

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES AND EXCHANGE ACT OF 1934

For the fiscal year ended DECEMBER 31, 1996

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

COMMISSION FILE NUMBER 1-707

KANSAS CITY POWER & LIGHT COMPANY
(Exact name of registrant as specified in its charter)Missouri 44-0308720
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)1201 Walnut Street
Kansas City, Missouri 64106
(Address of principal executive offices)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Cumulative Preferred Stock par value \$100 per share - 3.80%, 4.50%, 4.35%	New York Stock Exchange
Common Stock without par value	New York Stock Exchange Chicago Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to the Form 10-K. X

On March 13, 1997, KCPL had 61,895,819 outstanding shares of common stock without par value, and the aggregate market value (based upon the closing price of these shares on the New York Stock Exchange) of voting securities held by nonaffiliates of KCPL was approximately \$1,763,113,626.

Documents Incorporated by Reference

Portions of the 1997 Proxy Statement are incorporated by reference in Part III of this report.

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PART I

ITEM 1. BUSINESS

Kansas City Power & Light Company (KCPL) was incorporated in Missouri in 1922 and is headquartered in downtown Kansas City, Missouri. KCPL is a medium-sized public utility engaged in the generation, transmission, distribution and sale of electricity to over 435,000 customers in a 4,700 square mile area located in all or portions of 23 counties in western Missouri and eastern Kansas. About two-thirds of the total retail kilowatt-hour sales and revenues are from Missouri customers and the remainder from Kansas customers. Customers include approximately 381,000 residences, 51,000 commercial firms, and 3,000 industrials, municipalities and other electric utilities. Retail revenues in Missouri and Kansas accounted for approximately 91% of KCPL's total revenues in 1996. Wholesale firm power, bulk power sales and miscellaneous electric revenues accounted for the remainder of revenues. Low fuel costs and superior plant performance enable KCPL to serve its customers well while maintaining a leadership position in the bulk power market.

KCPL as a regulated utility does not have direct competition for retail electric service in its service territory; however, there is competition in the generation of electricity and between electric and gas as an energy source.

KLT Inc., a wholly-owned, unregulated subsidiary of KCPL, pursues opportunities in domestic and international energy-related ventures. See "Subsidiaries" on page 5 of this report. KCPL also owns 47% of Wolf Creek Nuclear Operating Corporation, the operating company for the Wolf Creek Generating Station (Wolf Creek).

Proposed Merger With Western Resources, Inc.

On February 7, 1997, KCPL and Western Resources, Inc. (Western Resources) entered into an Agreement and Plan of Merger (the Merger Agreement) to form a strategic business combination. The effective time of the merger is dependent upon all conditions of the Merger Agreement being met or waived. At the effective time, KCPL will merge with and into Western Resources, with Western Resources being the surviving corporation.

Western Resources first delivered an unsolicited exchange offer to KCPL's Board of Directors during the second quarter of 1996. This initial offer, subject to numerous conditions, proposed the exchange of \$28 (later increased to \$31) worth of Western Resources common stock for each share of KCPL common stock. After careful consideration, both offers were rejected by KCPL's Board of Directors. In July 1996 Western Resources commenced an exchange offer for KCPL common stock. In late 1996 KCPL began discussing a possible merger with Western Resources leading to the Merger Agreement.

Under the terms of the Merger Agreement, KCPL common stock will be exchanged for Western Resources common stock valued at \$32.00, subject to a conversion ratio limiting the amount of Western Resources common stock that holders of KCPL common stock would receive per share of KCPL common stock to no more than 1.1 shares (if Western Resources' stock is priced at or below \$29.09 per share), and no less than 0.917 shares (if Western Resources' stock is priced at or above \$34.90 per share). However, there is a provision in the Merger Agreement that allows KCPL to terminate the merger if Western Resources' stock price drops below \$27.64 and either the Standard and Poor's Electric Companies Index increases or the decline in Western Resources stock exceeds by approximately 5% any decline in this index. Western Resources could avoid this termination by improving the conversion ratio.

The transaction is subject to several closing conditions including approval by each company's shareholders, approval by a number of regulatory authorities (statutory approvals) and dissenting shares equaling less than 5.5% of KCPL's outstanding shares. If the effective time has not occurred by June 30, 1998 (the termination date), either party may terminate the agreement as long as they did not contribute to the delay. This termination date will be automatically extended to June 30, 1999, if all of the Merger Agreement closing conditions have been met except for certain conditions relating to statutory approvals.

The Merger Agreement does not allow KCPL to increase its common stock dividend prior to the effective time or termination. It also requires KCPL to redeem all outstanding shares of preferred stock prior to completion of the merger.

If the Merger Agreement is terminated under certain circumstances, a payment of \$50 million will be due Western Resources if, within two and one-half years following termination, KCPL agrees to consummate a business combination with a third party that made a proposal to combine prior to termination. Western Resources will pay KCPL \$5 to \$35 million if the Merger Agreement is terminated and all closing conditions are satisfied other than conditions relating to Western Resources receiving a favorable tax opinion, a favorable letter from its accountants regarding pooling accounting, favorable statutory approvals, or an exemption from the Public Utility Holding Company Act of 1935.

Regulation

KCPL is subject to the jurisdiction of the Public Service Commission of the State of Missouri (MPSC), the State Corporation Commission of the State of Kansas (KCC), the Federal Energy Regulatory Commission (FERC), the Nuclear Regulatory Commission (NRC) and certain other governmental regulatory bodies as to various phases of its operations, including rates, service, safety and nuclear plant operations, environmental matters and issuances of securities.

Rates

KCPL's retail electric rates are regulated by the MPSC and KCC for sales within the respective states of Missouri and Kansas. FERC approves KCPL's rates for wholesale bulk electricity sales. Firm electric sales are made by contractual arrangements between the entity being served and KCPL.

KCPL has not increased any of its retail or wholesale rates since 1988. Pursuant to a stipulation and agreement with the MPSC, KCPL reduced Missouri retail rates by about 2.7% effective January 1, 1994, 2% effective July 9, 1996, and by about 2.5% effective January 1, 1997.

Environmental Matters

KCPL's operations must comply with federal, state and local environmental laws and regulations. The generation and transmission of electricity uses, produces and requires disposal of certain products and by-products, including polychlorinated biphenyl (PCBs), asbestos and other potentially hazardous materials. KCPL's policy is to act in an environmentally responsible manner and to use the latest technology available to avoid and treat contamination. The Federal Comprehensive Environmental Response, Compensation and Liability Act (the Superfund law) imposes strict joint and several liability for those who generate, transport or deposit hazardous waste. This liability extends to the current property owner as well as prior owners since the time of contamination. KCPL continually conducts environmental audits designed to detect contamination and ensure compliance with governmental regulations. However, compliance programs needed to meet future environmental laws and regulations governing water and air quality, including carbon dioxide emissions, hazardous waste handling and

disposal, toxic substances and the effects of electromagnetic fields, could require substantial changes to operations or facilities. KCPL cannot presently estimate any additional costs of meeting such new regulations or standards which might be established in the future, nor can it estimate the possible effect which any new regulations or standards could have upon its operations. However, KCPL currently estimates that expenditures necessary to comply with environmental regulations during 1997 will not be material with the possible exceptions set forth below.

Air

The Clean Air Act Amendments of 1990 contain two programs significantly affecting the utility industry. KCPL has spent approximately \$5 million for the installation of continuous emission monitoring equipment to satisfy the requirements under the acid rain provision. KCPL expects no further material expenditures for this project. The other utility-related program calls for a study of certain air toxic substances. Based on the outcome of this study, regulation of these substances, including mercury, could be required. KCPL cannot predict the likelihood of any such regulations or compliance costs.

Proposed regulations to revise the ozone and particulate matter, National Ambient Air Quality Standards, are scheduled to be issued by June 1997 and may require capital expenditures which cannot be estimated at this time.

Water

KCPL commissioned an environmental assessment of its Northeast Station and of its Spill Prevention Control and Countermeasure plan as required by the Clean Water Act. The assessment revealed contamination of the site by petroleum products, heavy metals, volatile and semi-volatile organic compounds, asbestos, pesticides and other regulated substances. Based upon studies and discussions with Burns & McDonnell, the cost of the cleanup could range between \$1.5 million and \$6 million.

Also, groundwater analysis has indicated that certain volatile organic compounds are moving through the Northeast site, just above bedrock, from unidentified sources off-site. The Missouri Department of Natural Resources (MDNR) was notified of the possible release of petroleum products and the presence of volatile organic compounds moving under the site. Monitoring and removal of free petroleum products continues at the site. MDNR has concluded that the volatile organic compounds originated from a source off-site. MDNR stated it will continue to investigate the source of the compounds. Because KCPL believes it will not have liability in this matter, it has not performed a study regarding the possible cost of remediation of the flow of organic compounds.

Competition

See "Regulation and Competition" on page 12 of this report.

Fuel Supply

KCPL's principal sources of fuel for electric generation are coal and nuclear fuel. These fuels are expected to satisfy about 99% of the 1997 fuel requirements with the remainder provided by other sources including natural gas, oil and steam. The 1996 and estimated 1997 fuel mix, based on total Btu generation, are as follows:

	1996	Estimated 1997
Coal	76%	73%
Nuclear	23%	26%
Other	1%	1%

The fuel mix varies depending on the operation of Wolf

Creek which requires a refueling and maintenance outage about every 18 months. The next outage is scheduled for the fourth quarter of 1997.

Coal

KCPL's average cost per million Btu of coal burned, excluding fuel handling costs, was \$0.85 in 1996 and \$0.89 in 1995 and 1994. KCPL's cost of delivered coal is about 63% of the regional average.

During 1997, approximately 10.4 million tons of coal (7.3 million tons, KCPL's share) are projected to be burned at KCPL's generating units, including jointly-owned units. KCPL has entered into coal-purchase contracts with various suppliers in Wyoming's Powder River Basin, the nation's principal supplier of low-sulfur coal. These contracts, with expiration dates ranging from 1997 through 2003, will satisfy approximately 95% of the projected coal requirements for 1997, 50% for 1998, 50% for 1999, and 20% thereafter.

Nuclear

The Wolf Creek Nuclear Operating Corporation (WCNOC), which operates Wolf Creek, has on hand or under contract 70% of the uranium required to operate Wolf Creek through September 2003. The balance is expected to be obtained through spot market and contract purchases.

Contracts are in place for 100% of Wolf Creek's uranium enrichment requirements for 1997 and 82% of such requirements for 1998 to March 2005. The balance of the 1998-2005 requirements is expected to be obtained through a combination of spot market and contract purchases. The decision not to contract for the full enrichment requirements is one of cost rather than availability of service.

Contracts are in place for the conversion of uranium to uranium hexafluoride sufficient to meet Wolf Creek's requirements through 2001.

High-Level Waste

The Nuclear Waste Policy Act of 1982 established schedules, guidelines and responsibilities for the Department of Energy (DOE) to develop and construct repositories for the ultimate disposal of spent fuel and high-level waste. The DOE has not yet constructed a high-level waste disposal site and has announced that a permanent repository may not be in operation prior to 2010 although an interim storage facility may be available earlier. The DOE likely will not immediately begin accepting Wolf Creek's spent fuel upon opening of the permanent repository. Instead, KCPL expects to experience a multi-year transfer period beginning as much as six years after opening of the permanent repository. Wolf Creek contains an on-site spent fuel storage facility which, under current regulatory guidelines, provides space for the storage of spent fuel through 2005 while still maintaining fuel core off-load capability. KCPL believes adequate additional storage space can be obtained, as necessary.

Low-Level Waste

The Low-Level Radioactive Waste Policy Amendments Act of 1985 mandated that the various states, individually or through interstate compacts, develop alternative low-level radioactive waste disposal facilities. The states of Kansas, Nebraska, Arkansas, Louisiana and Oklahoma formed the Central Interstate Low-Level Radioactive Waste Compact and selected a site in northern Nebraska to locate a disposal facility. The present estimate of the cost for such a facility is about \$154 million. WCNOC and the owners of the other five nuclear units in the compact have provided most of the pre-construction financing for this project. As of February 28, 1997, utilities in the compact have spent in excess of \$75 million, of which \$13 million was WCNOC's share.

There is uncertainty as to whether this project will be

completed. Significant opposition to the project has been raised by the residents in the area of the proposed facility and attempts have been made through litigation and proposed legislation to slow down or stop development of the facility.

Employees

At December 31, 1996, KCPL and its wholly-owned subsidiaries had 2,297 employees (including temporary and part-time employees), 1,474 of which were represented by three local unions of the International Brotherhood of Electrical Workers (IBEW). KCPL has labor agreements with Local 1613, representing clerical employees (which expires March 31, 1999), with Local 1464, representing outdoor workers (which expires January 8, 2000), and with Local 412, representing power plant workers (which expires February 28, 1998). KCPL is also a 47% owner of WCNOG, which employs 1,013 persons to operate Wolf Creek, 340 of which are represented by the IBEW.

Subsidiaries

KLT Inc. has six wholly-owned direct subsidiaries:

- KLT Investments Inc., a passive investor in affordable housing investments which generate tax credits.
- KLT Investments II Inc., a passive investor in economic, community-development and energy-related projects.
- KLT Energy Services Inc., a partner in an energy management services and lighting services business.
- KLT Power Inc., a participant in independent power and cogeneration projects. KLT Power Inc. has four subsidiaries, KLT Iatan Inc., which was formed for the co-development of the Iatan Unit 2 coal-fired power plant; KLT Power International, which participates in independent power projects located in China; KLT Power Asia which participates in independent power projects located in certain Asian countries; and KLT Power Latin American which participates in independent power projects located in Latin America.
- KLT Gas Inc., a participant in oil and gas reserves and exploration. KLT Gas Inc. has one wholly-owned subsidiary, FAR Gas Acquisitions Corporation which holds limited partnerships in coal seam methane gas wells that generate tax credits.
- KLT Telecom Inc., an investor in communications and information technology opportunities. KLT Telecom Inc. has two majority-owned subsidiaries, Municipal Solutions, an outsourcer of municipal services and Telemetry Solutions, a provider of services using Cellnet-related technology.

KCPL's equity investment in KLT Inc. at December 31, 1996, was \$61 million.

Officers of the Registrant

KCPL Officers

Name	Age	Positions Currently Held	Year Named Officer
Drue Jennings	50	Chairman of the Board, President and Chief Executive Officer	1980
Bernard J. Beaudoin	56	Executive Vice President - Chief Financial Officer	1984
Marcus Jackson	45	Executive Vice President - Chief Operating Officer	1989
J. Turner White	48	Executive Vice President - Corporate Development	1990
John J. DeStefano	47	Senior Vice President - Business Development	1989

Jeanie Sell Latz	45	Senior Vice President - Corporate Services, Corporate Secretary and Chief Legal Officer	1991
Frank L. Branca	49	Vice President - Wholesale and Transmission Services	1989
Steven W. Cattron	41	Vice President - Marketing and Sales	1994
Charles R. Cole	50	Vice President - Customer Services and Purchasing	1990
Douglas M. Morgan	54	Vice President - Information Technology	1994
Richard A. Spring	42	Vice President - Production	1994
Bailus M. Tate	50	Vice President - Human Resources	1994
Neil A. Roadman	51	Controller	1980
Mark C. Sholander	51	General Counsel and Assistant Secretary	1986
Andrea F. Bielsker	38	Treasurer	1996

KLT Inc. Officers

Name	Age	Positions Currently Held	Year Named Officer
Ronald G. Wasson	52	President	1995
Floyd R. Pendleton	53	Vice President-Business Development	1992
David M. McCoy	49	Vice President-Business Development	1996
Mark G. English	45	Vice President and General Counsel	1995
Janee C. Rosenthal	35	Corporate Secretary and Treasurer	1992
Teresa D. Cook	36	Controller	1997

All of the foregoing persons have been officers of KCPL or employees in a responsible position with KCPL for the past five years except for Mr. Spring. Mr. Spring was an employee of KCPL from 1978 to 1993, when he left KCPL to join Northern Indiana Public Service Company as Director of Electric Production. In July 1994, he rejoined KCPL as Vice President-Production.

The term of office of each officer commences with his or her appointment by the Board of Directors and ends at such time as the Board of Directors may determine.

ITEM 2. PROPERTIES

Generation Resources

KCPL's generating facilities consist of the following:

Unit	Year Completed	Estimated 1997 Megawatt (mw) Capacity	Fuel
Existing Units			
Base Load...Wolf Creek(a)	1985	548 (b)	Nuclear
Iatan	1980	469 (b)	Coal
LaCygne 2	1977	334 (b)	Coal
LaCygne 1	1973	341 (b)	Coal
Hawthorn 6	1997	142 (d)	Gas/Oil
Hawthorn 5	1969	479	Coal/Gas
Montrose 3	1964	161	Coal
Montrose 2	1960	153	Coal
Montrose 1	1958	155	Coal
Peak Load...Northeast 13 and 14(c)	1976	110	Oil
Northeast 17 and 18(c)	1977	116	Oil
Northeast 15 and 16(c)	1975	111	Oil

Northeast 11 and 12(c)	1972	105	Oil
Grand Avenue (2 units)	1929 & 1948	73	Gas

Total		<u>3,297</u>	
		=====	

(a) This unit is one of KCPL's principal generating facilities and has the lowest fuel cost of any of its generating facilities. An extended shutdown of the unit could have a substantial adverse effect on the operations of KCPL and its financial condition.

(b) KCPL's share of jointly-owned unit.

(c) Combustion turbines.

(d) KCPL has entered into an operating lease with First Security Bank of Utah, N.A. for a V.84.3A combustion turbine-generator, to be in service in the year 1997, with an anticipated accredited capacity of approximately 142 mw.

KCPL's maximum system net hourly peak load of 2,987 mw occurred on July 19, 1996. The maximum winter peak load of 2,012 mw occurred on December 19, 1996. The accredited generating capacity of KCPL's electric facilities in the summer (when peak loads are experienced) of 1996 under MOKAN Power Pool standards was 3,134 mw.

KCPL owns the Hawthorn Station (Jackson County, Missouri), Montrose Station (Henry County, Missouri), Northeast Station (Jackson County, Missouri) and two Grand Avenue Station turbine generators (Jackson County, Missouri). KCPL also owns 50% of the 682-mw LaCygne 1 Unit and 668-mw LaCygne 2 Unit in Linn County, Kansas; 70% of the 670-mw Iatan Station in Platte County, Missouri; and 47% of the 1,167 mw Wolf Creek in Coffey County, Kansas.

