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 **June 30, 2005**

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	Registrant, State of Incorporation, Address 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
1-707	**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 X No _ Kansas City Power & Light Company Yes _ No X

Indicated by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).
Great Plains Energy Incorporated Yes X No _ Kansas City Power & Light Company Yes _ No X

As of August 1, 2005, the number of shares outstanding of (i) Great Plains Energy's common stock was 74,645,747 and (ii) Kansas City Power & Light Company's common stock was one, which was held by Great Plains Energy Incorporated.

Great Plains Energy Incorporated and Kansas City Power & Light Company 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.

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' 2004 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. 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 the Company*
- *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 and constraints placed on the Company's actions by the Public Utility Holding Company Act of 1935*
- *adverse changes in applicable laws, regulations, rules, principles or practices governing tax, accounting and environmental matters including, but not limited to, air 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 the Company's 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 of unplanned generation outages*
- *delays in the anticipated in-service dates of additional generating capacity*
- *nuclear operations*
- *ability to enter new markets successfully and capitalize on growth opportunities in non-regulated businesses*
- *performance of projects undertaken by the Company's 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.

GLOSSARY OF TERMS

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

Abbreviation or Acronym	Definition
35 Act	Public Utility Holding Company Act of 1935, as amended
CAIR	Clean Air Interstate Rule
Clean Air Act	Clean Air Act Amendments of 1990
CO_2	Carbon Dioxide
Compact	Central Interstate Low-Level Radioactive Waste Compact
Company	Great Plains Energy Incorporated and its subsidiaries
Consolidated KCP&L	KCP&L and its wholly owned subsidiaries
Digital Teleport	Digital Teleport, Inc.
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[SM]	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
GPP	Great Plains Power Incorporated, a wholly owned subsidiary of Great Plains Energy
Great Plains Energy	Great Plains Energy Incorporated and its subsidiaries
Holdings	DTI Holdings, Inc.
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
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 Gas portfolio	KLT Gas natural gas properties
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
MISO	Midwest Independent Transmission System Operator, Inc.
MPSC	Missouri Public Service Commission
MW	Megawatt
MWh	Megawatt hour
NEIL	Nuclear Electric Insurance Limited
NO_x	Nitrogen Oxide

Abbreviation or Acronym	Definition
NRC	Nuclear Regulatory Commission
NSPS	New Source Performance Standards
OCI	Other Comprehensive Income
PJM	PJM Interconnection
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
SO_2	Sulfur Dioxide
SPP	Southwest Power Pool, Inc.
Strategic Energy	Strategic Energy, L.L.C., a subsidiary of KLT Energy Services
T - Lock	Treasury Lock
WCNOC	Wolf Creek Nuclear Operating Corporation
Wolf Creek	Wolf Creek Generating Station
Worry Free	Worry Free Service, Inc., a wholly owned subsidiary of HSS

PART I - FINANCIAL INFORMATION
Item 1. Consolidated Financial Statements

GREAT PLAINS ENERGY
Consolidated Balance Sheets
(Unaudited)

	June 30 2005	December 31 2004
ASSETS	(thousands)	
Current Assets		
Cash and cash equivalents	$ 76,543	$ 127,129
Restricted cash	-	7,700
Receivables, net	343,847	247,184
Fuel inventories, at average cost	23,365	21,121
Materials and supplies, at average cost	55,532	54,432
Deferred income taxes	-	13,065
Assets of discontinued operations	2,677	749
Derivative instruments	24,056	6,372
Other	23,124	14,485
Total	549,144	492,237
Nonutility Property and Investments		
Affordable housing limited partnerships	30,388	41,317
Nuclear decommissioning trust fund	88,024	84,148
Other	32,936	32,739
Total	151,348	158,204
Utility Plant, at Original Cost		
Electric	4,890,589	4,841,355
Less-accumulated depreciation	2,253,964	2,196,835
Net utility plant in service	2,636,625	2,644,520
Construction work in progress	59,244	53,821
Nuclear fuel, net of amortization of $107,284 and $127,631	31,873	36,109
Total	2,727,742	2,734,450
Deferred Charges and Other Assets		
Regulatory assets	141,231	144,345
Prepaid pension costs	103,936	119,811
Goodwill	87,624	86,767
Other	69,920	63,087
Total	402,711	414,010

Total	$ 3,830,945	$ 3,798,901

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

GREAT PLAINS ENERGY
Consolidated Balance Sheets
(Unaudited)

	June 30 2005	December 31 2004
LIABILITIES AND CAPITALIZATION	(thousands)	
Current Liabilities		
Notes payable	$ 16,000	$ 20,000
Commercial paper	173,775	-
Current maturities of long-term debt	251,607	253,230
EIRR bonds classified as current	85,922	85,922
Accounts payable	230,585	199,952
Accrued taxes	57,026	46,993
Accrued interest	11,317	11,598
Accrued payroll and vacations	25,654	32,462
Accrued refueling outage costs	2,240	13,180
Supplier collateral	-	7,700
Liabilities of discontinued operations	6,390	2,129
Other	26,411	24,931
Total	886,927	698,097
Deferred Credits and Other Liabilities		
Deferred income taxes	628,310	632,160
Deferred investment tax credits	31,643	33,587
Asset retirement obligations	115,347	113,674
Pension liability	96,873	95,805
Other	88,084	88,524
Total	960,257	963,750
Capitalization		
Common shareholders' equity		
Common stock-150,000,000 shares authorized without par value 74,671,646 and 74,394,423 shares issued, stated value	773,823	765,482
Unearned compensation	(2,890)	(1,393)
Capital stock premium and expense	(31,407)	(32,112)
Retained earnings	430,905	451,491
Treasury stock-32,084 and 28,488 shares, at cost	(965)	(856)
Accumulated other comprehensive loss	(33,708)	(41,018)
Total	1,135,758	1,141,594
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)	809,003	956,460
Total	1,983,761	2,137,054
Commitments and Contingencies (Note 11)		
Total	$ 3,830,945	$ 3,798,901

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 June 30		Year to Date June 30	
	2005	2004	2005	2004
Operating Revenues	(thousands)			
Electric revenues - KCP&L	$ 272,083	$ 274,625	$ 505,298	$ 521,160
Electric revenues - Strategic Energy	359,172	338,029	670,488	632,140
Other revenues	466	846	1,049	1,678
Total	631,721	613,500	1,176,835	1,154,978
Operating Expenses				
Fuel	44,803	42,256	86,293	82,856
Purchased power - KCP&L	16,797	17,353	28,287	29,820
Purchased power - Strategic Energy	338,836	307,404	616,702	571,758
Other	84,375	77,906	164,270	157,640
Maintenance	20,552	23,559	49,910	44,030
Depreciation and amortization	38,241	37,565	76,103	74,085
General taxes	26,566	25,303	52,422	50,024
Gain on property	(994)	(123)	(1,513)	(158)
Total	569,176	531,223	1,072,474	1,010,055
Operating income	62,545	82,277	104,361	144,923
Non-operating income	9,847	1,557	11,771	2,969
Non-operating expenses	(9,657)	(3,577)	(10,972)	(6,479)

Interest charges	(18,386)	(18,966)	(35,873)	(37,305)
Income from continuing operations before income taxes, minority interest in subsidiaries and loss from equity investments	44,349	61,291	69,287	104,108
Income taxes	(9,805)	(19,949)	(15,096)	(32,112)
Minority interest in subsidiaries	(8,693)	410	(7,805)	(435)
Loss from equity investments, net of income taxes	(344)	(306)	(689)	(613)
Income from continuing operations	25,507	41,446	45,697	70,948
Discontinued operations, net of income taxes (Note 7)	(3,606)	159	(3,606)	(2,019)
Net income	21,901	41,605	42,091	68,929
Preferred stock dividend requirements	412	412	823	823
Earnings available for common shareholders	$ 21,489	$ 41,193	$ 41,268	$ 68,106
Average number of common shares outstanding	74,592	70,193	74,515	69,725
Basic and diluted earnings (loss) per common share				
Continuing operations	$ 0.34	$ 0.59	$ 0.60	$ 1.01
Discontinued operations	(0.05)	-	(0.05)	(0.03)
Basic and diluted earnings per common share	$ 0.29	$ 0.59	$ 0.55	$ 0.98
Cash dividends per common share	$ 0.415	$ 0.415	$ 0.83	$ 0.83

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 June 30	2005	2004
Cash Flows from Operating Activities	(thousands)	
Net income	$ 42,091	$ 68,929
Less: Discontinued operations, net of income taxes	(3,606)	(2,019)
Income from continuing operations	45,697	70,948
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	76,103	74,085
Amortization of:		
Nuclear fuel	5,418	7,075
Other	5,374	4,990
Deferred income taxes, net	6,947	(1,384)
Investment tax credit amortization	(1,944)	(1,992)
Loss from equity investments, net of income taxes	689	613
Gain on property	(1,513)	(158)
Minority interest in subsidiaries	7,805	435
Other operating activities (Note 4)	(81,772)	(15,789)
Net cash from operating activities	62,804	138,823
Cash Flows from Investing Activities		
Utility capital expenditures	(224,496)	(103,900)
Allowance for borrowed funds used during construction	(767)	(801)
Purchases of investments	(16,752)	(1,776)
Purchases of nonutility property	(2,886)	(3,254)
Proceeds from sale of assets and investments	16,281	1,872
Purchase of additional indirect interest in Strategic Energy	-	(89,994)
Hawthorn No. 5 partial insurance recovery	10,000	30,810
Hawthorn No. 5 partial litigation settlements	-	813
Other investing activities	(2,269)	(5,160)
Net cash from investing activities	(220,889)	(171,390)
Cash Flows from Financing Activities		
Issuance of common stock	5,724	150,000
Issuance of long-term debt	-	163,600
Issuance fees	(8)	(10,158)
Repayment of long-term debt	(2,495)	(4,121)
Net change in short-term borrowings	169,775	(70,000)
Dividends paid	(62,677)	(58,308)
Other financing activities	(2,820)	(3,085)
Net cash from financing activities	107,499	167,928
Net Change in Cash and Cash Equivalents	(50,586)	135,361
Cash and Cash Equivalents from Continuing Operations at Beginning of Year	127,129	114,227
Cash and Cash Equivalents from Continuing Operations at End of Year	$ 76,543	$ 249,588

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 June 30	2005	2004

	Shares	Amount	Shares	Amount
Common Stock		(thousands, except share amounts)		
Beginning balance	74,394,423	$ 765,482	69,259,203	$ 611,424
Issuance of common stock	200,848	6,007	5,000,000	150,000
Issuance of restricted common stock	76,375	2,334	-	-
Ending balance	74,671,646	773,823	74,259,203	761,424
Unearned Compensation				
Beginning balance		(1,393)		(1,633)
Issuance of restricted common stock		(2,334)		-
Forfeiture of restricted common stock		106		-
Compensation expense recognized		731		228
Ending balance		(2,890)		(1,405)
Capital Stock Premium and Expense				
Beginning balance		(32,112)		(7,240)
Issuance of common stock		-		(5,600)
FELINE PRIDES[SM] purchase contract adjustment, allocated fees and expenses		-		(19,657)
Other		705		53
Ending balance		(31,407)		(32,444)
Retained Earnings				
Beginning balance		451,491		391,750
Net income		42,091		68,929
Loss on reissuance of treasury stock		-		(127)
Dividends:				
Common stock		(61,854)		(57,485)
Preferred stock - at required rates		(823)		(823)
Options		-		(69)
Ending balance		430,905		402,175
Treasury Stock				
Beginning balance	(28,488)	(856)	(3,265)	(121)
Treasury shares acquired	(3,596)	(109)	(10,183)	(314)
Treasury shares reissued	-	-	13,358	432
Ending balance	(32,084)	(965)	(90)	(3)
Accumulated Other Comprehensive Loss				
Beginning balance		(41,018)		(36,886)
Derivative hedging activity, net of tax		7,347		8,064
Minimum pension obligation, net of tax		(37)		-
Ending balance		(33,708)		(28,822)
Total Common Shareholders' Equity		$ 1,135,758		$ 1,100,925

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 June 30		Year to Date June 30	
	2005	2004	2005	2004
	(thousands)			
Net income	$ 21,901	$ 41,605	$ 42,091	$ 68,929
Other comprehensive income				
Gain on derivative hedging instruments	367	8,702	19,223	16,789
Income taxes	(324)	(3,828)	(8,371)	(7,366)
Net gain on derivative hedging instruments	43	4,874	10,852	9,423
Reclassification to expenses, net of tax	(1,420)	(349)	(3,505)	(1,359)
Derivative hedging activity, net of tax	(1,377)	4,525	7,347	8,064
Change in minimum pension obligation	-	-	(60)	-
Income taxes	-	-	23	-
Net change in minimum pension obligation	-	-	(37)	-
Comprehensive income	$ 20,524	$ 46,130	$ 49,401	$ 76,993

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

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

	June 30 2005	December 31 2004
ASSETS	(thousands)	
Current Assets		
Cash and cash equivalents	$ 651	$ 51,619
Receivables, net	141,510	63,366
Fuel inventories, at average cost	23,365	21,121

Materials and supplies, at average cost	55,532	54,432
Deferred income taxes	8,094	12,818
Prepaid expenses	11,237	12,511
Derivative instruments	599	363
Total	240,988	216,230
Nonutility Property and Investments		
Nuclear decommissioning trust fund	88,024	84,148
Other	21,139	20,576
Total	109,163	104,724
Utility Plant, at Original Cost		
Electric	4,890,589	4,841,355
Less-accumulated depreciation	2,253,964	2,196,835
Net utility plant in service	2,636,625	2,644,520
Construction work in progress	59,244	53,821
Nuclear fuel, net of amortization of $107,284 and $127,631	31,873	36,109
Total	2,727,742	2,734,450
Deferred Charges and Other Assets		
Regulatory assets	141,231	144,345
Prepaid pension costs	103,062	116,024
Other	26,136	21,621
Total	270,429	281,990
Total	$ 3,348,322	$ 3,337,394

The disclosures regarding 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)

	June 30 2005	December 31 2004
LIABILITIES AND CAPITALIZATION	(thousands)	
Current Liabilities		
Notes payable to Great Plains Energy	$ 349	$ 24
Commercial paper	173,775	-
Current maturities of long-term debt	250,000	250,000
EIRR bonds classified as current	85,922	85,922
Accounts payable	88,227	84,105
Accrued taxes	58,502	34,497
Accrued interest	9,482	9,800
Accrued payroll and vacations	19,246	22,870
Accrued refueling outage costs	2,240	13,180
Other	10,372	8,327
Total	698,115	508,725
Deferred Credits and Other Liabilities		
Deferred income taxes	641,693	654,055
Deferred investment tax credits	31,643	33,587
Asset retirement obligations	115,347	113,674
Pension liability	91,333	90,491
Other	50,708	46,933
Total	930,724	938,740
Capitalization		
Common shareholder's equity		
Common stock-1,000 shares authorized without par value 1 share issued, stated value	887,041	887,041
Retained earnings	230,482	252,893
Accumulated other comprehensive loss	(41,785)	(40,334)
Total	1,075,738	1,099,600
Long-term debt (Note 8)	643,745	790,329
Total	1,719,483	1,889,929
Commitments and Contingencies (Note 11)		
Total	$ 3,348,322	$ 3,337,394

The disclosures regarding 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 June 30		Year to Date June 30	
	2005	2004	2005	2004
Operating Revenues	(thousands)			
Electric revenues	$ 272,083	$ 274,625	$ 505,298	$ 521,160

Other revenues	-	413	113	854
Total	272,083	275,038	505,411	522,014
Operating Expenses				
Fuel	44,803	42,256	86,293	82,856
Purchased power	16,797	17,353	28,287	29,820
Other	68,863	63,000	134,826	126,953
Maintenance	20,540	23,547	49,886	44,013
Depreciation and amortization	36,665	36,382	73,060	72,326
General taxes	25,454	24,303	50,009	48,218
(Gain) Loss on property	3	(123)	(513)	(158)
Total	213,125	206,718	421,848	404,028
Operating income	58,958	68,320	83,563	117,986
Non-operating income	9,346	1,274	10,843	2,464
Non-operating expenses	(627)	(2,082)	(1,780)	(3,628)
Interest charges	(15,482)	(17,164)	(30,101)	(34,388)
Income before income taxes and minority interest in subsidiaries	52,195	50,348	62,525	82,434
Income taxes	(14,466)	(19,294)	(15,431)	(31,443)
Minority interest in subsidiaries	(8,693)	1,278	(7,805)	2,521
Net income	$ 29,036	$ 32,332	$ 39,289	$ 53,512

The disclosures regarding 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 June 30	2005	2004
Cash Flows from Operating Activities	(thousands)	
Net income	$ 39,289	$ 53,512
Adjustments to reconcile income to net cash from operating activities:		
Depreciation and amortization	73,060	72,326
Amortization of:		
Nuclear fuel	5,418	7,075
Other	3,900	3,842
Deferred income taxes, net	(3,334)	979
Investment tax credit amortization	(1,944)	(1,992)
Gain on property	(513)	(158)
Minority interest in subsidiaries	7,805	(2,521)
Other operating activities (Note 4)	(66,280)	6,613
Net cash from operating activities	57,401	139,676
Cash Flows from Investing Activities		
Utility capital expenditures	(226,247)	(103,900)
Allowance for borrowed funds used during construction	(767)	(801)
Purchases of investments	(1,776)	(1,776)
Purchases of nonutility property	(117)	(106)
Proceeds from sale of assets	885	372
Hawthorn No. 5 partial insurance recovery	10,000	30,810
Hawthorn No. 5 partial litigation settlements	-	813
Other investing activities	(2,739)	(5,163)
Net cash from investing activities	(220,761)	(79,751)
Cash Flows from Financing Activities		
Net change in short-term borrowings	174,100	787
Dividends paid to Great Plains Energy	(61,700)	(57,743)
Equity contribution from Great Plains Energy	-	150,000
Issuance fees	(8)	-
Net cash from financing activities	112,392	93,044
Net Change in Cash and Cash Equivalents	(50,968)	152,969
Cash and Cash Equivalents at Beginning of Year	51,619	26,520
Cash and Cash Equivalents at End of Period	$ 651	$ 179,489

The disclosures regarding 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 June 30	2005		2004	
	Shares	**Amount**	**Shares**	**Amount**
	(thousands, except share amounts)			
Common Stock				
Beginning balance	1	$ 887,041	1	$ 662,041
Equity contribution from Great Plains Energy	-	-	-	150,000
Ending balance	1	887,041	1	812,041
Retained Earnings				
Beginning balance		252,893		228,761
Net income		39,289		53,512

Dividends:		
Common stock held by Great Plains Energy	(61,700)	(57,743)
Ending balance	230,482	224,530
Accumulated Other Comprehensive Loss		
Beginning balance	(40,334)	(35,244)
Derivative hedging activity, net of tax	(1,414)	249
Minimum pension obligation, net of tax	(37)	-
Ending balance	(41,785)	(34,995)
Total Common Shareholder's Equity	$ 1,075,738	$ 1,001,576

The disclosures regarding 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 June 30		Year to Date June 30	
	2005	**2004**	**2005**	**2004**
	(thousands)			
Net income	$ 29,036	$ 32,332	$ 39,289	$ 53,512
Other comprehensive income				
Gain (loss) on derivative hedging instruments	(3,589)	3	(2,291)	407
Income taxes	1,378	(1)	880	(158)
Net gain (loss) on derivative hedging instruments	(2,211)	2	(1,411)	249
Reclassification to expenses, net of tax	(3)	-	(3)	-
Derivative hedging activity, net of tax	(2,214)	2	(1,414)	249
Change in minimum pension obligation	-	-	(60)	-
Income taxes	-	-	23	-
Net change in minimum pension obligation	-	-	(37)	-
Comprehensive income	$ 26,822	$ 32,334	$ 37,838	$ 53,761

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

GREAT PLAINS ENERGY INCORPORATED
KANSAS CITY POWER & LIGHT COMPANY
Notes to Consolidated Financial Statements

The notes to 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. ORGANIZATION

Great Plains Energy, a Missouri corporation incorporated in 2001, is a public utility holding company registered with and subject to the regulation of the Securities and Exchange Commission (SEC) under the Public Utility Holding Company Act of 1935, as amended (35 Act). Great Plains Energy does not own or operate any significant assets other than the stock of its subsidiaries.

Great Plains Energy has five direct subsidiaries:

- KCP&L is an integrated, regulated electric utility, which provides electricity to customers primarily in the states of Missouri and Kansas. KCP&L's wholly owned subsidiary, Home Service Solutions Inc. (HSS) sold its wholly owned subsidiary, Worry Free Service, Inc. (Worry Free) in February 2005.
- KLT Inc. is an intermediate holding company that primarily holds, directly or indirectly, interests in Strategic Energy, L.L.C. (Strategic Energy) and affordable housing limited partnerships. KLT Inc. also wholly owns KLT Gas Inc. (KLT Gas). See Note 7 for additional information regarding KLT Gas discontinued operations.
- Great Plains Power Incorporated (GPP) focused on the development of wholesale generation. During the second quarter of 2005, GPP sold to KCP&L, at cost, all capital assets relating to the siting and permitting process for KCP&L's construction of Iatan No. 2. GPP has no further plans for development of wholesale generation at this time.
- 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 owns just under 100% of the indirect interest in Strategic Energy. Strategic Energy provides competitive electricity supply services in several electricity markets offering retail choice.
- Great Plains Energy Services Incorporated (Services) was formed to provide services at cost to Great Plains Energy and its subsidiaries, including consolidated KCP&L, as a service company under the 35 Act.

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 the operations of HSS, GPP, Services, all KLT Inc. operations other than Strategic Energy, and holding company operations.

2. CASH

Cash and Cash Equivalents
Cash equivalents consist of highly liquid investments with original maturities of three months or less. For Great Plains Energy this includes Strategic Energy’s cash held in trust of $19.5 million and $21.0 million at June 30, 2005, and December 31, 2004, 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 had no restricted cash collateral at June 30, 2005. Restricted cash collateral was $7.7 million at December 31, 2004.

3. 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 June 30, 2005 and 2004. To determine basic EPS, preferred stock dividend requirements are deducted from income from continuing operations and net income before dividing by 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. Diluted EPS assumes the issuance of common shares applicable to stock options, performance shares, restricted stock and FELINE PRIDES[SM] calculated using the treasury stock method.

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

	Three Months Ended June 30		Year to Date June 30	
	2005	**2004**	**2005**	**2004**
Income	(thousands, except per share amounts)			
Income from continuing operations	$ 25,507	$ 41,446	$ 45,697	$ 70,948
Less: preferred stock dividend requirements	412	412	823	823
Income available to common shareholders	$ 25,095	$ 41,034	$ 44,874	$ 70,125
Common Shares Outstanding				
Average number of common shares outstanding	74,592	70,193	74,515	69,725
Add: effect of dilutive securities	194	82	203	94
Diluted average number of common shares outstanding	74,786	70,275	74,718	69,819
Basic and diluted EPS from continuing operations	$ 0.34	$ 0.59	$ 0.60	$ 1.01

As of June 30, 2005 and 2004, there were no anti-dilutive shares applicable to stock options, performance shares or restricted stock. As of June 30, 2005 and 2004, 6.5 million FELINE PRIDES had no dilutive effect because the number of common shares to be issued in accordance with the

settlement rate, assuming applicable market value equal to the average price during the period, would be equal to the number of shares Great Plains Energy could re-purchase in the market at the average price during the period.

In August 2005, 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 September 20, 2005, to shareholders of record as of August 29, 2005. The Board of Directors also declared regular dividends on Great Plains Energy's preferred stock, payable December 1, 2005, to shareholders of record as of November 9, 2005.

4. SUPPLEMENTAL CASH FLOW INFORMATION

Great Plains Energy Other Operating Activities

Year to Date June 30	**2005**	**2004**
Cash flows affected by changes in:	(thousands)	
Receivables	$ (96,915)	$ (37,611)
Fuel inventories	(2,215)	(864)
Materials and supplies	(1,100)	5,028
Accounts payable	30,199	14,749
Accrued taxes	(2,098)	23,051
Accrued interest	(421)	(67)
Wolf Creek refueling outage accrual	(10,940)	5,202
Deposits with suppliers	(10,618)	(19,033)
Pension and postretirement benefit assets and obligations	18,429	10,721
Allowance for equity funds used during construction	(923)	(924)
Other	(5,170)	(16,041)
Total other operating activities	$ (81,772)	$ (15,789)
Cash paid during the period:		
Interest	$ 37,359	$ 35,475
Income taxes	$ 16,129	$ 23,329

Consolidated KCP&L Other Operating Activities

Year to Date June 30	**2005**	**2004**
Cash flows affected by changes in:	(thousands)	
Receivables	$ (79,799)	$ (11,102)
Fuel inventories	(2,215)	(864)
Materials and supplies	(1,100)	5,028
Accounts payable	4,093	(6,655)
Accrued taxes	13,828	10,931
Accrued interest	(318)	184
Wolf Creek refueling outage accrual	(10,940)	5,202
Pension and postretirement benefit assets and obligations	15,290	8,032
Allowance for equity funds used during construction	(923)	(924)
Other	(4,196)	(3,219)
Total other operating activities	$ (66,280)	$ 6,613
Cash paid during the period:		
Interest	$ 29,175	$ 32,552
Income taxes	$ 20,564	$ 34,972

Significant Non-Cash Items
During the first quarter of 2005, HSS completed the sale of Worry Free. As part of the transaction, HSS received cash of $0.3 million and notes receivable totaling $5.2 million, net of a $3.0 million allowance.

The notes receivable had no effect on Great Plains Energy's and consolidated KCP&L's cash flows with the exception of $0.1 million receipt of payments on the notes during the second quarter of 2005.

5. RECEIVABLES

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

	June 30 2005	December 31 2004
Consolidated KCP&L	(thousands)	
Customer accounts receivable [(a)] [(b)]	$ 112,732	$ 19,866
Other receivables	30,267	45,222
Allowance for doubtful accounts	(1,489)	(1,722)
Consolidated KCP&L receivables	141,510	63,366
Other Great Plains Energy		
Other receivables	207,240	188,499
Allowance for doubtful accounts	(4,903)	(4,681)
Great Plains Energy receivables	$ 343,847	$ 247,184

[(a)] At December 31, 2004, KCP&L's customer accounts receivable were sold to Receivables Company.

[(b)] Customer accounts receivable included unbilled receivables of $49.2 million and $31.2 million at June 30, 2005 and December 31, 2004, respectively.

KCP&L had a revolving agreement, which expired in January 2005, to sell all of its right, title and interest in the majority of its customer accounts receivable to Kansas City Power & Light Receivables Company (Receivables Company), which in turn sold most of the receivables to outside investors. The expired agreement was structured as a true sale under which the creditors of Receivables Company were entitled to be satisfied out of the assets of Receivables Company prior to any value being returned to KCP&L or its creditors. Accounts receivable sold under the expired revolving agreement totaled $84.9 million at December 31, 2004. As a result of the sale to outside investors, Receivables Company received up to $70 million in cash, which was forwarded to KCP&L as consideration for its sale. At December 31, 2004, Receivables Company had received $65.0 million in cash.

Information regarding KCP&L's sale of accounts receivable under the expired agreement is reflected in the following table.

	Three Months Ended June 30 2004	Year to Date June 30 2005	Year to Date June 30 2004
Gross proceeds on sale of		(thousands)	
accounts receivable	$ 235,002	$ 46,124	$ 435,440
Collections	209,601	44,287	418,798
Loss on sale of accounts receivable	864	34	1,276
Late fees	457	112	1,012

Consolidated KCP&L's other receivables at June 30, 2005 and December 31, 2004, consisted primarily of receivables from partners in jointly owned electric utility plants and wholesale sales receivables. The December 31, 2004, balance also included accounts receivable held by Worry Free. Great Plains Energy's other receivables at June 30, 2005 and December 31, 2004, were primarily the accounts receivable held by Strategic Energy, including unbilled receivables of $101.4 million and $103.0 million, respectively.

In July 2005, KCP&L entered into a new three-year revolving agreement to sell all of its retail electric accounts receivable to Receivables Company, which in turn sold an undivided percentage ownership interest in the accounts receivable to an outside investor. In accordance with Statement of Financial Accounting Standards (SFAS) No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities," the agreements qualify as a sale under which the creditors of Receivables Company are entitled to be satisfied out of the assets of Receivables Company prior to any value being returned to KCP&L or its creditors. As a result of the July 2005 sale to an outside investor, Receivables Company received $70 million in cash, which was forwarded to KCP&L as consideration for its sale. The new agreement allows for a maximum outstanding principal amount sold to the outside investor of $100 million during the period June 1 through October 31, and $70 million during the period November 1 through May 31 of each year.

6. ACQUIRED INTANGIBLE ASSETS

In May 2004, Great Plains Energy, through IEC, completed its purchase of an additional 11.45% indirect interest in Strategic Energy bringing Great Plains Energy's indirect ownership interest in Strategic Energy to just under 100%. The acquired share of intangible assets and related liabilities are detailed in the following table.

	June 30, 2005		December 31, 2004	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets		(millions)		
Supply contracts	$ 26.5	$ (13.5)	$ 26.5	$ (7.7)
Customer relationships	17.0	(3.3)	17.0	(1.9)
Asset information systems	1.9	(0.6)	1.9	(0.3)
Total	45.4	(17.4)	45.4	(9.9)
Unamortized intangible assets				
Strategic Energy trade name	0.7		0.7	
Total intangible assets	$ 46.1	$ (17.4)	$ 46.1	$ (9.9)
Amortized related liabilities				
Retail contracts	$ 26.5	$ (13.5)	$ 26.5	$ (7.7)

Amortization expense for the acquired share of intangible assets and related liabilities is detailed in the following tables.

	Three Months Ended June 30 2005	Three Months Ended June 30 2004	Year to Date June 30 2005	Year to Date June 30 2004
		(millions)		
Intangible assets	$ 3.7	$ 2.5	$ 7.5	$ 2.5
Related liabilities	(2.9)	(1.9)	(5.8)	(1.9)
Net amortization expense	$ 0.8	$ 0.6	$ 1.7	$ 0.6

	Estimated Amortization Expense				
	2005[a]	2006	2007	2008	2009
	(millions)				
Intangible assets	$ 7.5	$ 10.6	$ 3.3	$ 2.8	$ 2.9
Related liabilities	(5.8)	(7.2)	-	-	-
Net amortization expense	$ 1.7	$ 3.4	$ 3.3	$ 2.8	$ 2.9

[a] Amount represents the remaining estimated amortization expense for 2005.

7. KLT GAS DISCONTINUED OPERATIONS

In February 2004, the Board of Directors approved the sale of the KLT Gas natural gas properties (KLT Gas portfolio) and discontinuation of the gas business. Since the approval, the KLT Gas portfolio has been reported as discontinued operations in accordance with SFAS No. 144 "Accounting for the Impairment or Disposal of Long-lived Assets." During 2004, KLT Gas completed sales of substantially all of the KLT Gas portfolio. During the second quarter of 2005, a legal reserve related to these discontinued operations was recorded. See Note 13 for more information. At June 30, 2005, and December 31, 2004, KLT Gas had $2.7 million and $0.7 million of current assets and $6.4 million and $2.1 million of current liabilities recorded in assets and liabilities from discontinued operations, respectively. The following table summarizes the discontinued operations.

Year to Date June 30	2005	2004
	(millions)	
Revenues	$ -	$ 1.6
Loss from operations, including impairments, before income taxes	(6.0)	(3.7)
Income taxes	2.4	1.7
Discontinued operations, net of income taxes	$ (3.6)	$ (2.0)

The following table summarizes the cash flows from the discontinued operations.

Year to Date June 30	2005	2004
	(millions)	
Net cash from operating activities	$ (0.7)	$ 0.4
Net cash from investing activities	0.2	(0.2)
Net change in cash and cash equivalents	(0.5)	0.2
Cash and cash equivalents at beginning of year	0.6	0.2
Cash and cash equivalents at end of year	$ 0.1	$ 0.4

8. CAPITALIZATION

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

	Year Due	June 30 2005	December 31 2004
Consolidated KCP&L		(thousands)	
General Mortgage Bonds			
7.95%*** Medium-Term Notes	2007	$ 500	$ 500
2.74%* and 2.26%** EIRR bonds	2012-2023	158,768	158,768
Senior Notes			
7.125%	2005	250,000	250,000
6.500%	2011	150,000	150,000
6.000%	2007	225,000	225,000
Unamortized discount		(356)	(465)
EIRR bonds			
2.29%*** Series A & B	2015	105,958	106,991
2.38%*** Series C	2017	50,000	50,000
2.29%*** Series D	2017	39,797	40,183
2.10%** Combustion Turbine Synthetic Lease		-	145,274
Current liabilities			
EIRR bonds classified as current		(85,922)	(85,922)
Current maturities		(250,000)	(250,000)
Total consolidated KCP&L excluding current liabilities		643,745	790,329
Other Great Plains Energy			
4.25% FELINE PRIDES Senior Notes	2009	163,600	163,600
7.71%* and 7.64%** Affordable Housing Notes	2005-2008	3,265	5,761
Current maturities		(1,607)	(3,230)
Total consolidated Great Plains Energy excluding current maturities		$ 809,003	$ 956,460

* Weighted-average rate as of June 30, 2005
** Weighted-average rate as of December 31, 2004
*** Weighted-average rate as of June 30, 2005 and December 31, 2004

KCP&L exercised its early termination option in the Combustion Turbine Synthetic Lease and purchased the leased property during the second quarter of 2005. The purchase was funded through the issuance of commercial paper.

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 June 30		Year to Date June 30	
	2005	2004	2005	2004
	(millions)			

Consolidated KCP&L	$ 0.5	$ 0.5	$ 1.1	$ 1.0
Other Great Plains Energy	0.3	0.3	0.4	0.6
Total Great Plains Energy	$ 0.8	$ 0.8	$ 1.5	$ 1.6

Short-Term Borrowings And Short-Term Bank Lines of Credit
Great Plains Energy has a $550 million revolving credit facility with a group of banks that expires in December 2009. A default by Great Plains Energy or any of its significant subsidiaries of other

indebtedness totaling more than $25.0 million is a default under the current 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 June 30, 2005, the Company was in compliance with this covenant. At June 30, 2005, Great Plains Energy had $16.0 million of outstanding borrowings with an interest rate of 3.98% and had issued letters of credit totaling $6.5 million under the credit facility as credit support for Strategic Energy. At December 31, 2004, Great Plains Energy had $20.0 million of outstanding borrowings with an interest rate of 3.04% and had issued letters of credit totaling $8.0 million under the credit facility as credit support for Strategic Energy.

KCP&L has a $250 million revolving credit facility with a group of banks that expires in December 2009, to provide support for its issuance of commercial paper and other general purposes. A default by KCP&L on other indebtedness totaling more than $25.0 million is a default under the current 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 June 30, 2005, KCP&L was in compliance with this covenant. At June 30, 2005, KCP&L had $173.8 million of commercial paper outstanding and no borrowings under the facility. The weighted-average interest rate of the commercial paper was 3.33%. At December 31, 2004, KCP&L had no short-term borrowings or commercial paper outstanding.

Strategic Energy has a $125 million revolving credit facility with a group of banks that expires in June 2007. Great Plains Energy has guaranteed $25.0 million of this facility. A default by Strategic Energy of 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 $62.5 million, a maximum funded indebtedness to EBITDA ratio of 2.25 to 1.00, 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 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 June 30, 2005, Strategic Energy was in compliance with these covenants. At June 30, 2005, $72.5 million in letters of credit had been issued and there were no borrowings under the agreement. At December 31, 2004, $69.2 million in letters of credit had been issued and there were no borrowings under the agreement.

9. PENSION PLANS AND OTHER EMPLOYEE BENEFITS

Pension Plans and Other Employee Benefits
The Company maintains defined benefit pension plans for substantially all employees, including officers, of KCP&L, Services and Wolf Creek Nuclear Operating Corporation (WCNOC). Pension benefits under these plans reflect the employees' compensation, years of service and age at retirement.

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.

	Pension Benefits		Other Benefits	
Three Months Ended June 30	**2005**	**2004**	**2005**	**2004**
Components of net periodic benefit cost	(thousands)			
Service cost	$ 4,338	$ 4,202	$ 235	$ 236
Interest cost	7,459	7,569	712	772
Expected return on plan assets	(8,111)	(7,953)	(160)	(167)
Amortization of prior service cost	1,066	1,070	58	59
Recognized net actuarial loss	4,651	1,945	124	184
Transition obligation	14	14	294	294
Net settlements	-	688	-	-
Net periodic benefit cost	$ 9,417	$ 7,535	$ 1,263	$ 1,378

	Pension Benefits		Other Benefits	
Year to Date June 30	**2005**	**2004**	**2005**	**2004**
Components of net periodic benefit cost	(thousands)			
Service cost	$ 8,647	$ 8,273	$ 470	$ 477
Interest cost	14,880	14,975	1,424	1,544
Expected return on plan assets	(16,192)	(15,777)	(320)	(335)
Amortization of prior service cost	2,132	2,141	116	118
Recognized net actuarial loss	9,286	3,850	248	368
Transition obligation	28	26	588	588
Net settlements	-	866	-	-
Net periodic benefit cost	$ 18,781	$ 14,354	$ 2,526	$ 2,760

Equity Compensation
The Company's Long-Term Incentive Plan is an equity compensation plan approved by its shareholders. The Long-Term Incentive Plan permits the grant of restricted stock, stock options, limited stock appreciation rights and performance shares to officers and other employees of the Company and its subsidiaries. In accordance with the provisions of SFAS No. 123, "Accounting for Stock-Based Compensation", compensation expense and accrued dividends related to equity compensation are recognized over the stated vesting period. Forfeitures of equity compensation are recognized when incurred and previously recorded compensation expense related to the forfeited shares is reversed. The maximum number of shares of Great Plains Energy common stock that can be issued under the plan is 3.0 million. At June 30, 2005, 2.0 million shares remained available for future issuance.

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 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 over stated vesting periods. Performance shares have a value equal to the fair market value of the shares on the grant date with accruing dividends. Year to date June 30, 2005, performance shares granted totaled 182,130; 17,024 of these shares were forfeited. Additionally, year to date June 30, 2005, 5,690 of the 19,313 granted performance shares outstanding at December 31, 2004, were forfeited. Performance shares granted and outstanding totaled 178,729 at June 30, 2005. For the three months ended and year to date June 30, 2005, the Company recognized compensation expense of $0.4 million and $0.7 million, respectively, for performance shares and reversed an insignificant amount of previously recognized compensation expense related to forfeited shares. There was no compensation expense for performance shares for the same periods of 2004.

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 grant date. Restricted stock granted year to date June 30, 2005, totaled 76,375 shares; 3,502 of these shares were forfeited. Restricted stock shares issued in 2005 vest on a graded schedule over a stated period of time with accruing reinvested dividends. For the three months ended and year to date June 30, 2005, the Company recognized compensation expense of $0.4 million and $0.7 million, respectively, for restricted stock and reversed an insignificant amount of previously recognized compensation expense related to forfeited shares. For the same periods in 2004, the Company recognized compensation expense of $0.1 million and $0.2 million, respectively.

Cash-Based Long-Term Incentives
In 2005, Strategic Energy initiated long-term incentives designed to reward officers and key members of management with a cash performance payment for achieving specific performance goals over a stated period of time, commencing January 1, 2005. For the three months ended and year to date June 30, 2005, compensation expense of $0.4 million and $0.8 million, respectively, was recognized for the cash-based incentives.

10. RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

Pursuant to a service agreement approved by the SEC under the 35 Act, 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 $15.5 million and $30.9 million for the three months ended and year to date June 30, 2005, respectively, and $15.3 million and $31.0 million for the same periods in 2004. These costs consisted primarily of employee compensation, benefits and fees associated with various professional services. At June 30, 2005, and December 31, 2004, consolidated KCP&L had a net intercompany payable to Services of $5.5 million and $9.2 million, respectively. On August 1, 2005, approximately 80% of Services' employees were transferred to KCP&L to better align resources with the operating business, leaving 65 employees at Services.

11. COMMITMENTS AND CONTINGENCIES

Nuclear Liability and Insurance

The owners of Wolf Creek, a nuclear generating station, (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, as defined by the Terrorism Risk Insurance Act, terrorism-related losses, 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, 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 the Nuclear Regulatory Commission (NRC). Under this retrospective assessment 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 $10 million ($4.7 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 in excess of our worker radiation claims insurance. In addition, the U.S. Congress could impose additional revenue-raising measures to pay claims. If the $10.8 billion liability limitation is insufficient, management believes the U.S. Congress will consider taking whatever action is necessary to compensate the public for valid claims.

The Energy Policy Act of 2005, which is expected to be signed by President Bush on August 8, 2005, includes the Price-Anderson Amendments Act of 2005. The Price-Anderson Amendments Act of 2005 amends the Price-Anderson Act to increase the annual limit on retrospective assessments from $10 million to $15 million per reactor per incident and reauthorizes the Price-Anderson Act through 2025.

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 about $26.5 million ($12.4 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 financial condition, results of operations 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. KCP&L's net investment in the Compact was $7.4 million at June 30, 2005, and December 31, 2004.

On December 18, 1998, the application for a license to construct this project was denied. After the license denial, WCNOC, the Compact Commission (Commission) and others filed a lawsuit in federal court contending Nebraska officials acted in bad faith while handling the license application. In September 2002, the U.S. District Court Judge presiding over the lawsuit issued his decision in the case finding that the State of Nebraska acted in bad faith in processing the license application for a low-level radioactive waste disposal site in Nebraska and rendered a judgment on behalf of the Commission in the amount of $151.4 million against the state. After the U.S. Court of Appeals affirmed the decision, Nebraska and the Commission settled the case by Nebraska agreeing to pay the Commission a one-time amount of $145.8 million. At the request of the Commission, WCNOC along with other members of the Compact, filed with the Commission their claims for refund. On August 1, 2005, WCNOC received a refund of $19.6 million ($9.2 million, KCP&L's 47% share), including pre-judgment interest and attorney's fees. The Commission continues to explore alternative long-term waste disposal capability and will retain a portion of the settlement, above the amounts refunded, until it determines what role it will take in the development of alternative disposal capability.

Wolf Creek continues to dispose of its low-level radioactive waste at the reopened disposal facility at Barnwell, South Carolina. South Carolina intends to gradually decrease the amount of waste it allows from outside its compact until around 2008 when it intends to no longer accept waste from generators outside its compact. Wolf Creek remains able to dispose of some of its radioactive waste at a facility in Utah. Although management is unable to predict when a permanent disposal facility for Wolf Creek low-level radioactive waste might become available, this issue is not expected to affect continued operation of Wolf Creek.

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.

Environmental-related legislation is continuously proposed before Congress. Such legislation typically includes various compliance dates and compliance limits. Such 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 would seek recovery of capital costs and expenses for such compliance through rates. KCP&L will continue to monitor proposed legislation.

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. Governmental bodies; however, may impose additional or more restrictive environmental regulations that could require substantial changes to operations or facilities at a significant cost. At June 30, 2005 and December 31, 2004, KCP&L had $0.3 million accrued for environmental remediation expenses. The accrual covers 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.

Discussed below are issues that may require material expenditures to comply with environmental laws and regulations. Expenditure estimates provided below include the accelerated environmental upgrade expenditures contemplated in the State of Missouri Public Service Commission (MPSC) and The State

Corporation Commission of the State of Kansas (KCC) agreements discussed in Note 12. KCP&L's expectation is that any such expenditures will be recovered through rates.

NO_x and SO_2 Regulations - Clean Air Interstate Rule

In the May 12, 2005, Federal Register, the Environmental Protection Agency (EPA) published the Clean Air Interstate Rule (CAIR), which requires reductions in SO_2 and NO_x emissions in 28 states including Missouri. This final regulation was effective July 11, 2005.

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 on January 1, 2015. KCP&L's coal-fired plants located in Missouri are subject to CAIR, while its coal-fired plants in Kansas are not.

KCP&L will need to incur significant capital costs, purchase power or purchase emission allowances to implement the emission reductions required by CAIR at its Missouri plants. Analysis of the regulations indicates that selective catalytic reduction technology for NO_x control and scrubbers for SO_2 control will likely be required for some of KCP&L's Missouri plants. Currently, KCP&L estimates that additional capital expenditures to comply with these regulations on all existing Missouri plants could range from $470 million to $690 million. The timing of the installation of such control equipment is currently being developed. KCP&L continues to refine these preliminary estimates and explore alternatives. The ultimate cost of these regulations could be significantly different from the amounts estimated above. As discussed below, certain of the control technology for SO_2 and NO_x will also aid in the control of mercury.

KCP&L is currently allocated approximately 50,000 tons of SO_2 allowances per year to support its emissions of approximately 50,000 tons per year. KCP&L has accumulated over 190,000 tons of allocated SO_2 allowances. KCP&L is permitted to sell excess SO_2 allowances in accordance with KCP&L's comprehensive energy plan as approved by the MPSC and KCC. See Note 12 for more information.

In the July 6, 2005, Federal Register, the EPA published regulations on best available retrofit technology (BART) that amended its July 1999 regional haze regulations regarding emission controls for industrial facilities emitting air pollutants that reduce visibility. The BART regulations apply to KCP&L's coal-fired plants and are effective September 6, 2005. The BART requirement directs state air quality agencies to identify whether emissions from sources subject to BART are below limits set by the state, or whether retrofit measures are needed to reduce the emissions below those limits. Based on the results of the state air quality studies, it is anticipated that KCP&L could substantially achieve compliance at its Missouri plants by making capital expenditures to comply with CAIR. Additional capital expenditures to comply with the regulations at KCP&L's Kansas plants could range from $220 million to $360 million.

Mercury Emissions
In July 2000, the National Research Council published its findings of a study under the Clean Air Act, which stated that power plants that burn fossil fuels, particularly coal, generate the greatest amount of mercury emissions from man-made sources. In the March 29, 2005, Federal Register, the EPA reversed its December 2000 finding that it was "appropriate and necessary" to regulate fossil fuel-fired power plants under section 112 of the Clean Air Act, concluding that the earlier finding lacked foundation and that recent information demonstrates that it is not appropriate or necessary to regulate fossil fuel-fired power plants under section 112. The EPA therefore removed coal- and oil-fired power plants from the section 112(c) list. Under section 112 of the Clean Air Act, the EPA would have been required to issue Maximum Available Control Technology standards for affected facilities and would have been prohibited from using cap and trade provisions for achieving compliance.

In the May 12, 2005, Federal Register, the EPA published the Clean Air Mercury Rule, which regulates mercury emissions from coal-fired power plants located in 48 states including Kansas and Missouri under the New Source Performance Standards (NSPS) of the Clean Air Act. This final regulation was effective July 18, 2005. This final rule establishes 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 establishes a permanent nationwide cap of 38 tons of mercury for coal-fired power plants. The first phase cap is anticipated to be met by KCP&L taking advantage of mercury reductions achieved through capital expenditures to comply with CAIR and BART. The second phase is effective January 1, 2018, and establishes a permanent nationwide cap of 15 tons of mercury for coal-fired power plants. When fully implemented, this final 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 one allowance 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. Therefore, capital expenditures may be required in the 2016-2018 timeframe to install additional mercury pollution control equipment. If KCP&L were required to install mercury control equipment on all of its coal-fired power plants, it is anticipated that chemical injection would provide the required control. The incremental projected cost to KCP&L, above the costs to comply with CAIR and BART, for mercury control ranges from $10 million to $20 million. KCP&L is a participant in the Department of Energy (DOE) project at the Sunflower Electric Holcomb plant to investigate control technology options for mercury removal from coal-fired plants burning sub bituminous coal.

