Form 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

For the quarterly period ended September 30, 1999

OR

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

For the transition period from ____ to ____

Commission file number 1-707

KANSAS CITY POWER & LIGHT COMPANY
(Exact name of registrant as specified in its charter)

Missouri	44-0308720
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1201 Walnut, Kansas City, Missouri	64106-2124
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (816) 556-2200

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.

Yes (X) No ( )

The number of shares outstanding of the registrant's Common stock at November 9, 1999, was 61,898,020 shares.

PART I - FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS

	September 30 1999	December 31 1998
	(thousands)	
ASSETS		
UTILITY PLANT, at original cost		
Electric	$3,589,745	$3,576,490
Less-accumulated depreciation	1,498,704	1,410,773
Net utility plant in service	2,091,041	2,165,717
Construction work in progress	147,445	110,528
Nuclear fuel, net of amortization of 103,725 and $105,661	29,734	40,203
Total	2,268,220	2,316,448
REGULATORY ASSET - RECOVERABLE TAXES	109,000	109,000
INVESTMENTS AND NONUTILITY PROPERTY	364,030	343,247
CURRENT ASSETS		
Cash and cash equivalents	36,753	43,213
Electric customer accounts receivable, net of allowance for doubtful accounts of $3,495 and $1,886	111,327	31,150
Other receivables	35,348	38,981
Fuel inventories, at average cost	22,314	18,749
Materials and supplies, at average cost	45,520	45,363
Deferred income taxes	1,928	4,799
Other	2,743	5,926
Total	255,933	188,181
DEFERRED CHARGES		
Regulatory assets	34,047	26,229
Other deferred charges	15,210	29,259
Total	49,257	55,488
Total	$3,046,440	$3,012,364

CAPITALIZATION AND LIABILITIES		
CAPITALIZATION (see statements)	$1,771,473	$1,880,147
CURRENT LIABILITIES		
Notes payable to banks	16,774	10,000
Commercial paper	84,900	0
Current maturities of long-term debt	189,248	163,630
Called cumulative preferred stock	50,000	0
Accounts payable	68,117	61,764
Accrued taxes	61,411	15,625
Accrued interest	11,114	23,380
Accrued payroll and vacations	20,769	21,684
Accrued refueling outage costs	4,945	12,315
Other	13,326	28,874
Total	520,604	337,272
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred income taxes	589,658	625,426
Deferred investment tax credits	55,450	58,786
Other	109,255	110,733
Total	754,363	794,945
COMMITMENTS AND CONTINGENCIES (Notes 7 and 8)		
Total	$3,046,440	$3,012,364

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

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF CAPITALIZATION

	September 30 1999	December 31 1998
	(thousands)	
COMMON STOCK EQUITY		
Common stock-150,000,000 shares authorized without par value 61,908,726 shares issued, stated value	$ 449,697	$ 449,697
Retained earnings (see statements)	438,284	443,699
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on securities available for sale	(586)	74
Capital stock premium and expense	(1,668)	(1,668)
Total	885,727	891,802
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
No Par Value		
5.35%* - 500,000 shares issued	0	50,000
$100 Par Value - Redeemable		
4.00%	62	62
Total	39,062	89,062
COMPANY-OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES OF SUBSIDIARY TRUST HOLDING SOLELY KCPL SUBORDINATED DEBENTURES	150,000	150,000
LONG-TERM DEBT (excluding current maturities)		
General Mortgage Bonds		
Medium-Term Notes due 2000-2008, 6.96% and 6.95% weighted-average rate	296,500	338,500
4.01%* Environmental Improvement Revenue Refunding Bonds due 2012-23	158,768	158,768
Environmental Improvement Revenue Refunding Bonds		
4.08%* Series A & B due 2015	106,500	106,500
4.50% Series C due 2017	50,000	50,000
4.35% Series D due 2017	40,000	40,000
Subsidiary Obligations		
Affordable Housing Notes due 2000-08, 8.34% and 8.42% weighted-average rate	44,916	54,775
Other Long-Term Notes	0	740
Total	696,684	749,283
Total	$1,771,473	$1,880,147

* Variable rate securities, weighted-average rate as of September 30, 1999

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

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF INCOME

Three Months Ended September 30	1999	1998
	(thousands)	
ELECTRIC OPERATING REVENUES	$300,658	$313,462
OPERATING EXPENSES		
Operation		
Fuel	41,397	41,039
Purchased power	53,397	31,273
Other	51,635	49,631
Maintenance	16,596	18,597
Depreciation	29,047	28,857
Income taxes	27,119	39,058
General taxes	27,418	27,934
Total	246,609	236,389
OPERATING INCOME	54,049	77,073
OTHER INCOME AND (DEDUCTIONS)		
Allowance for equity funds used during construction	816	912
Miscellaneous income and (deductions) - net	(12,368)	(12,162)
Income taxes	11,663	10,804
Total	111	(446)
INCOME BEFORE INTEREST CHARGES	54,160	76,627
INTEREST CHARGES		
Long-term debt	12,754	14,056
Short-term debt	1,097	72
Mandatorily redeemable Preferred Securities	3,113	3,113
Miscellaneous	659	1,076
Allowance for borrowed funds used during construction	(920)	(575)
Total	16,703	17,742
Net income	37,457	58,885
Preferred stock dividend requirements	984	973
Earnings available for common stock	$36,473	$57,912
Average number of common shares outstanding	61,898	61,888
Basic and diluted earnings per common share	$0.59	$0.94
Cash dividends per common share	$0.415	$0.415

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

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF INCOME

Year to Date September 30	1999	1998
	(thousands)	
ELECTRIC OPERATING REVENUES	$708,339	$748,599
OPERATING EXPENSES		
Operation		
Fuel	96,808	112,624
Purchased power	82,711	54,317
Other	145,856	143,320
Maintenance	47,386	50,842
Depreciation	88,544	86,238
Income taxes	54,767	70,854
General taxes	71,320	72,135
Total	587,392	590,330
OPERATING INCOME	120,947	158,269
OTHER INCOME AND (DEDUCTIONS)		
Allowance for equity funds used during construction	2,502	2,735
Miscellaneous income and (deductions) - net	(34,666)	(25,995)
Income taxes	36,337	31,168
Total	4,173	7,908
INCOME BEFORE INTEREST CHARGES	125,120	166,177
INTEREST CHARGES		
Long-term debt	39,009	43,426
Short-term debt	2,235	239
Mandatorily redeemable Preferred Securities	9,338	9,338
Miscellaneous	2,387	3,183
Allowance for borrowed funds used during construction	(2,327)	(1,816)
Total	50,642	54,370
Net income	74,478	111,807
Preferred stock dividend requirements	2,875	2,930
Earnings available for common stock	$71,603	$108,877
Average number of common shares outstanding	61,898	61,878
Basic and diluted earnings per common share	$1.16	$1.76
Cash dividends per common share	$1.245	$1.225

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

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF INCOME

Twelve Months Ended September 30	1999	1998
	(thousands)	
ELECTRIC OPERATING REVENUES	$898,681	$944,160
OPERATING EXPENSES		
Operation		
Fuel	127,533	143,088
Purchased power	92,012	67,423
Other	191,527	193,859
Maintenance	67,542	69,181
Depreciation	117,758	114,099
Income taxes	62,695	80,839
General taxes	92,771	93,066
Total	751,838	761,555
OPERATING INCOME	146,843	182,605
OTHER INCOME AND (DEDUCTIONS)		
Allowance for equity funds used during construction	3,583	3,370
Miscellaneous income and (deductions) - net	(50,172)	(36,580)
Income taxes	51,151	45,511
Total	4,562	12,301
INCOME BEFORE INTEREST CHARGES	151,405	194,906
INTEREST CHARGES		
Long-term debt	52,595	58,947
Short-term debt	2,291	348
Mandatorily redeemable Preferred Securities	12,450	12,450
Miscellaneous	3,661	4,204
Allowance for borrowed funds used during construction	(2,985)	(2,266)
Total	68,012	73,683
Net income	83,393	121,223
Preferred stock dividend requirements	3,829	3,853
Earnings available for common stock	$79,564	$117,370
Average number of common shares outstanding	61,899	61,893
Basic and diluted earnings per common share	$1.29	$1.90
Cash dividends per common share	$1.66	$1.63

