving:	___% (50% payout)
		50% chance of Achieving:	___% (100% payout)
		20% chance of Achieving:	___% (200% payout)
		10% chance of Achieving:	___% (300% payout)
22.9%	Cumulative Reduction in General and Administrative Expenses from 2004 Baseline of $___/MWh**	80% chance of Achieving:	___% (50% payout)
		50% chance of Achieving:	___% (100% payout)
		20% chance of Achieving:	___% (200% payout)
		10% chance of Achieving:	___% (300% payout)
22.9%	Reduce Supply Cost to Retail from the 2004 Results After Adjusting for Market Changes (based on $__/MWH marker)	80% chance of Achieving:	___% (50% payout)
		50% chance of Achieving:	___% (100% payout)
		20% chance of Achieving:	___% (200% payout)
		10% chance of Achieving:	___% (300% payout)

** *Excluding variable incentive costs*

Weighing of Goals

For the CEO, 80% of performance will be based on SE goals and 20% of performance will be based on Great Plains Energy goals.

For the other executives, 100% of performance will be based on SE goals.

Note: Specific information regarding goals and indicative measures is confidential and has been removed.

Exhibit 10.1.h

Strategic Energy Annual Incentive Plan 2006 Objectives

Amended October 31, 2006

Objectives	Weighting	Threshold	Target	Superior
Core Financial Objectives				
SE Pre-tax Core Earnings	50%			
Key Business Objectives				
Expected future margin	15%			
MWh under management	15%			
Individual Performance				
Individual performance	20%	Discretionary	Discretionary	Discretionary

Note: Specific information regarding threshold, target and superior measures is confidential and has been removed.

GREAT PLAINS ENERGY

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Year to Date September 30 2006	2005	2004	2003	2002	2001
			(thousands)			
Income (loss) from continuing operations	$ 90,680	$ 164,209	$ 173,535	$ 189,702	$ 136,702	$ (28,428)
Add						
Minority interests in subsidiaries	-	7,805	(2,131)	(1,263)	-	(897)
Equity investment (income) loss	1,047	434	1,531	2,018	1,173	(23,641)
Income subtotal	91,727	172,448	172,935	190,457	137,875	(52,966)
Add						
Taxes on income	36,683	39,691	54,451	78,565	51,348	(34,672)
Kansas City earnings tax	664	498	602	418	635	583
Total taxes on income	37,347	40,189	55,053	78,983	51,983	(34,089)
Interest on value of leased property	3,100	6,229	6,222	5,944	7,093	10,679
Interest on long-term debt	46,837	64,349	66,128	58,847	65,837	83,549
Interest on short-term debt	6,500	5,145	4,837	5,442	6,312	9,915
Mandatorily Redeemable Preferred Securities	-	-	-	9,338	12,450	12,450
Other interest expense and amortization	3,836	5,891	13,563	3,912	3,760	5,188
Total fixed charges	60,273	81,614	90,750	83,483	95,452	121,781
Earnings before taxes on income and fixed charges	$ 189,347	$ 294,251	$ 318,738	$ 352,923	$ 285,310	$ 34,726
Ratio of earnings to fixed charges	3.14	3.61	3.51	4.23	2.99	(a)

(a) An $87.1 million deficiency in earnings caused the ratio of earnings to fixed charges to be less than a one-to-one coverage. A $195.8 million net write-off before income taxes related to the bankruptcy filing of DTI was recorded in 2001.

CERTIFICATIONS

I, Michael J. Chesser, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Great Plains Energy Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report:

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2006

/s/ Michael J. Chesser

Michael J. Chesser
Chairman of the Board and Chief Executive Officer

Exhibit No. 31.1.b

CERTIFICATIONS

I, Terry Bassham, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Great Plains Energy Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report:

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2006

/s/ Terry Bassham

Terry Bassham
Executive Vice President - Finance and Strategic Development and Chief Financial Officer

Exhibit No. 32.1

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Great Plains Energy Incorporated (the "Company") for the quarterly period ended September 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michael J. Chesser, as Chairman of the Board and Chief Executive Officer of the Company, and Terry Bassham, as Executive Vice President - Finance and Strategic Development and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael J. Chesser

Name: Michael J. Chesser
Title: Chairman of the Board and Chief Executive Officer
Date: November 7, 2006

/s/ Terry Bassham

Name: Terry Bassham
Title: Executive Vice President - Finance and Strategic Development and Chief Financial Officer
Date: November 7, 2006

This certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 except to the extent this Exhibit 32.1 is expressly and specifically incorporated by reference in any such filing.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Great Plains Energy Incorporated and will be retained by Great Plains Energy Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

Contract Between

Kansas City Power & Light Company

and

ALSTOM Power Inc.

for

Engineering, Procurement, and Construction Services

for

Air Quality Control Systems and Selective Catalytic Reduction Systems

at

Iatan Generating Station Units 1 and 2

and the

Pulverized Coal-Fired Boiler

at

Iatan Generating Station Unit 2

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LIST OF EXHIBITS

ENGINEERING, PROCUREMENT, AND CONSTRUCTION CONTRACT

This Engineering, Procurement, and Construction Contract is made and entered into as of this 10th day of August, 2006 ("Effective Date") by and between Kansas City Power & Light Company, a Missouri corporation, and ALSTOM Power Inc., a Delaware corporation, for the design, engineering, procurement, construction, assembly, start-up, and testing of the AQC Systems for Units 1 and 2, the SCR Systems for Units 1 and 2, the Boiler for Unit 2, and all of their collective appurtenances at the Iatan Electric Generating Station.

RECITALS

WHEREAS, Owner owns and operates the Iatan 1 Electric Generating Station ("Unit 1"), a 670 mW pulverized coal-fired power generation facility located near Iatan, Missouri.

WHEREAS, Owner desires to install a new pulverized coal-fired power generation facility and appurtenant structures ("Unit 2") next to Unit 1 that is nominally rated at 850 mW;

WHEREAS, Owner desires to install pollution control equipment on Unit 1 and Unit 2, including, without limitation, adding limestone based, wet scrubber flue gas desulfurization systems, mercury control systems, limestone and gypsum processing systems, and baghouses and appurtenant materials, as more particularly described in the Technical Specifications for the AQC Systems;

WHEREAS, Owner desires to install an SCR System on Unit 1 and Unit 2, including, without limitation, the Catalyst, the material handling systems, ammonia injection grid, ductwork, and appurtenant materials, as more particularly described in the Technical Specifications for the SCR Systems;

WHEREAS Owner desires to install a pulverized coal-fired boiler and appurtenant materials on Unit 2, as more particularly described in the Technical Specifications;

WHEREAS, Contractor is experienced in the design, engineering, procurement, construction, assembly, start-up, and testing of pollution control equipment projects and systems utilized in connection with coal-fired power generation facilities similar to the Plant; and

WHEREAS, Owner desires to engage and Contractor agrees to be so engaged to design, engineer, procure, construct, assemble, start-up, and test the AQC and SCR Systems for Unit 1 and Unit 2 and the Boiler for Unit 2.

Now, therefore, for and in consideration of the foregoing premises and of the mutual covenants hereinafter contained, the Parties hereto have agreed as follows:

ARTICLE 1

DEFINITIONS

Unless the context otherwise requires, the following definitions shall apply to this Contract. The singular shall include the plural and the masculine shall include the feminine, as the context requires. The terms "includes" or "including" shall mean "including, but not limited to." Any term not defined in this Article 1 and used in an administrative or technical Division or Section, Exhibit or Change Order shall have the meaning ascribed therein.

1.1 Application for Payment means the invoices submitted by Contractor pursuant to Article 12 for payments due for Work performed under the Contract Documents.

1.2 AQC Material Handling System means but is not limited to the limestone and gypsum conveyance systems and appurtenances to be added to the Unit 1 and Unit 2, respectively, and comprising a portion of the Work, as specified in the Technical Specifications.

1.3 AQC System means the FGD System, Baghouse, Mercury Control System, AQC Material Handling System, ductwork and appurtenant Materials for Unit 1 and Unit 2, respectively, as specified in the Technical Specifications.

1.4 Asbestos means any material that contains more than 1% asbestos and is friable or is releasing asbestos fibers into the air above current action levels established by the United States Occupational Safety and Health Administration.

1.5 Bag Failure means damage to the fabric filter bags specified in the Technical Specifications, such as a breach, tear or opening in a bag, or blinding or pluggage of the fabric such that the dust removal system in the Baghouse does not function to remove the dust as specified.

1.6 Baghouse means the fabric filter particulate removal Materials and appurtenances specified in the Technical Specification.

1.7 Baglife Failure means that any one or more of the following conditions has occurred during the Guaranteed Baglife Period: (1) when a cumulative value of one percent (1%) per year or 3% during the Guaranteed Baglife Period (the "Attrition Allowance") of the original total number of fabric filter bags have suffered Bag Failure; (2) subject to the limitation set forth in Section 15.14, when pressure drop of the fabric filter system exceeds the guaranteed system operating pressure limit by greater than 10% to indicate unacceptable system performance on more than one occasion in 90 consecutive operating days; (3) when Bag Failure has occurred to 5% of the bags in any one compartment; or (4) when filterable particulate emissions, including opacity, exceeds permitted emissions on more than one occasion in 90 consecutive operating days.

1.8 Boiler means the pulverized coal-fired boiler for Unit 2 including all equipment and appurtenances required for pulverized coal combustion, as specified in the Technical Specifications.

1.9 Business Day means any Day except Saturday, Sunday, or a weekday that is observed by Owner as a holiday.

1.10 Catalyst means the surface specified in the Technical Specifications used to promote the selective, low temperature reaction of NOx and ammonia (NH_3), converting them to nitrogen and water vapor.

1.11 Catalyst Life Failure means the Catalyst fails to achieve the guaranteed NOx emission or ammonia slip levels when operating within the range of design fuels and operating conditions (collectively, "Design Conditions") at any time prior to the end of the Guaranteed Catalyst Period. Owner may experience minor spikes or excursions outside the required Design Conditions. The range of the acceptable excursions from the Catalyst Design Conditions are as follows:

Inlet Flue Gas Temperature to the SCR (Temperature range from 545°F to 740°F for Unit 2 and from 590°F to 740°F for Unit 1): Excursion for inlet flue gas temperature: (a) Maximum operating temperature from the range listed above + 50°F (time period for excursion not to exceed 24 cumulative hours); or (b) Minimum allowable operating temperature. Operation of the SCR system 25°F below the minimum allowable temperature will not void the Catalyst Life Warranty as long as SCR operation greater than 50°F above the minimum allowable temperature occurs for at least an equivalent number of hours. SCR operation is defined as the injection of ammonia into the system.

Flue Gas Velocity. Excursion for flue gas velocity not to exceed +5% above Boiler Maximum Continuous Rating ("BMCR") conditions (time period not to exceed 24 cumulative hours).

Fuel Constituents and Ash Constituents. Excursion for fuel constituents and ash constituents not to exceed 10% beyond the worst range of properties specifically sulfur content, inlet ash loading, sodium, calcium, phosphorus and arsenic (time period for excursion not to exceed 240 cumulative hours).

1.12 Change Order means a written order issued to Contractor pursuant to Article 13.

1.13 Construction Aids means the materials, supplies, construction tools, cranes and other construction equipment, field office equipment, field office supplies, scaffolding, form lumber, temporary buildings and facilities, and all other items provided by Contractor as part of, or necessary for, completion of the Work, but which are not intended to become a permanent part of the Site.

1.14 Continuous Emission Monitoring System means the total equipment necessary for the determination of a gas or particulate matter concentration or emission rate using pollutant analyzer measurements and a conversion equation, graph, or computer program to produce results in units of the applicable emission limitation or standard.

1.15 Contract means this Engineering, Procurement and Construction Contract between Owner and Contractor for the engineering, procurement, and construction services for the AQC and SCR Systems for Units 1 and 2 and the Boiler for Unit 2.

1.16 Contract Documents means: (a) this Contract including all Exhibits hereto; (b) the Purchase Order; (c) the Technical Specifications; (d) any applicable Contractor Specifications; (e) any applicable Drawings; (f) the Change Orders; and (g) any other documents identified in this Contract and/or the Purchase Order as incorporated into the Contract Documents.

1.17 Contract Implementation Documents means the detailed, procurement documents, engineering reports, Shop Drawings, and Submittals, including drawings and other documents which are prepared by Contractor or its Subcontractors, which are accepted in writing by Owner or Owner's Representatives, and which detail how Contractor or its Subcontractors will perform the Work.

1.18 Contract Price shall have the meaning set forth in Subarticle 12.1 and Exhibit D.

1.19 Contract Time means the number of Days or the dates stated in the Contract to complete the Work on or before all of the Milestone Dates identified in Exhibit B, including but not limited to: (i) achieving Mechanical Completion, Provisional Acceptance, Substantial Completion, and Final Completion of Units 1 and 2, respectively; and (ii) completing the Work so that it is ready for Final Payment as delineated in Article 12.

1.20 Contractor means ALSTOM Power Inc. with whom Owner has entered into this Contract for the performance of the Work covered thereby.

1.21 Contractor Change Request shall have the meaning set forth in Subarticle 13.2.

1.22 Contractor Specifications means the specifications prepared by Contractor for the performance of all aspects of the Work developed by Contractor and reviewed and accepted, in writing, by Owner. Such Contractor Specifications as they are reviewed and accepted in writing by Owner shall become part of the Contract Documents.

1.23 Contractor's Delay Costs shall have the meaning set forth in Subarticle 13.3.1.

1.24 Contractor's Representative shall have the meaning set forth in Subarticle 10.2.

1.25 Day means a calendar day commencing at 12:00 a.m.

1.26 Defective or Defect means, with respect to the Work performed hereunder or any portion thereof, Work not conforming to the Contract Documents, including without limitation, the standards and the requirements of Subarticles 15.1 and 15.2.

1.27 Detailed CPM Schedule means the detailed critical path method schedule required to be submitted by Contractor pursuant to Subarticle 8.3.

1.28 Effective Date means the date Owner and Contractor made and entered into this Contract.

1.29 Engineer shall mean the consulting engineer retained by Owner, that shall be designated as an Other Owner-Authorized Party. As of the date of this Contract, Owner's Engineer is identified as Burns & McDonnell Engineering Company, Inc. ("Burns & McDonnell"), but is subject to change at the option of the Owner during the course of the Project. If Burns & McDonnell ceases to be the Engineer at any time during the course of the Project and Owner does not retain a new consulting engineer, then the term "Engineer" shall mean Owner.

1.30 Environmental Laws means any and all Permits and all applicable codes, laws, rules, and regulations relating to actual or potential effect on human health, safety, or the environment; the disposal of materials; the discharge or release of chemicals, gases, or other substances or materials into the environment; or the presence of such materials, chemicals, gases, or other substances. Owner shall be responsible for obtaining and complying with any environmental Permits. Contractor shall be responsible for complying with any Performance Guarantees contained herein.

1.31 Event of Default shall have the meaning set forth in Subarticle 20.2.

1.32 FGD System means the limestone based, wet scrubber component of an AQC System, complete with the AQC Material Handling Systems and all other components, accessories and appurtenances, necessary for a complete and operable system, to be added to and placed in successful continuous operation at Unit 1 and 2 of the Plant and comprising a portion of the Project and the Work, as more particularly described in the Technical Specifications.

1.33 Final Completion means the full performance by Contractor of all of Contractor's obligations under the Contract Documents and all revisions and amendments thereof, and shall require successful achievement of Mechanical Completion, Provisional Acceptance, Substantial Completion (including passing of all Performance Tests), the delivery of all required Lien waivers by Contractor to Owner, Owner's delivery to Contractor of a written Certificate of Final Completion, a resolution of all Punchlist items, and Owner's draw down of liquidated damages (if any) from the Five Percent LOC, Performance LOC, or Retainage, as the case may be.

1.34 Final Completion Date means the date Contractor achieves all of the requirements to complete all of the Work as set forth in Exhibit E.

1.35 Five Percent LOC means "Five Percent Letter of Credit" and shall have the meaning set forth in Section 12.12.

1.36 Force Majeure shall have the meaning set forth in Subarticle 24.1.

1.37 Force Majeure Delay Date means the date of commencement of a Force Majeure event specified in the Notice provided by the Party claiming the existence of a Force Majeure event pursuant to Subarticle 24.2.

1.38 Governmental Agency means any department, commission, board, regulatory authority, bureau, legislative body, agency, political subdivision, or instrumentality, and their successors, of any federal, state, local, or municipal government.

1.39 Guaranteed Catalyst Period shall have the meaning set forth in Subarticle 15.8.1.

1.40 Guaranteed Unit 1 Mechanical Completion Date means the date set forth in Exhibit B, as such date may be changed from time to time in accordance with Article 13 of this Contract.

1.41 Guaranteed Unit 1 Provisional Acceptance Date means the date set forth in Exhibit B,, as such date may be changed from time to time in accordance with Article 13 of this Contract.

1.42 Guaranteed Unit 1 Substantial Completion Date means the date set forth in Exhibit B, as such date may be changed from time to time in accordance with Article 13 of this Contract.

1.43 Guaranteed Unit 2 Mechanical Completion Date means the date set forth in Exhibit B, as such date may be changed from time to time in accordance with Article 13 of this Contract.

1.44 Guaranteed Unit 2 Provisional Acceptance Date means the date set forth in Exhibit B, as such date may be changed from time to time in accordance with Article 13 of this Contract.

1.45 Guaranteed Unit 2 Substantial Completion Date A means the date set forth in Exhibit B, as such date may be changed from time to time in accordance with Article 13 of this Contract.

1.46 Guaranteed Unit 2 Substantial Completion Date B means the date set forth in Exhibit B, as such date may be changed from time to time in accordance with Article 13 of this Contract.

1.47 Hazardous Substances means any and all "hazardous substances," "hazardous waste," "waste," or "pollutant or contaminant" as any of such terms may be defined in any Environmental Law, or the regulations promulgated thereunder, or case law interpreting the same, or any other pollutant or substance that is regulated under any Environmental Law or that may be the subject of liability for costs of response or remediation under any Environmental Law.

1.48 Interim Notice to Proceed means the Notice issued on April 27, 2006 by Owner to Contractor authorizing the Work to proceed, including any amendments thereto.

1.49 Laws means (1) all applicable federal, state, and local laws, treaties, ordinances, codes rules and regulations, judgments, decrees, injunctions, writs and orders of any court, arbitrator or Governmental agency or authority, (2) all applicable and generally recognized building and safety standards governing performance of the Work, and (3) all applicable Environmental Laws and applicable Permits.

1.50 Liens means any mortgage, lien, pledge, claim, charge, lease, easement, servitude, right of others, security interest or encumbrance of any kind, including any lien arising pursuant to any statutory or equitable right permitting Contractor, or its Subcontractors and/or laborers to place a Lien against any Unit, the Plant, the Site or the Project, as the case may be, for the value of labor bestowed in connection therewith and/or materials furnished thereto.

1.51 Limited Notice to Proceed means the Notice issued on February 28, 2006 by Owner to Contractor authorizing limited Work release for selected engineering, procurement, and fabrication.

1.52 Losses means claims, damages, losses, liabilities, demands, costs, and expenses, including but not limited to reasonable attorneys' fees.

1.53 Materials means the materials, supplies, apparatus, equipment, machinery, and other goods to be provided by Contractor or any Subcontractor, as part of, or necessary for completion of, the Work and that becomes a permanent part of the Plant.

1.54 Mercury Control Systems means the systems installed, as part of the AQC Systems and as specified in the Technical Specification, to reduce the mercury emissions of Unit 1 and Unit 2.

1.55 mW means megawatt.

1.56 Notice shall have the meaning set forth in Subarticle 29.6.

1.57 Notice to Proceed means the written Notice by Owner to Contractor releasing Contractor to perform the entire scope of Work under this Contract.

1.58 Operating Emergency means any equipment or Materials failure at the Plant which causes, or imminently will cause, a reduction in the output of the affected Unit.

1.59 Other Owner-Authorized Party means any Person so designated by Owner pursuant to Subarticle 10.1 and Engineer.

1.60 Owner means Kansas City Power & Light Company, with whom Contractor has entered into this Contract and for whom the Work is to be provided.

1.61 Owner Indemnitees shall have the meaning set forth in Subarticle 18.1.

1.62 Owner's Representative means the individual(s) appointed by Owner pursuant to Subarticle 10.1 and any successors.

1.63 Performance Guarantees means Contractor's performance guarantees set forth in Exhibit S while Unit 1 and Unit 2, respectively, are operated by the Owner in accordance with the design conditions stated in the Contract Documents, including the Technical Specifications.

1.64 Performance Tests means the operation of the AQC Systems, SCR Systems, and Unit 2 Boiler in accordance with the requirements contained in Exhibit S for the purpose of determining the AQC and SCR Systems' and the Boiler's level of achievement with respect to the Performance Guarantees.

1.65 Permits means all permits, licenses, approved plans, contracts, filings, authorizations, approvals, easements or rights-of-way required by or entered into with any Governmental Agency in connection with the proper conduct and performance of the Work, including all building permits, contractor's licenses, zoning and land use permits, environmental permits, conditional use permits, and all necessary licenses, authorizations, approvals, and permits obtained from any Governmental Agency.

1.66 Person means an individual, partnership, corporation, company, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority, or other entity.

1.67 Plant means Owner's Iatan Unit 1 and Unit 2.

1.68 Prime Interest Rate means the effective "prime rate" of interest for large U.S. money center commercial banks published under "Money Rates" by The Wall Street Journal.

1.69 Progress Reports means the engineering, procurement, progress, and construction progress reports required by the Contract Documents.

1.70 Project means, collectively, (a) the Work, responsibilities, obligations and warranties of Contractor as provided in the Contract Documents, including the securing of all Contractor Permits; (b) the responsibilities and obligations of Owner as provided in this Contract, including the securing of all Owner Permits; and (c) any and all other elements of designing, engineering, procuring, constructing, erecting, start-up and testing, successful continuous operating and maintaining the AQC Systems, SCR Systems, the Boiler, and their respective appurtenances as set forth in the Contract Documents.

1.71 Project Critical Path means the longest calculated path of activities in the Project Schedule as defined under Article 8.

1.72 Project Schedule means the Baseline Schedule, as defined in Section 8.4, for Contractor's timely completion of the Work as prepared by Contractor pursuant to Article 8 which shall include all of the Milestone Dates identified in Exhibit B.

1.73 Provisional Acceptance Test means a test as measured by Owner's monitoring equipment, including Owner's Continuous Emission Monitoring System, to determine the applicable Unit's ability to meet the Provisional Acceptance requirements stated in Exhibit E.

1.74 Prudent Industry Practice means for boiler and pollution control projects and systems utilized in connection with coal-fired power generation facilities similar to the Plant, with respect to each of engineering, procurement, design, construction, operation, testing, and maintenance of the Work, the practices, methods, and acts engaged in or approved by a significant portion of the electric generation industry of the United States (including utilities and independent power producers) that at a particular time, in the exercise of reasonable judgment in light of the facts known or that reasonably should have been known at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with the Laws, the Contract Documents, reliability, safety, environmental protection, economy, and expedition. Prudent Industry Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather is a spectrum of possible practices, methods or acts employed by contractors, including those involving the use of new concepts or technology, and having due regard for current editions of applicable design, safety and maintenance codes and standards, manufacturers' warranties and applicable Laws.

1.75 Punchlist means administrative items or other items of the Work identified by Owner (with the consultation of the Engineer) in writing on or prior to the date of Substantial Completion of Unit 1 and Unit 2, respectively, which have not been completed but which do not affect the safe start-up and testing or successful continuous operation of any component of the Work and which are to be corrected, fixed or repaired by Contractor at its own expense as a condition to achieving Final Completion.

1.76 Purchase Order means a document issued by Owner to Contractor, which defines among other things the scope, price, and duration of the Work and the Contract Documents for the Project. Any pre-printed terms and conditions contained on the Purchase Order are superseded by this Contract and are null and void.

1.77 Samples means physical examples of Materials, or workmanship that are representative of some portion of the Work and which establish the standards by which such portion of the Work will be judged.

1.78 SCR Material Handling Systems means but is not limited to the ammonia storage tank and appurtenances to be added to the Plant and comprising a portion of the Work, as specified in the Technical Specifications.

1.79 SCR System means the selective catalytic reduction system specified in the Technical Specifications, including the Catalyst, SCR Material Handling Systems, ammonia injection grid, ductwork, and appurtenant Materials for Units 1 and 2.

1.80 Shop Drawings means all drawings, diagrams, illustrations, schedules, and other data or information which are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work.

1.81 Site means the real property on which the Work will be performed.

1.82 Standard Warranty Work shall have the meaning set forth in Subarticle 15.4.

1.83 Subcontractor means any individual or entity, including agents, suppliers, vendors, materialmen, mechanics, carriers, warehousemen, artisans, and subconsultants, that has a contract with Contractor for the performance of any part of the Work, including those individuals or entities of whatever tier having a subcontract for performance of any part of the Work with the Subcontractors specified herein.

1.84 Submittal means Shop Drawings, product data, Samples, or other documents that are prepared by Contractor or a Subcontractor and submitted by Contractor as a basis to evaluate the use of its Materials and construction requirements for incorporation in or installation of the Work or needed to describe proper installation, operation and maintenance, or technical properties.

1.85 Technical Specifications means the conformed specifications prepared by Owner or Owner's Engineer and Contractor and incorporated herein as Exhibit A including the attachments attached thereto that are reviewed and verified by Contractor and are part of the Contract Documents and establish the corresponding initial requirements of the Contract.

1.86 Underground Facilities means all pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or attachments, and any encasements containing such facilities which have been installed underground to furnish any of the following services or materials: electricity; gases; steam; liquid petroleum products; telephone or other communications; cable television; sewage and drainage removal; traffic or other control systems; or water.

1.87 Unit means either one of Unit 1 or Unit 2 at Iatan Electric Generating Station.

1.88 Unit 1 Auxiliary Power Guarantee means the amount of power guaranteed in Exhibit S.

1.89 Unit 1 Final Completion means that each of the conditions to Unit 1 Final Completion set forth in Exhibit E have been achieved in full.

1.90 Unit 1 Guaranteed Performance Tests means the tests set forth in the Technical Specifications to be conducted by Owner to determine Unit 1's compliance with the Performance Guarantees stated in Exhibit S and the Technical Specifications.

1.91 Unit 1 Mechanical Completion means that each of the conditions to Unit 1 Mechanical Completion set forth in Exhibit E have been achieved in full.

1.92 Unit 1 Mechanical Completion Certificate means a certificate issued by Owner to Contractor confirming that Unit 1 Mechanical Completion has occurred.

1.93 Unit 1 Performance Guarantees means Contractor's guaranteed performance for the Work for Unit 1 as described in detail in Exhibit S.

1.94 Unit 1 Provisional Acceptance means that each of the conditions to Unit 1 Provisional Acceptance set forth in Exhibit E have been achieved in full.

1.95 Unit 1 Substantial Completion means that each of the conditions to Unit 1 Substantial Completion set forth in Exhibit E have been achieved in full.

1.96 Unit 2 Auxiliary Power Guarantee means the amount of power guaranteed in Exhibit S.

1.97 Unit 2 Guaranteed Performance Tests means the tests set forth in the Technical Specifications to be conducted by Owner to determine Unit 2's compliance with the Performance Guarantees stated in Exhibit S.

1.98 Unit 2 Mechanical Completion means that each of the conditions to Unit 2 Mechanical Completion set forth in Exhibit E have been achieved in full.

1.99 Unit 2 Final Completion means that each of the conditions to Unit 2 Final Completion set forth in Exhibit E have been achieved in full.

1.100 Unit 2 Mechanical Completion Certificate means a certificate issued by Owner to Contractor confirming that Unit 2 Mechanical Completion has occurred.

1.101 Unit 2 Performance Guarantees means Contractor's guaranteed performance for the Work for Unit 2 as described in Exhibit S.

1.102 Unit 2 Provisional Acceptance means that each of the conditions to Unit 2 Provisional Acceptance set forth in Exhibit E have been achieved in full.

1.103 Unit 2 Substantial Completion means that each of the conditions to Unit 2 Substantial Completion set forth in Exhibit E have been achieved in full.

1.104 Work means all of the services, labor, and Materials needed for the design, engineering, procurement, manufacturing, fabrication, distribution, construction, supervision, training, pre-commissioning, commissioning, start-up, and testing, training and other related services required to be provided by Contractor to fully complete the Project pursuant to the terms of the Contract Documents.

1.105 Work Breakdown Structure shall have the meaning set forth in Subarticle 8.5.1.

ARTICLE 2

DESCRIPTION OF CONTRACT

2.1 **Engagement of Contractor**. Owner hereby engages Contractor to perform all of the Work in accordance with the requirements of the Contract Documents for the Contract Price, and Contractor hereby accepts such engagement. Contractor acknowledges that Owner is relying upon the expertise of Contractor to furnish the completed Project in accordance with the requirements of the Contract Documents.