Transmission and Distribution Resources

KCPL's electric transmission system is interconnected with systems of other utilities to permit bulk power transactions with other electricity suppliers in Kansas, Missouri, Iowa, Nebraska and Minnesota. KCPL is a member of the MOKAN Power Pool, which is a contractual arrangement among eleven utilities in western Missouri and Kansas which interchange electric energy, share reserve generating capacity, and provide emergency and standby electricity services to each other.

KCPL owns approximately 1,700 miles of transmission lines and approximately 9,000 miles of overhead distribution lines, and approximately 3,100 miles of underground distribution lines. KCPL has all franchises necessary to sell electricity within the territories from which substantially all of its gross operating revenue is derived.

General

KCPL's principal plants and properties, insofar as they constitute real estate, are owned in fee; certain other facilities are located on premises held under leases, permits or easements; and its electric transmission and distribution systems are for the most part located over or under highways, streets, other public places or property owned by others for which permits, grants, easements or licenses (deemed satisfactory but without examination of underlying land titles) have been obtained.

Substantially all of the fixed property and franchises of KCPL, which consists principally of electric generating stations, electric transmission and distribution lines and systems, and buildings (subject to exceptions and reservations) are subject to a General Mortgage Indenture and Deed of Trust dated as of December 1, 1986.

ITEM 3. LEGAL PROCEEDINGS

Kansas City Power & Light Co. v. Western Resources, Inc.,

et. al

On May 20, 1996, KCPL commenced litigation in the United States District Court for the Western District of Missouri, Western Division (District Court), against Western Resources, Inc. (Western Resources) and Robert L. Rives (Rives) requesting the District Court to declare the Amended and Restated Agreement and Plan of Merger between KCPL, KC Merger Sub, Inc., UtiliCorp and KC United Corp., dated January, 1996, amended May 20, 1996 (Amended Merger Agreement), and the transactions contemplated thereby (collectively the Transaction) were legal and could not be reversed. On May 24, 1996, Jack R. Manson (Manson), filed an action to become a party to the above litigation as the shareholders' representative. Manson made claims against KCPL and all its directors stating they had violated their fiduciary duties, that their actions in adopting the Amended Merger Agreement were illegal and ultra vires; that the adoption of the Amended Merger Agreement illegally deprived shareholders of rights under Missouri law; and that the adoption of the Amended Merger Agreement was an excessive response to Western Resources' acquisition offer. On June 7, 1996, Western Resources and Rives each filed claims against KCPL, charging the same violations against the directors as Manson.

The District Court on August 2, 1996 ruled the transactions contemplated by the Amended Merger Agreement were legally valid and authorized under Missouri law; but the combined transactions resulted in a merger between KCPL and UtiliCorp, requiring, under Missouri law, approval by the holders of two-thirds of the outstanding shares of KCPL's stock.

By order dated November 25, 1996, the District Court allowed Manson to amend his original petition claiming the directors breached their fiduciary duties by refusing to meet with Western Resources and had committed reckless, grossly negligent, or negligent waste of corporate assets by pursuing the merger with UtiliCorp. In addition to requesting termination of the Amended Merger Agreement, Manson sought monetary damages in an unspecified amount. KCPL filed a motion on December 9, 1996 to dismiss Manson's claims and it is currently pending before the District Court. KCPL cannot predict the outcome of these proceedings at this time.

State of Missouri ex rel. Inter-City Beverage Co., Inc., et. al vs. The Public Service Commission of the State of Missouri, et. al;

Jewish Community Campus of Greater Kansas City, Inc. vs. Kansas State Corporation Commission, et. al

On August 13, 1993, a lawsuit was filed by nine customers in the Circuit Court of Jackson County, Missouri against KCPL. The suit alleged the misapplication of certain of KCPL's electric rate tariffs resulting in overcharges to industrial and commercial customers which had been provided service under those tariffs and requested certification as a class action. On December 3, 1993, the Court dismissed the matter for lack of subject matter jurisdiction. Plaintiffs appealed to the Missouri Court of Appeals, Western District. The Court of Appeals upheld the dismissal. Plaintiffs then filed a motion to transfer the case with the Missouri Supreme Court. The motion was denied.

Plaintiffs then took their claims to the state commissions filing complaints at the MPSC on August 23, 1995, and at the KCC on August 30, 1995. The MPSC complaint was dismissed May 1, 1996. The Cole County, Missouri Circuit Court affirmed the dismissal on January 29, 1997. The time for filing an appeal from such circuit court's decision has not yet lapsed. The KCC complaint was dismissed April 9, 1996. The Johnson County, Kansas District Court affirmed the dismissal on February 4, 1997. The Plaintiff filed a Notice of Appeal to the Kansas Court of Appeals on March 3, 1997.

Should the proceedings before the MPSC and KCC be overturned by the state courts, KCPL could be required to refund the alleged overcharges. KCPL believes it will be able to successfully defend these actions.

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

No matter was submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders through the solicitation of proxies or otherwise.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information:

(1) Principal Market:

Common Stock of KCPL is listed on the New York Stock Exchange and the Chicago Stock Exchange.

(2) Stock Price Information:

Quarter	Common Stock Price Range			
	1996 High	1996 Low	1995 High	1995 Low
First	\$27-1/4	\$24	\$24-1/2	\$22-1/8
Second	27-3/4	23-5/8	24-1/8	22-1/8
Third	28-3/8	26-1/4	24-3/8	21-1/2
Fourth	29-3/8	26-1/2	26-5/8	23-1/2

Holder:

At December 31, 1996, KCPL's Common Stock was held by 26,763 shareholders of record.

Dividends:

Common Stock dividends were declared as follows:

Quarter	1997	1996	1995
First	\$0.405	\$0.390	\$0.380
Second		0.390	0.380
Third		0.405	0.390
Fourth		0.405	0.390

KCPL's Restated Articles of Consolidation contains certain restrictions on the payment of dividends on KCPL's Common Stock.

ITEM 6. SELECTED FINANCIAL DATA

	Year Ended December 31				
	1996(a)	1995	1994(b)	1993	1992
	(dollars in millions except per share amounts)				
Operating revenues	\$ 904	\$ 886	\$ 868	\$ 857	\$ 803
Net income	\$ 108	\$ 123	\$ 105	\$ 106	\$ 86
Earnings per common share	\$ 1.69	\$ 1.92	\$ 1.64	\$ 1.66	\$ 1.35
Total assets at year-end	\$2,915	\$2,883	\$2,770	\$2,755	\$2,647
Total redeemable preferred stock and long-term debt (including current maturities)	\$ 971	\$ 911	\$ 833	\$ 870	\$ 817
Cash dividends per common share	\$ 1.59	\$ 1.54	\$ 1.50	\$ 1.46	\$ 1.43
Ratio of earnings to fixed charges	3.06	3.94	4.07	3.80	3.12

(a) In 1996, KCPL recorded \$31 million in merger related costs.

(b) In 1994, KCPL recorded a \$22.5 million expense for a voluntary

early retirement program.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

REGULATION AND COMPETITION

As competition develops throughout the electric utility industry, we are positioning Kansas City Power & Light Company (KCPL) to excel in an open market. We are improving the efficiency of KCPL's core utility operations and creating growth through its unregulated subsidiary. As competition presents new opportunities, we will also consider various strategies including partnerships, acquisitions, combinations, additions to or dispositions of service territory, and restructuring wholesale and retail businesses. In 1997 we will begin offering natural gas contracts to certain customers. We have entered an Agreement and Plan of Merger with Western Resources, Inc. (Western Resources). This agreement was reached after nine months of defending against an unsolicited exchange offer (see Note 11 to the Consolidated Financial Statements).

In December 1996 the Federal Energy Regulatory Commission (FERC) issued a statement concerning electric utility mergers. Under the statement, companies must demonstrate that their merger does not adversely affect competition or wholesale rates. As remedies, FERC may consider a range of conditions including transmission upgrades or divestitures of generating assets.

Competition in the electric utility industry was accelerated with the National Energy Policy Act of 1992. This gave FERC the authority to require electric utilities to provide transmission line access to independent power producers (IPPs) and other utilities (wholesale wheeling). KCPL, already active in the wholesale wheeling market, was one of the first utilities to receive FERC's approval of an open-access tariff for wholesale wheeling transactions. In April 1996 FERC issued an order requiring all owners of transmission facilities to adopt open-access tariffs and participate in wholesale wheeling; KCPL has made the necessary filings to comply with that order.

FERC's April order is likely to encourage more movement toward retail competition at the state level. An increasing number of states have already adopted open access requirements for utilities' retail electric service, allowing competing suppliers access to their retail customers (retail wheeling). Many other states are actively considering retail wheeling. Kansas has created a retail wheeling task force to study and report on related issues.

Competition through retail wheeling could result in market-based rates below current cost-based rates. This would provide growth opportunities for low-cost producers and risks for higher-cost producers, especially those with large industrial customers. Lower rates and the loss of major customers could result in under-utilized assets (stranded investment) and place an unfair burden on the remaining customer base or shareholders. If an adequate and fair provision for recovery of these lost revenues is not provided, certain generating assets may have to be evaluated for impairment and appropriate charges recorded against earnings. In addition to lower profit margins, market-based rates could also require generating assets to be depreciated over shorter useful lives, increasing operating expenses.

Although Missouri and Kansas have not yet authorized retail wheeling, we believe KCPL is positioned well to compete in an open market with its diverse customer mix and pricing strategies. About 22% of KCPL's retail mwh sales are to industrial customers compared to the utility average of about 35%. KCPL has a flexible rate structure with industrial rates that are competitively priced within our region. In addition, long-term contracts are in place or under negotiation for a large portion of KCPL's industrial sales. There has not been direct competition for retail electric service in our service territory although there has been competition in the bulk power market and between alternative fuels.

Increased competition could also force utilities to change accounting methods. Financial Accounting Standards Board (FASB) Statement No. 71 - Accounting for Certain Types of Regulation, applies to regulated entities whose rates are designed to recover the costs of providing service. An entity's operations could stop meeting the requirements of FASB 71 for various reasons, including a change in regulation or a change in the competitive environment for a company's

regulated services. For those operations no longer meeting the requirements of regulatory accounting, regulatory assets would be written off. KCPL's regulatory assets, totaling \$164 million at December 31, 1996, will be maintained as long as FASB 71 requirements are met.

It is possible that competition could eventually have a materially adverse affect on KCPL's results of operations and financial position. Should competition eventually result in a significant charge to equity, capital costs and requirements could increase significantly.

NONREGULATED OPPORTUNITIES

KLT Inc. is a wholly-owned subsidiary pursuing nonregulated, mainly energy-related business ventures. KLT's strategy capitalizes on new market opportunities by combining our expertise in energy-related fields with the knowledge of our joint venture partners. Existing ventures include investments in domestic and international nonregulated power production, energy services, oil and gas reserves, telecommunications, and affordable housing limited partnerships.

We had a total equity investment in KLT of \$61 million as of December 31, 1996, and expect that investment to grow to about \$210 million within the next five years. KLT's consolidated assets at December 31, 1996, totaled \$224 million. Within the next five years we expect KLT consolidated assets of about \$800 million, generated through the \$210 million of equity investment, subsidiary retained earnings and borrowings. The growth of KLT accounts for the majority of the increase in KCPL's consolidated investments and nonutility property.

EARNINGS OVERVIEW

Earnings per share (EPS) for 1996 of \$1.69 decreased \$0.23 from 1995. Terminating our merger agreement with UtiliCorp United Inc. (UtiliCorp) and defending against Western Resources' unsolicited exchange offer reduced 1996 EPS by \$0.31. Other factors contributing to the decrease included mild summer temperatures and the effects of a new stipulation and agreement with the Missouri commission. In addition, EPS for 1995 included a \$0.05 per share gain on the sale of rail cars. Despite the unfavorable weather and merger related charges, continued load growth contributed favorably to 1996 EPS.

EPS for 1995 of \$1.92 increased \$0.28 from 1994. This increase was due mostly to 1994's one-time \$22.5 million (\$0.22 per share) charge for the voluntary early retirement program (see Note 2 to the Consolidated Financial Statements). Other factors increasing 1995 EPS included load growth, warmer summer temperatures, savings from the 1994 early retirement program and a net gain of \$0.05 per share from the sale of railcars. Partially offsetting these increases, 1995 EPS also reflected decreased bulk power sales and higher fuel and purchased power costs as a result of a forced outage at a coal plant.

MEGAWATT-HOUR (MWH) SALES AND ELECTRIC OPERATING REVENUES

Sales and revenue data:

	Increase (Decrease) from Prior Year			
	1996		1995	
	Mwh	Revenues	Mwh	Revenues
	(revenue change in millions)			
Retail:				
Residential	1 %	\$ -	6 %	\$ 17
Commercial	4 %	10	3 %	9
Industrial	6 %	5	- %	(1)
Other	(4)%	-	(6)%	-
Total retail	4 %	15	3 %	25
Sales for resale:				
Bulk power sales	1 %	6	(15)%	(11)
Other	29 %	-	(11)%	-
Total		21		14
Other revenues		(3)		4
Total electric operating revenues		\$18		\$18

During 1996 the Missouri Public Service Commission (MPSC) approved a new stipulation and agreement authorizing a \$20 million revenue reduction in two phases, and an increase in depreciation and amortization expense by \$9 million per year. In July 1996 we implemented phase one of the revenue reduction designed to reduce revenues from commercial and industrial customers by an estimated \$9

million per year. This decrease is achieved with an increase in summer revenues offset by a larger decrease in winter revenues. This design more closely follows our increased costs of generating electricity in the summer. The second phase of this stipulation, effective January 1, 1997, will further reduce Missouri residential, commercial and industrial revenues by an estimated \$11 million per year. The decrease in 1996 revenues as a result of this stipulation and agreement was about \$3 million.

These lower rates, combined with lower billed sales in December of 1996 versus December of 1995, resulted in a lower accounts receivable balance at December 31, 1996, compared with December 31, 1995.

During April and May of 1995 about 600 net commercial customers were reclassified to industrial to more appropriately reflect their business operations. This change resulted in the reclassification of about \$680,000 (10,300 mwh sales) from commercial to industrial in each subsequent month. Prior periods have not been restated.

Summer temperatures were very mild in 1996 compared with 1995, remaining below normal for the fourth consecutive year. Despite this mild weather pattern, retail mwh sales increased in each of the last four years due to load growth. Load growth consists of higher usage-per-customer as well as the addition of new customers.

Retail mwh sales for 1996 increased 4% over 1995 while retail revenues increased only 2%. This difference is due largely to the Missouri revenue reductions discussed above and the effect of long-term sales contracts with certain major industrial customers. These contracts are tailored to meet customers' needs in exchange for their long-term commitment to purchase energy. Long-term contracts are in place or under negotiation for a large portion of our industrial sales.

Retail mwh sales and revenues for 1995 increased 3% over 1994. This increase was due mainly to improved weather and continued load growth. Similar to 1996, long-term contracts with major industrial customers resulted in a slight decrease in 1995 industrial revenues from 1994, despite an equal level of mwh sales.

Bulk power sales vary with system requirements, generating unit and purchased power availability, fuel costs and the requirements of other electric systems. A combination of these conditions contributed to record bulk power sales in 1994.

Changes in other revenues during 1996 and 1995 reflected changes in classification between other revenues and bulk power sales.

Total revenue per mwh sold varies with changes in the mix of mwh sales among customer classifications and the effect of declining price per mwh as usage increases. An automatic fuel adjustment provision is included in only sales for resale tariffs, which apply to less than 1% of revenues.

Future mwh sales and revenues per mwh will be affected by national and local economies, tariff changes, weather and customer conservation efforts. Competition, including alternative sources of energy such as natural gas, cogeneration, IPPs and other electric utilities, may also affect future sales and revenue.

FUEL AND PURCHASED POWER

Combined fuel and purchased power expenses for 1996 increased 8% or \$15 million from 1995, while total mwh sales (total of retail and sales for resale) increased only 3%.

This increase is largely attributable to an increase in capacity purchases. Capacity purchase contracts provide a cost-effective alternative to constructing new capacity and have contributed to increases in purchased power expenses. Additional capacity purchases increased purchased power expenses about \$9 million in 1996 and \$4 million in 1995.

Nuclear fuel costs per MMBTU remain substantially less than the MMBTU price of coal, despite increases of 26% during 1996 and 15% during 1995. Nuclear fuel costs per MMBTU averaged 59%, 45% and 40% of the MMBTU price of coal during 1996, 1995 and 1994, respectively. We expect this relationship and the price of nuclear fuel to remain fairly constant through the year 2001. During 1996 coal represented about 75% of generation and nuclear fuel about 25%. During 1995

nuclear fuel accounted for about 30% of generation as no refueling outage was scheduled during that year (see Wolf Creek section).

The price of coal burned declined 4% during 1996 and increased 1% during 1995. Our coal procurement strategies continue to provide coal costs at or below the regional average. We expect coal costs to remain fairly consistent with 1996 levels through 2001.

Other items affecting the change in combined fuel and purchased power expenses from 1995 to 1996 include a \$2 million decrease in expense from coal inventory adjustments, an increase in replacement power expenses for Wolf Creek's spring 1996 refueling outage (see Wolf Creek section) and a 1995 forced generating station outage. During July 1995 a fire forced an outage at LaCygne I, a low-cost, coal-fired generating unit. We replaced the power by increasing the usage of higher-cost, coal-fired units and purchasing power on the wholesale market. Damage to the unit was covered by insurance. However, uninsured, incremental fuel and purchased power costs were about \$4 million.

Combined fuel and purchased power expenses for 1995 increased 5% or \$9 million from 1994, despite a 2% decrease in total mwh sales. Items contributing to this increase include the LaCygne forced outage, increases in capacity purchase contracts, increases in the cost of nuclear fuel and a \$3 million increase in fuel costs from coal inventory adjustments.

OTHER OPERATION AND MAINTENANCE EXPENSES

Combined other operation and maintenance expenses for 1994 were higher than 1995 and 1996 due mainly to the costs of the voluntary early retirement program in that year. Total program costs of \$22.5 million (\$0.22 per share) were expensed during 1994. The decrease in 1995 expenses from 1994 was partially offset by KCPL's \$2 million share of Wolf Creek's voluntary early retirement program recorded during 1995. Other cost variances in 1996 and 1995 resulted from the timing of scheduled maintenance programs.