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

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year to Date September 30	1999	1998
	(thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 74,478	$ 111,807
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	88,544	86,238
Amortization of:		
Nuclear fuel	11,430	14,323
Other	8,785	6,802
Deferred income taxes (net)	(32,498)	896
Investment tax credit amortization	(3,336)	(3,433)
Fuel contract settlement	(13,391)	0
Losses from equity investments	14,757	7,387
Asset impairments	20,362	0
Gain on sale of Nationwide Electric, Inc. stock	(19,835)	0
Kansas rate refund accrual	(14,200)	11,174
Allowance for equity funds used during construction	(2,502)	(2,735)
Other operating activities (Note 2)	(57,898)	28,988
Net cash from operating activities	74,696	261,447
CASH FLOWS FROM INVESTING ACTIVITIES		
Utility capital expenditures	(118,937)	(71,941)
Allowance for borrowed funds used during construction	(2,327)	(1,816)
Purchases of investments	(23,444)	(22,338)
Purchases of nonutility property	(40,836)	(13,686)
Sale of KLT Power	0	53,033
Sale of Nationwide Electric, Inc. stock	39,617	0
Hawthorn No. 5 partial insurance recovery	80,000	0
Other investing activities	(1,778)	(7,924)
Net cash from investing activities	(67,705)	(64,672)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of long-term debt	10,889	10,405
Repayment of long-term debt	(37,870)	(122,730)
Net change in short-term borrowings	91,674	5,498
Dividends paid	(79,893)	(78,829)
Other financing activities	1,749	(2,736)
Net cash from financing activities	(13,451)	(188,392)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(6,460)	8,383
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	43,213	74,098
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 36,753	$ 82,481
CASH PAID DURING THE PERIOD FOR:		
Interest (net of amount capitalized)	$ 61,577	$ 58,915
Income taxes	$ 30,722	$ 468

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

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

Twelve Months Ended September 30	1999	1998
	(thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 83,393	$ 121,223
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	117,758	114,099
Amortization of:		
Nuclear fuel	16,253	15,948
Other	11,054	8,976
Deferred income taxes (net)	(35,862)	15,844
Investment tax credit amortization	(4,374)	(4,113)
Fuel contract settlement	(13,391)	0
Losses from equity investments	19,053	7,348
Asset impairments	26,390	1,134
Gain on sale of Nationwide Electric, Inc. stock	(19,835)	0
Deferred merger costs	0	5,712
Kansas rate refund accrual	(11,174)	11,174
Allowance for equity funds used during construction	(3,583)	(3,370)
Other operating activities (Note 2)	(69,770)	(1,912)
Net cash from operating activities	115,912	292,063
CASH FLOWS FROM INVESTING ACTIVITIES		
Utility capital expenditures	(166,536)	(103,893)
Allowance for borrowed funds used during construction	(2,985)	(2,266)
Purchases of investments	(56,260)	(31,441)
Purchases of nonutility property	(49,761)	(17,148)
Sale of KLT Power	0	53,033
Sale of Nationwide Electric, Inc. stock	39,617	0
Hawthorn No. 5 partial insurance recovery	80,000	0
Other investing activities	14,154	(8,436)
Net cash from investing activities	(141,771)	(110,151)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of long-term debt	7,890	10,405
Repayment of long-term debt	(17,820)	(124,775)
Net change in short-term borrowings	94,933	5,806
Dividends paid	(106,539)	(104,777)
Other financing activities	1,667	1,872
Net cash from financing activities	(19,869)	(211,469)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(45,728)	(29,557)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	82,481	112,038
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 36,753	$ 82,481
CASH PAID DURING THE PERIOD FOR:		
Interest (net of amount capitalized)	$ 74,358	$ 73,625
Income taxes	$ 55,042	$ 22,853

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

KANSAS CITY POWER & LIGHT COMPANY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended September 30		Year to Date September 30		Twelve Months Ended September 30	
	1999	1998	1999	1998	1999	1998
			(thousands)			
Net income	$ 37,457	$ 58,885	$ 74,478	$ 111,807	$ 83,393	$ 121,223
Other comprehensive loss:						
Unrealized loss on securities available for sale	(4,935)	(3,594)	(1,035)	(1,940)	(2,010)	(7,016)
Income tax benefit	1,784	1,301	375	702	727	2,544
Net unrealized loss on securities available for sale	(3,151)	(2,293)	(660)	(1,238)	(1,283)	(4,472)
Comprehensive Income	$ 34,306	$ 56,592	$ 73,818	$ 110,569	$ 82,110	$ 116,751

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

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Three Months Ended September 30		Year to Date September 30		Twelve Months Ended September 30	
	1999	1998	1999	1998	1999	1998
			(thousands)			
Beginning balance	$ 427,449	$ 429,216	$ 443,699	$ 428,452	$ 461,430	$ 444,984
Net income	37,457	58,885	74,478	111,807	83,393	121,223
	464,906	488,101	518,177	540,259	544,823	566,207
Dividends declared						
Preferred stock - at required rates	934	981	2,830	3,022	3,788	3,903
Common stock	25,688	25,690	77,063	75,807	102,751	100,874
Ending balance	$ 438,284	$ 461,430	$ 438,284	$ 461,430	$ 438,284	$ 461,430

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

CERTAIN FORWARD-LOOKING INFORMATION

Statements made in this report which are not based on historical facts are forward-looking and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Any forward-looking statements are intended to be as of the date on which such statement is made. In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, we are providing a number of important factors that could cause actual results to differ materially from provided forward-looking information. These important factors include:

- the proposed Western Resources Inc. (Western Resources) merger
- future economic conditions in the regional, national and international markets
- state, federal and foreign regulation
- weather conditions
- financial market conditions, including, but not limited to changes in interest rates
- inflation rates
- increased competition, including, but not limited to, the deregulation of the United States electric utility industry, and the entry of new competitors
- ability to carry out marketing and sales plans
- ability to achieve generation planning goals and the occurrence of unplanned generation outages
- nuclear operations
- ability to enter new markets successfully and capitalize on growth opportunities in nonregulated businesses
- unforeseen events that would prevent correcting internal or external information systems for Year 2000 problems
- adverse changes in applicable laws, regulations or rules governing environmental (including air quality regulations), tax or accounting matters

This list of factors may not be all-inclusive since it is not possible for us to predict all possible factors.

Notes to Consolidated Financial Statements

In management's opinion, the consolidated interim financial statements reflect all adjustments (which include only normal recurring adjustments) necessary to present fairly the results of operations for the interim periods presented. These statements and notes should be read in connection with the financial statements and related notes included in our 1998 annual report on Form 10-K.

1. AMENDED AND RESTATED PLAN OF MERGER WITH WESTERN RESOURCES

A merger agreement was entered into with Western Resources on February 7, 1997. In December 1997 KCPL canceled its previously scheduled special meeting of shareholders to vote on the transaction because Western Resources advised KCPL that its investment bankers, Salomon Smith Barney, had indicated that it was unlikely that Salomon would be in a position to issue a fairness opinion. During 1997 KCPL incurred and deferred $7 million of merger-related costs that were expensed in December 1997.

On March 18, 1998, KCPL and Western Resources entered into an Amended and Restated Agreement and Plan of Merger (Amended Agreement). This Amended Agreement would provide for the combination of the regulated electric utilities of KCPL and Western Resources into Westar

Energy, a new company, using purchase accounting. Westar Energy would be owned approximately 80.1% by Western Resources and approximately 19.9% by KCPL shareholders. KCPL shareholders would receive for each share of KCPL's stock one share of Westar Energy common stock and a fraction of a share of Western Resources common stock. The value of such transaction to KCPL shareholders cannot be determined until a twenty-day period ending the tenth trading day prior to closing. The Amended Agreement also requires KCPL to redeem all outstanding shares of cumulative preferred stock before consummation of the proposed transaction.

The status of the approvals of the merger is as follows:

1) Shareholder Approval
   On July 30, 1998, KCPL's and Western Resources' shareholders approved the Amended Agreement at special meetings of shareholders.
2) Missouri Public Service Commission (MPSC) Approval
   On September 2, 1999, the Missouri Public Service Commission (MPSC) issued an order approving the transaction. The most significant provisions of the order provide:
   - that the parties would not file a request for a change in Missouri electric rates or a refund of those rates for three years beginning with the closing of the merger.
   - a $5 million refund to Missouri retail customers one year following the closing.
   - no recovery of the acquisition premium or transaction costs.
   - discontinuance of use of the KCPL name and logo in connection with unregulated products and services eighteen months after closing.
3) Kansas Corporation Commission (KCC) Approval
   On September 28, 1999, the Kansas Corporation Commission (KCC) issued an order approving the transaction subject to certain conditions. The most significant provisions of the order are as follows:
   - The KCC denied inclusion of the acquisition premium in Westar's cost of service in any ratemaking or stranded cost proceeding.
   - There would be a four-year rate moratorium for Westar. During that period, Westar would be permitted to retain all merger savings and may apply for accounting authority orders regarding carrying charges for new construction.
   - After the moratorium, for a period of 35 years, Westar would be allowed to keep an estimated $3.85 million per year of merger savings.
   - Westar would be subject to customer service standards that include significant penalties for non-compliance.