Specifically as to the Unit 1 SCR, Owner and Contractor acknowledge and agree that the Contract, the Contract Documents, the Contract Price, the Contract Time and the Project Schedule are based upon the Owner's original Unit 1 SCR Specification dated March 2, 2006, including Addenda 1 and 2, as modified by Contractor's exceptions thereto, all of which are attached hereto as Exhibit A4-1 (the "Base SCR Specification"). Owner and Contractor further acknowledge and agree that Owner's revised Unit 1 SCR specification (the "Revised SCR Specification") will be developed and when completed shall be attached hereto as Exhibit A4-2 and will replace and supersede Exhibit A4-1, the Base SCR Specification and will form a part of the contract as to the Unit 1 SCR. Owner and Contractor will negotiate in good faith to conform the Revised SCR Specification, and any affected Contract Documents, on or before September 12, 2006. If no agreement can be reached, then the Base Specification, the Contract Price and the Project Schedule shall remain in effect subject to the provisions of Article 13.

Additionally, as to the Unit 2 Elevators, Owner and Contractor acknowledge and agree that the Contract, the Contract Documents, the Contract Price, the Contract Time and the Project Schedule are based upon two Vendors' quotations for the passenger and freight elevators dated June 22, 2006, from Otis Elevator Company, and July 21, 2006, from Alimak Hek, Inc., both of which are attached hereto as Exhibit A2S-1 (the "Base Elevator Quotations"), but are not part of the Contract Documents for the Project. Owner and Contractor further acknowledge and agree that Owner's specification for the elevators (the "Elevator Specification") will be developed based upon these quotations and the scope exceptions set forth therein, as well as Contractor's comments on scope as set forth in an email dated July 25, 2006 from Mike Sivas to Steve Jones, Brent Davis and Jeffrey Fleenor, and when completed shall be attached hereto as Exhibit A2S-2. Owner and Contractor will negotiate in good faith to develop the Elevator Specification on or before September 12, 2006. Once agreed upon, the terms of Exhibit A2S-2 and the agreed pricing, scope of Work and schedule, subject to the conditions stated herein and the result of the negotiations, will be reflected in a Change Order amending the Contract Documents, including any necessary Contract Price and scope of Work adjustments, on or before September 12, 2006. If the Parties are unable to agree on the price, and scope of Work for the elevators and the exceptions, then the value of the elevators reflected in Exhibit D to the Contract and the scope of Work to provide the elevators shall be deducted by Change Order from the Contract Price.

2.2 **Conflicting Provisions**. In the event of any conflict between or among the Contract Documents and the Contract Implementation Documents, the following order of interpretation shall prevail: (a) the terms of a duly authorized and executed Change Order; (b) the Contract; (c) the terms of Exhibits B through W; (d) the terms of Exhibit A; (e) Contractor Specifications, if any; (f) the Contract Implementation Documents; and (g) the Purchase Order. Notwithstanding the foregoing, the several documents forming the Contract Documents shall be taken as mutually explanatory of one another; however, subject to dispute resolution provisions of Article 16, Owner shall decide priority where there exists ambiguities, discrepancies, conflicts, or inconsistencies between or among respective Contract Documents of equal precedence to each other. Notwithstanding the above, Contractor acknowledges that it has provided data to Owner which have been attached to Exhibit A as "Contractor exhibits" (exhibits A2A, A2C, A2D, and A2P). The Parties agree that to the extent such Contractor exhibits do not accurately reflect the Work necessary to fulfill Contractor's obligation to design, manufacture, procure, and construct the complete systems reflected in such Contract Documents, Contractor cannot request a Change Order.

2.3 **Section and Exhibit References**. Any reference in this Contract to a "Section," "Subsection," "Article," "Subarticle," or "Exhibit," is a reference to an article, subarticle, section, subsection, or exhibit to this Contract unless otherwise specified.

2.4 **Interpretation**. As used in this Contract, any agreement, document or drawing defined or referred to herein shall include each amendment, modification and supplement thereto and waiver thereof as may become effective from time to time, except where otherwise indicated. Any term defined by reference to any other agreement or document shall have such meaning whether or not such agreement or document remains in effect. The terms "hereof," "herein," "hereunder" and comparable terms refer to the entire agreement with respect to which such terms are used and not to any particular article, section or other subdivision thereof. A reference to any specific Laws includes any amendment or modification to such Laws (provided that such amendment or modification enacted after the Effective Date may constitute a basis for a Change pursuant to Article 13). Owner and Contractor may be referred to individually as "Party" or collectively as "Parties." A reference to any Person or Party includes its permitted successors and assigns. A reference to a company, corporation, partnership or other entity shall include its successors and permitted assigns. If any provision of this Contract contemplates that the Parties shall negotiate or agree to any matter after the date that this Contract is signed, such provision shall be construed to include an obligation of the Parties to negotiate or reach an agreement in good faith within the spirit and intent of mutual cooperation and the content of this Contract and any failure of the Parties to negotiate or agree shall be a dispute within the meaning of Article 16.

ARTICLE 3

SCOPE OF WORK

In addition to the specific requirements relating to the Work contained in the Contract Documents, Contractor shall have the following obligations with respect to the Work:

3.1 **General**. All parts of the Work indicated or reasonably inferred from the terms of this Contract and not expressly mentioned herein, and all of the usual and/or necessary Work to complete projects that are the same or similar to the Project, shall be furnished and executed as if it were expressly required by this Contract. Without limiting the generality of the foregoing, scope content details omitted from this Contract shall, as a minimum, be defined by the details and meet the performance requirements of the Technical Specifications. While Owner is conducting the Performance Tests, Contractor must comply with the requirements of the Contract Documents, including Exhibit S.

3.2 **Procurement**. Contractor shall, and shall cause its Subcontractors to, procure and pay for, in Contractor's name as an independent contractor and not as an agent for Owner, the following items: all Contractor and Subcontractor labor, Materials, tools, equipment, all Contractor Permits, insurance, security, supplies, manufacturing and related services (whether on-site or off-site) for construction of the AQC and SCR Systems for Units 1 and 2 and the Boiler for Unit 2 and incorporation into the Plant which are required for completion of the Work in accordance with this Contract and are not explicitly specified to be furnished by Owner. All such items must comply with the Technical Specifications. Contractor shall also provide management and supervision necessary to satisfactorily engineer, design, fabricate, deliver, receive, off-load, store, construct, inspect, start-up, and test the AQC and SCR Systems for Units 1 and 2, and the Boiler for Unit 2 all in accordance with the provisions of the Contract Documents.

3.3 **Commencement of Work**. Contractor shall commence the Work as soon as practicable after receipt of the Notice to Proceed. Contractor shall not be authorized to commence any Work, nor shall any Work be deemed to have been commenced under this Contract, prior to the date specified in the Notice to Proceed; provided that, pursuant to such terms and conditions as Owner and Contractor may agree upon, Contractor shall proceed with so much of the Work as may be specified in the Limited Notice to Proceed, the Interim Notice to Proceed, and any amendments thereto, from the date specified therein. Contractor warrants that it has reviewed the Technical Specifications and agrees that they are sufficient to perform all of the Work. Contractor further agrees that, after the Effective Date, it will not make any claims for additional costs or extensions of the Milestone Dates based on the content of the Technical Specifications being insufficient to complete the Work.

3.4 **Management and Conduct of the Work**. Contractor shall manage and conduct the Work in accordance with the terms of the Contract Documents. Without limiting the generality of the foregoing, Contractor agrees that:

3.4.1 Selection and Approval of Contractor's Representative and Site Construction Manager. Contractor shall, promptly following the Effective Date, select and give Owner written Notice of the identity of the proposed Contractor's Representative and Contractor employee who will manage all of the Work at the Site (the "Site Construction Manager"), which persons shall be subject to the prior consent of Owner, which consent shall not be unreasonably withheld. Contractor's Representative shall be authorized to act on behalf of Contractor and shall be the individual with whom Owner or Owner's Representative may consult at all reasonable times, and whose instructions, requests, and decisions will be binding upon Contractor as to all matters pertaining to this Contract and the performance of the Parties hereunder (provided neither any amendment or modification of this Contract nor any other change shall be effected except by a Change Order). Contractor's Representative shall also have the responsibility to ensure that the Work being performed is in accordance with all provisions of the Contract Documents. At all times, the Work to be performed by Contractor at the Plant Site shall be conducted and managed under the auspices of a competent Site Construction Manager experienced in engineering, procurement and construction of air quality control and selective catalytic reduction systems, pulverized coal-fired boilers, and incorporating each with their component parts into power plants. The Site Construction Manager shall be designated by Contractor no later than thirty (30) Days prior to the date of Contractor's scheduled mobilization on the Plant Site and shall be listed as one of Contractor's Key Personnel on the attached Exhibit F. The Site Construction Manager's duties shall include, among other things, coordination of Work between all entities performing Work on the Plant Site on behalf of Contractor, including Contractor's Subcontractors. Contractor shall not change the Site Construction Manager or Contractor's Representative, or other key members of Contractor's staff assigned to perform the Work without the prior consent of Owner, which consent shall not be unreasonably withheld.

3.4.2 Key Personnel. Concurrently with the appointment of Contractor's Representative, Contractor shall provide Owner with a list of all Key Personnel and their respective resumes which Contractor intends to use in the performance of the Work. A preliminary list of Key Personnel of Contractor is set forth in Exhibit F. Contractor shall not replace any such personnel at any time without the prior written consent of Owner, which consent shall not be unreasonably withheld or delayed. Contractor shall exert its best efforts to promptly replace any Key Personnel to which Owner reasonably objects in writing. Contractor shall at all times enforce good order among its employees and those of Subcontractors and shall not employ or permit any Subcontractor to employ in connection with its performance under this Contract any unfit person or anyone not skilled in the work assigned to such person. Contractor shall use reasonable efforts in the employment of labor (whether directly or indirectly employed) so as to cause no conflict or interference with or between the various trades, or delay in performance of Contractor's obligations. Whenever required by Laws, Contractor agrees to employ only licensed personnel to perform engineering, design, architectural or other services in the performance of the Work. Contractor shall have and exercise full responsibility for compliance hereunder by Contractor's employees and Subcontractors generally, and in particular, with respect to Contractor's portion of the Work; shall itself comply with all Laws, and require and be directly responsible for compliance therewith on the part of Contractor's employees and Subcontractors; and shall directly receive, respond to, defend and be responsible for all citations, assessments, fines or penalties which may be incurred by reason of Contractor's failure or failure on the part of Contractor's employees or Subcontractors to so comply.

3.5 **Skill and Judgment**. Contractor shall perform the Work in accordance with the Contract Documents and Prudent Industry Practice.

3.6 **Manufacturer's Directions**. Unless the Contract Documents otherwise require, Contractor shall comply with the manufacturer's instructions and printed directions for any Materials or related systems supplied by such manufacturer.

3.7 **Written Progress Reports**. Contractor shall submit to Owner Progress Reports and participate in regularly scheduled meetings in accordance with the provisions of Article 8 and shall participate in such other meetings as Owner reasonably may request.

3.7.1 Monthly Progress Reports. Contractor shall deliver to Owner no less frequently than monthly, by the tenth (10th) Day of each month, a written report, in a format similar to Exhibit G, of the progress of the Work during the preceding month (each a "Monthly Progress Report") and on all matters deemed significant by Owner.

3.7.2 Reports on Events of Force Majeure and Emergencies. In addition to all other reports required under this Contract, should any Force Majeure event, significant problem, emergency, strike, injury, work stoppage or legal problem be anticipated, or any Force Majeure or other unanticipated event occur which might adversely affect Contractor's ability to perform its obligations hereunder, Contractor shall immediately prepare a written report detailing all available information and steps being taken to correct such Force Majeure or significant problem, emergency, or other event or problem and deliver such significant event report to Owner as soon as practicable. Owner may at any time request a significant event report on any event which Owner reasonably regards as being significant.

3.7.3 Damage Reports. If, prior to each of their respective dates of Substantial Completion, the AQC Systems, SCR Systems, Boiler or any component or portion thereof is materially damaged, Contractor shall provide Owner, as soon as practicable after the occurrence of such damage, a damage report detailing such occurrence, any required repairs and the estimated duration of such repairs.

3.7.4 Additional Reports. Contractor shall also provide written Notice to Owner in accordance with Subarticle 29.6 of any significant changes or developments in the Work. Contractor shall make available, and upon Owner's request shall furnish, to Owner such documents necessary for Owner to review the Work. Contractor shall, upon Owner's request, provide to Owner or Engineer technical information regarding the design of the AQC Systems, the SCR Systems, or the Unit 2 Boiler; provided that, Contractor shall not be obligated to provide proprietary technical data regarding equipment manufactured by or for Contractor and not provided by Contractor to other Persons so long as the non-proprietary data provided by Contractor shall be of such type and detail as is customarily provided by vendors and provides Owner a reasonable basis for technical review of the design of the AQC Systems, the SCR Systems, and the Unit 2 Boiler and the ability to adequately perform maintenance and secure bids for such maintenance. Except for Owner's responsibilities set forth in Article 7 of this Contract, Contractor shall be solely responsible for all construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under this Contract.

3.8 **Progress Meetings**. During performance of the Work, periodic progress meetings shall be held at the Plant Site, in Contractor's office, Owner's office, or at such other place mutually agreeable to the Parties. Such meetings shall be at least weekly or as otherwise agreed. All matters bearing on the progress and performance of the Work and the Project Schedule since the preceding progress meeting shall be discussed and resolved, including any previously unresolved matters, deficiencies in the Work or the methods being employed for the Work, and problems, difficulties, or delays which may be encountered. Contractor shall be represented by Contractor's Representative and Owner shall be represented by the Owner's Representative. Owner will provide minutes of all progress meetings to Contractor. Contractor, with the reasonable agreement of Owner, shall retain the right to amend the minutes. In addition, Contractor's Representative and employees appropriate for the stage of the Work must attend daily Site coordination meetings held at the Plant Site.

3.9 **Monitoring of Schedule**. Contractor shall provide regular monitoring of the Project Schedule as the Work progresses, review the Project Schedule for the Work not started or incomplete, and take necessary action to meet the Project Schedule.

3.10 **Quality Control**. Contractor shall establish, implement and maintain in accordance with the requirements of the Technical Specifications, a quality control program to meet applicable Laws for the Work and to meet the requirements of the Contract Documents and require Subcontractors to establish, implement and maintain appropriate quality control programs with respect to their portion of the Work. Notwithstanding any such quality control programs established by Subcontractors, Contractor shall be responsible for assuring that the Work and the performance thereof is in compliance with the requirements of the Contract Documents and applicable Laws, Permits, and Prudent Industry Practice.

3.11 **Safety, Loss Control and Emergencies**.

3.11.1 Safety and Loss Control Program. Contractor shall implement a safety and loss control program that meets the minimum requirements of Owner and comply with the program during the Work. The inspection, utilization or acceptance of all or any portion of the Work by Owner shall not absolve Contractor of its duty of furnishing a safe workplace for all personnel engaged in the Work. Contractor shall not expose Owner's employees or Owner's other contractors or their employees to (a) any chemical substance or Hazardous Substances used or brought to the surface by Contractor or (b) any unsafe or hazardous condition in connection with performance of the Work, unless Contractor has taken appropriate safety and protective measures to prevent injury to persons or property. Nothing herein shall relieve Contractor of its obligations and liability for the safe handling and utilization of such chemical substance or Hazardous Substances.

3.11.2 Action to Prevent Injury, Loss, or Damage in Emergencies. Contractor shall take actions, in the event of any emergency endangering life or property, as may be reasonable and necessary to prevent, avoid, or mitigate injury, damage, or loss and, as soon as possible, report any such incidents and Contractor's response thereto to Owner. If Contractor has not complied with the Laws or has not taken reasonable precautions for the safety of the public or protection of the Work and the structures, or property on or adjacent to the Site, and thereby creates or causes an emergency requiring immediate action, then Owner, with or without notice to Contractor, if the delay which would result from giving Contractor such notice would further endanger persons or property, may, but shall be under no obligation to, take any action that Owner shall deem necessary, including causing requisite work to be performed and materials and equipment to be furnished, to mitigate or remedy the emergency; provided, however, that Owner's action or inaction shall not limit Contractor's liability or relieve Contractor of its obligations under the Contract Documents; and further provided, that Owner shall take action reasonably required under the circumstances until Contractor can be notified and respond. The actions, performance of emergency work, or provision of materials and equipment by Owner or its agents or employees shall be for the account of Contractor. Contractor shall reimburse Owner for any reasonable expenses incurred by taking such actions, performing any Work or emergency work, or furnishing any materials and equipment. Except to the extent of Owner's or its contractor's (other than Contractor or its Subcontractors) negligence, Owner shall not be liable to Contractor for any damages or costs incurred by reason of Owner's exercise of its rights pursuant this Subarticle.

3.12 **Protection of the Work and Adjacent Property**.

3.12.1 Adequate Protection of the Work. Contractor shall provide and maintain adequate protection of all portions of the Work and the property of Contractor from physical loss and damage, including vandalism, theft, malicious mischief and damage by weather. Contractor shall provide and maintain adequate protection of the property of Owner and others connected with the Work (when affected or utilized during performance of the Work) from physical loss and damage, but not including vandalism, theft or malicious mischief by other than Contractor and those under its control.

3.12.2 Protection by Subcontractors. Contractor shall conduct its operations and shall require all Subcontractors to conduct their operations so as to protect from damage to existing structures or the Work or work installed by Owner or Owner's other contractors or subcontractors.

3.12.3 Adequate Protection of Property. Contractor shall perform the Work in such a manner so as to avoid damage and to protect any and all property including parallel, converging, and intersecting electric lines and poles, telephone lines and poles, highways, waterways, railroads, sewer lines, natural gas pipelines, oil pipelines, steam pipelines, water pipelines, drainage ditches, culverts, and any and all property of third parties.

3.13 **Storage and Related Matters**. Contractor shall warehouse or otherwise provide appropriate storage (in accordance with manufacturers' recommendations) for all Materials and other supplies required for performance of the Work and provide for the procurement or disposal of all soil, gravel and similar materials required for performance of the Work. All Materials and other supplies which are stored at a location other than the Site shall be (a) stored in a warehouse or other appropriate location approved in advance in writing by Owner, (b) properly tagged and identified for the Work and segregated from other goods, and (c) properly insured.

3.14 **Royalties and License Fees**. Contractor shall pay all required royalties and license fees and shall procure, as required, the appropriate proprietary rights, licenses, contracts and permissions for materials, methods, processes and systems incorporated into the Work. In performing the Work hereunder, Contractor shall not incorporate into the Work any materials, equipment, methods, processes or systems which may result in Losses against Owner or Contractor arising out of infringement of any patent rights, copyrights, or proprietary rights. Contractor shall satisfy all demands that may be made at any time for such royalties or fees, and Contractor shall be solely liable for any Losses related thereto.

3.15 **Project Procedures Manual**. Within thirty (30) Days after the Effective Date, Contractor shall submit to Owner's Representative for review and approval, such approval not to be unreasonably withheld, Contractor's proposed Project Procedures Manual which shall, at a minimum, cover the topics described in Section 01100 of the Technical Specifications.

3.16 **Contractor Permits**. Contractor shall obtain and pay for all Permits necessary for the performance of the Work which are required by Laws to be in Contractor's name. Contractor shall provide Owner with engineering and design data, information and support with respect to the design and performance characteristics of the Project to the extent reasonably requested or required by Owner to assist Owner in obtaining all Owner Permits. Contractor shall comply with all Laws applicable to the prosecution of the Work. If Contractor becomes aware that any Contract Documents or Contract Implementation Documents are at variance with applicable Permits or Laws, Contractor shall promptly notify Owner. If such variance is due to a change in the applicable Permits or Laws enacted or adopted after the Effective Date, the provisions of Subarticle 13.7 shall apply.

3.17 **Operations Personnel Training**. Contractor shall (a) train, in up to three groups, up to twenty-five (25) qualified individuals provided by Owner pursuant to Subarticle 7.4 of this Contract with the training in the operations of the AQC Systems, the SCR Systems, and the Unit 2 Boiler specified in the Technical Specifications, in accordance with a training program to be approved by Owner, (b) assist Owner with the start-up and testing activities, and (c) assist Owner with all Performance Tests. Contractor shall bear the cost of its employees assisting Owner with start-up and testing activities of operations personnel until Substantial Completion. The training program described in clause (a) of this Subarticle shall consist of two phases: (i) a classroom phase, to consist of at least two (2) consecutive weeks of instruction in the design, capabilities, component operation and procedures, and emergency and safety rules of each of the AQC Systems, the SCR Systems, and the Unit 2 Boiler; and (ii) a hands-on phase to train operators for the operation of each of the AQC Systems, the SCR Systems, and the Unit 2 Boiler. Contractor shall submit such training program in accordance with the outlines provided under the Technical Specifications to Owner for approval at least 180 Days prior to the Mechanical Completion Date.

ARTICLE 4

CONTRACTOR PERSONNEL

4.1 **Adequate and Competent Labor Force**. At all times during the performance of the Work, Contractor shall keep, and cause to be kept, at the Site, a sufficient number of skilled workers, laborers and other personnel necessary to perform and complete each part and portion of the Work in accordance with the Project Schedule. Following consultation with Contractor, Owner has the right to disapprove and demand the removal of any craft or managerial personnel provided by Contractor or its Subcontractors, and Contractor shall then promptly cause such personnel to be removed.

4.2 **Wages and Benefits**. Contractor shall be responsible for payment of all wages, at the applicable "Prevailing Wage" as that term is defined by the Missouri Division of Labor, fringe benefits, pension or retirement obligations, housing obligations, social security, unemployment, workers compensation and all other social taxes or charges for its employees, and Contractor shall ensure that its Subcontractors at the Site are so responsible for their employees.

4.3 **Labor Relations.** In the performance of its Work, Contractor shall comply with, and shall require its Subcontractors of all tiers at the Site to comply with, the terms of the National Maintenance Agreements and/or their equal under similar National Maintenance Agreements.

4.3.1 Jurisdictional Disputes. All jurisdictional disputes arising out of the performance of the Work shall be settled by application of the provisions of the National Maintenance Agreements.

4.3.2 Copies of National Maintenance Agreements Furnished to Owner. Contractor and its Subcontractors at the Site shall furnish to Owner copies of the applicable National Maintenance Agreements along with written permissions for their use by the affected International Union(s). Contractor and its Subcontractors at the Site shall also furnish a copy of the site extension approval(s) granted by the International Union(s) prior to commencing the Work.

4.3.3 Pre-Job Conferences. Contractor and its Subcontractors at the Site shall conduct pre-job conferences, and assign Work to the appropriate crafts according to the recognized and traditional jurisdiction.

4.4 **Drug and Alcohol Testing**. All Contractor personnel, including administrative and supervisory employees, shall be subject to alcohol and substance abuse screening while at any Owner location. Random screenings scheduled and/or requested by Owner will be conducted on-site. Contractor will not be reimbursed for employee lost time on the Project for drug testing. Consideration will be given to keep Project disruption to a minimum. Initial random testing expenses incurred as a result of the enforcement of this policy scheduled and/or requested by an Owner policy administrator will be at no cost to Contractor. Alcohol and substance abuse screening is performed randomly at Owner's Site(s). Owner's screening policy and procedure is listed in Exhibit K. Revisions to this policy may be made without notice. Contractor and Contractor's Subcontractors shall enforce and administer a drug testing program for their personnel that shall be no less stringent than Owner's drug testing program.

4.5 **Federal Contracting Requirements**. Contractor shall comply with all Federal Contracting Requirements as set forth in Exhibit M. The terms of Exhibit M shall apply to Contractor and all Subcontractors.

ARTICLE 5

LICENSING AND CODES

5.1 **Licensed Engineers**. Contractor shall ensure that all engineering calculations, drawings, specifications, etc., including structural arrangement drawings, required by Laws to be prepared under the direct engineering of a design professional licensed by the State of Missouri shall be prepared under such supervisions and shall be sealed and/or stamped as required by Laws.

5.2 **Contractor License**. Contractor shall maintain, and shall require all Subcontractors to maintain, applicable contractor's licenses as required by applicable Laws.

5.3 **Law, Codes, and Standards**. The Laws referenced in the Contract Documents establish minimum requirements for the Work. In instances where the Contract Documents do not specifically reference codes or standards, the normally applicable codes and standards for the relevant Work shall be followed by Contractor. Contractor shall not deviate from the applicable codes and standards referenced in the Contract Documents without the written consent of Owner's Representative. Reference to known standards of any technical society, organization, or association, or to Laws or codes of local, state or federal authorities means the latest edition of such standard, law or code published and in effect on the Effective Date as well as those enacted or adopted but not yet in effect as of the Effective Date, if such standards will be applicable to the Work. In the event that applicable codes, laws or standards are modified after the Effective Date, Contractor shall advise Owner of such modification and the provisions of Article 13 shall apply to determine whether a Change Order is necessary due to the impact of such modification.

ARTICLE 6

OWNER REVIEW

6.1 **Owner's Right to Review and Inspect; Correction of Defects**. Contractor shall provide Owner, Owner's Representative, Other Owner Authorized Parties, and/or their designees with: (a) reasonable opportunity to review and comment on all Shop Drawings, construction drawings, specifications and other Contract Implementation Documents prepared for, or that may impact, the Work and its operations as they are developed; (b) the opportunity to inspect, review and comment on the progress of the Work; and (c) the opportunity to observe, review and comment on all on-Site tests, including the Performance Tests, and off-Site tests of the Work, subject to Owner's observance of safety measures reasonably deemed by Contractor to be necessary or appropriate. Contractor shall arrange for such inspection and observance of such tests at the Site or at the mills or shops of Contractor or, if appropriate, of any Subcontractor where any part of the Work is being fabricated or manufactured. In order to allow such inspection, Contractor shall give Owner or its designees reasonable Notice of any inspection on Site, test of any part of the Work. In order to allow such inspection off Site, Contractor shall give Owner or its designees reasonable Notice of any inspection, check-out, or test of any part of the Work which Contractor intends to attend, and Owner may in its sole discretion attend such inspection, check-out, or test. Where practical, Contractor shall obtain from its Subcontractors their test and inspection schedule for engineered products, and Contractor shall provide said schedule to Owner. Contractor shall correct Defects identified by Owner, Owner's Representative, other Owner Authorized Parties, and/or their designees under this Article 6. Contractor agrees to consider in good faith any and all comments of Owner, Owner's Representative, and Other Owner-Authorized Parties.

6.2 **Failure to Provide Notice of Inspection**. If Contractor fails to provide Owner and its designees with reasonable notice of, or access to, any of the inspections described in this Article 6, and Owner reasonably believes that it is necessary to dismantle Work in order to conduct such an inspection, then Contractor shall bear the expense of dismantling and reassembling of such Work. If Owner requests that Contractor dismantle Work which Owner failed to inspect despite receipt of a properly delivered Notice from Contractor of the availability of such Work for an inspection under this Article 6, then, (i) if such Work is not in conformity with the Contract Documents, Contractor shall pay the expense of dismantling and reassembling such Work, and (ii) if such Work is in conformity with the Contract Documents, Owner shall pay the expense of dismantling and reassembling such Work.

6.3 **Review Not Approval**. No inspection or review by any person designated in this Article 6 shall constitute an approval, endorsement or confirmation of any drawing, plan, manual, specification, Submittal, test, bidder, Work, program, method of procedure or other work done or an acknowledgment by any such person that a drawing, plan, specification, Submittal, test, bidder, Work, program, method of procedure, or that any of the foregoing or other work done satisfies the requirements of the Contract Documents, nor shall any such inspection or review relieve Contractor of any of its obligations to perform the Work so that the Work, when complete, satisfies all the requirements of the Contract Documents, or relieve Contractor from any liability or responsibility for injuries to persons or damage to property.

ARTICLE 7

RESPONSIBILITIES OF OWNER

Owner shall at Owner's own expense and at such times as may be required by Contractor for the successful completion of the Work in accordance with the Project Schedule:

7.1 **Fuel and Utilities**. Provide, at Owner's expense, all coal and other consumables (except as provided in Article 9) and utilities to be used in the operation of the Plant, and remove, at its own expense, all process byproducts. Owner shall provide fuel, oil, gas, for Plant operation and start-up, and construction power and water in order to support the Project Schedule.

7.2 **Review of Submittals**. Review of Submittals by Contractor within ten (10) Business Days from their initial submission and seven (7) Business Days on any resubmittal. If Contractor believes that a failure by Owner to timely reject any such Submittals caused an adverse effect on the Critical Path of the Project, then Contractor shall promptly notify Owner, and the provisions of Article 13 shall apply. In the event that Owner's Engineer receives an extraordinary number of Submittals from Contractor in a particular week, and the volume of such Submittals will prevent the Owner's Engineer from performing a review of all the Submittals within the contractually-required time period set forth above, then the Owner's Engineer shall notify the Contractor and the Parties will agree upon a priority list for review of the Submittals in question, including an agreed schedule for those Submittals which may be returned after the ten Business Day time period and a list of those Submittals which must be returned with the ten Business Day period in order for the Contractor to maintain the Project Critical Path. So long as the Owner's Engineer adheres to the agreed schedule, Contractor will not make a claim for Owner's delay.