The EPA's actions to de-list mercury under section 112 of the Clean Air Act and sign the Clean Air Mercury Rule remain controversial and subject to challenge.

Carbon Dioxide
At a December 1997 meeting in Kyoto, Japan, delegates from 167 nations, including the U.S., agreed to a treaty (Kyoto Protocol) that would require a 7% reduction in U.S. CO_2 emissions below 1990 levels, a nearly 30% cut from current levels. On March 28, 2001, the Bush administration announced it will not negotiate implementation of the Kyoto Protocol and it will not send the Kyoto Protocol to the U.S. Senate for ratification.

On February 14, 2002, President Bush unveiled his Clear Skies Initiative, which included a climate change policy. The climate change policy 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. The administration's strategy is intended to reduce the greenhouse gas intensity of the U.S. economy by 18% over the next 10 years. 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.

On December 19, 2002, Great Plains Energy joined 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. On January 17, 2003, the EEI sent a letter to numerous Administration officials, in which the EEI committed to work with the government over the next decade to reduce the power sector's CO_2 emissions per kWh generated (carbon intensity) by the equivalent of 3% to 5% of the current level. On December 13, 2004, Power Partners entered into a cooperative umbrella 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 over the next decade consistent with the EEI commitment of 3% to 5%.

Air Particulate Matter and Ozone
In July 1997, the EPA revised ozone and particulate matter air quality standards creating a new eight-hour ozone standard and establishing a new standard for particulate matter less than 2.5 microns (PM-2.5) in diameter. These standards were challenged in Federal court. However, the courts ultimately denied all state, industry and environmental groups petitions for review and thus upheld as valid the EPA's new eight-hour ozone and PM-2.5 National Ambient Air Quality Standards (NAAQS). On December 17, 2004, the EPA designated the Kansas City area as attainment with respect to the PM-2.5 NAAQS. In the May 3, 2005, Federal Register, the EPA published a final rule that 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 effective June 2, 2005.

Water Use Regulations
On February 16, 2004, the EPA finalized the Phase II rule implementing Section 316(b) of the Clean Water Act establishing standards for cooling water intake structures at existing facilities. The final rule was published in the July 9, 2004, Federal Register with an effective date of September 7, 2004. This final regulation is applicable to certain existing power producing facilities that employ cooling water intake structures that withdraw 50 million gallons or more per day and use 25% or more of that water for cooling purposes. KCP&L is required to complete a Section 316(b) comprehensive demonstration study on each of its generating facilities' intake structures by the end of 2007. KCP&L plans to complete the comprehensive demonstration studies by the end of 2006 at an expected cost of $0.3 million to $0.5 million per facility. 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 the final rule is expected to be achieved between 2011 and 2014. Until the Section 316(b) comprehensive demonstration studies are completed, the impact of this final rule cannot be quantified.

Energy Policy Act of 2005
In July 2005, Congress passed the Energy Policy Act of 2005, which is expected to be signed by President Bush on August 8, 2005. The Energy Policy Act of 2005 repeals, effective six months after enactment, the 35 Act, which currently places certain limitations and approval requirements on registered public utility holding company systems with respect to matters such as aquisitions, business combinations and activities, securities and affiliate transactions, and provides certain utility consumer protection authority to the Federal Energy Regulatory Commission (FERC) and the states. Among other things, the Energy Policy Act of 2005 also revises the Public Utility Regulatory Policy Act (PURPA) to eliminate mandatory power purchase obligations; requires FERC to provide transmission investment incentives; accelerates depreciation on transmission lines and pollution control equipment; provides for the extension of tax credits for wind energy generation; requires large municipals and cooperatives to provide open transmission access; and authorizes the creation of an Electric Reliability Organization to establish and enforce mandatory reliability standards subject to FERC oversight. Management has not yet fully determined its impact on Great Plains Energy and consolidated KCP&L.

Pennsylvania Gross Receipts Tax Contingency
In January 2005, Strategic Energy was advised by the Pennsylvania Department of Revenue of a potential tax deficiency relating to state gross receipts tax on Strategic Energy's Provider of Last Resort (POLR) revenues from 2000 to 2002. During the first quarter of 2005, Strategic Energy reached a final settlement with the State of Pennsylvania for all three years with no deficiency related to the POLR revenues.

Income Tax Contingencies
Management evaluates and records contingent tax liabilities 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 June 30, 2005, and December 31, 2004, the Company had $13.5 million and $13.4 million, respectively, of liabilities for contingencies related to tax deductions or income positions taken on the Company's tax returns. Consolidated KCP&L had liabilities of $3.6 million and $3.7 million at June 30, 2005, and December 31, 2004, 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 Company will reverse these tax provisions to income. If the positions are not ultimately sustained, the Company may be required to make cash payments plus interest and/or utilize the Company's federal and state credit carryforwards.

12. REGULATORY MATTERS

Executing On Strategic Intent
KCP&L has continued to make progress in implementing its comprehensive energy plan during 2005. Early in the third quarter of 2005, KCP&L received approvals from the MPSC and KCC on its previously filed agreements regarding its comprehensive energy plan. The agreements were reached between KCP&L, the Commission staffs and certain key parties in the respective jurisdictions. The following are brief descriptions of the major provisions of the approved agreements.

- KCP&L will make energy infrastructure investments as summarized in the table below.

Project	Details	Estimated Capital Expenditures
		(millions)
Iatan No. 2	Building and owning up to 500 MW of an 800-900 MW coal fired plant with an estimated completion date of June 2010	$ 776

Wind Generation [a]	Installation of 100 MW of wind generation in 2006	131
Environmental	Retrofit of selected existing coal plants	272
Asset Management	Enhanced system performance and reliability	42
Customer Programs	Various demand management, distributed generation and efficiency programs	53
Total [b]		**$ 1,274**

[a] The agreements call for the possible addition of another 100 MW of wind generation in 2008 if supported by a detailed evaluation.

[b] Includes approximately $60 million of investments related to a railroad bridge, a substation and transmission lines. Wind generation includes approximately $2 million of transmission and distribution investment. A decision regarding recovery of costs in Kansas related to the railroad bridge is deferred to future rate cases, which reduces the total to $1,231 million in the Kansas agreement.

- KCP&L's current rates will remain in place until 2007, unless significant events impact KCP&L. The first rate case will be filed in 2006, with any rate adjustments going into effect in 2007. The last rate case defined in the agreements is expected to be filed in 2009, with rates effective near the time Iatan No. 2 is placed in service. Two additional rate cases could be filed in 2007 and 2008 at KCP&L's discretion.

- The Kansas agreement allows KCP&L to recover, on a dollar-for-dollar basis with no profit to the company, actual fuel and purchased power expense incurred through an energy cost adjustment that would take effect for Kansas in 2007. Similarly, an interim energy charge, based on forecasted costs and subject to customer refund, would take effect for Missouri customers in 2007.

- KCP&L may sell SO_2 emission allowances during the term of the agreements. The sales proceeds will be recorded as a regulatory liability for ratemaking purposes and will be amortized over time.

- KCP&L's annual pension costs before amounts capitalized, for regulatory purposes, are established at $22 million until 2007 through the creation of a regulatory asset or liability, as appropriate.

- The depreciable life of Wolf Creek Generating Station for Missouri regulatory purposes will be increased from 40 to 60 years. The Missouri agreement calls for $10.3 million, on an annual jurisdictional basis, of additional amortization expense to be recorded upon the effective date of the agreement to offset the reduction in depreciation expense due to the change in depreciable life. The 60-year Missouri depreciable life will match the current Kansas regulatory depreciable life.

- The agreements are intended to provide KCP&L with regulatory mechanisms to be able to recover the prudent costs of its investments as they are placed in service and an opportunity to maintain targeted credit ratios over the five-year term of the agreements.

The agreements provide regulatory clarity on certain items. However, normal regulatory risk will continue to exist as the commissions establish rates in the rate cases, including, but not limited to, the actual amount of costs to be recovered through rates, the return on equity, the capital structure utilized and expenses to be recovered. KCP&L projects that, if the cost of the plan is included in rate base, the rate increases to support the five year plan and increasing operating expenses would average approximately 3-4% annually, over the same time period.

The comprehensive energy plan is currently expected to be funded through a mix of sources as detailed in the following table.

Funding Source	
Anticipated contribution from rate increases	25% - 35%
New equity financing	20% - 30%
Debt financing	20% - 30%
2007 equity from 2004 FELINE PRIDES	13%
Internal funds and other	5% - 10%

Actual funding sources may differ from this estimated mix and may be affected by various factors, including, but not limited to, the results of the rate proceedings and market conditions.

Southwest Power Pool Regional Transmission Organization

Under FERC Order 2000, KCP&L, as an investor-owned utility, is strongly encouraged to join a FERC approved Regional Transmission Organization (RTO). RTOs combine transmission operations of utility businesses into regional organizations that schedule transmission services and monitor the energy market to ensure regional transmission reliability and non-discriminatory access. The Southwest Power Pool (SPP), of which KCP&L is a member, obtained approval from FERC as an RTO in a January 24, 2005, order. KCP&L intends on participating in the SPP RTO; however, state regulatory approvals are required. KCP&L anticipates making the necessary applications to the MPSC and KCC during the third quarter of 2005. A cost/benefit analysis was conducted under the direction of the SPP Regional State Committee (composed of state commissions from the states where the SPP RTO operates) and the final report was issued April 25, 2005. The analysis indicates the implementation of an energy imbalance market within the SPP would provide net benefits of approximately $373 million over a 10-year period to the transmission-owning members of the SPP RTO; however, there was no significant documented impact for KCP&L over the 10-year period. During June 2005, SPP filed its plans for the energy imbalance market with FERC. It is currently anticipated that the SPP energy imbalance market will start on May 1, 2006.

FERC Market Power Inquiry

KCP&L is authorized by FERC to sell wholesale power at market-based rates. As a condition of that authority, KCP&L must submit to FERC an updated market power analysis every three years. KCP&L submitted its most recent update in 2004. In December 2004, FERC issued an order finding that KCP&L potentially has generation market power in its own control area and the control area of the Kansas City, Kansas Board of Public Utilities (KCBPU). With respect to those control areas, FERC instructed KCP&L (i) to submit a delivered price test (DPT) analysis demonstrating that KCP&L does not possess generation market power; (ii) propose generation market power mitigation measures; or (iii) accept FERC’s default cost-based rates for wholesale power sales or propose alternate cost-based rates (with cost support for such rates).

In February 2005, KCP&L submitted a DPT analysis demonstrating that, if KCP&L’s native load obligations are considered, KCP&L does not possess market power in its control area or the control area of KCBPU. KCBPU subsequently submitted comments to FERC contesting KCP&L’s DPT analysis to which KCP&L has responded to FERC with expert testimony refuting KCBPU’s comments and reiterating that KCP&L’s submitted DPT analysis demonstrates that KCP&L does not have generation market power in KCBPU’s control area. KCP&L anticipates that FERC will issue its final determination in this proceeding by September 2005.

FERC explained in its December 2004 Order that all market-based, wholesale sales into KCP&L’s control area and KCBPU’s control area that occur between March 7, 2005, and the date FERC issues a final order concerning KCP&L’s alleged market power are subject to refund if FERC ultimately concludes that KCP&L possesses market power. Any such refund would be based on the difference between wholesale sales at KCP&L’s market-based rates and sales at FERC-determined cost-based rates. In addition, any such FERC determination would require that any wholesale sales made by KCP&L within those control areas in the future be made at cost-based rates. This restriction with regard to future wholesale sales would continue at least until the time required for FERC to determine that the SPP market satisfies FERC’s market power concerns. The implementation of the SPP market is currently anticipated to occur in May 2006.

KCP&L makes very few market-based, wholesale sales to customers with loads that sink within KCP&L’s or KCBPU’s control areas. Therefore, even if FERC determines that KCP&L has market power, and imposes the refund obligation and restriction on future wholesale sales described above, the financial impact on KCP&L would not be material. However, it is possible that FERC could define sales within KCP&L’s control area more broadly to include wholesale sales to customers with loads that

sink outside KCP&L’s control area, but where such customers choose to take delivery of the energy at a bus within KCP&L’s control area. Although KCP&L would vigorously contest such a definition, the estimated refunds to customers or loss of revenue to KCP&L in that instance, absent mitigation, could be as high as approximately $30 million through the end of 2005, which reflects current projections of prices and MWh sales. Management does not consider this to be a probable outcome.

Seams Elimination Charge Adjustment

Seams Elimination Charge Adjustment (SECA) is a transitional pricing mechanism 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 the Midwest Independent Transmission System Operator, Inc. (MISO) during a sixteen-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 will be allocated a portion of the SECA based on transmission services provided to that zone during 2002 and 2003. There are several unresolved matters and legal challenges to the SECA that are pending before FERC on rehearing.

In the second quarter of 2005, PJM and MISO began invoicing Strategic Energy for these charges, based on allocations in compliance filings made by transmission owners and accepted by FERC, subject to refund and adjustment. Strategic Energy recorded purchased power expenses totaling $7.2 million in the second quarter of 2005 for these charges covering billings for the transition period through June 30, 2005. The compliance filings allocate approximately $1 million of charges per month, through March 2006. Management is unable to predict the outcome of legal and regulatory challenges to the SECA mechanism.

Management believes that a number of issues exist related to the SECA allocations. 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. Management believes, but cannot assure, that Strategic Energy should not ultimately be responsible for the current level of SECA charges.

13. LEGAL PROCEEDINGS

Strategic Energy
On March 23, 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. Mr. Haberstroh claims that he acquired an equity interest in Partners under the terms of his employment agreement and that through a series of transactions, Mr. Haberstroh's equity interest became an equity interest in SE Holdings. In 2001, Mr. Haberstroh's employment was terminated and SE Holdings redeemed his equity interest. Mr. Haberstroh is seeking the loss of his non-equity compensation (including salary, bonus and benefits) and equity compensation and associated distributions (his equity interest in SE Holdings).

Strategic Energy has filed a counterclaim against Mr. Haberstroh for breach of contract. SE Holdings, and its direct and indirect owners, have agreed to indemnify Strategic Energy and IEC against any judgment or settlement of Mr. Haberstroh's claim that relates to his alleged equity interest in SE Holdings, up to approximately $8 million plus any dividends or interest received in relation to his alleged interest.

KLT Gas
On July 28, 2004, KLT Gas received a Notice and Demand for Arbitration Pursuant to Joint Operating Agreement from SWEPI LP doing business as Shell Western E&P and formerly known as Shell Western E&P Inc. (Shell). Prior to the October 2004 sale (with a July 1, 2004, effective date) of KLT Gas' working interests in certain oil and gas leases in Duval County, Texas to Shell, KLT Gas had a 50% working interest in the leases. Shell held the other 50% working interest and was the operator of the properties under a joint operating agreement, as amended (JOA). Three groups of current or past lessors filed suit against Shell in Duval County, Texas, alleging various claims against Shell. Additionally, Shell has been party to ongoing proceedings before the Texas Railroad Commission relating to a well drilled on acreage adjacent to the properties of Shell and KLT Gas mentioned above. Through arbitration, Shell is seeking recovery from KLT Gas of 50% of the fees and costs incurred in the three lawsuits and the Texas Railroad Commission proceedings and settlement proceeds paid with respect to the three lawsuits, which Shell asserts totals approximately $5.9 million for KLT Gas' share, including interest. Shell is also seeking a declaration that the fees and costs incurred and settlement proceeds paid, including any fees and costs incurred in the future, are reimbursable expenses under the JOA. Shell is seeking a ruling compelling KLT Gas to pay Shell immediately all sums deemed to be due pursuant to the arbitration. On August 17, 2004, KLT Gas submitted its notice of defense generally asserting that there is no contractual basis or implied duty for reimbursement or contribution regarding the settlements and there is no contractual basis for reimbursement or contribution regarding the Texas Railroad Commission proceedings. KLT Gas also asserted counterclaims based upon misrepresentations and promissory estoppel, gross negligence in imprudent operations, full accounting under the JOA and offset. The parties completed arbitration during the second quarter of 2005 and the arbitrators' ruling is expected in August 2005. In the second quarter of 2005, KLT Gas recorded a legal reserve related to these matters, which are reported as discontinued operations.

Hawthorn No. 5 Subrogation 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 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 have been dismissed from the suit and various defendants have settled with KCP&L. 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. 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), the verdict would have resulted in an award against the defendant of approximately $97.6 million (of which KCP&L would have received $33 million pursuant to the subrogation allocation agreement after payment of attorney's fees). In response to post-trial pleadings filed by the defendant, in May 2004 the trial judge reduced the award against the defendant to $0.2 million. Both KCP&L and the defendant have appealed this case to the Court of Appeals for the Western District of Missouri.

KLT Telecom
On December 31, 2001, a subsidiary of KLT Telecom Inc. (KLT Telecom), DTI Holdings, Inc. (Holdings) and its subsidiaries Digital Teleport Inc. (Digital Teleport) and Digital Teleport of Virginia, Inc., filed separate voluntary petitions in the Bankruptcy Court for the Eastern District of Missouri for reorganization under Chapter 11 of the U.S. Bankruptcy Code. DTI Holdings and its two subsidiaries are collectively called "DTI." In 2003, the Bankruptcy Court confirmed the plan of reorganization for these three companies.

KLT Telecom originally acquired a 47% interest in DTI in 1997. On February 8, 2001, KLT Telecom acquired control of DTI by purchasing shares from another Holdings shareholder, Richard D. Weinstein (Weinstein), increasing its ownership to 83.6%. In connection with this purchase, KLT Telecom granted

Weinstein a put option. The put option provided for the sale by Weinstein of his remaining shares in Holdings to KLT Telecom during a period beginning September 1, 2003, and ending August 31, 2005. The put option provides for an aggregate exercise price for these remaining shares equal to their fair market value with an aggregate floor amount of $15 million. The floor amount of the put option was fully reserved during 2001. On September 2, 2003, Weinstein delivered to KLT Telecom notice of the exercise of his put option. KLT Telecom declined to pay Weinstein any amount under the put option because, among other things, the stock of Holdings had been cancelled and extinguished pursuant to the joint Chapter 11 plan confirmed by the Bankruptcy Court. Weinstein has sued KLT Telecom for allegedly breaching the put option and seeks damages of at least $15 million plus statutory interest. In April 2005, summary judgment in the Weinstein litigation was granted in favor of KLT Telecom, and Weinstein has appealed this judgment to the Missouri Court of Appeals for the Eastern District. The $15 million reserve has not been reversed pending the outcome of the appeal process.

14. ASSET RETIREMENT OBLIGATIONS

In March 2005, Financial Accounting Standards Board (FASB) issued FASB Interpretation (FIN) No. 47, "Accounting for Conditional Asset Retirement Obligations." FIN No. 47 clarifies that the term conditional asset retirement obligation as used in FASB Statement No. 143, "Accounting for Asset Retirement Obligation," refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Accordingly, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. Great Plains Energy and consolidated KCP&L are required to adopt the provisions of FIN No. 47 by December 31, 2005, although earlier adoption is permitted. Management is currently evaluating the impact of FIN No. 47, and has not yet determined the impact on Great Plains Energy and consolidated KCP&L's consolidated financial statements.

15. 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, which provides reliable, affordable electricity to customers; and Strategic Energy, a competitive electricity supplier, which operates in several electricity markets offering retail choice. Other includes the operations of HSS, GPP, Services, all KLT Inc. operations other than Strategic Energy, unallocated corporate charges 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 June 30, 2005	KCP&L	Strategic Energy	Other	Great Plains Energy
		(millions)		
Operating revenues	$ 272.1	$ 359.6	$ -	$ 631.7
Depreciation and amortization	(36.7)	(1.5)	-	(38.2)
Interest charges	(15.5)	(0.7)	(2.2)	(18.4)
Income taxes	(14.5)	(3.0)	7.7	(9.8)
Loss from equity investments	-	-	(0.4)	(0.4)
Discontinued operations	-	-	(3.6)	(3.6)
Net income (loss)	29.1	3.7	(10.9)	21.9

Three Months Ended June 30, 2004	KCP&L	Strategic Energy	Other	Great Plains Energy
		(millions)		
Operating revenues	$ 274.7	$ 338.5	$ 0.3	$ 613.5
Depreciation and amortization	(36.1)	(1.2)	(0.3)	(37.6)
Interest charges	(17.0)	(0.2)	(1.8)	(19.0)

Income taxes	(19.6)	(7.1)	6.8	(19.9)
Loss from equity investments	-	-	(0.3)	(0.3)
Discontinued operations	-	-	0.2	0.2
Net income (loss)	32.6	9.3	(0.3)	41.6

Year to Date June 30, 2005	**KCP&L**	**Strategic Energy**	**Other**	**Great Plains Energy**
		(millions)		
Operating revenues	$ 505.3	$ 671.4	$ 0.1	$ 1,176.8
Depreciation and amortization	(73.0)	(3.0)	(0.1)	(76.1)
Interest charges	(30.1)	(1.5)	(4.3)	(35.9)
Income taxes	(16.0)	(11.5)	12.4	(15.1)
Loss from equity investments	-	-	(0.7)	(0.7)
Discontinued operations	-	-	(3.6)	(3.6)
Net income (loss)	39.9	16.5	(14.3)	42.1

Year to Date June 30, 2004	**KCP&L**	**Strategic Energy**	**Other**	**Great Plains Energy**
		(millions)		
Operating revenues	$ 521.2	$ 633.0	$ 0.8	$ 1,155.0
Depreciation and amortization	(71.8)	(1.8)	(0.5)	(74.1)
Interest charges	(34.1)	0.3	(3.5)	(37.3)
Income taxes	(31.9)	(14.3)	14.1	(32.1)
Loss from equity investments	-	-	(0.6)	(0.6)
Discontinued operations	-	-	(2.0)	(2.0)
Net income (loss)	54.2	18.6	(3.9)	68.9

	KCP&L	**Strategic Energy**	**Other**	**Great Plains Energy**
June 30, 2005		(millions)		
Assets	$ 3,343.9	$ 446.0	$ 41.0	$ 3,830.9
Capital expenditures [a]	226.4	2.7	(1.7)	227.4
December 31, 2004				
Assets	$ 3,330.2	$ 407.7	$ 61.0	$ 3,798.9
Capital expenditures [a]	190.8	2.6	3.3	196.7

[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 June 30, 2005	**KCP&L**	**Other**	**Consolidated KCP&L**
		(millions)	
Operating revenues	$ 272.1	$ -	$ 272.1
Depreciation and amortization	(36.7)	-	(36.7)
Interest charges	(15.5)	-	(15.5)
Income taxes	(14.5)	-	(14.5)
Net income (loss)	29.1	(0.1)	29.0

Three Months Ended June 30, 2004	**KCP&L**	**Other**	**Consolidated KCP&L**
		(millions)	
Operating revenues	$ 274.7	$ 0.3	$ 275.0
Depreciation and amortization	(36.1)	(0.3)	(36.4)
Interest charges	(17.0)	(0.2)	(17.2)
Income taxes	(19.6)	0.3	(19.3)
Net income (loss)	32.6	(0.3)	32.3

Year to Date June 30, 2005	**KCP&L**	**Other**	**Consolidated KCP&L**
		(millions)	
Operating revenues	$ 505.3	$ 0.1	$ 505.4
Depreciation and amortization	(73.0)	(0.1)	(73.1)
Interest charges	(30.1)	-	(30.1)
Income taxes	(16.0)	0.6	(15.4)
Net income (loss)	39.9	(0.6)	39.3

Year to Date June 30, 2004	**KCP&L**	**Other**	**Consolidated KCP&L**
		(millions)	
Operating revenues	$ 521.2	$ 0.8	$ 522.0
Depreciation and amortization	(71.8)	(0.5)	(72.3)
Interest charges	(34.1)	(0.3)	(34.4)
Income taxes	(31.9)	0.5	(31.4)
Net income (loss)	54.2	(0.7)	53.5

	KCP&L	**Other**	**Consolidated KCP&L**
June 30, 2005		(millions)	
Assets	$ 3,343.9	$ 4.4	$ 3,348.3
Capital expenditures [a]	226.4	-	226.4

December 31, 2004			
Assets	$ 3,330.2	$ 7.2	$ 3,337.4
Capital expenditures [a]	190.8	-	190.8

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

16. DERIVATIVE INSTRUMENTS

The Company's activities expose it 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 its operating results. The Company's risk management activities, including the use of derivatives, are subject to the management, direction and control of internal risk management committees. The Company's interest rate risk management strategy uses derivative instruments to adjust the Company's liability portfolio to optimize the mix of fixed and floating rate debt within an established range. In addition, the Company uses derivative instruments to hedge against future interest rate fluctuations on anticipated debt issuances. The Company maintains commodity-price risk management strategies that use derivative instruments to reduce the effects of fluctuations on purchased power expense caused by commodity price volatility. Counterparties on commodity derivatives and interest rate swap agreements expose the Company 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. Derivative instruments measured at fair value are recorded on the balance sheet 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. The fair value of the swap was a liability of $0.7 million and an asset of $0.7 million at June 30, 2005 and December 31, 2004, respectively.

Cash Flow Hedges — Treasury Lock
In the second quarter of 2005, KCP&L entered into a Treasury Lock (T-Lock) to hedge against interest rate fluctuations on the U.S. Treasury rate component of long-term debt that KCP&L plans to issue within the next six months. The T-Lock will be settled simultaneously with the issuance of the long-term fixed rate debt. The T-Lock effectively removes the uncertainty with respect to the U.S. Treasury rate component of 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 T-Lock 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 other comprehensive income (OCI), to the extent the hedge is effective, until the forecasted transaction occurs. No ineffectiveness has been recorded on the T-Lock. The pre-tax gain or loss on the T-Lock 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 hedge 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 June 30, 2005, KCP&L had hedged approximately 70% of its remaining 2005-projected natural gas usage for retail load and firm MWh sales. These hedging instruments are designated as cash flow hedges. 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 for the three months ended or year to date June 30, 2005 or 2004. When the natural gas is purchased, the amounts in OCI are reclassified to fuel expense in the consolidated income statement.

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 on 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 is hedging its exposure and variability of future cash flows is 4.5 years and 3.1 years at June 30, 2005, and December 31, 2004, respectively.

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 for the three months ended and year to date June 30, 2005, includes no gain or loss and $2.1 million gain, respectively, due to ineffectiveness of the cash flow hedges. Strategic Energy did not record any gains or losses due to ineffectiveness for the three months ended and year to date June 30, 2004.

As part of its commodity-price risk management strategy, Strategic Energy also enters into economic hedges (non-hedging derivatives) that do not qualify for hedge accounting. The changes in the fair value of these derivative instruments recorded as a component of purchased power were a $2.8 million gain and a $0.2 million loss for the three months ended June 30, 2005 and 2004, respectively, and a $5.7 million gain and a $0.5 million loss year to date June 30, 2005 and 2004, respectively.

The notional and estimated fair values of the Company's derivative instruments are summarized in the following table. The fair values of these derivatives are recorded on the consolidated balance sheets.

	June 30 2005		December 31 2004	
	Notional Contract Amount	Fair Value	Notional Contract Amount	Fair Value
Great Plains Energy	(millions)			
Swap contracts				
Cash flow hedges	$ 101.9	$ 13.2	$ 92.4	$ 4.5
Non-hedging derivatives	2.1	1.0	2.3	0.7
Forward contracts				
Cash flow hedges	64.0	9.7	23.0	1.6
Non-hedging derivatives	34.1	3.2	5.5	(2.2)
Treasury Lock				
Cash flow hedges	160.0	(2.3)	-	-
Consolidated KCP&L				
Swap contracts				
Cash flow hedges	8.9	(0.3)	6.3	(0.3)
Treasury Lock				
Cash flow hedges	160.0	(2.3)	-	-

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

	Great Plains Energy		Consolidated KCP&L	
	June 30 2005	December 31 2004	June 30 2005	December 31 2004
	(millions)			
Current assets	$ 11.5	$ 2.5	$ (0.3)	$ (0.3)
Other deferred charges	4.7	0.9	-	-
Other current liabilities	(1.2)	(0.5)	(2.3)	-
Deferred income taxes	(6.7)	(0.8)	1.0	0.2
Other deferred credits	0.3	(0.9)	-	-
Total	$ 8.6	$ 1.2	$ (1.6)	$ (0.1)

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

	Three Months Ended June 30		Year to Date June 30	
	2005	2004	2005	2004
Great Plains Energy	(millions)			
Purchased power expense	$ (2.5)	$ (0.6)	$ (6.1)	$ (2.6)
Minority interest	-	0.1	-	0.3
Income taxes	1.2	0.2	2.7	1.0
OCI	$ (1.3)	$ (0.3)	$ (3.4)	$ (1.3)

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

The Management's Discussion and Analysis of Financial Condition and Results of Operations 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.

OVERVIEW

Great Plains Energy is a public utility holding company registered with and subject to the regulation of the SEC under the 35 Act. Great Plains Energy does not own or operate any significant assets other than the stock of its subsidiaries. Great Plains Energy's direct subsidiaries are KCP&L, KLT Inc., GPP, 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

During the first half of 2005, the Company has initiated several important steps in executing on its Strategic Intent. Strategic Energy has continued to move forward with several initiatives to improve marketing and supply procurement. A few examples of initiatives for supply procurement include improving load aggregation strategies and exploring additional commodity hedging strategies. Marketing initiatives underway include exploring new channels for targeting new customers, product innovation and expanded communication with customers.

KCP&L has continued to make progress in implementing its comprehensive energy plan during 2005. Early in the third quarter of 2005, KCP&L received approvals from the MPSC and KCC on its previously filed agreements regarding its comprehensive energy plan. The agreements were reached between KCP&L, the Commission staffs and certain key parties in the respective jurisdictions.

The next steps in the implementation of KCP&L's comprehensive energy plan are to begin design and construction of the environmental retrofits and the development of the wind project. KCP&L is working closely with public officials on siting the project and continues to evaluate wind project developers for the project, which is targeted for completion in 2006. Agreements are being finalized with Iatan No. 2 partners and the costing and sourcing process for construction of the plant has begun. Iatan No. 2 environmental permitting will continue and remains on track with all permitting expected to be completed by early 2006. Additionally, development and implementation of several demand management programs are expected to be started before the end of 2005.

The following are brief descriptions of the major provisions of the approved agreements.

- KCP&L will make energy infrastructure investments as summarized in the table below.

Project	Details	Estimated Capital Expenditures
		(millions)
Iatan No. 2	Building and owning up to 500 MW of an 800-900 MW coal fired plant with an estimated completion date of June 2010	$ 776
Wind Generation [a]	Installation of 100 MW of wind generation in 2006	131
Environmental	Retrofit of selected existing coal plants	272
Asset Management	Enhanced system performance and reliability	42
Customer Programs	Various demand management, distributed generation and efficiency programs	53
Total [b]		**$ 1,274**

[a] The agreements call for the possible addition of another 100 MW of wind generation in 2008 if supported by a detailed evaluation.

[b] Includes approximately $60 million of investments related to a railroad bridge, a substation and transmission lines. Wind generation includes approximately $2 million of transmission and distribution investment. A decision regarding recovery of costs in Kansas related to the railroad bridge is deferred to future rate cases, which reduces the total to $1,231 million in the Kansas agreement.

- KCP&L's current rates will remain in place until 2007, unless significant events impact KCP&L. The first rate case will be filed in 2006, with any rate adjustments going into effect in 2007. The last rate case defined in the agreements is expected to be filed in 2009, with rates effective near the time Iatan No. 2 is placed in service. Two additional rate cases could be filed in 2007 and 2008 at KCP&L's discretion.
- The Kansas agreement allows KCP&L to recover, on a dollar-for-dollar basis with no profit to the company, actual fuel and purchased power expense incurred through an energy cost adjustment that would take effect for Kansas in 2007. Similarly, an interim energy charge, based on forecasted costs and subject to customer refund, would take effect for Missouri customers in 2007.
- KCP&L may sell SO_2 emission allowances during the term of the agreements. The sales proceeds will be recorded as a regulatory liability for ratemaking purposes and will be amortized over time.
- KCP&L's annual pension costs before amounts capitalized, for regulatory purposes, are established at $22 million until 2007 through the creation of a regulatory asset or liability, as appropriate.
- The depreciable life of Wolf Creek Generating Station for Missouri regulatory purposes will be increased from 40 to 60 years. The Missouri agreement calls for $10.3 million, on an annual jurisdictional basis, of additional amortization expense to be recorded upon the effective date of the agreement to offset the reduction in depreciation expense due to the change in depreciable life. The 60-year Missouri depreciable life will match the current Kansas regulatory depreciable life.
- The agreements are intended to provide KCP&L with regulatory mechanisms to be able to recover the prudent costs of its investments as they are placed in service and an opportunity to maintain targeted credit ratios over the five-year term of the agreements.

The agreements provide regulatory clarity on certain items. However, normal regulatory risk will continue to exist as the commissions establish rates in the rate cases, including, but not limited to, the actual amount of costs to be recovered through rates, the return on equity, the capital structure utilized and expenses to be recovered. KCP&L projects that, if the cost of the plan is included in rate base, the rate increases to support the five year plan and increasing operating expenses would average approximately 3-4% annually, over the same time period.

The comprehensive energy plan is currently expected to be funded through a mix of sources as detailed in the following table.

Funding Source	
Anticipated contribution from rate increases	25% - 35%
New equity financing	20% - 30%

Debt financing	20% - 30%
2007 equity from 2004 FELINE PRIDES	13%
Internal funds and other	5% - 10%

Actual funding sources may differ from this estimated mix and may be affected by various factors, including, but not limited to, the results of the rate proceedings and market conditions.

In July 2005, Missouri Governor Blunt signed into law a bill authorizing the MPSC to approve rate adjustment mechanisms for the pass-through of fuel costs and environmental costs to Missouri regulated utility customers beginning January 1, 2006. In the agreement entered into between KCP&L and the MPSC staff, KCP&L agreed not to utilize any of these mechanisms, outside of a general rate case, through June 2015.

Energy Policy Act of 2005

In July 2005, Congress passed the Energy Policy Act of 2005, which is expected to be signed by President Bush on August 8, 2005. The Energy Policy Act of 2005 repeals, effective six months after enactment, the 35 Act, which currently places certain limitations and approval requirements on registered public utility holding company systems with respect to matters such as aquisitions, business combinations and activities, securities and affiliate transactions, and provides certain utility consumer protection authority to the Federal Energy Regulatory Commission (FERC) and the states. Among other things, the Energy Policy Act of 2005 also revises the Public Utility Regulatory Policy Act (PURPA) to eliminate mandatory power purchase obligations; requires FERC to provide transmission investment incentives; accelerates depreciation on transmission lines and pollution control equipment; provides for the extension of tax credits for wind energy generation; requires large municipals and cooperatives to provide open transmission access; and authorizes the creation of an Electric Reliability Organization to establish and enforce mandatory reliability standards subject to FERC oversight. Management has not yet fully determined its impact on Great Plains Energy and consolidated KCP&L.

KCP&L

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 reliable affordable electricity to approximately 500,000 customers in the states of Missouri and Kansas. KCP&L has continued to experience modest load growth annually through increased customer usage and additional customers. Rates charged for electricity are below the national average. KCP&L's wholly owned subsidiary, HSS, sold its wholly owned subsidiary, Worry Free, in February 2005.

FERC Market Power Inquiry

KCP&L is authorized by FERC to sell wholesale power at market-based rates. In December 2004, FERC issued an order finding that KCP&L potentially has generation market power in its own control area and the control area of the Kansas City, Kansas Board of Public Utilities. See Note 12 to the consolidated financial statements for further information regarding FERC market power inquiry.

Southwest Power Pool Regional Transmission Organization

Under FERC Order 2000, KCP&L, as an investor-owned utility, is strongly encouraged to join a FERC approved RTO. See Note 12 to the consolidated financial statements for further information.

Strategic Energy

Great Plains Energy owns just under 100% of the indirect interest in Strategic Energy. Strategic Energy provides competitive retail electricity supply services by entering into contracts with its customers to supply electricity. Strategic Energy does not own any generation, transmission or distribution facilities. Of the states that offer retail choice, Strategic Energy operates in California, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania and Texas.

In addition to competitive retail electricity supply services, Strategic Energy records insignificant wholesale revenues and purchased power expense incidental to the retail services provided. Strategic Energy also provides strategic planning, consulting and billing and scheduling services in the natural gas and electricity markets. In the second quarter of 2005, Strategic Energy entered into a contract with a customer for services including load management, administration and billing. Strategic Energy expects to manage 1.0 million MWhs over a twelve-month term beginning in October 2005. Retail gross margin per MWh and MWhs in backlog do not reflect the incidental wholesale sales or services contracts; however, these activities are expected to have a positive impact on Strategic Energy's earnings.

Strategic Energy serves approximately 8,700 customers including numerous Fortune 500 companies, smaller companies and governmental entities. Strategic Energy provides competitive electricity supply to approximately 51,000 commercial, institutional and small manufacturing accounts. Strategic Energy's customer retention rate for the three months ended and year to date June 30, 2005, was approximately 70%. MWhs delivered in 2005 are projected to range from 17.5 to 21.0 million. Strategic Energy currently expects the retail gross margin per MWh (retail revenues less retail purchased power divided by retail MWhs delivered) on new customer contracts entered into in 2005 to average from $2.50 to $4.00 and gross margin per MWh delivered in 2005 to average $4.50 to $5.20.

Based solely on expected usage under current signed contracts, Strategic Energy has forecasted future MWh commitments (backlog) of 8.9 million for the remainder of 2005 and 6.4 million and 2.1 million for 2006 and 2007, respectively. In some markets, wholesale power prices in 2005 have continued to rise faster than host utility rates. In markets where this occurs, the savings competitive suppliers can offer to customers are reduced or in some markets are unavailable. Additionally, in those markets where wholesale power prices are lower than host utility rates, Strategic Energy continues to face strong competition from other competitive suppliers.

Seams Elimination Charge Adjustment

SECA is a transitional pricing mechanism intended to compensate transmission owners for the revenue lost as a result of FERC's elimination of regional through and out rates between PJM and the MISO during a sixteen-month transition period from December 1, 2004 through March 31, 2006. See Note 12 to the consolidated financial statements for further information regarding SECA and the impact on Strategic Energy.

California

The 1996 California Assembly Bill 1890 restructured the California electricity industry and provided for the right of Direct Access. Direct Access permits customers to buy their power from an electric service provider (ESP) instead of from an investor owned utility (IOU). On September 20, 2001, the California Public Utility Commission (CPUC) issued a ruling suspending Direct Access for customers not already on Direct Access. A referendum entitled "The Repeal of Electricity Deregulation and Black-out Prevention Act" and backed by The Utility Reform Network will appear on the ballot in a California special election in November 2005. The referendum allows existing Direct Access customers to continue to receive service from an ESP, but prohibits their return to Direct Access if they moved to bundled service for a period of time. The referendum also proposes to change the role of the CPUC, retroactively sets renewable energy requirements and requires an ESP to obtain cost recovery of resource adequacy requirements through a rate proceeding. The Independent Energy Producers (IEP) filed an unsuccessful legal challenge based in part on the constitutionality of the referendum. The California Supreme Court issued an Order allowing the referendum to be placed on the ballot with the right to retain jurisdiction and address the constitutional issues after the election. The passage of this initiative could undermine ongoing efforts to lift the existing suspension of Direct Access.

RELATED PARTY TRANSACTIONS

See Note 10 to the consolidated financial statements for information regarding related party transactions.

GREAT PLAINS ENERGY RESULTS OF OPERATIONS

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

	Three Months Ended June 30		Year to Date June 30	
	2005	**2004**	**2005**	**2004**
	(millions)			
Operating revenues	$ 631.7	$ 613.5	$ 1,176.8	$ 1,155.0
Fuel	(44.8)	(42.3)	(86.3)	(82.9)
Purchased power - KCP&L	(16.8)	(17.3)	(28.3)	(29.8)
Purchased power - Strategic Energy	(338.8)	(307.5)	(616.7)	(571.8)
Other operating expenses	(131.5)	(126.7)	(266.5)	(251.7)
Depreciation and amortization	(38.2)	(37.6)	(76.1)	(74.1)
Gain on property	1.0	0.2	1.5	0.2
Operating income	62.6	82.3	104.4	144.9
Non-operating income (expenses)	0.2	(2.1)	0.8	(3.6)
Interest charges	(18.4)	(19.0)	(35.9)	(37.3)
Income taxes	(9.8)	(19.9)	(15.1)	(32.1)
Minority interest in subsidiaries	(8.7)	0.4	(7.8)	(0.4)
Loss from equity investments	(0.4)	(0.3)	(0.7)	(0.6)
Income from continuing operations	25.5	41.4	45.7	70.9
Discontinued operations	(3.6)	0.2	(3.6)	(2.0)
Net income	21.9	41.6	42.1	68.9
Preferred dividends	(0.4)	(0.4)	(0.8)	(0.8)
Earnings available for common shareholders	$ 21.5	$ 41.2	$ 41.3	$ 68.1

Great Plains Energy’s earnings in the three months ended June 30, 2005, detailed in the following table, decreased to $21.5 million, or $0.29 per share, from $41.2 million, or $0.59 per share, compared to the same period of 2004.

Three Months Ended June 30	Earnings (loss) 2005	Earnings (loss) 2004	Earnings (loss) per Great Plains Energy Share 2005	Earnings (loss) per Great Plains Energy Share 2004
	(millions)			
KCP&L	$ 29.1	$ 32.6	$ 0.39	$ 0.47
Subsidiary operations	(0.1)	(0.3)	-	(0.01)
Consolidated KCP&L	29.0	32.3	0.39	0.46
Strategic Energy	3.7	9.3	0.05	0.13
Other non-regulated operations	(7.2)	(0.2)	(0.09)	-
Discontinued operations (KLT Gas)	(3.6)	0.2	(0.05)	-
Preferred dividends	(0.4)	(0.4)	(0.01)	-
Total	$ 21.5	$ 41.2	$ 0.29	$ 0.59

The earnings per share of any segment does not represent a direct legal interest in the asset and liabilities allocated to any one segment but rather represents a direct equity interest in Great Plains Energy's assets and liabilities as a whole.

Great Plains Energy’s earnings year to date June 30, 2005, detailed in the following table, decreased to $41.3 million, or $0.55 per share, from $68.1 million, or $0.98 per share, compared to the same period of 2004.

Year to Date June 30	Earnings (loss) 2005	Earnings (loss) 2004	Earnings (loss) per Great Plains Energy Share 2005	Earnings (loss) per Great Plains Energy Share 2004
	(millions)			
KCP&L	$ 39.9	$ 54.2	$ 0.54	$ 0.78
Subsidiary operations	(0.6)	(0.7)	(0.01)	(0.01)
Consolidated KCP&L	39.3	53.5	0.53	0.77
Strategic Energy	16.5	18.6	0.22	0.27
Other non-regulated operations	(10.1)	(1.2)	(0.14)	(0.02)
Discontinued operations (KLT Gas)	(3.6)	(2.0)	(0.05)	(0.03)
Preferred dividends	(0.8)	(0.8)	(0.01)	(0.01)
Total	$ 41.3	$ 68.1	$ 0.55	$ 0.98

The earnings per share of any segment does not represent a direct legal interest in the asset and liabilities allocated to any one segment but rather represents a direct equity interest in Great Plains Energy's assets and liabilities as a whole.

Scheduled and forced plant maintenance for the three months ended and year to date June 30, 2005, compared to the same periods of 2004, continued to have an impact on earnings at KCP&L. Retail revenues increased as a result of warmer June 2005 weather; however, the increase was more than offset by decreased wholesale revenues driven by lower MWhs generated primarily due to plant maintenance outages. Fuel expense increased despite the lower generation primarily due to increased coal and coal transportation costs and less nuclear usage in the fuel mix. Operating expenses increased primarily due to higher pension and employee related expenses. Additionally, storms restoration increased operating expenses year to date June 30, 2005, compared to the same period of 2004.

Average retail gross margin on Strategic Energy’s MWhs delivered declined for the three months ended and year to date June 30, 2005, compared to the same periods of 2004. A continuing environment of

higher energy prices and forward electricity prices and the roll-off of older, higher margin contracts combined with expenses for SECA recorded in the second quarter of 2005 to negatively impact average retail gross margins. Partially offsetting the negative impact were favorable net changes in the fair value of energy related derivative instruments.

Higher reductions in affordable housing limited partnerships decreased other non-regulated operations earnings $4.4 million for the three months ended and $3.6 million year to date June 30, 2005, compared to the same periods of 2004. Discontinued operations for the three months ended and year to date June 30, 2005, reflects a legal reserve related to the KLT Gas portfolio assets sold in 2004. See Note 7 to the consolidated financial statements for information regarding the discontinued operations. Discontinued operations year to date June 30, 2004, reflects a loss of $1.2 million due to the write down of the KLT Gas portfolio to its estimated net realizable value and a loss of $0.8 million from the wind down operations.

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 June 30 2005	Three Months Ended June 30 2004	Year to Date June 30 2005	Year to Date June 30 2004
		(millions)		
Operating revenues	$ 272.1	$ 275.0	$ 505.4	$ 522.0
Fuel	(44.8)	(42.3)	(86.3)	(82.9)
Purchased power	(16.8)	(17.3)	(28.3)	(29.8)
Other operating expenses	(114.8)	(110.9)	(234.6)	(219.2)
Depreciation and amortization	(36.7)	(36.4)	(73.1)	(72.3)
Gain on property	-	0.2	0.5	0.2
Operating income	59.0	68.3	83.6	118.0
Non-operating income (expenses)	8.7	(0.8)	9.0	(1.2)
Interest charges	(15.5)	(17.2)	(30.1)	(34.4)
Income taxes	(14.5)	(19.3)	(15.4)	(31.4)
Minority interest in subsidiaries	(8.7)	1.3	(7.8)	2.5
Net income	$ 29.0	$ 32.3	$ 39.3	$ 53.5

Consolidated KCP&L’s net income decreased $3.3 million for the three months ended and $14.2 million year to date June 30, 2005, compared to the same periods of 2004. Retail revenues increased as a result of warmer June 2005 weather; however, the increase was more than offset by decreased wholesale revenues. The lower wholesale revenues were driven primarily by lower MWhs generated mostly attributable to the timing and scope of forced and scheduled outages, particularly Wolf Creek’s 2005 spring scheduled refueling outage. Fuel expense increased despite the lower generation primarily due to increased coal and coal transportation costs and less nuclear usage in the fuel mix. Operating expenses increased primarily due to higher pension and employee related expenses. Year to date June 30, 2005, operating expenses also increased due to storm restoration costs. Decreased income tax expense partially offset the decreases to net income reflecting lower taxable income and the allocation of tax benefits from holding company losses pursuant to the Company’s intercompany tax allocation agreement.