   Petitions for reconsideration or clarification of the KCC order were filed by several parties, including KCPL, Western Resources and the KCC Staff. On November 4, 1999, the KCC declined to make any significant changes to its order.
4) Federal Energy Regulatory Commission (FERC) Approval
   In September 1999, KCPL and Western Resources reached a settlement agreement with FERC staff and all parties except the City of Wichita. The most significant provisions of the settlement agreement are as follows:
   - Westar agrees to join a FERC approved Regional Transmission Organization (RTO) and must file an application to do so by October 15, 2000.
   - Westar must file for a single system transmission rate under the RTO no later than four years from the effective date of the merger.
   - Until a single system rate is filed, Westar would charge open access transmission customers a single system rate based on the zone of delivery.

- If the merger becomes effective prior to Westar joining an RTO, Westar must transfer functional control of the transmission facilities over to an independent transmission entity (ITE). The ITE must have the authority under FERC Order 888 to designate facilities for control for reliability, security, access or market power mitigation purposes. The ITE must have authority to redispatch for reliability.
- Westar's transmission facilities must operate as one control area.
- Westar would not file to increase rates for wholesale requirements customers to become effective before four years after the merger is consummated.
- Fourteen current wholesale customers have the option to have their fuel adjustment clauses eliminated.

We cannot predict when or if approval by the FERC will be granted or whether the other remaining closing conditions will be met, including the approval by the Department of Justice. If all approvals have not been received by December 31, 1999 or if the average stock price is below $29.78 for a twenty-day period ending the tenth trading day prior to closing, either party may terminate the Amended Agreement.

If the Amended Agreement is terminated under other circumstances and KCPL, within two and one-half years following termination, agrees to consummate a business combination with a third party that made a proposal to combine before termination, a payment of $50 million would be due Western Resources. Western Resources would have to pay KCPL $5 million to $35 million if the Amended Agreement is terminated because of Western Resources' inability to receive a favorable tax opinion from its legal counsel, favorable statutory approvals or an exemption from the Public Utility Holding Company Act of 1935.

2. CONSOLIDATED STATEMENTS OF CASH FLOWS - OTHER OPERATING ACTIVITIES

	Year to Date		Twelve Months Ended	
	1999	1998	1999	1998
Cash flows affected by changes in:		(thousands)		
Receivables	$ (76,544)	$ (34,992)	$ (49,450)	$ (17,541)
Fuel inventories	(3,565)	(3,509)	(4,981)	(1,377)
Materials and supplies	(157)	1,917	(858)	2,332
Accounts payable	6,353	(3,669)	14,218	8,092
Accrued taxes	45,786	61,770	(2,031)	630
Accrued interest	(12,266)	(3,829)	(7,417)	669
Wolf Creek refueling outage accrual	(7,370)	8,168	(4,887)	(2,446)
Other	(10,135)	3,132	(14,364)	7,729
Total	$ (57,898)	$ 28,988	$ (69,770)	$ (1,912)

3. SECURITIES AVAILABLE FOR SALE

Certain investments in equity securities are accounted for as securities available for sale and adjusted to market value with unrealized gains (or losses) reported as a separate component of comprehensive income.

The cost of securities available for sale held by KLT Inc. (KLT) as of September 30, 1999 and December 31, 1998 was $4.8 million. Accumulated net unrealized losses were $0.6 million at September 30, 1999, and accumulated net unrealized gains were $0.1 million at December 31, 1998.

4. EQUITY METHOD INVESTMENTS

We use the equity method to account for equity investments when management can exert influence over the operations of the investee. We had equity method investments, excluding affordable housing limited partnerships, of approximately $59 million at September 30, 1999. The following companies, which we account for as equity method investments, had on their books total assets of $504 million at September 30, 1999 and a combined net loss of $34 million for the nine months ended September 30, 1999. KCPL's wholly-owned subsidiaries held ownership percentages in these companies at September 30, 1999, as follows:

KLT
- - Kansas City Downtown Hotel Group, L.L.C., 25%
- - DTI Holdings, Inc., 47%
- - Lyco Energy Corporation, 30%
- - Custom Energy, L.L.C., 47%
- - Custom Lighting Services L.L.C., 50%

Home Service Solutions Inc. (HSS)
- - R.S. Andrews Enterprises, Inc., 49%

5. CAPITALIZATION

KCPL Financing I (Trust), a wholly-owned subsidiary of KCPL, has previously issued $150,000,000 of 8.3% preferred securities. The sole asset of the Trust is the $154,640,000 principal amount of 8.3% Junior Subordinated Deferrable Interest Debentures, due 2037, issued by KCPL.

6. SEGMENT AND RELATED INFORMATION

In 1998 we adopted SFAS No. 131 - Disclosures About Segments of an Enterprise and Related Information. KCPL's reportable segments are strategic business units. Electric Operations includes the regulated electric utility, unallocated corporate charges and wholly-owned subsidiaries on an equity basis. KLT is a holding company for various nonregulated business ventures. The Other column represents the operations of HSS and KLT Iatan Inc. (Iatan).

We evaluate performance based on profit or loss from operations and return on capital investment. We eliminate all intersegment sales and transfers. We include KLT, HSS and Iatan revenues and expenses in Other Income and (Deductions) and Interest Charges in the Consolidated Statements of Income.

The tables below reflect summarized financial information concerning KCPL's reportable segments.

	Electric Operations	KLT Inc.	Other	Intersegment Eliminations	Consolidated Totals
			(thousands)		
Three Months Ended September 30, 1999					
Electric Operating Income (a)	$ 54,049				$ 54,049
Miscellaneous income (b)	6,907	$ 19,100	$ 760	$ 766	27,533
Miscellaneous deductions(c)	(11,663)	(27,368)	(870)	-	(39,901)
Income taxes on Other Income and (Deductions)	1,206	10,432	25	-	11,663
Interest Charges	(13,858)	(2,845)	-	-	(16,703)
Net income(loss)	37,457	(681)	(85)	766	37,457

	Electric Operations	KLT Inc.	Other	Intersegment Eliminations	Consolidated Totals
			(thousands)		
Three Months Ended September 30, 1998					
Electric Operating Income (a)	$ 77,073				$ 77,073
Miscellaneous income (b)	4,922	$ 7,060	$ 129	$ (2,188)	9,923
Miscellaneous deductions(c)	(10,868)	(11,217)		-	(22,085)
Income taxes on Other Income and (Deductions)	1,324	9,480		-	10,804
Interest Charges	(14,478)	(3,264)		-	(17,742)
Net income	58,885	2,059	129	(2,188)	58,885
Nine Months Ended September 30, 1999					
Electric Operating Income (a)	$120,947				$120,947
Miscellaneous income (b)	16,003	$16,952	$ 1,747	$ 2,514	37,216
Miscellaneous deductions(c)	(25,128)	(42,930)	(3,824)	-	(71,882)
Income taxes on Other Income and (Deductions)	1,832	33,775	730	-	36,337
Interest Charges	(41,678)	(8,964)	-	-	(50,642)
Net income(loss)	74,478	(1,167)	(1,347)	2,514	74,478
Nine Months Ended September 30, 1998					
Electric Operating Income (a)	$158,269				$158,269
Miscellaneous income (b)	16,768	$26,182	$ 129	$ (9,105)	33,974
Miscellaneous deductions(c)	(25,758)	(34,211)		-	(59,969)
Income taxes on Other Income and (Deductions)	3,779	27,389		-	31,168
Interest Charges	(43,986)	(10,384)		-	(54,370)
Net income	111,807	8,976	129	(9,105)	111,807
Twelve Months Ended September 30, 1999					
Electric Operating Income (a)	$146,843				$146,843
Miscellaneous income (b)	21,043	$22,044	$ 2,351	$ 7,133	52,571
Miscellaneous deductions(c)	(35,866)	(62,120)	(4,757)	-	(102,743)
Income taxes on Other Income and (Deductions)	3,747	46,596	808	-	51,151
Interest Charges	(55,957)	(12,055)	-	-	(68,012)
Net income(loss)	83,393	(5,535)	(1,598)	7,133	83,393
Twelve Months Ended September 30, 1998					
Electric Operating Income (a)	$182,605				$182,605
Miscellaneous income (b)	24,072	$34,897	$ 129	$(12,460)	46,638
Miscellaneous deductions(c)	(36,480)	(46,738)		-	(83,218)
Income taxes on Other Income and (Deductions)	7,220	38,291		-	45,511
Interest Charges	(59,564)	(14,119)		-	(73,683)
Net income	121,223	12,331	129	(12,460)	121,223

(a) Refer to the Consolidated Statements of Income for detail of Electric Operations revenues and expenses.
(b) Includes nonregulated revenues, interest and dividend income, income and losses from equity investments and gains on sales of property.
(c) Includes nonregulated expenses, losses on sales of property, asset impairments and merger-related expenses.