7.3 **Designation of Owner's Representative**. Designate an Owner's Representative to act as a single point of contact for Contractor with respect to the performance of the Work and to provide interface and integration of all work which is being contracted by Owner to other contractors (if any) for ancillary facilities on the Plant Site or for the Project.

7.4 **Operating Personnel**. Provide suitable and competent personnel to be trained by Contractor in accordance with the Technical Specifications by the date specified. Contractor shall deliver advance notice of the times Contractor wants to conduct such training no later than 120 Days prior to the date Contractor is to commence training. Training shall commence in time to train operators for the sequence of systems startup required for the AQC Systems, the SCR Systems, and the Unit 2 Boiler, which date shall be no less than 120 Days prior to the anticipated date of Mechanical Completion for Unit 1 and Unit 2, respectively. Such personnel provided by Owner are to be available to assist or work with Contractor to operate the AQC Systems, the SCR Systems, and the Unit 2 Boiler. Employees provided by Owner are to provide assistance in the operation of the Plant only and are not to perform any Work otherwise to be performed by Contractor.

7.5 **Contractor Permits**. Assist Contractor upon Contractor's reasonable request in obtaining Contractor Permits.

7.6 **Compliance with Contract and Laws**. Perform all of its other obligations specifically set forth in other provisions of the Contract Documents and comply with all applicable Laws and Permits.

7.7 **Asbestos, Lead-Based Paint, and any other Hazardous Substances**. Perform or cause to be performed any testing for Asbestos and lead-based paint; provided, however, that Contractor shall be responsible for notifying Owner of any possible Asbestos, lead-based paint, and any other Hazardous Substances identified during the course of the performance of the Work. Owner shall be solely responsible and liable for the removal and disposal of any Asbestos, lead-based paint or other hazardous or toxic materials not brought onto the Plant Site by Contractor. The Work shall be suspended, if required, under the provisions of Article 24 to allow for Owner's removal and disposal of such materials.

7.8 **Surveys and Reports**. Make available to Contractor, without warranty or guarantee, all surveys, geological and subsurface data and reports in Owner's possession with respect to the Plant Site.

7.9 **Owner Permits**. Obtain and pay for all easements, rights-of-way, and Permits required to be in Owner's name, including, but not limited to, all zoning, building, environmental and operating Permits. Owner shall provide Contractor with copies of Owner Permits and/or applications for Owner Permits.

7.10 **Performance Test Criteria**. Supply Owner's detailed procedures for the Performance Tests to Contractor at least ninety (90) Days before Owner commences the Performance Tests. Contractor shall provide written comments thereto to Owner within thirty (30) days, whereupon Contractor and Owner shall work to agree to the final test procedures.

ARTICLE 8

PROJECT SCHEDULE AND PROJECT CONTROLS

8.1 **Time For Performance of the Work**. Contractor shall carry out and complete the Work on or before the Milestone Dates inserted in the Project Schedule and listed in Exhibit B. Should the Work fall behind to such extent that the respective Milestone Dates may, as determined by Owner or Owner's Representative in consultation with Contractor, be at risk, Contractor shall propose to Owner and Owner's Representative, within five (5) Days of determining that any Milestone Date may be at risk, another course of action that will return the Project to a state of Schedule compliance to meet the remaining Milestone Dates contained in the Contract Documents. Such recovery Schedule may include re-planning task sequences, increasing personnel or other resources of Contractor or of any Subcontractor employed on the Work, increasing the number of shifts, overtime operations, the addition of Subcontractors or other steps to cause the recovery of the progress of the Work. Contractor shall not be entitled to any additional payment for taking any such steps. Should Owner or Owner's Representative reasonably believe that Contractor's proposed course of action is not sufficient to restore the Work to meet the Milestone Dates, Owner shall advise Contractor that Contractor has five (5) Days to correct the schedule problem and recover the time on the Project Critical Path or to make arrangements, acceptable to Owner and Owner's Representative, to correct the schedule problem and recover the time on the Project Critical Path. If Contractor has not corrected the schedule problem or does not have a reasonably acceptable plan to correct the schedule problem within such time, Owner shall have the right, following consultation with Contractor as to the most appropriate method, to require Contractor to increase the number of its employees, or to increase or change the amount or kind of tools or equipment or to increase the time worked by the employees until the Work is back on schedule or a plan for regaining the schedule reasonably acceptable to Owner is proposed by Contractor or any combination thereof. Costs for such Work shall be paid by Contractor if such delay has been caused by the Contractor.

8.2 **Level 1 Milestone Schedule**. A milestone schedule in a bar chart format is required to be submitted within fourteen (14) Days after the Effective Date ("Milestone Schedule"). The Milestone Schedule shall incorporate the Key Milestone Dates shown in Exhibit B and Level 1 engineering and procurement activities. The Milestone Schedule shall also address each building area, category of Work, phase sequence and/or Material installation scope of Work for the Project.

8.3 **Level 3 Detailed CPM Schedule**. Contractor will prepare and submit a critical path method ("CPM") schedule for the Work by June 30, 2006 for the Level 3 engineering and procurement Schedule and by September 12, 2006 for the Level 3 construction Schedule that is integrated with the Level 3 engineering and procurement Schedule ("Level 3 Detailed CPM Schedule"). The Level 3 Detailed CPM Schedule will include the Milestone Dates and shall be produced utilizing Primavera Project Planner P3e 5.0. software. Once submitted by Contractor, the Level 3 Detailed CPM Schedule will be subject to review by Owner. The schedule is to be mutually agreed upon by the Owner and Contractor and thereafter the Level 3 Detailed CPM Schedule will be frozen and will comprise the "Baseline Schedule" for monitoring the Project.

8.4 **Baseline Schedule**. The Baseline Schedule shall include the following: (a) identified logical sequences; (b) mathematical analysis (calculation of early and late dates and float variances based on the logic sequences); (c) resource analysis for the Level 3 Construction Schedule (manpower loaded and balanced to the final estimate); and (d) originally planned and remaining durations. More specifically, the Baseline Schedule shall contain the following:

8.4.1 Designated Work Activities. Work as represented by the Baseline Schedule shall be broken into easily identifiable Work activities including: all Contractor installation tasks; suppliers of Materials and their delivery schedule; engineering design status; procurement of Materials and its delivery status and method of delivery; installation and erection tasks; start-up and testing sequences and final commissioning activities. These activities shall be described in sufficient detail as to clearly communicate the scope of Work to be performed. Work activities must not exceed (3) weeks in length without agreement between Owner and Contractor on the method to be used for tracking progress of installation. Acceptable methods of tracking and accounting for progress may include, but are not limited to, tons of structural steel installed/remaining, tons of duct work installed/remaining, linear feet of pipe, conduit, cable installed/remaining, linear feet of weld complete vs. linear feet of weld remaining to be completed, number of pressure welds complete vs. number of pressure welds remaining to be completed, or any other commodity that signifies physical completion of the Work complete or left to be completed. The anticipated number of activities for the completion of the Project shall be defined and mutually agreed by Owner and Contractor. All Milestone Dates shall be included in the Level 3 Detailed CPM Schedule as an activity and shall be titled "Key Milestones."

8.4.2 Baseline Schedule Updates. The engineering and procurement activities in the Baseline Schedule will be updated monthly starting with the July 2006 reporting through September 2006. In mid-October 2006, the Owner and Contractor will meet to determine whether to increase the frequency of the engineering and procurement Baseline Schedule updates to bi-monthly in consideration of the Owner's reasonable assessment of the Contractor's reporting to date. The Construction activities in the Baseline Schedule will be updated weekly. All progress will be reported on the basis of physical percent complete of the activity to date. The amount of remaining duration on partially completed activities shall be based on the amount of time required to complete the remaining Work. Actual start and finish dates will be recorded on each of the Baseline Schedule activities as they are started and completed. The updated Schedule of construction activity will be electronically transmitted to Owner weekly for inclusion in the Owner-controlled Baseline Schedule for the entire Site and to coordinate the interface between Contractor and others working on the Site.

8.4.3 Manpower Loading. The Baseline Schedule for construction and all schedule updates thereto will be manpower loaded. Each Schedule activity or task will be assigned a total number of craft-hours (based on direct man-hours including foreman and general foreman) as required to perform the Work involved. Contractor shall demonstrate to the reasonable satisfaction of the Owner that the total number of man-hours loaded in the Schedule are the same as and balance to the total direct man-hours estimated by Contractor.

8.4.4 CPM Diagrams. The CPM Schedule will be submitted by the Contractor to the Owner in electronic form (XER File) and shall be structured so that the Owner can produce graphical charts at its offices that show the logical relationships of all Work activities including time-scaled logic diagrams of the Baseline Schedule with all information contained on each sheet without reducing its readability. The Project Critical Path shall be clearly shown and identified in the Baseline Schedule calculations and also on the time-scaled logic diagrams. Contractor shall designate for each Work activity its unique identification number, full description, planned duration, remaining duration, percent complete, calendar identification ("Activity ID"), and the Owner's WBS, if provided.

8.4.5 Monitoring Activity IDs. Contractor must closely monitor the relationships between each Activity ID to assure the Baseline Schedule and all updated schedules properly reflect the planned Work sequences, the physical relationships and the known constraints. Negative lag relationships will be minimized; however, they can be used and with an explanation provided to the Owner when requested. Zeroing out of free float is allowed. Milestones and Schedule Plug Dates shall be included, and may be tied to the logic; however, the Contractor will provide the scheduling methodology to the Owner when requested in such cases.

8.4.6 Features Included in Baseline Schedule. The Baseline Schedule must include the following features and shall, at a minimum, consist of the following:

8.4.6.1 Activity ID Numbers. Each Activity ID number shall be unique to one activity only. For purposes of overall project management, Owner reserves the right to assign two (2) alphanumeric characters in the farthest left position, which may assist in identifying building locations. Activity ID numbers will correspond to the Contractor's internal system.

8.4.6.2 Activity Description. Each activity shall be described in sufficient detail as to fully describe the Work to be performed. Generic terms or description will not be accepted. Hammocks and milestones shall be clearly indicated by the activity description.

8.4.6.3 Activity Relationships (logic sequences). All preceding and succeeding event Activity ID numbers, associated relationship types and lag values will be expressed in each activity. Revisions to any logic which affects the Project Critical Path will be submitted at the time such revision(s) are included in the mathematical analysis. A brief reason for each revision will be provided by Contractor upon request of the Owner.

8.4.6.4 Calendar ID/Planning Units. Multiple calendars are acceptable only if each calendar is clearly identified and included with each mathematical analysis. Planning units shall not be greater or less than one (1) calendar Day.

8.4.6.5 Early Dates. Actual start and actual finish dates will replace calculated early dates, as progress is reported, and shall be clearly marked as an actual start or actual finish dates. Plugged or fill dates may be used in lieu of calculated dates and/or logic, and such dates may include start-no-earlier-than, start-no-later-than, or like constraint dates. If such conventions are used in calculating early dates, they shall be clearly indicated. Provisions shall be made to allow the "Current Early Dates" to be adjusted based on the progress accomplished to date and the current status of the Project as calculated by the updating of the schedule and the mathematical analysis of the logic sequences.

8.4.6.6 Late Dates. Actual start and actual finish dates will replace calculated late dates, as progress is reported, and shall be clearly marked as an "actual finish date." Plugged or fill dates may be used in lieu of calculated dates and/or logic sequences, and such dates may include finish-no-earlier-than, finish-no-later-than, or like constraints dates. If such conventions are used in calculating late dates, they shall be clearly indicated. Provisions shall be made to hold or freeze the "Current Late Start and Finish Dates", as shown in the reviewed and approved mathematical analysis, as the agreed no-later-than Baseline Schedule.

8.4.6.7 Float or Slack. Both the calculated total float and free float shall be clearly identified in terms of their appropriate calendar and planning units.

8.4.6.8 Planned Duration. To be shown in terms of appropriate calendar and planning units. Provisions shall be made to store and show all planned durations included in mathematical analysis for the approved Baseline Schedule.

8.4.6.9 Remaining Duration. The number of days to complete the remaining Work for a construction activity in progress based on units or commodities left to complete and estimated manpower loading.

8.4.6.10 Percentage Complete. Activity percentage of completion shall be determined by the physical status of the Work involved and shall be consistent with the amount of remaining Work.

8.4.6.11 Construction Resource Analysis. The resource analysis shall, at a minimum, include Construction Schedule craft manpower loading and provide the estimated manpower based on the planned man-hours per activity. The comparison of planned vs. actual man-hours for each activity will be analyzed as part of the earned-value analysis. For all of the above resources, Contractor shall graphically show all required elements through "S" curves, histograms, and bar graphs in a format approved by Owner. Planned and Actual elements will always be shown together in the same graphic.

8.4.6.12 Electronic Transfer of Data. Contractor will issue fully transferable electronic information data files (XER Files) to Owner.

8.5 **Construction Work Breakdown Structure (WBS) and Construction Earned-Value Reporting**. Subarticles 8.5.1 to 8.5.6 and 8.6, 8.7, 8.8 and 8.9 shall be applied to the construction portion of the Contractor Schedule and Work.

8.5.1 Work Breakdown Structure. Contractor is required to submit a Work Breakdown Structure ("WBS") based on Contractor's final definitive estimate of the Work as represented by the final estimate by line-item with detailed descriptions and codes for each building area, category of Work, phase sequence and/or Material installation as required to perform the Work identified in the Contract and is subject to Owner's approval. At a minimum, each Schedule activity shall be coded to the Contract number, unit number, Work or system, phase designation, outage/non-outage task, and purchaser summary code per the WBS. Code values and details will be developed per the WBS and provided to Contractor after the Contract award. The Baseline Schedule and the WBS Reporting coding system shall be compatible and mutually reference the Activity IDs. The codes used in the WBS must be approved by Owner before they may be used.

8.5.2 Progress Reporting. Contractor shall update the Detailed CPM Schedule not less than once weekly ("Weekly Update"). The Weekly Update shall include all required reports specified herein that are necessary for maintaining the Detailed CPM Schedule and the Earned Value Reporting. Each Weekly Update will show the actual and projected start dates for all Work activities, actual and projected finish dates, all logic revisions and a statement as required regarding the reason(s) logic within the Detailed CPM Schedule was revised, actual man-hours expended to date, actual equipment used and actual material installed. Each Weekly Update must be accompanied by a detailed status report indicating the overall status of the Work, problem areas, recovery plans, unresolved issues, change orders and their effect on the Work progress, and manpower productivity and availability. Each Weekly Update must be accompanied by a Material Received Report and a Materials Report.

8.5.3 Earned-Value Reporting. Contractor shall provide updates of its progress ("Earned-Value Reports") in completing the Work in comparison to the man-hours loading by updating its progress in accordance with the categories established in the WBS. Formatting of the Earned-Value Reports shall be subject to Owner's approval. Contractor's Earned-Value Reports shall include the following detail:

8.5.3.1 Comparison of the final man-hours loading to similar planned metrics material quantities and equipment to be installed as identified in the WBS line item codes.

8.5.3.2 Actual man-hours expended by Contractor each Day (and by shifts per Day if shifts are implemented) as identified in the WBS line-item codes or schedule activity.

8.5.3.3 Actual percent complete status for each WBS line-item code or scheduled activity of Work based on the to-date progress of the Work, including but not limited to material, commodities, units installed, and equipment installed.

8.5.4 Schedule Performance Index. Contractor shall report on a weekly basis its schedule progress in an index dividing earned hours by budgeted or scheduled hours ("SPI").

8.5.5 Cost Performance Index. Contractor shall report on a weekly basis its cost progress in an index dividing earned hours by actual hours expended ("CPI").

8.5.6 Daily Force Reports. Every Day, Contractor will submit a force report identifying Contractor's total manpower head count performing the Work with a breakdown by craft, plus a description of the Work currently being performed.

8.6 **Project Execution Plan**. As a condition precedent to Owner's obligation to pay Contractor's first Application for Payment following the Effective Date, Contractor must submit its detailed "Project Execution Plan" for performing its Work at the Site.

8.7 **Material Laydown Plan**. Contractor shall submit a Material Laydown Plan within ninety (90) Days after Effective Date of the Contract. The Material Laydown Plan shall identify all material laydown areas and the shakedown sequence. It shall fully describe any effect on the Crane Plan and any known coordination issues concerning materials storage related to the Project.

8.8 **Crane Plan**. As a condition precedent to Owner's obligation to pay Contractor's first Application for Payment following the Effective Date, Contractor must submit its detailed "Crane Plan" for performing its Work. The crane plan will include preliminary crane locations and time lines, but may be subject to change based on the final design of components, degree of ground fabrication and fabrication table locations.

8.9 **Start-Up Schedule**. When the Project reaches sixty percent 60% completion as determined by the Earned Value Analysis of Owner or six months prior to initial operation of the first mechanical subsystems, whichever is earlier, Contractor shall submit a detailed Start-Up Schedule.

8.10 **Commissioning Schedule**. Owner will prepare a Commissioning Schedule for the Project and deliver it to Contractor and deliver it no later than September 12, 2006 for Contractor's review and comment. Owner and Contractor shall then mutually agree upon the Commissioning Schedule.

ARTICLE 9

SITE

9.1 **Site Availability**. Owner shall make available to Contractor portions of the Site necessary for the Contractor's performance of the Work, all reasonable and necessary access thereto, and areas suitable for large mobile crane operations and for installation of Contractor's office and warehouse, equipment receiving and laydown, craft change rooms, welding facilities, materials storage, and employee parking as indicated on Contract drawings. Owner shall properly maintain storage and laydown areas and access roads.

9.2 **Conditions Affecting Work and Differing Site Conditions**. Contractor acknowledges that it has made a reasonable investigation and reasonably satisfied itself as to the conditions affecting the Work, provided that such conditions were reasonably ascertainable from a Site visit, including but not limited to those bearing upon: the transportation, disposal, handling and storage of materials; availability of labor, water, electric power and roads; the reasonably anticipated uncertainties of weather, river stages, tides, surface or similar physical conditions at the Site; the conformation and condition of the ground; and the character of equipment needed preliminary to and during the prosecution of the Work.

9.2.1 Notification by Contractor Change Request. Contractor shall promptly, and before conditions are disturbed, notify Owner's Representative by means of a Contractor Change Request of (a) latent physical conditions at the Site differing materially from those indicated in this Contract or (b) unknown physical conditions at Site, of an unusual nature, differing from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this Contract for which Contractor believes that an adjustment in Contract Price or the Project Schedule is justified. The Owner shall provide such Change Order allowing for reimbursement of increased costs; however, Contractor shall not be entitled to any additional time or compensation if Contractor negligently or knowingly exacerbated the condition.

9.2.2 No Contractor Liability for Pre-Existing Conditions. Except to the extent that such conditions were readily apparent upon reasonable investigation or unless otherwise required by the Contract Documents, Contractor takes no responsibility and shall have no liability for pre-existing site conditions, including but not limited to sub-surface conditions, historical artifacts, hazardous materials, structural integrity of existing steel or other structures, and buried or concealed conditions.

9.2.3 Hazardous or Toxic Material. Contractor shall have no liability or responsibility for any existing Asbestos, lead-based paints, pollution, contamination, or other hazardous or toxic material or for Owner's generation, emission or disposal or other Hazardous substances, except to the extent Contractor negligently or knowingly exacerbates the condition.

9.2.4 Owner Abatement. In the event any such pre-existing site conditions are encountered in the course of the Work, Contractor shall notify Owner and stop Work in the area until Owner rectifies or abates these conditions.

9.2.5 Delays, Additional Costs and Indemnity. Delays or additional costs encountered by Contractor as a result of such pre-existing site conditions shall result in an equitable adjustment in the Contract Price and Schedule. Owner shall protect and indemnify Contractor against any and all claims or liabilities based on such conditions.

9.3 **Use of Owner's Tools and Equipment at Site.**

9.3.1 Contractor to Supply Tools and Consumables for Work. Contractor is required to supply all tools and consumables required to perform the Work. Contractor shall mark all of its tools by color code or Contractor nameplate before mobilizing to the Site. No marking shall be done on the Site. Any tools or equipment not marked will be considered the property of Owner unless conclusively proven otherwise. Owner retains the right for continual inventory and inspection of all Contractor tools located on Owner property. Contractor shall not normally be allowed to borrow tools from Owner. Should Owner allow Contractor to borrow tools, only designated Owner employees shall be allowed to check out items from Owner's tool crib or storeroom. Owner retains the right to charge Contractor for any tools, equipment, consumables, or material that are obtained from Owner that should have been supplied by Contractor. The charge shall be at Owner's cost plus a twenty percent (20%) markup.

9.3.2 Contractor's Release and Indemnity for Use Of Owner's Equipment. Should Owner permit Contractor to use any of Owner's equipment, tools or facilities or should Owner provide transportation, labor, electric power, other utility service or other assistance in connection with the performance of the Work, such use or furnishings, unless expressly provided otherwise, shall be gratuitous and Contractor hereby waives, releases, and renounces all Losses relating thereto, whether for personal injury, occupational sickness or disease or death or for physical damage to property, or loss of use thereof, and whether based on the condition thereof or any negligence, strict liability or other fault of Owner and shall indemnify Owner for any and all Losses resulting in any way from Contractor's use of any of Owner's equipment, tools or facilities or Owner's provision of transportation, labor, electric power or other utility service of other assistance in connection with the performance of the Work. Notwithstanding the foregoing, such waiver and indemnity obligations shall not apply to circumstances of gross negligence or intentional misconduct by Owner or others for whom Contractor is not responsible.

9.4 **Owner Control Over Work Scope**. Owner reserves the right to delete portions of the Work from this Contract and to perform such portions of the Work or work outside the scope of this Contract with its own forces or other contractors and to award contracts for such other work at the Site. Contractor shall cooperate with Owner's Representative, Owner's other contractors, or other designees, in the scheduling and prosecution of the Work to accommodate such other work. If Contractor believes that the scheduling or prosecution of such other work has or will have an adverse effect on the Project Schedule, then Contractor shall promptly notify Owner and the provisions of Article 13 shall apply.

9.5 **Owner Control Over Access**. Owner reserves the right to deny access to, or expel from, the Site any employee of Contractor or its Subcontractors, following consultation with Contractor, if in Owner's reasonable judgment such exclusion shall be in the interest of safety or security at the Site. Former employees of Owner (or Owner's affiliates) may be brought onto the Site only if prior approval from Owner's Representative is obtained and Contractor has advance knowledge that the individual was an employee of Owner within the last five years. Should Contractor learn that one of its personnel is a former employee of Owner after such employee has been admitted to the Site, Contractor shall immediately notify Owner. Owner shall have the right and power to then exclude such employee from the Site.

9.6 **Signs**. Contractor shall not place or maintain, or permit to be placed or maintained, any sign, bill or poster on or about the Site without the prior consent of Owner's Representative.

9.7 **Disposal of Excavated Material; Archeological or Historical Finds**. In the event that any relics or items with archeological or historical value or other valuable materials ("Relics") are discovered on the Site by Contractor or any Subcontractor, Contractor shall immediately notify Owner's Representative and appropriate authorities in accordance with applicable Laws, and await the decision of Owner's Representative before proceeding with any further Work that might harm or destroy such Relics. If Contractor believes that the proper disposal of any Relics constitute grounds for issuance of a Change Order, then Contractor shall proceed in accordance with the requirements of Article 13. Neither Contractor or any Subcontractor shall have any property rights to such Relics.

9.8 **Security**.

9.8.1 Responsibility. Contractor shall be solely responsible for the security of all Work in its custody or placed in construction by it. The presence of Owner's plant security shall not mean that Owner shall be responsible for protection and security of Contractor's Work.

9.8.2 Methods. Security methods shall be employed by Contractor as required to reasonably ensure the protection of all materials, equipment, and construction Work from theft, vandalism, fire, and all other damage and loss.

9.8.3 Employees. Contractor's and its Subcontractors' employees (referred to as "Personnel"), will be required to check in and out of a designated security gate. All Personnel will on their first Day of employment, inform the security guard of their name and employer when they enter and leave the Site. All Personnel will be required to fill out a gate access register, and turn it into the Contract administration clerk. Contractor must notify Owner of all new and laid off employees each Day. All Personnel will be assigned an access card to be used to identify him or her for entrance and exit at the designated security gate. Use of the access card will commence on the first Day of employment. Personnel shall show proper respect to the Plant security services at all times. All Personnel shall leave the Site immediately after completing their shift. Congregating in the parking lot or other locations on the Site shall not be permitted.

9.8.4 Vehicles. Contractor shall not permit vehicles to drive in and out of Owner premises except those explicitly designated by Owner. No Contractor employees will be allowed to ride in the vehicle through the security gate except the driver.

9.8.5 Inspections and Searches. All Personnel will check in and out with their lunch boxes in an open position for inspection by the security guards. Personnel will not be allowed to bring lunch sacks onto the Site. Vehicles, toolboxes, lunch boxes, and other containers shall be subject to an unannounced search at the gate or other location as determined by Owner.

9.9 **Site Coordination Between Owner and Contractor**. The Parties recognize that a close working relationship is essential in order for the Parties to realize all of the benefits of this Contract.

9.9.1 Contractor Site Office. During the performance of this Contract, Contractor shall maintain a suitable office on the Site and near the location of the Work as designated by Owner.

9.9.1.1 Staffing. The Contractor shall staff its office to facilitate proper office administration to Owner's satisfaction. The office shall be continually staffed by a representative of Contractor authorized to receive drawings, instructions, or other communications or articles. Any communication given to said representative, or delivered to said office, shall be deemed to have been delivered to Contractor.

9.9.1.2 Field Records. Contractor shall maintain at its Site office up-to-date copies of all drawings, Contractor's Specifications, the Technical Specifications, and other Contract Documents and supplementary data, complete with the latest revisions thereto. In addition, Contractor shall maintain a continuous record of all field changes, which shall be available for inspection by Owner at all times. At the conclusion of the Work, Contractor shall deliver a copy of the continuous record to Owner, and shall incorporate all such changes on the drawings and other engineering data, and submit the required number of copies thereof to Owner.

9.9.2 Contractor Site Supervision and Technical Expertise. Contractor shall furnish adequate management, supervisory, and technical personnel on the Site to ensure expeditious and competent handling of the Work.

9.9.2.1 Scheduling of Site Work.

9.9.2.1.1 Non-Emergency Work. The performance of any Work that would affect the operation of Owner's system facilities shall be scheduled to be performed only at times acceptable to Owner. No Work shall be done between 6:00 p.m. and 7:00 a.m., local time, or on Sundays or legal holidays without the written permission of Owner. Night Work may be established by Contractor as a regular procedure with the written permission of Owner. Such permission, however, may be revoked at any time if Contractor fails to maintain adequate equipment and supervision for the proper prosecution and control of the Work at night.

9.9.2.1.2 Emergency Work. Owner shall have the right to perform emergency work without the prior consent of Contractor.

9.9.2.2 Interruptions of Owner Plant or System. All Work which will disrupt Owner's Plant or system shall be scheduled subject to approval by Owner and taking into consideration the facilities and Owner's requirements at all times during construction. In the event that it is necessary to either interrupt the power supply or to impose abnormal operating conditions on Owner's utility system, such procedure must be acceptable to Owner and a complete understanding and agreement must be reached by all parties concerned well in advance of the time scheduled for such operation, and such understanding shall be definite as to date, time of day, and length of time required. This understanding and agreement must be evidenced in writing. It shall be the Contractor's responsibility to ascertain that such understanding and agreement is properly evidenced in writing with the signature of Owner's Representative affixed thereto.

9.9.2.3 Owner Hold Procedure. Contractor shall not be allowed to operate any electrical switches, circuit breakers, valves or other controls on Owner's operating facilities. Owner shall do all switching and attach "HOLD" tags to secure equipment for Contractor, but it shall be the responsibility of Contractor to check all holds applied for its protection except in the case of an emergency. Contractor shall request the application or release of all equipment safety holds through Owner Representative.

9.9.3 Relations With Other Contractors.

9.9.3.1 Cooperation. Contractor shall cooperate with all other contractors who may be performing work on behalf of Owner, and workers who may be employed by Owner, in the vicinity of the Work under this Contract, and Contractor shall conduct its operations to minimize interference with the work of such contractors or workers. Any difference or conflict that may arise between Contractor and other contractors, or between Contractor and workers of Owner, in regard to their work shall be resolved as determined by Owner. Owner shall make the final decision resolving the conflict.

9.9.3.2 Site Coordination. Owner shall coordinate the work between or among all of the contractors on the Project Site; however, Contractor shall coordinate its daily Work with that of other contractors and shall cooperate fully with Owner in maintaining orderly progress towards completion of the Work as scheduled. Owner's decision regarding priority between Contractor's Work and the work of other contractors at the Site shall be final.

9.9.3.3 Site Meetings. Periodic meetings of the contractors at the Site may be held at the times and places designated by Owner. The purpose of the meetings will be for the scheduling and coordination of each contractor's work, including Contractor's Work, within the requirements of the overall Project. Representatives of Owner and each contractor, including Contractor, shall attend each scheduled meeting.