We continue to emphasize new technologies, improved methods and cost control. We are changing processes to provide increased efficiencies and improved operations. Through the use of cellular technology, a majority of customer meters are read automatically. These types of changes have allowed us to assimilate work performed by those who elected to participate in the early retirement programs.

INCOME TAXES

Operating income taxes decreased \$9 million in 1996 from 1995. The decrease was primarily due to adjustments necessary to reflect the filing of the 1995 tax returns and the settlement with the Internal Revenue Service regarding tax issues included in the 1985 through 1990 tax returns. This settlement is also the primary reason for the decrease in accrued taxes.

GENERAL TAXES

Components of general taxes:

	1996	1995	1994
	(thousands)		
Property	\$ 45,519	\$ 46,019	\$ 46,895
Gross receipts	42,554	41,416	40,397
Other	9,175	9,386	9,070
Total	\$ 97,248	\$ 96,821	\$ 96,362

OTHER INCOME

Miscellaneous Income

Miscellaneous income for 1995 includes a \$5 million gain from the sale of steel railcars, which were replaced by leased aluminum cars. Aluminum cars are lighter-weight and offer more coal capacity per car, contributing to lower delivered coal prices.

Miscellaneous Deductions

Miscellaneous deductions increased in 1996 from 1995 due primarily to the termination of the UtiliCorp merger agreement and defense against Western Resources' unsolicited exchange offer (see Notes 11 and 12 to the Consolidated Financial Statements). During the third quarter of 1996, \$13 million in previously deferred merger costs and a \$5 million termination fee were expensed. In addition, costs incurred to defend against the

unsolicited exchange offer increased 1996 expenses by \$13 million. Also, subsidiary expenses increased about \$9 million reflecting increased investing activities. Total subsidiary expenses, including interest charges discussed below, are substantially offset by related tax benefits.

Miscellaneous deductions increased in 1995 over 1994 due to increases in charitable contributions, fees related to the sale of customer accounts receivable and growing subsidiary operations.

Income Taxes

We accrued tax credits in 1996, 1995 and 1994 of \$12, \$5 and \$1 million, respectively, related primarily to KLT's investments in affordable housing limited partnerships. Tax credits from the investments in affordable housing more than offset the increase in interest expense incurred from these investments. Non-taxable increases in the cash surrender value of corporate-owned life insurance contracts also affected the relationship between miscellaneous deductions and income taxes.

INTEREST CHARGES

Interest expense increased during 1996 reflecting higher average levels of long-term debt outstanding compared with 1995. The higher levels of debt resulted from additional financing by KLT to support expanding subsidiary operations and new investments in unregulated ventures.

Interest expense increased during 1995 reflecting higher average levels of long-term debt outstanding and higher weighted-average interest rates compared with 1994. The higher average level of outstanding debt was primarily due to subsidiary investments in affordable housing partnerships.

The average interest rate on long-term debt, including current maturities, was 6.0% in 1996 and 1995 compared with 5.4% in 1994.

We use interest rate swap and cap agreements to limit the interest expense on a portion of our variable-rate long-term debt. We do not use derivative financial instruments for trading or other speculative purposes. Although these agreements are an integral part of our interest rate management, their incremental effect on interest expense and cash flows is not significant.

WOLF CREEK

Wolf Creek is one of KCPL's principal generating units representing about 18% of its accredited generating capacity. The plant's operating performance has remained strong, contributing about 25% of the annual mwh generation while operating at an average capacity of 88% over the last three years. It has the lowest fuel cost per MMBTU of any of KCPL's generating units.

Wolf Creek's eighth scheduled refueling and maintenance outage began in early February 1996 and was completed in April 1996 (64 days). The incremental operating, maintenance and replacement power costs are accrued evenly over the unit's operating cycle, normally 18 months. As actual outage expenses are incurred, the refueling liability and related deferred tax asset are reduced. The eighth outage started one month early when the plant was shut down after water flow from the cooling lake was restricted by ice buildup on an intake screen. This extended the length of the outage and was the primary reason for the increase in Wolf Creek related replacement power and maintenance expenses in 1996. Wolf Creek's ninth refueling and maintenance outage is scheduled for the fall of 1997.

Wolf Creek's assets and operating expenses represent about 45% and 20% of total assets and operating expenses, respectively. Currently, no major equipment replacements are expected, but an extended shutdown of the unit could have a substantial adverse effect on KCPL's business, financial condition and results of operations. Higher replacement power and other costs would be incurred as a result. Although not expected, an unscheduled plant shutdown could be caused by actions of the Nuclear Regulatory Commission reacting to safety concerns at the plant or other similar nuclear units. If a long-term shutdown occurred, the state regulatory commissions could consider reducing rates by excluding the Wolf Creek investment from rate base.

Ownership and operation of a nuclear generating unit exposes KCPL

to risks regarding the cost of decommissioning the unit at the end of its life and to potential retrospective assessments and property losses in excess of insurance coverage. These risks are more fully discussed in the related sections of Notes 1 and 4 to the Consolidated Financial Statements.

ENVIRONMENTAL MATTERS

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

The Clean Air Act Amendments of 1990 contain two programs significantly affecting the utility industry. We have spent about \$5 million for the installation of continuous emission monitoring equipment to satisfy the requirements under the acid rain provision. The other utility-related program calls for a study of certain air toxic substances. Based on the outcome of this study, regulation of these substances, including mercury, could be required. We cannot predict the likelihood of any such regulations or compliance costs.

Other proposed regulations to revise the ozone and particulate matter National Ambient Air Quality Standards, scheduled to be finalized in June 1997, may require capital expenditures which cannot be estimated at this time.

PROJECTED CONSTRUCTION EXPENDITURES

We are fully exploring alternatives to new construction. During 1995 we entered into an operating lease for a new 142 mw combustion turbine, scheduled to be placed in service during 1997. We have also contracted to purchase capacity through fixed-price agreements (see Note 4 to the Consolidated Financial Statements - Capacity Purchase Commitments). Compared to the long-term fixed costs of building new capacity, these contracts provide a cost-effective way of meeting uncertain levels of demand growth, even though there are risks associated with market price fluctuations.

Total utility capital expenditures, excluding allowance for funds used during construction, were \$101 million in 1996. The utility construction expenditures are projected for the next five years as follows:

	Construction Expenditures					Total
	1997	1998	1999	2000	2001	
	(millions)					
Generating facilities	\$ 35	\$ 27	\$ 35	\$33	\$ 19	\$149
Nuclear fuel	20	21	2	24	27	94
Transmission facilities	11	5	2	4	3	25
Distribution and general facilities	67	53	51	48	43	262
Total	\$133	\$106	\$ 90	\$109	\$ 92	\$530

This construction expenditure plan is subject to continual review and change. The next plan will be filed with the Missouri commission in July 1997.

CAPITAL REQUIREMENTS AND LIQUIDITY

As of December 31, 1996, KCPL's liquid resources included cash flows from operations, \$300 million of registered but unissued, unsecured medium-term notes and \$375 million of unused bank lines of credit. The unused lines consisted of KCPL's short-term bank lines of credit of \$280 million and KLT's long-term revolving line of credit of \$95 million.

KCPL continues to generate positive cash flows from operating activities, although individual components of working capital will vary with normal business cycles and operations including the timing of receipts and payments. Cash required to meet current tax liabilities has increased as we no longer receive the benefits of accelerated tax depreciation on any significant generating plant assets. Accelerated depreciation lowers tax payments in the earlier years of an asset's life while increasing deferred tax liabilities; this relationship reverses in the later years of an asset's life. Our last significant generating plant addition was the completion of Wolf

Creek in 1985. The costs incurred to repair damages from an October 1996 snow storm also lowered cash flows from operating activities in 1996 and increased Other Regulatory Assets on the balance sheet. Amortization of these costs will begin in 1997 and be reflected as Amortization of Other in the Statement of Cash Flows. Amortization of Other decreased in 1996 as the deferred costs of the 1993 flood were fully amortized in 1995.

Cash used in investing activities varies with the timing of utility capital expenditures and KLT's purchases of investments and nonutility properties. The increase in nonutility properties during 1996 resulted mainly from KLT's purchase of certain oil and gas projects during the year.

Subsidiary obligations increased during 1996 to finance KLT's purchases of nonutility property and investments. KCPL's common dividend payout ratio was 94% in 1996, 80% in 1995 and 91% in 1994. Merger related costs in 1996 and costs of the voluntary early retirement program in 1994 contributed to the higher ratios in those years.

EPS for 1997 will be reduced by \$0.52 due to a \$53 million payment in February 1997 to UtiliCorp for terminating a merger agreement with them and then signing an agreement to combine with Western Resources. After taxes, the payment will reduce 1997 net income by \$32 million. We sold commercial paper to pay this termination fee.

Day-to-day operations, utility construction requirements and dividends are expected to be met with internally-generated funds. Uncertainties affecting our ability to meet these requirements with internally-generated funds include the effect of inflation on operating expenses, the level of mwh sales, regulatory actions, compliance with future environmental regulations, the availability of generating units, and the outcome of pending legal proceedings (see Note 13 to the Consolidated Financial Statements). The funds needed for the retirement of \$393 million of maturing debt through the year 2001 will be provided from operations, refinancings or short-term debt. We might incur additional debt and/or issue additional equity to finance growth or take advantage of new opportunities.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS

KANSAS CITY POWER & LIGHT COMPANY CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31		
	1996	1995	1994
	(thousands)		
ELECTRIC OPERATING REVENUES	\$903,919	\$885,955	\$868,272
OPERATING EXPENSES			
Operation			
Fuel	140,505	139,371	135,106
Purchased power	52,455	38,783	33,929
Other	180,719	178,599	202,304
Maintenance	71,495	78,439	72,468
Depreciation	103,912	97,225	94,361
Income taxes	68,155	77,062	70,949
General taxes	97,248	96,821	96,362
Deferred Wolf Creek costs amortization	11,617	12,607	13,102
Total	726,106	718,907	718,581
OPERATING INCOME	177,813	167,048	149,691
OTHER INCOME			
Allowance for equity funds used during construction	2,368	2,279	2,087
Miscellaneous income	4,843	8,623	3,015
Miscellaneous deductions	(55,172)	(11,101)	(7,174)
Income taxes	36,402	10,259	4,572
Total	(11,559)	10,060	2,500
INCOME BEFORE INTEREST CHARGES	166,254	177,108	152,191
INTEREST CHARGES			
Long-term debt	53,939	52,184	43,962
Short-term debt	1,251	1,189	1,170

Miscellaneous	4,840	3,112	4,128
Allowance for borrowed funds used during construction	(1,947)	(1,963)	(1,844)
Total	58,083	54,522	47,416
Net Income	108,171	122,586	104,775
Preferred Stock Dividend Requirements	3,790	4,011	3,457
Earnings Available for Common Stock	\$104,381	\$118,575	\$101,318
Average Number of Common Shares Outstanding	61,902	61,902	61,903
Earnings per Common Share	\$1.69	\$1.92	\$1.64
Cash Dividends per Common Share	\$1.59	\$1.54	\$1.50

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

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Year Ended December 31		
	1996	1995	1994
	(thousands)		
Beginning Balance	\$449,966	\$426,738	\$418,201
Net Income	108,171	122,586	104,775
	558,137	549,324	522,976
Dividends Declared			
Preferred stock - at required rates	3,782	4,029	3,384
Common stock	98,421	95,329	92,854
Ending Balance	\$455,934	\$449,966	\$426,738

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

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS

	December 31	December 31
	1996	1995
	(thousands)	
ASSETS		
UTILITY PLANT, at original cost		
Electric	\$ 3,472,607	\$ 3,388,538
Less-accumulated depreciation	1,238,187	1,156,115
Net utility plant in service	2,234,420	2,232,423
Construction work in progress	69,577	72,365
Nuclear fuel, net of amortization of \$84,540 and \$81,452	39,497	54,673
Total	2,343,494	2,359,461
REGULATORY ASSET - DEFERRED WOLF CREEK COSTS	0	8,880
REGULATORY ASSET - RECOVERABLE TAXES	126,000	123,000
INVESTMENTS AND NONUTILITY PROPERTY	231,874	166,751
CURRENT ASSETS		
Cash and cash equivalents	23,571	28,390
Customer accounts receivable, net of allowance for doubtful accounts of \$1,644 and \$1,574	27,093	32,830
Other receivables	36,113	31,838
Fuel inventories, at average cost	19,077	22,103
Materials and supplies, at average cost	47,334	47,175
Deferred income taxes	2,737	5,947
Other	5,055	5,179
Total	160,980	173,462
DEFERRED CHARGES		
Regulatory assets		
Settlement of fuel contracts	9,764	13,007
KCC Wolf Creek carrying costs	1,368	4,104
Other	26,615	21,231
Other deferred charges	14,417	12,610
Total	52,164	50,952
Total	\$2,914,512	\$2,882,506

CAPITALIZATION AND LIABILITIES

CAPITALIZATION (see statements)	\$1,943,647	\$1,824,087
CURRENT LIABILITIES		
Commercial paper	0	19,000
Current maturities of long-term debt	26,591	73,803
Accounts payable	55,618	52,506
Accrued taxes	18,443	39,726
Accrued interest	21,054	16,906
Accrued payroll and vacations	25,558	22,764
Accrued refueling outage costs	7,181	13,563
Other	11,980	11,787
Total	166,425	250,055
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred income taxes	643,189	648,374
Deferred investment tax credits	67,107	71,270
Other	94,144	88,720
Total	804,440	808,364
COMMITMENTS AND CONTINGENCIES (note 4)		
Total	\$2,914,512	\$2,882,506

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

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31		
	1996	1995	1994
	(thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$108,171	\$122,586	\$104,775
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation	103,912	97,225	94,361
Amortization of:			
Nuclear fuel	16,094	14,679	10,136
Deferred Wolf Creek costs	11,617	12,607	13,102
Other	5,507	8,152	9,608
Deferred income taxes (net)	(8,662)	(3,268)	20,524
Deferred investment tax credit amortization and reversals	(4,163)	(11,570)	(4,345)
Deferred storm costs	(8,885)	0	0
Allowance for equity funds used during construction	(2,368)	(2,279)	(2,087)
Cash flows affected by changes in:			
Receivables	1,462	(17,551)	1,543
Fuel inventories	3,026	(5,533)	(2,020)
Materials and supplies	(159)	(2,222)	(796)
Accounts payable	3,112	(20,980)	14,065
Accrued taxes	(21,283)	15,042	(3,116)
Accrued interest	4,148	4,697	(3,366)
Wolf Creek refueling outage accrual	(6,382)	11,443	(5,142)
Pension and postretirement benefit obligations	(84)	(4,176)	32,203
Other operating activities	11,846	4,325	(2,860)
Net cash from operating activities	216,909	223,177	276,585
CASH FLOWS FROM INVESTING ACTIVITIES			
Utility capital expenditures	(100,947)	(134,070)	(124,965)
Allowance for borrowed funds used during construction	(1,947)	(1,963)	(1,844)
Purchases of investments	(35,362)	(56,759)	(67,560)
Purchases of nonutility property	(20,395)	0	0
Other investing activities	(931)	9,046	5,624
Net cash used in investing activities	(159,582)	(183,746)	(188,745)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of long-term debt	135,441	111,055	133,793
Repayment of long-term debt	(74,230)	(33,428)	(170,170)
Special deposits	0	0	60,118
Net change in short-term borrowings	(19,000)	(13,000)	3,000
Dividends paid	(102,203)	(99,358)	(96,238)
Other financing activities	(2,154)	3,473	335
Net cash used in financing			

activities	(62,146)	(31,258)	(69,162)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,819)	8,173	18,678
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	28,390	20,217	1,539
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$23,571	\$28,390	\$20,217
CASH PAID DURING THE YEAR FOR:			
Interest (net of amount capitalized)	\$52,457	\$48,200	\$48,246
Income taxes	\$58,344	\$67,053	\$53,720

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

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF CAPITALIZATION

	December 31 1996	December 31 1995
	(thousands)	
COMMON STOCK EQUITY		
Common stock-150,000,000 shares authorized without par value-61,908,726 shares issued, stated value	\$ 449,697	\$ 449,697
Retained earnings (see statements)	455,934	449,966
Unrealized gain on securities available for sale	6,484	0
Capital stock premium and expense	(1,666)	(1,725)
Total	910,449	897,938
CUMULATIVE PREFERRED STOCK		
\$100 Par Value		
3.80% - 100,000 shares issued	10,000	10,000
4.50% - 100,000 shares issued	10,000	10,000
4.20% - 70,000 shares issued	7,000	7,000
4.35% - 120,000 shares issued	12,000	12,000
No Par Value		
4.38%* - 500,000 shares issued	50,000	50,000
\$100 Par Value - Redeemable		
4.00% - (note 8)	62	1,436
Total	89,062	90,436
LONG-TERM DEBT (excluding current maturities)		
General Mortgage Bonds		
Medium-term Notes due 1997-2008, 6.81% and 6.72% weighted-average rate at December 31	468,500	387,000
4.24%* Environmental Improvement Revenue Refunding Bonds due 2012-23	158,768	158,768
Guaranty of Pollution Control Bonds		
4.13%* due 2015-17	196,500	196,500
Subsidiary Obligations		
Affordable Housing Notes due 2000-05, 8.51% and 8.54% weighted-average rate at December 31	65,368	69,945
Bank Credit Agreement due 1999, 6.78% and 7.66% weighted-average rate at December 31	55,000	23,500
Total	944,136	835,713
Total	\$1,943,647	\$1,824,087

* Variable rate securities, weighted-average rate as of December 31, 1996

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

KANSAS CITY POWER & LIGHT COMPANY
Notes to Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company

Kansas City Power & Light Company is a medium-sized electric utility with more than 435,000 customers in western Missouri and eastern Kansas. About 95% of our retail revenues are from the Kansas City metropolitan area, an agribusiness center and major regional center for wholesale, retail and service companies. About two-thirds of our retail sales are to Missouri customers, the remainder to Kansas customers.