	Identifiable Assets	
	September 30, 1999	December 31, 1998
	(thousands)	
Electric Operations	$ 2,879,827	$ 2,831,052
KLT Inc.	293,495	310,750
Other	44,242	24,239
Intersegment Eliminations	(171,124)	(153,677)
Consolidated Totals	$ 3,046,440	$ 3,012,364

7. ENVIRONMENTAL MATTERS

KCPL's policy is to act in an environmentally responsible manner and use the latest technology available to avoid and treat contamination. We continually conduct environmental audits designed to ensure compliance with governmental regulations and to detect contamination. However, governmental bodies may impose additional or more rigid environmental regulations that could require substantial changes to operations or facilities.

Monitoring Equipment and Certain Air Toxic Substances

The Clean Air Act Amendments of 1990 required KCPL to spend about $5 million in prior years for the installation of continuous emission monitoring equipment to satisfy the requirements under the acid rain provision. Also, a study under the Act could require regulation of certain air toxic substances, including mercury. We cannot predict the likelihood of any such regulations or compliance costs.

Air Particulate Matter

In July 1997 the United States Environmental Protection Agency (EPA) published new air quality standards for particulate matter. Additional regulations implementing these new particulate standards have not been finalized. Without the implementation regulations, the impact of the standards on KCPL cannot be determined. However, the impact on KCPL and other utilities that use fossil fuels could be substantial. Under the new fine particulate regulations the EPA is in the process of implementing a three-year study of fine particulate emissions. Until this testing and review period has been completed, KCPL cannot determine additional compliance costs, if any, associated with the new particulate regulations.

Nitrogen Oxide

In 1997 the EPA also issued new proposed regulations on reducing nitrogen oxide (NOx) emissions. The EPA announced in 1998 final regulations implementing reductions in NOx emissions. These regulations initially called for 22 states, including Missouri, to submit plans for controlling NOx emissions. The regulations require a significant reduction in NOx emissions from 1990 levels at KCPL's Missouri coal-fired plants by the year 2003. The United States Court of Appeals for the District of Columbia subsequently issued a stay of the requirement to issue these plans for controlling NOx emissions pending further order from the Court.

To achieve these proposed reductions, KCPL would need to incur significantly higher capital costs, purchase power or purchase NOx emissions allowances. It is possible that purchased power or emissions allowances may be too costly or unavailable.

Preliminary analysis of the regulations indicate that selective catalytic reduction technology will be required for some of the KCPL units, as well as other changes. Currently, we estimate that additional capital expenditures to comply with these regulations could range from $40 million to $60 million. Operations and maintenance expenses could also increase by more than $2.5 million per year. These capital expenditure estimates do not include the costs of the new air quality control equipment to be installed at Hawthorn No. 5 (see Hawthorn No. 5 on page 29). The new air control equipment designed to meet current environmental standards will also comply with the proposed requirements discussed above.

We continue to refine our preliminary estimates and explore alternatives to comply with these new regulations in order to minimize, to the extent possible, KCPL's capital costs and operating expenses. The ultimate cost of these regulations could be significantly different from the amounts estimated above.

In December 1998, KCPL and several other western Missouri utilities filed suit against the EPA over the inclusion of western Missouri in the NOx reduction program. The plaintiffs filed their initial briefs in April 1999. The EPA filed its brief on July 1, 1999. Reply briefs have been filed and oral arguments occurred on November 9, 1999. The outcome cannot be predicted at this time.

A three-judge panel of the D.C. Circuit of the U.S. Court of Appeals found certain portions of the NOx control program unconstitutional. The EPA has requested a hearing before all judges of the court and oral argument in this case occurred on November 9, 1999. If the panel's decision is upheld, the effect will be to decrease the severity of the standards with which KCPL ultimately may need to comply.

Carbon Dioxide

At a December 1997 meeting in Kyoto, Japan, the Clinton Administration supported changes to the International Global Climate Change treaty which would require a seven percent reduction in United States carbon dioxide (CO_2) emissions below 1990 levels. The Administration has not submitted this change to the U.S. Senate where ratification is uncertain. If future reductions of electric utility CO_2 emissions are eventually required, the financial impact upon KCPL could be substantial.

8. 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 and selected a site in Nebraska on which to locate a disposal facility. Wolf Creek Nuclear Operating Corporation (WCNOC) and the owners of the other five nuclear units in the compact have provided most of the pre-construction financing for this project. KCPL's net investment on its books was approximately $7.5 million at September 30, 1999 and December 31, 1998.

Significant opposition to the project has been raised by Nebraska officials and residents in the area of the proposed facility, and attempts have been made through litigation and proposed legislation in Nebraska to slow down or stop development of the facility. On December 18, 1998, the application for a license to construct this project was denied. On January 15, 1999, a request for a contested case hearing on the denial of the license was filed. On April 16, 1999, a U.S. District Court judge in Nebraska issued an injunction staying indefinitely any further activity on the contested case hearing. In May 1999 the state of Nebraska appealed the injunction. The possibility of reversing the license denial will be greater when the contested case hearing ultimately is conducted than it would have been had the hearing been conducted immediately. In May 1999, the Nebraska legislature passed a bill withdrawing Nebraska from the Compact. In August 1999, the Nebraska governor gave official notice of the withdrawal to the other member states. Withdrawal will not be effective for five years.

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

STATUS OF MERGER

See Note 1 to the Consolidated Financial Statements for the current status of the proposed Western Resources Inc. (Western Resources) merger. In December 1996 the Federal Energy Regulatory Commission (FERC) issued a statement concerning electric utility mergers. Under the statement, companies must demonstrate that their merger does not adversely affect competition or wholesale rates. As a result, FERC may consider a number of remedies including transmission upgrades, divestitures of generating assets or formation of independent system operators.

REGULATION AND COMPETITION

As competition develops throughout the electric utility industry, we are positioning Kansas City Power & Light Company (KCPL) to excel in an open market. We are continuing to improve the efficiency of KCPL's electric utility operations, lowering prices and offering new services. In particular, KCPL's value-added services for large energy users now include contracts for natural gas commodities.

Competition in the electric utility industry accelerated with the passage of the National Energy Policy Act of 1992. This Act gave FERC the authority to require electric utilities to provide transmission line access to independent power producers (IPPs) and other utilities (wholesale wheeling). In April 1996 FERC issued an order requiring all owners of transmission facilities to adopt open-access tariffs and participate in wholesale wheeling. We made the necessary filings to comply with that order.

FERC's April 1996 order encouraged more movement toward retail competition at the state level. An increasing number of states have already adopted open access requirements for utilities' retail electric service, allowing competing suppliers access to their retail customers (retail wheeling). Many other states are actively considering retail wheeling, including Kansas and Missouri. While retail wheeling legislation was introduced in Kansas and Missouri in 1999, no comprehensive legislation was passed.

Retail access could result in market-based rates below current cost-based rates, providing growth opportunities for low-cost producers and risks for higher-cost producers, especially those with large industrial customers. Lower rates and the loss of major customers could result in stranded costs and place an unfair burden on the remaining customer base or shareholders. Testimony filed in the merger case in Kansas indicated stranded costs of approximately $1 billion for KCPL. An independent study prepared at the request of the Kansas Corporation Commission (KCC) concluded there are no stranded costs. We cannot predict whether any stranded costs would be recoverable in future rates. If an adequate and fair provision for recovery of lost revenues is not provided, certain generating assets may have to be evaluated for impairment and appropriate charges recorded against earnings. In addition to lowering profit margins, market-based rates could require generating assets to be depreciated over shorter useful lives, increasing operating expenses.