9.9.3.4 Delay by Owner's Contractors. If Owner's other contractors on Site delay the Critical Path of Contractor's performance of the Work as set forth on the Milestone Schedule or if Owner's other contractors on the Site cause Contractor to incur additional cost(s), Contractor shall be entitled to an equitable adjustment in the Contract Price and Project Schedule, as appropriate and in accordance with Article 13 of this Contract.

9.9.3.5 Owner's Construction Durations. Owner, shall be entitled to the construction durations allotted in the Level 3 Detailed CPM Schedule for Owner and Owner's contractors to complete portions of the Project. If Owner's contractors do not take longer than the allotted durations for such work, then Contractor shall not be entitled to an extension of time.

9.10 **Construction Plant and Temporary Facilities.**

9.10.1 Contractor to Supply. Contractor shall furnish all Construction Aids required for prosecution of the Work but which will not be incorporated in the completed Work, unless otherwise specified herein. Temporary structures for offices, change houses, warehouses, and other uses for Contractor or its Subcontractors shall be provided by Contractor using materials, design, and construction approved by Owner. Suitable construction trailers may be used in lieu of temporary structures. Such structures or trailers shall be placed only in the locations assigned by Owner.

9.10.2 Condition. All Construction Aids shall be in first-class condition and shall be of the proper type and size to perform the Work. The Construction Aids shall be regularly and systematically maintained throughout the Work to ensure proper, efficient operation. Construction Aids that are inadequate or improperly maintained shall be promptly modified, repaired, or removed from the Site and replaced.

9.10.3 Ownership and Removal. All temporary structures and facilities furnished by Contractor shall remain the property of Contractor and shall be maintained throughout the construction Work. When the construction Work is completed, all of the Construction Aids shall be removed promptly from the Site and the area shall be restored to its original condition.

9.11 **Construction Utilities.**

9.11.1 Contractor to Supply.

9.11.1.1 Power Extension Facilities. Contractor shall provide its own power extension facilities including all necessary connectors, disconnect switches, breakers, transformers, wiring, and other devices required to distribute power for its use and for the use of its agents, the installation of which shall not impede walkways, exits, platforms and other access used by Owner operating and maintenance personnel.

9.11.1.2 Lighting. Contractor shall furnish and install all temporary lighting required in the prosecution of its Work in accordance with current standards.

9.11.1.3 Water. Contractor shall provide piping, valves, pumps, and hoses as required to distribute water for its and its Subcontractors' use. Contractor shall provide sanitary drinking water facilities for its employees including coolers, ice, disposable cups, and a trash barrel at each water cooler.

9.11.1.4 Heating. Contractor shall provide all heating facilities required for the efficient prosecution of its Work and as required to prevent freeze damage to equipment under its custody. Contractor shall operate all heating facilities in a safe manner at all times and shall provide all such facilities with adequate safeguards. The method of heating shall be subject to approval by Owner. Salamanders, open fires, or other methods of heating which constitute a hazard to personnel or property shall not be used by Contractor.

9.11.1.5 Sanitary Facilities. Contractor shall furnish and maintain sanitary facilities, including chemical toilets for the use of persons engaged in the Work under this Agreement. Contractor's personnel will not be permitted to use the permanent Plant toilet and washroom facilities.

9.11.1.6 Elevators. Contractor may provide its own hoists and elevators or may make arrangements with other contractors for construction and use of hoists and elevators.

9.11.1.7 Telephone. Contractor shall provide its own telephone service.

9.11.1.8 Compressed Air. Contractor shall provide all air compressors, fuels, lubricants, hoses, piping and other apparatus as required for supplying compressed air required for prosecution of its Work.

9.11.2 Owner to Supply.

9.11.2.1 Water. Water for construction use and drinking will be furnished by Owner at no charge at designated supply points.

9.11.2.2 Railroad Spurs. Railroad spurs may be used by Contractor with the permission of Owner.

9.11.2.3 Barge Unloading Facility. Owner's barge unloading facility may be used by Contractor with the permission of Owner.

9.11.2.4 Construction Power. Owner will furnish all energy for construction electric power and temporary lighting at no charge. Owner will supply 480 volt, 3-phase ac power at Owner designated points. Owner assumes no responsibility for interruption of construction power. Notwithstanding the above, extended interruption of construction power not caused by Contractor that delays the Project Critical Path or for items not on the Project Critical Path an interruption of a continuous period of construction constituting more than twenty-four hours of Contractor's Work shall constitute a change entitling Contractor to an equitable adjustment in accordance with Article 13 of this Contract.

9.11.3 **Condition.**

9.11.3.1 Power. Power facilities shall comply with applicable safety and National Electric Code requirements, shall be constructed by Contractor to provide proper clearances and minimum interference with construction and shall be subject to Owner approval. All 480 volt circuits shall be multi-conductor with neoprene or metal sheaths or be run in metallic conduit.

9.11.3.2 Lighting. Lighting conductors shall be not less than 12 AWG copper and insulated for 600 volts. A fuse of proper size and amperage shall be provided for the protection of each circuit.

9.11.3.3 Potable Water. Personnel shall be assigned to assure maintenance and cleanliness of the potable water supply. Potable water containers and dispensers shall not be used to hold or cool other foods or materials while being used to contain and dispense drinking water.

9.11.3.4 Sanitary Facilities. Contractor shall comply with all regulations of agencies having jurisdiction with respect to sanitation. Any facilities or methods failing to meet these requirements shall be corrected immediately. Raising and lowering of the chemical toilets shall be performed by Contractor.

9.12 **Construction Area.**

9.12.1 Area Boundaries. Owner will designate the agreed boundary limits of access roads, parking areas, storage areas, and construction areas, and Contractor shall not trespass in or on areas not so designated.

9.12.2 Owner Facilities. Owner's lunchroom, control room, locker rooms, toilet and wash facilities, parking lots and maintenance shops are considered off limits to Contractor personnel.

9.12.3 Access Roads, Parking And Storage Areas. Construction access roads, parking lots, and storage areas will be assigned for Contractor's use by Owner. Contractor's employees shall park their automobiles, trucks, and other vehicles in the assigned construction personnel parking area. Contractor shall use only the route to and from their work area as designated by Owner.

9.12.4 Food Services. No food services will be permitted on the construction Site.

9.13 **Cleanliness.** Contractor shall give special attention to keeping the inside of the structures and surrounding grounds clean and free from trash and debris. Contractor shall be responsible for ensuring that its Subcontractors comply with the same standards as Contractor is required to meet hereunder.

9.13.1 Personnel. Contractor shall employ sufficient and special personnel to thoroughly clean its work areas continuously each working Day and shall cooperate with the other contractors to keep the entire construction Site clean. This shall include sweeping the floors, collecting and disposing of trash, and all other functions required to keep the Site clean.

9.13.2 Storage of Materials and Supplies. Contractor shall store all materials and supplies in locations that will not block access ways and arrange all materials and supplies to permit easy cleaning of the Work area.

9.13.3 Trash. Contractor shall collect, sort and deposit all trash, debris, and waste materials daily in waste collection areas near the Work as designated by Owner. Promptly upon the completion of the Work, Contractor shall remove all trash, waste materials, and debris resulting from Work under this Contract from the Site in a safe manner. Nothing shall be thrown or allowed to fall from any of the structures. Contractor shall promptly remove any Hazardous Substances from Owner's premises in compliance with Subarticle 29.13 (and each of its Subparts) and applicable Laws.

9.13.4 Finishes. Contractor shall thoroughly clean the areas of the Work, removing all accumulations of dust, scraps, waste, oil, grease, weld spatter, insulation, paint, and other foreign substances. Surfaces damaged by deposits of insulation, concrete, paint, weld metal, or other adhering materials shall be restored by Contractor at Contractor's sole cost.

9.13.5 Parking Area. It shall be Contractor's responsibility to keep the construction parking area clean at all times.

9.13.6 Conflict Between Contractors. In the event of conflict between contractors, including Contractor, concerning cleaning responsibilities, Owner will determine the responsibility and assign the work. Owner's decision will be binding and the contractor, including Contractor, shall promptly perform the disputed work at that contractor's sole expense.

9.13.7 Failure. In the event that Contractor fails to comply with the cleanliness requirements specified herein or to perform the cleanup work assigned to it by Owner, Owner following consultation with Contractor and an opportunity for Contractor to cure its failure, reserves the right to hire another contractor (not necessarily one of the construction contractors) to perform the necessary cleanup work and charge Contractor for all such costs.

9.14 **Fire Protection**.

9.14.1 Responsibility for Fire Protection. Contractor shall be responsible for ensuring that there is adequate fire protection for its Work.

9.14.2 Fire Fighting. Contractor's supervisory personnel and a sufficient number of workers shall be instructed in proper methods for extinguishing fires and shall be assigned specific fire protection duties. When trained personnel leave the job, new personnel shall be trained in their duties. All workers shall be instructed in the selection and the operation of each type of fire extinguisher supplied by Contractor for each type of fire that might be encountered.

9.14.3 Work Procedures. Contractor must employ work procedures that minimize fire hazards to the extent practicable. Contractor shall follow OSHA 29 CRF 1926 Subpart F - Fire Protection and Prevention.

9.14.4 Volatile and Flammable Materials.

9.14.4.1 Fuels and Solvents. Contractor shall store all fuels, solvents and other volatile or flammable materials away from the Work and in storage areas in well-marked, safe containers as required by Laws. Only solvents with a flash point of one hundred forty degrees Fahrenheit (140°F) and above are permitted on site.

9.14.4.2 Form Work, Scaffolding, Etc. Contractor shall treat for fire resistance or otherwise protect against combustion resulting from welding sparks, cutting flames, and similar fire sources all form work, scaffolding, planking, and similar materials that are combustible but which are essential to execution of the Work.

9.14.5 Burning. Contractor shall not permit open fires or burning on the Site.

9 .14.6 Fire Protection Equipment. Owner shall provide adequate fire protection for any temporary structures it provides for Contractor's Use. Contractor shall ensure that there is adequate fire protection equipment in each warehouse and office, in other temporary structures and in each work area it is occupying. Access to sources of water for extinguishing fires shall be identified and kept clear at all times. Contractor shall provide suitable fire extinguishers in enclosed areas, in areas that are not accessible to water for extinguishing fires, or in areas that may be exposed to fire that cannot be safely extinguished with water. Each fire extinguisher shall be of a type suitable for extinguishing fires that might occur in the area in which it is located. In areas where more than one type of fire might occur, the type of fire extinguisher required in each case shall be provided. Each extinguisher shall be placed in a convenient, clearly identified location that will be readily accessible in the event of fire.

ARTICLE 10

THE PARTIES' REPRESENTATIVES

10.1 **Owner's Representative**. Owner shall appoint an Owner's Representative who shall be authorized to act on behalf of Owner and with whom Contractor may consult at all reasonable times, and whose instructions, requests and decisions will be binding upon Owner as to all matters pertaining to the Contract Documents and the performance of Owner hereunder except that Owner's Representative shall not have the authority to modify this Contract. Notwithstanding the foregoing, Owner's Representative shall be allowed to issue Change Orders in accordance with Article 13. The initial Owner's Representative is the individual identified in Subarticle 29.6. In addition, Owner may from time to time appoint such other individuals, each an "Other Owner-Authorized Party," whose duties, authority and responsibilities shall be specified in the Notice provided to Contractor of such Other Owner-Authorized Party's appointment. Owner may change the identity of its Owner's Representative or Other Owner-Authorized Party by providing Notice to Contractor pursuant to the provisions of Subarticle 29.6. Owner's Representative and Contractor's Representative shall confer before the Work starts to ensure that the nature and scheduling of the Work's activities are mutually understood and shall meet multiple times weekly during the Work's duration to discuss the progress made, impediments encountered or expected and their resolution, and all other relevant matters.

10.2 **Contractor's Representative**. Unless otherwise agreed in writing by Owner, Contractor shall appoint its Project Manager as Contractor's Representative who shall be a resident of the Site throughout the Work and available for consultation with Owner's Representative and Other Owner-Authorized Party, if any, at all reasonable times. Contractor's Representative shall be authorized to act on behalf of Contractor, and his or her instructions, requests, and decisions shall be binding upon Contractor as to all matters pertaining to the Contract Documents and the performance of the Work. The initial Contractor's Representative is the individual identified in Subarticle 29.6. Contractor shall not change Contractor's Representative without the prior written consent of Owner's Representative, which consent will not be unreasonably withheld or delayed. If Owner is reasonably dissatisfied with the performance of Contractor's Representative, Owner, following consultation with Contractor, may request that Contractor remove such person from his position, and Contractor shall immediately remove such person from the Project.

10.3 **Representative's Access**. Owner, Owner's Representatives, and any Other Owner-Authorized Party, and their agents, employees and invitees, shall at all reasonable times have access to the Work wherever and whenever it is in preparation and progress provided said access shall not unduly interfere with the Work. Without limiting the generality of the foregoing, Owner, Owner's Representatives, and any Other Owner-Authorized Party shall have the right to videotape, photograph, copy or otherwise record the activities and the Work. The presence of Owner, Owner's Representatives, and any Other Owner-Authorized Party shall not relieve Contractor of the responsibility for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, and Owner, Owner's Representative or Other Owner-Authorized Party will not be responsible for the acts and omission of Contractor or Subcontractors.

10.4 **Compliance with Owner's Representative's Directives**. The conduct of the Work is the responsibility of Contractor. Contractor shall issue all appropriate orders to Contractor's employees and Subcontractors. Contractor will closely cooperate with Owner's Representative, and Other Owner Authorized Parties to the extent of their stated authority and to the extent consistent with the requirements for performance of the Work. Owner, or Owner's Representative may direct Contractor to take such action they deem to be in Owner's interest. If Contractor is of the opinion that any such directive constitutes grounds for issuance of a Change Order, then Contractor shall proceed in accordance with the requirements of Article 13.

ARTICLE 11

SUBCONTRACTORS

11.1 **Award of Subcontracts for Portions of the Work**. Contractor shall comply with the requirements of the subcontracting plans contained in Exhibit M.

11.2 **List of Subcontractors**. Contractor shall attempt to use Owner's preferred Subcontractors, and Contractor's pre-approved Subcontractors, identified in Exhibit N. If Contractor has difficulty using Owner's preferred Subcontractors and Contractor wishes to use a Subcontractor other than those listed or agreed to by Owner, Contractor shall submit the name of the proposed Subcontractor to Owner's Representative for his or her approval (such approval not to be unreasonably withheld). The Submittal shall contain the name, address, and contact person of the proposed Subcontractor, as well as a description of the Work to be performed. Owner's Representative shall notify Contractor within five (5) Business Days if it objects to any proposed Subcontractor. Contractor shall identify a suitable substitute party in writing within ten (10) Business Days after it receives Owner's disapproval of a proposed Subcontractor. If after choosing a Subcontractor to perform a portion of the Work, Contractor decides to terminate such Subcontractor or such Subcontractor no longer performs a portion of the Work, Contractor must notify and consult with Owner regarding any replacement Subcontractor.

11.3 **Contracts with Subcontractors**.

11.3.1 Commercially Reasonable Efforts. Contractor shall use commercially reasonable efforts to incorporate the following provisions into the subcontract with each proposed Subcontractor covered by the provisions of Subarticle 11.2:

11.3.1.1 Require each Subcontractor, to the extent of the Work to be performed by such entity, to be bound to Contractor by the applicable terms of this Contract as related to Subcontractor's scope of work and, where appropriate to assume to Contractor all of the obligations and responsibilities that Contractor has to Owner under this Contract; and

11.3.1.2 Make Owner an intended third-party beneficiary and preserve the rights and remedies of Owner under this Contract with respect to the portion of the Work to be performed by a Subcontractor, so that the subcontracting thereof will not prejudice such rights and remedies.

11.3.2 Duty to Incorporate. Contractor must incorporate the following provisions into the subcontracts with each proposed Subcontractor:

11.3.2.1 Require each Subcontractor to obtain and maintain the appropriate insurance as related to Subcontractor's scope of work;

11.3.2.2 Require each Subcontractor whose scope of work may require disclosure of Contractor's confidential information to execute an appropriate confidentiality agreement;

11.3.2.3 Require that each subcontract provide for a contingent assignment of the subcontract upon termination of Contractor by Owner. Such contingent assignment shall provide that if Owner fulfills Contractor's obligations to the Subcontractor, then the Subcontractor will perform the subcontract on behalf of Owner, its successors and assigns; and

11.3.2.4 Incorporate the provisions of Exhibit M.

11.3.3 No Contractual Rights by Subcontractor Against Owner. The provisions of this Section shall not empower any Subcontractor with any contractual rights against Owner.

11.4 **Payments to Subcontractors**. Upon receipt of payment from or on behalf of Owner, Contractor shall promptly pay to each Subcontractor the amount paid by Owner to Contractor for such Subcontractor's Work. Contractor must require each Subcontractor to make similar payments to such Subcontractor's Subcontractors. Owner shall have no obligation to pay, or cause the payment of, any money to any Subcontractor or any other party acting through, under or on behalf of Contractor except as may be otherwise required by Laws, and then subject to Contractor's indemnity obligations under this Contract. Notwithstanding the above, Contractor shall be entitled to withhold payment(s) and/or offset amounts otherwise due any Subcontractor based on such Subcontractor's failure to perform other obligations under its

subcontract with Contractor; however, in the event such Subcontractor files a Lien or otherwise requests or demands payment from Owner, Contractor must defend and indemnify Owner against any Losses related thereto.

11.5 **Owner/Subcontractor Communication**. Owner may, at its discretion, furnish to any Subcontractor information regarding the percentages of completion or the amounts applied for by Contractor and the action taken thereon by Owner on account of Work done by such Subcontractor. Owner shall have no obligation to pay or to see to the payment of any monies to any Subcontractor, except as otherwise may be required by Laws. Notwithstanding the foregoing, any payments made by Owner to any Subcontractor shall be reimbursed by Contractor or may be offset by Owner against and deducted from any future payments due to Contractor from Owner provided that no such payment by Owner shall be made without first consulting Contractor.

11.6 **Approved Equipment Suppliers.**

11.6.1 Approved Equipment Suppliers List. The approved equipment supplier's list is attached as Exhibit N. Contractor may request that additional vendors be added to the list subject to the Owner's approval, with such approval to be not unreasonably withheld.

11.6.2 Owner Preferred Equipment**.** In Exhibit N, Owner has identified categories of items, as indicated by highlight, where Subcontractor preferences may exist. Prior to Contractor placing a purchase order for equipment for which the Owner has identified a preference, the Contractor will offer optional pricing for said identified Owner-preferred equipment. Such additional pricing shall include any necessary schedule and technical information required by Owner to evaluate the option. Owner shall select its preferred equipment supplier and advise Contractor within three (3) Business Days of receiving the Contractor's offer of said optional pricing. Any adjustment resulting from Owner's option selection shall be set forth in a Change Order to be issued to Contractor.

ARTICLE 12

COMPENSATION, LETTERS OF CREDIT, AND INVOICING

12.1 **Contract Price.** Contractor's total compensation for performance of the Work under this Contract shall be $713,067,494 as set forth in Exhibit D and as adjusted by any Change Orders. The Contract Price shall not be increased by: 1) any event of Force Majeure, unless the Force Majeure event lasts more than five (5) consecutive Days; or 2) any emergency caused by the negligence or misconduct of Contractor, any Subcontractor or other person under Contractor's or its Subcontractors' control.

12.2 **Bonus.** The Parties agree that they will make a good faith effort to reach an agreement by April 2, 2007 on a bonus which may be paid to Contractor for early achievement of Provisional Acceptance of Unit 2, if Mechanical Completion has been accomplished by or shortly after the Guaranteed Unit 2 Mechanical Completion Date. If no agreement can be reached by the Parties by April 2, 2007, no bonus will be due or payable to Contractor regardless of the date(s) Contractor achieves Provisional Acceptance of Unit 2.

12.3 **Monthly Applications for Payments**. On or about the tenth (10th) Day of each calendar month, Contractor shall submit to Owner's Representative an Application for Payment in accordance with the Payment Schedule set forth in Exhibit W. Owner shall not be obligated to make any payments earlier than the months indicated or in percentages other than those set forth in Exhibit W. Owner may withhold monies for any Payment Milestone that is not sufficiently complete at the time the invoice is issued. Owner's right to withhold monies includes, but is not limited to, the Contractor's failure to achieve a Payment Milestone by a Milestone Date identified in Exhibit W. The amounts withheld shall be calculated on a pro rata basis, based on the number of Payment Milestones not achieved. For example, if four (4) milestones are identified for a particular month, the value of each Payment Milestone is twenty five (25%) per cent. Upon the issuance of the Project Schedule pursuant to Section 8.3, the Parties will mutually agree to the additional Payment Milestones that serve as conditions precedent for the payment of any Application for Payment and amend the Payment Schedule in Exhibit W. Each Application for Payment shall include Partial Lien Waivers, substantially in the form of Exhibit O, and certification by Contractor that all of its laborers and Subcontractors have been paid all monies due for Work performed and Material received through the previous month payment by Owner. As part of such certification, Contractor shall identify any claims, setoffs or back charges it may have or have taken against any Subcontractor so that Owner shall know if any Subcontractor may have a colorable right to lien Owner's property. No payment made to Contractor shall constitute an acceptance by Owner of any of the Work to be performed hereunder. Owner shall hold a five percent (5%) retention from each Application for Payment, which Owner shall release in accordance with Section 12.8.

12.4 **Certification by Contractor**. In each Application for Payment, Contractor shall certify that such Application for Payment represents the amount to which Contractor is entitled pursuant to the terms of this Contract and shall also certify as follows:

> There are no known Liens outstanding at the date of this Application for Payment, all amounts which are due and payable to any third party (including Subcontractors) with respect to the Work as of the date of this Application for Payment have been paid or are included in the amount requested in the current application, and, except for such bills not paid but so included, and except for amounts disputed between Owner and Contractor in accordance with Article 12 of the Contract between Owner and Contractor, there is no known basis for the filing of any Liens on the Site or the Plant, except in respect of payments to Subcontractors withheld for proper reasons, and that lien releases or waivers from all Subcontractors required pursuant to Subarticle 12.5 of the Contract have been obtained in such form as to constitute an effective release of lien under the laws of the State of Missouri.

12.5 **Lien Waivers**. Contractor shall furnish at its sole cost and expense, an unconditional partial lien waiver and release of all Liens upon progress payment for the benefit of Owner with each Application for Payment, or such other documents necessary to ensure an effective release of all Liens with respect to the Project in compliance with the laws of the State of Missouri. Contractor shall obtain from each Subcontractor whose subcontracts or equipment or material supply contracts are in excess of $250,000 in the aggregate ("Major Subcontractor") an unconditional partial Lien waiver and release of all Liens upon progress payment to such Major Subcontractor (for the benefit of Owner), provided that Contractor shall only be obligated to provide to Owner such partial and final Lien waivers and releases or such other documents necessary to assure an effective release of Liens with respect to the Plant Site in compliance with the laws of the State of Missouri from each Major Subcontractor upon completion of the work of said Major Subcontractor or complete supply or provision of goods covered under its subcontract by such Major Subcontractor and shall not be obligated to obtain Lien waivers or releases from any other Subcontractor who is not a Major Subcontractor. Except as contemplated in the preceding sentence, Owner's receipt of Lien waivers and releases for each portion of the Work covered by the Progress Payment shall be a condition precedent to Owner's obligation to pay for such portion of the Work covered in any Application for Payment. Contractor has an obligation and duty to provide prompt payment to all of its Subcontractors, whether such Subcontractor is a Major Subcontractor or not. Contractor acknowledges and agrees that it shall have the obligation at its sole expense to cause any Liens filed against the Plant Site to be promptly released or discharged or shall post a bond in accordance with applicable laws or shall post other security reasonably satisfactory to Owner in the full amount of the Lien except to the extent that such Liens have been filed against the Project as a result of nonpayment by Owner of any valid and proper Application for Payment or portion thereof for which Contractor is entitled to receive payment under this Contract or is otherwise being disputed by the Parties pursuant to the applicable provisions of this Article.

12.6 **Payment of Undisputed Amounts**. Owner shall pay Contractor the amount determined by Owner's Representative to be payable from each Application for Payment (i.e., undisputed amounts) within thirty (30) Days after Owner's receipt of such invoice and accompanying data and other items in accordance with Subarticle 12.4. In addition to disputed amounts of any Application for Payment, at Owner's option, Owner may deduct from the amount due under any Application for Payment, any liquidated damages payable by Contractor pursuant to the Contract Documents. Owner may set off amounts owed to Contractor under this Contract against amounts owed by Contractor to Owner under the Contract

12.6.1 Suspension by Contractor. Contractor shall have the right to suspend performance of the Work upon ten days Notice to Owner, if the Owner fails to make payment of any undisputed amount for sixty days after its due date. Contractor shall resume performance of the Work upon payment of all amounts then due together with an equitable adjustment in the Project Schedule and payment of Contractor's costs resulting from the suspension and resumption of the Work.

12.7 **Payment of Disputed Amounts**. Within fifteen (15) Days of receipt of an Application for Payment, Owner shall provide Contractor with Notice setting forth the amount of any portion of such Application for Payment that is disputed by Owner and the reasons therefore. Any deduction of a disputed amount of an Application for Payment that is not specifically agreed to by Contractor in writing and that finally is determined by arbitration, or by mutual agreement, to have been improperly withheld by Owner shall be paid promptly by Owner, together with simple interest, from the date of withholding to the date of payment, calculated using the Prime Interest Rate plus two (2) percent on the date of withholding.

12.8 **Retainage**. For each Application for Payment, Owner shall be entitled to retain and withhold payment of five percent (5%) of each payment as security for Contractor's full and faithful performance of its obligations pursuant to this Contract. All amounts withheld or secured pursuant to this Subarticle shall be referred to herein as "Retainage." The Retainage shall be payable, subject to the provisions of this Subarticle, to Contractor with interest at the Prime Interest Rate plus two per cent at the following events in accordance with the Payment Schedule, at Exhibit W: Delivery of Unit 2 Tier 6 steel, Unit 1 Mechanical Completion, Unit 2 Mechanical Completion, Unit 2 Synchronization, Unit 2 Substantial Completion B. In the event that a scheduled Milestone retention release date is not achieved, the retention shall be paid at the next monthly payment date after the Milestone has been achieved.

12.9 **Not Used**.

12.10 **Payments Withheld**. In addition to any amounts otherwise permitted to be withheld under this Article 12, Owner, without limitation of any other rights or remedies contained in this Contract, may withhold payment on one or more Applications for Payment, or any portion thereof, an amount, and to such extent as may be reasonably necessary, to protect Owner from loss because of:

12.10.1 Contractor's or any Subcontractor's failure to carry out any substantive portions of the Work in accordance with the Contract Documents;

12.10.2 Third-party claims made or filed, against Owner on account of Contractor or any Subcontractor;

12.10.3 Damage to Owner property for which Contractor is liable under this Contract arising from the performance of the Work or failure to perform the Work properly;

12.10.4 Failure of Contractor to maintain the Five Percent LOC, or the Performance LOC as required by the Contract Documents.

Promptly with the next monthly payment following the remedy or cure of any of the foregoing, Owner shall make the payment withheld in connection therewith. Owner's right to withhold monies due Contractor pursuant to this Subsection is conditioned upon Owner providing Notice to Contractor if its intent to withhold such funds stating the specific reason(s) therefore within 20 days of receipt of Contractor's Application for Payment.

12.11 **Final Payment**.

12.11.1 Unit 2 Provisional Acceptance. Final payment of 1.0% of the Contract Price shall be made to Contractor upon achievement of Unit 2 Provisional Acceptance. Contractor shall submit, in addition to the material required under Subarticles 12.4 and 12.5, a statement summarizing and reconciling all previous invoices, payments, Change Orders, Contractor Change Requests and Final Lien Waivers from Contractor and all Major Subcontractors.

12.11.2 Owner Review of Statement. Owner shall review and accept or reject such statement within ten (10) Days of receipt thereof. To the extent accepted, Owner shall pay Contractor all remaining amounts due, within thirty (30) Days of the receipt of such statement. Owner shall notify Contractor of the rejection of any portion or all of such statement. Any amount not accepted shall be treated as being in dispute. When Contractor's final statement submitted pursuant to this Subarticle has been fully paid, Contractor's acceptance of final payment shall be deemed to be a waiver of all claims by Contractor for payment of the Contract Price or other obligations of Owner except for claims that have been previously made but have not been resolved. Nothing in this Article shall be construed to imply a waiver of any right to any amount that is the subject of a written protest at the time acceptance of final payment is made.

12.11.3 Contractor Prevention of Liens. The final payment shall not become due unless the Five Percent LOC, if applicable, complies with Subarticle 12.12 and until Contractor submits to Owner an affidavit, together with a final release of Lien in form and content specified in Exhibit O from Contractor and from each of the Major Subcontractors as required by Subarticles 12.4 and 12.5, representing and affirming that all indebtedness connected with the Work and any Lien or rights to file any such Liens related thereto, for which Owner or its property might in any way be responsible or to which it may be subject, have been paid, waived or otherwise satisfied. Contractor shall not permit a Lien to be placed on any Owner property by Contractor's Subcontractors or their employees. Should Owner receive Notice of an intent to file a Lien from any of Contractor's Subcontractors, or employees, Owner will notify Contractor. Upon receipt of Notice from Owner of the intent of one of Contractor's Subcontractor employees, to file a Lien, Contractor shall immediately take steps to prevent the filing of such Lien. If Contractor fails to prevent the filing of such Lien, Contractor shall be responsible and liable for and shall indemnify Owner for all of Owner's costs, expenses (including attorneys' fees), liabilities, damages, fees, penalties, judgments and settlement costs arising from the placement of such Lien. The obligations and liabilities of Contractor under this Subsection shall not apply where the basis for such Lien relates to amounts invoiced by Contractor that are either not paid or disputed by Owner.