Consolidated KCP&L Sales Revenues and MWh Sales

	Three Months Ended June 30 2005	Three Months Ended June 30 2004	% Change	Year to Date June 30 2005	Year to Date June 30 2004	% Change
Retail revenues	(millions)			(millions)		
Residential	$ 91.8	$ 87.7	5	$ 165.0	$ 161.8	2
Commercial	111.7	106.5	5	203.0	197.7	3
Industrial	26.3	24.5	7	49.1	46.3	6
Other retail revenues	2.1	2.0	2	4.3	4.1	1
Total retail	231.9	220.7	5	421.4	409.9	3
Wholesale revenues	37.3	50.0	(25)	76.4	103.6	(26)
Other revenues	2.9	4.0	(28)	7.5	7.7	(2)
KCP&L electric revenues	272.1	274.7	(1)	505.3	521.2	(3)
Subsidiary revenues	-	0.3	(100)	0.1	0.8	(87)
Consolidated KCP&L revenues	$ 272.1	$ 275.0	(1)	$ 505.4	$ 522.0	(3)

	Three Months Ended June 30 2005	Three Months Ended June 30 2004	% Change	Year to Date June 30 2005	Year to Date June 30 2004	% Change
Retail revenues	(thousands)			(thousands)		
Residential	1,223	1,164	5	2,403	2,359	2
Commercial	1,783	1,698	5	3,461	3,377	2
Industrial	548	515	7	1,058	1,007	5
Other retail MWh sales	19	18	2	40	39	2
Total retail	3,573	3,395	5	6,962	6,782	3
Wholesale MWh sales	1,038	1,627	(36)	2,248	3,344	(33)
KCP&L electric MWh sales	4,611	5,022	(8)	9,210	10,126	(9)

Retail revenues increased $11.2 million for the three months ended and $11.5 million year to date June 30, 2005, compared to the same periods of 2004 due to warmer June 2005 weather and continued load growth of approximately 2%, adjusted for weather. Load growth consists of higher usage per customer and the addition of new customers. Weather most significantly affects residential customers' usage patterns. Residential usage per customer increased 13% for the month of June 2005 compared to June 2004 driven by a 79% increase in cooling degree days.

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. Wholesale revenues decreased $12.7 million for the three months ended and $27.2 million year to date June 30, 2005, compared to the same periods of 2004 due to decreased MWhs sold. Significant decreases in MWhs sold were driven by scheduled and forced plant outages, which decreased net MWhs generated 7% for the three months ended and 8% year to date. Additionally, retail sales increased 5% for the three months ended and 3% year to date June 30, 2005, compared to the same periods of 2004, which resulted in less MWhs available for wholesale sales. KCP&L's coal base load equivalent availability factor increased slightly for the three months ended and was relatively unchanged year to date June 30, 2005, compared to the same periods of 2004; however, Wolf Creek's availability was 50% lower for the three months ended and 30% lower year to date mostly due to its scheduled spring 2005 refueling outage. The effect on wholesale revenues of the decreased MWhs sold was partially offset by 20% and 13% increases in the average market price per MWh sold to $38.37 and $36.49 for the three months ended and year to date June 30, 2005, respectively, compared to the same periods in 2004. The higher average prices per

MWh were primarily due to higher natural gas prices combined with transmission constraints and outages in the region.

Consolidated KCP&L Fuel and Purchased Power
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 change the fuel cost per MWh generated substantially. 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.

KCP&L's nuclear unit, Wolf Creek, accounts for approximately 20% of its baseload capacity and over a three year period averages over 20% of KCP&L's MWhs generated. KCP&L expects its cost of nuclear fuel to remain relatively stable through the year 2009. Replacement power costs for scheduled Wolf Creek outages are accrued evenly over the unit's 18-month operating cycle.

KCP&L has been monitoring railroad cycle times for coal deliveries since the third quarter of 2004. Rail companies have experienced longer cycle times for coal deliveries to utilities across the country. In mid-May 2005, western rail service further deteriorated as a result of two train derailments that occurred on the primary rail line serving the Powder River Basin (PRB). Significant sections of track on this rail line must be repaired before normal train operations from the PRB can resume. Recent rail company notices indicate the track maintenance will likely continue through November 2005 and PRB deliveries will be reduced by 15% to 20% until that time. This affects all users of PRB coal. 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. As a result, KCP&L coal inventories are below desired levels. In response to reduced inventory levels, KCP&L has begun to implement modest coal conservation measures by reducing coal generation. Less MWhs available to sell in the wholesale market are anticipated over the second half of 2005 as these strategies are implemented; however, given the widespread nature of the rail service issues, increases in wholesale prices could partially compensate for lost MWh sales. Currently, management does not anticipate a material impact on KCP&L's financial results; however, management cannot predict with certainty the impact of the situation and acutual results could be materially different. Management is monitoring the situation closely and steps will be taken, as necessary, to maintain an adequate energy supply to our native load and firm requirements customers.

Fuel expense increased $2.5 million for the three months ended and $3.4 million year to date June 30, 2005, compared to the same periods of 2004, driven by a combination of the cost of coal and coal transportation and changes in the fuel mix to higher cost generation. The increases were offset by $3.9 million for the three months ended and $7.0 million year to date as a result of less MWhs generated and a favorable coal physical inventory adjustment. KCP&L's existing coal contracts have been entered into over time at higher prices as the coal market price has risen creating an increase in coal costs. Additionally, the coal transportation contracts contain annual escalation factors. Less nuclear and higher natural gas generation in the 2005 fuel mix was driven by the number and duration of scheduled and forced plant outages.

Purchased power expense decreased $0.5 million and $1.5 million for the three months ended and year to date June 30, 2005, compared to the same periods in 2004. MWhs purchased decreased 22% for the three months ended and 28% year to date; however, the effect of the lower MWhs purchased was mostly offset by 34% and 30% increases in the average price per MWh purchased for the three months ended and year to date June 30, 2005, respectively, compared to the same periods in 2004.

The increased prices were driven by more purchases during higher priced peak hours as a result of scheduled and forced plant outages and overall higher prices due to higher natural gas prices combined with transmission constraints and outages in the region.

Consolidated KCP&L Other Operating Expenses ***(including other operating, maintenance and general taxes)***
Consolidated KCP&L's other operating expenses increased $3.9 million for the three months ended June 30, 2005, compared to the same period of 2004, primarily due to the following:

- increased pension expense of $1.3 million primarily due to the amortization of prior year investment losses and slightly lower discount rates,
- increased employee related expenses of $2.7 million including severance and incentive compensation,
- increased outside services and regulatory expenses of $1.2 million including expenses related to the comprehensive energy plan and
- increased general taxes of $1.1 million mostly due to increases in assessed property valuations and mill levies.

Partial offsets to the increase in other operating expenses included:

- decreased transmission service expense of $1.3 million primarily due to lower wholesale MWhs sold and
- decreased production operations and maintenance expenses of $1.8 million primarily due to the timing and scope of plant outages.

Consolidated KCP&L's other operating expenses increased $15.4 million year to date June 30, 2005, compared to the same period of 2004, primarily due to the following:

- increased pension expense of $3.2 million primarily due to the amortization of prior year investment losses and slightly lower discount rates,
- increased employee related expenses of $3.2 million including severance and incentive compensation,
- increased outside services and regulatory expenses of $2.0 million including expenses related to the comprehensive energy plan,
- increased general taxes of $1.8 million mostly due to increases in assessed property valuations and mill levies,
- increased expenses of $4.7 million due to higher restoration costs for a January 2005 ice storm and June 2005 wind storms compared to the 2004 wind storm restoration costs and
- increased production operations and maintenance expenses of $2.3 million primarily due to scheduled and forced plant maintenance in 2005.

Partially offsetting the increase in other operating expenses was:

- decreased transmission service expense of $3.3 million primarily due to lower wholesale MWhs sold.

Pension expense is $3.2 million higher year to date June 30, 2005, compared to the same period of 2004; however, $5.1 million of the year to date pension expense will be reversed and recorded as a regulatory asset in the third quarter of 2005 consistent with the regulatory agreements approved by the MPSC and KCC.

Consolidated KCP&L Interest Charges
Consolidated KCP&L's interest charges decreased $1.7 million for the three months ended and $4.3 million year to date June 30, 2005, compared to the same periods of 2004. The decrease was primarily due to the 2004 redemption of KCP&L's $154.6 million 8.3% Junior Subordinated Deferred Interest Bonds with proceeds from a Great Plains Energy equity contribution.

Consolidated KCP&L Income Taxes
Consolidated KCP&L's income taxes decreased $4.8 million for the three months ended and $16.0 million year to date June 30, 2005, compared to the same periods of 2004, primarily due to lower taxable income. The allocation of tax benefits from holding company losses pursuant to the Company's intercompany tax allocation agreement of $1.3 million for the three months ended and $2.8 million year to date June 30, 2005, also contributed to the decrease.

STRATEGIC ENERGY RESULTS OF OPERATIONS

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

	Three Months Ended June 30		Year to Date June 30	
	2005	2004	2005	2004
	(millions)			
Operating revenues	$ 359.6	$ 338.5	$ 671.4	$ 633.0
Purchased power	(338.8)	(307.5)	(616.7)	(571.8)
Other operating expenses	(12.6)	(12.5)	(23.3)	(24.2)
Depreciation and amortization	(1.5)	(1.2)	(3.0)	(1.8)
Operating income	6.7	17.3	28.4	35.2
Non-operating income (expenses)	0.7	0.2	1.1	0.3
Interest charges	(0.7)	(0.2)	(1.5)	0.3
Income taxes	(3.0)	(7.1)	(11.5)	(14.3)
Minority interest in subsidiaries	-	(0.9)	-	(2.9)
Net income	$ 3.7	$ 9.3	$ 16.5	$ 18.6

Strategic Energy's net income decreased $5.6 million for the three months ended and $2.1 million year to date June 30, 2005, compared to the same periods of 2004. Retail MWhs delivered increased slightly to 5.2 million for the three months ended and 3% to 9.8 million year to date June 30, 2005, with higher deliveries in Texas, Michigan and New Jersey partially offset by a decline in Massachusetts. The increased MWhs delivered were more than offset by a continuing environment of higher energy prices and forward electricity prices and the roll-off of older, higher margin contracts, which negatively impacted average retail gross margins in the three months ended and year to date June 30, 2005, compared to the same periods of 2004. These effects on average retail gross margins combined with $7.2 million of SECA charges recorded in the second quarter of 2005 resulted in declines in the average retail gross margin on MWhs delivered of 35% to $3.85 for the three months ended and 14% to $5.45 year to date June 30, 2005, compared to $5.95 and $6.35 for the same periods of 2004.

The impact of the high prices and SECA charges was partially offset by $3.0 million for the three months ended and $8.3 million year to date June 30, 2005, favorable net changes in fair value related to energy contracts that do not qualify for hedge accounting and from hedge ineffectiveness, compared to the same periods of 2004. Year to date June 30, 2005, was also favorably impacted by a $1.2 million partial reversal of a tax reserve. The impacts of SECA charges and the net change in fair value related to energy contracts that do not qualify for hedge accounting and from hedge ineffectiveness reduced the average retail gross margin per MWh by $0.80 for the three months ended June 30, 2005,

and combined with the partial reversal of a tax reserve increased the average retail gross margin per MWh by $0.25 year to date June 30, 2005, compared to the same periods of 2004.

Strategic Energy Purchased Power
Purchased power is the cost component of Strategic Energy's average retail gross margin previously discussed. Strategic Energy primarily purchases power under forward physical delivery contracts to supply electricity to its retail energy customers based on projected usage. In certain RTO and ISO markets, load-serving entities are required to sell to and purchase power from the 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. Additionally, Strategic Energy sells any retail electricity supply in excess of actual customer requirements back into the wholesale market. The proceeds from the sale of excess supply of electricity are recorded as a reduction of purchased power. The amount of excess retail supply sales that reduced purchased power was $30.8 million for the three months ended and $55.3 million year to date June 30, 2005, compared to $46.7 million and $84.0 million for the same periods of 2004, respectively.

Purchased power is also impacted by the net change in fair value related to energy contracts that do not qualify for hedge accounting and from hedge ineffectiveness. Strategic Energy utilizes derivative instruments, including forward physical delivery contracts, in the procurement of electricity. See Note 16 to the consolidated financial statements for more information. Additionally, the cost of supplying electricity 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.

OTHER NON REGULATED ACTIVITIES

Investment in Affordable Housing Limited Partnerships — KLT Investments
KLT Investments Inc.'s (KLT Investments) net loss for the three months ended June 30, 2005, totaled $2.5 million (including an after tax reduction of $5.3 million in its affordable housing investment) compared to net income of $3.2 million for the three months ended June 30, 2004 (including an after tax reduction of $0.9 million in its affordable housing investment). KLT Investments' net income included accrued tax credits of $3.9 million and $4.5 million for the three months ended June 30, 2005, and 2004, respectively. Net income year to date June 30, 2005 totaled $0.5 million (including an after tax reduction of $5.3 million in its affordable housing investment) compared to net income of $6.4 million year to date June 30, 2004 (including an after tax reduction of $1.7 million in its affordable housing investment). KLT Investments' net income included accrued tax credits of $7.8 million and $9.1 million year to date June 30, 2005 and 2004, respectively.

At June 30, 2005, KLT Investments had $30.4 million in affordable housing limited partnerships. Approximately 59% 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 the 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, $17.5 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 reduced its investments in affordable housing limited partnerships by $8.6 million for the three months ended and year to date June 30, 2005, compared to $1.4 million and $2.7 million for the three months ended and year to date June 30, 2004, respectively. Pre-tax reductions in affordable housing investments are estimated to be $1 million, $1 million and $2 million for the remainder of 2005 through 2007, respectively. 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. The properties underlying the partnership investment are subject to certain risks inherent in real estate ownership and management. Even after these estimated reductions, earnings from the investments in affordable housing are expected to be positive for the years 2005 through 2007.

GREAT PLAINS ENERGY AND CONSOLIDATED KCP&L SIGNIFICANT BALANCE SHEET CHANGES (JUNE 30, 2005 COMPARED TO DECEMBER 31, 2004)

- Great Plains Energy's restricted cash and supplier collateral decreased $7.7 million due to Strategic Energy's suppliers posting letters of credit rather than cash to satisfy collateral requirements.
- Great Plains Energy's and consolidated KCP&L's receivables increased $96.7 million and $78.1 million, respectively. The expiration of KCP&L's previous customer accounts receivables sales agreement increased receivables $65.0 million. KCP&L's receivables also increased $26.1 million primarily due to seasonal increases from higher rates and usage. Strategic Energy's receivables increased $14.3 million due to the combination of increased MWh deliveries and higher average prices due to seasonality. Partially offsetting these increases was a $5.0 million decrease in KCP&L's wholesale receivables due to lower MWhs available for wholesale.
- Great Plains Energy's and consolidated KCP&L's deferred income taxes - current asset decreased $13.1 million and $4.7 million, respectively. Consolidated KCP&L's deferred income taxes decreased $4.2 million due to a lower nuclear fuel outage reserve resulting from the completion of the scheduled spring 2005 refueling outage. The change in the fair value of Strategic Energy's derivatives lowered deferred income taxes $4.8 million.
- Great Plains Energy's derivative instruments - current assets increased $17.7 million. Strategic Energy's energy related derivative instruments increased $17.5 million due to an increase in fair value as a result of changes in forward market prices for power and increased MWh volume.
- Great Plains Energy's other - current assets increased $8.6 million. Strategic Energy's deposits with suppliers increased $10.6 million as a result of prepaying an ISO for power and posting cash collateral for transactions with the MISO, which began wholesale electricity and transmission service on April 1, 2005.
- Great Plains Energy's affordable housing limited partnerships decreased by $10.9 million due to an $8.6 million reduction in the valuation of the properties held by KLT Investments.
- Great Plains Energy's and consolidated KCP&L's other - deferred charges and other assets increased $6.8 million and $4.5 million, respectively, due to a reclass from accrued taxes of an $8.8 million income tax refund receivable that management expects to be delayed until the related IRS audit cycle can be completed.
- Great Plains Energy's and consolidated KCP&L's commercial paper increased $173.8 million primarily due to KCP&L's issuance of commercial paper to fund the buyout of the Combustion Turbine Synthetic Lease property.

- Great Plains Energy's accounts payable increased $30.6 million. Seasonal power purchases and higher seasonal prices increased Strategic Energy's accounts payable $24.0 million. Also contributing to the increase was $3.5 million accrued for SECA charges.
- Great Plains Energy's and consolidated KCP&L's accrued taxes increased $10.0 million and $24.0 million, respectively. KCP&L's property taxes increased $14.0 million due to an increase in 2005 accrued property taxes offset by payments of property taxes accrued at December 31, 2004. KCP&L's income taxes increased $9.0 million due to a reclass of an $8.8 million income tax refund receivable to other deferred charges and other assets. These increases were partially offset by an $11.0 million decrease in accrued taxes due to the payment of accrued gross receipts taxes, settlement of state audits and the reversal of a reserve related to these audits.
- Great Plains Energy's liabilities of discontinued operations increased $4.3 million due to the accrual of a legal reserve recorded in the second quarter of 2005.
- Great Plains Energy's accumulated other comprehensive loss decreased $7.3 million primarily due to the increase in fair value of Strategic Energy's energy related derivative instruments as a result of changes in forward market prices for power and increased MWh volume. The decrease was partially offset by the $1.4 million increase in other comprehensive loss related to the decrease in the fair value of the T-Lock.
- Great Plains Energy's and consolidated KCP&L's long-term debt decreased $147.5 million and $146.6 million, respectively, due to KCP&L's decision to exercise its early termination option and buyout the Combustion Turbine Synthetic Lease through the issuance of commercial paper.

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, pension benefit plan funding requirements discussed below and credit support provided to Strategic Energy. These items as well as additional cash and capital requirements for the companies that have significantly changed from the levels disclosed in the companies’ 2004 Form 10-K are discussed below.

Great Plains Energy’s liquid resources at June 30, 2005, consisted of $76.5 million of cash and cash equivalents on hand, including $0.7 million at consolidated KCP&L, and $615.9 million of unused bank lines of credit. The unused lines consisted of $76.2 million from KCP&L’s revolving credit facility, $52.5 million from Strategic Energy’s revolving credit facility and $487.2 million from Great Plains Energy’s revolving credit facility. See the Debt Agreements section below for more information on these agreements. Early in the third quarter of 2005, Great Plains Energy’s liquid resources increased $83.0 million primarily due to KCP&L’s repayment of $111.8 million of commercial paper with the $70 million in proceeds from the recent sales of accounts receivable under the new agreement and cash from operations. The increase was offset by additional issuances of letters of credit by Great Plains Energy and Strategic Energy.

KCP&L expects to meet day-to-day operating requirements including interest payments, construction requirements (excluding new generating capacity and environmental compliance on existing generating units) and dividends to Great Plains Energy with internally generated funds. However, it 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 operating requirements including interest payments, credit support fees, capital expenditures and dividends to its indirect interest holders with internally generated funds. However, it 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, commodity-price volatility and the effects of counterparty non-performance.

Cash Flows From Operations
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 June 30, 2005, compared to the same period in 2004 was primarily due to the expiration of KCP&L’s previous customer accounts receivables sales agreement. Additionally, income from continuing operations decreased $25.3 million and $14.2 million for Great Plains Energy and consolidated KCP&L, respectively, and the other changes in working capital detailed in Note 4 to the consolidated financial statements impacted operating cash flows. The individual components of working capital vary with normal business cycles and operations. In addition, the timing of the Wolf Creek outage affects the refueling outage accrual, deferred income taxes and amortization of nuclear fuel. Great Plains Energy’s decrease in cash flows from operations was also partially offset by the effect of an $8.4 million decrease in deposits with suppliers compared to the same period in 2004.

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 $120.6 million and $122.3 million, respectively, year to date June 30, 2005, compared to the same period in 2004 primarily due to KCP&L exercising its early termination option in the Combustion Turbine Synthetic Lease and the subsequent $154.0 million purchase of the leased property. The increase was partially offset by the $28.5 million buyout of KCP&L’s operating lease for vehicles and heavy equipment in 2004. In 2005, KCP&L received $10.0 million of insurance recoveries related to Hawthorn No. 5.

Financing Activities
The change in Great Plains Energy’s and Consolidated KCP&L’s cash flows from financing activities year to date June 30, 2005, compared to the same period in 2004 reflects KCP&L’s $173.8 million increase in commercial paper, primarily for the purchase of the Combustion Turbine Synthetic Lease property. This increase at consolidated KCP&L was offset by a $150.0 million equity contribution from Great Plains Energy in the first six months of 2004. The effect of KCP&L’s commercial paper issuance was more than offset at Great Plains Energy by proceeds of $150.0 million from the June 2004 issuance of 5.0 million shares of common stock at $30 per share and proceeds of $163.6 million from the issuance of 6.5 million FELINE PRIDES. Fees related to these issuances were $10.2 million.

As a registered public utility holding company, Great Plains Energy must receive authorization from the SEC under the 35 Act to issue securities. Great Plains Energy is currently authorized to issue up to $1.2 billion of debt and equity through December 31, 2005. Great Plains Energy has utilized $712.8

million of this amount at June 30, 2005, which is a $2.8 million increase from the $710.0 million at December 31, 2004, detailed in the Company's 2004 Form 10-K. This increase was due to common stock issuances of $4.3 million and $4.0 million under the Company's Long-Term Incentive Plan and Dividend Reinvestment and Direct Stock Purchase Plan, respectively, mostly offset by a $5.5 million decrease in the outstanding balance on Great Plains Energy's revolving credit facility. In July 2005, Great Plains Energy filed an application with the SEC under the 35 Act seeking authority for Great Plains Energy to issue up to $500 million of securities during the period January 1, 2006 through December 31, 2007, among other requested authorizations. Under the 35 Act repeal provisions of the Energy Policy Act of 2005, Great Plains Energy's current 35 Act authorizations will continue to be effective until the repeal date of the 35 Act. Management believes the remaining amounts of securities currently authorized will be sufficient through the repeal date and anticipates withdrawing Great Plains Energy's application.

KCP&L is planning to file a shelf registration statement for authority to issue up to $450 million (including $255 million already registered) in debt securities in 2005. This authorization will preserve KCP&L's flexibility to access the capital markets for long-term debt. In the second quarter of 2005, KCP&L entered into a T-Lock to hedge against interest rate fluctuations on the U.S. Treasury rate component of long-term debt that KCP&L plans to issue under the new registration statement within the next six months. The T-Lock will be settled simultaneously with the issuance of the long-term fixed rate debt. See the Cash Flow Hedges — Treasury Lock discussion in Note 16 to the consolidated financial statements for additional information.

In July 2005, KCP&L entered into a revolving agreement to sell all of its retail electric accounts receivable to Receivables Company, which sold an undivided percentage ownership interest in the accounts receivable to an outside investor. Receivables Company received $70 million in cash from the outside investor, which was forwarded to KCP&L as consideration for its sale. See Note 5 to the consolidated financial statements for additional information.

Under its current SEC authorization, Great Plains Energy cannot issue securities other than common stock unless (i) the security to be issued, if rated, is rated investment grade by one nationally recognized statistical rating organization, (ii) all of its outstanding securities that are rated (except for its preferred stock) are rated investment grade by one nationally recognized statistical rating organization, and (iii) it has maintained common equity as a percentage of consolidated capitalization (as reflected on its consolidated balance sheets as of the end of each quarter) of at least 30%. Great Plains Energy was in compliance with these conditions as of June 30, 2005.

KCP&L's long-term financing activities are subject to the authorization of the MPSC. In June 2004, the MPSC authorized KCP&L to issue up to $600 million of long-term debt through March 31, 2006. The authorization contains the following conditions, among others: (i) no more than $150.0 million of the authorized debt can be used for purposes other than refinancing existing securities and (ii) the proceeds of the authorized debt must be used exclusively for the benefit of KCP&L's regulated operations. In June 2005, KCP&L filed an application with the MPSC for authority to issue up to $635 million of long-term debt and enter into interest rate hedging instruments in connection with such debt through December 31, 2009.

Issuances of short-term debt by KCP&L are subject to SEC authorization under the 35 Act. Under the current authorization, KCP&L may issue and have outstanding at any given time up to $500 million of short-term debt. Under this authorization, KCP&L cannot issue short-term debt (other than commercial paper or short-term bank facilities) unless (i) the short-term debt to be issued, if rated, is rated investment grade by one nationally recognized statistical rating organization, (ii) all of its outstanding securities that are rated are rated investment grade by one nationally recognized statistical rating organization, (iii) all of the outstanding rated securities of Great Plains Energy (except preferred stock)

are rated investment grade and (iv) Great Plains Energy and KCP&L have maintained common equity as a percentage of consolidated capitalization (as reflected on their consolidated balance sheets as of the end of each quarter) of at least 30%. KCP&L was in compliance with these conditions as of June 30, 2005.

Debt Agreements
Great Plains Energy has a $550 million revolving credit facility with a group of banks that expires in December 2009. The facility contains a Material Adverse Change (MAC) clause that requires Great Plains Energy to represent, prior to receiving funding, that no MAC has occurred. The clause does, however, permit the Company to access the facility even in the event of a MAC in order to repay maturing commercial paper. Available liquidity under this facility is not impacted by a decline in credit ratings unless the downgrade results in a MAC or occurs in the context of a merger, consolidation or sale. A default by Great Plains Energy or any of its significant subsidiaries of other indebtedness totaling more than $25.0 million is a default under the current 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 June 30, 2005, the Company was in compliance with this covenant. At June 30, 2005, Great Plains Energy had $16.0 million of outstanding borrowings with an interest rate of 3.98% and had issued letters of credit totaling $6.5 million under the credit facility as credit support for Strategic Energy. At June 30, 2005, Great Plains Energy had $487.2 million available under this facility due to limitations under its 35 Act authorization.

KCP&L has a $250 million revolving credit facility with a group of banks that expires in December 2009 to provide support for its issuance of commercial paper and other general purposes. The facility contains a MAC clause that requires KCP&L to represent, prior to receiving funding, that no MAC has occurred. The clause does, however, permit KCP&L to access the facility even in the event of a MAC in order to repay maturing commercial paper. Available liquidity under this facility is not impacted by a decline in credit ratings unless the downgrade results in a MAC or occurs in the context of a merger, consolidation or sale. A default by KCP&L on other indebtedness totaling more than $25.0 million is a default under the current 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 June 30, 2005, KCP&L was in compliance with this covenant. At June 30, 2005, KCP&L had $173.8 million of commercial paper outstanding with a weighted average interest rate of 3.33%.

Strategic Energy has a $125 million revolving credit facility with a group of banks that expires in June 2007. Great Plains Energy has guaranteed $25.0 million of this facility. 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 of 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 $62.5 million, a maximum funded indebtedness to EBITDA ratio of 2.25 to 1.00, 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 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 June 30, 2005, Strategic Energy was in compliance with these covenants. At June 30, 2005, $72.5 million in letters of credit had been issued and there were no borrowings under the agreement, leaving $52.5 million of capacity available for loans and additional letters of credit.

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 June 30, 2005, KLT Investments had $3.3 million in outstanding notes, including current maturities.

Under stipulations with the MPSC and the KCC, Great Plains Energy and KCP&L maintain common equity at not less than 30% and 35%, respectively, of total capitalization. Pursuant to an SEC order, Great Plains Energy's and KCP&L's authorization to issue securities is conditioned on maintaining a consolidated common equity capitalization of at least 30% and complying with other conditions described above.

Pensions
The Company maintains defined benefit plans for substantially all employees, including officers, of KCP&L, Services and WCNOC and incurs significant costs in providing the plans, with the majority incurred by KCP&L. Plans are funded to meet the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) with additional contributions made when financially appropriate.

For the year, the Company has contributed $1.9 million toward the 2005 expected ERISA funding requirement of $4.7 million, 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 remaining funding requirement.

Participants in the plans may request a lump-sum cash payment upon termination of their employment. A change in payment assumptions 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.

Supplemental Capital Requirements and Liquidity Information
Great Plains Energy's and consolidated KCP&L's contractual obligations were relatively unchanged at June 30, 2005, compared to December 31, 2004.

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.

As a registered public utility holding company system, Great Plains Energy must receive authorization from the SEC, under the 35 Act, to issue guarantees on behalf of its subsidiaries. Under its current SEC authorization, guarantees cannot be issued unless (i) all of its outstanding securities that are rated (except for its preferred stock) are rated investment grade and (ii) it has maintained common equity as a percentage of consolidated capitalization (as reflected on its consolidated balance sheets as of the end of each quarter) of at least 30%. Great Plains Energy was in compliance with these conditions as of June 30, 2005. Great Plains Energy is currently authorized to issue up to $600 million of guarantees on behalf of its subsidiaries and the nonutility subsidiaries have $300 million of authorization for guarantees they can issue on behalf of other nonutility subsidiaries. The nonutility subsidiaries cannot issue guarantees unless Great Plains Energy is in compliance with its conditions to issue guarantees.

Great Plains Energy's and consolidated KCP&L's guarantees were relatively unchanged at June 30, 2005, compared to December 31, 2004.

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 the Management's Discussion and Analysis, Risk Factors section included in the companies' 2004 Form 10-K. These and many other factors described in this report, including the factors listed in the "Cautionary Statements Regarding Certain Forward-Looking Information" and "Quantitative and Qualitative Disclosures About Market Risks" sections of this report, could adversely affect the results of operations and financial position of Great Plains Energy and consolidated KCP&L. Risk factors of consolidated KCP&L are also risk factors for Great Plains Energy.

Strategic Energy has Wholesale Electricity Supplier Concentration and Credit Risk
Credit risk represents the loss that Strategic Energy could incur if a counterparty failed to perform under its contractual obligations. To reduce its credit exposure, Strategic Energy enters into payment netting agreements with certain counterparties that permit Strategic Energy to offset receivables and payables with such counterparties. Strategic Energy further reduces credit risk with certain counterparties by entering into agreements that enable Strategic Energy to terminate the transaction or modify collateral thresholds upon the occurrence of credit-related events.

Based on guidelines set by Strategic Energy's Exposure Management Committee, counterparty credit risk is monitored by routinely evaluating the credit quality and performance of its suppliers. Among other things, Strategic Energy monitors counterparty credit ratings, liquidity and results of operations. As a result of these evaluations, Strategic Energy establishes counterparty credit limits and adjusts the amount of collateral required from its suppliers, among other measures.

Strategic Energy enters into forward contracts with multiple suppliers. At June 30, 2005, Strategic Energy's five largest suppliers under forward supply contracts represented 72% of the total future 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 is 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. Strategic Energy's results of operations 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 that the contracted price with the supplier exceeded the market value of the contract at the time of termination.

The following table provides information on Strategic Energy's credit exposure to suppliers, net of collateral, as of June 30, 2005. It further delineates the exposure by the credit rating of counterparties and provides guidance on the concentration of credit risk and an indication of the maturity of the credit risk by credit rating of the counterparties.

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	$ 157.0	$ 51.0	$ 106.0	3	$ 69.2
Non-Investment Grade	29.1	22.9	6.2	-	-
Internal rating					
Investment Grade	2.4	-	2.4	-	-
Non-Investment Grade	10.9	7.9	3.0	-	-
Total	$ 199.4	$ 81.8	$ 117.6	3	$ 69.2

	Maturity Of Credit Risk Exposure Before Credit Collateral			
Rating	Less Than 2 Years	2 - 5 Years	Exposure Greater Than 5 Years	Total Exposure
External rating		(millions)		
Investment Grade	$ 148.7	$ 8.3	$ -	$ 157.0
Non-Investment Grade	21.9	6.4	0.8	29.1
Internal rating				
Investment Grade	2.4	-	-	2.4
Non-Investment Grade	8.8	1.8	0.3	10.9
Total	$ 181.8	$ 16.5	$ 1.1	$ 199.4

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. 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. At June 30, 2005, Strategic Energy had exposure before collateral to non-investment grade counterparties totaling $40.0 million, of which 77% is scheduled to mature in less than two years. In addition, Strategic Energy held collateral totaling $30.8 million limiting its exposure to these non-investment grade counterparties to $9.2 million.

Strategic Energy is continuing to pursue a strategy of contracting with national and regional counterparties that have direct supplies and assets in the region of demand. Strategic Energy is also

continuing to manage its counterparty portfolio through disciplined margining, collateral requirements and contract based netting of credit exposures against payable balances.

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, operational and credit risks and are discussed elsewhere in this document as well as in the 2004 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 our 2004 Form 10-K, incorporated herein by reference. Strategic Energy has historically utilized certain derivative instruments to protect against significant price volatility for purchased power that have qualified for the normal purchase normal sale exception, in accordance with SFAS No. 133, as amended. However, as certain markets continue to develop, some derivative instruments may no longer qualify for the normal purchase normal sale exception. As such, Strategic Energy is designating these derivative instruments as cash flow hedges, which could result in future increased volatility in derivative assets and liabilities, OCI and net income above levels historically experienced. Derivative instruments that were designated as normal purchase normal sale are accounted for by accrual accounting, which requires the effects of the derivative to be recorded when the derivative contract settles. Accordingly, the increase in derivatives accounted for as cash flow hedges, and the corresponding decrease in derivatives accounted for as normal purchases and normal sales transactions, may affect the timing and nature of accounting recognition, but does not change the underlying economics of the transactions. Otherwise, there have been no material changes in Great Plains Energy's or consolidated KCP&L's market risk since December 31, 2004.

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 June 30, 2005. 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, or person performing similar functions, 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, or persons performing similar functions, 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 June 30, 2005, 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 Stipulations and Agreements
On March 28, 2005, and April 27, 2005, KCP&L filed Stipulations and Agreements with the MPSC and KCC, respectively, containing a regulatory plan and other provisions. The Stipulations and Agreements are discussed in the Executing on Strategic Intent section of Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, which is incorporated herein by reference. Parties to the MPSC Stipulation and Agreement are KCP&L, the Staff of the MPSC, Office of Public Counsel, Praxair, Inc., Missouri Industrial Energy Consumers, Ford Motor Company, Aquila, Inc., The Empire District Electric Company, Missouri Joint Municipal Electric Utility Commission, the City of Kansas City, MO and the Missouri Department of Natural Resources. Parties to the KCC Stipulation and Agreement are KCP&L, the Staff of the KCC, Sprint, Inc. and the Kansas Hospital Association.

The MPSC issued an order on July 28, 2005, approving the Stipulation and Agreement as amended by the parties. The KCC issued an order on August 5, 2005, approving the KCC Stipulation and Agreement.

Weinstein v. KLT Telecom
Richard D. Weinstein (Weinstein) filed suit against KLT Telecom in September 2003 in the St. Louis County, Missouri Circuit Court. KLT Telecom acquired a controlling interest in 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. KLT Telecom denied that Weinstein has any remaining rights or claims pursuant to the put option and denied any obligation to pay Weinstein any amount under the put option. Subsequent to KLT Telecom's rejection of his notice of exercise, 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 has appealed this judgment to the Missouri Court of Appeals for the Eastern District. The $15 million reserve has not been reversed pending the outcome of the appeal process.

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

Great Plains Energy
Great Plains Energy's annual meeting of shareholders was held on May 3, 2005. The shareholders elected eleven directors and ratified the appointment of Deloitte & Touche LLP as independent auditors.

Election of Directors
The eleven persons named below were elected, as proposed in the proxy statement pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, to serve as directors until Great Plains Energy's annual meeting in 2006 and until their successors are elected and qualified.

Nominee	Votes For	Votes Withheld	Total Votes*
David L. Bodde	66,004,797	624,823	66,629,620
Michael J. Chesser	65,995,882	624,823	66,620,705
William H. Downey	66,039,158	624,823	66,663,981
Mark A. Ernst	66,073,894	624,823	66,698,717
Randall C. Ferguson, Jr	65,880,064	624,823	66,504,887
William K. Hall	65,616,852	624,823	66,241,675
Luis A Jimenez	66,051,179	624,823	66,676,002
James A. Mitchell	66,031,520	624,823	66,656,343
William C. Nelson	65,981,809	624,823	66,606,632
Linda H. Talbot	65,978,748	624,823	66,603,571
Robert H. West	65,940,527	624,823	66,565,350

* No votes were cast against the nominees due to cumulative voting.

Ratification of Independent Auditors
Great Plains Energy shareholders ratified the appointment of Deloitte & Touche LLP as independent auditors for 2005. The voting regarding the appointment of auditors was as follows:

	Votes For	Votes Against	Abstentions	Total Votes
Deloitte & Touche LLP	65,767,076	421,870	399,007	66,587,953

KCP&L
Great Plains Energy is KCP&L's sole shareholder. By a unanimous written consent dated as of May 3, 2005, Great Plains Energy, as the sole shareholder, elected the following directors of Great Plains Energy as the directors of KCP&L for the ensuing year and until their successors are duly elected and qualified, or until their resignations: David L. Bodde, Michael J. Chesser, William H. Downey, Mark A. Ernst, Randall C. Ferguson, Jr., Luis A. Jimenez, James A. Mitchell, William C. Nelson and Linda H. Talbot.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Great Plains Energy Documents

Exhibit Number	Description of Document
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.

Copies of any of the exhibits filed with the Securities and Exchange Commission 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	Stipulation and Agreement filed April 27, 2005, among Kansas City Power & Light Company, the Staff of the State Corporation Commission of the State of Kansas, Sprint, Inc., and the Kansas Hospital Association.
10.2.b	Purchase and Sale Agreement dated as of July 1, 2005, between Kansas City Power & Light Company, as Originator, and Kansas City Power & Light Receivables Company, as Buyer.
10.2.c	Receivables Sale Agreement dated as of July 1, 2005, among Kansas City Power & Light Receivables Company, as the Seller, Kansas City Power & Light Company, as the Initial Collection Agent, The Bank of Tokyo-Mitsubishi, Ltd., New York Branch, as the Agent, and Victory Receivables Corporation.
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 Securities and Exchange Commission 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: August 8, 2005 — By: /s/Michael J. Chesser
(Michael J. Chesser)
(Chief Executive Officer)

Dated: August 8, 2005 — By: /s/Lori A. Wright
(Lori A. Wright)
(Principal Accounting Officer)

KANSAS CITY POWER & LIGHT COMPANY

Dated: August 8, 2005 — By: /s/William H. Downey
(William H. Downey)
(Chief Executive Officer)

Dated: August 8, 2005 — By: /s/Lori A. Wright
(Lori A. Wright)
(Principal Accounting Officer)

GREAT PLAINS ENERGY

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Year to Date June 30					
	2005	**2004**	**2003**	**2002**	**2001**	**2000**
			(thousands)			
Income (loss) from continuing operations	$ 45,697	$173,535	$189,702	$136,702	$ (28,428)	$ 53,014
Add						
Equity investment (income) loss	689	1,531	2,018	1,173	(23,641)	22,994
Minority interests in subsidiaries	7,805	(2,131)	(1,263)	-	(897)	-
Income subtotal	54,191	172,935	190,457	137,875	(52,966)	76,008
Add						
Taxes on income	15,096	54,451	78,565	51,348	(34,672)	7,926
Kansas City earnings tax	204	602	418	635	583	421
Total taxes on income	15,300	55,053	78,983	51,983	(34,089)	8,347
Interest on value of leased property	2,248	6,222	5,944	7,093	10,679	11,806
Interest on long-term debt	31,973	66,128	58,847	65,837	83,549	57,896
Interest on short-term debt	1,818	4,837	5,442	6,312	9,915	11,050
Mandatorily Redeemable Preferred Securities	-	-	9,338	12,450	12,450	12,450
Other interest expense and amortization	2,849	13,563	3,912	3,760	5,188	2,927
Total fixed charges	38,888	90,750	83,483	95,452	121,781	96,129
Earnings before taxes on income and fixed charges	$108,379	$318,738	$352,923	$285,310	$ 34,726	$180,484
Ratio of earnings to fixed charges	2.79	3.51	4.23	2.99	(a)	1.88

(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: August 8, 2005

/s/ Michael J. Chesser

Michael J. Chesser
Chairman of the Board and Chief Executive Officer

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: August 8, 2005

/s/ Terry Bassham

Terry Bassham
Executive Vice President - Finance and Strategic Development and Chief Financial Officer

Exhibit 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 June 30, 2005 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: August 8, 2005

/s/ Terry Bassham

Name: Terry Bassham
Title: Executive Vice President - Finance and Strategic Development and Chief Financial Officer

Date: August 8, 2005

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.

Exhibit 10.2.a

BEFORE THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

In the Matter of the Future Supply, Delivery and Pricing of the Electric Service Provided by Kansas City Power & Light Company	))))	Docket No. 04-KCPE-1025-GIE

STIPULATION AND AGREEMENT

As a result of extensive discussions between the Applicant, Kansas City Power & Light Company ("KCPL"), the Staff of the State Corporation Commission of the State of Kansas ("Staff"), Sprint and the Kansas Hospital Association ("KHA") (collectively "the parties"), the parties hereby submit to the State Corporation Commission of the State of Kansas ("Commission") for its consideration and approval the following Stipulation and Agreement ("Agreement"):

I. KANSAS CITY POWER & LIGHT COMPANY'S APPLICATION

KCPL is a vertically integrated electric utility company under the jurisdiction of the Commission. On May 18, 2004, KCPL filed an Application requesting the Commission open a docket to investigate, through various informal regulatory proceedings, emerging issues expected to affect the supply, delivery and pricing of the electric service provided by KCPL in the future. The issues presented in this proceeding include the following:

A. The need for additional generating capacity in the KCPL service territory in the next decade;

B. The mix of new generation that would result in reliable and cost efficient service for Kansas customers;

C. The desirability of addressing environmental concerns relating to new generation and existing generating facilities;

D. The investment into a reliable transmission and distribution infrastructure;

E. The establishment of customer efficiency programs and development of new technologies for energy and account management; and

F. The adoption of a regulatory plan that will address the comprehensive undertaking being considered by KCPL.

During the course of these proceedings, KCPL has provided Staff and other parties documents and information, including but not limited to, the following:

a) A description of KCPL's conservation measures;

b) A description of KCPL's demand side management efforts;

c) A copy of KCPL's ten-year generation and load forecasts;

d) A description of all of power supply alternatives considered by KCPL to meet its load requirements;

e) A description of environmental investments considered by KCPL to be necessary for the future; and

f) a description of transmission and distribution upgrades considered by KCPL to be necessary.

II. STIPULATION AND AGREEMENT OF THE PARTIES

Having considered the Application that KCPL submitted in this matter and having conducted workshops, discovery and settlement negotiations, the parties agree on certain premises, fundamental concepts, and factual conclusions, as set forth hereafter, and recommend that the Commission approve and adopt as its Order in this docket these agreements and the Regulatory Plan for KCPL as set forth in detail below. For purposes of this Agreement, all obligations and conditions agreed and assumed by KCPL shall become, pursuant to the terms of this Agreement, obligations and conditions of any KCPL affiliate, successor, or assignee, which shall be bound in the same manner and to the same extent as KCPL.

A. Five-Year Regulatory Plan

1. **Capital Investments:** KCPL agrees to undertake reasonable efforts to make energy infrastructure investments as specified in **Appendix A** and **Appendix A-1** from January 1, 2005 through June 1, 2010**.** The parties to this Agreement recognize that under the unique circumstances respecting KCPL the construction of a new coal-fired generation plant, additions to existing transmission and distribution assets, and investments in certain environmental upgrades, as well as utilization of wind power generation, constitute major elements of a reasonable and adequate resource plan at the time of this Stipulation.

2. **Consumer Programs:** KCPL has developed a number of Demand Response, Efficiency and Affordability programs, which are described in detail in **Appendix B and Appendix B-1**. No such program will be implemented until Commission approval has been obtained. Further evaluation needs to be made on the Efficiency programs prior to implementation to determine the impact of the Efficiency programs on KCPL and the anticipated cost-effectiveness of the programs presented. KCPL will work with the parties to complete the necessary evaluations to determine the implementation plan for the Efficiency programs. The Efficiency programs may be modified or new programs introduced based on results from the evaluations. KCPL commits to implement the Demand Response and Affordability programs detailed on **Appendix B** beginning in 2005, upon Commission approval. The current estim ated cost associated with Demand Response, Efficiency and Affordability programs is $52.8 million split between Missouri ($29 million) and Kansas ($23.8 million) as detailed on **Appendix B-1**. The expenditures for Efficiency programs in Kansas for the five-year period will total $ 9.7 million. A detailed review of the programs shall be undertaken at the conclusion of the initial two-year period. This review will be used to evaluate the initial results and what actions should be taken in the future. All parties to this proceeding may participate in the evaluation process. KCPL will accumulate costs for these programs in regulatory asset accounts as the costs are incurred through the next rate case. The amortization of these costs and return will be determined in the next rate case.

3. **Rate Plan:** The parties to this Agreement jointly request that the Commission approve the rate plan as set forth in **Appendix C, Appendix C-1 and Appendix C-2.** In addition to allowing for consideration of the new investments, the rate plan provides for specific treatment of pension expenses, sales of SO_2 allowances, off-systems sales, an Energy Cost Adjustment, AFUDC, depreciation and other matters. The rate treatment of the Contribution in Aid of Construction is addressed below. Subject to the overriding statutory obligation of the Commission, the parties intend for the rate plan attached as **Appendix C** to run until June 1, 2010.

4. **Financing**: The parties understand that making the capital investments and initiating the customer programs described in Paragraphs 1 and 2 of this section will require KCPL to issue debt securities. The parties also understand that KCPL will be required to refinance all or a portion of debt securities maturing during the term of the Plan.

Although it is not anticipated that KCPL will need to obtain Commission approval for the issuance such securities, KCPL will file with the Commission within ten days of the issuance of any debt securities occurring during the term of this Agreement, a report including the amount of debt securities issued, date of issuance, interest rate (initial rate if variable), maturity date, redemption schedules or special terms, if any, and use of proceeds. KCPL agrees that the net proceeds from the issuance of these securities will be used for KCPL general corporate purposes, including the repayment of short-term debt. With regard to such debt, KCPL agrees that it will abide by the conditions set forth by the Federal Energy Regulatory Commission in its Order issued February 21, 2003, in Docket No. ES02-51-000. KCPL also acknowledges that future proceedings before the Commission will likely address "ringfencing" and affiliate requirements for utilities in general and that it will be bound by decisions in such proceedings.

5. **Contributions in Aid of Construction to Maintain Financial Ratios:** In Docket No. 01-KCPE-708-MIS, *In the Matter of the Application of Kansas City Power & Light Company for an Order Authorizing its Plan to Reorganize Itself into a Holding Company Structure,* KCPL agreed to maintain its debt at investment grade. The parties agree that it is desirable for KCPL to take prudent and reasonable actions in its effort to maintain its debt at investment grade levels during the period of the construction expenditures contained in this Agreement. KCPL further understands that it is incumbent upon the Company to take prudent and reasonable actions that do not place its investment grade debt rating at risk and that this Agreement heightens rather than lessens such obligation. KCPL further understands that its Kansas jurisdictional customers will not support any negat ive impact from KCPL's failure to be adequately insulated from the Great Plains business risks as perceived by the debt rating agencies.

KCPL recognizes its obligation to continue to prudently manage costs, continuously improve productivity and maintain service quality during the five-year plan. KCPL further recognizes that any finding by the Commission that KCPL has failed to prudently manage its costs, continuously improve productivity and maintain service quality during the five-year period will negate the obligation of the parties to this Agreement other than KCPL ("non-KCPL parties") contained in this section.

In order to assist in the goal of providing KCPL a reasonable opportunity to maintain its bonds at an investment grade rating during the construction period ending June 1, 2010, the non-KCPL parties agree to support an amortization accounting to be referred to as a Contribution in Aid of Construction ("CIAC"). The CIAC is anticipated to result in lower overall costs of the Resource Plan to ratepayers over the life of such investments than traditional ratemaking, while also providing KCPL with adequate cash flow to maintain its debt at investment grade. (The term "Resource Plan" includes the capital investments identified in **Appendices A and A-1**, and the Customer Programs identified in **Appendices B and B-1.**) The lower financing costs associated with investment grade ratings increases the benefits of the CIAC to ratepayers. The non-KCPL parties reserve the right to recommend CIAC amounts in each rate case such that the CIAC amounts in aggregate do not exceed the expected cost savings from the amortization mechanism and the lower costs of capital resulting from the investment grade ratings.

The parties further recognize and agree that the use of the CIAC is extraordinary and is reasonable only in light of the facts and circumstances of this proceeding. It should not be construed as precedential in any other proceeding or for any other company. The parties' agreement is based on the unique factors in this case, including, but not limited to: (1) the fact that KCPL's debt is currently at an investment grade level; (2) KCPL is engaged in a major construction program that includes the addition of base load generation (coal); and (3) KCPL's construction plan increases its asset base by over 50% within a five to six-year period.