The consolidated financial statements include the accounts of

Kansas City Power & Light Company and KLT Inc., a wholly-owned, nonutility subsidiary. The consolidated entity is referred to as KCPL. KLT was formed in 1992 as a holding company for various nonregulated business ventures. Currently, the electric utility accounts for about 92% of consolidated assets and substantially all results of operations. Intercompany balances and transactions have been eliminated. KLT's revenues and expenses have been classified as Other Income and Interest Charges in the income statement.

The accounting records conform to the accounting standards prescribed by the Federal Energy Regulatory Commission (FERC) and generally accepted accounting principles. These standards require the use of estimates and assumptions that affect amounts reported in the financial statements and the disclosure of commitments and contingencies.

Cash and Cash Equivalents

Cash and cash equivalents consists of highly liquid investments with original maturities of three months or less.

Derivative Financial Instruments

We use interest rate swap and cap agreements to reduce the impact of changes in interest rates on variable-rate debt.

Interest rate swap agreements effectively fix the interest rates on a portion of KCPL's variable-rate debt. Interest rate caps limit the interest rate on a portion of KCPL's variable-rate debt by setting a maximum rate. The costs of rate caps are paid annually and included in interest expense. Any difference paid or received due to these agreements is recorded as an adjustment to interest expense.

These agreements are not marked to market value as they are used only to manage interest expense and the intent is to hold them until their termination date. We do not use derivative financial instruments for trading or other speculative purposes.

Fair Value of Financial Instruments

The stated values of financial instruments as of December 31, 1996 and 1995, approximated fair market values. KCPL's incremental borrowing rate for similar debt was used to determine fair value if quoted market prices were not available.

Securities Available for Sale

Certain investments in equity securities are accounted for as securities available for sale in accordance with Financial Accounting Standards Board (FASB) Statement No. 115 - Accounting for Certain Investments in Debt and Equity Securities. This requires adjusting the securities to market value with unrealized gains (or losses), net of deferred income taxes, reported as a separate component of shareholders' equity.

Investments in Affordable Housing Limited Partnerships

Through December 31, 1996, a subsidiary of KLT had invested \$97 million in affordable housing limited partnerships. About \$80 million of these investments were recorded at cost; the equity method was used for the remainder. Tax credits are recognized in the year generated. A change in accounting principle relating to investments made after May 19, 1995, requires limited partnership investments of more than 5% to use the equity method. Of the investments recorded at cost, \$70 million exceed this 5% level but were made prior to May 19, 1995.

Utility Plant

Utility plant is stated at historical costs of construction. These costs include taxes, an allowance for funds used during construction (AFDC) and payroll-related costs including pensions and other fringe benefits. Additions of, and replacements and improvements to units of property are capitalized. Repairs of property and replacements of items not considered to be units of property are expensed as incurred (except as discussed under Wolf Creek Refueling Outage Costs). When property units are retired or otherwise disposed, the original cost, net of salvage and removal, is charged to accumulated depreciation.

AFDC represents the cost of borrowed funds and a return on equity funds used to finance construction projects. It is capitalized

as a cost of construction work in progress. AFDC on borrowed funds reduces interest charges. AFDC on equity funds is shown as a noncash item of other income. When a construction project is placed in service, the related AFDC, as well as other construction costs, is used to establish rates under regulatory rate practices. The rates used to compute gross AFDC are compounded semi-annually and averaged 8.5% for 1996, 8.7% for 1995 and 7.8% for 1994.

Depreciation is computed using the straight-line method over the estimated lives of depreciable property based on rates approved by state regulatory authorities. Average annual composite rates were about 3.1% in 1996 compared with 2.9% in 1995 and 1994.

Wolf Creek Refueling Outage Costs

Forecasted incremental costs to be incurred during scheduled Wolf Creek Generating Station (Wolf Creek) refueling outages are accrued monthly over the unit's operating cycle, normally about 18 months. Estimated incremental costs, which include operating, maintenance and replacement power expenses, are based on budgeted outage costs and the estimated outage duration. Changes to or variances from those estimates are recorded when known or probable.

Nuclear Plant Decommissioning Costs

The Missouri Public Service Commission (MPSC) and the Kansas Corporation Commission (KCC) require the owners of Wolf Creek to submit an updated decommissioning cost study every three years. The most recent study was filed during 1996 and is currently under review by the MPSC and the KCC. Based on this study, total decommissioning costs are expected to increase to reflect 1996 dollars; however, no increase in the current level of funding and expenses is anticipated.

The following table shows the decommissioning cost estimates and the escalation rate and earnings assumptions approved by the MPSC and the KCC in 1994 with regard to the study filed in 1993. The decommissioning cost estimates are based on the immediate dismantlement method and include the costs of decontamination, dismantlement and site restoration. Plant decommissioning is not expected to start before 2025.

	KCC	MPSC
Future cost of decommissioning:		
Total Station	\$1.3 billion	\$1.8 billion
47% share	\$595 million	\$859 million
Current cost of decommissioning (in 1993 dollars):		
Total Station	\$370 million	\$370 million
47% share	\$174 million	\$174 million
Annual escalation factor	3.45%	4.50%
Annual return on trust assets	6.48%	7.66%

We contribute to a tax-qualified trust fund (about \$3 million for each of the last three years) to be used to decommission Wolf Creek. These costs were charged to other operation expenses and recovered in rates. Based on the 1993 study, contributions are expected to increase slightly beginning in 1997. These funding levels assume a certain return on trust assets. If the actual return on trust assets is below the anticipated level, we believe a rate increase will be allowed ensuring full recovery of decommissioning costs over the remaining life of the unit. This assumes we continue to be regulated.

As of December 31, 1996 and 1995, the trust fund balance, including reinvested earnings, was \$31 and \$26 million, respectively. These amounts are reflected in Investments and Nonutility Property. The related liabilities for decommissioning are included in Deferred Credits and Other Liabilities - Other.

In 1996 FASB issued an Exposure Draft of a proposed Statement of Financial Accounting Standards, Accounting for Certain Liabilities Related to Closure or Removal of Long-Lived Assets, that addressed the accounting for obligations arising from dismantlement, removal, site reclamation, and decontamination of certain long-lived assets. FASB hopes to finalize a statement or revised exposure draft in 1997. If current electric utility industry accounting practices for such decommissioning costs are changed: 1) annual decommissioning expenses could increase, and 2) trust fund income from the external decommissioning trusts could be reported as investment income. We are

not able to predict what affect those changes would have on results of operations, financial position, or related regulatory practices until the final issuance of a revised accounting guidance. However, we do not anticipate results of operations to be significantly affected as long as we are regulated.

Nuclear Fuel

Nuclear fuel is amortized to fuel expense based on the quantity of heat produced for the generation of electricity. Under the Nuclear Waste Policy Act of 1982, the Department of Energy (DOE) is responsible for the permanent disposal of spent nuclear fuel. We pay the DOE a quarterly fee of one-tenth of a cent for each kilowatt-hour of net nuclear generation delivered and sold for future disposal of spent nuclear fuel. These disposal costs are charged to fuel expense and recovered through rates.

A permanent disposal site may not be available for the industry until 2010 or later, although an interim facility may be available earlier. Under current DOE policy, once a permanent site is available, the DOE will accept spent nuclear fuel on a priority basis; the owners of the oldest spent fuel will be given the highest priority. As a result, disposal services for Wolf Creek may not be available prior to 2016. Wolf Creek has an on-site, temporary storage facility for spent nuclear fuel. Under current regulatory guidelines, this facility can provide storage space until about 2005. Management believes additional temporary storage space can be built or obtained as necessary.

Regulatory Assets

FASB Statement No. 71 - Accounting for Certain Types of Regulation, applies to regulated entities whose rates are designed to recover the costs of providing service. In accordance with this statement, certain items that would normally be reflected in the income statement are deferred on the balance sheet. These items are then amortized as the related amounts are recovered from customers through rates.

We recognize regulatory assets when allowed by a commission's rate order or when it is probable, based on regulatory precedent, that future rates will recover the amortization of the deferred costs. We continuously monitor changes in market and regulatory conditions and consider the effects of any changes in assessing the continued applicability of FASB 71. If we were unable to apply FASB 71, the unamortized balance of \$164 million of our regulatory assets, net of the related tax benefit, would be written off.

Deferred Wolf Creek Costs

The KCC and MPSC allowed continued construction accounting for ratemaking purposes after Wolf Creek's 1985 commercial in-service date. Certain other carrying costs were also deferred. The deferrals were amortized and recovered in rates from 1987 through 1996.

Recoverable Taxes

See the following Income Taxes section.

Settlement of Fuel Contracts

We deferred the cost of terminating certain coal purchase contracts. These costs are being amortized over various periods ending in 2002.

KCC Wolf Creek Carrying Costs

The KCC ordered certain Wolf Creek carrying costs to be deferred. These costs are being recovered and amortized over six years ending in June 1997.

Other

Other regulatory assets include premium on redeemed debt, deferred costs to decommission and decontaminate federal uranium enrichment facilities and other costs. These deferrals are amortized over various periods extending to 2023. Also included in other regulatory assets are incremental costs of \$8.9 million related to an October 1996 snow storm. We have received accounting authority orders from the KCC and MPSC approving the

deferral of these costs. The costs will be amortized over five years beginning in January 1997.

Revenue Recognition

We use cycle billing and accrue estimated unbilled revenue at the end of each reporting period.

Income Taxes

The balance sheet includes deferred income taxes for all temporary differences between the tax basis of an asset or liability and that reported in the financial statements. These deferred tax assets and liabilities are determined using the tax rates scheduled by the tax law to be in effect when the differences reverse.

Regulatory Asset - Recoverable Taxes mainly reflects the future revenue requirements necessary to recover the tax benefits of existing temporary differences previously passed through to customers. Operating income tax expense is recorded based on ratemaking principles. However, if the method used for the balance sheet were reflected in the income statement, net income would remain the same.

Investment tax credits are deferred when utilized and amortized to income over the remaining service lives of the related properties.

Environmental Matters

Environmental costs are accrued when it is probable a liability has been incurred and the amount of the liability can be reasonably estimated. We believe all appropriate costs related to environmental matters have been recorded.

2. PENSION PLANS AND OTHER EMPLOYEE BENEFITS

Early Retirement Program

In 1994, 332 employees retired under a voluntary early retirement plan. We expensed estimated pension and postretirement program costs of \$16.5 and \$6.0 million, respectively (\$0.22 per share).

In 1995, 56 employees retired under the Wolf Creek voluntary early retirement plan. We expensed our share of estimated program costs of \$2.1 million (\$0.02 per share) during the second quarter of 1995.

Pension Plans

KCPL has defined benefit pension plans for its employees, including officers. Benefits under these plans reflect the employees' compensation, years of service and age at retirement. KCPL satisfies at least the minimum funding requirements under the Employee Retirement Income Security Act of 1974.

Funded status of the plans:

December 31	1996	1995
	(thousands)	
Accumulated benefit obligation:		
Vested	\$247,264	\$251,042
Nonvested	6,526	6,474
Total	\$253,790	\$257,516
Determination of plan assets less obligations:		
Fair value of plan assets (a)	\$363,285	\$339,236
Projected benefit obligation (b)	307,050	315,395
Difference	\$ 56,235	\$ 23,841
Reconciliation of difference:		
Accrued trust liability	\$(13,645)	\$(13,890)
Unrecognized transition obligation	10,541	12,612
Unrecognized net gain	63,022	29,293
Unrecognized prior service cost	(3,683)	(4,174)
Difference	\$ 56,235	\$ 23,841

(a) Plan assets are invested in insurance contracts, corporate bonds, equity securities, U.S. Government securities, notes, mortgages and short-term investments.

(b) Based on weighted-average discount rates of 8.0% in 1996 and 7.5% in 1995; and increases in future salary levels of 4% to 5% in 1996 and 1995.

Components of provisions for pensions (excluding 1995 and 1994 early retirement program costs):

	1996	1995	1994
	(thousands)		
Service cost	\$ 8,164	\$ 6,414	\$ 8,193
Interest cost on projected benefit obligation	23,379	22,593	20,759
Actual return on plan assets	(40,831)	(50,108)	(1,143)
Other	15,347	25,656	(22,297)
Net periodic pension cost	\$ 6,059	\$ 4,555	\$ 5,512

Long-term rates of return on plan assets of 8.5% to 9.25% were used.

Postretirement Benefits Other Than Pensions

In addition to providing pension benefits, certain postretirement health care and life insurance benefits are provided for substantially all retired employees.

We accrue the cost of postretirement health care and life insurance benefits during an employee's years of service. These costs are currently recovered through rates on an accrual basis in Missouri and a pay-as-you-go basis in Kansas. In 1995 we began funding the year's overall net periodic postretirement benefit cost, subject to maximum deductible limits for income tax purposes.

Reconciliation of postretirement benefits to amounts recorded in the balance sheets:

December 31	1996	1995
	(thousands)	
Accumulated postretirement benefit obligation (APBO) (a):		
Retirees	\$ 20,582	\$22,515
Fully eligible active plan participants	3,149	2,659
Other active plan participants	8,459	9,315
Total APBO	32,190	34,489
Fair value of plan assets (b)	(3,620)	(2,189)
Unrecognized transition obligation	(18,791)	(19,965)
Unrecognized net gain	3,255	892
Unrecognized prior service cost	(709)	(786)
Accrued postretirement benefit obligation (included in Deferred Credits and Other Liabilities - Other)	\$ 12,325	\$12,441

(a) Based on weighted-average discount rates of 8.0% in 1996 and 7.5% in 1995; and increases in future salary levels of 4% in 1996 and 1995.

(b) Plan assets are invested in certificates of deposit.

Net periodic postretirement benefit cost (excluding 1995 and 1994 early retirement program costs):

	1996	1995	1994
	(thousands)		
Service cost	\$ 574	\$ 435	\$ 645
Interest cost on APBO	2,520	2,423	2,305
Amortization of unrecognized transition obligation	1,174	1,175	1,175
Other	6	(60)	75
Net periodic postretirement benefit cost	\$4,274	\$3,973	\$4,200

Actuarial assumptions include an increase in the annual health care cost trend rate for 1997 of 10%, decreasing gradually over a four-year period to its ultimate level of 6%. The health care plan requires retirees to share in the cost when premiums exceed a certain amount. Because of this provision, an increase in the assumed health care cost trend rate by 1% per year would only increase the APBO as of December 31, 1996, by about \$704,000 and the combined service and interest costs of the net periodic postretirement benefit cost for 1996 by about \$80,000.

Long-term Incentive Plan

We have granted stock options where the exercise price equals the market price of KCPL's common stock on the grant date. One-half of all options granted vest one year after the grant date, the other half vest two years after the grant date. When exercised, recipients

receive shares of stock and accumulated dividends (as though they had been reinvested). Unexercised options expire 10 years after the grant date.

KCPL follows APB Opinion 25 - Accounting for Stock Issued to Employees and related Interpretations in accounting for this plan. Because of the dividend provision, we expensed \$1.4, \$1.0 and \$0.4 million for 1996, 1995 and 1994, respectively. The expense includes accumulated and reinvested dividends plus the appreciation in stock price since the grant date. If the stock price fell below the exercise price, the cumulative expense related to those options is reversed.

If KCPL accounted for this plan using the optional, fair-value method of FASB Statement No. 123 - Accounting for Stock-Based Compensation, the fair value of options granted and related expense recorded for these plans would not be material.

For options outstanding at December 31, 1996, exercise prices range from \$20.625 to \$26.188 and the weighted-average remaining contractual life is 7 years.

Stock option activity over the last three years is summarized below:

	1996		1995		1994	
	shares	price*	shares	price*	shares	price*
Outstanding at January 1	266,125	\$22.14	197,375	\$21.87	145,125	\$22.60
Granted	59,000	26.19	68,750	23.06	69,125	20.63
Exercised	(26,250)	22.27	-	-	(6,000)	21.63
Canceled	-	-	-	-	(10,875)	23.88
Outstanding at December 31	298,875	\$22.96	266,125	\$22.18	197,375	\$21.87
Exercisable as of December 31	206,500	\$22.02	162,813	\$22.14	102,125	\$22.20

*weighted-average exercise price

3. INCOME TAXES

Income tax expense consisted of the following:

	1996	1995	1994
	(thousands)		
Current income taxes:			
Federal	\$35,816	\$69,697	\$42,736
State	8,762	11,944	7,462
Total	44,578	81,641	50,198
Deferred income taxes, net:			
Federal	(7,441)	(3,152)	17,005
State	(1,221)	(116)	3,519
Total	(8,662)	(3,268)	20,524
Investment tax credit amortization and reversals	(4,163)	(11,570)	(4,345)
Total income tax expense	\$31,753	\$66,803	\$66,377

KCPL's effective income tax rates differed from the statutory federal rates mainly due to the following:

	1996	1995	1994
Federal statutory income tax rate	35.0%	35.0%	35.0%
Differences between book and tax depreciation not normalized	(0.4)	1.2	1.2
Amortization of investment tax credits	(3.0)	(2.5)	(2.5)
Income tax credits	(9.1)	(2.3)	(0.2)
State income taxes	3.5	4.1	4.2
Other	(3.3)	(0.2)	1.1
Effective income tax rate	22.7%	35.3%	38.8%

The tax effects of major temporary differences resulting in deferred tax assets and liabilities in the balance sheets are as follows:

December 31	1996	1995
	(thousands)	
Plant related	\$562,287	\$572,792
Recoverable taxes	49,000	48,000
Other	29,165	21,635
Net deferred income tax liability	\$640,452	\$642,427

The net deferred income tax liability consisted of the following:

December 31	1996	1995
	(thousands)	
Gross deferred income tax assets	\$ (60,979)	\$ (61,181)

Gross deferred income tax liabilities	701,431	703,608
Net deferred income tax liability	\$640,452	\$642,427

4. COMMITMENTS AND CONTINGENCIES

Nuclear Liability and Insurance

Liability Insurance

The Price-Anderson Act currently limits the combined public liability of nuclear reactor owners to \$8.9 billion for claims that could arise from a single nuclear incident. The owners of Wolf Creek (the Owners) carry the maximum available commercial insurance of \$0.2 billion. The remaining \$8.7 billion balance is provided by Secondary Financial Protection (SFP), an assessment plan mandated by the Nuclear Regulatory Commission.

Under SFP, if there were a catastrophic nuclear incident involving any of the nation's licensed reactors, the Owners would be subject to a maximum retrospective assessment per incident of up to \$79 million (\$37 million, KCPL's share). The Owners are jointly and severally liable for these charges, payable at a rate not to exceed \$10 million (\$5 million, KCPL's share) per incident per year, excluding applicable premium taxes. The assessment, most recently revised in 1993, is subject to an inflation adjustment every five years based on the Consumer Price Index.