12.11.4 No Entitlement to Final Payment Until Unit 2 Provisional Acceptance. Notwithstanding any provisions to the contrary in this Contract, Owner and Contractor acknowledge and agree that Contractor shall not be entitled to the final payment (less any retention) unless and until Contractor has achieved Unit 2 Provisional Acceptance.

12.12 **Contractor's Five Percent LOC**.

12.12.1 Amount of Letter of Credit. Within 30 days following the Effective Date, Contractor shall provide to Owner a letter of credit substantially in the form of Exhibit P and in an amount equal to five percent (5%) of the Contract Price (the "Five Percent LOC"). The Five Percent LOC shall remain in full force and effect until the expiration of the Warranty Callback Period for Unit 1 or Unit 2, whichever is later.

12.12.2 Reduction of Five Percent LOC. At the end of the two-year Warranty Callback Period for Unit 2, Contractor may reduce the amount of the Five Percent LOC to thirty-three percent (33%) of the original value of the Five Percent LOC. The remaining thirty-three percent (33%) of the initial value of the Five Percent LOC shall remain in effect until the end of the Guaranteed Catalyst Period or the Guaranteed Baglife Period, whichever is later.

12.12.3 Liquidated Damages Draws Upon the Five Percent LOC and Performance LOC. In the event that Contractor fails to pay liquidated damages pursuant to Article 22 of this Contract within 30 days of the date due under the Contract, then Owner shall be entitled to draw upon the Five Percent LOC and Performance LOC for the amount due by Contractor. In the event that Owner draws upon any LOC and it is subsequently determined that Owner was not entitled to all or any portion of the draw, Owner shall repay to Contractor the amount of any such incorrect draw, plus simple interest, from the date of Owner's draw, at the Prime Interest Rate on the date of Owner's draw plus two percent (2%) and reasonable costs incurred including attorney's fees.

12.12.4 Warranty Repairs Draws Upon the Five Percent LOC. Prior to expiration of the Unit 1 or Unit 2 Warranty Callback Period, as the case may be, and all extensions of the Unit 1 or Unit 2 Warranty Callback Period, Owner shall be permitted to draw upon the Five Percent LOC, for any warranty payments due and not otherwise paid by Contractor and release the remaining amounts under the Five Percent LOC, if they have not been fully drawn down. Owner shall return the Five Percent LOC and the Performance LOC to Contractor upon their respective expiration dates subject to any extensions permitted hereunder.

ARTICLE 13

CHANGE ORDERS

13.1 **Owner Initiated Change Orders**. Owner, without invalidating this Contract, may order changes in the Work, with resulting changes in the Contract Price and/or the Project Schedule or other applicable provisions of the Contract Documents (including the required Final Completion Date) through the issuance of a Change Order. A Change Order signed by Owner and Contractor indicates an agreement to the changes in the Work, and/or amount of compensation increase or decrease, and/or adjustment in the Project Schedule reflected in such Change Order. Owner and Contractor shall use their good faith efforts to agree on the price for such ordered changes prior to the issuance of such Change Order. If, however, the Parties cannot agree on the adjustment to be made in the Contract Price, the Work or the Project Schedule as a result of such Change Order, then Contractor shall nevertheless proceed to execute the Work described in the Change Order promptly upon authorization from Owner and shall be paid for such changed Work in accordance with Subarticle 13.6. If the value of a proposed Change Order exceeds 15% of the Contract Price, Contractor must execute such Change Order before it is obligated to perform such Work.

13.2 **Contractor Change Requests**. If Contractor would like to seek a Change Order, Contractor must give Owner written Notice within fifteen (15) Business Days after Contractor's knowledge of the occurrence of the event giving rise to such request. Within a reasonable time thereafter, not to exceed forty five (45) Days of any such Notice, unless the circumstances of the event giving rise to the request reasonably require additional time, Contractor shall provide Owner with an appropriate statement setting forth the reasons why Contractor believes additional compensation or additional time should be granted, and include the nature of any costs to be incurred, including reasonable adjustment to other applicable Contract provisions, and if applicable, the probable length of performance that could result in a delay to the Project Critical Path (a "Contractor Change Request"). If Owner accepts any such Contractor Change Request, a Change Order shall be executed by the Parties and the Contract Price or Project Schedule, or both, as the case may be, shall be adjusted in accordance with the terms of such Change Order. Owner shall have no obligation to accept a Contractor Change Request. Failure to comply with the requirements of this Subarticle shall constitute a waiver by Contractor of any and all Contractor Change Requests not pursued in accordance with the terms herein.

13. **Change Order For Delays**. If a delay or suspension of Work or activities occurs and causes a delay to the Project's Critical Path and Contractor has prepared an appropriate analysis identifying the extent of the delay, an appropriate Change Order will be issued to adjust the Project Schedule and the Contract Price as specified below:

13.3.1 Delay to Critical Path. To the extent the delay or suspension of activities causes a delay to the Critical Path of the Project Schedule and is caused by Owner or others not under the control of Contractor, or unknown subsurface conditions, the Project Schedule shall be extended and the Contract Price shall be adjusted in an amount necessary to compensate Contractor for all reasonable direct and indirect costs and expenses on the basis set forth in Subarticle 13.6 resulting from such delay or suspension ("Contractor's Delay Costs").

13.3.2 Delay Caused by Force Majeure. To the extent the delay or suspension is caused by Force Majeure, as that term is defined in Article 24 (excepting for purposes of Subarticle 13.3.2), Contractor shall give Owner written Notice specifying the date of commencement of such delay or suspension within ten (10) Business Days after the date on which Contractor first becomes aware of the event or act constituting the Force Majeure. The Project Schedule shall be extended on a Day-for-Day basis from the Force Majeure Delay Date. To the extent that a Force Majeure event lasts more than five (5) consecutive Days, Contractor shall be entitled to an adjustment in the Contract Price as set forth in Subarticle 24.6.

13.3.3 Best Efforts to Mitigate Delay. Contractor shall use its best efforts to re-sequence the Work and/or mitigate, to the greatest extent practicable, the effect of any delay described in this Article.

In order to receive an equitable price or schedule adjustment for a delay or deficiency for which Owner is responsible, Contractor must demonstrate that there was an actual delay in the performance of the Contractor's Work that impacts the Project Critical Path of the Contractor Schedule and/or an actual increase in the Contractor's costs.

13.4 **Change Order for Contractor Delay or Error**. To the extent the delay or suspension of the Work causes a delay to the Critical Path of the Project Schedule and is caused by Contractor or any Subcontractor, no adjustment will be made to the Contract Price or Project Schedule, and Contractor shall propose a plan to perform the changed Work while minimizing Project Schedule impacts, which may include increasing manpower and extended work hours or extra shifts if required, for Contractor to meet the required Guaranteed Completion Dates. Excess costs for such work will be Contractor's responsibility. Further, no Change Order shall be issued and no adjustment of the Contract Price or the Project Schedule shall be made in connection with any correction of errors, omissions, deficiencies, or improper or Defective Work on the part of Contractor or any Subcontractors in the performance of the Work.

13.5 **Minor Changes in the Work**. Without a Change Order, Owner and Contractor may mutually agree in writing to make, changes in the Work which do not require an adjustment in the Contract Price or an extension of the Project Schedule.

13.6 **Duty to Continue the Work**. In the event Owner and Contractor are unable, within twenty (20) Days of an Application for Payment to agree upon an acceptable adjustment in the Project Schedule and acceptable changes in the Contract Price, pursuant to Subarticles 13.1 or 13.2, then Contractor shall proceed with the Work following Owner's written direction to do so; provided however, Owner reserves its rights to dispute any claims of Contractor pursuant to Article 16. Owner's written direction shall include an equitable adjustment in the Project Schedule, if applicable. The cost of such extra Work shall then be determined on the basis of one hundred twenty percent (120%) of all verifiable direct costs reasonably and prudently incurred in the performance of the changed Work. Direct costs shall be in accordance with the Rate Schedule attached hereto as Exhibit V, submitted by Contractor on or before the Effective Date. Direct costs incurred in the performance of such extra work shall include: additional costs of materials, costs of labor, including premiums and shift differentials; social security; old age and unemployment insurance; fringe benefits required by agreement or custom; workmen's compensation insurance; rental value of equipment and machinery; all actual and reasonably allocated costs of construction supervision and field office; and all actual and reasonable costs, if any, of shutdown, delay and start-up; provided, however, that Contractor shall notify Owner if Contractor anticipates such shutdowns, delay and start-up costs in advance. In the event Owner so directs Contractor to perform changed Work, then Contractor shall submit monthly invoices to Owner itemizing all costs incurred in the performance of such Work during the period covered by the invoice in accordance with this paragraph. Pending final determination of Contractor's total costs, Owner shall pay such invoices on account in accordance with Article 12 of this Contract. Contractor shall maintain complete and accurate records and supporting documentation regarding Change Orders in accordance with Contractor's established policies and procedures and generally accepted accounting practices, consistently applied. Upon three (3) Business Days prior Notice, Owner shall have access to such records during normal business hours for a period of three (3) years after Final Completion or termination of the Work, to the extent required to verify the payroll and other costs (excluding agreed-upon mark-ups and rates) set forth above.

13.7 **Effect of Changes in the Law**. The Contract Price is based on applicable Laws in effect as of the Effective Date. After the Effective Date, if a change occurs to any Laws that affects performance of the Work by Contractor, or any Subcontractor, Contractor shall comply with such changed Laws and Contractor may be entitled to an equitable adjustment to any applicable provisions of the Contract. Notwithstanding the foregoing, in the event the change in Laws constitutes an event of Force Majeure for which termination of this Contract would be appropriate, the provisions of Subarticle 24.5 shall apply.

ARTICLE 14

CONTRACTOR'S GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

14.1 **Representations and Warranties of Contractor**. Contractor, as a material inducement to Owner's entering into this Contract, represents and warrants to Owner that, as of the date of this Contract:

14.1.1 There are no suits, proceedings, judgments, rulings or orders by or before any court or any governmental authority pending or to the best of Contractor's knowledge threatened action or proceeding affecting Contractor before any court, Governmental Agency, or arbitrator that could reasonably be expected to materially and adversely affect the financial condition or operations of Contractor or the ability of Contractor to perform its obligations hereunder, or which purports to affect the legality, validity or enforceability of this Contract (as in effect on the date hereof);

14.1.2 It is a duly organized and validly existing entity of the type described in the recital clauses of this Contract and is in good standing under the laws of the jurisdiction of its formation; it has the legal right, power, and authority and is qualified to conduct its business, and to execute and deliver this Contract and perform its obligations under this Contract; and all regulatory authorizations have been or will be obtained and will be maintained as necessary for it to perform legally its obligations under this Contract as such obligations become due;

14.1.3 Its making and performing this Contract are within its powers, have been duly authorized by all necessary action on its part, and do not and will not violate any provision of Laws or order, writ, judgment, decree, or other determination presently in effect and applicable to it or its governing documents; and

14.1.4 This Contract constitutes its legal, valid, and binding act and obligation, enforceable against it in accordance with this Contract's terms, subject to applicable bankruptcy, insolvency, reorganization and other laws affecting creditors' rights generally, and general equitable principles, to the discretion of the tribunal before which proceedings to obtain same may be pending.

14.2 **Covenants of Contractor**. Contractor warrants and represents to Owner that during the term of this Contract it will:

14.2.1 Comply at all times with applicable Laws necessary for its performance under this Contract, or, in the event of any alleged continuing noncompliance, diligently contest any allegations of non-compliance with such Laws in good faith by appropriate proceeding to the extent permitted without material adverse effect on Contractor's performance under this Contract; and

14.2.2 Give all required notices, procure, maintain and comply with all applicable Permits necessary for the performance of its obligations under this Contract, and pay all charges and fees in connection therewith.

14.3 **Opinion of Counsel from Contractor**. No later than the Effective Date, Contractor shall, upon request of Owner, and at Contractor's expense, cause its counsel to issue an opinion to Owner affirming in customary form the representations in Subarticle 14.1 as of the Effective Date and setting forth such further matters as Owner may reasonably request.

14.4 **Additional Warranties and Representations of Contractor**.

14.4.1 Qualifications. Contractor warrants and represents that it is a fully experienced and properly licensed in the State of Missouri, equipped, organized, financed and qualified to perform the Work and that all detailed design and construction drawings will be supervised, approved and signed by an engineer licensed by the State of Missouri where required by Laws.

14.4.2 Performance Guarantees. Contractor warrants and guarantees that the AQC Systems, the SCR Systems, and the Unit 2 Boiler supplied pursuant to this Contract will operate at or above the levels required by the Performance Guarantees.

14.5 **Additional Documentation**. Contractor, upon request of Owner and at Contractor's expense, shall deliver or cause to be delivered from time to time, such additional certifications of its officers, accountants, engineers or agents or opinions of counsel, as may be reasonably requested and as related to Contractor's obligations under this Contract.

14.6 **Changes in Circumstances**. Contractor agrees that it shall promptly advise Owner of any fact, event, or occurrence taking place subsequent to the Effective Date that would cause it to be unable to continue to make such representations and warranties provided above at any time subsequent to such dates; provided that no such inability shall be considered a default under this Contract, except to the extent it shall constitute a default under another provision of this Contract.

ARTICLE 15

WARRANTY OF THE WORK AND REMEDIES

15.1 **General Warranty of Work**. Contractor hereby warrants to Owner that:

15.1.1 The Work furnished and performed under this Contract by Contractor and any Subcontractor shall be furnished and performed to (a) Prudent Industry Practice, (b) professional standards with the accuracy, care and skill customarily employed by and expected from comparable firms in the electric generation construction industry, and (c) comply with all Laws;

15.1.2 The Work will conform to the requirements of the Contract Documents, and will be free from Defects in materials, engineering, design, and workmanship; and

15.1.3 All Materials provided by Contractor will be new and free from Defects in materials, engineering, design, and workmanship.

15.2 **Engineering and Design**. Contractor hereby warrants that all engineering and design performed as part of the Work shall be performed in accordance with sound engineering practice, Prudent Industry Practice, Laws, and applicable Permits, and in conformity with the requirements of the Contract Documents.

15.3 **Nonconforming Work**. If Work is discovered that does not conform to the requirements of the Contract Documents prior to the end of the applicable Warranty Callback Period, Owner, Owner's Representative, and Other Owner Authorized Parties to the extent of their authority, shall have the authority to require Contractor at Contractor's option to reperform, repair or replace any such item of the Work (including without limitation engineering, design or supply of Materials); provided, however, that neither their authority to act under this Subarticle 15.3, nor any decision made by them in good faith either to exercise or not to exercise such authority, shall give rise to any duty or responsibility of Owner, Owner's Representative and Other Owner Authorized Parties to Contractor, or any Subcontractor, it being understood that Owner's (or its representatives') failure to so require Contractor does not relieve Contractor from its responsibility under the Contract Documents and liability for any error, fault or inconsistency in the Work or the Project. Failure to so require Contractor shall not be considered as acceptance of the Work.

15.4 **Standard Warranty Work**. Except in the case of an Operating Emergency, if any of the Work is Defective or does not comply with the warranties contained in this Article and Owner gives Contractor Notice of such Defect, Contractor shall, at its sole expense and option, promptly correct such Defect by repair or replacement of any Defective Work. The decision to repair or replace shall be made following consultation with Owner and the repair or replacement shall be scheduled consistent with Owner's operating requirements so as to minimize loss of production or use of any portion of the Plant to which the Work relates. Warranty Work shall be performed on a straight time basis; however, Contractor shall conduct such Warranty Work on an overtime schedule basis if Owner reasonably determines such a schedule is necessary to avoid or minimize the effects of an outage or load reduction, and Owner shall bear such additional costs. Except as stated herein, Contractor shall bear all costs and expenses associated with correcting any Defective Work and for the deductible portion of direct property damage of Owner to the extent caused by Contractor's breach of warranty during the Warranty Remedy Period. Such costs and direct damages shall include, without limitation, the costs of necessary disassembly, transportation, reassembly, retesting, reworking, repair, or replacement of such Defective Work. Direct damages shall also include reasonable attorneys' fees, engineering fees, the costs of testing reasonably required to verify that the repaired or replaced Work conforms to the applicable Warranties and requirements of this Contract in enforcing the provisions of Article 15. Contractor shall collect and assemble all warranties and maintenance manuals and deliver them to Owner as set forth in Exhibit L. Any repair and replacement performed by Contractor pursuant to Article 15 shall comply with the Laws, Prudent Industry Practice, and this Contract.

15.5 **Operating Emergency Warranty Work**. In the event of an Operating Emergency which results from Work which is Defective or does not comply with the warranties contained in Article 15, Owner shall consult with Contractor to determine who would best be able to correct the Defective Work. If the Parties agree that Contractor would best accomplish such correction, Subarticle 15.4 shall apply to such correction. If the Parties agree that Owner would best accomplish such correction, Owner shall promptly correct such Defective Work by repair or replacement of any Defective Work. The decision to repair or replace shall be made with the concurrence of Contractor. Normally, Warranty Work shall be performed on a straight time basis; however, such Warranty Work shall be performed on an overtime schedule basis if Owner reasonably determines such a schedule is necessary to avoid or minimize the effects of an outage or load reduction, and Owner shall bear such additional costs. As with Standard Warranty Work, Contractor shall bear all costs and expenses associated with correcting any Defective Work to the extent caused by Contractor's acts or omissions. Such costs and direct damages shall include, without limitation, the costs of necessary disassembly, transportation, reassembly, retesting, reworking, repair, or replacement of such Defective Work.

15.6 **Unit 1 Warranty Callback Period**. The Unit 1 Warranty Callback Period for the Work shall run for a period of two (2) years from the Unit 1 Provisional Acceptance Date. If any Work shall be repaired, replaced, or otherwise corrected pursuant to this Article 15, the Unit 1 Warranty Callback Period for such Work shall be two years from the date that such repair, replacement, or correction is completed to Owner's reasonable satisfaction. Notwithstanding the foregoing, in no event shall the Unit 1 Warranty Callback Period exceed three (3) years from the Unit 1 Provisional Acceptance Date.

15.7 **Unit 2 Warranty Callback Period**. The Unit 2 Warranty Callback Period for the Work shall run for a period of two (2) years from the Unit 2 Provisional Acceptance Date. If any Work shall be repaired, replaced, or otherwise corrected pursuant to Article 15, the Unit 2 Warranty Callback Period for such Work shall be two years from the date that such repair, replacement, or correction is accepted by Owner. Notwithstanding the foregoing, in no event shall the Unit 2 Warranty Callback Period exceed three (3) years from the Unit 2 Provisional Acceptance Date.

15.8 **Catalyst Warranty**.

15.8.1 Guaranteed Catalyst Period. In addition to the above Warranties, Contractor warrants that the Catalyst used in the SCR Systems for Unit 1 and Unit 2, respectively, will not suffer a Catalyst Life Failure for a minimum of 24,000 hours (the "Guaranteed Catalyst Period") from the date flue gas first passes through the Catalyst on each respective Unit.

15.8.2 Catalyst Life. For Catalyst Life Failure, unless such failure is caused by Owner, that occurs between 0 to 24,000 hours of operation from first gas of Unit 1 or Unit 2, as the case may be, Contractor will conduct a root cause failure evaluation. After the corrective action plan as defined by Section 15.8.3 with the Owner and Catalyst manufacturer and selecting mutually agreeable repairs or modifications, Contractor shall make indicated repairs or modifications to achieve Performance Guarantees and replace and/or add Catalyst as required if Catalyst replacement and/or addition is indicated by the root cause failure evaluation. The repairs, modifications and retesting shall follow the procedure identified in Section 15.8.3.

15.8.3 Catalyst Life Corrective Actions. Within fourteen (14) Days of a Catalyst Life Failure, Contractor shall initiate preparation of a corrective action plan complete with all drawings, data, specifications, and other information required for approval of the Work by Owner, and shall complete all such corrective action as soon as reasonably possible. For failure to meet the Guaranteed Catalyst Period, Contractor shall make all repairs and modifications necessary to correct and modify the Work to cause performance to so conform without cost to Owner. Contractor's obligation to make repairs and modify the Work to meet the Guaranteed Catalyst Period shall not be limited by the Unit 1 or Unit 2 Warranty Callback Period but should extend only for three years from date flue gas first passes through the Catalyst on each respective Unit.

15.9 **Baglife Warranty.**

15.9.1 Guaranteed Baglife Period. In addition to the above Warranties, Contractor warrants that the fabric filter bags used in the Baghouse for Unit 1 or Unit 2, as the case may be, will not suffer Baglife Failure for a minimum of 25,000 hours (the "Guaranteed Baglife Period") from the date flue gas first passes through the fabric filter bags on each respective Unit. Contractor shall provide replacement bags for all bags that suffer Baglife Failure during the Guaranteed Baglife Period and replacements will be made as Baglife Failure occurs. Owner will store bags provided by Contractor in a temperature and humidity controlled environment in accordance with the manufacturer's written recommendations.

15.9.2 Baglife Corrective Action. Within fourteen (14) Days of any Baglife Failure, Contractor shall conduct a root cause evaluation and prepare a corrective action plan complete with all drawings, data, specifications, and other information required for approval of the Work by Owner. Contractor shall complete all such corrective action as soon as reasonably possible. For failure to meet the Guaranteed Baglife Period Contractor shall provide replacement bags suitable to cause performance to so conform without cost to Owner. Contractor's obligation to make repairs and modifications to the Work to meet the Guaranteed Baglife Period shall not be established by the Warranty Callback Period but will extend for three years from the date flue gas first passes through each respective Baghouse.

15.9.3 Bag Pre-Coat. Contractor's Baglife Warranty is contingent on Owner pre-coating the bags prior to first flue gas passage in accordance with Contractor's recommendations in the O&M manual.

15.10 **Subcontractor Warranties**. Contractor shall, for the protection of Contractor and Owner, obtain from all Subcontractors, and thereafter enforce, all warranties with respect to Work as are reasonably obtainable. Contractor shall use commercially reasonable efforts to secure warranties from all Subcontractors that extend for the Unit 1 Warranty Callback Period or the Unit 2 Warranty Callback Period, as the case may be, set out in Subarticles 15.6 and 15.7, respectively. Contractor agrees during the Warranty Callback Period, as soon as reasonably possible after receipt of Notice from Owner specifying any Defects, to cause the Subcontractor of such Work (or upon failure or refusal by such Subcontractor to do so itself), to inspect and to repair such Defects. All such repairs and replacements shall comply with Laws and Prudent Industry Practices. Contractor shall cause the Subcontractor of such Work (or upon failure or refusal by such Subcontractor to do so itself), to bear all costs and expenses associated with correcting any such Defective Work, including necessary disassembly, transportation, reassembly, and retesting, as well as reworking, repair, or replacement of such Work, and disassembly and reassembly of adjacent Work when necessary to give

access to Defective Work. Notwithstanding the issuance of or inability to obtain any Subcontractor warranties, Contractor is responsible for the Work and compliance thereof with the requirements of the terms of the Contract Documents.

15.11 **Root Cause Repairs**. If chronic failure of any of the Project's components or Materials occurs during either the Unit 1 Warranty Callback Period or the Unit 2 Warranty Callback Period (either original or as may be extended as a result of failures during the original Warranty Callback Periods), as the case may be, Contractor shall investigate the root cause of such chronic failure and make such repairs, replacements or adjustments necessary to correct the root cause of the chronic failure in accord with Subarticles 15.6 and 15.7, respectively.

15.12 **Cure Rights of Owner for Breach of Warranty**. Except in cases of emergency, within ten (10) Days of receipt by Contractor of Notice and adequate supporting documentation from Owner specifying a Defect, (or such additional period as is necessary in circumstances where ten (10) Days is not reasonable given the circumstances), Contractor shall give Notice to Owner of when and how Contractor shall remedy said Defect; provided, however, that in cases of emergency, Contractor shall remedy such Defect as quickly as reasonably possible under the circumstances. If Owner objects to the remedy period specified by Contractor and Contractor does not offer a substitute remedy period satisfactory to Owner, or if Contractor does not begin and diligently proceed to complete said remedy within the time period specified by Contractor and accepted by Owner, or if Contractor unreasonably fails to specify a remedy period acceptable to Owner within such ten-Day period (or immediately, in the case of emergency conditions), Owner, after Notice to Contractor, shall have the right to perform or to have performed by third parties the necessary remedy, and the reasonable and actual costs thereof shall be paid by Contractor, together with all reasonable and actual attorneys' fees and engineering fees.

15.13 **Warranty and Passage of Title**. Contractor warrants that it passes good title to all Work provided pursuant to this Contract to Owner, free and clear of all Liens upon delivery to the Site. Passage of title shall not affect risk of loss, which shall be governed by Article 23.

15.14 **Extent of Warranty**. The Warranties provided in this Article shall not cover the effects of normal wear, tear, deterioration, or abuse of the Work. The Contractor shall have no obligation for breach of Warranty (a) if the Owner fails to store, operate or maintain the Work in accordance with Prudent Industry Practice and the provisions of any storage, operating or maintenance instructions furnished in writing by Contractor or its Subcontractors, or (b) if the Work is altered, repaired or installed by a party other than Contractor or its Subcontractors, other than emergency repairs to Contractor's Work performed in accordance with Contractor's operating and maintenance manuals or Prudent Industry Practice. Contractor's Representative shall have access to test and operating records, the Work and other information he or she deems necessary to investigate the validity of a claim under this Warranty.

15.15 **Warranty Disclaimer**. THE EXPRESS WARRANTIES SET FORTH IN THE CONTRACT DOCUMENTS, EXCLUDING EXHIBIT A, ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

15.16 **Failure of Owner to Operate and Maintain Work.** The duties, liabilities and obligations of Contractor under this Article 15 do not extend to any repairs, adjustments, alterations, or replacements of materials as a result of the failure of Owner to operate and maintain the Work in accordance with Contractor-supplied operating manuals, or which are required as a result of normal wear and tear in the operation of the Work nor to damage or wear occasioned by abrasion, corrosion, erosion or chemical attack resulting from conditions that are not within the performance conditions set forth in the Technical Specifications.

ARTICLE 16

DISPUTE RESOLUTION

16.1 **Step Negotiations**. The Parties shall attempt in good faith to resolve all disputes promptly by negotiation, as follows. Either Party may give the other Party written Notice of any dispute not resolved in the normal course of business. Executives of both Parties at levels one level above the Parties' personnel who have previously been involved in the dispute shall meet at a mutually acceptable time and place within ten (10) Days after delivery of such Notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) Days from the referral of the dispute to senior executives, or if no meeting of senior executives has taken place within fifteen (15) Days after such referral, either Party may initiate mediation as provided hereinafter. If a Party intends to be accompanied at a meeting by an attorney, the other Party shall be given at least three (3) Business Days' Notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence. Each Party will bear its own costs for this dispute resolution phase.

16.2 **Mediation**. In the event that any dispute arising out of or relating to the Contract Documents is not resolved in accordance with the procedures set forth in Subarticle 16.1, such dispute must be submitted to mediation to Jonathan Marks of MarksADR, LLC or any mutually agreed to mediator. The mediation shall take place at a neutral location near the Project Site unless otherwise agreed to by the Parties. If the mediation process has not resolved the dispute within thirty (30) Days of the mediation session or within such longer period as the Parties may agree, the dispute shall be decided by arbitration as set forth below. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purpose of the Federal Rules of Evidence and state rules of evidence. Each Party will bear its own costs for this dispute resolution phase.

16.3 **Arbitration**. All claims, disputes and other matters in question not resolved by mediation between the Parties to this Contract arising out of or relating to the Contract Documents or the breach thereof shall be decided by arbitration by the American Arbitration Association (at a neutral location near the Project Site) or by a mutually agreed upon arbitrator. The arbitration shall take place at a neutral location and be conducted in accordance with the American Arbitration Association Construction Industry Arbitration Rules then obtaining or a mutually agreed upon set of arbitration rules. This Contract to arbitrate and any other agreement or consent to arbitrate entered into in accordance herewith will be specifically enforceable under the prevailing arbitration law of any court having jurisdiction. Notice of demand for arbitration must be filed in writing with the other Party to this Contract and with the AAA or other mutually agreed to arbitrator. The demand must be made within a reasonable time after the dispute has arisen. In no event may the demand for arbitration be made if the institution of legal or equitable proceedings based on such dispute is barred by the applicable statute of limitations. If the total dispute, exclusive of interest and arbitration costs, does not equal or exceed one million dollars, the arbitration shall be heard by one neutral arbitrator. If the total dispute equals or exceeds one million dollars, then the arbitration shall be heard by three neutral arbitrators. Any arbitration may be consolidated with any other arbitration proceedings. Either Party may join any other interested parties. The award of the arbitrator(s) shall be specifically enforceable in a court of competent jurisdiction. Each Party will bear its own costs for this dispute resolution phase.