The CIAC is an amount that will be treated as an additional amortization expense added to KCPL's cost of service for ratemaking purposes in the rate cases contemplated by this Agreement. Any CIAC amounts approved in a rate case shall continue to be booked annually until and unless the Commission approves a change in the annual amount. However, no CIAC amounts will be booked after June 1, 2010. The accumulated CIAC amounts will be treated as increases to the depreciation reserve and be deducted from rate base in any future KCPL rate proceedings, beginning with the 2009 rate case. The specific plant accounts to be reduced by the CIAC amounts shall be determined at a later time. KCPL shall maintain adequate records that identify the CIAC on a state specific basis by vintage year so that Kansas customers will receive recognition of the CIAC funds they have provided. This recognition will occur in the rate base amount established in fu ture rate proceedings.

The amount of the CIAC in each rate case shall be designed to allow KCPL's projected cash flow from Kansas jurisdictional operations, as determined by the Commission, to meet or exceed the Kansas jurisdictional portion of the lower end of the top third of the BBB range shown in **Appendix E** for Funds from Operations Interest Coverage and Funds from Operations as a percentage of Average total Debt. Since KCPL will address the Total Debt to Total Capitalization ratio through its issuance of securities, the CIAC is only intended to address the other two ratios shown on **Appendix E**. The current range for these ratios and definition of components included in the calculation are shown in **Appendix E.** Should these ratios change or be modified during the five-year rate plan, parties agree to consider the revised ratios and ranges in reviewing and making recommendations regarding the adequacy of cash flows. Should these ra tios be unpublished at any time during the term of the plan, the parties agree to work together to determine the appropriate values for these ratios, including consideration of the use of the last published ranges for these ratios.

The adjustment process to determine the Kansas jurisdictional CIAC amounts in each rate case will be based on the cash flow needs after consideration of the traditional revenue requirements determination and will be based on the major components of such determination. The calculation of the CIAC will exclude any negative cash flow impacts, or consideration of amounts, related to imprudent or unreasonable actions or costs, as determined by the Commission. The prudence of the "Capitalized Lease Obligations" and "Off-Balance Sheet Obligations" will be determined in the first general rate case that affords the Commission the opportunity to review the matter. Additional taxes will be added to the amortization to the extent that the Commission finds such taxes to be appropriate. The calculation of the CIAC will not reflect any negative cash flow impacts related to special contracts but will treat such contract as if they generated reven ues at the full generally applicable tariff rates.

The parties recognize that credit rating agencies review other financial indicators and that these two ratios are not definitive in and of themselves. Credit rating agencies also acknowledge that other factors, some subjective, impact their financial ratings. The parties recognize the fact that KCPL may not earn an investment grade rating even if it meets the BBB+ ratio guidelines. Conversely, the parties recognize the fact that KCPL may earn a BBB+ credit rating without meeting the guidelines set out for a BBB+ credit rating. If KCPL meets the BBB+ credit rating guidelines but does not receive an investment grade credit rating, KCPL agrees that the parties are under no obligation to recommend any further cash flow or rate relief to satisfy the obligations under this section. KCPL also recognizes and agrees that Kansas is only responsible for and will only provide cash flow for its share of the necessary cash flows as set out in t his section. Therefore, if KCPL is unable to meet the BBB+ credit ratio guidelines because of inadequate cash flows from its Missouri operations, because of imprudent or unreasonable costs, because of inadequate cash flows from the non-regulated subsidiary of GPE or any risk associated with GPE that is unrelated to KCPL's regulated operations, KCPL will not argue for or receive increased cash flows from Kansas in order to meet the BBB+ credit ratio guidelines.

The parties will not be precluded from suggesting other amortizations or other relief to address cash flow concerns resulting from a material event such as those identified in **Appendix C**. No party is precluded from supporting an amortization amount that exceeds the requirements of this section

B. Conditions

1. **Reports.** KCPL will provide quarterly status updates on the infrastructure commitments contained in **Appendix A and Appendix A-1.** Such updates will include detailed information regarding actual expenditures in comparison to planned expenditures and a description of any and all efforts by KCPL to efficiently and reasonably procure equipment and services related to the investments. In addition, KCPL will continue its current process of working with the parties in its long-term resource planning efforts to ensure that its current plans and commitments are consistent with the future needs of its customers and the energy needs of the State of Kansas.

2. **Adherence to Resource Plan.** KCPL will not voluntarily incur material capital investments or expenses beyond those contemplated by this Agreement and the Resource Plan without explicit approval by the Commission. For purposes of this provision, "material" means an amount that could affect the financial rating of the company and the amount of CIAC that may be needed.

3. **Resource Plan Monitoring**. KCPL agrees to monitor the reasonableness and adequacy of the Resource Plan until the capital investments described therein are completed. KCPL will on its own or upon request of any non-KCPL parties re-assess the reasonableness and adequacy of the Resource Plan if changed circumstances arise that may impact the reasonableness and adequacy of the Resource Plan during the initial and ongoing implementation of the primary elements of the Resource Plan. Such changes in circumstances would include, but not be limited to:

a) terrorist activity or an act of God;

b) a material change in federal or state tax laws;

c) a material change in federal utility laws or regulations or a material change in Generally Accepted Accounting Principles;

d) an unexpected, extended outage or shutdown of a major generating unit(s), other than any major generating unit(s) shut down due to an extended outage at the time of the filing of this Agreement (these units are the major coal burning facilities identified as Hawthorn 5, Iatan, LaCyne 1 & 2 and Montrose 1, 2 & 3, and the nuclear unit Wolf Creek);

e) a material change in KCPL's load forecast;

f) material changes in the cost and/or reliability of power generation technologies;

g) material changes in energy market conditions;

h) material changes in the cost and/or effectiveness of emission control technologies;

i) material changes in the price of emission allowances; and/or

j) material changes in the projected rates and costs to ratepayers resulting from the Resource Plan.

If KCPL's senior management determines that its Resource Plan should be modified because changed circumstances have impacted the reasonableness and adequacy of the Resource Plan, then it shall file notice with the Commission and notify all parties within ten days of any such determination. In its notification, KCPL will: (1) explain the reason(s) (e.g. changed circumstances) for the proposed change in the Resource Plan, (2) specify the new proposed resource plan, (3) provide a description of the alternatives that it evaluated and the process that it went through in choosing the new proposed resource plan and (4) provide detailed workpapers that support the evaluation and the process whereby a new proposed resource plan was chosen. If any non-KCPL party has concerns regarding KCPL's new proposed resource plan, it shall file notice with the Commission and notify KCPL and all other parties within thirty days of KCPL's written notific ation to the parties. Upon receipt of any such written notification from a party, KCPL shall promptly schedule a meeting (KCPL must provide reasonable advance notice of the meeting to all parties) where the participants will make good faith efforts to reach consensus regarding how the resource plan should be modified in order to create a modified plan that is reasonable and adequate in light of changed circumstances. Any disputes about the need to modify the resource plan and the manner in which it should be modified will be discussed among the interested

parties and these parties will cooperate to resolve the dispute in good faith. Any agreement concerning modification of the resource plan shall be filed with the Commission for approval. If the parties cannot resolve the dispute within ninety days of KCPL's written notification, the matter will be brought to the Commission for its determination.

Nothing in this section shall be construed to interfere with KCPL's ability to meet its obligations to provide safe and adequate service by obtaining the resources necessary to meet the short-term reserve margin requirements of KCPL's regional reliability organization (KCPL's current regional reliability organization is the Southwest Power Pool).

4. **Iatan 2 Partnership Issues.** KCPL understands and agrees that its choice of partners for participation in Iatan 2 is of concern to Staff. KCPL commits to a fair and objective evaluation of all proposals for such participation, including any proposals submitted by Kansas utilities. KCPL will provide all requested information regarding its choice of partners to Staff.

5. **Future Resource Plans**. In order to provide more assurance that future generation or power supply, including Demand Side Management resources, are acquired at the most reasonable cost and to establish a benchmark of reasonable costs, KCPL agrees that its process for considering or acquiring future resources in addition to those contemplated by this Resource Plan shall include the issuance of a Request for Proposal (RFP) for the supply of such resource by competitive bid. KCPL agrees to consult with Staff in the design and content of the RFP before it is issued.

C. The Commission's Rights

Nothing in this 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, or of any statutory obligation, including the obligation to ensure that KCPL is providing efficient and sufficient service at just and reasonable rates.

D. Parties' Rights

1. The parties shall have the right to present pre-filed testimony in support of this Agreement and to provide whatever further explanation of the Agreement the Commission requests. Such pre-filed testimony shall be filed formally in the docket and presented by witnesses at any hearing on this Agreement. Each party's rationale for supporting this Agreement are independent of each other and not acquiesced in or otherwise adopted by other parties unless expressly stated.

2. The parties reserve the right to request local hearings in the KCPL service area. The parties also specifically reserve the right to assert a position on any new issue raised at local hearings that has not been addressed in the Agreement.

E. Effect of Agreement

The agreements in this Agreement are considered by the parties to be unique and specific to the current circumstances. None of the provisions, including the procedures, ratemaking methods and principles and accounting mechanisms reflected in this Agreement, shall be considered of any precedential value in any other Commission proceedings involving KCPL or any other public utility. This Agreement shall not prejudice or waive any party's legal rights, positions, claims, assertions or arguments in any other proceeding before the Commission or any court.

The non-KCPL parties enter into this Agreement in reliance upon information provided to them by KCPL. In the event that the Commission finds that KCPL failed to provide the non-KCPL parties with material and relevant information in its possession, or which should have been available to KCPL through reasonable investigation, or in the event the Commission finds that KCPL misrepresented facts relevant to this Agreement, this Agreement shall be terminated.

F. Negotiated Settlement

This Agreement represents a negotiated settlement that fully resolves the issues addressed in this document. The parties represent that the terms of this Agreement constitute a fair and reasonable resolution of the issues addressed herein. Except as specified herein, the parties to this Agreement shall not be prejudiced, bound by, or in any way affected by the terms of this 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 Agreement in the instant proceeding. If the Commission accepts this Agreement in its entirety and incorporates the same into a final order without material modification, the 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 Com mission's order on these issues. Furthermore, KCPL will not make any efforts or support any efforts to have legislation enacted that have the effect of changing or modifying the terms of this Agreement.

Notwithstanding the above, this Agreement shall be subject to good faith renegotiation upon the request of any party if the "Stipulation and Agreement" that was entered into by KCPL, the Staff of the Missouri Public Service Commission and other parties in Missouri Public Service Commission Case No. EO-2005-0329 on March 28, 2005, is rejected by the Missouri Commission or significantly modified by that Commission or by the parties to that agreement. If agreement cannot be reached on appropriate modification of this Agreement, this Agreement shall be considered terminated.

G. Provisions Are Interdependent

The provisions of this Agreement have resulted from negotiations among the parties and are interdependent. In the event that the Commission does not approve and adopt the terms of this Agreement in total, it shall be voidable. If this Agreement is terminated or voided, no party hereto shall be bound, prejudiced, or in any way affected by any of the agreements or provisions herein.

H. Submission Of Documents To The Commission Or Staff

To the extent this Agreement provides for information, documents or other data to be furnished to the Commission, such information, documents or data shall be filed with the Commission and a copy served upon the Commission's Director of Utilities. Information, documents or data to be furnished to Staff shall be directed to the Commission's Director of Utilities unless other arrangements are made. Such information, documents or data shall be marked and identified with the docket number of this proceeding.

I. Term Of This Agreement

This Agreement will be deemed to have become effective as of the date the Order approving the Agreement becomes final, and will expire June 1, 2010, except to the extent that specific agreements are made concerning future events.

Respectfully submitted,

/s/William G. Riggins William G. Riggins Vice-President and General Counsel Kansas City Power & Light Company 1201 Walnut Kansas City, Missouri 64141 ATTORNEY FOR KANSAS CITY POWER & LIGHT COMPANY	/s/Wendy Tatro Wendy Tatro Assistant General Counsel Kansas Corporation Commission 1500 SW Arrowhead Road Topeka, Kansas 66604 ATTORNEY FOR STAFF

/s/James Zakoura
James Zakoura
750 Commerce Plaza II
7400 West 110th Street
Overland Park, Kansas 66210-2346

ATTORNEY FOR SPRINT AND
KANSAS HOSPITAL ASSOCIATION

APPENDIX A

RESOURCE PLAN

ACQUISITION OF COAL-FIRED AND WIND-POWERED GENERATION FACILITIES, TRANSMISSION AND DISTRIBUTION INFRASTRUCTURE ADDITIONS, AND ENVIRONMENTAL UPGRADES

KCP&L commits to undertake commercially reasonable efforts to acquire energy resources and make infrastructure investments as specified below from January 1, 2005 through June 1, 2010. These investments, including those subject to further evaluation, total approximately $1.3 billion, as set forth in **Appendix D.** This commitment includes completion or substantial progress being made on the following investment projects:

COAL-FIRED GENERATION:

800-900 MW of new generation capacity located at the Iatan site near Weston, Missouri, referred to as Iatan 2, of which KCP&L will own approximately 500 MWs. It is anticipated that Iatan 2 will be in service by June 1, 2010.

KCPL contemplates the possibility of building a railroad bridge for coal deliveries to the Iatan site. The bridge will not be considered a part of the Resource Plan contained in this agreement. Should KCPL build the bridge, parties reserve their right to take any position on the revenue required related to the bridge in a future rate case. KCPL will consult with Staff regarding its negotiations for coal delivery arrangements and the need for the bridge before making a decision regarding the bridge.

WIND-POWER GENERATION:

100 MW of new wind generation facilities to be installed in 2006. This will be subject to the provision in Appendix C, paragraph I.1.d.

A potential of an additional of 100 MW of new wind generation in 2008. The second 100 MW investment in new wind generation will not be considered a part of the Resource Plan unless and until a detailed evaluation supports proceeding with its construction and it receives Commission approval. Interested Parties will be allowed to participate in the evaluation, with access to all relevant information and the opportunity to provide input. As part of the evaluation of the wind generation, KCPL will issue a Request for Proposal (RFP) for a twenty-year purchase power agreement (PPA) for wind generation from independent third parties on a cost per kilowatt-hour basis, which includes any expected tax credits.

TRANSMISSION AND DISTRIBUTION ADDITIONS:

Replacement and upgrade of transmission and distribution facilities as set forth in detail in **Appendix A-1.**

ENVIRONMENTAL IMPROVEMENTS TO EXISTING GENERATION:

Environmental investments related to Iatan 1 and LaCygne 1 for compliance with environmental regulations will consist of a Selective Catalytic Reduction (SCR) facility, a Flue Gas Desulphurization (FGD) unit and a Baghouse at both Iatan-1 and LaCygne 1. It is anticipated that the SCR at LaCygne 1 will be in service by December 31, 2007, the FGD and Baghouse at LaCygne 1 by May 31, 2010, and the environmental equipment at Iatan 1 by December 31, 2008.

APPENDIX A-1

Asset Management Plan

The following is a description of the Asset Management Plan of Kansas City Power & Light Co. (KCP&L), effective during the 5 year term of this Agreement.

This plan allocates resources to address known issues on the system that either present the highest risk of a major system outage or impact customers through multiple outages over relatively short spans of time. These projects are intended to address the identified system risks and allocate renewal programs where asset and performance data indicate the need.

This plan includes the following elements:

- Conduct a system wide condition assessment and inventory of the overhead distribution system
- Implement projects to address components which are nearing their end of life
- Utilize customer outage data to develop programs that minimize the number of outages customers experience
- Utilize industry experience with our inventory and performance data to conduct studies to develop targeted renewal programs
- Refine our maintenance practices to optimize costs and extend the life of existing facilities
- Implement distribution automation programs.

The capital requirements for this plan are as follows:

Proposed Capital Expenditure Level Increases (excluding demand response programs)

(in millions)	2005	2006	2007	2008	2009	Total
Plan Request *	$4.0	$5.7	$8.6	$11.3	$12.8	$42.3

* These multi-year expenditures are increases above the normal capital expenditures for the years stated.

This plan provides adequate capital to address known system issues and maintain reliability performance.

APPENDIX B

DEMAND RESPONSE, EFFICIENCY AND AFFORDABILITY PROGRAMS

1. AFFORDIBILTY PROGRAMS

LOW-INCOME AFFORDABLE NEW HOMES PROGRAM

PROGRAM DESCRIPTION

The Low-Income Affordable New Homes Program will be a partnership between KCP&L and non-profit organizations, including Habitat for Humanity and local government community development organizations, to achieve energy-efficient affordable new housing for the low-income community. Incentives will be available for high efficiency CAC, heat pumps and refrigerators. Financial incentives will be set at the full incremental cost for CAC and heat pumps. A $200 incentive will be available towards the purchase of an ENERGY STAR® rated refrigerator. Finally, up to $100 will be available towards the purchase of ENERGY STAR® rated lighting fixtures.

The customer incentive budget is based upon 100% homes receiving refrigerator and lighting incentives and 25% of the homes will receiving high efficiency air conditioners, and 25% receiving high efficiency heat pumps.

EVALUATION

Impacts associated with this program will be estimated based upon engineering analysis. If a control group can be identified, a billing analysis may be conducted after homes that have participated in the program has been occupied for at least 1 full year.

LOW INCOME WEATHERIZATION AND HIGH EFFICIENCY PROGRAM

PROGRAM DESCRIPTION

Qualifying lower income customers can get help managing their energy use and bills through KCP&L's low income weatherization and high efficiency program. The program will work directly with local CAP agencies that already provide weatherization services to low income customers through the DOE and other state agencies. KCP&L will provide supplemental funds to the CAPs to cover the cost of weatherization measures. This program will be administered by the CAP agencies and follows the protocol under current federal and state guidelines. Participants can be a KCP&L owner-occupied residential customer in a one to four-unit structure and have an income that is up to 185% of the federal poverty guidelines. Renters will also be allowed to participate if the landlord pays 50% of the weatherization cost and agrees not to raise the rent for pre-agreed period of time. CAP agencies will be allowed an average of $1,500 per participant for weatherization and other electric savings measures.

This program helps low income customers reduce their energy costs at no cost to the customer. CAP agencies offer a cost effective implementation capability, which allows most of the funds allocated to this program to go directly to the purchase and installation of energy efficiency measures.

EVALUATION

Weatherization impacts for the first two years of the program will be based upon borrowed analysis from other utility programs. In the third year of the program, a billing analysis will be conducted to estimate impacts for all measures.

1. EFFICIENCY PROGRAMS

ONLINE ENERGY INFORMATION AND ANALYSIS PROGRAM USING NEXUS® RESIDENTIAL SUITE

PROGRAM DESCRIPTION

The online energy information and analysis program allows all residential customers with computers to access their billing information and comparisons of their usage on a daily, weekly, monthly or annual basis. This tool will analyze what end uses make up what percent of their usage, and provide information on ways to save energy by end use through a searchable resource center. This tool also allows the user to analyze why their bill may have changed from one month to another. A home comparison also displays a comparison of the customer's home versus an average similar home via an Energy guide label concept.

EVALUATION

Since this is an informational program and any potential savings will be difficult, if not impossible, to accurately measure, KCP&L does not propose to evaluate the program for energy savings. KCP&L will provide reports on usage.

HOME PERFORMANCE WITH ENERGY STAR® PROGRAM - TRAINING

PROGRAM DESCRIPTION

Home Performance with ENERGY STAR® is a unique program which enhances the traditional existing home energy audit service. This program uses the ENERGY STAR® brand to help encourage and facilitate whole-house energy improvements to existing housing. This program focuses on the private-sector contractors and service professionals who currently work on existing homes - replacing HVAC systems, adding insulation, installing new windows, etc. The Missouri Home Performance with ENERGY STAR® Initiative requires contractors to be accredited under Building Performance Institute (BPI) standards. Technicians must possess appropriate skills and are field-tested to obtain certification, further lending credibility to services offered.

The program strives to provide homeowners with consumer education, value and a whole-house approach. Contractors are trained to provide "one-stop" problem solving that identifies multiple improvements that, as a package, will increase the home's energy efficiency. While the program goal is saving energy, its market-based approach and message focus on addressing a variety of customer needs - comfort, energy savings, durability and health and safety. It also encourages the development of a skilled and available contractor/provider infrastructure that has an economic self-interest in providing and promoting comprehensive, building science-based, retrofit services.

EVALUATION

KCP&L will track whole-house evaluations that are performed by certified contractors in their service territory. In year 3, a billing analysis will be conducted between participants and a control group.

CHANGE A LIGHT- SAVE THE WORLD

PROGRAM DESCRIPTION

Changing the world starts with simple actions. When you replace a light bulb or fixture in your home with one that has earned the U.S. government's ENERGY STAR rating, you contribute to a cleaner environment while saving yourself energy, money and time buying and changing lights in your home. Lighting that has earned the ENERGY STAR® rating prevents greenhouse gas emissions by meeting strict energy efficiency guidelines set by the US Environmental Protection

Agency and US Department of Energy. ENERGY STAR® encourages every American to change out the 5 fixtures they use most at home (or the light bulbs in them) to ENERGY STAR® qualified lighting, to save themselves more than $60 every year in energy costs.

Every fall, ENERGY STAR® partner retailers, manufacturers, utilities, and state organizations come together to make this change even easier. These partners are working to bring more energy-efficient lighting choices to store shelves than ever before. ENERGY STAR® qualified lighting uses two thirds less energy and lasts 6 to 10 times longer than traditional lighting. When you save energy, you not only save money on your utility bills, you also help to protect our environment. KCP&L will contribute funds annually to the state agencies that are working with the EPA and Energy Star to promote this program in the KCP&L service territory. KCP&L expects most of the funds to be used for point of purchase rebates for CFLs.

EVALUATION

KCP&L will rely on evaluations conducted by the EPA and ENERGY STAR®.

COOL HOMES PROGRAM

PROGRAM DESCRIPTION

The Cool Homes Program will encourage residential customers to purchase and install energy-efficient central air conditioning and heat pumps by providing financial incentives to offset a portion of the equipment's higher initial cost. The program's long-range goal is to encourage contractors/distributors to use energy efficiency as a marketing tool, thereby stocking and selling more efficient units and moving the entire CAC and heat pump market toward greater energy efficiency. Incentives will be set at approximately 50% of incremental cost. SEER 13.0 and higher efficiency equipment will be rebated in 2005. Since federal standards are set to be increased from 10 SEER to 13 SEER in 2006, KCP&L will modify the 2006 incentives to only rebate SEER levels at 15.0 and above.

One important feature of the program that will begin immediately is to offer training in Manual J calculations and System Charging and Airflow for HVAC contractors. Manual J is the industry standard residential load calculation method. The training offers step-by-step examples of properly sizing equipment and also addresses principles of heat transfer. The training teaches HVAC contractors to accurately perform and document cooling load calculations and reduces over-sizing. The System Charging and Airflow course addresses airflow and charging procedures and standards and includes hands-on training in the use of testing equipment. Once enough contractors have undergone this training, KCP&L may mandate that these calculations take place in order to qualify for the incentive.

EVALUATION

Evaluation will include random on-site inspections and engineering analysis. Spot metering and runtime data will also be collected to verify the connected load and full load hour estimates used in the engineering analysis.

ENERGY STAR® HOMES - NEW CONSTRUCTION

PROGRAM DESCRIPTION

This program will require that new homes be constructed to a standard at least 30 percent more energy efficient than the 1993 national Model Energy Code. These savings are based on heating, cooling, and hot water energy use and are typically achieved through a combination of building envelope upgrades, high performance windows, controlled air infiltration, upgraded heating and air, conditioning systems, tight duct systems, and upgraded water-heating equipment.

Homes are qualified as an ENERGY STAR® with use of the Builder Option Packages (BOP). BOPs represent a set of construction specifications for a specific climate zone. BOPs specify performance levels for the thermal envelope, insulation, windows, orientation, HVAC system and water heating efficiency for a specific climate zone that meet the standard. The ENERGY STAR® Homes program will offer technical services and financial incentives to builders while marketing the homes' benefits to buyers. Scaled incentives will be provided to homes that are qualified as ENERGY STAR®.

EVALUATION

Evaluation will include random on-site inspections and engineering analysis. Billing analysis will be conducted in year 3 between participant and control groups.

ONLINE ENERGY INFORMATION AND ANALYSIS PROGRAM
USING NEXUS® COMMERCIAL SUITE

PROGRAM DESCRIPTION

The online energy information and analysis program allows all business and non-profit customers with computers to access their billing information and compare their usage on a daily, weekly, monthly or annual basis, analyze what end uses make up what percent of their usage, and access ways to save energy by end use through a searchable resource center. Targeted case studies provide ideas relevant to the customer's industry. This tool also allows the user to analyze why their bill may have changed from one month to another. A business comparison also displays usage benchmarking data versus similar types of businesses.

EVALUATION

Since this is an informational program and any potential savings will be difficult, if not impossible, to accurately measure, KCP&L does not propose to evaluate the program for energy savings. KCP&L will provide reports on usage.

C&I ENERGY AUDIT

PROGRAM DESCRIPTION

KCP&L will offer rebates to customers to cover 50% of the cost of an energy audit. In order to receive the rebate, the customer must implement at least one of the audit recommendations that qualify for a KCP&L C&I custom rebate. The energy audit rebate will be set at 50% of the audit cost up to $300 for customers with facilities less than 25,000 square feet and up to $500 for customers with facilities over 25,000 square feet. Energy audits must be performed by certified commercial energy auditors. Customers may choose their own auditor or KCP&L can recommend one. Customers with multiple buildings will be eligible for multiple audit rebates.

EVALUATION

KCP&L will track the effectiveness of this program through the evaluations done for the C&I Custom Rebate Program.

C&I CUSTOM REBATE - RETROFIT

PROGRAM DESCRIPTION

The C&I Custom Rebate Retrofit program will provide rebates to C&I customers that install, replace or retrofit qualifying electric savings measures including HVAC systems, motors, lighting, pumps, etc. All custom rebates will be individually determined and analyzed to ensure that they pass the Societal Benefit/Cost Test. Any measure that is pre-qualified (evaluated prior to being installed) must produce a Societal Benefit/Cost test result of 1.0 or higher.

Custom rebates are calculated as the lesser of the following:

- A buydown to a two year payback
- 50% of the incremental cost

One customer may submit multiple rebate applications for different measures. Each individual measure will be evaluated on its own merits. Similar measures that are proposed in different facilities or buildings will be evaluated separately. However, no customer, including those with multiple facilities or buildings, may receive more then $40,000 in incentives for any program year.

As noted in the C&I Energy Audit program description, that program is designed to encourage customers to implement audit recommendations that would qualify for rebates under the C&I Custom Rebate Program.

EVALUATION

By design, the custom rebate program is self-evaluating. Impacts are based upon detailed engineering analysis.

C&I CUSTOM REBATE - NEW CONSTRUCTION

PROGRAM DESCRIPTION

The C&I Custom Rebate New Construction will provide rebates to C&I customers that install qualifying electric savings measures including HVAC systems, motors, lighting, pumps, etc. All custom rebates will be individually determined and analyzed to ensure that they pass the Societal Benefit/Cost Test. Any measure that is pre-qualified (evaluated prior to being installed) must produce a Societal Benefit/Cost test result of 1.0 or higher.

Custom rebates are calculated as the lesser of the following:

- A buydown to a two year payback
- 50% of the incremental cost

One customer may submit multiple rebate applications for different measures. Each individual measure will be evaluated on its own merits. Similar measures that are proposed in different facilities or buildings will be evaluated separately. However, no customer, including those with multiple facilities or buildings, may receive more then $40,000 in incentives for any program year.

Another component of this program is an online new construction guide that will provide information to commercial builders and developers on energy efficiency in new construction. It first allows the builder or developer to identify the type of new construction building that is being planned, i.e. office building, community center, fire station. It then lists a variety of environmental and energy efficiency options and guides the builder or developer in prioritizing investments for the best results. A sample of this software is available for viewing at http://seattle.bnim.com/. KCP&L proposes to build a similar site for the Kansas City metropolitan area but enhance it with features that tie into our rates and will allow developers and builders to plan buildings that can maximize our rates.

EVALUATION

By design, the custom rebate program is self-evaluating. Impacts are based upon detailed engineering analysis.

BUILDING OPERATOR CERTIFICATION PROGRAM

PROGRAM DESCRIPTION

The Building Operator Certification (BOC) Program is a market transformation effort to train facility operators in efficient building operations and management (O&M), establish recognition of and value for certified operators, support the adoption of resource-efficient O&M as the standard in building operations, and create a self-sustaining entity for administering and marketing the training. This program requires a lot of effort and manpower. KCP&L cannot accomplish the program objectives alone. In year one of this program, KCP&L will work with the Missouri Department of Natural Resources to build a partnership with other Missouri stakeholders (sponsors). Once this has been accomplished, the program will begin to offer customers the Building Operator Training and Certification (BOC) program. The program will use a portion of its sponsor's funds (including the funds provided by KCP&L) to license the BOC curriculum from the Northwest Energy Efficiency Council (NEEC), its developer. Building operators that attend the training course will be expected to pay the cost of the course, less a $100 rebate that will be issued upon successful completion of all course requirements. The program is expected to attract customers with large facilities (over 250,000 sq. ft.) that employ full time building operators.

EVALUATION

KCP&L will track the effectiveness of this program through the evaluations done by the Missouri Department of Natural Resources.

MARKET RESEARCH

PROGRAM DESCRIPTION

The market research component of this program will concentrate on specific opportunities to expand program offerings. Of particular interest will be expanding rebates to other ENERGY STAR® rated appliances such as washing machines; investigating the potential for a 2nd refrigerator pickup program and offering incentives to small commercial customers for ENERGY STAR® rated office equipment.

3. DEMAND RESPONSE PROGRAMS

AIR CONDITIONING CYCLING

PROGRAM DESCRIPTION

The Air Conditioning Cycling (ACC) is a program by which KCP&L can reduce residential and small commercial air conditioning load during peak summer days. The company achieves this load reduction by sending a paging signal to a control device attached to the customer's air conditioner. The control device then turns the air conditioner off and on over a period of time depending on the control and load reduction strategy establish by the company.

EVALUATION

This evaluation will contribute significantly to the decision to extend the program.

- Collect customer hourly usage data for the first three summers.
- Evaluate capacity and energy impacts at the end of the third summer season.

THE ALLIANCE, AN ENERGY PARTNERSHIP PROGRAM

PROGRAM DESCRIPTION

The Alliance, an energy partnership program, is a curtailment and distributed generation program designed to be a partnership with commercial and industrial customers. It is comprised of three coordinated programs. These are MPower, Distributed Generation and Commercial Lighting Curtailment. The program

provides incentives to customers to reduce their load or add customer generation to the grid to offset the higher costs KCPL would incur without the reduced load or added customer generation.

MPower is a contracted load curtailment program for large commercial and industrial customers that provide a capacity and energy payment to participating customers to curtail their usage during summer months when high electric demand occurs. Customers are eligible for participation in the program by providing a minimum load reduction of 200 kW during KCP&L's high usage/high cost periods. The Missouri Public Service Commission and the Kansas Commerce Commission have approved the program tariff, currently known as Peak Load Curtailment Credit (PLCC). A new tariff will be filed as this two-part incentive program becomes finalized. The customer contract could extend over several years.

Distributed Generation is a program in which KCP&L contracts with a customer that has on-site generation to use their generator when needed. This program captures additional value from the customer's generator and provides support to the utility grid. The customer contract is expected to be over several years.

Commercial Lighting Curtailment is a program in which KCP&L contracts with commercial customers to reduce their lighting load when requested. This is accomplished by permanently installing control devices that either reduce the voltage to the lights or turn off perimeter lighting in office buildings. In either case new equipment will be installed to achieve this load reduction. The load curtailment contract will extend over several years.

EVALUATION

This evaluation will contribute significantly to the decision to extend the program.

- Customer research
  - Focus groups - Sept '05 and Sept '06
  - Telephone surveys - Oct '05 and Oct '06
- Process evaluation - Dec '05 and Dec '06
- Impact evaluation - Nov '05 and Nov '06

Rev 2/3/05 to separate AA from EE

Program	Type	Seg- ment	NC/Ret	Allocation Comments	MO	KS	$ Total	$ MO	$ KS	kW Total	kW MO	kW KS	kWh Total	kWh MO	kWh KS
				Allocation			Year 1 Estimates								
ANNUAL TOTAL							$6,441,583	$3,520,340	$2,921,240	53,743	30,363	23,379	9,476,868	5,360,226	4,116,637
CUMMULATIVE TOTAL							$6,441,583	$3,520,340	$2,921,240	53,743	30,363	23,379	9,476,868	5,360,226	4,116,637
Annual DR Totals							$3,366,733	$1,718,466	$1,648,267	49,977	28,320	21,656	1,964,327	1,137,555	826,772
Cumulative DR Totals							$3,366,733	$1,718,466	$1,648,267	49,977	28,320	21,656	1,964,327	1,137,555	826,772
Annual EE Totals							$2,591,750	$1,414,561	$1,177,189	3,665	1,958	1,707	7,096,000	3,873,193	3,222,807
Cumulative EE Totals							$2,591,750	$1,414,561	$1,177,189	3,665	1,958	1,707	7,096,000	3,873,193	3,222,807
Annual AFF Total							$483,100	$387,312	$95,784	101	85	16	416,541	349,478	67,058
Cumulative AFF Totals							$483,100	$387,312	$95,784	101	85	16	416,541	349,478	67,058
Affordability															
Affordable New Homes	Dir Imp	R-Aff	NC	Currently allocated by % of low income in each state. Incentives to be by actual.	83.9%	16.1%	$16,000	$13,424	$2,573	15	13	2	25,360	21,277	4,078
Low Income Weatherization (non-KCMO)	Dir Imp	R-Aff	Ret	By est. low income population without KCMO	20.4%	79.6%	$117,100	$23,888	$93,212	86	72	14	391,181	328,201	62,980
Low Income WX-KCMO					100%	0%	$350,000	$350,000	$0						
Allocation for total				By est. low income population	83.9%	16.1%									
Energy Efficiency															
Online EE information/analysis (Nexus)	Educ	R	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	51.5%	48.5%	$281,750	$144,989	$136,761	0	0	0	0	0	0
Home Performance-Training	Dir Imp	R	Ret	Can be limited by state but with great difficulty. Crews work both states.	51.5%	48.5%	$177,500	$91,342	$86,159	0	0	0	0	0	0
Change a Light-Save the World	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$152,500	$78,477	$74,024	1,125	579	546	2,475,000	1,273,635	1,201,365
Cool Homes Program	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$955,000	$491,443	$463,557	1,668	858	810	1,948,000	1,002,441	945,559
Energy Star Homes	Dir Imp	R	NC	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$80,000	$41,168	$38,832	0	0	0	0	0	0
PAYS-type Concept	Dir Imp	R	Ret	MO only	100%	0%	$25,000	$25,000	$0	0	0	0	0	0	0
Online EE information/analysis (Nexus)	Educ	C	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	59.8%	40.3%	$0	$0	$0	0	0	0	0	0	0
C&I Energy Audits	Educ	Comm	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	$0	$0	$0	0	0	0	0	0	0
Custom Rebates	Dir Imp	M&L C&I	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	$30,000	$17,925	$12,075	0	0	0	0	0	0
Custom Rebates	Dir Imp	M&L C&I	NC	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	$707,500	$422,731	$284,769	872	521	351	2,673,000	1,597,118	1,075,883
Building Operator Certification	Dir Imp	M&L C&I	Ret	Can be by state.	59.8%	40.3%	$105,000	$62,738	$42,263	0	0	0	0	0	0

Program	Type	Seg- ment	NC/Ret	Allocation Comments	MO	KS	$ Total	$ MO	$ KS	kW Total	kW MO	kW KS	kWh Total	KWh MO	kWh KS
Market Research	0	All	0	By % only; cannot be separated	50.0%	50.0%	$77,500	$38,750	$38,750	0	0	0	0	0	0
Demand Response															
Residential A/C Cycling					42.3%	57.7%	$1,503,834	$636,122	$867,712	4,532	1,917	2,615	23,537	9,956	13,581
Commercial Curtailment					58.1%	41.9%	$1,862,899	$1,082,344	$780,555	45,445	26,404	19,041	1,940,790	1,127,599	813,191

Budget includes capital & O&M

Rev 2/3/05 to separate
AA from EE

Program	Type	Seg- ment	NC/Ret	Allocation Comments	MO	KS	$ Total	$ MO	$ KS	kW Total	kW MO	kW KS	kWh Total	KWh MO	kWh KS
					Allocation						Year 2 Estimates				
ANNUAL TOTAL							$8,935,244	$4,952,111	$3,983,127	25,985	14,076	11,909	15,072,964	8,553,823	6,519,131
CUMMULATIVE TOTAL							$15,376,827	$8,472,451	$6,904,367	79,728	44,439	35,289	24,549,832	13,914,049	10,635,768
Annual DR Totals							$3,948,794	$2,006,589	$1,942,205	19,281	10,378	8,903	523,584	297,215	226,370
Cumulative DR Totals							$7,315,527	$3,725,055	$3,590,472	69,258	38,699	30,559	2,487,911	1,434,770	1,053,141
Annual EE Totals							$4,437,350	$2,494,785	$1,942,565	6,579	3,593	2,986	14,062,500	7,848,116	6,214,384
Cumulative EE Totals							$7,029,100	$3,909,347	$3,119,753	10,244	5,551	4,693	21,158,500	11,721,309	9,437,191
Annual AFF Total							$549,100	$450,736	$98,357	125	105	20	486,880	408,492	78,378
Cumulative AFF Totals							$1,032,200	$838,049	$194,142	226	190	36	903,421	757,970	145,436
Affordability															
Affordable New Homes	Dir Imp	R-Aff	NC	Currently allocated by % of low income in each state. Incentives to be by actual.	83.9%	16.1%	$32,000	$26,848	$5,146	29	24	5	50,720	42,554	8,156
Low Income Weatherization (non-KCMO)	Dir Imp	R-Aff	Ret	By est. low income population without KCMO	20.4%	79.6%	$117,100	$23,888	$93,212	96	81	15	436,160	365,938	70,222
Low Income WX-KCMO					100%	0%	$400,000	$400,000	$0						
Allocation for total				By est. low income population	83.9%	16.1%									
Energy Efficiency															
Online EE information/analysis (Nexus)	Educ	R	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	51.5%	48.5%	$223,950	$115,245	$108,705	0	0	0	0	0	0
Home Performance-Training	Dir Imp	R	Ret	Can be limited by state but with great difficulty. Crews work both states.	51.5%	48.5%	$127,500	$65,612	$61,889	0	0	0	0	0	0
Change a Light-Save the World	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$152,500	$78,477	$74,024	1,125	579	546	2,475,000	1,273,635	1,201,365
Cool Homes Program	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$1,355,000	$697,283	$657,717	2,490	1,281	1,209	2,907,000	1,495,942	1,411,058
Energy Star Homes	Dir Imp	R	NC	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$545,000	$280,457	$264,543	466	240	226	1,303,500	670,781	632,719
PAYS-type Concept	Dir Imp	R	Ret	MO only	100%	0%	$125,000	$125,000	$0	0	0	0	0	0	0
Online EE information/analysis (Nexus)	Educ	C	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	59.8%	40.3%	$240,900	$143,938	$96,962	0	0	0	0	0	0
C&I Energy Audits	Educ	Comm	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	$60,000	$35,850	$24,150	0	0	0	0	0	0
Custom Rebates	Dir Imp	M&L C&I	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	$502,500	$300,244	$202,256	697	416	281	2,138,000	1,277,455	860,545
Custom Rebates	Dir Imp	M&L C&I	NC	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	$922,500	$551,194	$371,306	1,301	777	524	3,989,000	2,383,428	1,605,573
Building Operator Certification	Dir Imp	M&L C&I	Ret	Can be by state.	59.8%	40.3%	$105,000	$62,738	$42,263	500	299	201	1,250,000	746,875	503,125
Market Research	0	All	0	By % only; cannot be separated	50.0%	50.0%	$77,500	$38,750	$38,750	0	0	0	0	0	0
Demand Response															
Residential A/C Cycling					42.3%	57.7%	$1,820,634	$770,128	$1,050,506	5,215	2,206	3,009	44,226	18,708	25,519
Commercial Curtailment					58.1%	41.9%	$2,128,160	$1,236,461	$891,699	14,066	8,172	5,894	479,358	278,507	200,851

Budget includes capital & O&M

Rev 2/3/05 to separate
AA from EE

Program	Type	Seg- ment	NC/Ret	Allocation Comments	MO	KS	$ Total	$ MO	$ KS	kW Total	kW MO	kW KS	kWh Total	kWh MO	kWh KS
					Allocation						**Year 3 Estimates**				
ANNUAL TOTAL							$10,132,247	$5,675,353	$4,456,886	22,500	12,138	10,362	17,544,272	9,930,465	7,613,797

Program	Type	Seg- ment	NC/Ret	Allocation Comments	MO	KS	$ Total	$ MO	$ KS	kW Total	kW MO	kW KS	kWh Total	kWh MO	kWh KS
CUMMULATIVE TOTAL							$25,509,074	$14,147,804	$11,361,253	102,228	56,578	45,650	42,094,104	23,844,514	18,249,565
Annual DR Totals							$4,285,047	$2,197,458	$2,087,589	14,975	7,987	6,988	592,050	335,027	257,023
Cumulative DR Totals							$11,600,574	$5,922,513	$5,678,060	84,233	46,686	37,547	3,079,961	1,769,797	1,310,164
Annual EE Totals							$5,205,600	$2,963,726	$2,241,874	7,390	4,038	3,352	16,419,000	9,148,064	7,270,936
Cumulative EE Totals							$12,234,700	$6,873,073	$5,361,627	17,634	9,589	8,045	37,577,500	20,869,374	16,708,127
Annual AFF Total							$641,600	$514,169	$127,423	135	113	22	533,222	447,373	85,839
Cumulative AFF Totals							$1,637,800	$1,352,218	$321,565	361	303	58	1,436,643	1,205,343	231,274
Affordability															
Affordable New Homes	Dir Imp	R-Aff	NC	Currently allocated by % of low income in each state. Incentives to be by actual.	83.9%	16.1%	$39,500	$33,141	$6,352	29	24	5	50,720	42,554	8,156
Low Income Weatherization (non-KCMO)	Dir Imp	R-Aff	Ret	By est. low income population without KCMO	20.4%	79.6%	$152,100	$31,028	$121,072	106	89	17	482,502	404,819	77,683
Low Income WX-KCMO					100%	0%	$450,000	$450,000	$0						
Allocation for total				By est. low income population	83.9%	16.1%									
Energy Efficiency															
Online EE information/analysis (Nexus)	Educ	R	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	51.5%	48.5%	$201,300	$103,589	$97,711	0	0	0	0	0	0
Home Performance-Training	Dir Imp	R	Ret	Can be limited by state but with great difficulty. Crews work both states.	51.5%	48.5%	$147,500	$75,904	$71,597	0	0	0	0	0	0
Change a Light-Save the World	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$152,500	$78,477	$74,024	1,125	579	546	2,475,000	1,273,635	1,201,365
Cool Homes Program	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$1,405,000	$723,013	$681,987	2,490	1,281	1,209	2,907,000	1,495,942	1,411,058
Energy Star Homes	Dir Imp	R	NC	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$985,000	$506,881	$478,119	933	480	453	2,607,000	1,341,562	1,265,438
PAYS-type Concept	Dir Imp	R	Ret	MO only	100%	0%	$250,000	$250,000	$0	0	0	0	0	0	0
Online EE information/analysis (Nexus)	Educ	C	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	59.8%	40.3%	$171,800	$102,651	$69,150	0	0	0	0	0	0
C&I Energy Audits	Educ	Comm	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	$60,000	$35,850	$24,150	0	0	0	0	0	0
Custom Rebates	Dir Imp	M&L C&I	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	$727,500	$434,681	$292,819	1,041	622	419	3,191,000	1,906,623	1,284,378
Custom Rebates	Dir Imp	M&L C&I	NC	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	$922,500	$551,194	$371,306	1,301	777	524	3,989,000	2,383,428	1,605,573
Building Operator Certification	Dir Imp	M&L C&I	Ret	Can be by state.	59.8%	40.3%	$105,000	$62,738	$42,263	500	299	201	1,250,000	746,875	503,125
Market Research	0	All	0	By % only; cannot be separated	50.0%	50.0%	$77,500	$38,750	$38,750	0	0	0	0	0	0
Demand Response															
Residential A/C Cycling					42.3%	57.7%	$1,849,076	$782,159	$1,066,917	4,518	1,911	2,607	56,669	23,971	32,698
Commercial Curtailment					58.1%	41.9%	$2,435,971	$1,415,299	$1,020,672	10,457	6,076	4,382	535,381	311,056	224,325

Budget includes capital & O&M

Rev 2/3/05 to separate AA from EE

					Allocation		Year 4 Estimates								
Program	Type	Seg- ment	NC/Ret	Allocation Comments	MO	KS	$ Total	$ MO	$ KS	kW Total	kW MO	kW KS	kWh Total	kWh MO	kWh KS
ANNUAL TOTAL							$11,863,239	$6,545,076	$5,318,157	39,634	21,658	17,976	18,289,046	10,369,124	7,919,912
CUMMULATIVE TOTAL							$37,372,313	$20,692,880	$16,679,410	141,862	78,236	63,626	60,383,150	34,213,638	26,169,476
Annual DR Totals							$6,113,589	$3,083,769	$3,029,821	32,099	17,498	14,601	1,291,845	735,949	555,896
Cumulative DR Totals							$17,714,163	$9,006,282	$8,707,881	116,332	64,183	52,149	4,371,806	2,505,746	1,866,060
Annual EE Totals							$5,100,550	$2,910,571	$2,189,979	7,390	4,038	3,352	16,419,000	9,148,064	7,270,936
Cumulative EE Totals							$17,335,250	$9,783,644	$7,551,606	25,024	13,628	11,396	53,996,500	30,017,438	23,979,062
Annual AFF Total							$649,100	$550,736	$98,357	145	122	23	578,201	485,111	93,080
Cumulative AFF Totals							$2,322,900	$1,902,954	$419,922	506	425	81	2,014,844	1,690,454	324,354
Affordability															
Affordable New Homes	Dir Imp	R-Aff	NC	Currently allocated by % of low income in each state. Incentives to be by actual.	83.9%	16.1%	$32,000	$26,848	$5,146	29	24	5	50,720	42,554	8,156
Low Income Weatherization (non-KCMO)	Dir Imp	R-Aff	Ret	By est. low income population without KCMO	20.4%	79.6%	$117,100	$23,888	$93,212	116	97	19	527,481	442,557	84,924
Low Income WX-KCMO					100%	0%	$500,000	$500,000	$0						
Allocation for total				By est. low income population	83.9%	16.1%									
Energy Efficiency															
Online EE information/analysis (Nexus)	Educ	R	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	51.5%	48.5%	$205,350	$105,673	$99,677	0	0	0	0	0	0
Home Performance-Training	Dir Imp	R	Ret	Can be limited by state but with great difficulty. Crews work both states.	51.5%	48.5%	$127,500	$65,612	$61,889	0	0	0	0	0	0
Change a Light-Save the World	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$152,500	$78,477	$74,024	1,125	579	546	2,475,000	1,273,635	1,201,365
Cool Homes Program	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$1,355,000	$697,283	$657,717	2,490	1,281	1,209	2,907,000	1,495,942	1,411,058
Energy Star Homes	Dir Imp	R	NC	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$935,000	$481,151	$453,849	933	480	453	2,607,000	1,341,562	1,265,438
PAYS-type Concept	Dir Imp	R	Ret	MO only	100%	0%	$250,000	$250,000	$0	0	0	0	0	0	0
Online EE information/analysis (Nexus)	Educ	C	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	59.8%	40.3%	$172,700	$103,188	$69,512	0	0	0	0	0	0
C&I Energy Audits	Educ	Comm	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	$60,000	$35,850	$24,150	0	0	0	0	0	0
Custom Rebates	Dir Imp	M&L C&I	Ret	Promotion by %. Incentives to be	59.8%	40.3%	$737,500	$440,656	$296,844	1,041	622	419	3,191,000	1,906,623	1,284,378