Property, Decontamination and Premature Decommissioning Insurance

The Owners also carry \$2.8 billion (\$1.3 billion, KCPL's share) of property damage, decontamination and premature decommissioning insurance for loss resulting from damage to the Wolf Creek facilities. Nuclear insurance pools provide \$0.5 billion of coverage, while Nuclear Electric Insurance Limited (NEIL) provides \$2.3 billion.

In the event of an accident, insurance proceeds must first be used for reactor stabilization and site decontamination. KCPL's share of any remaining proceeds can be used for property damage 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 (see Note 1 - Nuclear Plant Decommissioning Costs).

Extra Expense Insurance - Including Replacement Power

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.

Retrospective Assessments

Under all NEIL policies, KCPL is 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 to KCPL under the current policies could total about \$8 million.

Other

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 KCPL and could have a material, adverse effect on our financial condition and results of operations.

Nuclear Fuel Commitments

As of December 31, 1996, KCPL's portion of Wolf Creek nuclear fuel commitments included \$130 million for enrichment and fabrication through 2025 and \$15 million for uranium and conversion through 2001.

Environmental Matters

KCPL's operations must comply with federal, state and local environmental laws and regulations. The generation and transmission of electricity uses, produces and requires disposal of certain products and by-products, including polychlorinated biphenyl (PCBs),

asbestos and other potentially hazardous materials. The Federal Comprehensive Environmental Response, Compensation and Liability Act (the Superfund law) imposes strict joint and several liability for those who generate, transport or deposit hazardous waste. This liability extends to the current property owner as well as prior owners since the time of contamination. We continually conduct environmental audits designed to detect contamination and ensure compliance with governmental regulations. However, compliance programs needed to meet future environmental laws and regulations governing water and air quality, including carbon dioxide emissions, hazardous waste handling and disposal, toxic substances and the effects of electromagnetic fields, could require substantial changes to operations or facilities.

Long-term Coal Contracts

KCPL's share of coal purchased under long-term contracts was \$36, \$42 and \$21 million in 1996, 1995 and 1994, respectively. Under these coal contracts, KCPL's remaining share of purchase commitments totals \$113 million. Obligations for the years 1997 through 2001 total \$34, \$20, \$20, \$10 and \$10 million, respectively. The remainder of our coal requirements are fulfilled through spot market purchases.

Leases

KCPL has a transmission line lease with another utility whereby, with FERC approval, the rental payments can be increased by the lessor. If this occurs, we can cancel the lease if we are able to secure an alternative transmission path. Commitments under this lease total \$2 million per year and \$54 million over the remaining life of the lease if it is not canceled.

Rental expense for other leases including railcars, computer equipment, buildings, transmission line and other items was \$18 to \$20 million per year during the last three years. The remaining rental commitments under these leases total \$174 million. Obligations for the years 1997 through 2001 average \$14 million per year. Capital leases are not material and are included in these amounts.

As the managing partner of three jointly-owned generating units, we have entered into leases for railcars to serve those units. The entire lease commitment is reflected in the above amounts although about \$2 million per year (\$31 million total) will be reimbursed by the other owners.

Purchased Capacity Commitments

We purchase capacity from other utilities and nonutility suppliers. Purchased capacity gives us the option to purchase energy if needed or when market prices are favorable. This provides a cost-effective alternative to new construction. As of December 31, 1996, contracts to purchase capacity total \$267 million through 2016. During 1996, 1995 and 1994, capacity purchases were \$26, \$17 and \$13 million, respectively. For the years 1997 through 2001, these commitments average \$22 million per year. For each of the next five years, net capacity purchases represent about 11% of KCPL's 1996 total available capacity.

Legal Proceedings

See Note 13.

5. SECURITIES AVAILABLE FOR SALE

KLT Inc., a wholly-owned subsidiary of KCPL, held a \$5 million investment in convertible preferred stock. In September 1996 the investee company completed a public offering triggering conversion of the preferred stock into common stock. As a result of the conversion, the carrying value of the investment at December 31, 1996, was adjusted to its market value of \$15.2 million. The \$10.2 million increase in market value over original cost resulted in an unrealized gain at December 31, 1996, of \$6.5 million (net of deferred taxes of \$3.7 million).

6. SALE OF ACCOUNTS RECEIVABLE

As of December 31, 1996 and 1995, an undivided interest in \$60 million of designated customer accounts receivable was sold with limited recourse. Related costs of \$3.5, \$3.8 and \$2.8 million for 1996, 1995 and 1994, respectively, were included in Other Income - Miscellaneous deductions.

7. SHORT-TERM BORROWINGS

Short-term borrowings consist of funds borrowed from banks or through the sale of commercial paper as needed. The weighted-average interest rate on the short-term debt outstanding as of December 31, 1995, was 5.9%. As of December 31, 1996, under minimal fee arrangements, unused bank lines of credit totaled \$280 million.

8. COMMON STOCK EQUITY, PREFERRED STOCK AND REDEEMABLE PREFERRED STOCK

Common Stock Equity

KCPL has shares of common stock registered with the Securities and Exchange Commission for a Dividend Reinvestment and Stock Purchase Plan (the Plan). The Plan allows common shareholders, directors and employees to purchase shares of the common stock by reinvesting dividends or making optional cash payments. We are currently purchasing shares for the Plan on the open market.

As of December 31, 1996 and 1995, KCPL held 12,907 and 6,643 shares of its common stock to be used for future distribution, respectively. The cost of these shares is included in Investments and Nonutility Property.

The Restated Articles of Consolidation contain a restriction relating to the payment of dividends in the event common equity falls to 25% of total capitalization.

If preferred stock dividends are not declared and paid when scheduled, KCPL could not declare or pay common stock dividends or purchase any common shares. If the unpaid preferred stock dividends equal four or more full quarterly dividends, the preferred shareholders, voting as a single class, could elect members to the Board of Directors.

Preferred Stock and Redeemable Preferred Stock

Scheduled mandatory sinking fund requirements for the redeemable 4% Cumulative Preferred Stock are 1,600 shares per year. Shares issued as of December 31 totaled 12,757 in 1996 and 14,357 in 1995. Shares held by KCPL at December 31 to meet future sinking fund requirements totaled 12,134 in 1996 and 3,192 in 1995. The cost of the shares held at the end of 1996 is reflected as a reduction of the capital account while at the end of 1995 is included in Investments and Nonutility Property.

As of December 31, 1996, 0.4 million shares of \$100 par Cumulative Preferred Stock, 1.6 million shares of Cumulative No Par Preferred Stock and 11 million shares of no par Preference Stock were authorized. We have the option to redeem the \$89 million Cumulative Preferred Stock at prices approximating par or stated value.

9. LONG-TERM DEBT

General Mortgage Bonds and Unsecured Notes

KCPL is authorized to issue mortgage bonds under the General Mortgage Indenture and Deed of Trust dated December 1, 1986, as supplemented. The Indenture creates a mortgage lien on substantially all utility plant.

As of December 31, 1996, \$644 million general mortgage bonds were pledged under the Indenture to secure the outstanding medium-term notes and revenue refunding bonds.

KCPL is also authorized to issue up to \$300 million in unsecured medium-term notes under an indenture dated December 1, 1996. This indenture prohibits KCPL from issuing additional general mortgage bonds while any unsecured notes are outstanding. As of December 31, 1996, no unsecured notes had been issued.

Interest Rate Swap and Cap Agreements

As of December 31, 1996, we had entered into five interest rate swap agreements and three cap agreements to limit the interest rate on \$120 million of long-term debt. The swap agreements mature from 1997 to 1998 and effectively fix the interest rates on \$60 million of variable-rate debt to a weighted-average rate of 3.84% as of December 31, 1996. The cap agreements limit the interest rate on \$60 million of variable-rate debt to 5.0% expiring through 1998.

As of December 31, 1995, we had entered into eight interest rate swap agreements and three cap agreements limiting the interest rate on \$150 million of long-term debt. The swap agreements matured from 1996 to 1998 and effectively fixed the interest rates on \$90 million of variable-rate debt to a weighted-average rate of 3.7% as of December 31, 1995. The cap agreements limited the interest rate on \$60 million of variable-rate debt to 5.0% expiring through 1998.

These swap and cap agreements are with several highly rated financial institutions and simply limit our exposure to increases in interest rates. They do not subject KCPL to any material credit or market risks. The fair value of these agreements is immaterial and is not reflected in the financial statements. Although derivatives are an integral part of our interest rate management, their incremental effect on interest expense for 1996 and 1995 was insignificant.

Subsidiary Obligations

During 1995 KLT entered into a long-term revolving line of credit agreement for \$65 million collateralized by the capital stock of KLT's direct subsidiaries. During 1996 KLT amended this agreement, extending the amount of credit available to \$150 million. Other significant terms were not changed. The affordable housing notes are collateralized by the affordable housing investments.

Scheduled Maturities

Long-term debt maturities for the years 1997 through 2001 are \$27, \$73, \$136, \$66 and \$91 million, respectively.

10. JOINTLY-OWNED ELECTRIC UTILITY PLANTS

Joint ownership agreements with other utilities provide undivided interests in utility plants as of December 31, 1996, as follows (in millions of dollars):

	Wolf Creek Unit	LaCygne Units	Iatan Unit
KCPL's share	47%	50%	70%
Utility plant in service	\$1,344	\$ 287	\$ 244
Estimated accumulated depreciation (production plant only)	\$ 357	\$ 171	\$ 129
Nuclear fuel, net	\$ 39	\$ -	\$ -
KCPL's accredited capacity-megawatts	548	672	469

Each owner must fund its own portion of the plant's operating expenses and capital expenditures. KCPL's share of direct expenses is included in the appropriate operating expense classifications in the income statement. Western Resources, Inc. (Western Resources) also owns a 47% share of the Wolf Creek unit and a 50% share of the LaCygne units (see Note 11).

11. AGREEMENT AND PLAN OF MERGER WITH WESTERN RESOURCES

On February 7, 1997, KCPL and Western Resources entered into an Agreement and Plan of Merger (the Merger Agreement) to form a strategic business combination. The effective time of the merger is dependent upon all conditions of the Merger Agreement being met or waived. At the effective time, KCPL will merge with and into Western Resources, with Western Resources being the surviving corporation.

Western Resources first delivered an unsolicited exchange offer to KCPL's Board of Directors during the second quarter of 1996. This initial offer, subject to numerous conditions, proposed the exchange of \$28 (later increased to \$31) worth of Western Resources stock for each share of KCPL stock. After careful consideration, both offers were rejected by KCPL's Board of Directors. In July 1996 Western Resources commenced an exchange offer for KCPL common stock. In late 1996 KCPL began discussing a possible merger with Western Resources leading to the Merger Agreement.

Under the terms of the Merger Agreement, KCPL common stock will be exchanged for Western Resources common stock valued at \$32.00, subject to a conversion ratio limiting the amount of Western Resources common stock that holders of KCPL common stock would receive per share of KCPL common stock to no more than 1.1 shares (if Western Resources' stock is priced at or below \$29.09 per share), and no less than 0.917 shares (if Western Resources' stock is priced at or above \$34.90 per share). However, there is a provision in the Merger Agreement that

allows KCPL to terminate the merger if Western Resources' stock price drops below \$27.64 and either the Standard and Poor's Electric Companies Index increases or the decline in Western Resources stock exceeds by approximately 5% any decline in this index. Western Resources could avoid this termination by improving the conversion ratio.

The transaction is subject to several closing conditions including approval by each company's shareholders, approval by a number of regulatory authorities (statutory approvals) and dissenting shares equaling less than 5.5% of KCPL's outstanding shares. If the effective time has not occurred by June 30, 1998 (the termination date), either party may terminate the agreement as long as they did not contribute to the delay. This termination date will be automatically extended to June 30, 1999, if all of the Merger Agreement closing conditions have been met except for certain conditions relating to statutory approvals.

The Merger Agreement does not allow KCPL to increase its common stock dividend prior to the effective time or termination. It also requires KCPL to redeem all outstanding shares of preferred stock prior to completion of the merger.

If the Merger Agreement is terminated under certain circumstances, a payment of \$50 million will be due Western Resources if, within two and one-half years following termination, KCPL agrees to consummate a business combination with a third party that made a proposal to combine prior to termination. Western Resources will pay KCPL \$5 to \$35 million if the Merger Agreement is terminated and all closing conditions are satisfied other than conditions relating to Western Resources receiving a favorable tax opinion, a favorable letter from its accountants regarding pooling accounting, favorable statutory approvals, or an exemption from the Public Utility Holding Company Act of 1935.

In February 1997 KCPL paid UtiliCorp United Inc. (UtiliCorp) \$53 million for agreeing to combine with Western Resources within two and one-half years from the termination of KCPL's agreement to merge with UtiliCorp. This agreement was terminated due to failure of KCPL shareholders to approve the transaction with UtiliCorp.

12. QUARTERLY OPERATING RESULTS (UNAUDITED)

	Quarter			
	1st	2nd	3rd	4th
	(millions)			
1996				
Operating revenues	\$ 207	\$ 226	\$ 270	\$ 201
Operating income	35	42	68	33
Net income	25	27	36	20
Earnings per common share	\$ 0.38	\$ 0.43	\$ 0.57	\$ 0.31

	Quarter			
	1st	2nd	3rd	4th
	(millions)			
1995				
Operating revenues	\$ 199	\$ 205	\$ 278	\$ 204
Operating income	29	31	72	35
Net income	23	19	58	23
Earnings per common share	\$ 0.35	\$ 0.29	\$ 0.91	\$ 0.37

The quarterly data is subject to seasonal fluctuations with peak periods occurring during the summer months. As a result of terminating the merger agreement with UtiliCorp, \$13 million in previously deferred merger costs and a \$5 million termination fee were expensed lowering 1996 third quarter earnings. During 1996 about \$13 million in costs to defend against Western Resources' unsolicited exchange offer were expensed (\$5 million during the second quarter and \$8 million during the third quarter).

13. LEGAL PROCEEDINGS

Jack R. Manson (Manson), as a representative of KCPL's shareholders, alleged in a District Court proceeding, that KCPL and its directors breached their fiduciary duties in adopting the Amended Merger Agreement with UtiliCorp (Agreement). Manson also alleged their actions 1) were illegal, 2) illegally deprived KCPL shareholders of voting and appraisal rights under Missouri law, and 3) were a disproportionate response to Western Resources' acquisition

offer. Also, on June 7, 1996, Western Resources and Robert L. Rives each alleged against KCPL in the same court proceeding, that the Agreement was illegal under Missouri law and the directors had breached their fiduciary duties by adopting the Agreement.

By order dated November 25, 1996, the District Court allowed Manson to amend his allegation to allege that the directors breached their fiduciary duties by refusing to negotiate a merger with Western Resources and committed reckless, grossly negligent, or negligent waste of corporate assets by pursuing the merger with UtiliCorp. Manson seeks monetary damages in an unspecified amount for the waste of corporate assets. KCPL filed a motion on December 9, 1996, to dismiss Manson's amendment; it is currently pending before the District Court. The Company cannot predict the outcome of these proceedings at this time.

14. SUBSEQUENT EVENTS

In 1997 KLT closed investments totaling nearly \$60 million financed through additional borrowings.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Board of Directors
Kansas City Power & Light Company:

We have audited the consolidated financial statements of Kansas City Power & Light Company and Subsidiary listed in the index on page 43 of this Form 10-K. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Kansas City Power & Light Company and Subsidiary as of December 31, 1996 and 1995, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles.

/s/Coopers & Lybrand L.L.P.
COOPERS & LYBRAND L.L.P.

Kansas City, Missouri
February 14, 1997

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Directors

See General Note to Part III.

Executive Officers

See Part I, page 7, entitled "Officers of the Registrant."