KCPL is positioned to compete in an open market with its diverse customer mix and pricing strategies. Industrial customers make up about 21% of KCPL's retail mwh sales, well below the utility industry average. KCPL's flexible industrial rate structure is competitive with other companies' rate structures in the region. In addition, we have entered into long-term contracts for a significant portion of KCPL's industrial sales. Although no direct competition for retail electric service currently exists within KCPL's service territory, it exists in the bulk power market and between alternative fuel suppliers and KCPL. In addition, third-party energy management companies are seeking to initiate relationships with large users in KCPL's service territory in an attempt to enhance their chances to supply electricity directly when retail wheeling is authorized.

Increased competition could also force utilities to change accounting methods. Financial Accounting Standards Board (FASB) Statement No. 71 - - Accounting for Certain Types of Regulation, applies to regulated entities whose rates are designed to recover the costs of providing service. A utility's operations could stop meeting the requirements of FASB 71 for various reasons, including a change in regulation or a change in the competitive environment for a company's regulated services. For those operations no longer meeting the requirements of regulatory accounting, regulatory assets would be written off. KCPL can maintain its $143 million of regulatory assets at September 30, 1999, as long as FASB 71 requirements are met.

Competition could eventually have a materially adverse effect on KCPL's results of operations and financial position. Should competition eventually result in a significant charge to equity, capital requirements and related costs could increase significantly.

NONREGULATED OPPORTUNITIES

KLT Inc. (KLT), a wholly-owned subsidiary of KCPL, pursues nonregulated business ventures. Existing ventures include investments in energy services, oil and gas development and production, telecommunications and affordable housing limited partnerships.

KCPL's equity investment in KLT was $119 million as of September 30, 1999 and 1998. KLT's loss for the nine months ended September 30, 1999, totaled $1.2 million compared to income of $9.0 million for the nine months ended September 30, 1998. (See KLT earnings per share analysis on page 23 for significant factors impacting KLT's operations and resulting net income for all periods.) KLT's consolidated assets at September 30, 1999, totaled $293 million.

Home Service Solutions Inc. (HSS), a wholly-owned subsidiary of KCPL, pursues nonregulated business ventures, primarily in residential services. HSS has an investment in R.S. Andrews Enterprises, Inc. (RSAE), a consumer services company in Atlanta, Georgia. RSAE expects to continue making acquisitions in key U.S. markets. Additionally, Worry Free Service, Inc., a wholly-owned subsidiary of HSS, provides residential services, including preventative maintenance and warranty services for heating and air conditioning equipment.

KCPL's equity investment in HSS was $39.5 million as of September 30, 1999 and $21 million as of September 30, 1998. HSS' loss for the nine months ended September 30, 1999, totaled $0.4 million compared to income of $0.1 million for the nine months ended September 30, 1998. HSS' consolidated assets at September 30, 1999, totaled $44 million.

RESULTS OF OPERATIONS

Three-month period:	Three months ended September 30, 1999, compared with three months ended September 30, 1998
Nine-month period:	Nine months ended September 30, 1999, compared with nine months ended September 30, 1998
Twelve-month period:	Twelve months ended September 30, 1999, compared with twelve months ended September 30, 1998

EARNINGS OVERVIEW

	For the Periods Ended September 30				
	Earnings per Share (EPS)		EPS Excluding Merger Expenses		Decrease Excluding Merger Expenses
	1999	1998	1999	1998	
Three months ended	$0.59	$0.94	$0.60	$1.03	$(0.43)
Nine months ended	$1.16	$1.76	$1.19	$1.95	$(0.76)
Twelve months ended	$1.29	$1.90	$1.33	$2.16	$(0.83)

EPS, excluding merger expenses for all periods, decreased primarily due to the following factors:

- The approximate $15 million Missouri rate reduction, effective March 1, 1999, reduced EPS by $0.05 this quarter and $0.10 for the nine and twelve months ended September 30, 1999.
- Intense and prolonged heat during the last half of July produced a new summer peak demand of 3,251 megawatts and increased kilowatt-hour consumption. Because of these conditions, purchased power prices and volumes exceeded the prior year. These higher purchased power expenses, net of the increased revenues, lowered EPS by approximately $0.18 for all periods.
- The impact of the unavailability of Hawthorn No. 5 (see page 29).
- Earnings per share from KLT decreased $0.04 for the three-month period, $0.16 for the nine-month period and $0.29 for the twelve-month period (see KLT earnings per share analysis on page 23).
- Milder than normal weather during all periods, despite intense heat in July 1999, compared to warmer than normal weather in the three, nine and twelve months ended September 30, 1998.

Additionally, the approximately $14 million Kansas rate reduction, effective January 1, 1998, reduced EPS by $0.03 for the twelve-month period.

MEGAWATT-HOUR (MWH) SALES AND OPERATING REVENUES

Sales and revenue data:
(revenue change in millions)

	Three Months Mwh	Three Months Revenues	Nine Months Mwh	Nine Months Revenues	Twelve Months Mwh	Twelve Months Revenues
Periods ended September 30, 1999 versus September 30, 1998 — Increase (decrease)						
Retail Sales:						
Residential	(5)%	$ (6)	(3)%	$ (10)	(3)%	$ (12)
Commercial	(2)%	(1)	- %	(5)	- %	(6)
Industrial	- %	2	- %	3	1 %	2
Other	2 %	-	2 %	-	2 %	-
Total Retail	(3)%	(5)	(1)%	(12)	(1)%	(16)
Sales for Resale:						
Bulk Power Sales	(29)%	(7)	(48)%	(26)	(40)%	(28)
Other	(4)%	-	(3)%	-	(7)%	-
Total		(12)		(38)		(44)
Other revenues		(1)		(2)		(1)
Total Operating Revenues		$ (13)		$ (40)		$ (45)

In 1999 the MPSC approved a stipulation and agreement that called for KCPL to reduce its annual Missouri electric revenues by 3.2%, or about $15 million after March 1, 1999. Revenues decreased by about $5 million for the three-month period and $10 million for the nine- and twelve-month periods as a result of the Missouri rate reduction.

The KCC approved a rate settlement agreement, effective January 1, 1998, authorizing a $14.2 million annual revenue reduction and an annual increase in depreciation expense of $2.8 million. Pending the approval of a new Kansas rate design, we accrued $14.2 million during 1998 for refund to customers. The new rate design was approved in December 1998 and directed KCPL to refund, starting March 1, 1999, the $14.2 million we accrued during 1998, plus the amount that we accrued for January and February 1999. The KCC rate settlement agreement reduced revenues by $14 million for the twelve months ended September 30, 1999, and $11 million for the twelve months ended September 30, 1998.

Retail mwh sales decreased 3% for the three-month period and decreased 1% for the nine- and twelve-month periods primarily due to milder weather, despite intense heat in July 1999, partially offset by continued load growth. Load growth consists of higher usage per customer as well as the addition of new customers. Less than 1% of revenues include an automatic fuel adjustment provision.

Bulk power sales vary with system requirements, generating unit and purchased power availability, fuel costs and the requirements of other electric systems. The unavailability of Hawthorn No. 5 contributed to the decreased bulk power mwh sales of 29% for the three-month period, 48% for the nine-month period and 40% for the twelve-month period. In addition, the Spring 1999 Wolf Creek refueling and maintenance outage contributed to the decreased bulk power mwh sales for the nine- and twelve-month periods. Partially offsetting these declines in bulk power mwh sales, the Fall 1998 outage at Hawthorn No. 5 and the Fall 1998 outage at LaCygne No. 1 resulted in decreased bulk power mwh sales during the three-, nine- and twelve-months ended September 30, 1998.

Further, the extended 1997 Wolf Creek outage contributed to reduced bulk power mwh sales for the twelve months ended September 30, 1998.

Future mwh sales and revenues per mwh could be affected by national and local economies, weather, customer conservation efforts and availability of generating units. Competition, including alternative sources of energy, such as natural gas, co-generation, IPPs and other electric utilities, may also affect future sales and revenue.