16.4 **Continued Prosecution of the Work**. In case of any dispute which is or may be the subject of mediation, Contractor shall continue to diligently prosecute the Work and maintain its progress, and Owner shall continue to make payments to Contractor for those portions of the Work completed that are not the subject of dispute in accordance with this Contract.

ARTICLE 17

TAXES

17.1 **Payment by Contractor**. The Contract Price includes federal, state and local taxes levied on wages and/or salaries paid to Contractor's employees, and all taxes based upon net income of Contractor's business. However, the Contract Price is exclusive of any present or future federal, state, municipal or other sales or use tax with respect to the Work covered hereby, or of any other present or future excise tax upon or measured by the gross receipts from this transaction or any allocated portion thereof or by the gross value of the Work covered hereby; and of any present or future property tax or other similar charge with respect to the Work covered hereby. If Contractor is required by applicable Laws to pay or collect any such tax or taxes or import duties on account of this transaction or the Work covered hereby, then such amount of tax or import duties and any penalties and interest thereon shall be reimbursed to Contractor or paid by Owner.

17.2 **Tax Exemption**. Missouri Law provides a sales and use tax exemption for (1) machinery, equipment and parts used directly for manufacturing a product which is intended to be sold ultimately for final use and consumption, (2) the materials, supplies and parts solely required for the installation or construction of such machinery and equipment, and (3) repair and replacement parts for such machinery and equipment. When purchasing such machinery, equipment and parts for delivery and installation in Missouri, Owner shall provide Contractor with a valid Missouri Form 149, Exemption Certificate a copy of which is attached hereto as Exhibit Q, which Contractor shall maintain on file during the period of this Contract. Contractor shall not invoice Owner for any Missouri sales and/or use tax for any machinery, equipment and parts covered by such exemption certificate.

17.3 **Indemnification**. Contractor agrees to indemnify and to hold Owner harmless, at its own cost and expense from any expense, cost or liability resulting from the nonpayment of any taxes or withholding for which Contractor is contractually liable.

17.4 **Assurances**. Contractor agrees to present, if so requested by Owner, satisfactory evidence of payment of all such taxes and payroll deductions to the proper authorities.

ARTICLE 18

INDEMNIFICATION

18.1 **Contractor Indemnity**. To the fullest extent permitted by Laws, Contractor waives any right of contribution and agrees to indemnify, defend and hold harmless Owner and its parent, affiliates, sister entities, officers, directors, employees, agents, representatives, subsidiaries, successors, and assigns and the Owner's Engineer, (collectively, "Owner Indemnitees") from and against all Losses in respect of any loss or damage to third-party physical property, other than the Work, death or personal injury, to the extent caused by the negligence, including any in the performance of professional services Work under the Contract Documents or breach of statutory duty of Contractor, Subcontractors, or their respective employees and agents arising prior to three years from the date Owner and Contractor execute a Certificate of Final Completion. Such obligation shall not negate, abridge, or otherwise reduce any other common law or statutory right or obligation of indemnity or contribution which exists in favor of the Owner Indemnitees. The obligations of Contractor under this Contract shall not extend to the liability of Owner Indemnitees arising out of their negligence. Contractor shall use commercially reasonable efforts to impose identical duties upon all Subcontractors of Contractor; however, the inability of Contractor to impose such identical duties on a Subcontractor shall not relieve Contractor from any liability assumed under this Section, including Losses caused by Subcontractor.

18.2 **Workers Compensation Waiver.** To the fullest extent permitted by law, Contractor expressly (1) waives the benefit, for itself and all Subcontractors insofar as the indemnification of Owner is concerned, of the provisions of any applicable workers compensation law limiting the tort or other liability of any employer on account of injuries to the employer's employees, and (2) assumes liability in accordance with this Article.

18.3 **Not Used.**

18.4 **Patent Indemnity**. Contractor agrees to indemnify, defend, and hold Owner and any other Owner Indemnitee harmless from and against any and all Losses that any Owner Indemnitee may hereafter suffer or pay out by reason of any infringement of a patent based upon the Work designed or used by Contractor or any of its Subcontractors.

18.4.1 Notification by Owner. Contractor shall, at its sole expense, promptly defend against any patent indemnity claim, demand, action or proceeding, unless directed otherwise by Owner, provided that Owner shall have notified Contractor upon becoming aware of such claim, demand, action or proceeding and provided further that Contractor's aforementioned obligations shall not apply to materials, equipment or processes furnished or specified by Owner.

18.4.2 Substitution of Non-Infringing Equipment or Processes or Modification. Contractor shall have the right, in order to avoid such claim, demand, action or proceeding, to substitute, at its expense, non-infringing equipment or processes, or to modify such infringing equipment or processes of the Work so they become non-infringing, or to obtain the necessary licenses to use the infringing equipment or processes provided that such substituted and modified equipment or processes meet all the requirements and are subject to all the provisions of this Contract.

18.4.3 Rights of Owner Upon Injunction. If Owner or Contractor is enjoined from completion of the Work or any part thereof, or from the use, operation, or enjoyment of the Work or any part thereof as a result of any claim, legal action, or litigation of the type described in this Subarticle, Contractor shall use commercially reasonable efforts to have such injunction removed promptly at no cost to Owner, and Owner may without thereby limiting any other right it may have hereunder or at law or in equity, require Contractor at Contractor's option to supply, temporarily or permanently, facilities not subject to such injunction and not infringing any patent or to replace all such facilities or to take such steps as may be necessary to ensure compliance by Owner with such injunction, all to the satisfaction of Owner while maintaining the functionality of the AQC Systems, the SCR Systems, and the Unit 2 Boiler and all without cost or expense to Owner, including any additional operating cost.

ARTICLE 19

INSURANCE

Contractor shall provide the insurance as set forth in the attached Exhibit R. Owner reserves the right to implement an Owner Controlled Insurance Program (OCIP) and Contractor agrees to cooperate with Owner and provide Owner a credit for the full value of those insurance premiums that Contractor no longer incurs as a result of the implementation of an OCIP.

ARTICLE 20

EVENTS OF DEFAULT AND TERMINATION

20.1 **Termination Without Cause**. This Contract may be terminated by Owner at any time without liability for damages and without need to show cause by giving ten (10) Days Notice to Contractor, provided however, upon termination of this Contract pursuant to this Subarticle. Owner shall pay Contractor for the sums expended in the performance of the Work performed up to the date of termination as follows: (a) All direct labor and material costs and expenses incurred prior to cancellation or suspension; (b) Ten percent (10%) of the direct labor costs and expenses incurred prior to cancellation or suspension for overhead expenses; (c) Ten percent (10%) of the direct labor cost and expenses incurred prior to cancellation or suspension for profit; and (d) Reasonable expenses, if any, specifically incurred by Contractor solely as a result of the cancellation or suspension, less salvage value (if any) of the Work. This includes, but is not limited to, all amounts due and not previously paid to Contractor for products completed in accordance with this Contract prior to such Notice, a reasonable amount for any products then in production, reasonable costs of settling and paying claims arising out of the cancelled orders, and all costs for providing Owner with requested assistance pursuant to Article 20 or otherwise, after the date of termination. These items shall not be considered incidental, consequential or indirect damages.

20.1.1 Limitation of Liability. Owner's liability for termination shall be limited to the foregoing, and Owner shall not be liable for incidental, consequential or indirect damages.

20.1.2 Credits. Owner shall be credited in full for any and all payments made prior to termination.

20.1.3 Profits. Contractor shall make every reasonable effort to mitigate any termination costs. Whether Owner terminates Contractor with or without cause or suspends Contractor's Work, in no event shall Owner be responsible for termination expenses (other than provided above), for overhead costs associated with Work not performed by Contractor, for any profits Contractor would have earned if it had completed the Work, or for any consequential, incidental, or indirect damages.

20.1.4 Contractor Duty. Contractor shall make every reasonable effort to minimize such termination charges, including alternate utilization of its work force, materials and equipment to fill other existing and additional orders and contracts. Within thirty (30) Days of receipt of written Notice of termination, Contractor shall present in writing its claim for termination charges, providing documentation and justification for each item in reasonable detail. In no event shall Owner be responsible for termination expenses (other than provided herein), for overhead costs associated with Work not performed by Contractor, for any profits Contractor would have earned if it had completed the Work, or for any consequential, incidental, or indirect damages.

20.2 **Contractor Events of Default**. Any of the following shall constitute an "Event of Default" with respect to Contractor if not cured in all material respects within the applicable cure period provided herein. Cure of such failure or action, except as otherwise expressly provided in this Subarticle, must be remedied within thirty (30) Days after receipt of Notice from Owner describing Contractor Event of Default; provided, however, if such default cannot be remedied within such thirty-Day period and Contractor commences to remedy such default within such thirty-Day period and thereafter diligently pursues mutually agreeable appropriate action to remedy such default, then such cure period shall be extended for such mutually agreeable period as shall be necessary to cure such default. Owner and Contractor shall use their reasonable best efforts to agree upon an appropriate period of time for the cure; provided that the failure to so agree shall not affect the rights and obligations of the Parties hereunder. Events of Default include but are not limited to the following:

20.2.1 Failure of Contractor to discharge or perform any material duty or obligation under the Contract Documents for which no other exclusive remedy, such as a liquidated damage, applies unless such exclusive remedy has not been fulfilled by Contractor;

20.2.2 Failure of Contractor to make to Owner, when due, any payment required under this Contract if that failure is not remedied on or before the thirtieth (30th) Day after Owner provides Notice to Contractor of such failure; provided, however, the provisions of this Subarticle shall not apply to payments that are the subject of a good faith dispute pursuant to Article 16;

20.2.3 Failure of Contractor to maintain the Five Percent LOC or Performance LOC as required by this Contract;

20.2.4 Assignment of Contractor's rights or obligations under this Contract, except as provided in this Contract.

20.2.5 Any of the following shall be considered "Events of Default" to which no period of cure shall apply and Owner shall immediately have the right to exercise the remedies listed in Subarticle 20.4:

20.2.5.1 The dissolution or termination of Contractor's existence;

20.2.5.2 The appointment of a receiver, trustee or liquidator of Contractor or of substantially all of Contractor's property;

20.2.5.3 An admission in writing by Contractor of its inability to pay its debts generally as they become due;

20.2.5.4 A general assignment by Contractor for the benefit of its creditors;

20.2.5.5 The filing by or against Contractor of a petition in a proceeding under the bankruptcy or insolvency laws applicable to it as such bankruptcy or insolvency laws are now or hereafter in effect;

20.2.5.6 Contractor seeking relief from its creditors in any other proceeding under federal bankruptcy laws or state insolvency statutes, or shall otherwise become insolvent or bankrupt.

20.3 **Remedies for Contractor Default**. If an Event of Default has occurred and cure efforts have not been initiated by the appropriate date, or such Event of Default shall not have been cured in all material respects at the conclusion of the applicable cure period, Owner, at its discretion, may be entitled to take one or more of the following actions:

20.3.1 Proceed against Contractor pursuant to Article 16;

20.3.2 Seek specific performance of Contractor's obligations under this Contract to the extent permitted by Laws; or

20.3.3 Terminate this Contract.

20.4 **Owner Termination for Cause**. In the event that Owner terminates this Contract for Contractor's default, Owner shall have a license to use any and all patented and/or proprietary information, and all drawings and plans Owner deems necessary to complete the Work including use of such information for the operation and maintenance of the AQC Systems, the SCR Systems, and the Unit 2 Boiler. Further, Owner shall have the right, but not the obligation to pay for Materials already ordered by Contractor for use on the Project, to take possession of any or all of Construction Aids located at the Site for the purpose of completing the Work, with such Construction Aids to be returned to Contractor upon the completion of the Work. Although Owner shall use reasonable efforts to mitigate the cost for completion of the Work, Owner may employ any person, firm, or corporation to finish the Work by whatever method Owner may deem expedient and may undertake such expenditures as in Owner's sole judgment will best accomplish the timely completion of the Work (including, where necessary, the entry into contracts without prior solicitation of proposals). In such event, Contractor shall not be entitled to receive any further payments under this Contract except for payments for Work performed prior to such termination based on the percentage of Work completed, subject to Subarticle 20.5.

20.4.1 Contractor Liable for Excess Costs to Complete Work. If the cost to Owner of completing the Work, including costs of accelerated or expedited construction methods customarily and actually performed in an attempt to mitigate any delay by Contractor and reasonable charges for administering any subcontract and for legal fees associated with the termination exceeds the Contract Price, then Contractor shall be liable for the amount of such excess. Owner shall be entitled to offset any such excess costs against any amount due Contractor for Work performed prior to termination.

20.4.2 Contractor's Additional Services Relative to the Work. If Owner elects to terminate this Contract pursuant to Subarticle 20.4, Contractor shall, at Owner's request and Contractor's expense, perform the following services relative to the Work so affected: (a) Assist Owner in preparing an inventory of all Materials in use or in storage at the Site; (b) Assign to Owner all subcontracts and other contractual agreements as may be designated by Owner; and (c) Remove from the Site all such Construction Aids and rubbish as Owner may request.

20.5 **Additional Consequences of Termination.** Upon any termination pursuant to this Article 20, Contractor shall have no further liability for payment of unaccrued liquidated damages for failure to meet Schedule pursuant to Article 22, nor liquidated damages for failure to meet the Performance Guarantees pursuant to Article 22. Owner may at its option elect to (a) take possession of the Work performed to date, materials or equipment remaining at the Site, and (b) succeed to the interests of Contractor in any or all subcontracts entered into by Contractor with respect to the Project, and shall be required to compensate such Subcontractors only for compensation becoming due and payable to such parties under the terms of their Subcontracts with Contractor from and after the date Owner elects to succeed to the interests of Contractor in such Subcontracts.

20.6 **Limitation of Liability**. Except only as provided in the penultimate sentence of this Subarticle 20.6, the liability of one Party to the other and its successors and assigns relating to the Work of this Contract shall not exceed in the cumulative aggregate the Contract Price (the "Total Liability Limitation"), regardless of whether any such liability may be based on contract, guarantee, indemnity (except only as provided in the last sentence of this Subarticle 20.6), warranty, tort, including negligence or gross negligence, strict liability, or otherwise, and each Party hereby releases the other Party from any liability in excess thereof. The provisions of this Subarticle 20.6 do not apply to limit: (a) Contractor's obligation to achieve Unit 1 Final Completion; (b) Contractor's obligation to achieve Unit 2 Final Completion; (c) Subarticle 20.4.1; (d) Contractor's indemnity obligations under Article 18.1, 18.3 and 18.4; or (e) Owner's Indemnity for Hazardous Substances. This Limitation of Liability shall prevail over any inconsistent provisions contained in any of the documents comprising the Contract, irrespective of any order of precedence.

20.7 **Consequential Damages**. Except to the extent of the liquidated damages provided for in Article 22 and Exhibit S, the requirement to prevent the placement of Liens in Article 12, the adjustments provided for in Article 13, any amounts paid to third parties as a result of Contractor's indemnity obligations under Article 18.1, 18.3 and 18.4, or Contractor's costs incurred in performing Warranty Work set forth in Article 15 may be construed to be consequential damages, whether as a result of breach of contract, guarantee, tort, including negligence, strict liability or otherwise, neither Party hereto shall be liable for loss of profits or revenue, loss of use, cost of capital, down time costs, loss of opportunity, loss of goodwill, cost of purchased or replacement power, and/or claims of customers of the other Party for such damages or for indirect, incidental, consequential or exemplary damages of any nature or kind; and Owner and Contractor hereby release each other from liability to the other for such damage. Contractor shall obtain from all Subcontractors for the benefit of Owner releases from all such liability in accordance with the foregoing provisions of this Subarticle 20.7.

20.8 **Applicability**. The waivers and disclaimers of liability, releases from liability, limitations on liability, indemnities, and exclusive remedy provisions set forth in this Contract shall apply even in the event of the fault, negligence (in whole or in part), strict liability, or other basis of liability of the Party to the benefit of which such provisions operate. In the event either Party asserts a claim or claims against any of the other Party's partners, shareholders, directors, officers, employees, agents, companies affiliated with such Party or their directors, officers or employees (such Persons, "Related Persons"), the aggregate recovery of the asserting Party pursuant to such claim or claims shall, except to the extent prohibited by law, be limited by the waivers and disclaimers of liability, releases from liability, limitations on liability, indemnities, and exclusive remedy provisions set forth in this Contract, even in the event of the fault, negligence (in whole or in part), strict liability, or other basis of liability of any of the Related Persons.

20.9 **Books, Records and Right To Audit**. In the event of suspension or cancellation of the Work at any time by Owner and a claim by Contractor for suspension or cancellation charges or time and material work, Owner shall have the right at any reasonable time, upon written Notice to Contractor, to perform or cause to be performed at Owner's expense, audits and/or reviews by its personnel or outside experts of all of Contractor's books and records supporting any such claim under this Contract for three (3) years after the event of suspension or cancellation. Contractor shall maintain all books and records for the Project as required by Law but in no event less than three (3) years.

20.10 **Insolvency of Owner**. The Owner's insolvency shall constitute an Owner event of default. Upon the occurrence of an Owner event of default, Contractor shall provide Notice of such default and demand cure of the same within thirty (30) days of the date of Notice. If the event of default is not cured within the 30-day period, Contractor may with fifteen (15) days prior written Notice, suspend performance of the Work. Should an Owner event of default not be cured within ninety (90) days of the original notice of default, Contractor may be entitled to terminate this Contract.

ARTICLE 21

TESTING AND FINAL COMPLETION

21.1 **Scheduling of Performance Testing**. At least sixty (60) Days prior to the time Contractor believes that the Work is ready for Performance Testing as set forth in Exhibit E, Contractor shall provide Notice to Owner of the estimated date to begin the Performance Tests identified in the Contract Documents. The Performance Testing shall not be postponed more than nine (9) months from the date of Provisional Acceptance. If Performance Testing is not conducted within nine (9) months from the Guaranteed Unit 1 Provisional Acceptance Date or the Guaranteed Unit 2 Provisional Acceptance Date, as applicable, due to no fault of Contractor, the Performance Testing shall be deemed to have been achieved If Performance Testing has not been completed by Owner prior to the Guaranteed Unit 1 Substantial Completion Date or the Guaranteed Unit 2 Substantial Completion Date B, as the case may be, due to no fault of Contractor, then Owner will pay Contractor the payment due for achieving Unit 1 Substantial Completion or Unit 2 Substantial Completion B as if Substantial Completion for the Unit had been achieved. However, by making such payment, Owner does not waive its right to dispute Contractor's entitlement to such payment if, once the Performance Tests have been performed, such Performance Tests demonstrate that the Work does not meet the Performance Guarantees in Exhibit S.

21.2 **Achievement of Performance Guarantees.** If the Performance Tests demonstrate that the Work meets the Performance Guarantees as set forth in Exhibit S, the Work shall be accepted by Owner for Unit 1 Substantial Completion or Unit 2 Substantial Completion B, as the case may be. Upon Provisional Acceptance of each Unit, Owner shall assume operational control of the Unit. Contractor may continue to work to complete the Work at the scheduling of Owner and without interfering with Owner's needs to supply power.

21.3 **Failure of Performance Tests.** Within six (6) weeks of completion of failed Performance Testing, to the extent such failure is attributable to Contractor, Contractor must submit a corrective action plan to address Contractor's portion of the failed Performance Testing complete with all drawings, data, specifications, and other information required for approval of the Work by Owner and shall complete all such corrective action as soon as reasonably possible to meet the Performance Guarantees. Following completion of the corrective action, Performance Testing of the Units shall be repeated, at Owner's expense, to determine if the Work as so corrected complies with the Performance Guarantees.

21.4 **Retainage for Punchlist Items.** For any outstanding Punchlist items that remain on the Punchlist following Unit 2 Substantial Completion B, Owner shall retain one and one-half times the monetized value of the Punchlist from the final payment.

ARTICLE 22

LIQUIDATED DAMAGES

22.1 **Performance Guarantees.** The principal Unit 2 Boiler and Units 1 and 2 AQC Systems performance features with specific performance guarantees by Contractor are listed in Exhibit S. Contractor guarantees that if the Boiler, AQC and SCR Systems are operated and tested as provided in Exhibit S, they will each perform in accordance with the guaranteed performance data stipulated in the Technical Specifications utilizing performance fuel. The specific Performance Guarantees set forth in Exhibit S are the only guarantees of performance made by Contractor with respect to the Work with the exception of the Catalyst Life Guarantee and the Baglife Guarantees set forth in Article 15.

22.2 **Liquidated Damages For Failure to Meet Performance Guarantees**. The amount of liquidated damages payable to Owner in the event that Contractor is unable to satisfy the Performance Guarantees as set forth in Exhibit S. Performance Guarantees and associated liquidated damages, if applicable, for Unit 1 and Unit 2 shall be the same unless otherwise indicated. The Parties agree that certain Performance Guarantees for Unit 1 or Unit 2 for which the payment of liquidated damages shall be an acceptable remedy for failure to satisfy the applicable Performance Guarantees.

22.3 **Liquidated Damages For Delay and Failure to Meet Schedule**. The applicable liquidated damages are more fully described in Exhibit S.

22.4 **Liquidated Damages Exclusive Remedy**. Payment of liquidated damages by Contractor to Owner shall be Owner's sole and exclusive remedy and Contractor's sole liability for delay. Additionally, after Contractor achieves Provisional Acceptance for each respective Unit, Contractor's payment of the applicable amount of liquidated damages with respect of the limited range of deviation from the Performance Guarantees shall constitute the sole and exclusive remedy by Owner and the sole liability of Contractor to Owner for Contractor's failure to achieve a percentage of the Performance Guarantee. Notwithstanding the foregoing, Contractor's obligation to pay liquidated damages to Owner shall not affect, waive, or otherwise modify Contractor's warranty obligations to Owner.

22.5 **No Liquidated Damages for Owner Delay.** If no bonus is agreed upon by the Parties pursuant to Section 12.2, Contractor shall have no liability for liquidated damages for any delay in achieving Unit 2 Provisional Acceptance, if, after the Guaranteed Unit 2 Provisional Acceptance Date, the period of time the Unit is not operating for reasons other than Contractor's delay, including but not limited to delay by Owner or Owner's other contractors including the turbine installation contractor and balance of Plant contractor. However, if the Parties are able to agree on a bonus, then Contractor will be liable for Liquidated Damages for delay in accordance with the Contract Documents.

22.6 **Liquidated Damages Reasonable.** It is understood and agreed between Contractor and Owner that: (a) Contractor's failure to meet the Guaranteed Unit 1 Provisional Acceptance Date and the Guaranteed Unit 2 Provisional Acceptance as set forth in Exhibit E, will cause Owner to suffer substantial damages; (b) Owner's loss from failure to achieve Unit 1 Provisional Acceptance on or before the Guaranteed Unit 1 Provisional Acceptance Completion Date, Unit 2 Provisional Acceptance by the Guaranteed Unit 2 Provisional Acceptance Date, or failure of the Work to comply with any of the Performance Guarantees would be uncertain and impossible to determine or quantify with precision; (c) the provisions set forth in this Section both limit the liability of Contractor and establish agreed compensation and damages; (d) such provisions represent a reasonable endeavor on the part of Contractor and Owner to estimate fair and reasonable compensation for the foreseeable damages from each of the potential events for which liquidated damages are provided in Exhibit S; and (e) subject to the limitations on liquidated damages contained in this Article and Exhibit S, such liquidated damages are cumulative.

ARTICLE 23

RISK OF LOSS

Care, custody, and control of the Work and full risk of loss shall pass to Owner upon the earlier to occur of Provisional Acceptance of each Unit, or Termination or as agreed by the Parties the ("Care, Custody and Control Date"). Owner shall assume the risk of physical loss or damage to the applicable portion of the Work or the Plant from and after the Care, Custody and Control Date; provided, however, Contractor shall remain liable for deductibles under Owner's insurance policies for loss or damages to the extent caused by fault, including negligence, of Contractor to the extent of Contractor's or its Subcontractors' acts or omissions. Owner shall waive its rights of subrogation against Contractor and Subcontractors for loss or damage incurred from and after the Care, Custody and Control Date that may be covered under Owner's insurance and hereby releases Contractor and Subcontractors for such liability to the extent of recoveries from Owner's insurance. Contractor shall be obligated to replace, repair, or reconstruct any and all Work or supplies furnished by Contractor that are lost, damaged, or destroyed prior to transfer of care, custody, and control of the Work to Owner.

ARTICLE 24

FORCE MAJEURE

24.1 **Definition**. As used in this Contract, the term "Force Majeure" shall mean any acts, events, or occurrences that are not caused by the fault, negligence or willful misconduct of the affected Party and are beyond the reasonable control of a Party, including but not limited to acts of God, earthquakes, floods, tornado, tidal wave, lightning, fire, quarantine, blockade, governmental acts (other than the time periods associated with obtaining approvals necessary from governmental agencies), court orders or injunctions, war (declared or not), rebellion, terrorism (foreign and domestic), riots, insurrection or civil strife, sabotage, explosions, strikes, work stoppages or other labor dispute (if, (a) a national or regional strike, and (b) if the strike is not against Contractor or its Subcontractors), other than those caused by: (1) breaches of any collective bargaining agreement by Contractor or any of its Subcontractors, (2) actions of Contractor toward Owner's personnel or Owner's contractors' personnel, or (3) unfair labor practices of Contractor; provided, however, that "Force Majeure" does not include Contractor's inability to obtain labor or to pay monies due and owing, nor shall Force Majeure include weather conditions other than those specifically listed above or those weather conditions upon which Owner and Contractor mutually agree prevent the Work from proceeding for safety or efficiency reasons.

24.2 **Excused Performance**. A Party shall be excused from performance and shall not be considered to be in default with respect to any obligation hereunder, except the obligation to make payments previously due in a timely manner, if and to the extent that its failure of, or delay in, performance is due to a Force Majeure; provided the Party claiming excuse by reason of such Force Majeure: (a) gives the other Party written Notice describing the particulars of the Force Majeure event as soon as reasonably practicable, but in no event later than ten (10) Days after the affected Party's knowledge of the occurrence of such event; (b) suspends performance only to the extent and for the duration that is reasonably required by the Force Majeure event; (c) is not excused as a result of such occurrence from any obligations of such Party which arose before the occurrence causing the suspension of performance; (d) uses commercially reasonable efforts to overcome or mitigate the effects of such occurrence; and (e) promptly resumes performance hereunder when such Party is able to resume performance of its obligations under this Contract, and shall give the other Party written Notice to that effect.

24.3 **Settlement of Strikes**. Notwithstanding the foregoing, nothing in Article 24 shall be construed to require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to such Party's interest. It is understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the Party experiencing such action. Owner may direct Contractor, at Contractor's costs, to take reasonable steps to resolve any strike, walkout, lockout or other labor dispute and procure Materials or labor from other sources so as to minimize adverse impact on the Project.

24.4 **Burden of Proof**. If the Parties are unable in good faith to agree that a Force Majeure event has occurred, the Party claiming a Force Majeure event shall have the burden of proof as to whether such Force Majeure event (a) has occurred, (b) was not a result of such Party's, its agents' or subcontractor's acts or omissions, and (c) could not have been avoided by due diligence or the use of reasonable efforts of such Party or its agents.

24.5 **Termination for Force Majeure Delay**. Owner may terminate this Contract for Force Majeure delay upon fifteen (15) Days' written Notice to Contractor after a delay or suspension resulting from an event of Force Majeure and lasting at least sixty (60) Days after a Force Majeure Delay Date. If Owner elects to terminate pursuant to Subarticle 24.5, Owner shall compensate Contractor for all Work performed as of the termination date as provided in Subarticle 20.1 as if the termination were one without cause. Such compensation shall be made by Owner within thirty (30) Days of receipt of a final invoice from Contractor computed as set forth herein.

24.6 **Force Majeure as a Change**. If the Parties experience a Force Majeure event, Contractor may make a claim for a Change Order to modify the Project Schedule pursuant to Article 13. No Force Majeure event shall give rise to a change in the Contract Price unless the delay caused by the Force Majeure event lasts more than five (5) consecutive Days. In the event that the Force Majeure event does last more than five Days, a change in the Contract Price shall be limited to the direct costs incurred by the Contractor after the first five Days of such delay, as determined pursuant to the provisions of Article 13.

ARTICLE 25

FEDERAL CONTRACTING REQUIREMENTS

Owner is a U.S. government contractor. In order to comply with the requirements applied to Owner by the government under Owner's agreement, Owner's suppliers and contractors, including Contractor, are required to comply with the rules outlined in Exhibit M.