ITEM 11. EXECUTIVE COMPENSATION

See General Note to Part III.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

See General Note to Part III.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

GENERAL NOTE TO PART III

Pursuant to General Instruction G to Form 10-K, the other information required by Part III (Items 10, 11, and 12) of Form 10-K not disclosed above will be either (i) incorporated by reference to the Definitive Proxy Statement for KCPL's 1997 Annual Meeting of Shareholders, filed with the Securities and Exchange Commission not later than April 30, 1997, or (ii) included in an amendment to this report filed with the Commission on Form 10-K/A.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

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Exhibits

Exhibit Number	Description of Document
2	*Amendment and Plan of Merger (Exhibit (2)-1 to Form 8-K dated February 11, 1997).
3-a	*Restated Articles of Consolidation of KCPL dated as of May 5, 1992 (Exhibit 4 to Registration Statement, Registration No. 33-54196).
3-b	*By-laws of KCPL, as amended and in effect on August 6, 1996 (Exhibit 3(ii) to Form 10-Q dated September 30, 1996).
4-a	*General Mortgage and Deed of Trust dated as of December 1, 1986, between KCPL and UMB Bank, n.a. (formerly United Missouri Bank) of Kansas City, N.A., Trustee (Exhibit 4-bb to Form 10-K for the year ended December 31, 1986).
4-b	*Third Supplemental Indenture dated as of April 1, 1991, to Indenture dated as of December 1, 1986 (Exhibit 4-aq to Registration Statement, Registration No. 33-42187).
4-c	*Fourth Supplemental Indenture dated as of February 15, 1992, to Indenture dated as of December 1, 1986 (Exhibit 4-y to Form 10-K for year

- ended December 31, 1991).
- 4-d *Fifth Supplemental Indenture dated as of September 15, 1992, to Indenture dated as of December 1, 1986 (Exhibit 4-a to Form 10-Q dated September 30, 1992).
 - 4-e *Sixth Supplemental Indenture dated as of November 1, 1992, to Indenture dated as of December 1, 1986 (Exhibit 4-z to Registration Statement, Registration No. 33-54196).
 - 4-f *Seventh Supplemental Indenture dated as of October 1, 1993, to Indenture dated as of December 1, 1986 (Exhibit 4-a to Form 10-Q dated September 30, 1993).
 - 4-g *Eighth Supplemental Indenture dated as of December 1, 1993, to Indenture dated as of December 1, 1986 (Exhibit 4 to Registration Statement, Registration No. 33-51799).
 - 4-h *Ninth Supplemental Indenture dated as of February 1, 1994, to Indenture dated as of December 1, 1986 (Exhibit 4-h to Form 10-K for year ended December 31, 1993).
 - 4-i *Tenth Supplemental Indenture dated as of November 1, 1994, to Indenture dated as of December 1, 1986 (Exhibit 4I to Form 10-K for year ended December 31, 1994).
 - 4-j *Resolution of Board of Directors Establishing 3.80% Cumulative Preferred Stock (Exhibit 2-R to Registration Statement, Registration No. 2-40239).
 - 4-k *Resolution of Board of Directors Establishing 4% Cumulative Preferred Stock (Exhibit 2-S to Registration Statement, Registration No. 2-40239).
 - 4-l *Resolution of Board of Directors Establishing 4.50% Cumulative Preferred Stock (Exhibit 2-T to Registration Statement, Registration No. 2-40239).
 - 4-m *Resolution of Board of Directors Establishing 4.20% Cumulative Preferred Stock (Exhibit 2-U to Registration Statement, Registration No. 2-40239).
 - 4-n *Resolution of Board of Directors Establishing 4.35% Cumulative Preferred Stock (Exhibit 2-V to Registration Statement, Registration No. 2-40239).
 - 4-o *Certificate of Designation of Board of Directors Establishing the \$50,000,000 Cumulative No Par Preferred Stock, Auction Series A (Exhibit 4-a to Form 10-Q dated March 31, 1992).
 - 4-p *Indenture for Medium-Term Note Program dated as of April 1, 1991, between KCPL and The Bank of New York (Exhibit 4-bb to Registration Statement, Registration No. 33-42187).
 - 4-q *Indenture for Medium-Term Note Program dated as of February 15, 1992, between KCPL and The Bank of New York (Exhibit 4-bb to Registration Statement, Registration No. 33-45736).
 - 4-r *Indenture for Medium-Term Note Program dated as of November 15, 1992, between KCPL and The Bank of New York (Exhibit 4-aa to Registration Statement, Registration No. 33-54196).
 - 4-s *Indenture for Medium-Term Note Program dated as of November 17, 1994, between KCPL and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Smith Barney Inc. (Exhibit 4-s to Form 10-K for year ended December 31, 1994).
 - 4-t Indenture for Medium-Term Note Program dated as of December 1, 1996, between KCPL and The Bank of New York. (Exhibit 4 to Registration Statement, Registration No. 333-17285).
 - 10-a *Copy of Wolf Creek Generating Station Ownership Agreement between Kansas City Power & Light Company, Kansas Gas and Electric Company and Kansas Electric Power Cooperative, Inc. (Exhibit 10-d to Form 10-K for the year ended December 31, 1981).
 - 10-b *Copy of Receivables Purchase Agreement dated as of September 27, 1989, between KCPL, Commercial Industrial Trade-Receivables Investment Company and Citicorp North America, Inc., (Exhibit 10-p to Form 10-K for year ended December 31, 1989).
 - 10-c *Copy of Amendment to Receivables Purchase Agreement dated as of August 8, 1991, between KCPL, Commercial Industrial Trade-Receivables Investment Company and Citicorp North America, Inc. (Exhibit 10-m to Form 10-K for year ended December 31, 1991).

- 10-d *Long-Term Incentive Plan (Exhibit 28 to Registration Statement, Registration 33-42187).
- 10-e Long-and Short-Term Incentive Compensation Plan, January 1, 1997.
- 10-f *Copy of Indemnification Agreement entered into by KCPL with each of its officers and directors. (Exhibit 10-f to Form 10-K for year ended December 31, 1995).
- 10-g *Copy of Severance Agreement entered into by KCPL with certain of its executive officers. (Exhibit 10 to Form 10-Q dated June 30, 1993).
- 10-h *Copy of Amendment to Severance Agreement dated January 15, 1996, entered into by KCPL with certain of its executive officers. (Exhibit 10-h to Form 10-K dated December 31, 1995).
- 10-i Copy of Amendment to Severance Agreement dated January, 1997 entered into by KCPL with certain of its executive officers.
- 10-j *Copy of Supplemental Executive Retirement and Deferred Compensation Plan (Exhibit 10-h to Form 10-K for year ended December 31, 1993).
- 10-k *Copy of \$50 million Letter of Credit and reimbursement agreement dated as of August 19, 1993, with The Toronto-Dominion Bank (Exhibit 10-i to Form 10-K for year ended December 31, 1993).
- 10-l *Copy of \$56 million Letter of Credit and Reimbursement Agreement dated as of August 19, 1993, with Societe Generale, Chicago Branch (Exhibit 10-j to Form 10-K for year ended December 31, 1993).
- 10-m *Copy of \$50 million Letter of Credit and Reimbursement Agreement dated as of August 19, 1993, with The Toronto-Dominion Bank (Exhibit 10-k to Form 10-K for year ended December 31, 1993).
- 10-n *Copy of \$40 million Letter of Credit and Reimbursement Agreement dated as of August 19, 1993, with Deutsche Bank AG, acting through its New York and Cayman Islands Branches (Exhibit 10-l to Form 10-K for year ended December 31, 1993).
- 10-o *Copy of Railcar Lease dated as of April 15, 1994, between Shawmut Bank Connecticut, National Association, and KCPL (Exhibit 10 to Form 10-Q for period ended June 30, 1994).
- 10-p *Copy of Amendment No. 2 to Receivables Purchase Agreement between KCPL and Ciesco L.P. and Citicorp North America, Inc. (Exhibit 10 to Form 10-Q for period ended September 30, 1994).
- 10-q *Copy of Railcar Lease dated as of January 31, 1995, between First Security Bank of Utah, National Association, and KCPL (Exhibit 10-o to Form 10-K for year ended December 31, 1994).
- 10-r *Copy of Lease Agreement dated as of October 18, 1995, between First Security Bank of Utah, N.A., and KCPL (Exhibit 10 to Form 10-Q for period ended September 30, 1995).
- 12 Computation of Ratios of Earnings to Fixed Charges.
- 23-a Consent of Counsel.
- 23-b Consent of Independent Accountants--Coopers & Lybrand L.L.P.
- 24 Powers of Attorney.
- 27 Financial Data Schedules (filed electronically).

* Filed with the Securities and Exchange Commission as exhibits to prior registration statements (except as otherwise noted) and are incorporated herein by reference and made a part hereof. The exhibit number and file number of the documents so filed, and incorporated herein by reference, are stated in parenthesis in the description of such exhibit.

Copies of any of the exhibits filed with the Securities and Exchange Commission in connection with this document may be obtained from KCPL upon written request.

Reports on Form 8-K

No report on Form 8-K was filed in the last quarter of 1996; however, a report on Form 8-K was filed with the Securities and Exchange Commission on February 11, 1997, with attached copy of the Agreement and Plan of Merger dated

as of February 7, 1997, by and among KCPL and Western Resources, Inc.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Kansas City, and State of Missouri on the 17th day of March, 1997.

KANSAS CITY POWER & LIGHT COMPANY

By /s/Drue Jennings
Chairman of the Board, President and
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Drue Jennings (Drue Jennings)	Chairman of the Board and President (Principal Executive Officer)))))
/s/ Bernard J. Beaudoin (Bernard J. Beaudoin)	Executive Vice President-Chief Financial Officer (Principal Financial Officer)))))
/s/ Neil A. Roadman (Neil A. Roadman)	Controller (Principal Accounting Officer)))))
David L. Bodde*	Director))
William H. Clark*	Director) March 17, 1997)
Robert J. Dineen*	Director))
Arthur J. Doyle*	Director))
W. Thomas Grant II*	Director))
George E. Nettels, Jr.*	Director))
Linda Hood Talbott*	Director))
Robert H. West*	Director))

*By /s/ Drue Jennings
(Drue Jennings)
Attorney-in-Fact

KANSAS CITY POWER & LIGHT COMPANY

AND

THE BANK OF NEW YORK

Trustee

INDENTURE

Dated as of December 1, 1996

TIE-SHEET

of provisions of Trust Indenture Act of 1939 with Indenture dated as of December 1, 1996, between Kansas City Power & Light Company and The Bank of New York, Trustee:

Section of Act	Section of Indenture
310(a) (1) (2) and (5)	9.09
310(a) (3) and (4)	Not applicable
310(b)	9.08 and 9.10
310(c)	Not applicable
311(a) and (b)	9.14
311(c)	Not applicable
312(a)	7.01
312(b) and (c)	7.01
313(a)	7.03
313(b) (1)	Not applicable
313(b) (2)	7.03
313(c)	7.03
313(d)	7.03
314(a)	6.04, 7.02
314(b)	6.05
314(c) (1) and (2)	15.05
314(c) (3)	Not applicable
314(d)	Not applicable
314(e)	15.05
314(f)	Not applicable
315(a), (c) and (d)	9.01
315(b)	8.09
315(e)	8.10
316(a) (1)	8.01 and 8.08
316(a) (2)	Omitted
316(a) last sentence	10.04
316(b)	8.04
316(c)	10.06
317(a)	8.02
317(b)	Omitted
318(a)	15.07

This tie-sheet does not constitute a part of the Indenture.

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EXHIBITS

Exhibit A	Form of Global Fixed Rate Note
Exhibit B	Form of Fixed Rate Note
Exhibit C	Form of Global Floating Rate Note
Exhibit D	Form of Floating Rate Note

THIS INDENTURE, dated as of December 1, 1996, between Kansas City Power & Light Company, a corporation duly organized and existing under the laws of the State of Missouri (hereinafter sometimes called the "Company"), and The Bank of New York, a New York banking corporation organized and existing under the laws of the State of New York (hereinafter called the "Trustee").

Witnesseth:

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its Medium-Term Notes, (hereinafter sometimes called "Notes"), to be issued as in this Indenture provided;

AND WHEREAS, all acts and things necessary to make this Indenture a valid agreement according to its terms have been done and performed, and the execution of this Indenture and the issue hereunder of the Notes have in all respects been duly authorized;

NOW THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Notes are, and are to be authenticated, issued and delivered, and in consideration of the premises, of the purchase and acceptance of the Notes by the holders thereof and of the sum of one dollar duly paid to it by the Trustee at the execution of these presents, the receipt whereof is hereby acknowledged, the Company covenants and agrees with the Trustee for the equal and proportionate benefit of the respective holders from time to time of the Notes, as follows:

ARTICLE ONE.

Definitions.

Section 1.01. Definitions. The terms defined in this Article One (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Article One.

Section 1.02. (a) Whenever this Indenture refers to a provision of the Trust Indenture Act of 1939, as amended ("TIA"), such provision is incorporated by reference in and made a part of this Indenture. The following TIA terms incorporated in this Indenture have the following meanings:

"indenture securities" means the Notes.

"indenture note holder" means a Noteholder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

"obligor" on the indenture securities means the Company.

(b) All terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by a rule of the Securities and Exchange Commission have the meanings assigned to them in the TIA or such statute or rule as in force on the date of execution of this Indenture.

Section 1.03. For purposes of this Indenture, the following terms have the following meanings.

Accrued Interest:

The term "Accrued Interest" at any Interest Payment Date (a) for a Floating Rate Note shall mean the amount obtained by multiplying the principal amount of such Floating Rate Note by its Accrued Interest Factor, and (b) for a Fixed Rate Note, shall mean the amount obtained by multiplying the principal amount of such Fixed Rate Note by its Interest Rate, and multiplying the product thus obtained by a fraction, the numerator of which is the number of days in the Interest Payment Period for such Note ended on such Interest Payment Date, and the denominator of which is 360.

Accrued Interest Factor:

The term "Accrued Interest Factor" at any Interest Payment Date for a Floating Rate Note shall mean the sum of the Interest Factors for such Floating Rate Note calculated for each day in the Interest Payment Period for such Note ended on such Interest Payment Date or the prior Record Date, as the case may be.

Affiliate:

The term "Affiliate" shall mean with respect to any specified Person any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

Authenticating Agent:

The term "Authenticating Agent" shall mean the agent of the Trustee which shall be appointed and acting pursuant to Section 9.15.

Authorized Agent:

The term "Authorized Agent" shall mean an agent of the Company designated by an Officers' Certificate to give to the Trustee the information specified in clause (a) of "Company Order" for the issuance of a Note.

Authorized Newspaper:

The term "Authorized Newspaper" shall mean a newspaper of general circulation in the relevant area, printed in the English language and customarily published on each Business Day; whenever successive publications in an Authorized Newspaper are required by this Indenture, such publications may be made on the same or different days and in the same or in different Authorized Newspapers.

Base Rate:

The term "Base Rate" shall mean with respect to (a) Commercial Paper Rate Notes, the Commercial Paper Rate, (b) LIBOR Notes, LIBOR and (c) Treasury Rate Notes, the Treasury Rate.

Basis Point:

The term "Basis Point" shall mean one-one hundredth of a percentage point.

Board of Directors:

The term "Board of Directors" shall mean the Board of Directors of the Company or the Executive Committee of such Board or any other duly authorized Committee of such Board.

Board Resolution:

The term "Board Resolution" shall mean a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

Business Day:

The term "Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions or trust companies in the Borough of Manhattan, the City and State of New York, are obligated or authorized by law or executive order to close.

Calculation Agent:

The term "Calculation Agent" for a particular Floating Rate Note shall mean the Trustee, unless otherwise provided for in the applicable Company Order.

Calculation Date:

The term "Calculation Date" shall mean with regard to any particular Interest Determination Date, the tenth calendar day after such Interest Determination Date, or, if any such day is not a Business Day, the next succeeding Business Day.

Commercial Paper Rate:

The term "Commercial Paper Rate" for a particular Floating Rate Note, unless otherwise indicated in the applicable Company Order, shall mean, with respect to any Commercial Paper Rate Interest Determination Date, the Money Market Yield on such date of the rate for commercial paper having the Index Maturity specified in such Company Order, as such rate shall be published in H.15(519) under the heading "Commercial Paper". In the event that such rate is not published prior to 3:00 P.M., New York City time, on the Calculation Date pertaining to such Commercial Paper Rate Interest Determination Date, then the Commercial Paper Rate shall be the Money Market Yield on such Commercial Paper Rate Interest Determination Date of the rate for commercial paper of the specified Index Maturity as published in Composite Quotations under the heading "Commercial Paper". If by 3:00 P.M., New York City time, on such Calculation Date such rate is not published in either H.15(519) or Composite Quotations, then the Commercial Paper Rate for such Commercial Paper Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be the Money Market Yield of the arithmetic mean of the offered rates as of 11:00 A.M., New York City time, on such Commercial Paper Rate Interest Determination Date of three leading dealers of commercial paper in The City of New York selected by the Calculation Agent for commercial paper of the specified Index Maturity placed for an industrial issuer whose bond rating is "AA", or the equivalent, from a nationally recognized rating agency; provided, however, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as set forth above, the Commercial Paper Rate will be the Commercial Paper Rate in effect on such Commercial Paper Rate Interest Determination Date.

Commercial Paper Rate Interest Determination Date:

The term "Commercial Paper Rate Interest Determination Date" for a Commercial Paper Rate Note shall mean the second Business Day preceding its Interest Reset Date.

Commercial Paper Rate Notes:

The term "Commercial Paper Rate Notes" shall mean Floating Rate Notes which are specified in the applicable Company Order as having interest computed with reference to the Commercial Paper Rate.

Company:

The term "Company" shall mean the corporation named as the "Company" in the first paragraph of this Indenture, and its successors and assigns.

Company Order:

The term "Company Order" shall mean:

(a) a written order signed in the name of the Company by the Chairman of the Board, the President or any Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer of the Company, and delivered to the Trustee, to authenticate a Note and to make it available for delivery, and specifying for such Note the following information:

(1) the name of the Person in which a Note to be issued and authenticated shall be registered;

(2) the address of such Person;

(3) the taxpayer identification number of such Person;

(4) the principal amount of such Note and, if multiple Notes are to be issued to such Person, the denominations of such Notes;

(5) the Original Issue Date of such Note;

(6) the date upon which such Note is scheduled to mature;

(7) the Redemption Date and the price or prices at which such Note is redeemable at the option of the Company;

(8) if the Note is a Fixed Rate Note, the rate of interest on such Note and the Interest Payment Dates, if other than April 1 and October 1;

(9) if the Note is a Floating Rate Note, its:

- (A) Base Rate
- (B) Index Maturity
- (C) Interest Payment Dates
- (D) Initial Interest Rate
- (E) Maximum Interest Rate
- (F) Minimum Interest Rate
- (G) Interest Reset Dates
- (H) Initial Interest Reset Date
- (I) Interest Payment Dates
- (J) Spread
- (K) Spread Multiplier

(10) all other information necessary for the issuance of such Note; or

(b) confirmation given to the Trustee by an officer of the Company designated by an Officers' Certificate, by telephone, confirmed by telex or facsimile or similar writing, of the information given to the Trustee by an Authorized Agent for the issuance of a Note, and the written order of the Company to authenticate such Note and to make it available for delivery.

Composite Quotations:

The term "Composite Quotations" shall mean the daily statistical release "Composite 3:30 P.M. Quotations for U.S. Government Securities" or any successor publication published by the Federal Reserve Bank of New York.

Corporate Trust Office of the Trustee:

The term "corporate trust office of the Trustee," or other similar term, shall mean the principal corporate trust office of the Trustee in the Borough of Manhattan, the City and State of New York, at which at any particular time its corporate trust business shall be administered, which office is at the date of the execution of this Indenture located at 101 Barclay Street, 21 W, New York, New York 10286.

CUSIP:

The term "CUSIP" shall mean the registered trademark "Committee on Uniform Securities Identification Procedures" or "CUSIP" and a unique system of identification of each public issue of a security owned by the American Bankers Association and administered by Standard and Poor's Corporation, as agent of the American Bankers Association.

Depository:

The term "Depository" shall mean, unless otherwise specified by the Company pursuant to Section 2.05 hereof, The Depository Trust Company, New York, New York, or any successor thereto registered and qualified under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation.

Discharged:

The term "Discharged" shall have the meaning specified in Section 5.01(c).

Event of Default:

The term "Event of Default" shall mean any event specified in Section 8.01, continued for the period of time, if any, and after the giving of the notice, if any, therein designated.

Fixed Rate Note:

The term "Fixed Rate Note" shall mean a Note which bears interest at a fixed rate specified in the applicable Company Order.