Program	Type	Seg- ment	NC/Ret	Allocation Comments	MO	KS	$ Total	$ MO	$ KS	kW Total	kW MO	kW KS	kWh Total	kWh MO	kWh KS
				by actual. Can be by state.											
Custom Rebates	Dir Imp	M&L C&I	NC	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	$922,500	$551,194	$371,306	1,301	777	524	3,989,000	2,383,428	1,605,573
Building Operator Certification	Dir Imp	M&L C&I	Ret	Can be by state.	59.8%	40.3%	$105,000	$62,738	$42,263	500	299	201	1,250,000	746,875	503,125
Market Research	0	All	0	By % only; cannot be separated	50.0%	50.0%	$77,500	$38,750	$38,750	0	0	0	0	0	0
Demand Response															
Residential A/C Cycling					42.3%	57.7%	$2,963,461	$1,253,544	$1,709,917	7,290	3,084	4,206	92,486	39,122	53,364
Commercial Curtailment					58.1%	41.9%	$3,150,128	$1,830,225	$1,319,904	24,809	14,414	10,395	1,199,359	696,827	502,531

Budget includes capital & O&M

Rev 2/3/05 to separate
AA from EE

Program	Type	Seg- ment	NC/Ret	Allocation Comments	MO (Allocation)	KS	$ Total	$ MO	$ KS	kW Total	kW MO	kW KS	kWh Total (**Year 5**)	kWh MO	kWh KS
ANNUAL TOTAL							$15,409,699	$8,301,495	$7,108,199	61,531	33,600	27,931	19,466,069	11,059,733	8,406,326
CUMMULATIVE TOTAL							$52,782,013	$28,994,374	$23,787,608	203,393	111,836	91,557	79,849,220	45,273,372	34,575,802
Annual DR Totals							$9,605,249	$4,787,667	$4,817,582	53,986	29,431	24,554	2,423,889	1,388,821	1,035,068
Cumulative DR Totals							$27,319,413	$13,793,949	$13,525,463	170,318	93,615	76,703	6,795,696	3,894,567	2,901,128
Annual EE Totals							$5,105,350	$2,913,091	$2,192,259	7,390	4,038	3,352	16,419,000	9,148,064	7,270,936
Cumulative EE Totals							$22,440,600	$12,696,734	$9,743,866	32,414	17,666	14,748	70,415,500	39,165,502	31,249,998
Annual AFF Total							$699,100	$600,736	$98,357	155	130	25	623,180	522,848	100,322
Cumulative AFF Totals							$3,022,000	$2,503,691	$518,279	661	555	106	2,638,024	2,213,302	424,676
Affordability															
Affordable New Homes	Dir Imp	R-Aff	NC	Currently allocated by % of low income in each state. Incentives to be by actual.	83.9%	16.1%	$32,000	$26,848	$5,146	29	24	5	50,720	42,554	8,156
Low Income Weatherization (non-KCMO)	Dir Imp	R-Aff	Ret	By est. low income population without KCMO	20.4%	79.6%	$117,100	$23,888	$93,212						
Low Income WX-KCMO					100%	0%	$550,000	$550,000	$0	126	106	20	572,460	480,294	92,166
Allocation for total				By est. low income population	83.9%	16.1%									
Energy Efficiency															
Online EE information/analysis (Nexus)	Educ	R	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	51.5%	48.5%	$209,550	$107,834	$101,716	0	0	0	0	0	0
Home Performance-Training	Dir Imp	R	Ret	Can be limited by state but with great difficulty. Crews work both states.	51.5%	48.5%	$127,500	$65,612	$61,889	0	0	0	0	0	0
Change a Light-Save the World	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$152,500	$78,477	$74,024	1,125	579	546	2,475,000	1,273,635	1,201,365
Cool Homes Program	Dir Imp	R	Ret	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$1,355,000	$697,283	$657,717	2,490	1,281	1,209	2,907,000	1,495,942	1,411,058
Energy Star Homes	Dir Imp	R	NC	Promotion by %. Incentives to be by actual. Can be by state.	51.5%	48.5%	$935,000	$481,151	$453,849	933	480	453	2,607,000	1,341,562	1,265,438
PAYS-type Concept	Dir Imp	R	Ret	MO only	100%	0%	$250,000	$250,000	$0	0	0	0	0	0	0
Online EE information/analysis (Nexus)	Educ	C	Ret	Set up/software/monthly maintenance by %. User fee to be by actual. Can be made available by state only.	59.8%	40.3%	$173,300	$103,547	$69,753	0	0	0	0	0	0
C&I Energy Audits	Educ	Comm	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	$60,000	$35,850	$24,150	0	0	0	0	0	0
Custom Rebates	Dir Imp	M&L C&I	Ret	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	$737,500	$440,656	$296,844	1,041	622	419	3,191,000	1,906,623	1,284,378
Custom Rebates	Dir Imp	M&L C&I	NC	Promotion by %. Incentives to be by actual. Can be by state.	59.8%	40.3%	$922,500	$551,194	$371,306	1,301	777	524	3,989,000	2,383,428	1,605,573
Building Operator Certification	Dir Imp	M&L C&I	Ret	Can be by state.	59.8%	40.3%	$105,000	$62,738	$42,263	500	299	201	1,250,000	746,875	503,125
Market Research	0	All	0	By % only; cannot be separated	50.0%	50.0%	$77,500	$38,750	$38,750	0	0	0	0	0	0
Demand Response															
Residential A/C Cycling					42.3%	57.7%	$5,018,876	$2,122,985	$2,895,892	12,242	5,179	7,064	123,156	52,095	71,061
Commercial Curtailment					58.1%	41.9%	$4,586,373	$2,664,683	$1,921,690	41,743	24,253	17,491	2,300,733	1,336,726	964,007

Budget includes capital & O&M

Allocation Schemes

Affordability Programs w/KCMO		
Est. Low Income Accounts per MDNR-**MO**	58,114	83.92%
Est. Low Income Accounts per Census-**KS**	<u>11,131</u>	16.08%
	69,246	

Affordability Programs w/out KCMO		
Est. Low Income Accounts per MDNR-**MO**	2,852	20.40%
Est. Low Income Accounts per Census-**KS**	<u>11,131</u>	79.60%
	13,983	

Kansas Agency	**Counties**	**KCPL Electric Accounts**	**# Individuals in Poverty**	**% Individuals in Poverty of**	**Total House-**	**% of Poverty House-holds to**

			Total Individuals In Poverty	holds Per County	Total Per County

Agency	# Households in Poverty	Total House-holds Per County	% of Poverty House-holds to Total Per County	KCPL Electric Accounts by Agency	Estimated Accounts
SEK-CAP	4,081	33,059	12.34%	4,172	515
ECKAN	32,145	629,760	5.10%	206,670	10549
EOF	22,184	157,882	14.05%	478	67
GRAND TOTAL	58,410	820,701	7.12%	211,320	11131

Agency	# Households in Poverty	Total House-holds Per County	% of Poverty House-holds to Total Per County	KCPL Electric Accounts by Agency	Estimated Accounts
Kansas City Dept. of Housing & Comm. Develop.	90,183	368,130	24.50%	225,583	55262
Central Missouri Counties Human Dev Corp	1,102	3,836	28.73%	388	111
Green Hills Comm. Action Agency	1,692	5,736	29.50%	1	0
West Central Missouri Community Action Agency	4,664	30,168	15.46%	2,202	340
Missouri Valley Comm. Action Agency	19,681	62,200	31.64%	7,556	2391
North East Community Action Corporation	2,763	9,199	30.04%	30	9
GRAND TOTAL-MO	120,085	479,269	25.06%	235,760	58114
TOTAL w/out KCMO	29,902	111,139	26.91%	10,177	2,852

Energy Efficiency

By # of Customers: (does not include public street lights or other)	**Res**	**Res**	**C&I**	**C&I**
MO (per Sep 30 2004 Form 1)	234,170	54.40%	31,603	55.47%
KS (per Sep 30 2004 Form 1)	196,308	45.60%	25,369	44.53%
	430,478		56,972	

By kWh Sales: (does not include public street lights or other)	**Res**		**C&I**	
MO (per Sep 30 2004 Form 1)	2,448,486,984	48.52%	5,742,502,958	64.03%
KS (per Sep 30 2004 Form 1)	2,598,207,743	51.48%	3,225,929,781	35.97%
	5,046,694,727		8,968,432,739	
Average - MO		51.46%		59.75%
Average - KS		48.54%		40.25%

Demand Response

Residential A/C Cycling	**Missouri**	**Kansas**	Total
Number of residential customers	234,170	196,308	430,478
Percentage of eligible customers	46%	75%	
Number of customer with Central A/C	108,082	147,378	255,460
Percentage of Total	**42.3%**	**57.7%**	

Commercial Curtailment			
KW of peak customer load for customer > 200 kW	945,258	578,779	1,524,037
Percentage of Total	62%	38%	
Number of Customers with Demand > 200 kW	1,197	1,013	2,210
Percentage of Total	54%	46%	
Average Percentage for Commercial	**58.1%**	**41.9%**	

APPENDIX C

RATE PLAN

A. RATE FILINGS

1. The parties agree that KCPL's current rate moratorium should remain in place and its rates should be maintained at current levels through December 31, 2006. KCPL, pursuant to Commission Order in Docket No. 02-KCPE-840-RTS, is required to file a rate case on or before May 1, 2006, with a 2005 calendar test year. KCPL shall meet the rate case filing requirements of Docket No. 02-KCPE-840-RTS by filing a rate case before that date as set out below.

2. A rate application in compliance with K.A.R. 82-1-231, including a full class cost of service study, will be filed with the KCC no later than February 1, 2006. The proposed rate schedules shall have an effective date of January 1, 2007. As part of such filing, KCPL will agree to extend the deadline for a Commission final order on the proposed tariff changes until December 10, 2006, pursuant to K.S.A. 66-117(c). In that filing, KCPL may include new investment in plant that is anticipated to be in service by December 31, 2006.

3. The parties agree that KCPL may seek an additional rate change in 2007. Any such filing shall be made no later than March 1, 2007, with a 2006 calendar test year and January 1, 2008 as the proposed effective date of the new rates. As part of such filing, KCPL will agree to extend the deadline for a Commission final order on the proposed tariff changes until December 10, 2007, pursuant to K.S.A. 66-117(c). In that filing, KCPL may include new investment in plant that is anticipated to be in service by December 31, 2007. Prior to such filing, KCPL shall meet with interested signatory parties to determine if simplified procedures for the rate filing are appropriate or other agreements on the potential rate change may be reached. Any such agreements shall be submitted to the Commission for approval.

4. The parties agree that KCPL may seek an additional rate change in 2008. Any such filing shall be made no later than March 1, 2008, with a 2007 calendar test year and January 1, 2009 as the proposed effective date of the new rates. As part of such filing, KCPL will agree to extend the deadline for a Commission final order on the proposed tariff changes until December 10, 2008, pursuant to K.S.A. 66-117(c). In that filing, KCPL may include new investment in plant that is anticipated to be in service by December 31, 2008. Prior to such filing, KCPL shall meet with interested signatory parties to determine if simplified procedures for the rate filing are appropriate or other agreements on the potential rate change may be reached. Any such agreements shall be submitted to the Commission for approval.

5. KCPL shall make a 2009 rate filing that proposes new rate schedules with an effective date of June 1, 2010. Any such filing shall be filed with the KCC on or before August 15, 2009. The test year for this filing will be the 12 months ending June 30, 2009. As part of such filing, KCPL will agree to extend the deadline for a Commission final order on the proposed tariff changes to May 10, 2010, pursuant to K.S.A. 66-117(c). The filing may include new investment in plant that is anticipated to be in service as of May 31, 2010.

6. Because of the magnitude of these investments and the length of time of the regulatory plan, KCPL may need to adjust the timing of the above rate filings to reflect additional information regarding the construction and timing of investments and other factors. The parties agree to work together to adjust the rate filing schedule to reflect these needs. Such adjustment(s) shall be submitted to the Commission for approval.

7. The parties to this Agreement will not initiate a proceeding at the Commission requesting a change in KCPL's rates during the Rate Plan except the rate cases contemplated above unless at least one of the contingencies listed below applies. A change in rates includes any new surcharge or other mechanism for recovery of costs from ratepayers, except for the mechanisms set forth in this agreement.

(a) A terrorist activity or an Act of God.

(b) A material change in federal or state tax laws.

(c) A material change in federal or state utility laws or regulations, except for a change that permits a new surcharge or other mechanism for recovery of costs.

(d) An unexpected, extended outage or shutdown of a major generating unit(s), other than a major generating unit(s) shut down due to an extended outage at the time of the filing of this agreement.

(e) KCPL does not fulfill its commitments to make the investments described herein during the Regulatory Plan.

(f) It is determined that KCPL failed to provide the Non-KCPL parties with material and relevant information in its possession, or which should have been available to KCPL through reasonable investigation, or that KCPL misrepresented facts relevant to this Agreement and such nondisclosure or misrepresentation resulted in higher rates.

B. ENERGY COST ADJUSTMENT

Concurrent with the new rates to be effective January 1, 2007, KCPL should be allowed to implement an Energy Cost Adjustment ("ECA") mechanism that reflects its total fuel costs on a monthly basis. The details and mechanics of the ECA will be determined in the 2006 rate case proceeding. Should any special contracts with customers exclude the ECA, the ECA computation shall take into account the sales associated with the contract in determining the appropriate ECA.

C. OFF-SYSTEM SALES

The parties also agree that profits from off-system sales should continue to be included above-the-line in the regulatory process during the term of the Five-Year Regulatory Plan. KCPL specifically agrees not to propose any adjustment or modification that would remove any portion of its off-system sales costs and revenues from being passed through the ECA mechanism. The specific details of the ECA mechanism will be determined in the 2006 rate proceeding.

D. SO_2 EMISSION ALLOWANCES

1. **Appendix C-1** sets forth KCPL's SO_2 Emission Allowance Management Policy. With regard to KCPL's sale of SO_2 emission allowances during the period beginning with approval of this Agreement and ending June 1, 2010, KCPL will record sales proceeds as a regulatory liability and offset to ratebase for ratemaking purposes. The regulatory liability will be amortized over the same time period used to depreciate environmental assets. Such amortization shall be reflected in rates beginning with the rates resulting from the 2009 rate filing. This provision recognizes that sales of emissions allowances to fund investments in environmental control equipment to meet emissions standards required now or in the future by legislation or Environmental Protection Agency regulations are like-kind exchanges of assets. KCPL will provide all correspondence between the Company and the Internal Revenue Service with respect to SO_2 emission allowances to Staff and CURB wit hin fourteen (14) days of such correspondence. KCPL shall be obligated to define the correspondence as Proprietary or Highly Confidential if it so deems the material.

2. In the event the Internal Revenue Service fails to certify SO_2 emission allowance sales as like-kind exchanges, the parties will recommend the appropriate amortization period for such allowance sales to be included in the 2009 Iatan 2 case revenue requirement required herein and commence on the effective date of tariffs from that case.

3. 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. The opportunity to burn coal with a lower sulfur content is both advantageous to the environment and reduces the number of SO_2 emission allowances that must be used. To the extent that KCPL pays premiums for lower sulfur coal prior to January 1, 2007, it may determine the portion of such premiums that apply to retail sales and will record the proportionate cost of such premiums in Account 254 as a reduction of the regulatory liability. But in no event will the charges to the Kansas jurisdictional portion of Account 254 for these premiums exceed $327,000 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 a s computed by the hourly energy costing model. This system wide percentage will be applied to premiums invoiced during the same period.

E. PENSION EXPENSE

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 Statement of Financial Accounting Standards No. 87 (FAS 87) result used in setting rates in prior years;
- Ensure that the amount collected in rates is based on the FAS 87 cost using the methodology described below in item (2.b.);
- Ensure that, once the amount in 2.c. has been collected in rates by the KCPL, all pension cost collected in rates is contributed to the pension trust;
- Ensure that all amounts contributed by the KCPL to the pension trust per items (2.c.) and (2.e.) below are recoverable in rates; and
- Ensure that the KCPL will receive no more or less than the amount in item (2.c.) before the KCPL is required to fund the plan.

2. To accomplish these goals, the following items are agreed upon as part of this Agreement, to be applied as of the first day of the year in which the settlement is approved:

(a) KCPL's FAS 87 cost, for financial reporting purposes, will differ from the method used for ratemaking purposes described in paragraph (2.b.). KCPL made a voluntary decision (not required for compliance with a Commission order) in January 2000, to amortize gains and losses under FAS 87 over a five-year period. A five-year average of the unrecognized gain/loss balance has been amortized over five years since January 2000. Any method, which recognizes gains and losses over a shorter time frame, is considered a "more preferred" method under Generally Accepted Accounting Principles ("GAAP"). Pursuant to GAAP, KCPL is precluded from changing the method of pension accounting to another method unless the change is to a more preferable method. In the case of FAS 87, a preferable method is a method that amortizes gains and losses more rapidly. The method described in paragraph (2.b.) does not amortize gains and losses more rapidly and is not considered a more preferable method. Therefore, KCP L cannot switch to that method for financial reporting. KCPL will establish a regulatory asset or liability for the annual difference in the FAS 87 result from the two different methods. KCPL's outside 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. No rate base recognition will be required for any regulatory asset or liability calculated in accordance with this paragraph.

(b) FAS 87 cost, 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 years;

(ii) No 10% Corridor; and

(iii) Amortization period of 10 years for unrecognized gains and losses. (With a five-year MRV amortization, all gains/losses are reflected in 15 years.)

(c) Any FAS 87 amount [as calculated in (2.b.) above], which exceeds the Minimum ERISA contribution, will reduce the prior net prepaid asset currently recognized in rate base of $63,658,444 ($28,963,526-Kansas. jurisdictional amount). When the prior net prepaid pension asset currently recognized in rate base is reduced to zero, any amount of FAS 87 [as calculated in paragraph (2.b.)], which exceeds the minimum Employee Retirement Income Security Act of 1974 (ERISA) funding level, must be funded. The Kansas jurisdictional net prepaid pension amount to be included in rate base may be changed as provided in item (2.e.). Any SFAS 87 amount that exceeds the minimum ERISA funding level 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.

(d) In the case that FAS 87 expense becomes negative, the KCPL is ordered to set up a regulatory liability to offset the negative expense. In future years, when FAS 87 expense becomes positive again, rates will remain zero until the prepaid pension asset that was created by negative expense is reduced to zero. 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 a non-cash item and should be excluded from rate base in future years.

(e) The KCPL will be allowed rate recovery for contributions made to the pension trust in excess of the FAS 87 expense calculated pursuant to paragraph (2.b.) for the following reasons: (1) the minimum required contribution is greater than the FAS 87 expense level, (2) avoidance of Pension Benefit Guarantee Corporation (PBGC) variable premiums, and (3) avoidance of the recognition of a minimum pension liability (i.e. with associated charge to other comprehensive income). A regulatory asset will be established and will be allowed rate base treatment for the excess of any contribution (as defined above) over the annual FAS 87 amount calculated in accordance with paragraph (2.b.).

(f) A regulatory asset or liability will be established on the KCPL's books to track the difference between the level of FAS 87 expense calculated pursuant to paragraph (2.b.) during the rate period and the level of pension expense built into rates for that period, after consideration for pension costs capitalized. The level of FAS 87 current period costs, before capitalization, built into rates for the initial period is established as $22,000,000. If the FAS 87 expense during the period is more than the expense built into rates for the period, KCPL will establish a regulatory asset. If the FAS 87 expense during the period is less than the expense built into rates for the period, KCPL will establish a regulatory liability. If the FAS 87 expense becomes negative, a regulatory liability equal to the difference between the level of pension expense built into rates for that period and $0 will be established. Since this is a cash item, the regulatory asset or liability will be included in ra te base and amortized over five years at the next rate case.

(g) Any FAS 87 net prepaid pension asset, other than the amount identified in paragraph (2.c.), will not earn a return in future regulatory proceedings. The regulatory assets/liabilities identified in paragraphs (2.e.) and (2.f.) of this settlement agreement address the inclusion of any additional rate base amounts.

3. 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.

4. In addition, non-KCPL parties reserve the right to propose a different methodology for addressing FASB 87 pension expense in the first KCPL rate case proceeding after 2010. In the event that the Commission addresses FASB 87 pension expense in a general investigation, KCPL agrees to cooperate in such investigation and be bound by the results thereof in rate proceedings subsequent to 2010.

F. <u>CUSTOMER PROGRAMS</u>

In calendar years 2005 through 2009, KCPL commits to implement the Demand Response, Efficiency and Affordability programs detailed in **Appendix B**, subject to the continuing review and prior approval of the Commission on a program-by-program basis. No program will be implemented until such approval has been obtained. The current design and estimated budgets associated with those programs is $52.8 million split between Kansas ($23.8 Million) and Missouri ($29 million) as detailed in **Appendix D**.

G. <u>AFUDC, CONSTRUCTION ACCOUNTING AND IN-SERVICE CRITERIA</u>

1. AFUDC. With regard to the AFUDC rate applicable to Iatan 2, KCPL agrees to a 2.5% or 250 basis point reduction in the equity portion of the rate. KCPL shall use this 250 basis point reduction in the AFUDC rate from the effective date of the rates determined in the first rate case (anticipated to be January 1, 2007) and in all subsequent calculations of AFUDC on Iatan 2 until the in-service date of Iatan 2. KCPL shall submit a report to Staff at the beginning of each calendar year during this plan of the AFUDC rates it will use and the calculation thereof.

2. Construction Accounting. The accrual of AFUDC on new investments shall cease when such plant is considered to be in service. This specifically precludes any "Construction Accounting" permitted in other jurisdictions that provides for continued accrual of AFDUC after Iatan 2 is considered in-service until the plant is reflected in rates.

3. In-Service Criteria. For purposes of determining whether the new generation resources are in service, the parties should use the same criteria as used by the Southwestern Power Pool for accreditation. Criteria for determining whether the new emissions control equipment is in service shall be developed by the parties.

H. DEPRECIATION

The parties agree that KCPL is authorized to use the depreciation rates as set forth in **Appendix C-2**. KCPL agrees to file an updated full depreciation study prior to August 1, 2010.

I. OTHER CONDITIONS

The parties agree that the following conditions apply to the rate proceedings during the term of this agreement and, where applicable, future proceedings:

1. *Rate treatment of investments*.

(a) So long as KCPL implements the Resource Plan described herein (or a modified plan that has been approved by the Commission) and KCPL is in compliance with its Resource Plan Monitoring obligation, the parties agree that they will not take the position that the described investments should be excluded from KCPL's rate base on the ground that projects were not necessary, or that alternative technologies or fuels should have been used. The parties reserve their rights to inquire regarding the prudence of KCPL's expenditure, or to assert that the appropriate amount to include in KCPL's rate base for these investments is a different amount (e.g. due to imprudent project management) than that proposed by KCPL.

(b) KCPL agrees that it will not request, at any time during or after the Rate Plan, any additional return on the new investments in this plan that may be allowed by K.S.A. 66-117(e) or amendments thereto or other statues intended to encourage renewable resources or energy efficiency or conservation.

(c) The non-KCPL parties specifically reserve their rights to review KCPL's decisions regarding its partners in the Iatan 2 plant and assert that such decisions resulted in higher costs that should not be allowed for rate purposes.

(d) The non-KCPL parties reserve the right to propose adjustments to revenue requirements regarding the prudence of the installed cost, operation and maintenance costs or KWH output of the wind generation as opposed to the costs or output of comparable wind generation facilities.

(e) The parties have not waived their right to argue regarding issues provided for under KSA 66-128.

2. *Cost control system.* KCPL agrees that it will develop and implement a cost control system that identifies and explains any cost overruns during the construction period above the cost amounts contained in accepted bids for the Iatan 2 project, the wind generation projects and the environment investments and will present such information as part of the appropriate rate proceeding.

3. *Deregulation.* KCPL recognizes that if generation assets are deregulated in the future, it is at risk for recovery of stranded costs related to the acquisition of the new generation. Furthermore, KCPL acknowledges that ratepayers would be entitled to a greater share of a gain on the disposition of the new generation upon deregulation due to possible implementation of the CIAC mechanism.

4. *Special contracts.* KCPL agrees that in any rate proceedings, any special contracts with customers that provide for discounted rates will treated as if they provided for revenues at the full generally applicable tariff rate including any ECA tariffs for service from KCPL and that any other special contractual provisions will treated in a manner that results in no increase in rates for other customers.

5. *Transmission costs.* As part of one of the rate proceedings contemplated by the agreement, KCPL agrees to include a proposal to have its transmission costs reflected in separate rates when it can be done appropriately consistent with its wholesale tariffs. KCPL will consult with the parties about the timing of such a proposal.

6. *Rate Design*. The parties are not restricted in any manner as to the position they may take in the above rate proceedings regarding rate design.

7. *Costs of Debt.* For purposes of determining the cost of debt in the rate proceedings during the plan, the lower of the actual cost of debt or the cost of debt for an investment grade rating will be used.

8. *Jurisdictional Allocations.* The parties agree to use the 12 Coincident Peak method of allocating costs to the Kansas jurisdictional cost of service.

APPENDIX C-1

Kansas City Power & Light Company
SO_2 Emission Allowance Management Policy

Introduction

The purpose of the SO_2 Emission Allowance Management Policy (SEAMP) is to set out the approach, guidelines and reporting requirements that Kansas City Power & Light Company (KCPL) will utilize to manage its SO_2 emission allowance inventory. Specifically, this policy is structured to achieve the following objective:

Continue to manage "banked" (past vintage) SO_2 emission allowances, current and future allowances in a manner that will mitigate, subject to any identified risk considerations, the expected future emission allowance cost associated with complying with current and future environmental regulations while fulfilling obligations to provide adequate service at reasonable rates, by optimizing the value to KCPL through transactions of allowances. As used in this objective statement, decisions impacting the "expected future emission allowance cost associated with complying with current and future environmental regulations" shall take into consideration: the market price of SO_2 emission allowances needed for compliance with environmental regulations, the cost of investments in emission control equipment, additional operating and maintenance costs associated with new installations of emission control equipment, and other changes in power production costs (e.g. due to declines in the efficiency (heat rates) of generating units and changes in merit order of unit dispatch) associated with new installations of emission control equipment.

History

Following are excerpts from the Environmental Protection Agency's (EPA's) website (http://www.epa.gov/airmarkets/arp/overview.htlm#phases) describing the SO_2 emission allowance trading program:

Title IV of the Clean Air Act [(CAA)] *sets a goal of reducing annual SO_2 emissions by 10 million tons below 1980 levels. To achieve these reductions*, [a program, deemed the Acid Rain Program, was implemented].

The Acid Rain Program represents a dramatic departure from traditional command and control regulatory methods which establish specific, inflexible emissions limitations with which all affected sources must comply. Instead, the Acid Rain Program introduces an allowance trading system that harnesses the incentives of the free market to reduce pollution.

Under this system, affected utility units are allocated allowances based on their historic fuel consumption and a specific emissions rate. Each allowance permits a unit to emit 1 ton of SO_2 during or after a specified year. For each ton of SO_2 emitted in a given year, one allowance is retired, that is, it can no longer be used.

Allowances may be bought, sold, or banked. Anyone may acquire allowances and participate in the trading system. However, regardless of the number of allowances a source holds, it may not emit at levels that would violate federal or state limits set under Title I of the Clean Air Act to protect public health.

During Phase II of the program (now in effect), the Act set a permanent ceiling (or cap) of 8.95 million allowances for total annual allowance allocations to utilities. This cap firmly restricts emissions and ensures that environmental benefits will be achieved and maintained.

Procedures

KCPL finds itself in a position where it has an inventory of past, current and future vintage SO_2 emission allowances. The following presents procedures that KCPL will follow to manage its allowance inventory in order to benefit KCPL and its customers and to provide information helpful in review of such activities.

SO_2 Plans

As stated above, KCPL is allocated a certain number of SO_2 emission allowances as provided by law and/or regulation. Each year, allowances are issued for the year 30 years following. KCPL, as part of this agreement, will provide to KCC Staff and CURB annually its SO_2 Plan (SO_2 Plan). As part of the annual SO_2 Plan, KCPL will provide the number of allowances it currently has banked, the number of allowances it projects to need on a yearly basis, and the number of additional allowances it projects to receive in future years. The annual SO_2 Plan will also consider the scheduled commitments already in place.

The annual SO_2 Plan will consider the types of coals that will be burned in generating units, the sulfur content of those coals, expected regulations that may affect the SO_2 allowance management program, and expected installed air quality pollution control equipment that will affect emission rates of generating units.

Commencing with the first full calendar year the SEAMP is in effect, KCPL will provide its annual SO_2 Plan to KCC Staff and CURB by March 31 of each calendar year.

The annual SO_2 Plan may need to be updated throughout the year. Reasons which may require interim updates would include, but not be limited to: (1) substantial changes in the price of allowances, (2) substantial changes in the cost and/or effectiveness of emission control technologies, (3) substantial changes in environmental regulations or proposed environmental regulations, (4) substantial changes in other energy market conditions and (5) market opportunities. The KCC Staff and CURB will be notified if transactions not included in the annual SO_2 Plan exceed the projections by 50,000 allowances or more.

Any disputes about an SO_2 Plan or any mid-year updates to a Plan will be discussed among the parties and the parties will cooperate to resolve the dispute in good faith. If the parties cannot resolve the dispute within forty (40) days of the original filing date, the matter will be brought to the KCC for its determination.

Contents of the SO_2 Plan

The initial SO_2 Plan provided an assessment of the short-term to long-term allowance cost risk for compliance with current and future environmental regulations at various KCPL generating facilities. This assessment considered KCPL's option to install air quality control equipment that would lower SO_2 emission rates.

Annual SO_2 Plans will include at least three different scenarios of projections. A baseline projection will be made based on projected fuel types (sulfur content), projected emission rates, and best estimate of future regulations. A second projection will be made that looks at a high emissions scenario. The final projection will look at a low emissions scenario. These scenarios will be used to project a range of future allowance bank surpluses or deficits for each year of a planning horizon. The planning horizon will consist of at least ten (10) years.

SO_2 Plans will set out a range of allowances for intended transactions that KCPL proposes during the upcoming year. This range of allowances and the intended transactions will be based on a methodology that will consider risk exposure associated with the expected future emission allowance cost for complying with current and projected future environmental regulations while fulfilling obligations to provide adequate service at reasonable rates and ensuring that the operation of KCPL generators will not be restricted due to a deficiency of available SO_2 emission allowances.

SO_2 Plans will include a summary of the previous year's transactions including for each transaction the type of transaction, the quantity of allowances involved in the transaction, the quantity and vintage of any allowances received as a result of the transaction, any monetary value received as a result of the transaction, and any expenses (such as brokerage fees) related to the transaction. SO_2 Plans will also include the quantity of allowances issued to KCPL in the past year by the EPA, the quantity of allowances used to offset emissions in the past year, the quantity of allowances (or value thereof) used to offset sulfur premiums paid under coal contracts, and the quantity of unused allowances allocated to partners.

Because public knowledge of KCPL's plans would jeopardize its ability to manage its SO_2 emission allowances, KCPL's submitted projections (both the SO_2 Plans and any updates to those Plans) and all transaction documentation will be considered "highly confidential." Certain public information included in the Plans will continue to be available on the Internet on the EPA's website.

Types of Transactions

For the purposes of KCPL's SEAMP the following transactions will be allowed and defined as follows.

***SO_2 Emission Allowance Purchases* -** SO_2 emission allowances purchased to meet expected requirements of KCPL's units.

***SO_2 Emission Allowance Sales* -** SO_2 emission allowances sold from KCPL's share of general or unit account holdings.

***SO_2 Emission Allowance Exchanges* -** The exchange of SO_2 emission allowances either as a "like-kind" exchange or from one vintage to another.

***SO_2 Emission Allowance Call Sales* -** The sale of an option that gives the buyer (holder) the right to buy SO_2 emission allowances for a specified price within a specified time period in exchange for a premium payment. It obligates the seller (writer) of the option to sell SO_2 emission allowances at the designated price should the buyer exercise the option.

***SO_2 Emission Allowance Put Purchases* -** The purchase of an option that gives the buyer (holder) the right but not the obligation to sell SO_2 emission allowances for a specified price within a specified time period in exchange for a premium payment. It obligates the seller (writer) of the option to buy SO_2 emission allowances at the designated price should the buyer exercise the option.

Trading Parameters and Authorization

Details of the (1) internal controls, (2) authorization parameters and limits, (3) internal management reports, and (4) duties and workflow of personnel involved in implementing and overseeing the SEAMP are included in separate documentation; however, the following paragraph sets forth the fundamental controls for the SEAMP program. SO_2 allowance trading can only be authorized by the Company's Designated Representative (DR), Authorized Account Representative (AAR), or Alternate Authorized Account Representative (AAAR) as defined by the CAA. Approval requirements for transactions will be consistent with other similar transaction approval requirements within the Company. Proceeds and costs related to transactions completed under the SEAMP will be accounted for in account 254000, Other Regulatory Liabilities.

Special Allowance Reserve

Because the availability of allowances is crucial to ensure both the economic efficiency of the emissions limitation program and the addition of new electric-generating capacity, Title IV of the CAA mandates that EPA hold or sponsor yearly auctions of allowances for a small portion of the total allowances allocated each year. The auctions help ensure that new units have a public source of allowances beyond those allocated initially to existing units. The parties recognize that, to supply this auction, the EPA withholds a portion of the Company's annual allowance allocation. The EPA sells these allowances at auction and provides the proceeds to KCPL. The parties understand that KCPL has no control over such EPA withholding or the amount of proceeds received for these auctioned allowances; however, any such proceeds will be accounted for in the same manner as a transaction completed under the SEAMP.

Summary of 2005 SO_2 Plan

In addition to the factors discussed above under SO_2 Plans, KCPL's current projections are influenced by the following:

- Baselines for each unit were established for the initial allocation of SO_2 emission allowances based on historical averages for fossil fuel consumed from 1985 through 1987.
- While KCPL net generation has been greater than the generation levels established in the baseline, significant reductions in SO_2 emissions have resulted because of conversions to Power River Basin coal.
- KCPL has accumulated past vintage allowances in its SO_2 allowance "bank".
- The Clean Air Interstate Rule (CAIR) will impact future SO_2 emission allowance requirements.

- The respective State Implementation Plans set forth by Missouri and Kansas to address implementation of CAIR will impact future SO_2 emission allowance requirements.
- New SO_2 emission regulations are anticipated to have the impact of requiring two allowances for each ton of SO_2 emitted beginning with vintage 2010, and three allowances for each ton emitted beginning with vintage 2015.
- KCPL's strategic initiative for implementing environmental upgrades aligns timing of such upgrades with changes in allowance requirements noted above.
- If no sales strategy is implemented as part of the Regulatory Plan, KCPL will maintain an inventory of SO_2 emission allowances well in excess of requirements given implementation of comprehensive environmental retrofits as scheduled in the Regulatory Plan.

KCPL's Regulatory Plan includes the sale of SO_2 emission allowances. Because the need for allowances will decrease with the completion of environmental upgrades described in the Regulatory Plan, the proposed sale of SO_2 allowances will provide needed cash flow during periods of high capital expenditures anticipated in the Regulatory Plan while maintaining a relatively low post-construction period allowance cost impact.

KCPL's strategy for environmental upgrades, including the cost thereof and unit-specific schedules, is included in the KCPL Regulatory Plan.

Appendix C-2

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 Equipment-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	36.0	5.0%	3.65%
Towers & Fixtures	354	40.0	-10.0%	2.75%

Notes: 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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Account	Acct. No.	Avg. Service Life	Net Salvage	Deprec. Rate
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%
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%

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		

Notes: 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 D

REGULATORY INITIATIVES
CAPITAL/AMORTIATIONS PROJECTS
($s in thousands)

PROJECT	2005	2006	2007	2008	2009*	TOTAL
IATAN 2	13,027	30,912	129,920	230,499	329,308	733,666
WIND GENERATION	19,215	111,623	0	0	0	130,838
ENVIRONMENTAL	8,387	44,949	107,900	101,225	9,352	271,813
ASSET MANAGEMENT	4,000	5,696	8,501	11,309	12,820	42,326
DSM PROGRAMS	6,442	8,935	10,132	11,863	15,410	52,782
TOTAL	51,071	202,115	256,453	354,896	366,890	1,231,425

*Iatan 2 numbers include $148,680(000) of expenditures in 2010

APPENDIX E

Credit Ratio Ranges & Definitions

	AA		A		BBB			BB	
	Min.	**Max.**	**Min.**	**Max.**	**Min.**	**Top 1/3**	**Max.**	**Min.**	**Max.**
Total Debt to Total Capitalization(1)	32%	40%	40%	48%	48%	51%	58%	58%	62%

Funds From Operations Interest Coverage (2)	5.2x	6.0x	4.2x	5.2x	3.0x	3.8x	4.2x	2.0x	3.0x
Funds From Operations as a % of Average Total Debt(3)	35%	45%	28%	35%	18%	25%	28%	12%	18%

Ratio Definitions:

(1) "Total Debt to Total Capitalization" is calculated as Total Debt (divided by) Total Capitalization where Total Debt and Total Capitalization are defined as below:

- Total Debt is calculated as:

  *Notes Payable + Current Maturities of Long-Term Debt + Current Capitalized Lease Obligations + Long-Term Debt + Capitalized Lease Obligations + Total Off-Balance Sheet Debt

  - "Total Off-Balance Sheet Debt" includes off-balance sheet financings such as:

    *Operating and synthetic leases, accounts receivable securitizations, contingent liabilities and other potential off-balance sheet obligations

- Total Capitalization includes:

  *Total Debt + Minority Interest + Total Preferred and Preference Stock + Common Stock Equity

(2) "Funds From Operations Interest Coverage" is calculated as (Funds From Operations + Gross Interest Expense) (divided by) Gross Interest Expense where Funds From Operations and Gross Interest Expense are defined as below:

- Funds From Operations is calculated as:

  *Cash From Operations - Working Capital

- Gross Interest Expense is calculated as:

  *Interest Expense (net) + Allowance For Borrowed Funds Used During Construction + Interest on Off-Balance Sheet Debt

(3) "Funds From Operations as a % of Average Total Debt" is calculated as Funds From Operations (divided by) Average Total Debt where Funds From Operations and Average Total Debt are defined as below:

- Funds From Operations

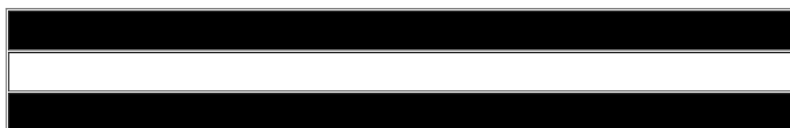
  *As defined above

- Average Total Debt is calculated as:

  *The average total debt over the period subject to analysis

Exhibit 10.2.b

EXECUTION COPY



Purchase and Sale Agreement

Dated as of July 1, 2005

between

Kansas City Power & Light Company,
as Originator,

and

Kansas City Power & Light Receivables Company,
as Buyer

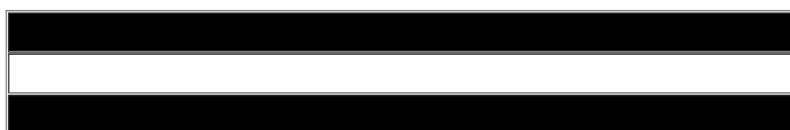


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Exhibit A Purchase Price

This Purchase and Sale Agreement dated as of July 1, 2005 (this *"Agreement"*) is between Kansas City Power & Light Company, a Missouri corporation (*"Originator"*), and Kansas City Power & Light Receivables Company, a Delaware corporation (*"Buyer"*). The parties agree as follows:

Section 1. Definitions and Related Matters.

Section 1.1. Defined Terms. In this Agreement, unless otherwise specified or defined herein: (a) capitalized terms are used as defined in Schedule I to the Receivables Sale Agreement dated as of the date hereof (as amended or modified from time to time, the *"Second Tier Agreement"*) among Buyer, Originator, as the Initial Collection Agent, The Bank of Tokyo-Mitsubishi, Ltd., New York Branch, as the Agent, and Victory Receivables Corporation, as such agreement may be amended or modified from time to time; and (b) terms defined in Article 9 of the UCC and not otherwise defined herein are used as defined in such Article 9.

In addition, the following terms will have the meanings specified below:

"Available Funds" is defined in Section 2.3(b) hereof.

"Closing Date" means the date on which this Agreement and the Second Tier Agreement become effective in accordance with their terms.

"Collection Agent Fee" is defined in Section 3.6 of the Second Tier Agreement.

"Contributed Receivables" is defined in Section 2.2 hereof.

"Credit Agreement" means the Credit Agreement, dated as of December 15, 2004 among Originator, the Lenders party thereto, Bank of America, N.A., The Bank of Tokyo-Mitsubishi, Ltd., Wachovia Bank, National Association, BNP Paribas and JPMorgan Chase, N.A.

"Excluded Losses" is defined in Section 7.1 hereof.

"Initial Funding Date" means the date of the first purchase or contribution by Buyer from Originator under this Agreement as approved by the Agent.

"Settlement Date" means, with respect to each calendar month, the second Business Day after the Monthly Report Date for such calendar month; *provided, however,* that upon the occurrence and during the continuation of a Termination Event, the Settlement Date shall be a Business Day designated by the Agent.

"Settlement Period" means with respect to each Settlement Date, the calendar month preceding such Settlement Date (or, in the case of the first Settlement Period, the period from the Initial Funding Date to the end of the calendar month in which the Initial Funding Date occurs); provided, however,

that upon the occurrence and during the continuation of a Termination Event, the duration of each Settlement Period shall be the number of days designated by the Agent.

"Total Capitalization" shall have the meaning set forth in the Credit Agreement as of the date hereof.

"Total Indebtedness" shall have the meaning set forth in the Credit Agreement as of the date hereof.

"Trigger Event" means that (x) the outstanding principal amount of the Subordinated Note exceeds the value of Buyer's interest in the Receivables (determined in accordance with GAAP), and (y) such condition has continued for five Business Days.

Section 1.2 . Other Interpretive Matters. In this Agreement, unless otherwise specified: (a) references to any Section or Annex refer to such Section of, or Annex to, this Agreement, and references in any Section or definition to any subsection or clause refer to such subsection or clause of such Section or definition; (b) *"herein"*, *"hereof"*, *"hereto"*, *"hereunder"* and similar terms refer to this Agreement as a whole and not to any particular provision of this Agreement; (c) *"including"* means including without limitation, and other forms of the verb *"to include"* have correlative meanings; (d) the word *"or"* is not exclusive; and (e) captions are solely for convenience of reference and shall not affect the meaning of this Agreement.

Section 2. Agreement to Contribute, Purchase and Sell.

Section 2.1. Purchase and Sale. On the terms and subject to the conditions set forth in this Agreement, Originator hereby sells to Buyer, and Buyer hereby purchases from Originator, all of Originator's right, title and interest in, to and under the Receivables, all Related Security and all proceeds thereof (including all Collections with respect thereto), in each case whether now existing or hereafter arising or acquired.

Section 2.2. Timing of Contribution, Purchases. All of the Receivables existing at the opening of Originator's business on the Initial Funding Date are hereby sold to Buyer as of the Initial Funding Date. After the Initial Funding Date, each Receivable shall be deemed to have been sold or contributed to Buyer immediately (and without further action by any Person) upon the creation of such Receivable. All such Receivables, other than those Receivables contributed by Originator to Buyer (each a *"Contributed Receivable"*), shall be sold to Buyer on such date and all Contributed Receivables shall be contributed by Originator to Buyer on such date. The proceeds with respect to each Receivable (including all Collections with respect thereto) shall be sold or contributed at the same time as such Receivable, whether such proceeds (or Collections) exist at such time or arise or are acquired thereafter.

Section 2.3. Purchase Price. (a) The aggregate purchase price for the Receivables sold on the Initial Funding Date shall be such amount as agreed upon prior to the Initial Funding Date between Originator and Buyer to be the fair market value of such Receivables on such date, which shall equal the excess of the (i) estimated aggregate outstanding balance of such Receivables over (ii) the sum of (x) the bad debt reserves maintained by the Originator and (y) a

discount agreed upon by Buyer and Originator representing the uncertainty of payment and cost of purchase of such Receivables. The purchase price for Receivables subsequently sold during any Settlement Period shall be calculated in accordance with the provisions set forth in Exhibit A hereto.

(b) On the Initial Funding Date, Buyer shall pay Originator the purchase price for the Receivables sold on that date as follows. First, the Buyer shall offset against the purchase price the full amount of all intercompany payables owed by the Originator to the Buyer as of the Initial Funding Date, the amount of which currently exceeds $3,000,000. Second, the Buyer shall pay to the Originator cash in the amount of the net proceeds received from the sale of Purchase Interests under the Second Tier Agreement. Third, the remainder shall be paid by the Buyer borrowing an initial advance under the promissory note (as amended or modified from time to time, the *"Subordinated Note"*) executed and delivered by Buyer to the order of Originator as of the Initial Funding Date. On each Business Day after the Initial Funding Date on which Originator sells any Receivables to Buyer pursuant to the terms of Section 2.1, until the terminat ion of the purchase and sale of Receivables under Section 6 hereof, Buyer shall pay to Originator the purchase price of such Receivables (i) by depositing into such account as Originator shall specify immediately available funds from monies then held by or on behalf of Buyer (solely to the extent that such monies do not constitute Collections that are required to be identified or are deemed to be held by the Collection Agent pursuant to the Second Tier Agreement for the benefit of, or required to be distributed to, the Agent or the Buyer or required to be paid to the

Collection Agent as the Collection Agent Fee, or otherwise necessary to pay current expenses of Buyer (in its reasonable discretion)) (such available monies, the *"Available Funds"*) and provided that Originator has paid all amounts then due by Originator hereunder or (ii) by increasing the principal amount owed to Originator under the Subordinated Note. The outstanding principal amount owed to Originator under the Subordinat ed Note may be reduced from time to time as provided in Section 3.2 hereof or by payments made by Buyer from Available Funds, *provided* that Originator has paid all amounts then due by Originator hereunder. Originator shall make all appropriate record keeping entries with respect to amounts due to Originator under the Subordinated Note to reflect payments by Buyer thereon and increases of the principal amount thereof, and Originator's books and records shall constitute rebuttable presumptive evidence of the principal amount of and accrued interest owed to Originator under the Subordinated Note. Notwithstanding the foregoing, the Buyer shall not be allowed to pay for Receivables through an increase in the Subordinated Note if, after giving effect thereto, the outstanding principal amount thereof would be greater than (i) the Eligible Receivables Balance *minus* (ii) the Investment *minus* (iii) $2,500,000.