ARTICLE 26

MILLENNIUM COMPLIANCE

26.1 **Millennium Compliant Software**. Contractor warrants that the Materials, any embedded processor or firmware and software or related equipment (collectively "Software") is "Millennium Compliant" (defined below). For the purposes of this Contract "Millennium Compliant" means:

26.1.1 The Software accepts, calculates, compares, sorts, extracts, sequences, and otherwise processes date and time inputs and date and time values, and returns and displays date and time values, in a consistent manner regardless of the dates used, whether before, on, or after January 1, 2000;

26.1.2 The Software will function without interruptions caused by the date in time on which the processes are actually performed or by the date input to the Software, whether before, on, or after January 1, 2000;

26.1.3 The Software stores and displays date information in ways that are unambiguous as to the determination of the century.

26.2 **Testing**. Contractor warrants that the Software has been tested by Contractor to determine whether the Software is Millennium Compliant. Contractor shall deliver the test plans and results of such tests upon written request from Owner. Upon Owner's written request, Contractor agrees to participate in additional tests of the Software at no charge to determine Millennium Compliance. Contractor shall notify Owner immediately of the results of any tests or any claim or other information, which indicates that the Software is not Millennium Compliant.

26.3 **Subcontractor Warranties**. Contractor agrees to pass through to Owner any and all warranties concerning this Millennium Compliance issue, resting in Contractor from any and all Subcontractors.

26.4 **Non-Compliant Software**. To the extent that it is determined by Owner in its reasonable discretion that the Software is not Millennium Compliant, Contractor agrees to immediately formulate and implement a written plan of action to modify the Software such that it is Millennium Compliant. A copy of such plan of action shall be delivered to Owner within ten (10) Business Days after completion of the same.

26.5 **Owner Liability**. Any required correction to the Software caused by misinformation supplied by Owner, Owner's error of omission or commission, material failure to follow Contractor's operating instructions or any reason not attributable to Contractor are not included in these warranties and will be billed at Contractor's rates which shall be those rates which would be chargeable under Contractor's most favorable contract terms then in effect.

26.6 **Contractor Obligations**. In the event that Contractor is unable to cure any substantial nonconformance in the Software during the period ending ninety (90) Days after the expiration of the Software Warranty Period, Owner may, at its option, require Contractor to refund in full the purchase price of the Software and any other items procured from Contractor within a reasonable time period around the time of procurement of the Software which are rendered substantially unusable by the lack of functionality of the Software. In this event, any associated agreement for maintenance of the Software or other terminated items, to the extent that it covers the Software or the other terminated items, shall be terminated and any pre-paid maintenance will be refunded to Owner on a pro rata basis.

ARTICLE 27

UNDERGROUND INSTALLATIONS

27.1 **Contractor Responsibility.** Contractor shall be solely responsible for protecting all known existing underground installations and underground utilities within the construction limits of the Work and elsewhere where any of Contractor's below ground installations are anticipated or required or where construction operations may subject underground installations or underground utilities to damage.

27.2 **Maintaining Records of Underground Facilities.** All information relative to the underground installations and underground utilities shall be recorded by Contractor and incorporated into the records required by this Contract.

ARTICLE 28

SAFETY AND FIRST AID

28.1 **Responsibility and Liability.** Contractor shall be solely and completely responsible and liable for any damages caused by Contractor's or its Subcontractors' negligent acts or omissions. Contractor shall be fully responsible for the protection of all persons including members of the public, employees of Owner, and employees of other contractors or subcontractors, and all public and private property including structures, sewers and utilities, above and below ground. Contractor shall take all reasonable precautions to protect the workers and others about the premises and the public on the streets, highways, or rights-of-way.

28.2 **Safety Standards.** Contractor shall be responsible for assuring that all Work performed under this Contract complies with all applicable safety standards. Contractor shall also observe all applicable Owner safety rules. Contractor alone shall be responsible for the safety, adequacy, and efficiency of its Construction Aids, and methods. This requirement will apply continuously and not be limited to normal working hours. Owner's review of Contractor's performance is not intended to include review of the adequacy of Contractor's safety measures in, on, or near the Site.

ARTICLE 29

MISCELLANEOUS PROVISIONS

29.1 **Entire Contract; Amendment**. This Contract sets forth the full and complete understanding of the Parties with respect to the subject matter hereof, as of the Effective Date, and supersedes any and all agreements and representations (oral or written) made or dated prior thereto. Subsequent to the date hereof, this Contract may be supplemented and amended only by written agreement signed by authorized representatives of the Parties.

29.2 **Independent Contractor.** Contractor shall be an independent contractor with respect to the Work to be performed hereunder. Contractor, its Subcontractors or the employees of any of them, shall not be deemed to be servants, employees, or agents of Owner.

29.3 **Title to Plans and Specifications.** Owner and Contractor agree that Owner shall have physical ownership of all design documents which are required to be delivered by Contractor hereunder, although Owner shall have an irrevocable, royalty-free license to use such design documents as necessary or desired in connection with future maintenance of the Project or to use the documents and materials in connection with modifications to and expansion of the Project. Contractor shall be obligated to keep Owner advised and updated on the specific location of all Project documents together with all engineering data, information and design documents and Subcontractor information related to the Work.

29.3.1 Delivery of Documents. Provided Contractor has been paid in accordance with the requirements of the Contract and Owner is not in default of its obligations under the Contract, in the event of any termination of this Contract, Contractor agrees to deliver to Owner forthwith all original documents (including, but not limited to, reports and calculations) and also computer disks containing the Contract Documents, drawings and specifications prepared or in the process of being prepared by or on behalf of Contractor in readable form through the date of termination and hereby grants to Owner a license to use the copyright information to allow:

29.3.1.1 Use of any drawings, specifications and other documents to complete the Work, including providing any drawings and specifications and other documents to others.

29.3.1.2 Owner to amend or have amended any drawings, specifications or other Project documents as may be required by Owner.

29.3.1.3 Use of any drawings, specifications and other documents in connection with the use or maintenance of or modification of the Project or the bidding of any work related thereto.

29.4 **Binding Effect; Successors and Assignees.**

29.4.1 Binding Effect. This Contract shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assignees.

29.4.2 Successors and Assigns. Neither Party hereto shall assign or otherwise convey any of its rights, titles, or interests under this Contract without the prior written consent of the other Party hereto (which consent shall not be unreasonably withheld or delayed); provided, however, that without any such consent, either Party may assign its interest in this agreement by way of merger, consolidation or

acquisition of substantially all of the assets of the assigning Party to a parent company or successor. . Upon each permitted assignment described in this Section by either Party hereto, the assignee of such Party shall expressly assume in writing all of the obligations of such Party hereunder.

29.4.3 Acknowledgement of Assignment. Upon the request of either Party, the other Party shall acknowledge in writing any permitted assignment described in Section 29.4.2 and the right of any permitted assignee to enforce this Contract against such other Party.

29.4.4 Continuance of Contractual Obligations. Unless otherwise agreed by the Parties hereto in a separate writing, no permitted assignment described in Section 29.4.2 shall relieve the assigning Party from any of its obligations under this Contract. However, the assignee may be required by the assigning Party to agree to indemnify and hold harmless the assigning Party from some or all of its obligations under this Contract.

29.5 **Auditing Rights for Non-Fixed-Price Work.**

29.5.1 Review Evidence and Interview Employees. For any and all non-fixed price Work, Contractor and its Subcontractors shall permit Owner's auditors or their agents to: (a) Review all evidence deemed necessary by auditors or their agents to substantiate charges for direct and indirect costs, including overhead allocations as may apply to associated costs. Auditors or their agents shall have the right to examine records to the extent necessary to determine proper charges for non-fixed price work are not also charged to the firm fixed price. This information shall be provided by Contractor to auditors or their agents upon request in both hard copy via U.S. mail, and transmission in electronic formats. Contractor shall ensure that these same audit rights are provided in all contracts between Contractor and its Subcontractors; and (b) Interview any current or former employees of Contractor or appropriate Subcontractor during the audit relative to amounts charged by Contractor.

29.5.2 Workspace. Contractor and all Subcontractors will provide Owner auditors or their agents adequate and appropriate workspace, with access to photocopy machines.

29.5.3 Reimbursement of Overcharges. If the audit detects overcharges that equal or exceed 1% of total billings for non-fixed price work, Contractor shall reimburse Owner for the cost of the audit.

29.5.4 Deadline for Repayment. Contractor will repay any overcharges discovered during the audit within thirty (30) Days after the completion of the audit.

29.5.5 Maintenance of Records. Contractor and all Subcontractors will be subject to audit during the course of the Work in question and for a period of three (3) years after Unit 2 Substantial Completion. Contractor and all Subcontractors agree to maintain all records related to the Project for a period of three (3) years after Unit 2 Substantial Completion.

29.6 **Notices**. Any Notices, demands or requests required to be given under this Contract after it has been awarded as a contract shall be in writing and delivered personally or sent by facsimile, by nationally recognized express-type courier service requiring delivery receipts, or postage prepaid by U. S. Mail, return receipt requested, as follows:

To Owner: Kansas City Power & Light Company
1201 Walnut, 11th Floor
Kansas City, MO 64141-9679
Attn.: Brent Davis
FAX: (816)-654-1623

and

To Contractor: ALSTOM Power Inc.
2000 Day Hill Road
Windsor, CT 06095
Attn.: Gary Lexa

cc: ALSTOM Power Inc.
2000 Day Hill Road
Windsor, CT 06095
Attn.: General Counsel

Changes of address or addresses for Notice shall be in compliance with this Subarticle 29.6. Notices properly addressed and stamped shall be deemed received by the addressee on the Day of actual receipt. Express-type courier service and facsimile Notices shall be deemed to have been received at the end of the first Business Day following the actual date of delivery by such courier or of transmission.

29.7 **Not for Benefit of Third Parties**. Except as provided herein, this Contract and each and every provision hereof and thereof is for the exclusive benefit of the Parties hereto and not for the benefit of any third party.

29.8 **Governing Law and Venue**. This Contract, and all amendments and modifications hereof, and all documents and instruments executed and delivered pursuant hereto or in connection herewith, shall be governed by and construed and enforced in accordance with the internal laws of the State of Missouri, without regard to principles of conflict of laws. Subject to Article 16, any judicial actions or proceedings brought against any Party with respect to this Contract may be brought in any state or federal court of competent jurisdiction in the State of Missouri and, by its execution and delivery of this Contract, each Party accepts, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts. Each Party irrevocably waives any objection that it now or hereafter may have to the bringing or prosecution of any such action or proceeding with respect to this Contract or the documents and instruments contemplated hereby in the State of Missouri.

29.9 **Headings; Usage of Certain Words**. The headings set forth in this Contract are for convenience only and shall not be considered as part of this Contract in any respect nor shall they in any way affect the substance of any provisions contained in this Contract. The words "herein", "hereof", "hereunder" and words of similar import shall be construed to refer to the particular Article, Subarticle, Section, or paragraph of which it is a part unless the context requires otherwise.

29.10 **Rules of Construction**. Each Party has reviewed and discussed this Contract with counsel and agrees that this Contract shall not be construed by applying any rule of construction providing for interpretation against the drafting party.

29.11 **No Waiver**. No consent or waiver, expressed or implied, by a Party to the performance by the other Party or of any breach or default by the other Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Party of the same or any other obligations of such other Party hereunder. The giving of consent by a Party in any one instance shall not limit or waive the necessity to obtain such Party's consent in any future instance. No waiver of any rights under this Contract shall be binding unless it is in writing and signed by the Party waiving such rights.

29.12 **Severability**. In the event that any provision of this Contract or the documents and instruments contemplated hereby is held by a tribunal of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, unless narrowed by construction, this Contract and the documents and instruments contemplated hereby shall be construed as if such invalid, prohibited or unenforceable provision had been more narrowly drawn so as not to be invalid, prohibited or unenforceable, or if such language cannot be drawn narrowly enough to satisfy such tribunal, the tribunal making any such determination shall have the power to modify in scope, duration or otherwise any such provision, but only to the extent necessary to make such provision or provisions enforceable by such tribunal, and such provision then shall be applicable in such modified form. No narrowed construction, tribunal-modification, or invalidation of any provision of this Contract and the documents and instruments contemplated hereby shall affect the construction, validity, or enforceability of such provision or of this Contract and the documents and instruments contemplated hereby in any jurisdiction other than that upon which the decision of the tribunal of competent jurisdiction shall govern.

29.13 **Hazardous Substances**.

29.13.1 Removal, Transport and Disposal. Owner shall remove, transport, and dispose of any Hazardous Substances discovered or released at the Site, other than hazardous materials (a) transported and released onto the Site or on off-site rights of way and easements by Contractor or any Subcontractor or (b) used as part of Contractor's or any Subcontractor's activities at the Site.

29.13.2 Notice. Contractor shall provide written Notice of the presence of Hazardous Substances to local fire, medical, and law enforcement agencies as required with a copy of such Notice to Owner.

29.13.3 Material Safety Data Sheets Required. As required under Federal Hazardous Communications Standards and certain state and local Laws, Contractor shall maintain Material Safety Data Sheets covering all Hazardous Substances furnished under, brought on Site under, or otherwise associated with the Work under this Contract and provide them prior to or at the time Hazardous Substances are delivered to or otherwise brought on the Site. If Contractor does not bring any hazardous materials on Site, Contractor shall provide Owner with copies of a document certifying that no Material Safety Data Sheets are required under any Laws in effect at the Site.

29.13.4 Labeling and Training. Contractor shall provide labeling of Hazardous Substances and training of their employees in the safe usage of such materials as required under any applicable Laws.

29.14 **Environmental Compliance and Indemnification**.

29.14.1 Warranty. Contractor warrants that it shall fully comply with all Laws applicable to its services provided to Owner under this Contract, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, the Toxic Substances Control Act, and the Resource Conservation and Recovery Act, as the same may be amended from time to time.

29.14.2 Environmental Indemnification. Contractor shall indemnify and defend Owner from and against all Losses (including but not limited to damages for injury or loss of natural resources) arising out of and to the extent of: (a) Contractor's provision of services to Owner relating to Hazardous Substances, and (b) The transporting, handling, storage, treatment, release, threatened release or disposal by Contractor, or any third party, of any equipment, substances or other materials brought onto the Site or used by Contractor during the course of providing such services.

29.14.3 Owner shall fully indemnify, save harmless, and defend Contractor and each of Contractor's directors, officers, subcontractors, agents, employees and successors and permitted assigns from and against all Losses resulting from: (a) the presence of any Hazardous Substances on the Site prior to the commencement by Contractor of performance of the Work, of (b) the introduction of any Hazardous Substances (other than pursuant to the Contract) at, on or into the Site after the commencement of the Work other than due to actions or inactions of Contractor of any Subcontractor or of a person acting on behalf of, or under the direction or supervision of Contractor, and (c) Hazardous Substances which are byproducts of the normal operation of the Plant.

29.15 **Asbestos & Lead Paint.**

29.15.1 Discovery. Owner's existing facilities may contain Asbestos-containing materials and lead paint. If Contractor or any of its Subcontractors is required to perform Work within or immediately adjacent to any of the existing structures or facilities, the possibility exists that Asbestos-containing material and lead paint may be encountered during the execution of the Work. Should Contractor or any of its Subcontractors encounter or have reason to believe that Asbestos-containing material or lead paint is present while performing Work, Contractor must immediately notify Owner. Contractor shall take the necessary precautions to prevent disturbing insulation or lead paint adjacent to the Work. If the Work cannot be continued without disturbing or exposing such material, Contractor shall stop Work in the immediate vicinity of the affected area.

29.15.2 Investigation and Determination. If Contractor notifies Owner that it has reason to believe that it has encountered Asbestos or Asbestos containing material or lead paint, Owner will investigate the material and determine whether Asbestos or lead is present. Owner shall thereupon notify Contractor of its determination. If Asbestos or lead paint is not present, Contractor shall immediately resume any of its operations that have been stopped.

29.15.3 Removal or Protection. Removal or protection of the Asbestos material or lead paint will be done by, and at the expense of, Owner.

ARTICLE 30

PERFORMANCE LETTER OF CREDIT

30.1 **Performance Letter of Credit**. Within 30 days following the Effective Date, Contractor shall provide to Owner a Performance Letter of Credit ("Performance LOC") substantially in the form of Exhibit U and in an amount equal to twenty percent (20%) of the Contract Price. The Performance LOC shall remain in full force and effect until Contractor has achieved Unit 2 Provisional Acceptance.

IN WITNESS WHEREOF, the Parties have executed these Terms and Conditions as of the day and year first above written.

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

ALSTOM POWER INC.	KANSAS CITY POWER & LIGHT COMPANY
By: _____	By: _____
Its: _____	Its: _____

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Application of Kansas City Power and Light Company for Approval to Make Certain Changes in its Charges for Electric Service to Begin the Implementation of Its Regulatory Plan.	))))))	**Docket No.: 06-KCPE-828-RTS**

STIPULATION AND AGREEMENT

As a result of extensive discussions between the parties to this docket, the Staff of the Kansas Corporation Commission ("Staff"), Kansas City Power & Light Company ("KCPL" or "Company"), the Citizens' Utility Ratepayer Board ("CURB"), the Midwest Utility Users Group ("MUUG" - a group comprised of Danisco USA, Inc., Blue Valley United School District #229, Shawnee Mission United School District #512, United School District #233 of Johnson County, and Amcor PET Packaging USA, Inc.), Wal-Mart Stores Inc. ("Wal-Mart"), and the International Brotherhood of Electrical Workers, Local Union Nos. 412, 1464 and 1613 ("IBEW"), (referred to collectively as "the signatories" or "the signatory parties"), hereby submit to the Kansas Corporation Commission ("Commission") for its consideration and approval the following Stipulation and Agreement:

I. KANSAS CITY POWER & LIGHT COMPANY'S APPLICATION

1. On January 31, 2006, KCPL filed an Application with the Commission to make certain changes in its rates and charges for electric service, which was docketed as the above-captioned proceeding. Pursuant to a Commission Order issued on February 10, 2006, the effective date of this Application was suspended until December 10, 2006. This Application was the first in a series of rate cases in which KCPL hopes to continue the collaborative process and take constructive steps toward fulfillment of the obligations and commitments that were made by KCPL in Docket No. 04-KCPE-1025-GIE (the "1025 Docket"), which culminated in the approval of a Stipulation and Agreement (the "1025 Stipulation") by the Commission.

2. In accordance with the 1025 Stipulation that was approved in the 1025 Docket, KCPL committed to file this rate Application no later than February 1, 2006. The filing of this Application also complies with the Commission's Order in Docket No. 02-KCPE-840-RTS, which required KCPL to file a rate case on or before May 1, 2006.

3. This rate Application is the first in a series of rate applications that are contemplated in the Rate Plan[1] , in conjunction with KCPL's implementation of the Resource Plan. Under the Rate Plan, KCPL will file as many as three, and at least one, additional rate application over the next four years, as described in Appendix C of the 1025 Stipulation.

4. KCPL's rates were last adjusted in Docket No. 02-KCPE-840-RTS by an Order of the Commission that was issued on May 24, 2002, which resulted in a decrease of $12.4 million in KCPL's retail jurisdictional rates in Kansas.

5. The schedules filed with KCPL's Application indicated a gross revenue deficiency of $42,270,000, based upon normalized operating results for the 12 months ending December 31, 2005, adjusted for known and measurable changes in revenues, operating and maintenance expenses, cost of capital and taxes, and other adjustments. KCPL did not propose implementing an energy cost adjustment mechanism ("ECA") or tariff. Similarly, KCPL opted not to implement its previously proposed contribution in aid of construction ("CIAC") mechanism in order to maintain its financial ratios during the period when rates established by the Commission in this case will be in effect.

[1] The 1025 Stipulation refers collectively to the "Regulatory Plan" that is comprised of a Resource Plan set forth in Appendices A and A-1, the Customer Programs set forth in Appendices B and B-1, and the Rate Plan set forth in Appendices C, C-1 and C-2. References to the "Regulatory Plan" within this Stipulation and Agreement shall have the same meaning.

6. In its Application, KCPL requested Commission approval of the following accounting provisions as part of this rate proceeding:

A. Wolf Creek Decommissioning Trust Fund Accrual. KCPL requested that the Commission use the same language in the order in this rate proceeding approving the decommissioning funding level that was required under Section 468A of the Internal Revenue Code prior to the revisions to Section 468A resulting from the Energy Policy Act of 2005. The required language prior to the changes to Section 468A included a statement in an order of the state commission (1) approving the schedule of decommissioning cost accruals; (2) finding that the decommissioning cost accruals were included in cost of service and were included in rates for ratemaking purposes; and (3) finding that the earnings rate assumed for the trust takes into consideration the tax rate change and the removal of the investment restrictions resulting from the Energy Policy Act of 1992.

B. Pensions. KCPL requested that the Commission reaffirm its approval of the regulatory asset or liability which the Company records for the annual difference in Statement of Financial Accounting Standards No. 87 ("FAS 87") pension expense recorded for financial reporting purposes and the amount of FAS 87 pension expense calculated for ratemaking purposes, as addressed in Appendix C(E) of the 1025 Stipulation. KCPL also requested that the Commission reaffirm its approval of the regulatory asset or liability the Company records for the annual difference in FAS 87 pension expense calculated for ratemaking purposes and the level of pension expense built into rates for that period, as addressed in Appendix C(E) of the 1025 Stipulation. Similarly, KCPL requested Commission approval to set up a regulatory asset or liability to track the difference in Statement of Financial Accounting Standards No. 88 ("FAS 88") pension expense recorded for financial reporting purposes, because, unlike FAS 87, which allows for the delayed recognition in net periodic pension cost of certain gains and losses, FAS 88 requires immediate recognition of certain gains and losses arising from settlements and curtailments of defined benefit plans.

7. In support of its Application, KCPL submitted the testimony of 22 witnesses and the schedules required by K.A.R. 82-1-231. KCPL also filed a class cost of service study and proposed rate design to be determined in this proceeding.

II. ADDITIONAL PARTIES TO THIS PROCEEDING

1. In addition to the signatory parties identified above, the following parties sought and were granted intervention in this proceeding: Sierra Club of Kansas ("Sierra Club"), Kansas Gas Service Company ("KGS"), and the City of Mission Hills, Kansas ("Mission Hills").

2. In addition to the direct and rebuttal testimony filed by KCPL, direct and rebuttal testimony was also filed by Staff, CURB, Wal-Mart, Mission Hills, and MUUG. The testimony of Wal-Mart, Mission Hills, and MUUG primarily addressed issues pertaining to class cost of service and rate design and is not summarized in this Agreement.

III. KCPL, STAFF AND OTHER PARTIES' PRE-FILED POSITIONS

1. On August 17, 2006, Staff filed its direct testimony in the above docket, wherein it recommended a rate increase for KCPL of approximately $15,700,000, including a CIAC amortization amount of $5,825,194, and recommended adoption of an ECA tariff.

2. Subsequent to the filing of Staff's testimony, KCPL identified errors that it believed existed in Staff's accounting adjustments, and Staff has agreed with some of KCPL's proposed corrections for settlement purposes. When those corrections are incorporated into Staff's filed position, Staff's revenue requirement increases by approximately $10,000,000, resulting in a recommended rate increase of approximately $26,000,000.

3. On September 18, 2006, September 20, 2006, and September 25, 2006, the parties met collectively to discuss the terms of a stipulation and agreement. This Agreement is the result of those negotiations.

IV. TERMS OF THE STIPULATED SETTLEMENT

After extensive negotiations, the signatory parties have agreed upon the following terms:

A. Stipulated Revenue Requirement and Customer Advancement Amount

KCPL's overall revenue increase will be twenty-nine million dollars ($29,000,000). To provide KCPL with sufficient cash flow to proceed with the Resource Plan as set forth in the 1025 Stipulation, the signatory parties agree that four million dollars ($4,000,000) of the total revenue increase will be treated for accounting purposes as a pre-tax payment on plant on behalf of consumers. The $4 million pre-tax payment shall be treated as an increase to KCPL's depreciation reserve and will be assigned to primary plant accounts in a future rate case.

B. Energy Cost Adjustment

Staff agrees to abandon its ECA recommendations in this case, and KCPL agrees it shall propose an ECA mechanism, including a proposed ECA tariff, in its next rate filing that will be filed no later than March 1, 2007. Prior to March 1, 2007, the signatory parties agree that they shall meet and discuss the specifics of the ECA mechanism in order to attempt to reach a compromise on the issue. Nothing in this section shall be interpreted to mean that the signatory parties must accept without objection any ECA mechanism proposed in KCPL's next rate filing or preclude any party from presenting alternative mechanisms.

C. Spearville Wind Facility

Regarding KCPL's new wind generation at Spearville, Staff reserves the right to propose the same or similar performance mechanism in the next rate case as it did in this case. KCPL agrees it will not argue that the proposal of such mechanisms violates the 1025 Stipulation. However, the signatory parties agree that KCPL is free to object to such mechanisms on any other grounds.

D. Miscellaneous Stipulated Accounting Provisions

As set forth in KCPL's rate Application and as agreed by the signatory parties and consistent with the 1025 Stipulation, the following accounting provisions should be adopted by the Commission:

1) Rate Case Expenses

The Commission authorizes KCPL to establish a regulatory asset for incremental rate case expenses incurred through the duration of Docket No. 06-KCPE-828-RTS. KCPL currently estimates the Kansas jurisdictional regulatory asset will be approximately $1.5 million at December 31, 2006. KCPL is authorized to amortize this regulatory asset over four (4) years commencing January 1, 2007. The deferred expenses will not receive any rate base treatment in future rate cases.

2) Talent Assessment Expenses

The Commission authorizes KCPL to establish a regulatory asset for Talent Assessment expenses in the amount of $516,316 (Kansas jurisdictional $216,771). KCPL is authorized to amortize this regulatory asset over ten (10) years commencing January 1, 2007. The deferred expenses will not receive any rate base treatment in future rate cases.

3) Depreciation Rates

The Commission authorizes KCPL to continue utilizing the depreciation rates set forth in Appendix A, which are the same rates set out in Appendix C-2 of the 1025 Stipulation.

4) Enhanced Security Costs

The Commission reaffirms KCPL's regulatory asset, to be included in rate base, for the Kansas jurisdictional portion of enhanced security costs through December 31, 2006. The costs to be included in the regulatory asset are consistent with the direct testimony of KCPL witness Lawrence H. Dolci. KCPL is authorized to amortize this regulatory asset over five (5) years commencing January 1, 2007.

5) Asset Retirement Obligations and Cost of Removal

The Commission reaffirms its Order in Kansas Docket No. 04-WSEE-605-ACT allowing KCPL to defer all costs on the balance sheet, for financial reporting purposes, associated with the adoption of Statement of Financial Accounting Standards No. 143 ("FAS 143") and Financial Accounting Standards Board Interpretation No. 47 ("FIN 47"), including accretion and depreciation expenses and amounts included for cost of removal in depreciation rates as set forth in Appendix A.

6) Pension Costs

Treatment of pension costs shall be as set forth in the attached Appendix B. Appendix B hereto is intended to be consistent with the treatment of pension costs outlined in Appendix C(E) of the 1025 Stipulation.

7) Decommissioning Accruals for Wolf Creek

The Commission approves the schedule of decommissioning cost accruals included in Appendix C, affirms that the decommissioning cost accruals are included in cost of service and are included in rates for ratemaking purposes and affirms that the earnings rate assumed for the trust takes into consideration the tax rate change and the removal of the investment restrictions resulting from the Energy Policy Act of 1992.

8) SO_2 Emission Allowances

The Commission authorizes KCPL's sale of SO_2 emission allowances through June 1, 2010. KCPL will record net sales proceeds to a regulatory liability (FERC Account 254) and offset to rate base for ratemaking purposes. The regulatory liability will be amortized over a time period to be determined in the 2009 rate filing. Such amortization shall be reflected in rates beginning with the rates resulting from the 2009 rate filing.

KCPL currently purchases coal from vendors under contracts that indicate nominal sulfur content. To the extent that coal supplied has a lower sulfur content than specified in the contract, KCPL pays a premium over the contract price. Beginning January 1, 2008, to the extent that KCPL pays premiums for lower sulfur coal and has an approved ECA in place, the Commission authorizes KCPL to determine the portion of such premiums, net of joint partners' shares, that apply to retail sales and will record the proportionate cost of such premiums in FERC Account 254 as a reduction of the regulatory liability. But in no event will the charges to the Kansas jurisdictional portion of FERC Account 254 for these premiums exceed $5,000,000 annually. The portion of premiums applicable to retail will be determined monthly based on the system-wide percentage of MWhs from coal generation used for retail sales versus wholesale sales as computed by the hourly energy costing model. This system-wide percentage will be applied to premiums invoiced during the same period.

9) Surface Transportation Board Expenses

The Commission authorizes KCPL to establish a regulatory asset for actual Surface Transportation Board expenses incurred through December 31, 2006. KCPL will amortize this regulatory asset over a five-year period beginning January 1, 2007. The Commission authorizes KCPL to establish a regulatory asset for actual Surface Transportation Board expenses incurred after December 31, 2006, to be amortized over a five-year period in a future rate case. The deferred expenses will not receive any rate base treatment in future rate cases.

10) AFUDC Rate on Iatan 2

The Commission authorizes KCPL for purposes of calculating the equity component of the AFUDC rate on Iatan 2 to set the equity rate used in the calculation at 8.5%. This agreed upon equity component of AFUDC may be revised either through a Commission order determining a Return on Equity or through a Stipulation and Agreement in KCPL's next rate case.