FUEL AND PURCHASED POWER

	Percentage change for the period	
	Combined fuel and purchased power expenses	Total MWH sales *
	Increase (Decrease)	
Three-month period	31 %	(6)%
Nine-month period	8 %	(11)%
Twelve-month period	4 %	(9)%

* Total of retail and sales for resale

For all periods, the unavailability of Hawthorn No. 5 resulted in increased purchased power expenses partially offset by decreased fuel expenses at Hawthorn No. 5. Additionally, as a result of the intense and prolonged heat in the Midwest during the last half of July 1999, KCPL incurred approximately $18 million in higher costs including purchased power expenses, net of the increased revenues (see Hawthorn No. 5 on page 29). Prices for purchased power in the wholesale market escalated during the last half of July 1999, reflecting constrained transmission and limited generating capacity in the region. Normal costs of $20 to $30 per mwh of purchased power in the Midwest and South rose to more than $3,000 per mwh. Because of these market conditions and the unavailability of Hawthorn No. 5, KCPL incurred purchased power costs of $35 million in July 1999, an increase of $25 million over July 1998. These higher prices are the reason that Combined fuel and purchased power expenses increased while Total MWH sales decreased. The three, nine and twelve months ended September 30, 1998 included increased purchased power expenses due to Fall 1998 outages at LaCygne No. 1 and Hawthorn No. 5.

Nuclear fuel costs per MMBTU, which decreased 3% for the twelve-month period, remained substantially less than the MMBTU price of coal. Nuclear fuel costs per MMBTU averaged about 57% of the MMBTU price of coal for the twelve months ended September 30, 1999, and about 60% of the MMBTU price of coal for the twelve months ended September 30, 1998. We expect the price of nuclear fuel to remain fairly constant through the year 2001. During the twelve months ended September 30, 1999, fossil plants represented about 71% of total generation and the nuclear plant about 29%. For the twelve months ended September 30, 1998, fossil plants represented about 76% of total generation and the nuclear plant about 24%.

The cost of coal per MMBTU increased 2% for the twelve-month period because Hawthorn No. 5 was unavailable. The cost of coal per MMBTU at Hawthorn No. 5 was lower than the average cost of coal per MMBTU at most of KCPL's other coal-fired plants. KCPL's coal procurement strategies continue to provide coal costs below the regional average. We expect coal costs to remain fairly consistent with current levels through 2001.

OTHER OPERATION AND MAINTENANCE EXPENSES

Combined other operation and maintenance expenses during the three-month period remained constant while they declined slightly during the nine- and twelve-month periods. As a result of the February 17, 1999, boiler explosion at Hawthorn No. 5, Hawthorn No. 5's other operation and maintenance expenses decreased for all periods. The nine- and twelve-month period declines in maintenance expenses were partially offset by increased maintenance expenses at LaCygne No. 2 during a scheduled outage in Spring 1999. In addition, maintenance expenses were increased during the three months ended September 30, 1998, due to outages at LaCygne No. 1 and Hawthorn No. 5. During the Wolf Creek outage completed in December 1997, actual costs incurred were $3.5 million in excess of the estimated and accrued costs increasing combined other operation and maintenance expenses for the twelve months ended September 30, 1998.

Partially offsetting the decreased maintenance expenses were increases in the bad debt provision for customer accounts receivable during the three months ended September 30, 1999. As a result customer accounts expenses increased in all periods. Furthermore, advertising expenses increased for all periods.

We continue to emphasize new technologies, improved work methodology and cost control. We continuously improve our work processes to provide increased efficiencies and improved operations. For example, through the use of cellular technology, more than 90% of KCPL's customer meters are read automatically.

DEPRECIATION

The increase in depreciation expense for all periods reflected normal increases in depreciation from capital additions offset by a $1.7 million decrease in depreciation expense for the nine months ended September 30, 1999 because of the partial retirement of Hawthorn No. 5 property due to the February 1999 explosion.

TAXES

Operating income taxes decreased for all periods, reflecting lower taxable operating income.

Components of general taxes:

	Three Months Ended September 30		Nine Months Ended September 30		Twelve Months Ended September 30	
	1999	1998	1999	1998	1999	1998
			(thousands)			
Property	$ 10,741	$ 10,508	$ 32,224	$ 31,525	$ 42,097	$ 41,350
Gross receipts	14,158	14,472	32,077	32,922	41,295	42,006
Other	2,519	2,954	7,019	7,688	9,379	9,710
Total	$ 27,418	$ 27,934	$ 71,320	$ 72,135	$ 92,771	$ 93,066

OTHER INCOME AND (DEDUCTIONS)

KLT summarized operations

	Three months ended September 30 1999	1998	Nine months ended September 30 1999	1998	Twelve months ended September 30 1999	1998
	(millions, except for earnings per share)					
Miscellaneous income and (deductions) - net *	$ (8.3)	$ (4.1)	$ (26.0)	$ (8.0)	$ (40.2)	$ (11.8)
Income taxes	10.4	9.5	33.8	27.4	46.6	38.2
Interest charges	(2.8)	(3.3)	(9.0)	(10.4)	(12.0)	(14.1)
Net income	$ (0.7)	$ 2.1	$ (1.2)	$ 9.0	$ (5.6)	$ 12.3
KLT Earnings per share	$(0.01)	$ 0.03	$ (0.02)	$ 0.14	$ (0.09)	$ 0.20

* To table on page 24

KLT earnings per share analysis

	Three months ended September 30 1999	1998	Nine months ended September 30 1999	1998	Twelve months ended September 30 1999	1998
	(earnings per share)					
KLT excluding items below	$ 0.10	$ 0.06	$ 0.23	$ 0.20	$ 0.29	$ 0.27
Sale of Nationwide Electric	0.20	-	0.20	-	0.20	-
Write down of Lyco investment	(0.03)	-	(0.03)	-	(0.03)	-
Write off of note receivable	(0.05)	-	(0.05)	-	(0.05)	-
1998 KLT Power transactions	-	0.04	-	0.04	(0.06)	0.04
KLT Telecom - Telemetry Solutions	(0.17)	(0.02)	(0.20)	(0.03)	(0.22)	(0.04)
KLT Telecom - Digital Teleport Inc.	(0.06)	(0.05)	(0.17)	(0.07)	(0.22)	(0.07)
KLT Earnings per share	$(0.01)	$ 0.03	$(0.02)	$ 0.14	$(0.09)	$ 0.20

KLT Telecom consisted primarily of investments in Telemetry Solutions and Digital Teleport Inc. (DTI). As a result of the inability of Telemetry Solutions subsidiaries to bring their products to market, KLT Telecom made the decision in the third quarter of 1999 to cease funding Telemetry Solutions and wrote off its investment. (Both the write off of the investment ($0.13 per share) and the operating losses incurred prior to the write off are included on the line KLT Telecom - Telemetry Solutions in the earnings per share table above). We expect that KLT Telecom's loss for calendar year 1999 from its investment in DTI will be approximately the same as the loss incurred for the twelve months ended September 30, 1999.

The enlarged scope of the business plans of DTI accelerated the time and increased the magnitude of network depreciation expenses. KLT Telecom's total losses from its investment in DTI are limited to its $45 million equity investment. By December 31, 1999, the equity investment in DTI is estimated to be approximately $15 million, limiting the magnitude of possible future losses.

DTI is creating a 20,000-route mile, digital fiber optic network comprised of 20 regional rings interconnecting primary, secondary and tertiary cities in 37 states. By providing high-capacity voice and data transmission services to and from secondary and tertiary cities, as well as primary markets, DTI intends to become a leading wholesale provider of regional communications transport services to interexchange carriers and other communications companies. We continue to expect long-term value from KLT's 47% ownership of DTI.

Miscellaneous income and (deductions) - net

	Three months ended September 30		Nine months ended September 30		Twelve months ended September 30	
	1999	1998	1999	1998	1999	1998
			(millions)			
Merger-related expenses	$ (1.0)	$ (5.8)	$ (2.1)	$ (12.0)	$ (2.6)	$ (16.3)
* From table on page 23	(8.3)	(4.1)	(26.0)	(8.0)	(40.2)	(11.8)
Other	(3.1)	(2.3)	(6.6)	(6.0)	(7.4)	(8.5)
Total Miscellaneous income and (deductions) - net	$(12.4)	$(12.2)	$(34.7)	$ (26.0)	$(50.2)	$ (36.6)

Other Income and (Deductions) - Income taxes

Other Income and (Deductions) - Income taxes for all periods reflects the tax impact on total miscellaneous income and (deductions) - net. Additionally, KLT accrued tax credits of $21 million for the nine months ended September 30, 1999, and $19 million for the nine months ended September 30, 1998. KLT accrued tax credits of $27 million for the twelve months ended September 30, 1999 and $26 million for the twelve months ended September 30, 1998.