Section 2.4. No Recourse or Assumption of Obligations. Except as specifically provided in this Agreement, the contribution, purchase and sale of Receivables under this Agreement shall be without recourse to Originator. Originator and Buyer intend the transactions hereunder to constitute true sales of Receivables by Originator to Buyer, providing Buyer with the full risks and benefits of ownership of the Receivables (such that the Receivables would not be property of Originator's estate in the event of Originator's bankruptcy). If, however, despite the intention of the parties, the conveyances provided for in this Agreement are determined not to be *"true sales"* of Receivables from Originator to Buyer, then this Agreement shall also be deemed to be a *"security*

agreement" within the meaning of Article 9 of the UCC and Originator hereby grants to Buyer a *"security interest"* within the meaning of Article 9 of the UCC in all of Originator's right, title and interest in and to such Receivables (including the proceeds thereof), now existing and thereafter created, to secure a non-recourse loan in an amount equal to the aggregate purchase prices therefor and each of Originator's other payment obligations (including the obligation to remit to Buyer all Collections of all Receivables) under this Agreement.

Buyer shall not have any obligation or liability with respect to any Receivable, nor shall Buyer have any obligation or liability to any Obligor or other customer or client of Originator (including any obligation to perform any of the obligations of Originator under any Receivable).

Section 3. Administration and Collection.

Section 3.1. Originator to Act as Collection Agent. Notwithstanding the sale or contribution of Receivables pursuant to this Agreement, Originator shall continue to be responsible for the servicing, administration and collection of the Receivables, all on the terms set out in (and subject to any rights to terminate Originator as Collection Agent pursuant to) the Second Tier Agreement.

Section 3.2. Deemed Collections. If on any day the outstanding balance of a Receivable is reduced or cancelled as a result of any defective or rejected goods or services, any cash discount or adjustment (including as a result of the application of any special refund or other discounts or any reconciliation), any setoff or credit (whether such claim or credit arises out of the same, a related, or an unrelated transaction) or other similar reason not arising from the financial inability of the Obligor to pay undisputed indebtedness, (i) Originator shall be deemed to have received on such day a Collection on such Receivable in the amount of such reduction or cancellation and (ii) such Receivable shall thereupon be, or be deemed to be reconveyed to Originator. If on any day any representation, warranty, covenant or other agreement of Originator related to a Receivable is discovered to have been untr ue or not satisfied as of the date such Receivable was sold or contributed, (i) Originator shall be deemed to have received on such day a Collection in the amount of the outstanding balance of such Receivable and (ii) such Receivable shall thereupon be, or be deemed to be reconveyed to Originator. After Originator is deemed pursuant to this Section 3.2 to have received any Collections, Originator shall transfer to Buyer, in immediately available funds, the amount of such Deemed Collections on the date that is the later to occur of (i) the Settlement Date following such receipt and (ii) the second Business Day following such receipt; *provided, however,* that if no such application is required under the Second Tier Agreement, Buyer and Originator may agree to reduce the outstanding principal amount of the Subordinated Note in lieu of all or part of such transfer. To the extent that Buyer subsequently collects any payment with respect to any such *"receivable"*, Buyer shall p ay Originator an amount equal to the amount so collected, such amount to be payable on the date that is the later to occur of (i) the Settlement Date following receipt of such amount and (ii) the Second Business Day following such receipt of such amount.

Section 3.3. Application of Collections. Any payment by an Obligor in respect of any indebtedness owed by it to Originator shall, except as otherwise specified by such Obligor (including by reference to a particular invoice), or required by the related contracts or law, be applied, *first*, as a Collection of any Receivable or Receivables then outstanding of such Obligor in the order of the age of such Receivables, starting with the oldest of such Receivables, and, *second*, to any other indebtedness of such Obligor to Originator.

Section 3.4. Responsibilities of Originator. Originator shall pay when due all Taxes payable in connection with the Receivables or their creation or satisfaction. Originator shall perform all of its obligations under agreements related to the Receivables to the same extent as if interests in the Receivables had not been transferred hereunder. The Agent's or the Buyer's exercise of any rights hereunder or under the Second Tier Agreement shall not relieve Originator from such obligations. Neither the Agent nor the Buyer shall have any obligation to perform any obligation of Originator or any other obligation (other than the obligation to act in good faith and with commercial reasonableness) or liability in connection with the Receivables.

Section 4. Representations and Warranties.

Section 4.1. Mutual Representations and Warranties. Each of Originator and Buyer represents and warrants to the other as follows:

(a) *Existence and Power.* It is a corporation, duly organized, validly existing and in good standing under the laws of its state of incorporation and has all corporate power and authority and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is now conducted, except where failure to obtain such license, authorization, consent or approval could not reasonably be expected to have a material adverse effect on (i) its ability to perform its obligations under, or the enforceability of, any Transaction Document to which it is a party, (ii) its business or financial condition, (iii) the interests of Buyer under any Transaction Document or (iv) the enforceability or collectibility of any Receivable.

(b) *Authorization and No Contravention.* Its execution, delivery and performance of each Transaction Document to which it is a party (i) are within its corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii) do not contravene or constitute a default under: (A) any applicable law, rule or regulation, (B) its charter or by-laws or (C) any agreement, order or other instrument to which it is a party or its property is subject and (iv) will not result in any Adverse Claim on any Receivable or Collection or give cause for the acceleration of any of its indebtedness.

(c) *No Consent Required.* Other than the filing of financing statements and the items set forth in the next sentence, no approval, authorization or other action by, or filings with, any Governmental Authority or other Person is required (other than any already given or obtained) in connection with the execution, delivery and performance by it of any Transaction Document to which it is a party or any transaction contemplated thereby. The Transaction Documents and the transactions contemplated thereby are subject to filing requirements or reporting requirements, or both, under the Securities Exchange Act of 1934, as amended, the Public Utility Holding Company Act of 1935, as amended, Chapters 386 and 393 of the Missouri revised statutes, as amended, and Chapter 66 of the Kansas statutes, as amended, and the rules and regulations promulgated thereunder.

(d) *Binding Effect.* Each Transaction Document to which it is a party constitutes the legal, valid and binding obligation of such Person enforceable against such Person in accordance with its terms, except as limited by bankruptcy, insolvency, or other similar laws of general application relating to or affecting the enforcement of creditors' rights generally and subject to general principles of equity.

Section 4.2. Additional Representations by Originator. Originator further represents and warrants to Buyer as follows:

(a) *Perfection of Ownership Interest.* Immediately preceding its sale or contribution of Receivables to Buyer, Originator was the owner of, and effectively sold or contributed, such Receivables to Buyer, free and clear of any Adverse Claim, except for the interests of the Secured Parties therein that are created by the Second Tier Agreement. Other than the ownership interest granted to Buyer pursuant to this Agreement, Originator has not pledged, assigned, sold or granted a security interest in, or otherwise conveyed, the Receivables or the Collections. Originator has not authorized the filing of and is not aware of any financing statements against Originator that include a description of collateral covering the Receivables or the Collections other than any financing statement relating to the security interest granted to Buyer hereunder or the Secured Parties under the Second Tier Agreement. Originator has caused or will have caused, within ten days after the date hereof, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under the applicable law in order to perfect the conveyance of Receivables and Collections by Originator hereunder.

(b) *Accuracy of Information.* All written information furnished by Originator in connection with any Transaction Document, or any transaction contemplated thereby, is true and accurate in all material respects as of the date it was dated (and was not incomplete by omitting to state a material fact necessary to make such information not materially misleading in light of the circumstances when made).

(c) *No Actions, Suits.* Except as disclosed by the Originator in its most recent filings with the SEC under the Securities Exchange Act of 1934, there are no actions, suits or other proceedings (including matters relating to environmental liability) pending or threatened against or affecting Originator or any of its properties, that (i) is reasonably likely to have a

material adverse effect on the financial condition of the Originator or on the collectibility of the Receivables or (ii) seeks to challenge the validity of Originator's obligations under any Transaction Document to which it is a party or any transaction contemplated thereby. Originator is not in default of any contractual obligation or in violation of any order, rule or regulation of any Governmental Authority, which default or violation could reasonably be expected to have a material adverse effect upon (i) the financial condition or the Originato r or (ii) the collectibility of the Receivables.

(d) *No Material Adverse Change.* Except as disclosed by the Originator in its most recent filings with the SEC under the Securities Exchange Act of 1934, there has been no material adverse change in (i) the collectibility of the Receivables or (ii) the Originator's financial condition, business or operations or its ability to perform its obligations under any Transaction Document.

(e) *Accuracy of Exhibits.* All information on Exhibits D and E of the Second Tier Agreement (to the extent describing Originator) is true and complete, subject to any changes permitted by, and notified to the Agent in accordance with the Second Tier Agreement.

(f) *Sales by Originator.* Each sale by Originator to Buyer of an interest in Receivables has been made for *"reasonably equivalent value"* (as such term is used in Section 548 of the Bankruptcy Code) and not for or on account of *"antecedent debt"* (as such term is used in Section 547 of the Bankruptcy Code) owed by Originator to Buyer.

(g) *Use of Proceeds.* No proceeds of any purchase will be used (i) for the purpose which violates, or would be inconsistent with, Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time or (ii) to acquire any security in any transaction which is subject to Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended.

(h) *Lock-Box Accounts*. The names and address of all the Collection Banks and addresses of the Lock-Boxes, are specified in Exhibit F.

(i) *Nature of Pool Receivables*. All Receivables originated by Originator (i) were originated by Originator in the ordinary course of its business, (ii) were sold or contributed to the Buyer for fair consideration and reasonably equivalent value and (iii) represent all, or a portion of the purchase price of goods, insurance or services within the meaning of Section 3(c)(5)(A) of the Investment Company Act, 1940. The purchase of Receivables (or an interest therein) with the proceeds of commercial paper notes (as contemplated by the Second Tier Agreement) would constitute a "current transaction" for purposes of Section 3(a)(3) of the Securities Act of 1933, as amended.

(j) *Credit and Collection Policies.* Originator has complied with the Credit and Collection Policies in all material respects, and such policies have not changed in any material respect (except to the extent required by law, rule or regulation) since the date hereof unless Agent has consented in writing to such change.

(k) *Eligible Receivables.* Each Receivable shall be an Eligible Receivable on the date of any purchase or contribution hereunder, unless otherwise specified in the first Periodic Report that includes such Receivable.

Section 5. General Covenants.

Section 5.1. Covenants. Originator hereby covenants and agrees to comply with the following covenants and agreements, unless Buyer (with the consent of the Agent) shall otherwise consent:

(a) *Financial Reporting.* Originator will maintain a system of accounting established and administered in accordance with GAAP and will furnish to Buyer:

(i) Within 90 days after each fiscal year of the Originator, copies of the Originator's annual audited financial statements (including a consolidated balance sheet, consolidated statement of income and retained earnings and statement of cash flows, with related footnotes) certified by independent certified public accountants satisfactory to the Agent and prepared on a consolidated basis in conformity with GAAP;

(ii) Within 45 days after each (except the last) fiscal quarter of each fiscal year of the Originator, copies of the Originator's unaudited financial statements (including at least a consolidated balance sheet as of the close of such quarter and statements of earnings and sources and applications of funds for the period from the beginning of the fiscal year to the close of such quarter) certified by a Designated Financial Officer and prepared in a manner consistent with the financial statements described in part (A) of clause (i) of this Section 5.1(a);

(iii) Promptly upon becoming available, a copy of each report or proxy statement filed by the Originator with the Securities and Exchange Commission or any securities exchange;

(iv) Promptly after the filing or receiving thereof, copies of (i) all reports and notices with respect to any "Reportable Event" defined in Article IV of ERISA which Originator files under ERISA with the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor or which Originator receives from the Pension Benefit Guaranty Corporation and (ii) all reports and documents which it files under any other applicable pension benefits legislation;

(v) With reasonable promptness such other information (including non-financial information) as Buyer may reasonably request.

The statements and reports of the Originator required to be furnished pursuant to clauses (i), (ii) and (iii) above shall be deemed furnished for such purpose upon becoming publicly available on the Securities and Exchange Commission's EDGAR web page.

(b) *Notices.* Promptly and in any event within five Business Days after a Designated Financial Officer of Originator obtains knowledge of any of the following, Originator will notify Buyer and the Agent and provide a description of:

(i) *Potential Termination Events.* The occurrence of any Potential Termination Event;

(ii) *Representations and Warranties.* The failure of any representations or warranty herein to be true when made in any material respect;

(iii) *Litigation.* The institution of any litigation, arbitration proceeding or governmental proceeding reasonably likely to be material to the Originator or the collectibility or quality of the Receivables which is not referenced in the Originator's filings with the SEC; or

(iv) *Judgments.* The entry of any judgment or decree against the Originator if the aggregate amount of all judgments then outstanding against the Originator exceeds $10,000,000.

(c) *Conduct of Business.* The Originator will perform all actions necessary to remain duly incorporated, validly existing and in good standing in its jurisdiction of incorporation and to maintain all requisite authority to conduct its business in each jurisdiction in which it conducts business except where the failure to do so could not reasonably be expected to have a material adverse effect on the collectibility of the Receivables.

(d) *Compliance with Laws.* The Originator will comply with all laws, regulations, judgments and other directions or orders imposed by any Governmental Authority to which the Originator or any Receivable, any Related Security or Collection may be subject, except where the failure to do so could not reasonably be expected to have a material adverse effect on the collectibility of the Receivables.

(e) *Furnishing Information and Inspection of Records.* Originator will furnish to Buyer and the Agent (as assignee of the Buyer) such information concerning the Receivables as Buyer may reasonably request. With reasonable notice, Originator will permit, at any time during regular business hours, Buyer or the Agent (as assignee of the Buyer) (or), in each case, any representatives thereof) (i) to examine and make copies of all Records, (ii) to visit the offices and properties of Originator for the purpose of examining the Records and (iii) to discuss matters relating hereto with any of Originator's officers, directors, employees or independent public accountants having knowledge of such matters.

(f) *Keeping Records.* (i) Originator will have and maintain (A) administrative and operating procedures (including an ability to recreate Records if originals are destroyed), (B) adequate facilities, personnel and equipment and (C) all Records and other information necessary or advisable for collecting the Receivables (including Records adequate to permit

the immediate identification of each new Receivable and all Collections of, and adjustments to, each existing Receivable). Originator will give Buyer prior notice of any material change in such administrative operating procedures.

(ii) Originator will, (A) at all times from and after the date hereof, clearly and conspicuously mark its computer and master data processing books and records with a legend describing Buyer's interest in the Receivables and the Collections.

(g) *Perfection.* (i) The Originator will at its expense, promptly execute and deliver all instruments and documents and take all action necessary or requested by the Buyer (including the execution and filing of financing or continuation statements, amendments thereto or assignments thereof) to vest and maintain vested in the Buyer a valid, first priority perfected security interest in the Receivables, the Collections, the Lock Boxes, the Collection Account and proceeds thereof free and clear of any Adverse Claim (and a perfected ownership interest in the Receivables and Collections to the extent of the Purchase Interest). To the extent permitted by applicable law, the Buyer will be permitted to sign and file any continuation statements, amendments thereto and assignments thereof without the Originator's signature.

(ii) The Originator will not change its name, identity or corporate structure or relocate its jurisdiction of organization or chief executive office or the Records except after fifteen (15) days advance notice to the Buyer and the Agent and the delivery to the Buyer and the Agent of all financing statements, instruments and other documents (including direction letters) requested by the Buyer and the Agent.

(iii) The Originator will at all times maintain its chief executive offices and maintain its jurisdiction of organization within a jurisdiction in the USA in which Article 9 of the UCC is in effect. If the Originator moves its chief executive office to a location that imposes Taxes, fees or other charges to perfect the Buyer's interests hereunder the Originator will pay all such amounts and any other costs and expenses incurred in order to maintain the enforceability of the Transaction Documents, the Purchase Interest and the interests of the Buyer in the Receivables, the Related Security, the Lock Boxes, the Collection Account and Collections.

(h) *Payments on Receivables, Accounts.* The Originator will at all times instruct all Obligors to deliver payments on the Receivables to a Lock-Box, the Collection Account or to a Designated Payee (as set forth in (Annex B to Exhibit G) the Second Tier Agreement). The Originator will also instruct each Designated Payee to pay all Collections it receives to a Collection Account. If any such payments or other Collections are received by the Originator, it shall hold such payments in trust for the benefit of the Buyer and promptly (but in any event within two Business Days after receipt) remit such funds at the direction of the Buyer. The Originator will cause each Collection Bank to comply with the terms of each applicable Collection Letter. After the occurrence

of a Termination Event, the Originator will not, and will not permit any Collection Agent or other Person to, commingle Collections or other funds to which the Buyer is entitled with any other funds. The Originator shall only add a Collection Bank or Lock-Box to those listed on Exhibit F of the Second Tier Agreement if the Buyer has received notice of such addition, a copy of any new Lock-Box, as applicable, Agreement and an executed and acknowledged copy of a Collection Letter substantially in the form of Exhibit G of the Second Tier Agreement (with such changes as are acceptable to the Buyer) from any new Collection Bank. The Originator shall only terminate a Collection Bank or Lock-Box upon 30 days advance notice to the Buyer. If the long term unsecured indebtedness of the Originator is rated less than BBB- by S&P or Baa3 by Moody's (or either S&P or Moody's has withdrawn or suspended such rating), the Originator agrees that the Agent may, in its sol e discretion, deliver the Agent's Notice (as defined in Annex A to Exhibit G to the Second Tier Agreement) to the Collection Bank.

(i) *Sales and Adverse Claims Relating to Receivables.* Except as otherwise provided herein, the Originator will not (by operation of law or otherwise) dispose of or otherwise transfer, or create or suffer to exist any Adverse Claim upon, any Receivable or any proceeds thereof.

(j) *Extension or Amendment of Receivables.* Except as otherwise permitted in the Second Tier Agreement and then subject to Section 1.5 of the Second Tier Agreement, the Originator will not extend, amend, rescind or cancel any Receivable.

(k) *Performance of Duties*. Originator will perform its duties or obligations in accordance with the provisions of each of the Transaction Documents to which it is a party. Originator (at its expense) will (i) fully and timely perform in all material respects all agreements, if any, required to be observed by it in connection with each Receivable, (ii) comply in all material respects with the Credit and Collection Policy, and (iii) refrain from any action that could reasonably be expected to impair the rights of Buyer in the Receivables or Collections.

(l) *Agreed Upon Procedures Report*. Originator shall cooperate with the Collection Agent and the designated accountants for each annual agreed upon procedures report required pursuant to Section 5.1(a)(vi) of the Second Tier Agreement.

(m) *Changes to Credit and Collection Policy and Character of Business*. The Originator shall not, except as required by law rule or regulation make any material change to the Credit and Collection Policy without the prior written consent of the Buyer and the Agent.

(n) *Total Indebtedness to Total Capitalization*. Originator shall at all times cause the ratio of (i) Total Indebtedness to (ii) Total Capitalization (in each case measured as of the most recent fiscal quarter end) to be less than or equal to 0.65 to 1.0.

Section 5.2. Organizational Separateness. Originator agrees not to take any action that would cause Buyer to violate its certificate of incorporation, by-laws or the covenants in Section 5.1(o) of the Second Tier Agreement. Buyer agrees to conduct its business in a manner consistent with its certificate of incorporation and by-laws.

Section 6. Termination of Contributions and Purchases.

Section 6.1. Voluntary Termination. The contribution, purchase and sale of Receivables pursuant to this Agreement may be terminated by either party, upon at least five Business Days' prior written notice to the other party.

Section *6.2. Automatic Termination.* The contribution, purchase and sale of Receivables pursuant to this Agreement shall automatically terminate upon the occurrence of (i) a Bankruptcy Event with respect to Originator, (ii) a Trigger Event, or (iii) the Termination Date.

Section 7. Indemnification.

Section 7.1. Originator's Indemnity. Without limiting any other rights any Person may have hereunder or under applicable law, Originator hereby indemnifies and holds harmless Buyer and its officers, managers, agents and employees (each an *"Indemnified Party"*) from and against any and all damages, losses, claims, liabilities, penalties, Taxes, costs and expenses (including reasonable attorneys' fees and court costs actually incurred) (all of the foregoing collectively, the *"Indemnified Losses"*) at any time imposed on or incurred by any Indemnified Party arising out of or otherwise relating to any Transaction Document, the transactions contemplated thereby, or any action taken or omitted by any of the Indemnified Parties, whether arising by reason of the acts to be performed by Originator hereunder or otherwise, excluding only Indemnified Losses (*"Excluded Losses"*) to the extent (a) a final judgment of a court of competent jurisdiction holds such Indemnified Losses resulted solely from gross negligence or willful misconduct of the Indemnified Party seeking indemnification, (b) solely due to the credit risk or financial inability to pay of the Obligor and for which reimbursement would constitute recourse to Originator or the Collection Agent for uncollectible Receivables or (c) such Indemnified Losses include Taxes on, or measured by, the overall net income of the Buyer. Without limiting the foregoing indemnification, but subject to the limitations set forth in clauses (a), (b) and (c) of the previous sentence, Originator shall indemnify each Indemnified Party for Indemnified Losses relating to or resulting from:

(i) any representation or warranty made by or on behalf of Originator under or in connection with this Agreement, any Periodic Report or any other information or report delivered by Originator pursuant to the Transaction Documents, which shall have been false or incorrect in any material respect when made or deemed made;

(ii) the failure by Originator to comply with any applicable law, rule or regulation related to any Receivable, or the nonconformity of any Receivable with any such applicable law, rule or regulation;

(iii) the failure of Originator to vest and maintain vested in Buyer, a perfected ownership or security interest in the Receivables and the other property conveyed pursuant hereto, free and clear of any Adverse Claim;

(iv) any commingling of Collections with any other funds;

(v) any failure of a Lock-Box Bank to comply with the terms of the applicable Lock-Box Letter;

(vi) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor or financial inability of the Obligor to pay) of the Obligor to the payment of any Receivable, or any other claim resulting from the rendering of services related to such Receivable or the furnishing or failure to furnish any such services or other similar claim or defense not arising from the financial inability of any Obligor to pay undisputed indebtedness;

(vii) any failure of Originator to perform its duties or obligations in accordance with the provisions of this Agreement or any other Transaction Document to which Originator is a party;

(viii) any environmental liability claim, products liability claim or personal injury or property damage suit or other similar or related claim or action of whatever sort, arising out of or in connection with any Receivable or any other suit, claim or action of whatever sort relating to any of Originator's obligations under the Transaction Documents;

(ix) any tax or governmental fee or charge (but not including taxes upon or measured by net income or otherwise contemplated by the Intended Tax Characterization), all interest and penalties thereon or with respect thereto, and all out-of-pocket costs and expenses, including the fees and expenses of counsel in defending against the same, which may rise by reason of the purchase or ownership of any Receivable or Related Security or in any goods which secure any Receivable or Related Security;

(x) the failure to comply with provisions of the Transaction Documents requiring notifications to any Obligor of the assignment pursuant to the terms hereof of any Receivable to Buyer (and subsequently, pursuant to the Second Tier Agreement, to Agent for the benefit of Buyer) or to comply with provisions of the Transaction Documents requiring notifications to require that payments (including any under the related insurance policies) be made directly to Buyer pursuant to the terms hereof (and subsequently, pursuant to the Second Tier Agreement, to Agent for benefit of Buyer);

(xi) any Taxes (other than as contemplated by the Intended Tax Characterization) imposed upon any Indemnified Party or upon or with respect to the Receivables, all interest and penalties thereon or with respect thereto, and all out-of-pocket costs and expenses related thereto or arising therefrom,

including the reasonable fees and expenses or counsel in defending against the same, which may arise by reason of the purchase or ownership or sale of any Receivables (or of any interest therein) or Related Security or in any goods which secured any such Receivables or Related Security;

(xii) any loss arising, directly or indirectly, as a result of the imposition of sales or analogous taxes imposed on or collected as part of the Receivables or the failure by the Originator to timely collect and remit to the appropriate authority any such taxes; or

(xiii) any action taken by the Originator or any other Affiliate of the Originator related to any Receivable and the Related Security, or arising out of any alleged failure of compliance of any Receivable or the Related Security with the provisions of any law or regulation.

If for any reason the indemnification provided above in this Section is unavailable to an Indemnified Party or is insufficient to hold an Indemnified Party harmless, then Originator shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Indemnified Party on the one hand and Originator on the other hand but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations.

Section 7.2. Indemnification Due to Failure to Consummate Purchase. Originator will indemnify Buyer on demand and hold it harmless against all costs (including, without limitation, breakage costs) and expenses incurred by Buyer resulting from any failure by Originator to consummate a purchase or contribution after Buyer has requested a transfer of the applicable Receivables to the Buyer under the terms of the Second Tier Agreement.

Section 7.3. Other Costs. If Buyer becomes obligated to compensate the Purchaser under the Second Tier Agreement or any other Transaction Document for any costs or indemnities pursuant to any provision of the Second Tier Agreement or any other Transaction Document, which obligation is caused by Originator's failure to perform any obligations hereunder, then Originator shall, on demand, reimburse Buyer for the amount of any compensation.

Section 8. Miscellaneous.

Section 8.1. Amendments, Waivers, etc. No amendment of this Agreement or waiver of any provision hereof or consent to any departure by either party therefrom shall be effective without the written consent of the party that is sought to be bound. Any such waiver or consent shall be effective only in the specific instance given. No failure or delay on the part of either party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. Originator agrees that the Buyer and the Agent may rely upon the terms of this Agreement, and that the terms of this Agreement may not be amended, nor any material waiver of those terms be granted, w ithout the consent of

the Agent; *provided* that Originator and Buyer may agree to an adjustment of the purchase price for any Receivable without the consent of the Agent provided that any such adjustment shall be prospective only and the purchase price paid for any Receivable shall be an amount not less than adequate consideration that represents fair value for such Receivable. BTMNY, individually and as Agent, Liquidity Provider and Enhancement Provider is hereby authorized by the parties hereto, at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by BTMNY to or for the credit to the account of Originator, against any obligations of the Originator now or hereafter existing under this Agreement that have been assigned to and are payable to or for the benefit of BTMNY as Agent, Liquidity Provider or En hancement Provider pursuant to Section 1.8(a) of the Second Tier Agreement.

Section 8.2. Assignment of Receivables Purchase Agreement. Originator hereby acknowledges that on the date hereof Buyer has assigned all of its right, title and interest in, to and under this Agreement to the Agent for the benefit of the Buyer pursuant to the Second Tier Agreement and that the Agent and the Buyer are third party beneficiaries hereof. Originator hereby further acknowledges that after the occurrence and during the continuation of a Termination Event all provisions of this Agreement shall inure to the benefit of the Agent and the Buyer, including the enforcement of any provision hereof to the extent set forth in the Second Tier Agreement, but that neither the Agent nor the Buyer shall have any obligations or duties under this Agreement. No purchases or contributions shall take place hereunder at any time that the Buyer has ceased to sell Purchase Interests under the Second Tier Agreement. Originator hereby further acknowledges that the execution and performance of this Agreement are conditions precedent for the Agent and the Buyer to enter into the Second Tier Agreement and that the agreement of the Agent and Buyer to enter into the Second Tier Agreements will directly or indirectly benefit Originator and constitutes good and valuable consideration for the rights and remedies of the Agent and the Buyer with respect hereto.

Section 8.3. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and shall also, to the extent provided herein, inure to the benefit of the parties to the Second Tier Agreement. Originator acknowledges that Buyer's rights under this Agreement are being assigned to the Agent or the Buyer under the Second Tier Agreement and consents to such assignment and to the exercise of those rights directly by the Agent or the Buyer, to the extent permitted by the Second Tier Agreement. The Agent, the Buyer and the other Affected Parties are express third party beneficiaries of this Agreement.

Section 8.4. Survival. The rights and remedies with respect to any breach of any representation and warranty made by Originator or Buyer pursuant to Section 4 and the indemnification provisions of Section 7 shall survive any termination of this Agreement.

Section 8.5. Costs, Expenses and Taxes. In addition to the obligations of Originator under Section 7, each party hereto agrees to pay within 30 days of demand all costs and expenses incurred by the other party and its assigns (other than Excluded Losses) in connection with the enforcement of, or any actual or claimed breach of, this Agreement, including the reasonable fees and expenses of counsel to any of such Persons incurred in connection with any

of the foregoing or in advising such Persons as to their respective rights and remedies under this Agreement in connection with any of the foregoing. Originator also agrees to pay on demand all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of this Agreement.

Section 8.6. Execution in Counterparts; Integration. This Agreement may be executed in any number of counterparts and by the different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement.

Section 8.7. Governing Law; Submission to Jurisdiction. **This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York (including Section 5.1401.1 of the General Obligations Law, but without regard to any other conflicts of law provisions thereof).**

Section 8.8. No Proceedings. Originator agrees, for the benefit of the parties to the Second Tier Agreement, that it will not institute against Buyer, or join any other Person in instituting against Buyer, any proceeding of a type referred to in the definition of Bankruptcy Event until one year and one day after no investment, loan or commitment is outstanding under the Second

Tier Agreement. In addition, all amounts payable by Buyer to Originator pursuant to this Agreement shall be payable solely from funds available for that purpose (after Buyer has satisfied all obligations then due and owing under the Second Tier Agreement).

Section 8.9. Loans by Buyer to Originator. Buyer may make loans to Originator from time to time if so agreed between such parties and to the extent that Buyer has funds available for that purpose after satisfying its obligations under this Agreement and the Second Tier Agreement. Any such loan shall be payable upon demand (and may be prepaid with penalty or premium) and shall bear interest at such rate as Buyer and Originator shall from time to time agree.

Section 8.10. Notices. Unless otherwise specified, all notices and other communications hereunder shall be in writing (including by telecopier or other facsimile communication), given to the appropriate Person at its address or telecopy number set forth in the Second Tier Agreement or at such other address or telecopy number as such Person may specify, and effective when received at the address specified by such Person.

Section 8.11. Entire Agreement. This Agreement constitutes the entire understanding of the parties thereto concerning the subject matter thereof. Any previous or contemporaneous agreements, whether written or oral, concerning such matters are superseded thereby.

Section 8.12. Confidentiality. Each party hereto agrees to comply with the confidentiality provisions of Section 9.10 of the Second Tier Agreement.

Section 8.13. Waiver of Trial by Jury. To the extent permitted by applicable law, each party hereto irrevocably waives all right of trial by jury in

any action, proceeding or counterclaim arising out of, or in connection with, any transaction document or any matter arising thereunder.

In Witness Whereof, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

KANSAS CITY POWER & LIGHT COMPANY, as Originator

By /s/Michael W. Cline

Name: Michael W. Cline

Title: Assistant Treasurer

KANSAS CITY POWER & LIGHT RECEIVABLES COMPANY, as Buyer

By /s/James P. Gilligan

Name: James P. Gilligan

Title: President

Exhibit A

Purchase Price

All capitalized terms used, and not otherwise defined, herein have the meanings set forth for such terms in the Receivables Sale Agreement dated as of July 1, 2005 among Kansas City Power & Light Receivables Company (*"Seller"*), as the Seller, Kansas City Power & Light Company (*"KCPL"*), as the Initial Collection Agent, The Bank of Tokyo-Mitsubishi, Ltd., New York Branch, as the Agent, and Victory Receivables Corporation or, if not defined therein, in the Purchase and Sale Agreement dated as of July 1, 2005 between KCPL, as the Originator (*"Originator"*), and Seller, as the Buyer (*"Buyer"*).

The purchase price applicable to the Receivables purchased on any day after the Initial Funding Date by Buyer from Originator shall be equal to 99.0% times the aggregate outstanding balance of such Receivables. The foregoing purchase price was calculated to yield to the Buyer a reasonable profit return on its equity and was calculated assuming, among other things, that charge-offs of Receivables in any year will average approximately one-half of one percent (0.5%) of the average outstanding balance of the Receivables and that LIBOR (which represents the index for the Buyer's cost of funds) would average approximately 3.0%. If the Originator or Buyer determines that charge-offs in any twelve-month period have exceeded one percent (1.0%) of the average outstanding balance of Receivables during such period, or if LIBOR subsequently rises above 4.0% or falls below 2.0%, then the Originator and the Buyer agree to negotiate in good faith to re-set the pu rchase price percentage so as to reflect in an equitable manner the impact of such revised charge-off ratio or revised cost of funds on the Buyer's anticipated equity return. Any such change in the purchase price percentage shall not take effect unless and until both parties agree to such adjustment. In the event that (i) the purchase price is adjusted due to increased charge-offs and average charge-off experience over a twelve-month period subsequently reduces to one-half of one percent, (ii) the purchase price is adjusted due to an increase in LIBOR and LIBOR subsequently reduces below 4.0% for a three-month consecutive period or (iii) the purchase price is adjusted due to a decrease in LIBOR and LIBOR subsequently increases above 2.0% for the three-month consecutive period then the Originator and Buyer may subsequently agree to readjust the purchase price percentage as set forth above to reflect the equitable impact of such changes. All purchase price adjustments pursuant to the foregoing p rovisions shall be prospective only and shall not operate to adjust retroactively the purchase price previously paid for any Receivables.

Exhibit 10.2.c

EXECUTION COPY

Receivables Sale Agreement

Dated as of July 1, 2005

among

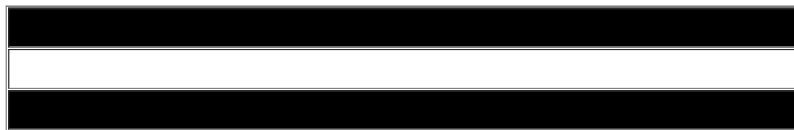
Kansas City Power & Light Receivables Company,
as the Seller,

Kansas City Power & Light Company,
as the Initial Collection Agent,

The Bank of Tokyo-Mitsubishi, Ltd., New York Branch,
as the Agent,

and

Victory Receivables Corporation



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Receivables Sale Agreement

Receivables Sale Agreement, dated as of July 1, 2005 (the *"Agreement"*), among Kansas City Power & Light Receivables Company, a Delaware corporation, as Seller (the *"Seller"*), Kansas City Power & Light Company, a Missouri corporation, as initial Collection Agent (the *"Initial Collection Agent,"* and, together with any successor thereto, the *"Collection Agent"*), The Bank of Tokyo-Mitsubishi, Ltd., New York Branch, as agent for the Purchaser (the *"Agent"*), and Victory Receivables Corporation, as Purchaser (the *"Purchaser"*). Capitalized terms used herein, and certain rules of construction, are defined in Schedule I.

The parties hereto agree as follows:

Article I

Purchases from Seller and Settlements

Section 1.1. Sales

(a) *The Purchase Interest.* Subject to the terms and conditions hereof, the Purchaser shall, from time to time before the Termination Date, purchase from the Seller an undivided percentage ownership interest in the Receivables, the Related Security and all related Collections. Any such purchase (a *"Purchase"*) shall be made by the Purchaser remitting funds to the Seller, through the Agent, pursuant to Section 1.1(c) or by the Collection Agent remitting Collections to the Seller pursuant to Section 1.1(d). The aggregate percentage ownership interest so acquired by the Purchaser in the Receivables, the Related Security and related Collections (its *"Purchase Interest"*) shall equal at any time the following quotient:

$$\frac{I}{ER} + RP$$

where:

I = the outstanding Investment of the Purchaser at such time;

ER = the Eligible Receivables Balance at such time; and

RP = the Reserve Percentage at such time;

provided, however, that on and after such date as the Investment, Discount and all amounts payable to the Agent and the Purchaser under the Transaction Documents have been paid in full and the Seller has no further obligation to make Purchases from the Seller, the "Purchase Interest" shall equal zero. Except during a Liquidation Period the Purchaser's Purchase Interest will change whenever its Investment, the Reserve Percentage or the Eligible Receivables Balance changes. During a Liquidation Period the Purchase Interest shall remain constant until all amounts payable to the Agent and the Purchaser under the Transaction Documents have been paid in full.

(b) The Purchaser's first Purchase and each additional Purchase by the Purchaser not made from Collections pursuant to Section 1.1(d) is referred to herein as an *"Incremental Purchase."* Each Purchase made by the Purchaser with the proceeds of Collections which does not increase the outstanding Investment of the Purchaser, is referred to herein as a *"Reinvestment Purchase."*

(c) *Incremental Purchases*. In order to request an Incremental Purchase from the Purchaser, the Seller must provide to the Agent an irrevocable written request (including by telecopier or other facsimile communication), substantially in the form of Exhibit A, by 11:00 a.m. (New York City time) three Business Days before the requested date (the *"Purchase Date"*) of such Purchase, specifying the requested Purchase Date (which must be a Business Day) and the requested amount (the *"Purchase Amount"*) of such Purchase, which must be in a minimum amount of $1,000,000 and multiples thereof (or, if less, an amount equal to the Maximum Incremental Purchase Amount). The Agent shall promptly notify the Purchaser of the contents of any such request. Subject to Section 7.2 and the other terms and conditions hereof, the Purchaser shall transfer to the Agent's Account the amount of such Incremental Purchase on the requested Purchase Date. The Agent shall transfer to the Seller Account the proceeds of any Incremental Purchase delivered into the Agent's Account.

(d) *Reinvestment Purchases*. On each day before the Termination Date that any Collections are received by the Collection Agent and no Interim Liquidation is in effect the Purchase Interest in such Collections shall automatically be used to make a Reinvestment Purchase by the Purchaser.

Section 1.2. Interim Liquidations.

(a) *Optional*. The Seller may at any time direct that Reinvestment Purchases cease and that an Interim Liquidation commence by giving the Agent and the Collection Agent at least three Business Days prior written (including telecopy or other facsimile communication) notice specifying the date on which the Interim Liquidation shall commence and, if desired, when such Interim Liquidation shall cease (identified as a specific date prior to the Termination Date or as when the Investment is reduced to a specified amount). If the Seller does not so specify the date on which an Interim Liquidation shall cease, it may cause such Interim Liquidation to cease at any time before the Termination Date, subject to Section 1.2(b) below, by notifying the Agent and the Collection Agent in writing (including by telecopy or other facsimile communication) at least three Business Days before the date on which it desires such Interim Liquidati on to cease.

(b) *Mandatory*. If at any time before the Termination Date any condition in Section 7.2 to the making of Reinvestment Purchases is not satisfied, the Seller shall immediately notify the Agent and the Collection Agent, whereupon Reinvestment Purchases shall cease and an Interim Liquidation shall commence, which shall cease only upon the Seller confirming to the Agent that the conditions in Section 7.2 are satisfied. If on the first day of the Seasonal Period and prior to the Termination Date, outstanding Investment exceeds the Purchase Limit, the Seller shall immediately notify the Agent and the Collection Agent whereupon Reinvestment Purchases shall cease and an Interim Liquidation shall commence (a "Seasonal Interim Liquidation"), which Seasonal Interim Liquidation shall cease only upon the Seller confirming to the Agent that outstanding Investment is less than the Purchase Limit.

Section 1.3. Discount Rates and Tranche Periods. The Agent shall, from time to time for purposes of computing Discount, divide the Investment into Tranches, and the applicable Discount Rate may be different for each Tranche. All Investment shall be allocated to Tranches by the Agent to reflect the funding sources for the Investment, so that:

(a) there will be one or more Tranches, selected by the Agent, reflecting the portion of the Investment funded by outstanding Liquidity Advances or by funding under the Enhancement Agreement;

(b) there will be a Tranche equal to the excess of Investment over the aggregate amounts allocated at such time pursuant to clause (a) above, which Tranche shall reflect the portion of the Investment funded by Commercial Paper Notes; and

(c) for purposes of allocating the Investment to Tranches, the Agent shall use reasonable efforts to allocate the Investment to Tranches funded with Commercial Paper Notes so long as, in the reasonable determination of the Agent, (i) the sale of Commercial Paper Notes is possible and (ii) such allocation will not adversely affect the rating of the Commercial Paper Notes.

Section 1.4. Fees and Other Costs and Expenses. (a) The Seller shall pay to the Agent for the benefit of the Purchaser, such amounts as agreed to with the Purchaser and the Agent in the Fee Letter.

(b) If any Affected Party incurs any loss or expense (including any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Affected Party), at any time, as a result of (a) any settlement (including any full or partial repayment of Investment) with respect to any Tranche funded by Pooled Commercial Paper, being made on any day other than the applicable Settlement Date, (b) any settlement (including any full or partial repayment of Investment, with respect to any Tranche, however so funded, other than by Pooled Commercial Paper, being made on any day other than the scheduled last day of an applicable Tranche Period with respect thereto, or (c) any Purchase not being made in accordance with a request therefore under Section 1.1, upon written notice from the Agent to the Seller and the Collection Agent, the Seller shall pay to the Collection Agent, and the C ollection Agent shall pay to the Agent for the account of the Affected Parties, on the next Settlement Date the amount of such loss or expense. Such written notice shall, in the absence of manifest error, be conclusive and binding upon the Seller and the Collection Agent. If an Affected Party incurs any loss or expense (including any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Affected Party), at any time, and is not entitled to reimbursement for such loss or expense in the manner set forth above, such Affected Party shall individually bear such loss or expense without recourse to or payment from any other Affected Party.

(c) Investment and Discount shall not be recourse obligations of the Seller and shall be payable solely from Collections and from amounts payable under Sections 1.5, 1.7 and 6.1 (to the extent amounts paid under Section 6.1 indemnify against reductions in or non-payment of Receivables). The Seller shall pay, as a full recourse obligation, all other amounts payable hereunder. Notwithstanding anything in this Agreement to the contrary, in no event will the Discount charged and payable hereunder exceed any maximum interest rate imposed by applicable law or regulations.

Section 1.5. Maintenance of Purchase Interest; Deemed Collection.

(a) *General*. If at any time before the Termination Date the Eligible Receivables Balance is less than the sum of the Investment (or, if a Termination Event has occurred and is continuing, the Matured Investment) plus the Aggregate Reserve, the Seller shall pay to the Agent an amount equal to such deficiency for application to reduce the Investment, applied *first* to the Tranches with the shortest remaining maturities unless otherwise specified by the Seller**.**

(b) *Deemed Collections*. If on any day the outstanding balance of a Receivable is reduced or cancelled as a result of any defective or rejected goods or services, any cash discount or adjustment (including any adjustment resulting from the application of any special refund or other discounts or any reconciliation), any setoff or credit (whether such claim or credit arises out of the same, a related, or an unrelated transaction) or other similar reason not arising from the financial inability of the Obligor to pay undisputed indebtedness, the Seller shall be deemed to have received on such day a Collection on such Receivable in the amount of such reduction or cancellation. If on any day any representation, warranty, covenant or other agreement of the Seller related to a Receivable is not true or is not satisfied, the Seller shall be deemed to have received on such day a Collection in the amount of the outstanding balance o f such Receivable. All such Collections deemed received by the Seller under this Section 1.5(b) shall be remitted by the Seller to the Collection Agent in accordance with Section 5.1(i).

(c) *Adjustment to Purchase Interest*. At any time before the Termination Date that the Seller is deemed to have received any Collection under Section 1.5(b) (*"Deemed Collections"*) that derives from a Receivable that is otherwise reported as an Eligible Receivable, so long as no Liquidation Period then exists, the Seller may satisfy its obligation to deliver such amount to the Collection Agent by instead notifying the Agent that the Purchase Interest should be recalculated by decreasing the Eligible Receivables Balance by the amount of such Deemed Collections, so long as such adjustment does not cause the Purchase Interest to exceed 100%.

(d) *Payment Assumption*. Unless an Obligor otherwise specifies or another application is required by contract or law, any payment received by the Seller from any Obligor shall be applied as a Collection of Receivables of such Obligor (starting with the oldest such Receivable) and remitted to the Collection Agent as such.

Section 1.6. Reduction in Purchase Limit. The Seller may, upon thirty days notice to the Agent, reduce the Purchase Limit in increments of $1,000,000, so long as the Purchase Limit as so reduced equals at least the outstanding Investment.

Section 1.7. Optional Repurchases. On any Settlement Date the Investment is less than 10% of the Purchase Limit in effect on the date hereof, the Seller may, upon thirty days notice to the Agent, repurchase the entire Purchase Interest from the Purchaser at a price equal to the outstanding Matured Investment and all other amounts then owed hereunder.

Section 1.8. Security Interest. (a) The Seller hereby grants to the Agent, for its own benefit and for the ratable benefit of the Secured Parties, a security interest in all Receivables, Related Security, Collections, the Collection Accounts, and Lock-Boxes and all of the Seller's right, title, and interest in, to and under the Purchase Agreement to secure the payment of all amounts owing hereunder. The Seller and Collection Agent shall hold in trust for the benefit of the Persons entitled thereto any Collections received pending their application pursuant to Article II hereof. Upon the occurrence and during the continuation of a Termination Event, the Seller and Collection Agent shall not, without the prior written consent of the Agent, distribute any Collections to any Person other than the Agent and the Purchaser (and to the Collection Agent, in payment of the Collection Agent Fee to the exte nt permitted hereto) until all amounts owed under the Transaction Documents to the Agent and the Purchaser shall have been indefeasibly paid in full.

(b) The Seller shall file and record all financing statements, continuation statements and other documents required to perfect or protect such security interest. All provisions of the Purchase Agreement shall inure to the benefit of, and may be relied upon by, the Agent and the Secured Parties. At any time that a Termination Event has occurred and is continuing, the Agent shall have the sole right to enforce the Seller's rights and remedies under the Purchase Agreement to the same extent as the Seller could absent this assignment, but without any obligation on the part of the Secured Parties to perform any of the obligations of the Seller under the Purchase Agreement (or the promissory note executed thereunder). All amounts distributed to the Seller under the Purchase Agreement from Receivables sold to the Seller thereunder shall constitute Collections hereunder and shall be applied in accordance herewith.

(c) This agreement shall be a security agreement for purposes of the UCC. Upon the occurrence and during the continuation of a Termination Event, the Agent shall have all rights and remedies provided under the UCC as in effect in all applicable jurisdictions.

Article II

Allocations

Section 2.1. Allocations and Distributions.

(a) *Settlement Dates.* On the Business Day following each Deposit Date occurring prior to the Termination Date (unless an Interim Liquidation is in effect), the Collection Agent shall set aside from Collections the amounts necessary to make all distributions to the Agent, the Purchaser and the Collection Agent required by this Section 2.1(a) with respect to the next succeeding Settlement Date. The balance of such Collections shall be released to the Seller on a daily basis. On each Settlement Date prior to the Termination Date (unless an Interim Liquidation is in effect), all Collections so set aside during the preceding Settlement Period shall be applied where applicable by the Collection Agent (or, if the Agent is then in control of any Collections, by the Agent) in the following order:

(i) to the Agent, all fees and other amounts due and payable to the Agent pursuant to the Transaction Documents;

(ii) to the Purchaser, all Discount due and payable on such date; and

(iii) to the Collection Agent, the Collection Agent Fee and other amounts due and payable to the Collection Agent;

(iv) to the Seller, all remaining funds.

On the last day of each Tranche Period, the Collection Agent (or, if the Agent is then in control of any Collections, the Agent) shall pay Discount due and payable to the Purchaser from amounts set aside for such purpose pursuant to this Section 2.1(a).

If any part of the Purchase Interest in any Collections is applied to pay any amounts that are recourse obligations of the Seller pursuant to Section 1.4(c) and after giving effect to such application the Purchase Interest is greater than 100%, the Seller shall pay, as a recourse obligation for distribution as part of the Purchase Interest in Collections, to the Collection Agent the amount so applied to the extent necessary so that after giving effect to such payment the Purchase Interest is no greater than 100%, for distribution as part of the Purchase Interest in Collections.