E. Test Period in Future Rate Cases

KCPL agrees to use a test period reflective of 12-months actual operations rather than using budgeted information in future rate cases. To the extent KCPL may need to file certain information in its next rate case later than March 1 of the applicable year, KCPL may coordinate such filings with Staff.

F. Rules and Regulations

As set forth in KCPL's rate Application and as agreed by the signatory parties and consistent with the 1025 Stipulation, the following changes to KCPL's Rules and Regulations should be adopted by the Commission:

1) Returned Check Charges

The Commission authorizes KCPL to increase its returned check charge from $10 to $30.

2) Credit and Debit Card Program

The Commission authorizes KCPL to implement the use of credit and debit cards for payment of customer bills. KCPL agrees to work with Staff to modify the proposed tariff language to meet the Commissions Minimum Standards.

3) Deletion of "seasonal" in Tariff Language

The Commission authorizes KCPL to remove reference to "seasonal" service from section 2.03 of its Rules and Regulations in recognition that the Company no longer provides seasonal rates.

4) Merging of "Liability of Company" and "Continuity of Service"

The Commission authorizes KCPL to combine sections 7.06 "Continuity of Service" and 7.12 "Liability of Company" of its Rules and Regulations, into one section.

G. Rate Design

The signatory parties agree that the rates should be apportioned among the respective classes of customers according to the amounts of revenue requirement indicated for each class as shown on Appendix D. The signatory parties agree that within the residential class, rates shall be apportioned among sub-classes as indicated on Appendix D. Residential single meter customer charges shall be set at seven dollars twenty-five cents ($7.25), and nine-dollars ($9.00) for two-meter customers. Rate design amounts assigned to each class are subject to check in order to assure that rate design recovery is consistent with the revenue increase approved by the Commission and shall set forth no precedent in future rate proceedings as to the methodology of allocation. KCPL agrees that it shall conduct a class cost of service study and report the results of that study in its next rate filing. KCPL shall have the right to file the results of that study in testimony as late-filed testimony no later than May 1, 2007. The signatory parties preserve their rights to review and oppose any such filing in future proceedings, including opposing any methodology proposed by any party regarding the allocation of rates or rate design.

V. MISCELLANEOUS PROVISIONS

A. The Commission's Rights

Nothing in this Stipulation and Agreement is intended to impinge or restrict, in any manner, the exercise by the Commission of any statutory right, including the right of access to information, and any statutory obligation, including the obligation to ensure that KCPL is providing efficient and sufficient service at just and reasonable rates.

B. Staff's Rights

The Staff shall have the right to provide, at any meeting or hearing at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, provide the other signatory parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from the Staff. Staff's oral explanation shall be subject to public disclosures, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to Kansas law or any Protective Order issued in this docket.

C. Signatory Parties' Rights

The signatory parties, including Staff, shall have the right to present pre-filed testimony in support of this Stipulation. Such testimony shall be filed formally in the docket and presented by witnesses at a hearing on this Stipulation.

D. Parties not Signatories to the Agreement

Sierra Club and Mission Hills are not yet signatories to this Stipulation and Agreement, but negotiations with those parties continue. KGS is not a signatory, but has authorized the signatories to represent to the Commission that KGS has no objection to the terms of the Agreement.

E. Negotiated Settlement

This Stipulation and Agreement represents a negotiated settlement that fully resolves the issues addressed in this document. The signatory parties represent that the terms of this Stipulation and Agreement constitute a fair and reasonable resolution of the issues addressed herein. Except as specified herein, the signatory parties to this Stipulation and Agreement shall not be prejudiced, bound by, or in any way affected by

the terms of this Stipulation and Agreement: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in this proceeding should the Commission decide not to approve this Stipulation and Agreement in the instant proceeding. If the Commission accepts this Stipulation and Agreement in its entirety and incorporates the same into a final order without material modification, the signatory parties shall be bound by its terms and the Commission's order incorporating its terms as to all issues addressed herein and in accordance with the terms hereof, and will not appeal the Commission's order on these issues.

F. Interdependent Provisions

The provisions of this Stipulation and Agreement have resulted from negotiations among the signatory parties and are interdependent. In the event that the Commission does not approve and adopt the terms of this Stipulation and Agreement in total, it shall be voidable and no signatory party hereto shall be bound, prejudiced, or in any way affected by any of the agreements or provisions hereof. Further, in such event, this Stipulation and Agreement shall be considered privileged and not admissible in evidence or made a part of the record in any proceeding.

G. Submission Of Documents To The Commission Or Staff

To the extent this Stipulation and Agreement provides for information, documents or other data to be furnished to the Commission or Staff, such information, documents or data shall be filed with the Commission and a copy served upon the Commission's Director of Utilities. Such information, documents or data shall be marked and identified with the docket number of this proceeding.

IN WITNESS WHEREOF, the signatory parties have executed and approved this Agreement, effective as of the 29th day of September 2006, by subscribing their signatures below.

By:_____
SUSAN B. CUNNINGHAM
DANA BRADBURY
MATTHEW TOMC
Kansas Corporation Commission
1500 S.W. Arrowhead Road
Topeka, Kansas 66604
(785)-271-3100

ATTORNEYS FOR STAFF

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By: _____
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ATTORNEYS FOR WALMART

APPENDIX A

Kansas City Power & Light Company
Depreciation & Amortization Rates
Kansas Jurisdictional

Account	Acct. No.	Avg. Service Life	Net Salvage	Deprec. Rate
Total Steam Production (Note)				
Structures & Improvements	311	32.0	-10.0%	3.44%
Structures & Improv - Haw 5 Rebuild	311			0.85%
Boiler Plant Equipment (excl trains)	312	25.5	-5.0%	4.12%
Boiler Plant Equipment - Trains	312	15.0	10.0%	6.00%

Boiler Plant Equip-Scrubber-La Cygne	312	10.0	0.0%	10.00%
Boiler Plant Equip - Haw 5 Rebuild	312			1.02%
Turbogenerator Units	314	42.4	0.0%	2.36%
Accessory Electric Equipment	315	33.7	5.0%	2.82%
Accessory Electric Equip - Haw 5 Rebuild	315			0.70%
Acc Electric Equip - Computers (like 391)	315	30.0	8.0%	3.07%
Miscellaneous Power Plant Equipment	316	22.8	5.0%	4.16%
Misc Power Plant Equip - Haw 5 Rebuild	316			1.03%
Total Nuclear Production (Note)				
Structures & Improvements	321			1.55%
Reactor Plant Equipment	322			1.73%
Turbogenerator Unites	323			1.96%
Accessory Electric Equipment	324			1.73%
Miscellaneous Power Plant Equipment	325			2.36%
Nuclear Plant Write-Off	328			1.73%
Total Combustion Turbines				
Structures & Improvements	341	25.0	0.0%	4.00%
Fuel Holders, Producers, & Acc. Equip.	342	25.0	0.0%	4.00%
Generators	344	25.0	0.0%	4.00%
Accessory Electric Equipment	345	25.0	0.0%	4.00%
Total Wind Generation				
Structures & Improvements	341	20.0		5.00%
Generators	344	20.0		5.00%
Accessory Electric Equipment	345	20.0		5.00%
Total Transmission Plant				
Structures & Improvements	352	45.0	-5.0%	2.33%
Station Equipment	353	29.3	5.0%	3.24%
Station Equip-Communication Equip (like 397)	353	26.0	5.0%	3.65%
Towers & Fixtures	354	40.0	-10.0%	2.75%
Poles & Fixtures	355	27.0	-5.0%	3.89%
Overhead Conductors & Devices	356	27.0	15.0%	3.15%
Underground conduit	357	50.0	-5.0%	2.10%
Underground Conductors & Devices	358	50.0	10.0%	1.80%

Note: Nuclear Production rates are based on a lifespan under a 60-year license using remaining life rates. Rates for Steam Production Plant related to Hawthorn Unit 5 Rebuild plant reflect Missouri jurisdictional rates after consideration of insurance and subrogation recoveries recorded in Account 108, Accumulated Provision for Depreciation. Future depreciation studies will use remaining life rates.

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Total Distribution Plant				
Structures & Improvements	361	45.0	-5.0%	2.33%
Station Equipment	362	37.0	7.0%	2.51%
Station Equip-Communication Equip (like 397)	362	26.0	5.0%	3.65%
Poles, Towers, & Fixtures	364	30.0	-6.0%	3.53%
Overhead Conductors & Devices	365	27.0	25.0%	2.78%
Underground Conduit	366	50.0	-5.0%	2.10%
Underground Conductors & Dev	367	25.0	20.0%	3.20%
Line Transformers	368	25.0	10.0%	3.60%
Services	369	33.0	5.0%	2.88%
Meters	370	28.0	5.0%	3.39%
Install on Customers' Premises	371	8.5	2.0%	11.53%
Street Lighting & Signal Systems	373	29.0	5.0%	3.28%
Total General Plant				
Structures & Improvements	390	50.0	5.0%	1.90%
Office Furniture & Equipment	391	30.0	8.0%	3.07%
Transportation Equipment	392	11.0	15.0%	7.73%
Stores Equipment	393	30.0	5.0%	3.17%
Tools, Shop & Garage Equipment	394	27.0	5.0%	3.52%
Laboratory Equipment	395	33.0	5.0%	2.88%
Power Operated Equipment	396	15.0	20.0%	5.33%
Communication Equipment	397	26.0	5.0%	3.65%
Miscellaneous Equipment	398	17.0	5.0%	5.59%

Amortization of Limited Term & Other Electric Plant

Account	Acct. No.	Avg. Service Life	Net Salvage	Deprec. Rate
Intangible - Five Year Software	303	5.0	0.0%	20.0%
Intangible - Ten Year Software	303	10.0	0.0%	10.0%
Intangible - Communication Equip (like 397)	303	26.0	5.0%	3.65%
Intangible - Accessory Equip (like 345)	303	25.0	0.0%	4.00%
Steam Prod-Structures & Impr-Leasehold Impr	311	Lease		
Combustion Turbine Plant - Land Rights	340			0.00%
Transmission Plant - Land Rights	350			0.00%
Distribution Plant - Land Rights	360			0.00%
General -Structures & Impr-Leasehold Impr	390	Lease		

Note: Nuclear Production rates are based on a lifespan under a 60-year license using remaining life rates. Rates for Steam Production Plant related to Hawthorn Unit 5 Rebuild plant reflect Missouri jurisdictional rates after consideration of insurance and subrogation recoveries recorded in Account 108, Accumulated Provision for Depreciation. Future depreciation studies will use remaining life rates.

Appendix B
Treatment of Pension Costs
Docket No. 06-KCPE-828-RTS

1. The intent of this pension agreement is to:
   - Ensure that KCPL recovers the amount of the net prepaid pension asset representing the recognition of a negative pension cost used in setting rates in prior years;

· Ensure that the amount collected in rates is based on the pension cost determined using the methodology described below in item 2.b.;

· Ensure that, once the amount in section 4 has been collected in rates by KCPL, all pension cost collected in rates is contributed to the pension trust;

· Ensure that all amounts contributed by KCPL are recoverable in rates.

2. To accomplish these goals, the following items are agreed upon as part of this Stipulation and Agreement.

a. KCPL's pension cost, for financial reporting purposes, will differ from the method used for ratemaking purposes described in item 2.b.. For financial reporting purposes, KCPL will amortize gains and losses over a five-year period.

b. Pension cost, excluding cost determined under FAS 88, used for ratemaking purposes will be calculated based on the following methodology:

i. Market Related Value for asset determination, smoothing all asset gains and losses that occur on and after January 1, 2005 over five (5) years;

ii. No 10% corridor; and

iii. Amortization period of ten (10) years for unrecognized gains and losses.

3. KCPL's actuary will maintain actuarial reports under each method on an annual basis. Any difference between the two methods is merely a timing difference that will eventually be recovered, or refunded, through rates under the method used in setting rates over the life of the pension plan. KCPL will establish a regulatory asset or liability for the difference in pension cost calculated under the two methods. No rate base recognition will be provided for the regulatory asset or liability determined pursuant to this paragraph.

4. Any pension cost amount calculated pursuant to item 2.b. above, which exceeds the pension contribution will reduce the prior net prepaid pension asset recognized in rate base currently estimated to be $17.1 million ($7.6 million Kansas jurisdictional) at December 31, 2006. When the prior net prepaid pension asset is reduced to zero, any pension cost (as calculated in item 2.b. above) that exceeds the amounts contributed, must be funded. Any pension cost that is not funded because it exceeds the amount of funding that is tax deductible will be tracked as a regulatory liability to ensure it is funded in the future when it becomes tax deductible.

5. In the case pension cost becomes negative, KCPL is ordered to establish a regulatory liability to offset the negative amount. In future years, when pension cost becomes positive, rates will remain zero ($0) until the prepaid pension asset that was created by the negative amount is reduced to zero ($0). The regulatory liability will be reduced at the same rate as the prepaid pension asset is reduced until the regulatory liability becomes zero. This regulatory liability is not provided rate base recognition**.**

6. KCPL will be allowed to establish a regulatory asset with rate base recognition for contributions made to the pension trust in excess of pension cost calculated pursuant to item 2.b.

7. A regulatory asset or liability will be established on KCPL's books to track the difference between the level of pension cost calculated pursuant to item 2.b. and the level of pension cost built into rates. The level of pension cost built into rates effective January 1, 2007 is established as $42,586,121 ($19,360,459 Kansas jurisdictional), before amounts capitalized and applicable to joint owners. If the pension cost, before amounts capitalized and applicable to joint owners, during the rate period is more than the cost built into rates for the period, KCPL will establish a regulatory asset. If the pension cost during the period is less than the cost built into rates, KCPL will establish a regulatory liability. If the pension cost, before amounts capitalized and applicable to joint owners, becomes negative, a regulatory liability equal to the difference between the level of pension cost built into rates for that period and zero ($0) will be established. The regulatory asset or liability will have rate base recognition and will be amortized over five (5) years beginning with the effective date of rates approved in KCPL's next rate case.

8. KCPL will amortize the regulatory asset used to track the difference between the level of pension cost calculated for regulatory purposes and the level of cost built into rates at December 31, 2006, of $36,146,186 ($16,432,742 Kansas jurisdictional) over five (5) years commencing January 1, 2007.

9. The parties agree that KCPL should follow the accounting treatment prescribed by the Federal Energy Regulatory Commission (FERC) in General Instruction No. 23 regarding pension-related Other Comprehensive Income (OCI) and transfer existing and future pension OCI amounts to a regulated asset.

10. FAS 88 does not allow for delayed recognition of certain unrecognized amounts in net periodic pension cost. FAS 88 requires immediate recognition of certain costs arising from settlements and curtailments of defined benefit plans. KCPL shall establish a regulatory asset or liability, with rate base recognition, for the amount of pension costs, before amounts capitalized and applicable to joint owners, determined pursuant to FAS 88 and the level of FAS 88 pension cost built into rates (currently $0), effective January 1, 2006. This regulatory asset or liability will be amortized over five (5) years beginning with the effective date of rates approved in KCPL's next rate case. Following an order from the Commission approving this treatment for FAS 88 costs, KCPL will withdraw its Accounting Authority Order request currently docketed as 06-KCPE-1364-ACT.

Appendix C-1 (Schedule DAF-5)

KANSAS CITY POWER & LIGHT COMPANY

DECOMMISSIONING COST ASSUMPTIONS

2005 Decom Cost Est	$517,601,292
Cost Escalation Rate	4.40%
KCPL Share	47.00%
Future Juris Allocation Factor	45.51%
Wtd Historical/Future Alloc Factor	43.16%

Year	**2005 Wolf Creek Decom Cost**	**Escalated Wolf Creek Decom Cost**	**KCPL Kansas Decom Cost**
2005	-	-	-
2006	-	-	-
2007	-	-	-
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-

2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	39,750,150	222,514,704	45,135,564
2046	98,265,842	574,279,120	116,488,536
2047	117,044,694	714,122,428	144,854,781
2048	69,175,512	440,629,758	89,378,690
2049	57,217,156	380,494,347	77,180,639
2050	51,909,882	360,389,791	73,102,569
2051	30,547,288	221,409,168	44,911,314
2052	32,682,038	247,304,811	50,164,065
2053	21,008,731	165,967,770	33,665,411
	517,601,292	3,327,111,897	674,881,568

Appendix C-2 (Schedule DAF-5)

WOLF CREEK DECOMMISSIONING TRUST ANALYSIS

DECOMMISSIONING TRUST FUND EARNINGS ASSUMPTIONS

TRUST FUND MANAGEMENT FEE			
KS Avg Fund Bal		231,278,443	
KS Ann Fixed Fee		15,930	
Avg Fixed Fee %		0.01%	
Variable Fee %		0.21%	
Avg Tot Fee %		0.22%	**0.22%**

	US T-Bills	**IT Govt Bonds**	**LT Govt Bonds**	**LT Corp Bonds**	**Lrg Corp Equities**	
SBBI 1925-2004 Arithmetic Mean	3.80%	5.50%	5.80%	6.20%	12.40%	
SBBI 1925-2004 Geometric Mean	3.70%	5.40%	5.40%	5.90%	10.40%	
Assumed Earnings	3.75%	5.45%	5.60%	6.05%	11.40%	
Effective Tax Rate	20.00%	20.00%	20.00%	20.00%	20.00%	
Earnings After Fees & Taxes	2.82%	4.18%	4.30%	4.66%	8.94%	**Weighted After-Tax Earnings**
Year	**Investment Mix**					
2006	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2007	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2008	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2009	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2010	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2011	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2012	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2013	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2014	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2015	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2016	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2017	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2018	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2019	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2020	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2021	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2022	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2023	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2024	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2025	0.0%	15.0%	10.0%	30.0%	45.0%	6.48%
2026	2.5%	15.3%	10.0%	29.0%	43.3%	6.36%
2027	5.0%	15.5%	10.0%	28.0%	41.5%	6.24%
2028	7.5%	15.8%	10.0%	27.0%	39.8%	6.12%
2029	10.0%	16.0%	10.0%	26.0%	38.0%	5.99%
2030	12.5%	16.3%	10.0%	25.0%	36.3%	5.87%
2031	15.0%	16.5%	10.0%	24.0%	34.5%	5.75%
2032	17.5%	16.8%	10.0%	23.0%	32.8%	5.63%
2033	20.0%	17.0%	10.0%	22.0%	31.0%	5.51%
2034	22.5%	17.3%	10.0%	21.0%	29.3%	5.38%
2035	25.0%	17.5%	10.0%	20.0%	27.5%	5.26%
2036	27.5%	17.8%	10.0%	19.0%	25.8%	5.14%
2037	30.0%	18.0%	10.0%	18.0%	24.0%	5.02%
2038	32.5%	18.3%	10.0%	17.0%	22.3%	4.89%
2039	35.0%	18.5%	10.0%	16.0%	20.5%	4.77%
2040	37.5%	18.8%	10.0%	15.0%	18.8%	4.65%
2041	40.0%	19.0%	10.0%	14.0%	17.0%	4.53%
2042	42.5%	19.3%	10.0%	13.0%	15.3%	4.41%
2043	45.0%	19.5%	10.0%	12.0%	13.5%	4.28%
2044	47.5%	19.8%	10.0%	11.0%	11.8%	4.16%
2045	50.0%	20.0%	10.0%	10.0%	10.0%	4.04%
2046	56.3%	17.5%	8.8%	8.8%	8.8%	3.89%
2047	62.5%	15.0%	7.5%	7.5%	7.5%	3.74%
2048	68.8%	12.5%	6.3%	6.3%	6.3%	3.58%

2049	75.0%	10.0%	5.0%	5.0%	5.0%	3.43%
2050	81.3%	7.5%	3.8%	3.8%	3.8%	3.28%
2051	87.5%	5.0%	2.5%	2.5%	2.5%	3.13%
2052	93.8%	2.5%	1.3%	1.3%	1.3%	2.98%
2053	100.0%	0.0%	0.0%	0.0%	0.0%	2.82%

Appendix C-3 (Schedule DAF-5)

KANSAS JURISDICTION - QUALIFIED TAXABLE TRUST

DECOMMISSIONING TRUST FUND CASH FLOWS

NET AFTER-TAX MARKET VALUE

EOY 2005 Market Value	29,141,298	
Jan 2006 Deposit	312,183	
Market Value Incl Jan Deposit		29,453,481
EOY 2005 Unrealized Net Gain	2,416,440	
Effective Tax Rate	20.00%	
Tax on Unrealized Net Gain		483,288
Net After-Tax Market Value		28,970,193

Annual Accrual Escalation	0.00%

Year	Trust Fund Accrual	Trust Fund Expenditure	Earnings After Fees & Taxes	Trust Fund Balance
2005				28,970,193
2006	**1,395,355**	0	1,923,071	32,288,620
2007	**2,392,460**	0	2,170,488	36,851,568
2008	**2,392,460**	0	2,466,258	41,710,286
2009	**2,392,460**	0	2,781,200	46,883,946
2010	**2,392,460**	0	3,116,557	52,392,963
2011	**2,392,460**	0	3,473,652	58,259,075
2012	**2,392,460**	0	3,853,893	64,505,428
2013	**2,392,460**	0	4,258,781	71,156,669
2014	**2,392,460**	0	4,689,915	78,239,044
2015	**2,392,460**	0	5,148,994	85,780,499
2016	**2,392,460**	0	5,637,832	93,810,791
2017	**2,392,460**	0	6,158,355	102,361,606
2018	**2,392,460**	0	6,712,619	111,466,685
2019	**2,392,460**	0	7,302,810	121,161,955
2020	**2,392,460**	0	7,931,258	131,485,673
2021	**2,392,460**	0	8,600,441	142,478,574
2022	**2,392,460**	0	9,313,001	154,184,035
2023	**2,392,460**	0	10,071,749	166,648,243
2024	**2,392,460**	0	10,879,679	179,920,382
2025	**2,392,460**	0	11,739,979	194,052,821
2026	**2,392,460**	0	12,417,644	208,862,926
2027	**2,392,460**	0	13,103,070	224,358,456
2028	**2,392,460**	0	13,794,248	240,545,164
2029	**2,392,460**	0	14,489,012	257,426,636
2030	**2,392,460**	0	15,185,042	275,004,137
2031	**2,392,460**	0	15,879,864	293,276,461
2032	**2,392,460**	0	16,570,862	312,239,783
2033	**2,392,460**	0	17,255,279	331,887,523
2034	**2,392,460**	0	17,930,231	352,210,214
2035	**2,392,460**	0	18,592,713	373,195,387
2036	**2,392,460**	0	19,239,611	394,827,458
2037	**2,392,460**	0	19,867,716	417,087,635
2038	**2,392,460**	0	20,473,740	439,953,835
2039	**2,392,460**	0	21,054,328	463,400,623
2040	**2,392,460**	0	21,606,077	487,399,160
2041	**2,392,460**	0	22,125,554	511,917,174
2042	**2,392,460**	0	22,609,316	536,918,950
2043	**2,392,460**	0	23,053,931	562,365,340
2044	**2,392,460**	0	23,455,996	588,213,796
2045	**598,115**	(45,135,564)	22,864,181	566,540,528
2046	**0**	(116,488,536)	19,762,559	469,814,551
2047	**0**	(144,854,781)	14,846,384	339,806,155
2048	**0**	(89,378,690)	10,576,986	261,004,452
2049	**0**	(77,180,639)	7,633,253	191,457,066
2050	**0**	(73,102,569)	5,080,910	123,435,406
2051	**0**	(44,911,314)	3,158,647	81,682,739
2052	**0**	(50,164,065)	1,684,437	33,203,111
2053	**0**	(33,665,411)	462,300	(0)

		Residential						
	Total Juris	Total Residential	General Use	General Use & Water Heat	General Use & Spc Ht (1mtr)	General Use & Spc Ht (2mtr)	General Use & Spc/Wtr Ht (2 mtr)	Time of Day
Rate Revenue per KCC Staff CCOS	392,338,112	194,505,476	149,770,443	3,443,044	28,652,466	1,263,844	11,310,231	65,449
Levelization Adjustment (%)		1.82%	2.36%	0.00%	0.00%	0.00%	0.00%	0.00%
Levelization Adjustment ($)	(0)	3,538,205	3,538,205	-	-	-	-	-
Level Adj. Revenue - before Increase	392,338,112	198,043,681	153,308,648	3,443,044	28,652,466	1,263,844	11,310,231	65,449
Jurisdictional Revenue Increase (%)	7.395%	7.14%						
Jurisdictional Revenue Increase ($)	**29,013,958**	13,879,761	9,455,787	298,701	2,863,524	126,274	1,129,794	5,681
Rate Revenue	421,352,070	208,385,237	159,226,230	3,741,744	31,515,989	1,390,118	12,440,025	71,131
TOTAL REVENUE INCREASE (%)	**7.395%**	**8.955%**	**8.68%**	**8.68%**	**9.99%**	**9.99%**	**9.99%**	**8.68%**
TOTAL REVENUE INCREASE ($)	29,013,958	17,417,965	12,993,991	298,701	2,863,524	126,274	1,129,794	5,681
TOTAL RATE REVENUE ($)	**421,352,070**	**211,923,441**	**162,764,434**	**3,741,744**	**31,515,989**	**1,390,118**	**12,440,025**	**71,131**

	Small General	Medium General	Large General	Large Power	Off-Peak Lighting	Other Lighting
Rate Revenue per KCC Staff CCOS	28,520,191	50,461,523	81,714,363	30,203,949	1,426,842	5,505,768
Levelization Adjustment (%)	-2.00%	-2.00%	-1.75%	-1.75%	0.00%	0.00%
Levelization Adjustment ($)	(570,404)	(1,009,230)	(1,430,001)	(528,569)	-	-
Level Adj. Revenue - before Increase	27,949,787	49,452,293	80,284,362	29,675,380	1,426,842	5,505,768
Jurisdictional Revenue Increase (%)	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
Jurisdictional Revenue Increase ($)	2,181,795	3,860,307	6,251,149	2,310,602	109,153	421,191
Rate Revenue	30,701,986	54,321,830	87,965,512	32,514,551	1,535,995	5,926,959
TOTAL REVENUE INCREASE (%)	**5.650%**	**5.650%**	**5.900%**	**5.900%**	**7.650%**	**7.650%**
TOTAL REVENUE INCREASE ($)	1,611,391	2,851,076	4,821,147	1,782,033	109,153	421,191
TOTAL RATE REVENUE ($)	**30,131,582**	**53,312,599**	**86,535,510**	**31,985,982**	**1,535,995**	**5,926,959**

KANSAS CITY POWER & LIGHT COMPANY

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Year to Date September 30 2006	2005	2004	2003	2002	2001
			(thousands)			
Income from continuing operations	$ 116,559	$ 143,657	$ 143,292	$ 125,845	$ 102,666	$ 116,065
Add						
Minority interests in subsidiaries	-	7,805	(5,087)	(1,263)	-	(897)
Equity investment income	-	-	-	-	-	(23,516)
Income subtotal	116,559	151,462	138,205	124,582	102,666	91,652
Add						
Taxes on income	61,946	48,213	52,763	83,572	62,857	31,935
Kansas City earnings tax	664	498	602	418	635	583
Total taxes on income	62,610	48,711	53,365	83,990	63,492	32,518
Interest on value of leased property	3,100	6,229	6,222	5,944	7,093	10,679
Interest on long-term debt	41,332	56,655	61,237	57,697	63,845	78,915
Interest on short-term debt	5,743	3,117	480	560	1,218	8,883
Mandatorily Redeemable Preferred Securities	-	-	-	9,338	12,450	12,450
Other interest expense and amortization	2,365	3,667	13,951	4,067	3,772	5,188
Total fixed charges	52,540	69,668	81,890	77,606	88,378	116,115
Earnings before taxes on income and fixed charges	$ 231,709	$ 269,841	$ 273,460	$ 286,178	$ 254,536	$ 240,285
Ratio of earnings to fixed charges	4.41	3.87	3.34	3.69	2.88	2.07

Exhibit No. 31.2.a

CERTIFICATIONS

I, William H. Downey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kansas City Power & Light Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report:

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2006

/s/ William H. Downey

William H. Downey
President and Chief Executive Officer

Exhibit No. 31.2.b

CERTIFICATIONS

I, Terry Bassham, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kansas City Power & Light Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report:

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2006

/s/ Terry Bassham

[redacted]

Terry Bassham
Chief Financial Officer

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Kansas City Power & Light Company (the "Company") for the quarterly period ended September 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), William H. Downey, as President and Chief Executive Officer of the Company, and Terry Bassham, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William H. Downey

Name: William H. Downey
Title: President and Chief Executive Officer
Date: November 7, 2006

/s/ Terry Bassham

Name: Terry Bassham
Title: Chief Financial Officer
Date: November 7, 2006

This certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 except to the extent this Exhibit 32.2 is expressly and specifically incorporated by reference in any such filing.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Kansas City Power & Light Company and will be retained by Kansas City Power & Light Company and furnished to the Securities and Exchange Commission or its staff upon request.