Floating Rate Note:

The term "Floating Rate Note" shall mean a Commercial Paper Rate Note, a LIBOR Note or a Treasury Rate Note.

Global Note:

The term "Global Note" shall mean a single Note that pursuant to Section 2.05 is issued to evidence Notes having identical terms and provisions, which is delivered to the Depository or pursuant to instructions of the Depository and which shall be registered in the name of the Depository or its nominee.

H.15(519):

The term "H.15(519)" shall mean the publication "Statistical Release H.15(519), Selected Interest Rates" or any successor publication published by the Board of Governors of the Federal Reserve System.

Indebtedness:

The term "Indebtedness" shall mean with respect to any Person (i) any liability of such Person (a) for borrowed money, or (b) evidenced by a bond, note, debenture or similar instrument (including purchase money obligations but excluding trade payables), or (c) for the payment of money relating to a lease that is required to be classified as a capitalized lease obligation in accordance with generally accepted accounting principles; (ii) any liability of others described in the preceding clause (i) that such Person has guaranteed, that is recourse to such Person or that is otherwise its legal liability; and (iii) any amendment, supplement, modification, deferral, renewal, extension or refunding of any liability of the types referred to in clauses (i) and (ii) above.

Indenture:

The term "Indenture" shall mean this instrument as originally executed or, if amended or supplemented as herein provided, as so amended or supplemented.

Index Maturity:

The term "Index Maturity" of a particular Floating Rate Note shall mean the period to Maturity of the instrument or obligation from which the Base Rate of such Floating Rate Note is calculated, as specified in the applicable Company Order.

Initial Interest Rate:

The term "Initial Interest Rate" for a particular Floating Rate Note shall mean the interest rate specified in the applicable Company Order as in effect from the Original Issue Date of such Floating Rate Note to its First Interest Reset Date.

Interest Accrual Period:

The term "Interest Accrual Period" for a particular Floating Rate Note shall mean the period from the date of issue of such Floating Rate Note, or from an Interest Reset Date, if any, to its next subsequent Interest Reset Date.

Interest Determination Date:

The term "Interest Determination Date" shall mean each Commercial Paper Rate Interest Determination Date, LIBOR Interest Determination Date and Treasury Rate Interest Determination Date.

Interest Factor:

The term "Interest Factor" for a Floating Rate Note for each day in an Interest Accrual Period for such Floating Rate Note shall be computed by dividing the Interest Rate applicable to such day by 360 in the case of Commercial paper Rate Notes and LIBOR Notes or by the actual number of days in the year in the case of Treasury Rate Notes.

Interest Payment Date:

(a) The term "Interest Payment Date" shall mean with respect to a Floating Rate Note which has an Interest Reset Date which is (1) daily, weekly or monthly: the third Wednesday of each month or the third Wednesday of March, June, September and December of each year, as specified in the applicable Company Order, (2) quarterly: the third Wednesday of March, June, September and December of each year, (3) semiannually: the third Wednesday of the two months of each year specified in the applicable Company Order; (4) annually: the third Wednesday of the month specified in the applicable Company Order and, in each case, at Maturity. If any Interest Payment Date (other than at Maturity) for any Floating Rate Note would fall on a day that is not a Business Day with respect to such Floating Rate Note, such Interest Payment Date will be the following day that is a Business Day with respect to such Floating Rate Note, except that, in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding day that is a Business Day with respect to such LIBOR Note;

(b) the term "Interest Payment Date" shall mean with respect to a Fixed Rate Note each April 1 and

October 1, or such other dates which are specified in the applicable Company Order during the period such Fixed Rate Note is outstanding, the date of Maturity of such Fixed Rate Note, and with respect to defaulted interest on such Fixed Rate Note, the date established by the Company for the payment of such defaulted interest.

Interest Payment Period:

The term "Interest Payment Period" shall mean for:

(a) each Floating Rate Note on which interest is reset monthly, quarterly, semiannually or annually, and each Fixed Rate Note, the period:

(1) beginning on and including the Original Issue Date of such Note or the most recent Interest Payment Date on which interest was paid on such Note, and

(2) ending on but not including the next Interest Payment Date or, for the last Interest Payment Period, Maturity, of such Note;

(b) each Floating Rate Note on which interest is reset daily or weekly, the period:

(1) beginning on and including the Original Issue Date of such Floating Rate Note, or beginning on but excluding the most recent Record Date through which interest was paid on such Note, and

(2) ending on and including the next Record Date or, for the last Interest Payment Period, ending on but excluding Maturity, of such Note; provided, however, that the first Interest Payment Period for any Note which has its Original Issue date after a Record Date and prior to its next Interest Payment Date, shall begin on and include such Original Issue Date and (i) end on and include the next Record Date for Floating Rate Notes on which interest is reset daily or weekly, and (ii) end on but not include the second Interest Payment Date after the Original Issue Date for all other Notes.

Interest Rate:

(a) The term "Interest Rate" for a particular Floating Rate Note shall mean (1) from the date of issue of such Floating Rate Note to the first Interest Reset Date for such Floating Rate Note, the Initial Interest Rate, and (2) each Interest Accrual Period commencing on or after such First Interest Reset Date, the Base Rate with reference to the Index Maturity for such Floating Rate Note as specified in the applicable Company Order plus or minus the Spread, if any, multiplied by the Spread Multiplier, if any; provided, in the event no Spread or Spread Multiplier is provided in such Company Order, the Spread and Spread Multiplier shall be zero and one, respectively; provided, further, in no event shall the Interest Rate be greater than the Maximum Interest Rate, if any, or less than the Minimum Interest Rate, if any; and provided, further, the Interest Rate in effect for the ten days immediately prior to Maturity will be the Interest Rate in effect on the tenth day preceding such Maturity and provided, further, the Interest Rate will in no event be higher than the maximum rate permitted by applicable state law, as the same may be modified by United States laws of general application.

(b) The term "Interest Rate" for a particular fixed Rate Note shall mean the interest rate specified in the applicable Company Order.

Interest Reset Date:

The term "Interest Reset Date" shall mean, in the case of a Floating Rate Note specified in the applicable Company Order as being reset (a) daily: each Business Day; (b) weekly: the Wednesday of each week (with the exception of weekly reset Treasury Rate Notes which reset the Tuesday of each week, except as specified below); (c) monthly: the third Wednesday of each month; (d) quarterly: the third Wednesday of March, June, September and December; (e) semiannually: the third Wednesday of the two months specified in the applicable Company Order; and (f) annually: the third Wednesday of the month specified in the applicable Company Order. If any Interest Reset Date for a Floating Rate Note would otherwise be a day which is not a Business Day, such Interest Reset Date shall be postponed to the next succeeding day that is a Business Day, except that in the case of a LIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the next preceding Business Day. If, in the case of a Treasury Rate Note, an Interest Reset Date shall fall on a day on which the Treasury auctions Treasury Bills, then such Interest Reset Date shall instead be the first Business Day following such auction.

LIBOR:

The term "LIBOR" for a particular Floating Rate Note, unless otherwise indicated in the applicable Company Order, shall mean, with respect to any LIBOR Interest Determination Date, the rate determined on the basis of the offered rates for deposits (in United States dollars and in a principal amount equal to an amount of not less than \$1,000,000 that is representative for a single transaction in such market at such time for the period of the Index Maturity specified in the applicable Company Order), commencing on the second London Banking Day immediately following such LIBOR Interest Determination Date, which appears as of 11:00 A.M., London time, on the Reuters Screen LIBO Page on the Reuters Monitor Rates Service on the LIBOR Interest Determination Date. If at least two such offered rates appear on the Reuters Screen LIBO Page, LIBOR for such LIBOR Interest Determination Date will be the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth of a percent) of such offered rates as determined by the Calculation Agent. If fewer than two such offered rates appear, the Calculation Agent shall request the principal London office of four major banks in the London interbank market selected by the Calculation Agent to provide the Calculation Agent with a quotation of their offered rates for deposits (in United States dollars for the period of the applicable Index Maturity and in a principal amount equal to an amount of not less than \$1,000,000 that is representative for a single transaction in such market at such time) at approximately 11:00 A.M., London time, on such LIBOR Interest Determination Date commencing on the second London Banking Day immediately following such LIBOR Interest Determination Date. If at least two such quotations are provided, LIBOR for such LIBOR Interest Determination Date will equal the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR for such LIBOR Interest Determination Date will equal the arithmetic mean of the rates quoted by three major banks in The City of New York, as selected by the Calculation Agent, at approximately 11:00 A.M., New York City time, on such LIBOR Interest Determination Date for loans to leading European banks (in United States dollars for the period of the applicable Index Maturity and in a principal amount equal to an amount of not less than \$1,000,000 that is representative for a single transaction in such market at such time)

commencing on the second London Banking Day following such LIBOR Interest Determination Date; provided, however, that if the banks selected as aforesaid by the Calculation Agent are not quoting as set forth above, LIBOR will be LIBOR in effect on such LIBOR Interest Determination Date.

LIBOR Interest Determination Date:

The term "LIBOR Interest Determination Date" for a LIBOR Note shall mean the Second London Banking Day preceding its Interest Reset Date.

LIBOR Notes:

The term "LIBOR Notes" shall mean Floating Rate Notes which are specified in the applicable Company Order as having interest computed with reference to LIBOR.

London Banking Day:

The term "London Banking Day" shall mean any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

Maturity:

The term "Maturity", when used with respect to any Note, shall mean the date on which the principal of such Note becomes due and payable as therein or herein provided, whether at the stated maturity thereof or by declaration of acceleration, call for redemption or otherwise.

Maximum Interest Rate:

The term "Maximum Interest Rate" shall mean the maximum rate of interest, if any, which may accrue to any Floating Rate Note during any Interest Accrual Period as specified in the applicable Company Order.

Minimum Interest Rate:

The term "Minimum Interest Rate" shall mean the minimum rate of interest, if any, which may be applicable to any Floating Rate Note during any Interest Accrual Period as specified in the applicable Company Order.

Money Market Yield:

The term "Money Market Yield" shall be the yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the Interest Accrual Period for which interest is being calculated.

Mortgage Bonds:

The term "Mortgage Bonds" shall mean the Company's mortgage bonds issued under the Mortgage.

Mortgage Indenture:

The term "Mortgage Indenture" shall mean the General Mortgage Indenture and Deed of

Trust dated as of December 1, 1986, from the Company to United Missouri Bank of Kansas City, N.A., as trustee, as from time to time supplemented and amended.

Mortgage Trustee:

The term "Mortgage Trustee" shall mean the trustee at the time serving as such under the Mortgage Indenture.

Net Tangible Assets:

The term "Net Tangible Assets" shall mean, at any time, the total assets less any amounts attributed to goodwill of the Company and its consolidated subsidiaries, determined on a consolidated basis in accordance with generally accepted accounting principles, as of the end of the most recently completed fiscal quarter of the Company for which financial information is then available.

Note or Notes; Outstanding:

The terms "Note or "Notes" shall mean any Fixed Rate or Floating Rate Note or Notes, as the case may be, authenticated and delivered under this Indenture, including any Global Note. The term "outstanding," when used with reference to notes, shall, subject to Section 10.04, mean, as of any particular time, all Notes authenticated and delivered by the Trustee under this Indenture, except

(a) Notes theretofore cancelled by the Company or delivered to the Company for cancellation;

(b) Notes, or portions thereof, for the payment or redemption of which moneys in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Company) or shall have been set aside and segregated in trust by the Company (if the Company shall act as its own paying agent), provided that if such Notes are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article Three, or provisions satisfactory to the Trustee shall have been made for giving such notice;

(c) Notes, or portions thereof, which shall have been Discharged; and

(d) Notes in lieu of or in substitution for which other Notes shall have been authenticated and delivered, or which have been paid, pursuant to Section 2.07.

Noteholder:

The terms "Noteholder" or "holder of Notes" shall mean any Person in whose name at the time a particular Note is registered on the books of the Company kept for that purpose in accordance with the terms hereof.

Officers' Certificate:

The term "Officers' Certificate" when used with respect to the Company, shall mean a certificate signed by the Chairman of the Board, the President or any Vice President and by the Secretary or an Assistant Secretary of the Company. Each such certificate shall include the statements provided for in Section 15.05 if and to the extent required by such Section.

Opinion of Counsel:

The term "Opinion of Counsel" shall mean an opinion in writing signed by legal counsel, who may be an employee of the Company, or such other counsel who is satisfactory to the Trustee. Each such opinion shall include the statements provided for in Section 15.05 if and to the extent required by such Section. In the event that the Indenture

requires the delivery of an Opinion of Counsel to the Trustee, the text and substance of which has been previously delivered to the Trustee, the Company may satisfy such requirement by the delivery by the legal counsel that delivered such previous Opinion of Counsel of a letter to the Trustee to the effect that the Trustee may rely on such previous Opinion of Counsel as if such Opinion of Counsel was dated and delivered the date delivery of such Opinion of Counsel is required.

Original Issue Date:

The term "Original Issue Date" shall mean for a particular Note, or portions thereof, the date upon which it, or such portion, was issued by the Company pursuant to this Indenture and authenticated by the Trustee (other than in connection with a transfer, exchange or substitution).

Permitted Encumbrances:

The term "Permitted Encumbrances" shall mean:

(a) (i) any mortgage, pledge or other lien or encumbrance on any property hereafter acquired or constructed by the Company or a Subsidiary, or on which property so constructed is located, and created prior to, contemporaneously with or within 360 days after, such acquisition or construction or the commencement of commercial operation of such property to secure or provide for the payment of any part of the purchase or construction price of such property, or (ii) any mortgage, pledge, or other lien or encumbrance upon property existing at the time of acquisition thereof by the Company or any Subsidiary, whether or not assumed by the Company or such Subsidiary, or (iii) any mortgage, pledge, or other lien or encumbrance existing on the property, shares of stock or indebtedness of a corporation at the time such corporation shall become a Subsidiary, or any pledge of the shares of stock of such corporation prior to, contemporaneously with or within 360 days after such corporation shall become a Subsidiary to secure or provide for the payment of any part of the purchase price of such stock, or (iv) any conditional sales agreement or other title retention agreement with respect to any property hereafter acquired or constructed; provided that, clauses (i) through (iv) shall not apply to any property acquired by the Company from any Subsidiary or by any Subsidiary from the Company or another Subsidiary, and provided further, that in the case of clauses (i) through (iv), the lien of any such mortgage, pledge or other lien does not spread to property owned by the Company or any Subsidiary prior to such acquisition or construction or to other property thereafter acquired or constructed other than additions to such acquired or constructed property and other than property on which property so constructed is located; and provided, further, that if a firm commitment from a bank, insurance company or other lender or investor (not including the company or other lender or investor (not including the Company, a Subsidiary or an Affiliate of the Company) for the financing of the acquisition or construction of property is made prior to, contemporaneously with or within the 360-day period hereinabove referred to, the applicable mortgage, pledge, lien or encumbrance shall be deemed to be permitted by this subsection (a) whether or not created or assumed within such period;

(b) any mortgage, pledge or other lien or encumbrance created for the sole purpose of extending, renewing or refunding any mortgage, pledge, lien or encumbrance permitted by subsection (a) of this definition;

provided, however, that the principal amount of indebtedness secured thereby shall not exceed the principal amount of indebtedness so secured at the time of such extension, renewal or refunding and that such extension, renewal or refunding mortgage, pledge, Lien or encumbrance shall be limited to all or any part of the same property that secured the mortgage, pledge or other lien or encumbrance extended, renewed or refunded;

(c) liens for taxes or assessments or governmental charges or levies not then due and delinquent or the validity of which is being contested in good faith, and against which an adequate reserve has been established; liens on any property created in connection with pledges or deposits to secure public or statutory obligations or to secure performance in connection with bids or contracts; materialmen's, mechanics', carrier's, workmen's, repairmen's or other like liens; or liens on any property created in connection with deposits to obtain the release of such liens; liens on any property created in connection with deposits to secure surety, stay, appeal or customs bonds; liens created by or resulting from any litigation or legal proceeding which is currently being contested in good faith by appropriate proceedings; leases and liens, rights or reverter and other possessory rights of the lessor thereunder; zoning restrictions, easements, rights-of-way or other restrictions on the use of real property or minor irregularities in the title thereto; and any other liens and encumbrances similar to those described in this subsection (c), the existence of which does not, in the opinion of the Company, materially impair the use by the Company or a Subsidiary of the affected property in the operation of the business of the Company or a Subsidiary, or the value of such property for the purposes of such business;

(d) any mortgage, pledge or other lien or encumbrance created after the date of this Indenture on any property leased to or purchased by the Company or a Subsidiary after that date and securing, directly or indirectly, obligations issued by a State, a territory or a possession of the United States, or any political subdivision of any of the foregoing, or the District of Columbia, to finance the cost of acquisition or cost of construction of such property; provided that the interest paid on such obligations is entitled to be excluded from gross income of the recipient pursuant to Section 103(a)(1) of the Internal Revenue Code of 1986, as amended (or any successor to such provision), as in effect at the time of the issuance of such obligations;

(e) any mortgage, pledge or other lien or encumbrance on any property now owned or hereafter acquired or constructed by the Company or a Subsidiary, or on which property so owned, acquired or constructed is located, to secure or provide for the payment of any part of the construction price or cost of improvements of such property, and created prior to, contemporaneously with or within 360 days after, such construction or improvement; provided that if a firm commitment from a bank, insurance company or other lender or investor (not including the Company, a Subsidiary or an Affiliate of the Company) for the financing of the acquisition or construction of property is made prior to, contemporaneously with or within the 360-day period hereinabove referred to, the applicable mortgage, pledge, lien or encumbrance shall

be deemed to be permitted by this subsection (e) whether or not created or assumed within such period; and

(f) any mortgage, pledge or other lien or encumbrance not otherwise permitted under this Section; provided that the aggregate amount of indebtedness secured by all such mortgages, pledges, liens or encumbrances does not exceed the greater of 15% of Net Tangible Assets.

Person:

The term "Person" shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Principal Executive Offices of the Company:

The term "principal executive offices of the Company" shall mean the place where the main corporate offices of the Company are located, currently 1201 Walnut, Kansas City, Missouri 64106, or such other place where the main corporate offices of the Company are located as designated in an Officer's Certificate delivered to the Trustee.