(b) *Termination Date and Interim Liquidations.* On each day during any Interim Liquidation and on each day on and after the Termination Date (unless the events giving rise to such Termination Date have been waived), the Collection Agent shall set aside and hold in trust solely for the account of the Agent, for the benefit of the Agent and the Purchaser, (or deliver to the Agent, if so instructed pursuant to Section 3.2(a)) all Collections received on such day and such Collections shall be allocated in the following order:

(i) to the Agent until all amounts owed to the Agent pursuant to the Transaction Documents have been paid in full;

(ii) to the Purchaser until the Investment, Discount and all amounts owed to the Purchaser pursuant to the Transaction Documents have been paid in full;

(iii) to the Collection Agent, the Collection Agent Fee and other amounts due and payable to the Collection Agent;

(iv) to any other Person (other than the Seller, the Collection Agent or an Originator) to whom any amounts are owed under the Transaction Documents until all such amounts have been paid in full; and

(v) to the Seller (or as otherwise required by applicable law).

Unless an Interim Liquidation has ended by such date, on the last day of each Tranche Period (unless otherwise instructed by the Agent pursuant to Section 3.2(a)), the Collection Agent shall deposit into the Agent's Account (for the benefit of the Agent and the Purchaser), from such set aside Collections, all amounts allocated to such Tranche Period and all Tranche Periods that ended before such date that are due in accordance with clauses (i) and (ii) above. No distributions shall be made to pay amounts under clauses (iii) and (iv) until sufficient Collections have been set aside to pay all amounts described in clauses (i) and (ii) that may become payable for all then-outstanding Tranche Periods. All distributions by the Agent shall be made ratably within each priority level in accordance with the respective amounts then due each Person included in such level unless otherwise agreed by the Agent and the Purchaser. If any part of the Purchase Interest in any Collections is applied to pay any amounts payable hereunder that are recourse obligations of the Seller pursuant to Section 1.4(c) and after giving effect to such application the Purchase Interest is greater than 100%, the Seller shall pay, as a recourse obligation for distribution as part of the Purchase Interest in Collections, to the Collection Agent the amount so applied to the extent necessary so that after giving effect to such payment the Purchase Interest is no greater than 100%, for distribution as part of the Purchase in Collections.

Article III

Administration and Collections

Section 3.1. Appointment of Collection Agent. (a) The servicing, administering and collecting of the Receivables shall be conducted by a Person (the *"Collection Agent"*) designated to so act on behalf of the Purchaser under this Article III. As the Initial Collection Agent, the Originator is hereby designated as, and agrees to perform the duties and obligations of, the Collection Agent. The Originator acknowledges that the Agent and the Purchaser have relied on the Originator's agreement to act as Collection Agent (and the agreement of any of the sub-collection agents to so act) in making the decision to execute and deliver this Agreement and agrees that it will not voluntarily resign as Collection Agent. At any time after the occurrence of a Collection Agent Replacement Event, the Agent may designate a new Collection Agent to succeed the Originator (or any successor Collection Agent).

(b) The Originator may delegate its duties and obligations as Collection Agent to an Affiliate (acting as a sub-collection agent). Notwithstanding such delegation, the Originator shall remain primarily liable for the performance of the duties and obligations so delegated, and the Agent and the Purchaser shall have the right to look solely to the Originator for such performance. The Agent may at any time upon the occurrence and during the continuation of a Collection Agent Replacement Event remove or replace any sub-collection agent.

(c) If replaced, the replaced Collection Agent agrees it will terminate, and will cause each existing sub-collection agent to terminate, its collection activities in a manner reasonably requested by the Agent to facilitate the transition to a new Collection Agent. The replaced Collection Agent shall cooperate with and assist any new Collection Agent (including providing access to, and transferring, all Records and allowing (to the extent permitted by applicable law and contract) the new Collection Agent to use all licenses, hardware or software necessary or desirable to collect the Receivables). The Originator irrevocably agrees to act (if requested to do so) as the data-processing agent for any new Collection Agent in substantially the same manner as the Originator conducted such data-processing functions while it acted as the Collection Agent.

Section 3.2. Duties of Collection Agent. (a) The Collection Agent shall take, or cause to be taken, all reasonable action necessary or advisable to collect each Receivable in accordance with this Agreement, the Credit and Collection Policy and all applicable laws, rules and regulations using the skill and attention the Collection Agent exercises in collecting other receivables or obligations owed solely to it. If so instructed by the Agent, upon the occurrence and during the continuation of a Collection Agent Replacement Event, the Collection Agent shall transfer to the Agent the amount of Collections to which the Agent and the Purchaser are entitled by the Business Day following receipt. Each party hereto hereby appoints the Collection Agent to enforce such Person's rights and interests in the Receivables and the Collection Agent may commence or settle any legal action to enforce collection of any R eceivable; *provided, however,* that upon the occurrence and during the continuation of a Collection Agent Replacement Event, such action may only be taken after consultation with the Agent.

(b) If no Termination Event has occurred and is then continuing and the Collection Agent determines that such action is appropriate in order to maximize the Collections, the Collection Agent may, in accordance with the Credit and Collection Policy, adjust the outstanding balance or extend the maturity of, any Receivable (but no such extension shall be for a period more than thirty (30) days unless otherwise required by applicable law, rules or regulations; *provided, however,* that notwithstanding the foregoing Receivables constituting not more than 3% of the Eligible Receivables Balance (excluding from such calculation Eligible Receivables the maturity of which was extended as required by applicable law, rules or regulations) on any given date may be extended for a period in excess of thirty (30) days or the outstanding balance of such Receivables may be adjusted. Any such extension or adjustment shall not alter the status of a Receivable as a Defaulted Receivable or Delinquent Receivable or limit any rights of the Agent or the Purchaser hereunder. If a Collection Agent Replacement Event exists, the Collection Agent may make such extensions or adjustments only with the prior consent of the Agent.

(c) The Collection Agent shall turn over to the Seller (i) any percentage of Collections in excess of the Purchase Interest, less all reasonable costs and expenses of the Collection Agent for servicing, collecting and administering the Receivables and (ii) subject to Section 1.5(d), the collections and records for any indebtedness owed to the Seller that is not a Receivable. The Collection Agent shall have no obligation to remit any such funds or records to the Seller until the Collection Agent receives evidence (if requested by the Agent and reasonably satisfactory to the Agent) that the Seller is entitled to such items. The Collection Agent has no obligations concerning indebtedness that is not a Receivable other than to deliver the collections and records for such indebtedness to the Seller when required by this Section 3.2(c).

(d) The Collection Agent shall take all actions necessary to maintain the perfection and priority of the Security Interest of the Agent in the Receivables, Related Security, Collections, the Collection Accounts, and Lock-Boxes.

Section 3.3. Reports. (a) On or before the Monthly Report Date of each month, and at such other times covering such other periods as is requested by the Agent, the Collection Agent shall deliver to the Agent a report reflecting information as of the close of business of the Collection Agent for the immediately preceding calendar month or such other preceding period as is requested (each a *"Periodic Report"*), containing the information described on Exhibit C (with such modifications or additional information as reasonably requested by the Agent), (b) Within 180 days after the end of each year, the Collection Agent will deliver to Agent an officer's certificate stating that (i) a review of the activities of the Collection Agent and of its performance under his Agreement during the immediately preceding twelve-month period ending on December 31 of the prior year was made under the supervision of the officer signing such certificate and (ii) to the best of such officer's knowledge, based on such reviews, the Collection Agent has fully performed all of its obligations under this Agreement throughout such period, or if there has been a default in the performance of any such obligation, specifying each such default known to such officer and the nature and status thereof.

Section 3.4. Lock-Box Arrangements. The Agent is hereby authorized to give notice at any time upon the occurrence and during the continuation of a Collection Agent Replacement Event to any or all Collection Banks that the Agent is exercising its rights under the Collection Letters and to take all actions permitted under the Collection Letters. The Seller agrees to take any reasonable action requested by the Agent to facilitate the foregoing. After the Agent takes any such action under the Collection Letters, the Seller shall immediately deliver to the Agent any Collections received by the Seller.

Section 3.5. Enforcement Rights. (a) The Agent may at any time upon the occurrence and during the continuation of a Collection Agent Replacement Event direct the Obligors and the Collection Banks to make all payments on the Receivables directly to the Agent or its designee. The Agent may, and the Seller shall at the Agent's request, withhold the identity of the Purchaser from the Obligors and Collection Banks. Upon the Agent's request upon the occurrence and during the continuation of a Collection Agent Replacement Event, the Seller (at the Seller's expense) shall (i) give notice to each Obligor of the Agent's ownership of the Purchase Interest and direct that payments on Receivables be made directly to the Agent or its designee, (ii) assemble for the Agent all Records and collateral security for the Receivables and the Related Security and transfer to the Agent (or its designee), or (to th e extent permitted by applicable law and contract) license to the Agent (or its designee) the use of, all software necessary to collect the Receivables and (iii) segregate in a manner acceptable to the Agent all Collections the Seller receives and, promptly upon receipt, remit such Collections in the form received, duly endorsed or with duly executed instruments of transfer, to the Agent or its designee.

(b) Upon the occurrence and during the continuation of a Collection Agent Replacement Event, the Seller hereby irrevocably appoints the Agent as its attorney-in-fact coupled with an interest, with full power of substitution and with full authority in the place of the Seller, to take any and all steps deemed desirable by the Agent, in the name and on behalf of the Seller to (i) collect any amounts due under any Receivable, including endorsing the name of the Seller on checks and other instruments representing Collections and enforcing such Receivables and the Related Security, and (ii) exercise any and all of the Seller's rights and remedies under the Purchase Agreement. The Agent's powers under this Section 3.5(b) shall not subject the Agent to any liability if any action taken by it proves to be inadequate or invalid, nor shall such powers confer any obligation whatsoever upon the Agent.

(c) Neither the Agent nor the Purchaser shall have any obligation to take or consent to any action to realize upon any Receivable or Related Security or to enforce any rights or remedies related thereto.

Section 3.6. Collection Agent Fee. On or before the Monthly Report Date in each calendar month, the Seller shall pay to the Collection Agent a fee for the immediately preceding calendar month as compensation for its services (the *"Collection Agent Fee"*) equal to, subject to applicable law, a reasonable amount agreed upon by the Agent and the Collection Agent on an arm's-length basis reflecting rates and terms prevailing in the market at such time. Such fee currently equals 2.5% per annum (the *"Collection Agent Fee Rate"*) times the aggregate outstanding principal amount of Receivables. The Agent may, with the consent of the Purchaser, pay the Collection Agent Fee to the Collection Agent from the Purchase Interest in Collections. The Seller shall be obligated to reimburse any such payment made by the Agent.

Section 3.7. Responsibilities of the Seller. The Seller shall, or shall cause the Originator to, pay when due all Taxes payable in connection with the Receivables and the Related Security or their creation or satisfaction. The Seller shall, or shall cause the Originator to, perform all of its obligations under agreements related to the Receivables and the Related Security to the same extent as if interests in the Receivables and the Related Security had not been transferred hereunder. The Agent's or the Purchaser's exercise of any rights hereunder shall not relieve the Seller from such obligations. Neither the Agent nor the Purchaser shall have any obligation to perform any obligation of the Seller or any other obligation or liability in connection with the Receivables or the Related Security.

Section 3.8. [Reserved].

Section 3.9. Indemnities by the Collection Agent. Without limiting any other rights any Person may have hereunder or under applicable law, the Collection Agent hereby indemnifies and holds harmless the Agent and the Purchaser and their respective officers, directors, agents and employees (each an *"Indemnified Party"*) from and against any and all damages, losses, claims, liabilities, penalties, Taxes, costs and expenses (including attorneys' fees and court costs) (all of the foregoing collectively, the *"Indemnified Losses"*) at any time imposed on or incurred by any Indemnified Party arising out of or otherwise relating to:

(i) any representation or warranty made by or on behalf of the Collection Agent in this Agreement, any other Transaction Document, any Periodic Report or any other information or report delivered by the Collection Agent pursuant hereto, which shall have been false or incorrect in any material respect when made;

(ii) the failure by the Collection Agent to comply with any applicable law, rule or regulation related to any Receivable or the Related Security in fulfilling its duties as Collection Agent;

(iii) any loss of a perfected security interest (or in the priority of such security interest) as a result of any commingling by the Collection Agent of funds to which the Agent or the Purchaser is entitled hereunder with any other funds;

(iv) any failure of the Collection Agent to perform its duties or obligations in accordance with the provisions of this Agreement (including, without limitation, compliance with the Credit and Collection Policy) or any other Transaction Document to which the Collection Agent is a party; or

(v) the imposition of any Lien with respect to any Receivable or Related Security as a result of an action taken by the Collection Agent under any Transaction Document;

whether arising by reason of the acts to be performed by the Collection Agent hereunder or otherwise, excluding only Indemnified Losses to the extent (a) a final judgment of a court of competent jurisdiction determined that such Indemnified Losses resulted solely from gross negligence or willful misconduct of the Indemnified Party seeking indemnification, (b) solely due to the credit risk of the Obligor and for which reimbursement would constitute recourse to the Collection Agent for uncollectible Receivables, or (c) such Indemnified Losses include Taxes on, or measured by, the overall net income of the Agent or the Purchaser computed in accordance with the Intended Tax Characterization; *provided, however,* that nothing contained in this sentence shall limit the liability of the Collection Agent or limit the recourse of the Agent and the Purchaser to the Collection Agent for any amounts otherwise specifically provided to be paid by the Collection Agent hereunder.

Article IV

Representations and Warranties

Section 4.1. Representations and Warranties. The Seller represents and warrants to the Agent and the Purchaser that:

(a) *Corporate Existence and Power.* The Seller is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has all corporate power and authority and all governmental licenses, authorizations, consents and approvals required to carry on its business in each jurisdiction in which its business is now conducted, except where failure to obtain such license, authorization, consent or approval could not reasonably be expected to have a material adverse effect on (i) its ability to perform its obligations under, or the enforceability of, any Transaction Document, (ii) its business or financial condition, (iii) the interests of the Agent or the Purchaser under any Transaction Document or (iv) the enforceability or collectibility of any Receivable.

(b) *Corporate Authorization and No Contravention.* The execution, delivery and performance by the Seller of each Transaction Document to which it is a party (i) are within its corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii) do not contravene or constitute a default under (A) any applicable law, rule or regulation, (B) its charter or by-laws or (C) any agreement, order or other instrument to which it is a party or its property is subject and (iv) will not result in any Adverse Claim on any Receivable, the Related Security or Collection or give cause for the acceleration of any indebtedness of the Seller.

(c) *No Consent Required.* Other than the filing of financing statements and the items set forth in the next sentence, no approval, authorization or other action by, or filings with, any Governmental Authority or other Person is required (other than any already given or obtained) in connection with the execution, delivery and performance by it of any Transaction Document to which it is a party or any transaction contemplated thereby. The Transaction Documents and the transactions contemplated thereby are subject to filing requirements or reporting requirements, or both, under the Securities Exchange Act of 1934, as amended, the Public Utility Holding Company Act of 1935, as amended, Chapters 386 and 393 of the Missouri revised statutes, as amended, and Chapter 66 of the Kansas statutes, as amended, and the rules and regulations promulgated thereunder.

(d) *Binding Effect.* Each Transaction Document to which the Seller is a party constitutes the legal, valid and binding obligation of the Seller enforceable against the Seller in accordance with its terms, except as limited by bankruptcy, insolvency, or other similar laws of general application relating to or affecting the enforcement of creditors' rights generally and subject to general principles of equity.

(e) *Perfection of Ownership Interest*. Immediately preceding its sale of Receivables to the Seller, the Originator was the owner of, and effectively sold, such Receivables to the Seller, free and clear of any Adverse Claim. The Seller owns the Receivables free of any Adverse Claim other than the interests of the Purchaser (through the Agent) therein that are created hereby, and the Purchaser shall at all times have a valid and continuing undivided percentage ownership interest, which shall be a first priority perfected security interest for

purposes of Article 9 of the applicable Uniform Commercial Code enforceable as such against creditors of and purchasers from the Seller, in the Receivables and Collections to the extent of the Purchase Interest then in effect. Other than the ownership or security interest granted to the Agent pursuant to this Agreement, the Seller has not pledged, assigned, sold or granted a security inter est in, or otherwise conveyed, the Receivables or the Collections. The Seller has not authorized the filing of and is not aware of any financing statements against the Seller that include a description of collateral covering the Receivables or the Collections other than any financing statement relating to the security interest granted to the Agent hereunder. The Seller has caused or will have caused, within ten days after the date hereof, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under the applicable law in order to perfect the conveyance of Receivables by Seller hereunder.

(f) *Accuracy of Information.* All written information furnished by the Seller to the Agent or the Purchaser in connection with any Transaction Document, or any transaction contemplated thereby, is true and accurate in all material respects as of the date it was dated (and is not incomplete by omitting to state a material fact necessary to make such information not materially misleading in light of the circumstances when made).

(g) *No Actions, Suits.* Except as disclosed by the Originator in its most recent filings with the SEC under the Securities Exchange Act of 1934, there are no actions, suits or other proceedings (including matters relating to environmental liability) pending or threatened against or affecting the Seller, or any of its respective properties, that (i) is reasonably likely to have a material adverse effect on the financial condition of the Seller or on the collectibility of the Receivables or (ii) seeks to challenge the validity of any Transaction Document or any transaction contemplated thereby. The Seller is not in default of any contractual obligation or in violation of any order, rule or regulation of any Governmental Authority, which default or violation could reasonably be expected to have a material adverse effect upon (i) the financial condition of the Seller or (ii) the collectibility of the Receivabl es.

(h) *No Material Adverse Change.* Except as disclosed by the Originator in its most recent filing with the SEC under the Securities Exchange Act of 1934, there has been no material adverse change since December 31, 2004 in the collectibility of the Receivables or the Seller's (i) financial condition, business or operations or (ii) ability to perform its obligations under any Transaction Document.

(i) *Accuracy of Exhibits; Lock-Box Arrangements.* All information on Exhibits D-F (listing offices and names of the Seller and the Originator and where they maintain Records; the Significant Subsidiaries, Lock Boxes and the Collection Banks) is true and complete, subject to any changes permitted by, and notified to the Agent in accordance with, Article V. The Seller has delivered a copy of all Lock-Box Agreements and Collection Letters to the Agent. The Seller has not granted any interest in any Lock-Box, and Collection Account or any bank account in which Collections are or will be deposited to any Person other than the Agent and, upon delivery to a Collection Bank of a letter in the form of Annex A to the Collection Letter, the Collection Banks shall apply Collections received in the Lock Boxes at the direction of the Agent.

(j) *Sales by the Originator*. Each sale by the Originator to the Seller of an interest in Receivables and their Collections has been made in accordance with the terms of the Purchase Agreement, including the payment by the Seller to the Originator of the purchase price described in the Purchase Agreement. Each such sale has been made for *"reasonably equivalent value"* (as such term is used in Section 548 of the Bankruptcy Code) and not for or on account of *"antecedent debt"* (as such term is used in Section 547 of the Bankruptcy Code) owed by the Originator to the Seller.

(k) *Eligible Receivables.* Each Receivable comprising part of the Eligible Receivables Balance as of the date of any calculation of the Purchase Interest as part of the Eligible Receivables Balance was an Eligible Receivable as of the date of such calculation.

(l) *Use of Proceeds.* No proceeds of any Purchase will be used (i) for the purpose which violates, or would be inconsistent with, Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System from time to time or (ii) to acquire any security in any transaction which is subject to Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended.

Article V

Covenants

Section 5.1. *Covenants of the Seller*. The Seller hereby covenants and agrees to comply with the following covenants and agreements, unless the Agent, with the consent of the Purchaser, shall otherwise consent:

(a) *Reporting*. The Seller will maintain a system of accounting established and administered in accordance with GAAP and will furnish to the Agent and the Purchaser:

(i) *Annual Financial Statements.* Within 90 days after each fiscal year of (A) the Originator, copies of the Originator's annual audited financial statements (including a consolidated balance sheet, consolidated statement of income and retained earnings and statement of cash flows, with related footnotes) certified by independent certified public accountants satisfactory to the Agent and prepared on a consolidated basis in conformity with GAAP, and (B) with respect to the Seller, annual balance sheet for the Seller and an annual profit and loss statement certified by a Designated Financial Officer thereof, in each case prepared on a consolidated basis in conformity with GAAP as of the close of such fiscal year for the fiscal year then ended;

(ii) *Quarterly Financial Statements.* Within 45 days after each (except the last) fiscal quarter of each fiscal year of the Originator, copies of the Originator's unaudited financial statements (including at least a consolidated balance sheet as of the close of such quarter and statements of earnings and sources and applications of funds for the period from the beginning of the fiscal year to the close of such quarter) certified by a Designated Financial Officer and prepared in a manner consistent with the financial statements described in part (A) of clause (i) of this Section 5.1(a);

(iii) *Officer's Certificate.* Each time financial statements are furnished pursuant to clause (i) or (ii) of this Section 5.1(a), a compliance certificate (in substantially the form of Exhibit H) signed by a Designated Financial Officer, dated the date of such financial statements;

(iv) *Public Reports.* Promptly upon becoming publicly available, a copy of each report or proxy statement filed by the Originator with the SEC or any securities exchange;

(v) *ERISA.* Promptly after the filing or receiving thereof, copies of (i) all reports and notices with respect to any "Reportable Event" defined in Article IV of ERISA which Seller files under ERISA with the Internal Revenue Service, the Pension Benefit Guaranty Corporation or the U.S. Department of Labor or which Seller receives from the Pension Benefit Guaranty Corporation and (ii) all reports and documents which it files under any other applicable pension benefits legislation;

(vi) *Receivables Agreed Upon Procedures Report*. As soon as available and in any event within 180 days after the end of each year, commencing in 2006, (i) a copy of an agreed upon procedures report, prepared by Deloitte & Touche LLP (or another firm of nationally-recognized independent registered public accounting firm that is generally recognized as being among the *"big four"*), as at the end of the fiscal year of Seller, stating the aggregate unpaid balance of the Receivables, the Eligible Receivables Balance, the unpaid balance of the Delinquent Receivables and Defaulted Receivables and confirming that, based upon its performance of the agreed upon procedures, such accountants found nothing that would indicate that the Periodic Report provided for the Settlement Period ended on or next preceding the last day of such fiscal year of the Seller is not inaccurate or incomplete; and (ii) a copy of an agreed upon procedures report, prepared by the same nationally-recognized independent certified public accountants, or a management report relating to the ability of Originator (if Collection Agent) to perform or observe any term, covenant or condition relating to it hereunder as Collection Agent. The scope of the above agreed upon procedures shall be as described in Schedule 5.1(a)(vi);

(vii) *Agreed Upon Procedures*. In addition, the Seller shall cooperate with the Collection Agent and the designated accountants for each annual agreed upon procedures report required pursuant to Section 5.1(a)(vi); and

(viii) *Other Information.* With reasonable promptness, such other information (including non-financial information) as may be reasonably requested by the Agent or the Purchaser (with a copy of such request to the Agent).

The statements and reports required to be furnished by the Originator pursuant to clauses (i), (ii) and (iv) above shall be deemed furnished for such purpose upon becoming publicly available on the Securities and Exchange Commission's EDGAR web page.

(b) *Notices*. Promptly and in any event within five Business Days after a Designated Financial Officer of the Seller obtains knowledge of any of the following the Seller will notify the Agent and provide a description of:

(i) *Potential Termination Events.* The occurrence of any Potential Termination Event;

(ii) *Representations and Warranties.* The failure of any representation or warranty herein to be true when made in any material respect;

(iii) *Downgrading.* The downgrading, withdrawal or suspension of any rating by any rating agency of any indebtedness of the Originator;

(iv) *Litigation.* The institution of any litigation, arbitration proceeding or governmental proceeding reasonably likely to be material to the Originator or the collectibility or quality of the Receivables which is not referenced in the Originator's filings with the SEC; or

(v) *Judgments.* The entry of any judgment or decree against the Seller or the Originator if the aggregate amount of all judgments then outstanding against the Seller or the Originator exceeds $10,000,000.

If the Agent receives such a notice, the Agent shall promptly give notice thereof to the Purchaser.

(c) *Conduct of Business.* The Seller will perform all actions necessary to remain duly incorporated, validly existing and in good standing in its jurisdiction of incorporation and to maintain all requisite authority to conduct its business in each jurisdiction in which it conducts business.

(d) *Compliance with Laws.* The Seller will comply with all laws, regulations, judgments and other directions or orders imposed by any Governmental Authority to which the Seller or any Receivable, any Related Security or Collection may be subject except to the extent that failure to so comply could not reasonably be expected to have a material adverse effect on (i) the Seller's ability to perform its obligations under, or the enforceability of, any Transaction Document, (ii) the Seller's business or financial condition, (iii) the interests of the Agent or the Purchaser under any Transaction Document or (iv) the enforceability or collectibility of any Receivable.

(e) *Furnishing Information and Inspection of Records.* The Seller will furnish to the Agent and the Purchaser such information concerning the Receivables and the Related Security as the Agent or the Purchaser may reasonably request. With reasonable notice, the Seller will permit, at any time during regular business hours, the Agent or the Purchaser (or any representatives thereof) (i) to examine and make copies of all Records, (ii) to visit the offices and properties of the Seller for the purpose of examining the Records and (iii) to discuss matters relating hereto with any of the Seller officers, directors, employees or independent public accountants having knowledge of such matters; *provided*, that so long as no Termination Event has occurred and is continuing, the Seller shall not be responsible for the costs of more than one such on-site audit per year.

(f) *Keeping Records.* (i) The Seller will have and maintain (A) administrative and operating procedures and resources (including an ability to recreate Records if originals are destroyed), and (B) all Records and other information necessary or advisable for collecting the Receivables (including Records adequate to permit the immediate identification of each new Receivable and all Collections of, and adjustments to, each existing Receivable). The Seller will give the Agent prior notice of any material change in such administrative and operating procedures.

(ii) The Seller will at all times from and after the date hereof, clearly and conspicuously mark its computer and master data processing books and records with a legend describing the Agent's and the Purchaser's interest in the Receivables and the Collections.

(g) *Perfection.* (i) The Seller will at its expense, promptly execute and deliver all instruments and documents and take all action necessary or requested by the Agent (including the filing of financing or continuation statements, amendments thereto or assignments thereof) to vest and maintain vested in the Agent a valid, first priority perfected security interest in the Receivables, the Collections, the Related Security, the Purchase Agreement, the Collection Account and the Lock Boxes and proceeds thereof free and clear of any Adverse Claim (and a perfected ownership interest in the Receivables and Collections to the extent of the Purchase Interest). To the extent permitted by applicable law, the Agent will be permitted to sign and file any continuation statements, amendments thereto and assignments thereof without the Seller's signature.

(ii) The Seller will not change its name, identity or corporate structure or relocate its jurisdiction of organization or chief executive office or the Records except after fifteen (15) days advance notice to the Agent and the delivery to the Agent of all financing statements, instruments and other documents (including direction letters) requested by the Agent.

(iii) The Seller will at all times maintain its chief executive offices and maintain its jurisdiction of organization within a jurisdiction in the USA in which Article 9 of the UCC is in effect. If the Seller or Originator moves its chief executive office to a location that imposes Taxes, fees or other charges to perfect the Agent's and the Purchaser's interests hereunder or the Seller's interests under the Purchase Agreement, the Seller will pay all such amounts and any other costs and expenses incurred in order to maintain the enforceability of the Transaction Documents, the Purchase Interest and the interests of the Agent and the Purchaser in the Receivables, the Related Security, Collections, Purchase Agreement, the Collection Account and the Lock Boxes.

(h) *Performance of Duties.* The Seller will perform, and will cause the Collection Agent (if an Affiliate) to perform, its respective duties or obligations in accordance with the provisions of each of the Transaction Documents. The Seller (at its expense) will (i) fully and timely perform in all material respects all agreements required to be observed by it in connection with each Receivable, (ii) comply in all material respects with the Credit and Collection Policy, and (iii) refrain from any action that could reasonably be expected to impair the rights of the Agent or the Purchaser in the Receivables, the Related Security, Collections, Purchase Agreement, the Collection Account and the Lock Boxes.

(i) *Payments on Receivables, Accounts.* The Seller will at all times instruct all Obligors to deliver payments on the Receivables to a Lock-Box, the Collection Account or to a Designated Payee (listed on Annex B to Exhibit G). The Seller will also instruct each Designated Payee to pay all Collections it receives to a Collection Account. If any such payments or other Collections are received by the Seller, it shall hold such payments in trust for the benefit of the Agent and the Purchaser and promptly (but in any event within two Business Days after receipt) remit such funds at the direction of the Agent. The Seller will use commercially reasonable efforts to cause each Collection Bank to comply with the terms of each applicable Collection Letter. Upon the occurrence and during the continuation of a Termination Event, the Seller will not, and will not permit any Collection Agent or other Person to, commingle Collections or oth er funds to which the Agent or the Purchaser is entitled with any other funds. The Seller shall only add a Collection Bank or Lock-Box to those listed on Exhibit F if the Agent has received notice of such addition, a copy of any new Lock-Box Agreement, as applicable, and an executed and acknowledged copy of a Collection Letter substantially in the form of Exhibit G (with such changes as are acceptable to the Agent) from any new Collection Bank. The Seller shall only terminate a Collection Bank or Lock-Box upon 30 days advance notice to the Agent. If the long term unsecured indebtedness of the Originator is less than BBB- by S&P or Baa3 by Moody's (or either S&P or Moody's has withdrawn or suspended such rating), the Seller agrees that the Agent may, in its sole discretion, deliver the Agent's Notice (as defined in Annex A to Exhibit G) to the Collection Bank.

(j) *Sales and Adverse Claims Relating to Receivables.* Except as otherwise provided herein, the Seller will not (by operation of law or otherwise) dispose of or otherwise transfer, or create or suffer to exist any Adverse Claim upon, any Receivable or any proceeds thereof.

(k) *Extension or Amendment of Receivables.* Except as otherwise permitted in Section 3.2(b) and then subject to Section 1.5, the Seller will not extend, amend, rescind or cancel any Receivable.

(l) *Change in Business or Credit and Collection Policy.* The Seller will not make any material change in the character of its business and will not, and except as required by applicable laws, rules or regulations will not permit the Originator to, make any material change to the Credit and Collection Policy.

(m) *Certain Agreements.* The Seller will not (and will not permit any Originator to) amend, modify, waive, revoke or terminate any Transaction Document to which it is a party or any provision of Seller's certificate of incorporation or by-laws.

(n) *Other Business.* The Seller will not: (i) engage in any business other than the transactions contemplated by the Transaction Documents, (ii) create, incur or permit to exist any indebtedness of any kind (or cause or permit to be issued for its account any letters of credit or bankers' acceptances) other than pursuant to this Agreement, or (iii) form any Subsidiary or make any investments in any other Person; *provided, however,* that the Seller shall be permitted to incur ordinary course obligations to the extent necessary for the day-to-day operations of the Seller (such as expenses for stationery, audits, maintenance of legal status, etc.).

(o) *Nonconsolidation.* The Seller will operate in such a manner that the separate corporate existence of (A) the Seller and (B) the Seller Entities and each Affiliate thereof would not be disregarded in the event of the bankruptcy or insolvency of any Seller Entity or any Affiliate thereof and, without limiting the generality of the foregoing:

(i) the Seller will not engage in any activity other than those activities expressly permitted under the Seller's organizational documents and the Transaction Documents, nor will the Seller enter into any agreement other than this Agreement, the other Transaction Documents to which it is a party and, with the prior written consent of the Agent, any other agreement necessary to carryout more effectively the provisions and purposes hereof or thereof;

(ii) the Seller will maintain a business office separate from that of each of the Seller Entities and the Affiliates thereof;

(iii) the Seller will cause the financial statements and books and records of the Seller and each Seller Entity and any Affiliate thereof to reflect the separate corporate existence of the Seller;

(iv) except as otherwise expressly permitted hereunder, under the other Transaction Documents and under the Seller's organizational documents, the Seller will not permit any Seller Entity or Affiliate thereof to (A) pay the Seller's expenses, (B) guarantee the Seller's obligations, or (C) advance funds to the Seller for the payment of expenses or otherwise other than as a capital contribution; and

(v) the Seller will not act as agent for any Seller Entity or Affiliate thereof, but instead will present itself to the public as a corporation separate from each such Person and independently engaged in the business of purchasing and financing Receivables.

(p) *Mergers, Consolidations and Acquisitions.* The Seller will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or purchase, lease or otherwise acquire (in one transaction or a series of transactions) all or substantially all of the assets of any other Person (whether directly by purchase, lease or other acquisition of all or substantially all of the assets of such Person or indirectly by purchase or other acquisition of all or substantially all of the capital stock of such other Person) other than the acquisition of the Receivables and Related Security pursuant to the Purchase Agreement.

Article VI

Indemnification

Section 6.1. Indemnities by the Seller. Without limiting any other rights any Person may have hereunder or under applicable law, the Seller hereby indemnifies and holds harmless the Agent and the Purchaser and their respective officers, directors, agents and employees (each an *"Indemnified Party"*) from and against any and all damages, losses, claims, liabilities, penalties, Taxes, costs and expenses (including reasonable attorneys' fees and court costs) (all of the foregoing collectively, the *"Indemnified Losses"*) at any time imposed on or incurred by any Indemnified Party arising out of or otherwise relating to any Transaction Document, the transactions contemplated thereby or any action taken or omitted by any of the Indemnified Parties (including any action taken by the Agent as attorney-in-fact for the Seller pursuant to Section 3.5(b)), whether arising by reason of the acts to be performed by the Seller hereunder or otherwise, excluding only Indemnified Losses to the extent (a) a final judgment of a court of competent jurisdiction holds such Indemnified Losses resulted solely from gross negligence or willful misconduct of the Indemnified Party seeking indemnification, (b) solely due to the credit risk of the Obligor and for which reimbursement would constitute recourse to the Seller or the Collection Agent for uncollectible Receivables or (c) such Indemnified Losses include Taxes on, or measured by, the overall net income of the Agent or the Purchaser computed in accordance with the Intended Tax Characterization. Without limiting the foregoing indemnification, but subject to the limitations set forth in clauses (a), (b) and (c) of the previous sentence, the Seller shall indemnify each Indemnified Party for Indemnified Losses relating to or resulting from:

(i) any representation or warranty made by the Seller or the Collection Agent (to the extent the Collection Agent is an Affiliate of the Seller) (or any employee or agent of the Seller or the Collection Agent (to the extent the Collection Agent is an Affiliate of the Seller)) under or in connection with this Agreement, any Periodic Report or any other information or report delivered by the Seller or the Collection Agent pursuant hereto, which shall have been false or incorrect in any material respect when made or deemed made;

(ii) the failure by the Seller or the Collection Agent (to the extent the Collection Agent is an Affiliate of the Seller) to comply with any applicable law, rule or regulation related to any Receivable, or the nonconformity of any Receivable with any such applicable law, rule or regulation;

(iii) the failure of the Seller to vest and maintain vested in the Agent, for the benefit of the Purchaser, a perfected ownership or security interest in the Purchase Interest and the property conveyed pursuant to Section 1.1 and Section 1.8, free and clear of any Adverse Claim;

(iv) any commingling of Collections with any other funds;

(v) any failure of a Collection Bank to comply with the terms of the applicable Collection Letter;

(vi) any dispute, claim, offset or defense (other than discharge in bankruptcy of the Obligor) of the Obligor to the payment of any Receivable, or any other claim resulting from the rendering of services related to such Receivable or the furnishing or failure to furnish any such services or other similar claim or defense not arising from the financial inability of any Obligor to pay undisputed indebtedness;

(vii) any failure of the Seller to perform its duties or obligations in accordance with the provisions of this Agreement or any other Transaction Document to which such Person is a party;

(viii) any environmental liability claim, products liability claim or personal injury or property damage suit or other similar or related claim or action of whatever sort, arising out of or in connection with any Receivable or any other suit, claim or action of whatever sort relating to any of the Transaction Documents;

(ix) any tax or governmental fee or charge (but not including taxes upon or measured by net income or otherwise contemplated by the Intended Tax Characterization), all interest and penalties thereon or with respect thereto, and all out-of-pocket costs and expenses, including the fees and expenses of counsel in defending against the same, which may rise by reason of the purchase or ownership of any Receivable or Related Security or in any goods which secure any Receivable or Related Security;

(x) the failure to comply with the provisions of the Transaction Documents regarding notifications to any Obligor of the assignment pursuant to the terms hereof of any Receivable to the Agent for the benefit of the Purchaser or that payments (including any under the related insurance policies) be made directly to the Agent for the benefit of the Purchaser;

(xi) any Taxes (other than as contemplated by the Intended Tax Characterization imposed upon any Indemnified Party or upon or with respect to the Receivables), all interest and penalties thereon or with respect thereto, and all out-of-pocket costs and expenses related thereto or arising therefrom, including the reasonable fees and expenses or counsel in defending against the same, which may arise by reason of the purchase or ownership or sale of any Receivables (or of any interest therein) or Related Security or in any goods which secured any such Receivables or Related Security;

(xii) any loss arising, directly or indirectly, as a result of the imposition of sales or analogous taxes imposed on or collected as part of the Receivables or the failure by the Seller, the Originator or the Collection Agent to timely collect and remit to the appropriate authority any such taxes; or

(xiii) any action taken by the Seller, the Originator or any other Affiliate of the Seller or of the Originator (whether acting as Collection Agent or otherwise) related to any Receivable and the Related Security, or arising out of any alleged failure of compliance of any Receivable or the Related Security with the provisions of any law or regulation.

If for any reason the compensation provided above in this Section 6.1 is unavailable to a Person or is insufficient to hold a Person harmless, then the Seller shall contribute to the amount paid or payable by such Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Person on the one hand and the Seller on the other hand but also the relative fault of such Person as well as any other relevant equitable considerations.

Section 6.2. Increased Cost and Reduced Return. If the adoption after the date hereof of any applicable law, rule of regulation or accounting principle, or any change therein after the date hereof, or any change in the interpretation or administration thereof by any Governmental Authority or Accounting Authority charged with the interpretation or administration thereof, or compliance by any Purchaser Funding Source, the Agent or the Purchaser (collectively, the *"Funding Parties"*) with any request or directive (whether or not having the force of law) after the date hereof of any such Governmental Authority or Accounting Authority (a *"Regulatory Change"*) (a) subjects any Funding Party to any charge or withholding on or in connection with a Funding Agreement or this Agreement (collectively, the *"Funding Documents"*) or any Receivable, (b) changes the basis of taxation of payments to any of the Funding Parties of any amounts payable under any of the Funding Documents (except for changes in the rate of Tax on the overall net income of such Funding Party or other tax rates contemplated by the Intended Tax Characterization), (c) imposes, modifies or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or any credit extended by, any of the Funding Parties, (d) has the effect of reducing the rate of return on such Funding Party's capital to a level below that which such Funding Party could have achieved but for such adoption, change or compliance (taking into consideration such Funding Party's policies concerning capital adequacy) or (e) imposes any other condition, and the result of any of the foregoing is (x) to impose a cost on, or increase the cost to, any Funding Party of its commitment under any Funding Document or of purchasing, maintaining or funding any interest acquire d under any Funding Document, (y) to reduce the amount of any sum received or receivable by, or to reduce the rate of return of, any Funding Party under any Funding Document or (z) to require any payment calculated by reference to the amount of interests held or amounts received by it hereunder, then, upon demand by the Agent, the Seller shall pay to the Agent for the account of the Person such additional amounts as will compensate the Agent or the Purchaser (or will enable the Purchaser to compensate the Purchaser Funding Source) for such increased cost or reduction.

Section 6.3. Other Costs and Expenses. The Seller shall pay to the Agent within 30 days of demand all reasonable costs and expenses in connection with (a) the preparation, execution, delivery and administration (including amendments of any provision) of the Transaction Documents, (b) the sale of the Purchase Interest, (c) the perfection of the Agent's rights in the Receivables and Collections, (d) the enforcement by the Agent or the Purchaser of the obligations of the Seller under the Transaction Documents or of any Obligor under a Receivable and (e) the maintenance by the Agent of the Lock-Boxes including reasonable fees, costs and expenses of legal counsel for the Agent and the Purchaser relating to any of the foregoing or to advising the Agent, the Purchaser and any Purchaser Funding Source about its rights and remedies under any Transaction Document or any related Funding Agreement and all costs and expenses (including counsel fees and expenses) of the Agent, the Purchaser and the Purchaser Funding Source in connection with the enforcement of the Transaction Documents or any Funding Agreement and in connection with the administration of the Transaction Documents following the occurrence and during the continuation of a Termination Event. Subject to Section 5.1(e), Seller shall reimburse the Agent and the Purchaser for the cost of the Agent's or the Purchaser's auditors (which may be employees of such Person) auditing the books, records and procedures of the Seller. The Seller shall reimburse the Purchaser for any amounts the Purchaser must pay to the Purchaser Funding Source pursuant to any Funding Agreement on account of any Tax. The Seller shall reimburse the Purchaser within 30 days of demand for all other reasonable costs and expenses (excluding the costs of auditing the Purchaser's books and the cost of the Ratings) incurred by the Purchaser in connection with the Transaction Documents or the transactions contemplated thereby.

Section 6.4. Withholding Taxes. All payments made by the Seller to any Affected Party shall be made without withholding for or on account of any present or future taxes (other than overall net income taxes on the recipient). If any such withholding is so required, the Seller shall make the withholding, pay the amount withheld to the appropriate authority before penalties attach thereto or interest accrues thereon and pay such additional amount as may be necessary to ensure that the net amount actually received free and clear of such taxes (including such taxes on such additional amount) is equal to the amount that would have been received had such withholding not been made. If any Affected Party pays any such taxes, penalties or interest the Seller shall reimburse such Affected Party for that payment on demand. If the Seller pays any such taxes, penalties or interest, it shall deliver official tax receipt s evidencing that payment or certified copies thereof to the Affected Party on whose account such withholding was made (with a copy to the Agent if not the recipient of the original) on or before the thirtieth day after payment. Before the first date on which any amount is payable hereunder for the account of the Agent, the Agent shall deliver to the Seller two (2) duly completed copies of United States Internal Revenue Service Form W8-IMY (or any successor applicable form) certifying that such Agent is entitled to receive payments hereunder without deduction or withholding of any United States federal income taxes. The Agent shall replace or update such forms when necessary to maintain any applicable exemption and as requested by the Seller.

Section 6.5. Payments and Allocations. If any Person seeks compensation pursuant to this Article VI, such Person shall deliver to the Seller and the Agent a certificate setting forth the amount due to such Person, a description of the circumstance giving rise thereto and the basis of the calculations of such amount, which certificate shall be conclusive absent manifest error. The Seller shall pay to the Agent (for the account of such Person) the amount shown as due on any such certificate within 30 days after receipt of the notice.

Article VII

Conditions Precedent

Section 7.1. Conditions to Closing. This Agreement shall become effective on the first date all conditions in this Section 7.1 are satisfied. On or before such date, the Seller shall deliver to the Agent the following documents in form, substance and quantity acceptable to the Agent:

(a) A certificate of the Secretary of each of the Seller and the Originator certifying (i) the resolutions of the Seller's and the Originator's board of directors approving each Transaction Document to which it is a party, (ii) the name, signature, and authority of each officer who executes on the Seller's or the Originator's behalf a Transaction Document (on which certificate the Agent and the Purchaser may conclusively rely until a revised certificate is received), (iii) the Seller's and the Originator's certificate or articles of incorporation certified by the Secretary of State of its state of incorporation, (iv) a copy of the Seller's and the Originator's by-laws and (v) good standing certificates issued by the Secretaries of State of each jurisdiction where the Seller or the Originator has material operations.

(b) All instruments and other documents required by the Agent, to perfect the Agent's first priority interest in the Receivables, Collections, the Purchase Agreement in all appropriate jurisdictions.

(c) Lien search reports, including state and county UCC, state and federal tax, ERISA liens and judgments from, with respect to the Originator, the Secretary of State of the State of Missouri and Jackson County, Missouri and, with respect to the Seller, the Secretary of the State of Delaware, the Secretary of State of the State of Nevada, the Secretary of State of the State of Missouri and Jackson County, Missouri.

(d) Executed copies of (i) all consents and authorizations necessary in connection with the Transaction Documents (ii) all Collection Letters, (iii) a compliance certificate in the form of Exhibit H covering the period ending June, 2005 (excepting financial statements, which shall be for the period ended March 31, 2005), (iv) a Periodic Report covering the month ended May, 2005 and (v) each agreement specifically identified in the definition of Transaction Document.

(e) Favorable opinions of counsel to the Seller and the Originator covering corporate, enforceability, true-sale, non-consolidation and UCC matters.

(f) Such other approvals, opinions or documents as the Agent or the Purchaser may reasonably request.

(g) All legal matters related to the Purchase are satisfactory to the Purchaser.

Section 7.2. Conditions to Each Purchase. The obligation of the Purchaser to make any Purchase, and the right of the Seller to request or accept any Purchase, are subject to the conditions (and each Purchase shall evidence the Seller's representation and warranty that clauses (a)-(e) of this Section 7.2 have been satisfied) that on the date of such Purchase before and after giving effect to the Purchase:

(a) no Potential Termination Event (or in the case of a Reinvestment Purchase, a Termination Event) shall then exist or shall occur as a result of the Purchase;

(b) the Termination Date has not occurred;

(c) after giving effect to the application of the proceeds of such Purchase, the outstanding Investment would not exceed the Purchase Limit;

(d) the representations and warranties of the Seller, the Originator and the Collection Agent contained herein or in any Transaction Document are true and correct in all material respects on and as of such date (except to the extent such representations and warranties relate solely to an earlier date and then are true and correct as of such earlier date); and

(e) each of the Seller and the Originator is in material compliance with the Transaction Documents (including all covenants and agreements in Article V).

Article VIII

The Agent

Section 8.1. Appointment and Authorization. The Purchaser hereby irrevocably designates and appoints The Bank of Tokyo-Mitsubishi, Ltd., New York Branch as the *"Agent"* under the Transaction Documents and authorizes the Agent to take such actions and to exercise such powers as are delegated to the Agent thereby and to exercise such other powers as are reasonably incidental thereto. The Agent shall hold, in its name, for the benefit of the Purchaser, the Purchase Interest. The Agent shall not have any duties other than those expressly set forth in the Transaction Documents or any fiduciary relationship with the Purchaser, and no implied obligations or liabilities shall be read into any Transaction Document, or otherwise exist, against the Agent. The Agent does not assume, nor shall it be deemed to have assumed, any obligation to, or relationship of trust or agency with, the Seller. Notwithstandin g any provision of this Agreement or any other Transaction Document, in no event shall the Agent ever be required to take any action which exposes the Agent to personal liability or which is contrary to the provision of any Transaction Document or applicable law.

Section 8.2. Delegation of Duties. The Agent may execute any of its duties through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 8.3. Exculpatory Provisions. Neither the Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted (i) with the consent or at the direction of the Purchaser or (ii) in the absence of such Person's gross negligence or willful misconduct. The Agent shall not be responsible to the Purchaser or other Person for (i) any recitals, representations, warranties or other statements made by the Seller or the Originator or any of their Affiliates, (ii) the value, validity, effectiveness, genuineness, enforceability or sufficiency of any Transaction Document, (iii) any failure of the Seller or the Originator or any of their Affiliates to perform any obligation or (iv) the satisfaction of any condition specified in Article VII. The Agent shall not have any obligation to the Purchaser to ascertain or inquire about the observan ce or performance of any agreement contained in any Transaction Document or to inspect the properties, books or records of the Seller or the Originator or any of their Affiliates.

Section 8.4. Reliance by Agent. The Agent shall in all cases be entitled to rely, and shall be fully protected in relying, upon any document, other writing or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person and upon advice and statements of legal counsel (including counsel to the Seller), independent accountants and other experts selected by the Agent. The Agent shall in all cases be fully justified in failing or refusing to take any action under any Transaction Document unless it shall first receive such advice or concurrence of the Purchaser, and assurance of its indemnification, as it deems appropriate.