INTEREST CHARGES

Long-term debt interest expense decreased for all periods, reflecting lower average levels of outstanding long-term debt. The lower average levels of debt reflect scheduled debt repayments made by KCPL, repayments of affordable housing notes made by KLT and lower average levels of debt by KLT on its bank credit agreement.

We use interest rate swap and cap agreements to limit the volatility in interest expense on a portion of KLT's variable-rate, bank credit agreement and KCPL's variable-rate, long-term debt. Although these agreements are an integral part of interest rate management, the incremental effect on interest expense and cash flows is not significant. We do not use derivative financial instruments for speculative purposes.

WOLF CREEK

Wolf Creek is one of KCPL's principal generating units, representing about 19% of KCPL's generating capacity, excluding the Hawthorn No. 5 generating unit. The plant's operating performance has remained strong over the last three years, contributing about 28% of the annual mwh generation while operating at an average capacity of 91%. Wolf Creek has the lowest fuel cost per MMBTU of any of KCPL's generating units.

We accrue the incremental operating, maintenance and replacement power costs for planned outages evenly over the unit's operating cycle, normally 18 months. As actual outage expenses are incurred, the refueling liability and related deferred tax asset are reduced.

Wolf Creek's tenth refueling and maintenance outage, estimated to be a 40-day outage, began April 3, 1999, and was completed May 9, 1999. Actual costs of the 1999 outage were $1 million less than the estimated and accrued costs for the outage. The 36-day outage was the shortest refueling and maintenance outage in Wolf Creek's history.

Wolf Creek's ninth refueling and maintenance outage, budgeted for 35 days, began in early October 1997 and was completed in December 1997 (58 days). Several equipment problems caused the extended length of the ninth outage. Actual costs of the 1997 outage were $6 million in excess of the estimated and accrued costs for the outage.

No major equipment replacements are currently projected. An extended shut-down of Wolf Creek could have a substantial adverse effect on KCPL's business, financial condition and results of operations because of higher replacement power and other costs. Although not expected, the Nuclear Regulatory Commission could impose an unscheduled plant shut-down, reacting to safety concerns at the plant or other similar nuclear units. If a long-term shut-down occurred, the state regulatory commissions could reduce rates by excluding the Wolf Creek investment from rate base.

Ownership and operation of a nuclear generating unit exposes KCPL to risks regarding decommissioning costs at the end of the unit's life and to potential retrospective assessments and property losses in excess of insurance coverage.

ENVIRONMENTAL MATTERS

KCPL's operations must comply with federal, state and local environmental laws and regulations. The generation and transmission of electricity produces and requires disposal of certain products and by-products, including polychlorinated biphenyl (PCBs), asbestos and other potentially hazardous materials. The Federal Comprehensive Environmental Response, Compensation and Liability Act (the Superfund law) imposes strict joint and several liability for those who generate, transport or deposit hazardous waste. This liability extends to the current property owner, as well as prior owners back to the time of contamination.

We continually conduct environmental audits to detect contamination and ensure compliance with governmental regulations. However, compliance programs need to meet new and future environmental laws and regulations governing water and air quality including carbon dioxide emissions, nitrogen oxide emissions, hazardous waste handling and disposal, toxic substances and the effects of electromagnetic fields. Therefore, compliance programs could require substantial changes to operations or facilities (see Note 7 to the Consolidated Financial Statements).

IMPACT OF THE YEAR 2000 ISSUE

The Year 2000 Issue resulted from computer systems and applications using two digits instead of four to define the year. Computer programs with date-sensitive software could recognize the date of "00" as the Year 1900 rather than the Year 2000. Unless corrected, some computer systems and applications could incorrectly process information resulting in miscalculations or system disruptions.

We have assessed the potential of the Year 2000 Issue on KCPL's Information Technology (IT) and non-IT processes and operations. Beginning in 1997, we established a Year 2000 team responsible for evaluating, identifying and correcting problems in all critical computer software, hardware and embedded systems. We utilized both internal and external resources in this process. Because we have invested approximately $73 million in new Year 2000 ready technologies over the past several years, we identified fewer issues than some companies.

We completed readiness efforts for KCPL's mission-critical systems and processes and submitted our readiness report and statement to the North America Electric Reliability Council (NERC) on June 30, 1999. The critical control systems at all our base load generating units are currently running with the date set beyond year 2000. The identification, assessment and remediation efforts of all other KCPL systems impacted by Year 2000 issues have been completed and have undergone final implementation. These include the new customer information system and financial and operations support systems. Testing of these systems which was to be completed by the end of the third quarter of 1999 continues due to an unforeseen upgrade to the operating system software that had been previously declared compliant by the manufacturer. Testing will be completed in the fourth quarter of 1999.

On an ongoing basis, we are sharing information with other electric industry organizations, such as the Electric Power Research Institute, Edison Electric Institute and NERC in order to adequately anticipate and plan for potential problems. We participated in an industry-wide drill April 9, 1999 coordinated by the NERC. The drill simulated partial loss of telecommunications and found that our contingency procedures and backup systems worked well. We also participated in another industry-wide drill, coordinated by NERC, on September 9, 1999, which was a "dress rehearsal" for the transition to Year 2000. The monitoring phase of KCPL's Year 2000 project will continue through at least the first quarter of 2000. Total costs of the assessment, remediation, testing and monitoring efforts will be approximately $7 million. These costs are expensed as incurred.

Two separate independent reviews of the Year 2000 project were conducted to evaluate and validate the progress and effectiveness of our Year 2000 processes and methodologies, including an audit of embedded systems. Both audits resulted in favorable reporting. Based on recommendations received in the independent reviews, improvements have been made to the methods of detailed due diligence documentation.

Regarding the Wolf Creek Nuclear Generating Station, we believe we are in compliance with the Nuclear Regulatory Commission's (NRC) Year 2000 regulations. The NRC performed an on-site audit of Wolf Creek's Year 2000 project plans in November 1998, and no areas of concern were identified. Control systems at Wolf Creek utilize analog components that are not date-sensitive which mitigates Year 2000 concerns about critical operations of the plant. All assessments of affected systems were completed by the end of the second quarter in 1999 and Wolf Creek submitted a statement of Year 2000 readiness to the NRC in June 1999. The Commission guidelines are being followed in the development and implementation of contingency plans.

We initiated communications with all major suppliers and customers to evaluate KCPL's vulnerability to the failure of others to remediate their Year 2000 issues. While no major issues have been discovered, we cannot be certain their systems will not impact KCPL's operations. Thus, we have developed a number of contingency plans to mitigate potential problems with third party failures.

The most reasonable likely worse case scenario would be the loss or partial interruption of KCPL's electrical system which is connected to other utilities throughout the United States and Canada, east of the Rocky Mountains. This interconnection is essential to the reliability, stability and operational integrity of each connected electric utility. KCPL could encounter difficulties supplying electric service if other interconnected utilities fail to achieve Year 2000 compliance and create an unstable condition on the grid.

We have addressed these and other potential Year 2000 risks by implementing a number of action plans, including:

- Participating in operating contingency plans and drills developed by the Southwest Power Pool and the NERC.
- Implementing and testing radio communication for personnel manning critical operation points.
- Testing functional emergency radio systems and ensuring they are operational for generating stations.
- Working with local authorities and testing systems to establish a means of communicating if telephones are not available.
- Ensuring readiness to execute the generation and systems black start procedures.