Section 8.5. Assumed Payments. Unless the Agent shall have received notice from the Purchaser before the date of any Incremental Purchase that the Purchaser will not make available to the Agent the amount it is scheduled to remit as part of such Incremental Purchase, the Agent may assume the Purchaser has made such amount available to the Agent when due (an *"Assumed Payment"*) and, in reliance upon such assumption, the Agent may (but shall have no obligation to) make available such amount to the appropriate Person. If and to the extent that the Purchaser shall not have made its Assumed Payment available to the Agent, the Purchaser and the Seller hereby agrees to pay the Agent forthwith on demand such unpaid portion of such Assumed Payment up to the amount of funds actually paid by the Agent, together with interest thereon for each day from the date of such payment by the Agent until the date the req uisite amount is repaid to the Agent, at a rate per annum equal to the Federal Funds Rate.

Section 8.6. Notice of Termination Events. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Potential Termination Event unless the Agent has received notice from the Purchaser or the Seller stating that a Potential Termination Event has occurred hereunder and describing such Potential Termination Event. The Agent shall take such action concerning a Potential Termination Event as may be directed by the Purchaser, but until the Agent receives such directions, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, as the Agent deems advisable and in the best interests of the Purchaser.

Section 8.7. Non-Reliance on Agent. The Purchaser expressly acknowledges that neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Agent hereafter taken, including any review of the affairs of the Seller or the Originator, shall be deemed to constitute any representation or warranty by the Agent. The Purchaser represents and warrants to the Agent that, independently and without reliance upon the Agent and based on such documents and information as it has deemed appropriate, it has made and will continue to make its own appraisal of and investigation into the business, operations, property, prospects, financial and other conditions and creditworthiness of the Seller, the Originator, and the Receivables and its own decision to enter into this Agreement and to take, or omit, action unde r any Transaction Document. The Agent shall deliver each month to the Purchaser that so requests a copy of the Periodic Report(s) received covering the preceding calendar month. Except for items specifically required to be delivered hereunder, the Agent shall not have any duty or responsibility to provide the Purchaser with any information concerning the Seller or the Originator or any of their Affiliates that comes into the possession of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

Section 8.8. Agent and Affiliates. The Agent and its Affiliates may extend credit to, accept deposits from and generally engage in any kind of business with the Seller, the Originator or any of their Affiliates and, in its roles as a Liquidity Provider, BTMNY may exercise or refrain from exercising its rights and powers as if it were not the Agent. The parties acknowledge that BTMNY acts as agent for the Purchaser and subagent for the Purchaser's management company in various capacities, as well as providing credit facilities and other support for the Purchaser not contained in the Transaction Documents.

Section 8.9. [Reserved].

Section 8.10. Successor Agent. The Agent may, upon at least five (5) days notice to the Seller and the Purchaser, resign as Agent. Such resignation shall not become effective until a successor agent is appointed by the Purchaser and has accepted such appointment. Upon such acceptance of its appointment as Agent hereunder by a successor Agent, such successor Agent

shall succeed to and become vested with all the rights and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under the Transaction Documents. After any retiring Agent's resignation hereunder, the provisions of Article VI and this Article VIII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Agent.

Article IX

Miscellaneous

Section 9.1. Termination. This Agreement shall terminate following the Termination Date (unless the events giving rise to such Termination Date have been waived) when no Investment is held by the Purchaser and all other amounts payable hereunder have been indefeasibly paid in full, but the rights and remedies of the Agent and the Purchaser under Article VI and the provisions of Sections 9.10 and 9.11 shall survive such termination.

Section 9.2. Notices. Unless otherwise specified, all notices and other communications hereunder shall be in writing (including by telecopier or other facsimile communication), given to the appropriate Person at its address or telecopy number set forth on the signature pages hereof or at such other address or telecopy number as such Person may specify, and effective when received at the address specified by such Person. The Agent agrees to notify the Seller and the Originator prior to recording any conversation. The number of days for any advance notice required hereunder may be waived (orally or in writing) by the Person receiving such notice and, in the case of notices to the Agent, the consent of each Person to which the Agent is required to forward such notice.

Section 9.3. Payments and Computations. Notwithstanding anything herein to the contrary, any amounts to be paid or transferred by the Seller or the Collection Agent to, or for the benefit of, the Purchaser or any other Person shall be paid or transferred to the Agent (for the benefit of the Purchaser or other Person). The Agent shall promptly (and, if reasonably practicable, on the day it receives such amounts) forward each such amount to the Person entitled thereto and such Person shall apply the amount in accordance herewith. All amounts to be paid or deposited hereunder shall be paid or transferred on the day when due in immediately available Dollars (and, if due from the Seller or Collection Agent, by 12:00 noon (New York City time), with amounts received after such time being deemed paid on the Business Day following such receipt). The Seller shall, to the extent permitted by law, pay to th e Agent upon demand, for the account of the applicable Person, interest on all amounts not paid or transferred by the Seller or the Collection Agent when due hereunder at a rate equal to the Prime Rate plus 1%, calculated from the date any such amount became due until the date paid in full. Any payment or other transfer of funds scheduled to be made on a day that is not a Business Day shall be made on the next Business Day, and any Discount Rate or interest rate accruing on such amount to be paid or transferred shall continue to accrue to such next Business Day. All computations of interest, fees, and Discount shall be calculated for the actual days elapsed based on a 360 day year.

Section 9.4. [Reserved].

Section 9.5. Right of Setoff. After the occurrence and during the continuation of a Termination Event, the Purchaser is hereby authorized (in addition to any other rights it may have) to setoff, appropriate and apply (without presentment, demand, protest or other notice which are hereby expressly waived) any deposits and any other indebtedness held or owing by the Purchaser (including by any branches or agencies of the Purchaser) to, or for the account of, the Seller against amounts owing by the Seller hereunder (even if contingent or unmatured).

Section 9.6. Amendments. Except as otherwise expressly provided herein, no amendment or waiver hereof shall be effective unless signed by the Seller, the Collection Agent and the Purchaser.

Section 9.7. Waivers. No failure or delay of the Agent or the Purchaser in exercising any power, right, privilege or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right, privilege or remedy preclude any other or further exercise thereof or the exercise of any other power, right, privilege or remedy. Any waiver hereof shall be effective only in the specific instance and for the specific purpose for which such waiver was given. After any waiver, the Seller, the Purchaser and the Agent shall be restored to their former position and rights and any Potential Termination Event waived shall be deemed to be cured and not continuing, but no such waiver shall extend to (or impair any right consequent upon) any subsequent or other Potential Termination Event. Any additional Discount that has accrued after a Termination Event before the execution of a waiver thereof, solely as a result of the occurrence of such Termination Event, may be waived by the Agent at the direction of the Purchaser entitled thereto.

Section 9.8. Successors and Assigns; Participations; Assignments.

(a) *Successors and Assigns*. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Except as otherwise provided herein, neither the Seller nor the Collection Agent (except to the extent provided in Section 3.1) may assign or transfer any of its rights or delegate any of its duties without the prior consent of the Agent and the Purchaser.

(b) *Participations.* The Purchaser may sell to one or more Persons (each a *"Participant"*) participating interests in the interests of the Purchaser hereunder. The Purchaser shall remain solely responsible for performing its obligations hereunder, and the Seller, the Originator and the Agent shall continue to deal solely and directly with the Purchaser in connection with the Purchaser's rights and obligations hereunder. Each Participant shall be entitled to the benefits of Article VI and shall have the right of setoff through its participation in amounts owing hereunder to the same extent as if it were a Purchaser hereunder. The Purchaser shall not agree with a Participant to restrict the Purchaser's right to agree to any amendment hereto.

(d) *Assignments by Purchaser.* The Purchaser may assign to a Person any portion of (i) its commitment to make a Purchase or (ii) its Purchase Interest pursuant to a supplement hereto. Prior to the occurrence of a Potential Termination Event or a Termination Event, any such assignment of a commitment shall require the prior written consent of the Seller (which shall not be unreasonably withheld) unless the assignee (i) is an entity whose principal business is the purchase of assets similar to the Receivables, (ii) has BTMNY as its administrative agent and (iii) issues commercial paper. Upon such an assignment of any portion of the Purchase Interest, the assignee shall have all of the rights of the Purchaser hereunder related to such portion of the Purchase Interest.

Section 9.9. Intended Tax Characterization. It is the intention of the parties hereto that, for the purposes of all Taxes, the transactions contemplated hereby shall be treated as a loan by the Purchaser (through the Agent) to the Seller that is secured by the Receivables (the *"Intended Tax Characterization"*). The parties hereto agree to report and otherwise to act for the purposes of all Taxes in a manner consistent with the Intended Tax Characterization.

Section 9.10. Confidentiality. The parties hereto agree to hold the Transaction Documents or any other confidential or proprietary information received in connection therewith in confidence and agree not to provide any Person with copies of any Transaction Document or such other confidential or proprietary information other than to (i) any officers, directors, members, managers, employees or outside accountants, auditors or attorneys thereof, (ii) any prospective or actual assignee or participant which (in each case) has signed a confidentiality agreement with terms substantially similar to the terms hereof, (iii) any rating agency, (iv) any surety, guarantor or credit or liquidity enhancer to the Agent or the Purchaser which (in each case) has signed a confidentiality agreement with terms substantially similar to the terms hereof, (v) any entity organized to loan , or make loans secured by, financial assets for which BTMNY provides managerial services or acts as an administrative agent which (in each case) has signed a confidentiality agreement with terms substantially similar to the terms hereof, (vi) the Purchaser's administrator, management company, referral agents, issuing agents or depositaries or commercial paper dealers and (vii) Governmental Authorities with appropriate jurisdiction, including, without limitation, any filings required by the Securities Exchange Act of 1934, as amended, the Public Utility Holding Company Act of 1935, as amended, Chapter 386 and 393 of the Missouri Revised Statutes, as amended, and Chapter 66 of the Kansas Statutes, as amended, and the rules and regulations promulgated thereunder. Notwithstanding the above stated obligations, provided that the other parties hereto are given notice of the intended disclosure or use, the parties hereto will not be liable for disclosure or use of such information which such Person c an establish by tangible evidence: (i) was required by law, including pursuant to a valid subpoena or other legal process, (ii) was in such Person's possession or known to such Person prior to receipt or (iii) is or becomes known to the public through disclosure in a printed publication (without breach of any of such Person's obligations hereunder).

Section 9.11. Agreement Not to Petition. Each party hereto agrees, for the benefit of the holders of the privately or publicly placed indebtedness for borrowed money for the Purchaser, not, prior to the date which is one (1) year and one (1) day after the payment in full of all such indebtedness, to acquiesce, petition or otherwise, directly or indirectly, invoke, or cause the Purchaser to invoke, the process of any Governmental Authority for the purpose of (a) commencing or sustaining a case against the Purchaser under any federal or state bankruptcy, insolvency or similar law (including the Federal Bankruptcy Code), (b) appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official for the Purchaser, or any substantial part of its property, or (c) ordering the winding up or liquidation of the affairs of the Purchaser.

Section 9.12. Excess Funds. The Purchaser shall be required to make payment of the amounts required to be paid pursuant hereto only if the Purchaser has Excess Funds (as defined below). If the Purchaser does not have Excess Funds, the excess of the amount due hereunder over the amount paid shall not constitute a "claim" (as defined in Section 101(5) of the Federal Bankruptcy Code) against Victory until such time as the Purchaser has Excess Funds. If the Purchaser does not have sufficient Excess Funds to make any payment due hereunder, then the Purchaser may pay a lesser amount and make additional payments that in the aggregate equal the amount of deficiency as soon as possible thereafter. The term "Excess Funds" means the excess of (a) the aggregate projected value of the Purchaser's assets and other property (including cash and cash equivalents), over (b) th e sum of (i) the sum of all scheduled payments of principal, interest and other amounts payable on publicly or privately placed indebtedness of the Purchaser for borrowed money, plus (ii) the sum of all other liabilities, indebtedness and other obligations of the Purchaser for borrowed money or owed to any credit or liquidity provider, together with all unpaid interest then accrued thereon, plus (iii) all taxes payable by the Purchaser to the Internal Revenue Service, plus (iv) all other indebtedness, liabilities and obligations of the Purchaser then due and payable, but the amount of any liability, indebtedness or obligation of the Purchaser shall not exceed the projected value of the assets to which recourse for such liability, indebtedness or obligation is limited. Excess Funds shall be calculated once each Business Day.

Section 9.13. No Recourse. No recourse under any obligation, covenant or agreement or agreement of any party contained in this Agreement shall be had against any stockholder, employee, officer, director, incorporator or organizer of such party, *provided, however,* that nothing in this Section 9.13 shall relieve any of the foregoing Persons from any liability which such Person may otherwise have for its gross negligence or willful misconduct.

Section 9.14. Deutsche Bank Trust Company Americas, BTMNY and Affiliates. Deutsched Bank Trust Company Americas, BTMNY and any of their respective Affiliates may generally engage in any kind of business with the Seller, the Collection Agent or any Obligor, any of their respective Affiliates and any Person who may do business with or own securities of the Seller, Originator or any Obligor or any of their respective Affiliates, all as if Deutsche Bank Trust Company Americas were not the Program Administrator and BTMNY were not the Agent, respectively, and without any duty to account therefor to the Purchaser or any other holder of an interest in the Receivables.

Section 9.15. Headings; Counterparts. Article and Section Headings in this Agreement are for reference only and shall not affect the construction of this Agreement. This Agreement may be executed by different parties on any number of counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one and the same agreement.

Section 9.16. Cumulative Rights and Severability. All rights and remedies of the Purchaser and Agent hereunder shall be cumulative and non-exclusive of any rights or remedies such Persons have under law or otherwise. Any provision hereof that is prohibited or unenforceable in any jurisdiction shall, in such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and without affecting such provision in any other jurisdiction.

Section 9.17. Governing Law; Submission to Jurisdiction. This Agreement, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the internal laws of the State of New York (including Section 5.1401.1 of the General Obligations Law, but without regard to any other conflicts of law provisions thereof), except to the extent that the perfection of the interests of the Purchaser in the Receivables or related security is governed by the laws of a jurisdiction other than the State of New York.

Section 9.18. Waiver of Trial by Jury. To the extent permitted by applicable law, each party hereto irrevocably waives all right of trial by jury in any action, proceeding or counterclaim arising out of, or in connection with, any transaction document or any matter arising thereunder.

Section 9.19. Entire Agreement. The Transaction Documents constitute the entire understanding of the parties thereto concerning the subject matter thereof. Any previous or contemporaneous agreements, whether written or oral, concerning such matters are superseded thereby.

Section 9.20. Third Party Beneficiaries. Each Liquidity Provider and each Enhancement Provider are express third party beneficiaries hereof.

In Witness Whereof, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date hereof.

THE BANK OF TOKYO-MITSUBISHI, LTD., New York Branch, as the Agent

By: /s/Van W.L. Dusenbury

Title: Senior Vice President

Address: 1251 Avenue of the Americas
10th Floor
New York, NY 10020

Attention: Van W.L. Dusenbury

Telephone: 212-782-6964

Telecopy: 212-782-6448

VICTORY RECEIVABLES CORPORATION

By: /s/R. Douglas Donaldson

Title: Treasurer

Address:

Attention:

Telephone:

Telecopy:

KANSAS CITY POWER & LIGHT RECEIVABLES COMPANY, as Seller

By: /s/James P. Gilligan

Title: President

Address: 1201 Walnut, 20th Floor
Kansas City, MO 64106

Attention: James P. Gilligan

Telephone: 816-556-2084

Telecopy: 816-556-2992

Schedule I

Definitions

The following terms have the meanings set forth, or referred to, below:

"Accounting Authority" means any accounting board or authority (whether or not part of a government) which is responsible for the establishment or interpretation of national or international accounting principles, in each case whether foreign or domestic.

"Adverse Claim" means, for any asset or property of a Person, a lien, security interest, charge, mortgage, pledge, hypothecation, assignment or encumbrance, or any other right or similar claim, in, of or on such asset or property in favor of any other Person, except those created by the Transaction Documents.

"Affected Party" means the Purchaser, any assignee of the Purchaser, the Agent, any successor to the Agent and any sub-agent of Agent or any Affiliate of any of the foregoing; *provided* that a participant of Purchaser shall also be an Affected Party, and shall be entitled to the benefits or an Affected Party, to the extent that Purchaser would be entitled to such benefits if no such participation had been sold.

"Affiliate" means, for any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person. For purposes of this definition, *"control"* means the power, directly or indirectly, to either (i) vote ten percent (10%) or more of the securities having ordinary voting power for the election of directors of a Person or (ii) cause the direction of the management and policies of a Person.

"Agent" is defined in the first paragraph hereof.

"Agent's Account" means the account so designated to the Seller and the Purchaser by the Agent.

"Aggregate Reserve" means, at any time at which such amount is calculated, the sum of the Loss Reserve, the Dilution Reserve and Discount Reserve.

"Alternate Base Rate" means, on any date, a fluctuating rate of interest *per annum* equal to the higher of:

(a) the rate of interest most recently announced by BTM Trust Company in New York, New York as its Prime Rate; or

(b) the Federal Funds Rate most recently determined by Agent, *plus* 0.75%.

The Alternate Base Rate is not necessarily intended to be the lowest rate of interest determined by Agent in connection with extensions of credit.

"Bank Rate" for any day falling in a particular Tranche Period with respect to any Tranche means an interest rate *per annum* equal to the BTM LIBO Rate for such Tranche Period.

"Bankruptcy Event" means, for any Person, that (a) such Person makes a general assignment for the benefit of creditors or any proceeding is instituted by or against such Person seeking to adjudicate it bankrupt or insolvent, or seeking the liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property or (b) such Person takes any corporate action to authorize any such action.

"BTM LIBO Rate" means for any Tranche Period either (a) the interest rate *per annum* for a period of time comparable to such Tranche Period that appears on the Reuters Screen LIBO Page as of 11:00 a.m. (London time) on the second Business Day preceding the first day of such Tranche Period or (b) if a rate cannot be determined under clause (a), an annual rate designated as The Bank of Tokyo-Mitsubishi LIBO Rate equal to the average (rounded upwards if necessary to the nearest 1/100th of 1%) of the rates *per annum* at which deposits in U.S. Dollars with a duration equal to such Tranche Period in a principal amount substantially equal to the applicable Tranche are offered to the principal London office of The Bank of Tokyo-Mitsubishi, Ltd. by three London banks, selected by the Agent in good faith, at about 11:00 a.m. London time on the second Business Day preceding the first day of such Tranche Period.

"BTMNY" means The Bank of Tokyo-Mitsubishi, Ltd. in its individual capacity and not in its capacity as the Agent.

"Business Day" means any day other than (a) a Saturday, Sunday or other day on which banks in New York City, New York, Chicago, Illinois or Kansas City, Missouri are authorized or required to close, (b) a holiday on the Federal Reserve calendar and, (c) solely for matters relating to a Tranche based on BTMNY LIBO Rate, a day on which dealings in Dollars are not carried on in the London interbank market.

"Charge-Off" means any Receivable that has or should have been (in accordance with the Credit and Collection Policy) charged off or written off by the Seller.

"Collection" means any amount paid on a Receivable or any amount paid or deemed paid as a Deemed Collection under Section 1.5(b).

"Collection Account" means account number 9871501531 maintained with United Missouri Bank (*"UMB"*) in the name of the Agent or any other account so designated by the Seller to the Agent in writing.

"Collection Agent" is defined in Section 3.1(a).

"Collection Agent Fee" is defined in Section 3.6.

"Collection Agent Fee Rate" is defined in Section 3.6.

"Collection Agent Replacement Event" means the occurrence of any one or more of the following:

(a) the Collection Agent (or any sub-collection agent) fails to observe or perform any material term, covenant or agreement under any Transaction Document;

(b) any written representation, warranty, certification or statement made by the Collection Agent in, or pursuant to, any Transaction Document proves to have been incorrect in any material adverse respect when made; or

(c) the Collection Agent suffers a Bankruptcy Event.

"Collection Bank" means each bank listed on Exhibit F, as revised pursuant to Section 5.1(i).

"Collection Letter" means a letter in substantially the form of Exhibit G (or otherwise acceptable to the Agent) from the Seller and the Collection Agent to each Collection Bank, acknowledged and accepted by such Collection Bank and the Agent.

"Commercial Paper Notes" means short-term promissory notes issued or to be issued by the Purchaser to fund its investments in accounts receivable or other financial assets.

"Concentration Limit" means (i) for any Obligor which is a federal government or a governmental subdivision or agency thereof, 3% of the Eligible Receivables Balance, (ii) for any Obligor with long-term unsecured indebtedness rated A- or higher by S&P and A3 or higher by Moody's, 4% of the Eligible Receivables Balance, and (iii) for any Obligor that has no rated long-term unsecured indebtedness or with long-term unsecured indebtedness rated lower than A- by S&P or lower than A3 by Moody's (or S&P or Moody's has withdrawn or suspended such rating), 2% of the Eligible Receivables Balance. If the Moody's rating and the S&P rating assigned to the long-term unsecured indebtedness of any Obligor differ, then the Concentration Limit for such Obligor shall be used on the lower of such ratings.

"CP Dealer" means, at any time, each Person the Purchaser then engages as a placement agent or commercial paper dealer.

"CP Rate" for any period and with respect to the Investment funded by Commercial Paper Notes, means: (I) unless the Agent has determined that the Pooled CP Rate shall be applicable, the rate *per annum* calculated by the Agent to reflect the Purchaser's cost of funding such Investment, taking into account the weighted daily average interest rate payable in respect to such Commercial Paper Notes during such period (determined in the case of discount Commercial Paper Notes by converting the discount to an interest bearing equivalent *per annum*), applicable placement fees and commissions, and such other costs and expenses as the Agent in good faith deems appropriate; and (II) to the extent the Agent has determined that the Pooled CP Rate shall be applicable, the Pooled CP Rate.

"Credit and Collection Policy" means the Seller's credit and collection policy and practices relating to Receivables attached hereto as Exhibit I.

"Customer Deposit" means a deposit or prepayment by an Obligor made in consideration of services not yet rendered by the Originator.

"Customer Deposit Amount" means (a) if the long term unsecured indebtedness of the Originator is rated greater than or equal to BBB by S&P or Baa2 by Moody's, the aggregate amount of Customer Deposits in excess of 15% of the Eligible Receivables Balance (calculated without regard to this definition) and (b) if the long term unsecured indebtedness of the Originator is rated less than BBB by S&P or Baa2 by Moody's, the aggregate amount of Customer Deposits.

"Deemed Collections" is defined in Section 1.5(c).

"Default Ratio" means the ratio (expressed as a percentage) for any calendar month of (a) the then aggregate outstanding balance of all Defaulted Receivables (minus Charge-Offs) at the end of such calendar month to (b) the then aggregate outstanding balance of all Receivables (minus Charge-Offs) at the end of such calendar month.

"Defaulted Receivable" means any Receivable (a) on which any amount is unpaid more than 90 days past its original due date or (b) the Obligor on which has suffered a Bankruptcy Event.

"Delinquency Ratio" means, the ratio (expressed as a percentage), for any calendar month of (a) the aggregate outstanding balance of all Delinquent Receivables as of the end of such calendar month to (b) the sum of the aggregate outstanding balance of all Receivables as of the end of such calendar month.

"Delinquent Receivable" means any Receivable (other than a Charge-Off or Defaulted Receivable) on which any amount is unpaid more than 60 days.

"Deposit Date" means each day on which any Collections are transferred to any Lock-Box, deposited directly into the Collection Account by an Obligor or on which the Collection Agent receives Collections.

"Designated Financial Officer" means any officer of the Seller or the Chief Financial Officer, Controller or Treasurer of the Originator.

"Designated Payee" means each Designated Payee listed on Annex B to Exhibit G.

"Dilution Ratio" means, the ratio (expressed as a percentage), for any period, of (a) the aggregate amount of payments owed by the Seller pursuant to the first sentence of Section 1.5(b) for such period to (b) the aggregate amount of Collections received during such period.

"Dilution Reserve" means (i) two (2) times the highest three consecutive month average Dilution Ratio (expressed as a decimal) over the last twelve (12) calendar months multiplied by (ii) the Eligible Receivables Balance; *provided, however,* that the Dilution Reserve shall be reduced by 10% of the Eligible Receivables Balance (but to no less than zero) to the extent that the Originator's long-term unsecured indebtedness is rated not less than BBB by S&P and Baa2 by Moody's (and neither Moody's nor S&P has withdrawn or suspended such rating).

"Discount" means, for any Tranche Period, (a) the product of (i) the Discount Rate for such Tranche Period, (ii) the total amount of Investment allocated to the Tranche Period, and (iii) the number of days elapsed during the Tranche Period divided by (b) 360 days.

"Discount Rate" means (a) in the case of a Tranche funded by Commercial Paper Notes, the applicable CP Rate; and (b) in the case of a Tranche funded by a Liquidity Advance or by a funding under the Enhancement Agreement, the applicable Bank Rate, *plus* 1.0% for such Tranche; *provided, however,* that (i) on any day as to any Tranche which is not funded by Commercial Paper Notes, the Discount Rate shall equal the Alternate Base Rate, *plus* 1.0% if (A) the Agent does not receive notice or determine, by no later than 12:00 noon (New York City time) on the third Business Day prior to the first day of the related Tranche Period, that such Tranche shall not be funded by Commercial Paper Notes or (B) the Agent determines that (I) funding that Tranche on a basis consistent with pricing based on the Bank Rate would violate any applicable law or (II) that deposits of a type and maturity appropriate t o match fund such Tranche are not available; and (ii) on any day when any Termination Event shall have occurred and be continuing, the Discount Rate for each Tranche means a rate *per annum* equal to the higher of (A) the Alternate Base Rate, *plus* 2.0% *per annum* and (B) the rate otherwise applicable to such Tranche during the current Tranche Period or Settlement Period, *plus* 2.0% *per annum*.

"Discount Reserve" means, at any time, the product of (a) 1.5 multiplied by (b) the rate announced by BTMNY as its "Prime Rate" (which may not be its best or lowest rate) plus 2.50% multiplied by (c) Investment multiplied by (d) a fraction, the numerator of which is the average Turnover Ratio over the last three calendar months and the denominator of which is 360.

"Dollar" and *"$"* means lawful currency of the United States of America.

"Eligible Receivable" means, at any time, any Receivable:

(i) the Obligor of which (a) is a resident of, or organized under the laws of, or with its chief executive office in, the USA; (b) is not an Affiliate of the Seller or the Originator; and (c) is a customer of the Originator in good standing and not the Obligor of any Receivable that became a Charge-Off (unless such Charge-Off has been subsequently paid-in-full by the related Obligor);

(ii) which is stated to be due and payable within 30 days after the invoice therefor;

(iii) which is not a Defaulted Receivable or a Charge-Off;

(iv) which is an *"account"* within the meaning of Section 9-105 of the UCC of all applicable jurisdictions;

(v) which is denominated and payable only in Dollars in the USA;

(vi) which arises under a contract or a publicly filed tariff that is in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms subject to no offset, counterclaim, defense or other Adverse Claim, and is not an executory contract or unexpired lease within the meaning of Section 365 of the Bankruptcy Code;

(vii) which (a) contains an obligation to pay a sum of money and is subject to no contingencies, (b) does not require the Obligor to consent to the transfer, sale or assignment of the rights and duties of the Originator, (c) does not contain a confidentiality provision that purports to restrict the Purchaser's exercise of rights under this Agreement, including, without limitation, the right to review any contract related thereto and (d) directs that payment be made to a Lock-Box or the Collection Account;

(viii) which does not, in whole or in part, contravene any material law, rule or regulation applicable thereto (including, without limitation, those relating to usury, truth in lending, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices and privacy);

(ix) which satisfies all applicable requirements of the Credit and Collection Policy and was generated in the ordinary course of the Originator's business from the sale of goods or provision of services to a related Obligor solely by the Originator;

(x) which relates to the sale by the Originator of electricity and electricity-related services to retail customers within its general service area on the date hereof;

(xi) the transfer, sale or assignment of which does not contravene any applicable law, rule or regulation; and

(xii) as to which the Originator has satisfied and fully performed all obligations on its part with respect to such Receivable required to be fulfilled by it, and other than issuing an invoice, no further action is required to be performed by any Person with respect thereto other than payment thereon by the applicable Obligor.

"Eligible Receivable Balance" means, at any time, the aggregate outstanding principal balance of all Eligible Receivables less the sum of (i) the portion of the aggregate outstanding principal balance of Eligible Receivables which exceed the Concentration Limit and the Special Limit, (ii) the Customer Deposit Amount and (iii) the amount, if any, by which the outstanding balance of Eligible Receivables for which the Originator has not yet issued an invoice exceeds 60% of the outstanding balance of all Eligible Receivables.

"Enhancement Agreement" means any agreement between the Purchaser and any other Person(s) entered into to provide credit enhancement to Purchaser's commercial paper facility.

"Enhancement Provider" means any Person providing credit support to the Purchaser under an Enhancement Agreement.

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time.

"Federal Funds Rate" means, for any period, a fluctuating interest rate *per annum* equal (for each day during such period) to:

(a) the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York; or

(b) if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Liquidity Agent in good faith from three federal funds brokers of recognized standing selected by it.

"Fee Letter" means the letter agreement dated as of the date hereof among the Seller, the Agent and the Purchaser.

"Fitch" means Fitch, Inc.

"Funding Agreement" means any agreement or instrument executed by the Purchaser and executed by or in favor of any Purchaser Funding Source or executed by any Purchaser Funding Source at the request of the Purchaser (including a Liquidity Agreement executed with respect to the transactions contemplated in the Transaction Documents or an Enhancement Agreement with respect to any portion of the Enhancement Agreement allocated to the transactions contemplated in the Transaction Documents).

"GAAP" means generally accepted accounting principles in the USA, applied on a consistent basis.

"Governmental Authority" means any (a) Federal, state, municipal or other governmental entity, board, bureau, agency or instrumentality, (b) administrative or regulatory authority (including any central bank or similar authority) or (c) court, judicial authority or arbitrator, in each case, whether foreign or domestic.

"Incremental Purchase" is defined in Section 1.1(b).

"Initial Collection Agent" is defined in the first paragraph hereof.

"Intended Tax Characterization" is defined in Section 9.9.

"Interim Liquidation" means any time before the Termination Date during which no Reinvestment Purchases are made by the Purchaser, as established pursuant to Section 1.2.

"Investment" means, for the Purchaser, (a) the sum of all Incremental Purchases by the Purchaser minus (b) all Collections and other amounts received or exchanged and, in each case, applied by the Agent or the Purchaser to reduce Investment. Investment shall be restored to the extent any amounts so received or exchanged and applied are rescinded or must be returned for any reason.

"LIBOR" means, as of any date, "London Interbank Offered Rates (Libor) - one month" (or the equivalent term) as most recently published in *The Wall Street Journal*.

"Liquidation Period" means all times (x) during an Interim Liquidation and (y) on and after the Termination Date (unless the events giving rise to such Termination Date have been waived).

"Liquidity Advance" means a loan, advance, purchase or other similar action made by a Liquidity Provider pursuant to a Liquidity Agreement.

"Liquidity Agent" means BTMNY in its capacity as liquidity agent under the Liquidity Agreement.

"Liquidity Agreement" means any agreement entered into in connection with this Agreement pursuant to which any Person agrees to make loans or advances to, or purchases from the Purchaser in order to provide liquidity for Purchaser Commercial Paper Notes.

"Liquidity Provider" means BTMNY or any other commercial lending institution that is at any time a lender or purchaser under a Liquidity Agreement.

"Lock-Box" means each post office box or bank box listed on Exhibit F, as revised pursuant to Section 5.1(i).

"Lock-Box Agreement" means each agreement between the Collection Agent and a Collection Bank concerning a Lock-Box.

"Loss Reserve" means, at any time, the product of (i) the greater of (a) 8.0% and (b) 2 times the highest three month rolling average Delinquency Ratio (expressed as a decimal) as of the last day of each of the last 3 calendar months multiplied by (ii) the Eligible Receivables Balance.

"Loss-to-Liquidation Ratio" means, for any calendar month, the ratio (expressed as a percentage) of the outstanding balance of Charge-Offs made during such calendar month to the aggregate amount of Collections during such calendar month.

"Matured Investment" means, at any time, the Matured Value of the Investment.

"Matured Value" means the sum of the Investment and all unpaid Discount scheduled to become due (whether or not then due) on such Investment during all Tranche Periods to which any portion of such Investment has been allocated.

"Maximum Incremental Purchase Amount" means, at any time, the difference between the Purchase Limit and the Investment then outstanding.

"Monthly Report Date" means with respect to each calendar month, the 12th day of the immediately succeeding calendar month (or if such day is not a Business Day, the immediately succeeding Business Day).

"Moody's" means Moody's Investors Service, Inc.

"Obligor" means, for any Receivable, each Person obligated to pay such Receivable and each guarantor of such obligation.

"Originator" means Kansas City Power & Light Company.

"Parent" means Great Plains Energy Inc.

"Periodic Report" is defined in Section 3.3.

"Permitted Investments" shall mean (a) evidences of indebtedness, maturing not more than thirty (30) days after the date of purchase thereof, issued by, or the full and timely payment of which is guaranteed by, the full faith and credit of, the federal government of the United States of America, (b) repurchase agreements with banking institutions or broker-dealers that are registered under the Securities Exchange Act of 1934 fully secured by obligations of the kind specified in clause (a) above, (c) money market funds denominated in Dollars rated not lower than A-1 (and without the "r" symbol attached to any such rating) by S&P and P-1 by Moody's or otherwise acceptable to the Rating Agencies or (d) commercial paper denominated in Dollars issued by any corporation incorporated under the laws of the United States or any political subdivision thereof, provided that such commercial paper is rated at least A-1 (and without any "r" symbol attached to any such rating) thereof by S&P and at least Prime-1 thereof by Moody's.

"Person" means an individual, partnership, corporation, association, joint venture, Governmental Authority or other entity of any kind.

"Pooled Commercial Paper" means Commercial Paper Notes of the Purchaser which are subject to any particular pooling arrangement, as determined by the Agent (it being recognized that there may be more than one distinct group of Pooled Commercial Paper at any time).

"Pooled CP Rate" shall means, for each day with respect to the Investment as to which the Pooled CP Rate is applicable, the sum of (i) discount or yield accrued (including, without limitation, any associated with financing the discount or interest component on the roll-over of any Pooled Commercial Paper) on the Purchaser's Pooled Commercial Paper on such day, plus (ii) any and all accrued commissions in respect of its placement agents and commercial paper dealers, and issuing and paying agent fees incurred, in respect of such Pooled Commercial Paper for such day, plus (iii) other costs (including without limitation those associated with funding small or odd-lot amounts) with respect to all receivable purchase, credit and other investment facilities which are funded by the applicable Pooled Commercial Paper for such day. The Pooled CP Rate shall be determined for the Purchaser by the Agent, whose determination shall be conclus ive.

"Potential Termination Event" means any Termination Event or any event or condition that with the lapse of time or giving of notice, or both, would constitute a Termination Event.

"Program Administration Agreement" means that certain Administration Agreement between Purchaser and Deutsche Bank Trust Company Americas governing certain aspects of the administration of Purchaser's commercial paper facility.

"Program Administrator" means Deutsche Bank Trust Company Americas and its successors under the Program Administration Agreement.

"Purchase" is defined in Section 1.1(a).

"Purchase Agreement" means the Receivables Purchase Agreement dated as of the date hereof between the Seller and the Originator.

"Purchase Amount" is defined in Section 1.1(c).

"Purchase Date" is defined in Section 1.1(c).

"Purchase Interest" means the percentage ownership interest in the Receivables and Collections held by the Purchaser, calculated when and as described in Section 1.1(a).

"Purchase Limit" means $100,000,000; *provided, however,* from and including November 1 to and including May 31 of each year the Purchase Limit shall equal $70,000,000.

"Purchaser" is defined in the first paragraph hereof.

"Purchaser Funding Source" means any insurance company, bank or other financial institution providing liquidity, back-up purchase or credit support for the Purchaser in connection with the transactions contemplated by this Agreement.

"Rating Agency" means Moody's, S&P, and Fitch and any other rating agency the Purchaser chooses to rate its commercial paper notes.

"Ratings" means the ratings by the Rating Agencies of the indebtedness for borrowed money of the Purchaser.

"Receivable" means each obligation of an Obligor to pay for the delivery or sale by the Originator of electricity and electricity-related services to retail customers within its general service area (as such area exists on the date hereof) and includes the Originator's rights to payment of any interest or finance charges and all proceeds of the foregoing. During any Interim Liquidation and on and after the Termination Date (unless the events giving rise to such Termination Date have been waived), the term *"Receivable"* shall only include receivables existing on the date such Interim Liquidation commenced or Termination Date occurred, as applicable. Deemed Collections shall reduce the outstanding balance of Receivables hereunder, so that any Receivable that has its outstanding balance deemed collected shall cease to be a Receivable hereunder to the extent that (x) the Collection Agent receives payment of such Deemed Collections und er Section 1.5(b) or (y) if such Deemed Collection is received before the Termination Date, an adjustment to the Purchase Interest permitted by Section 1.5(c) is made.

"Records" means, for any Receivable, all contracts, books, records and other documents or information (including computer programs, tapes, disks, software and related property and rights) relating to such Receivable or the related Obligor.

"Reinvestment Purchase" is defined in Section 1.1(b).

"Related Security" means all security interests, guaranties and property securing or supporting payment of the Receivables, all Records and all proceeds of the foregoing.

"Reserve Percentage" means, at any time, the quotient obtained by dividing (a) the Aggregate Reserve by (b) the Eligible Receivables Balance.

"Seasonal Period" means November 1 of a calendar year to and including May 31 of the succeeding calendar year.

"SEC" means Securities and Exchange Commission.

"Secured Parties" means the Purchaser, the Agent and the Affected Parties.

"Seller" is defined in the first paragraph hereof.

"Seller Entity" means the Originator and the Parent.

"Seller Account" means the Seller's account designated by the Seller to the Agent in writing.

"Settlement Date" means with respect to each calendar month, the second Business Day after the Monthly Report Date for such calendar month; *provided, however,* that upon the occurrence and during the continuation of a Termination Event, the Settlement Date shall be a Business Day designated by the Agent.

"Settlement Period" means, with respect to each Settlement Date, the calendar month preceding such Settlement Date (or, in the case of the first Settlement Period, the period from the date of the initial Purchase to the end of the calendar month in which such initial Purchase occurred); *provided, however,* that upon the occurrence and during the continuation of a Termination Event, the duration of each Settlement Period shall be the number of days designated by the Agent.

"Significant Subsidiary" means, at any time, each Subsidiary of the Originator in which the Originator has, at such time, an investment, either directly or indirectly, of $100,000,000 or more, whether through loans or advances, equity investments, capital contributions, contingent obligations or otherwise, with all such investments determined at the original amount thereof, without giving effect to any writeoffs of any such investment. The Significant Subsidiaries of the Originator on the date hereof are listed on Exhibit E.

"Special Limit" means, with respect to the City of Kansas City, Missouri, 5% of the Eligible Receivables Balance.

"S&P" means Standard & Poor's Ratings Group.

"Subordinated Note" means each revolving promissory note issued by the Seller to the Originator under the Purchase Agreement.

"*Subsidiary*" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled; or (iii) any other Person the operations and/or financial results of which are required to be consolidated with those of such first Person in accordance with GAAP; <u>provided</u> that, except as used in the definition of "Consolidated Subsidiary", the Lease Trust shall be deemed not to be a Subsidiary of the Borrower.

"Taxes" means all taxes, charges, fees, levies or other assessments (including income, gross receipts, profits, withholding, excise, property, sales, use, license, occupation and franchise taxes and including any related interest, penalties or other additions) imposed by any jurisdiction or taxing authority (whether foreign or domestic).

"Termination Date" means the earliest of (a) the date of the occurrence of an Termination Event described in clause (e) of the definition of Termination Event, (b) the date designated by the Agent to the Seller at any time upon the occurrence of any other Termination Event, (c) 20 Business Days following notice of termination delivered from Seller to Agent and (d) July 13, 2008.

"Termination Event" means the occurrence of any one or more of the following:

(a) any representation, warranty, certification or statement made by the Seller or the Originator in, or pursuant to, any Transaction Document proves to have been incorrect in any material respect when made (including pursuant to Section 7.2) and is not cured within 20 Business Days of the date made; or

(b) the Collection Agent, the Originator or the Seller fails to make any payment or other transfer of funds hereunder when due (including any payments under Section 1.5(a)) and such failure continues unremedied for three Business Days following written notice from the Agent; or

(c) the Seller fails to observe or perform any covenant or agreement contained in Sections 3.3, 5.1(b), 5.1(e), 5.1(g), 5.1(i) or 5.1(j) of this Agreement or the Originator fails to perform any covenant or agreement in Sections 5.1(b), 5.1(e), 5.1(g), 5.1(h) and 5.1(n) of the Purchase Agreement and is not cured within 10 Business Days after such failure to observe or perform; or

(d) the Seller or the Collection Agent (or any sub-collection agent) fails to observe or perform any other term, covenant or agreement under any Transaction Document, and such failure remains unremedied for twenty Business Days; or

(e) the Originator, the Seller or any Significant Subsidiary of the Originator suffers a Bankruptcy Event; *provided* that with respect to any procedure that is instituted against such Person seeking to adjudicate it bankrupt or insolvent, or seeking the liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property, such proceeding continues undismissed or unstayed for 30 consecutive days or an order for relief has been entered in such proceeding; or

(f) on the date any Periodic Report is due pursuant to Section 3.3, the average Delinquency Ratio for the three month period ending as of the most recent calendar month end exceeds 6.0%, the average Default Ratio for the three-month period then ending exceeds 6.0% or the average Loss-to Liquidation Ratio for the three-month period ending as of the most recent calendar month end exceeds 1.5%; or

(g) (i) the Seller, the Originator or any Affiliate, directly or indirectly, disaffirms or contests the validity or enforceability of any Transaction Document or (ii) any Transaction Document fails to be the enforceable obligation of the Seller or any Affiliate party thereto; or

(h) (i) the Originator or any Affiliate (A) generally does not pay its debts as such debts become due or admits in writing its inability to pay its debts generally or (B) fails to pay any of its indebtedness (except in aggregate principal amount of less than $25,000,000) or defaults in the performance of any provision of any agreement under which such indebtedness was created or is governed and such default permits such indebtedness to be declared due and payable or to be required to be prepaid before the scheduled maturity thereof or (ii) a default or termination or similar event occurs under any agreement providing for the sale, transfer or conveyance by the Seller or the Originator of any of its financial assets; or

(i) the Collection Agent changes the Credit and Collection Policy or scope of its business in a way which would have a material adverse effect on the collectibility of any Receivable without the consent of the Agent;

(j) a Collection Agent Replacement Event has occurred and is continuing;

(k) the Parent shall fail to own and control, directly or indirectly, 100% of the outstanding voting stock of the Seller and the Originator;

(l) the Agent, on behalf of the Purchaser, for any reason, does not have a valid first priority ownership or security interest in the Receivables or the Related Security; or

(m) the Purchaser shall become an "investment company" within the meaning of the Investment Company Act of 1940, as amended;

(n) a Seasonal Interim Liquidation is not completed within 2 consecutive Settlement Periods.

Notwithstanding the foregoing, a failure of a representation or warranty or breach of any covenant described in clause (a), (c) or (d) above related to a Receivable shall not constitute a Termination Event if the Seller has been deemed to have collected such Receivable pursuant to Section 1.5(b) or, before the Termination Date, has adjusted the *Purchase Interest* as provided in Section 1.5(c) so that such Receivable is no longer considered to be outstanding.

"Tranche" means at any time a portion of the Investment selected by the Agent pursuant to Section 1.3.

"Tranche Period" with respect to any Tranche funded by a Liquidity Advance or under the Enhancement Agreement, means:

(a) the period commencing on the date of the initial Purchase of the Purchase Interest, the making of such Liquidity Advance or funding under the Enhancement Agreement or the creation of such Tranche pursuant to Section 1.3 (whichever is latest) and ending such number of days thereafter as the Agent shall select in consultation with the Seller; and

(b) each period commencing on the last day of the immediately preceding Tranche Period for the related Tranche and ending such number of days thereafter as the Agent shall select in consultation with the Seller; *provided, however*, that:

(i) any such Tranche Period (other than a Tranche Period consisting of one day) which would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day.

(ii) in the case of Tranche Periods of one day for any Tranche, (A) the initial Tranche Period shall be the date such Tranche Period commences as described in clause (a) above; and (B) any subsequently occurring Tranche Period which is one day shall, if the immediately preceding Tranche Period is more than one day, be the last day of such immediately preceding Tranche Period, and if the immediately preceding Tranche Period is one day, shall be the next day following such immediately preceding Tranche Period; and

(iii) any Tranche Period for any Tranche which commences before the Termination Date and would otherwise end on a date occurring after such Termination Date, such Tranche Period shall end on such Termination Date and the duration of each such Tranche Period which commences on or after the Termination Date for such Tranche shall be of such duration as shall be selected by the Agent.

"Transaction Documents" means this Agreement, the Fee Letter, the Purchase Agreement, the Subordinated Note and all other documents, instruments and agreements executed or furnished in connection herewith and therewith.

"Turnover Ratio" means an amount, expressed in days, obtained by multiplying (a) a fraction, (i) the numerator of which is equal to the Eligible Receivables Balance as of the last day of the most recent calendar month and (ii) the denominator of which is equal to Collections during such calendar month; times (b) 30.

"UCC" means, for any state, the Uniform Commercial Code as in effect in such state.

"USA" means the United States of America (including all states and political subdivisions thereof).

The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms. Unless otherwise inconsistent with the terms of this Agreement, all accounting terms used herein shall be interpreted, and all accounting determinations hereunder shall be made, in accordance with GAAP. Unless otherwise specified, amounts to be calculated hereunder shall be continuously recalculated at the time any information relevant to such calculation changes.

KANSAS CITY POWER & LIGHT COMPANY

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Year to Date June 30					
	2005	**2004**	**2003**	**2002**	**2001**	**2000**
	(thousands)					
Income from continuing operations	$ 39,289	$143,292	$125,845	$102,666	$116,065	$ 53,014
Add						
Equity investment (income) loss	-	-	-	-	(23,516)	22,994
Minority interests in subsidiaries	7,805	(5,087)	(1,263)	-	(897)	-
Income subtotal	47,094	138,205	124,582	102,666	91,652	76,008
Add						
Taxes on income	15,431	52,763	83,572	62,857	31,935	7,926
Kansas City earnings tax	204	602	418	635	583	421
Total taxes on income	15,635	53,365	83,990	63,492	32,518	8,347
Interest on value of leased property	2,248	6,222	5,944	7,093	10,679	11,806
Interest on long-term debt	28,056	61,237	57,697	63,845	78,915	57,896
Interest on short-term debt	924	480	560	1,218	8,883	11,050
Mandatorily Redeemable Preferred Securities	-	-	9,338	12,450	12,450	12,450
Other interest expense and amortization	1,888	13,951	4,067	3,772	5,188	2,927
Total fixed charges	33,116	81,890	77,606	88,378	116,115	96,129
Earnings before taxes on income and fixed charges	$ 95,845	$273,460	$286,178	$254,536	$240,285	$180,484
Ratio of earnings to fixed charges	2.89	3.34	3.69	2.88	2.07	1.88

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: August 8, 2005

/s/ William H. Downey

William H. Downey
President and Chief Executive Officer

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: August 8, 2005

/s/ Terry Bassham

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 June 30, 2005 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: August 8, 2005

/s/ Terry Bassham

Name: Terry Bassham
Title: Chief Financial Officer

Date: August 8, 2005

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.