SIGNIFICANT BALANCE SHEET CHANGES (September 30, 1999 compared to December 31, 1998)

- Net utility plant in service decreased by $74.7 million primarily due to the $80 million partial insurance recovery, for the Hawthorn No. 5 boiler explosion, that is included in accumulated depreciation.
- Cash and cash equivalents decreased by $6.5 million and commercial paper, a current liability, increased $84.9 million due to expenditures exceeding cash receipts. Partially offsetting these expenditures, KLT's cash increased by $15.7 million primarily due to proceeds from the sale of stock in Nationwide Electric, Inc. in September 1999.
- Investments and nonutility property increased $20.8 million primarily due to the following:
  - $11.1 million increase in HSS' investment in R. S. Andrews Enterprises
  - $ 9.0 million increase in HSS' Worry Free equipment - net of depreciation
  - $ 4.5 million decrease in investments and nonutility property by KLT mainly because of the sale of an investment, asset impairments and equity losses offset by additional purchases of gas investments, as well as recording an interest in Custom Energy as an equity investment rather than in consolidation, beginning January 1999, due to a reduction in ownership.
  - $ 4.0 million increase in KCPL's decommissioning trust fund
- Electric customer accounts receivable increased $80.2 million primarily because KCPL terminated the accounts receivable sales facility utilized to sell $60 million of accounts receivables in addition to normal seasonal load growth at higher summer electric rates. KCPL entered into another accounts receivables sales agreement to sell currently $60 million of its accounts receivables in the fourth quarter of 1999.
- Deferred regulatory assets increased $7.8 million due to the buyout of a fuel contract less normal amortization.
- Other deferred charges decreased $14.0 million primarily reflecting the change in KLT's ownership in Custom Energy to less than 50% and the September 1999 write off of Telemetry Solutions by KLT Telecom. The change in ownership in Custom Energy changed KLT's accounting treatment of the investment from consolidation to an equity investment, removing Custom Energy's deferred charges from KLT's books.
- Current maturities of long-term debt increased $25.6 million primarily reflecting a $42.0 million increase due to maturing medium-term notes partially offset by $21.5 million in retirements of medium-term notes. Moreover, KLT's borrowings on its bank credit agreement increased by $5.5 million since December 31, 1998.
- Accrued taxes increased $45.8 million primarily due to the timing of income tax and property tax payments.

- Other current liabilities decreased $15.5 million primarily due to the rate refund to Kansas retail customers in March 1999, of which $14.2 million was accrued at December 31, 1998.
- A payment to the IRS in 1999 for the settlement of certain outstanding issues decreased deferred income taxes by $13 million and accrued interest by $7 million.

CAPITAL REQUIREMENTS AND LIQUIDITY

As of November 10, 1999, KCPL's liquid resources included cash flows from operations and $254 million of unused bank lines of credit. The unused lines consisted of KCPL's short-term bank lines of credit of $190 million and KLT's bank credit agreement of $64 million. KLT's availability on its bank credit agreement reflects $23.5 million in repayments made after September 30, 1999 using proceeds from the September 30, 1999 sale of the stock in Nationwide Electric, Inc. On September 30, 1999, KCPL had $85 million of commercial paper borrowings. During the fourth quarter of 1999, KCPL will issue significant additional commercial paper as needed in order to redeem $50 million of preferred stock, retire maturing long-term debt and finance day-to-day operations not expected to be met with internally generated funds.

KCPL continues to generate positive cash flows from operating activities. Cash from operating activities decreased for the nine- and twelve-month periods primarily due to decreased net income before non-cash expenses, the buyout of a fuel contract, the refund of amounts accrued for the Kansas rate adjustment, a payment of $20 million to the IRS to settle certain outstanding issues and a reduction of cash receipts of $60 million because KCPL stopped selling its accounts receivable through an accounts receivable sales facility.

Cash used in investing activities varies with the timing of utility capital expenditures and purchases of investments and nonutility properties. Cash used for investing activities increased for the nine- and twelve-month periods primarily due to increased utility capital expenditures. Additionally, the nine and twelve months ended September 30, 1998 reflected the proceeds from the 1998 sale of KLT Power Inc. Partially offsetting these increases, the nine and twelve months ended September 30, 1999 reflected the proceeds from the sale of the Nationwide Electric, Inc. stock by KLT Energy Services and $80 million in partial insurance recoveries related to Hawthorn No. 5.

Cash used for financing activities decreased for the nine- and twelve-month periods primarily due to $85 million of commercial paper that KCPL borrowed during 1999. Additionally, the nine and twelve months ended September 30, 1999 reflected less in repayments of long-term debt compared to the nine and twelve months ended September 30, 1998. KLT primarily used the proceeds from the sale of KLT Power Inc. in 1998 to repay borrowings under its bank credit agreement.

KCPL's common dividend payout ratio was 129% for the twelve months ended September 30, 1999, and 86% for the twelve months ended September 30, 1998.

Except as discussed above, we expect KCPL to meet day-to-day operations, utility construction requirements (excluding new generating capacity) and dividends with internally generated funds. KCPL 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 environment regulations and the availability of generating units (see discussion below). The funds needed to retire $361 million of maturing debt through the year 2003 will be provided from operations, refinancings or short-term debt. KCPL might issue additional debt and/or additional equity to finance growth or take advantage of new opportunities.

HAWTHORN NO. 5

On February 17, 1999, an explosion occurred at the 476-megawatt, coal-fired Hawthorn Generating Station Unit No. 5 (Hawthorn No. 5). The boiler, which was destroyed, was not operating at the time, and there were no injuries. Though the cause of the explosion is still under investigation, preliminary results indicate that an explosion of accumulated gas in the boiler's firebox caused the damage. KCPL has property insurance coverage with limits of $300 million. Through September 30, 1999, KCPL has received $80 million in insurance recoveries under this coverage and has recorded the recoveries in Utility Plant - accumulated depreciation on the Consolidated Balance Sheet.

After the explosion at Hawthorn No. 5, we estimated, assuming normal weather and operating conditions, a net increase in expense of between $6.5 million and $11.5 million (before tax) for the year 1999. This estimate included the effect of increased net replacement power costs, reduced bulk power sales and reduction of certain operating and maintenance expenses. At the end of September 1999, the net increase in expense for 1999, excluding the July 1999 heat storm, was estimated at $10 million. However, weather during July 1999 was abnormal. Intense and prolonged heat during the last half of July 1999 contributed to a reduction of core utility business earnings per share of $0.18, lowering EPS during all periods (see page 19 for further discussion). A portion of this reduction in EPS can be attributed to the unavailability of Hawthorn No. 5. However, it is not possible to estimate the impact of the unavailability of Hawthorn No. 5 on the reduction in EPS as a result of the July 1999 heat storm or to revise our original 1999 estimated net increase in expense, which was significantly exceeded.

We have entered into a contract for construction of a new coal-fired boiler to permanently replace the lost capacity of Hawthorn No. 5. The new unit, expected to have a capacity of 540 megawatts, should be completed in the summer of 2001. However, we are continuing to evaluate alternatives to replace the power generated by Hawthorn No. 5 prior to completing the new coal-fired boiler in the summer of 2001. We believe that we can secure sufficient power to meet the energy needs of KCPL's customers. Prior to the explosion, we had planned to bring on line Hawthorn No. 6, a 141-megawatt, gas-fired combustion turbine (accepted under a lease arrangement and placed into commercial operation in July 1999) and an additional 294 megawatts of capacity by the summer of 2000. The additional 294 megawatts of capacity involves re-powering an existing unit and adding two new combustion turbines.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

PATRICIA S. LANG, ON BEHALF OF HERSELF AND ALL OTHERS SIMILARLY SITUATED V. KANSAS CITY POWER & LIGHT COMPANY. On October 8, 1999, a First Amended Class Action Complaint was filed against the Company in the United States District Court, Western District of Missouri by Patricia Lang on behalf of herself and all others similarly situated. The complaint alleges plaintiff seeks to bring a claim of race discrimination as a class action on behalf of herself and all other current and former African American employees from May 11, 1994 to the present. The complaint alleges that plaintiff and members of the proposed class are subjected to a hostile and offensive working environment, denied promotional opportunities, compensated less than similarly situated or less qualified Caucasian employees; and are disciplined and/or terminated when they complain of racially discriminatory practices at the company. The complaint seeks a money award for alleged lost wages and fringe benefits, alleged wage differentials, as well as punitive damages, attorneys fees and costs of the action together with an injunction prohibiting the company from retaliating against anyone participating in the litigation and continuing monitoring of the Company's compliance with anti-discrimination laws. Because of the vagueness of the complaint, it also is not possible at this time to evaluate the materiality of the relief sought by the proposed class if certified. However, if no class is certified by the court, and we believe that we will be able to successfully defend the certification of any class action, then the relief sought by the individual plaintiff in this action would not be material to the company's financial condition or result of operations.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

EXHIBITS

Exhibit 27 Financial Data Schedule (for the six months ended September 30, 1999)

REPORTS ON FORM 8-K

No reports on Form 8-K were filed with the Securities and Exchange Commission for the quarter ended September 30, 1999.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KANSAS CITY POWER & LIGHT COMPANY

Dated: November 10, 1999 By: /s/Drue Jennings
(Drue Jennings)
(Chief Executive Officer)

Dated: November 10, 1999 By: /s/Neil Roadman
(Neil Roadman)
(Principal Accounting Officer)

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Sep-30-1999
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