Principal Facility:

The term "Principal Facility" shall mean the real property, fixtures, machinery and equipment relating to any facility owned by the Company or any Subsidiary (which may include a network of electric or gas distribution facilities or a network of electric or gas transmission facilities), except any facility that, in the opinion of the Board of Directors, is not of material importance to the business conducted by the Company and its Subsidiaries, taken as a whole.

Record Date:

The term "Record Date" shall mean for the Interest Payment Date for the payment of interest for an Interest Payment Period for a particular Note (a) the day which is fifteen calendar days prior to such Interest Payment Date, whether or not such day is a Business Day, (b) the date of Maturity of such Note, unless such date of Maturity for a Fixed Rate Note is an April 1 or an October 1, in which event the Record Date will be as provided in clause (a), and (c) a date which is not less than five Business Days preceding the Interest Payment Date of defaulted interest on such Note established by notice given by first-class mail by or on behalf of the Company to the holder of such Note not less than fifteen days prior to such Interest Payment Date.

Redemption Date:

The term "Redemption Date" for a Note shall mean the date on or after which such Note is redeemable at the option of the Company.

Regulated Subsidiary:

The term "Regulated Subsidiary" shall mean any Subsidiary which owns or operates facilities used for the generation, transmission or distribution of

electric energy and is subject to the jurisdiction of any governmental authority of the United States or any state or political subdivision thereof, as to any of its: rates; services; accounts; issuances of securities; affiliate transactions; or construction, acquisition or sale of any such facilities, except that any "exempt wholesale generator", as defined in 15 USC 79z-5a(a)(1), "qualifying facility", as defined in 18 CFR 29z,101(b)(1), "foreign utility company", as defined in 15 USC 79z-5b(a)(3) and "power marketer", as defined in Northwest Power Marketing Company, L.L.C., 75 FERC Section 61,281, shall not be a Regulated Subsidiary.

Responsible Officer:

The term "responsible officer" or "responsible officers" when used with respect to the Trustee shall mean one or more of the following: the chairman of the board of directors, the vice chairman of the board of directors, the chairman of the executive committee, the president, any vice president, the cashier, the secretary, the treasurer, any trust officer, any assistant trust officer, any second or assistant vice president, any assistant cashier, any assistant secretary, any assistant treasurer, or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

Spread:

The term "Spread" applicable to a particular Floating Rate Note shall mean the number of Basis Points above or below the Base Rate for such Floating Rate Note as specified in the applicable Company Order.

Spread Multiplier:

The term "Spread Multiplier" applicable to a particular Floating Rate Note shall mean the percentage of the Base Rate applicable to the Interest Rate for such Floating Rate Note as specified in the applicable Company Order.

Subsidiary:

The term "Subsidiary" shall mean any corporation of which at least a majority of the outstanding stock having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation, irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have votig power by reason of the happening of any contingency, is at the time, directly or indirectly, owned or controlled by the Company or by one or more Subsidiaries thereof, or by the Company and one or more Subsidiaries.

Treasury:

The term "Treasury" shall mean the United States Department of Treasury.

Treasury Bills:

The term "Treasury Bills" shall mean direct

obligations of the United States.

Treasury Rate:

The term "Treasury Rate" for a particular Floating Rate Note, unless otherwise indicated in the Applicable Company Order, shall mean with respect to any Treasury Rate Interest Determination Date, the rate applicable to the most recent auction of Treasury Bills having the Index Maturity specified in the applicable Company Order, as such rate is published in H.15(519) under the heading "Treasury bills-auction average (investment)" or, if not so published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Treasury Rate Interest Determination Date, the auction average rate (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) as otherwise announced by the Treasury. In the event that the results of the auction of Treasury Bills having the specified Index Maturity are not reported as provided by 3:00 P.M., New York City time, on such Calculation Date, or if no such auction is held in a particular week, then the Treasury Rate shall be calculated by the Calculation Agent and shall be a yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on such Treasury Rate Interest Determination Date, of three leading primary United States government securities dealers selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the applicable Index Maturity; provided, however, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as set forth above, the Treasury Rate will be the Treasury Rate in effect on such Treasury Rate Interest Determination Date.

Treasury Rate Interest Determination Date:

The term "Treasury Rate Interest Determination Date" for a Treasury Rate Note shall mean the day of the week in which its Interest Reset Date falls on which Treasury Bills normally would be auctioned, provided, however, that if as a result of a legal holiday an auction is held on the Friday of the week preceding such Interest Reset Date, the related Treasury Rate Interest Determination Date shall be the preceding Friday.

Treasury Rate Notes:

The term "Treasury Rate Notes" shall mean Floating Rate Notes which are specified in the applicable Company Order as having interest computed with reference to the Treasury Rate.

Trustee:

The term "Trustee" shall mean The Bank of New York and, subject to Article Nine, shall also include any successor Trustee.

U.S. Government Obligations:

The term "U.S. Government Obligations" shall mean (a) direct non-callable obligations of, or non-callable obligations guaranteed as to timely payment of principal and interest by, the United States of America or an agency thereof for the

payment of which obligations or guarantee the full faith and credit of the United States is pledged or (b) certificates or receipts representing direct ownership interests in obligations or specified portions (such as principal or interest) of obligations described in (a) above, which obligations are held by a custodian in safekeeping on behalf of such certificates or receipts.

Wholly-Owned Subsidiary:

The term "Wholly-Owned Subsidiary" shall mean a Subsidiary of which all of the outstanding voting stock (other than directors' qualifying shares) is at the time, directly or indirectly, owned by the Company, or by one or more Wholly-Owned Subsidiaries of the Company or by the Company and one or more Wholly-Owned Subsidiaries.

ARTICLE TWO.

Form, Issue, Execution, Registration And Exchange Of Notes.

Section 2.01. Form Generally.

(a) The Notes shall be titled "Medium-Term Notes", and, if such Notes shall be in the form of (a) a Fixed Rate Note which is a Global Note, shall be in substantially the form set forth in Exhibit A, (b) a Fixed Rate Note which is not a Global Note, shall be in substantially the form set forth in Exhibit B, (c) a Floating Rate Note which is a Global Note, shall be in substantially the form set forth in Exhibit C, and (d) a Floating Rate Note which is not a Global Note, shall be in substantially the form set forth in Exhibit D, to this Indenture, or in any such case such other form as shall be established by a Board Resolution, or an Officers' Certificate pursuant to a Board Resolution, or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or with applicable law or as may, consistently herewith, be determined by the officers executing such Notes, as evidenced by their execution of such Notes. If the form of Notes is established by a Board Resolution, or an Officers' Certificate pursuant to a Board Resolution, a copy of such Board Resolution or Officer's Certificate shall be delivered to the Trustee at or prior to the delivery to the Trustee of the Company Order contemplated by Section 2.05 for the authentication and delivery of such Notes. (b) The definitive Notes shall be printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Notes, as evidenced by their execution of such Notes.

Section 2.02. Form of Trustee's Certificate of Authentication. The Trustee's certificate of authentication on all Notes shall be in substantially the following form: Trustee's Certificate of Authentication

This is one of the Notes designated therein referred to in the within-mentioned Indenture.

York,

The Bank of New

as Trustee

By _____

Authorized Signatory

Section 2.03. Amount Limited. The aggregate principal amount of Notes which may be authenticated and delivered under this Indenture is limited to \$300,000,000, or such lesser amount as may from time to time be established by an Officers' Certificate delivered to the Trustee.

Section 2.04. Denominations, Dates, Interest Payment and Record Dates.

(a) The Notes shall be issuable in registered form without coupons in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

(b) Each Note shall be dated and issued as of the date of its authentication by the Trustee, and shall bear an Original Issue Date or, as provided in Section 2.12(e), two or more Original Issue Dates; each Note issued upon transfer, exchange or substitution of a Note shall bear the Original Issue Date or Dates of such transferred, exchanged or substituted Note, subject to Section 2.12(e).

(c) Each Note shall bear interest, if any, at its Interest Rate during each Interest Payment Period for such Note, from the later of (1) its Original Issue Date (or, if pursuant to Section 2.12, a Global Note has two or more Original Issue Dates, interest shall, beginning on each such Original Issue Date, begin to accrue for that part of the principal amount of such Global Note to which that Original Issue Date is applicable), or (2) the most recent date to which any interest has been paid or duly provided for until the principal of such Note is paid or made available for payment, and Accrued Interest on each Note shall be payable for each Interest Payment Period on the Interest Payment Date immediately subsequent to the Record Date for the payment of interest for such Interest Payment Period.

(d) All percentages resulting from any calculation of the Interest Rate for a Floating Rate Note shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upward (e.g., 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655)), and all dollar amounts used in or resulting from such calculation shall be rounded to the nearest cent (with one-half cent being rounded upward).

(e) Each Note shall mature on a date specified in such Note not less than nine months nor more than 30 years after its Original Issue Date, and the principal amount of each outstanding Note shall be payable on the maturity date specified therein.

(f) The Person in whose name any Note is registered at the close of business on any Record Date with respect to an Interest Payment Date for such Note shall be entitled to receive the Accrued Interest payable on such Note on such Interest Payment Date notwithstanding the cancellation of such Note upon any registration of transfer, exchange or substitution of such Note subsequent to such Record Date and prior to such Interest Payment Date.

(g) The Company shall cause the Calculation Agent to calculate each Interest Rate applicable to each Floating Rate Note in accordance with this Indenture, and the Company shall, or shall cause the Calculation Agent to, notify the Trustee of each determination of such Interest Rate promptly after such determination.

(h) On the fifth Business Day immediately preceding each Interest Payment Date, the Trustee shall furnish to the Company a notice setting forth the total amount of the Accrued Interest payments to be made on such Interest Payment Date and to the Depository, a notice setting forth the total amount of Accrued Interest payments to be made on Global Notes on such Interest Payment Date. The Trustee will provide monthly to the Company a list of the principal of and any premium and Accrued Interest to be paid on Notes in the next succeeding month and to the Depository a list of the principal of and any premium and Accrued Interest to be paid on Global Notes in the such succeeding month. Promptly after the first Business Day of each month, the Trustee shall furnish to the Company a written notice setting forth the aggregate principal amount of the Global Notes. The Company will provide to the Trustee not later than the payment date sufficient moneys to pay in full all principal of and any premium and Accrued Interest payments due on such payment date. The Trustee shall assume responsibility for withholding taxes on interest paid as required by law. (i) Upon the request of any Noteholder of a Floating Rate Note, the Trustee shall provide to such Noteholder the Interest Rate then in effect and, if determined, the Interest Rate that will become effective on the next Interest Reset Date, with respect to such Floating Rate Note.

Section 2.05. Execution, Authentication, Delivery and Dating.

(a) The Notes shall be executed on behalf of the Company by the Chairman of the Board, the President or any Vice President under its corporate seal (which may be in the form of a facsimile thereof and may be printed, engraved or otherwise reproduced thereon) attested by the Secretary or an Assistant Secretary. The signature of any of such officers on any Notes may be manual or facsimile.

(b) Notes bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of such Notes.

(c) At any time and from time to time after the execution and delivery of this Indenture, the Company may

deliver Notes executed by the Company to the Trustee for authentication, together with one or more Company Orders for the authentication and delivery of such Notes, and the Trustee in accordance with any such Company Order shall authenticate such Notes and make them available for delivery. Prior to authenticating such Notes, and in accepting the additional responsibilities under this Indenture in relation to such Notes, the Trustee shall be entitled to receive the following only at or before the first issuance of Notes, and (subject to Section 9.01) shall be fully protected in relying upon:

(1) a Board Resolution authorizing this Indenture and the Notes, and if applicable, an appropriate record of any action taken pursuant to such Board Resolution, certified by the Secretary or an Assistant Secretary of the Company;

(2) an Officers' Certificate designating one or more Authorized Agents and officers of the Company who are authorized to give Company Orders for the issuance of, and specifying terms of, Notes and, if appropriate, setting forth the form of Notes in accordance with Section 2.01;

(3) an Opinion of Counsel stating,

(A) if the form of Notes has been established by or pursuant to a Board Resolution or, an Officers' Certificate pursuant to a Board Resolution, or in a supplemental indenture as permitted by Section 2.01, that such form has been established in conformity with this Indenture;

(B) that the Indenture has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding agreement of the Company, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting the enforcement of creditors' rights and to general equity principles;

(C) that the Indenture is qualified under the TIA;

(D) that any supplemental indenture referred to in (A) above has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and legally binding agreement of the Company, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting the enforcement of creditors' rights and to general equity principles;

(E) that the Notes, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute legal, valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting the enforcement of creditors' rights and to general equity principles;

(F) that all laws and requirements in respect of the execution, delivery and sale by the Company of the Notes have been complied with;

(G) that the Company is not in default in any of its obligations under

this Indenture, and that the issuance of the Notes will not result in any such default; and

(H) such other matters as the Trustee may reasonably request.

(d) The Trustee shall have the right to decline to authenticate and deliver any Note:

(1) if the issuance of such Note pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Notes and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee;

(2) if the Trustee, being advised by counsel, determines that such action may not lawfully be taken;
or

(3) if the Trustee in good faith by its Board of Directors, executive committee or a trust committee of directors and/or responsible officers in good faith determines that such action would expose the Trustee to personal liability to holders of any outstanding Notes.

(e) No Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Note a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Notes shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture, provided, however, that if any Note shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Note to the Trustee for cancellation as provided in Section 2.09, for all purposes of this Indenture such Note shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

Section 2.06. Exchange and Registration of Transfer of Notes.

(a) Subject to Section 2.12, Notes may be exchanged for one or more new Notes, of any authorized denominations and of a like aggregate principal amount and stated maturity and having the same terms and Original Issue Date or Dates. Notes to be exchanged shall be surrendered at any of the offices or agencies to be maintained by the Company for such purpose as provided in Section 6.02, and the Company shall execute and register and the Trustee shall authenticate and deliver in exchange therefor the Note or Notes which the Noteholder making the exchange shall be entitled to receive.

(b) The Trustee on behalf of the Company shall keep, at one of said offices or agencies, a register in which, subject to such reasonable regulations as it or the Company may prescribe, the Trustee shall register or cause to be registered Notes and shall register or cause to be registered the transfer of Notes as in this Article Two provided. Such register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times such register shall be open for inspection by the Trustee. Upon due presentment for registration of transfer of any Note at any such office or agency, the Company shall execute and register or

cause to be registered and the Trustee shall authenticate and make available for delivery, in the name of the transferee or transferees, one or more new Notes, of any authorized denominations and of a like aggregate principal amount and stated maturity and having the same terms and Original Issue Date or Dates.

(c) All Notes presented for registration of transfer or for exchange, redemption or payment shall (if so required by the Company) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Company and the Trustee duly executed by, the holder or the attorney of such holder duly authorized in writing.

(d) No service charge shall be made for any exchange or registration of transfer of Notes, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

(e) The Company shall not be required to exchange or register a transfer of any Notes selected, called or being called for redemption except, in the case of any Note to be redeemed in part, the portion thereof not to be so redeemed.

(f) If the principal amount and any applicable premium or part, but not all of a Global Note is paid, then upon surrender to the Trustee of such Global Note, the Company shall execute, and the Trustee shall authenticate, and make available for delivery, a Global Note in an authorized denomination in aggregate principal amount equal to, and having the same terms and Original Issue Date or Dates as, the unpaid portion of such Global Note.

Section 2.07. Mutilated, Destroyed, Lost or Stolen Notes.

(a) In case any temporary or definitive Note shall become mutilated or be destroyed, lost or stolen, the Company in its discretion may execute, and upon its request the Trustee shall authenticate and deliver, a new Note of like form and principal amount and having the same terms and Original Issue Date or Dates and bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated Note, or in lieu of and in substitution for the Note so destroyed, lost or stolen. In every case the applicant for a substituted Note shall furnish to the Company, the Trustee, any Authenticating Agent or Note registrar such security or indemnity as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft of a Note, the applicant shall also furnish to the Company and to the Trustee evidence to their satisfaction of the destruction, loss or theft of such Note and of the ownership thereof.

(b) The Trustee may authenticate any such substituted Note and deliver the same upon the written request or authorization of any officer of the Company. Upon the issuance of any substituted Note, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. In case any Note which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Company may, instead of issuing a substituted Note, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Note) if the applicant for such payment shall furnish to the Company, the Trustee, any

Authenticating Agent or Note registrar such security or indemnity as may be required by them to save each of them harmless and, in case of destruction, loss or theft, evidence satisfactory to the Company and the Trustee of the destruction, loss or theft of such Note and of the ownership thereof.

(c) Every substituted Note issued pursuant to this Section 2.07 by virtue of the fact that any Note is destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, whether or not such destroyed, lost or stolen Note shall be found at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Notes duly issued hereunder. All Notes shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.08. Temporary Notes. Pending the preparation of definitive Notes, the Company may execute and the Trustee shall authenticate and make available for delivery, temporary Notes (printed, lithographed or otherwise reproduced). Temporary Notes shall be issuable in any authorized denomination and substantially in the form of the definitive Notes but with such omissions, insertions and variations as may be appropriate for temporary Notes, all as may be determined by the Company. Every such temporary Note shall be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the definitive Notes. Without unreasonable delay the Company will execute and register and will deliver to the Trustee definitive Notes and thereupon any or all temporary Notes may be surrendered in exchange therefor, at the Corporate Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Notes an equal aggregate principal amount of definitive Notes. Such exchange shall be made by the Company at its own expense and without any charge therefor to the oteholders. Until so exchanged, the temporary Notes shall in all respects be entitled to the same benefits under this Indenture as definitive Notes authenticated and made available for delivery hereunder.

Section 2.09. Cancellation of Notes Paid, etc. All Notes surrendered for the purpose of payment, redemption, exchange or registration of transfer shall be surrendered to the Trustee for cancellation and promptly cancelled by it and no Notes shall be issued in lieu thereof except as expressly permitted by this Indenture. All Notes so cancelled shall be retained by the Trustee. If the Company shall acquire any of the Notes, however, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Notes unless and until the same are cancelled by the Trustee.

Section 2.10. Interest Rights Preserved. Each Note delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Note shall carry all the rights to unpaid Accrued Interest, and interest to accrue, which were carried by such other Note, and each such Note shall be so dated that neither gain nor loss of interest shall result from such transfer, exchange or

substitution.

Section 2.11. Payment of Notes. The principal of and any premium and Accrued Interest on all Notes shall be payable as follows:

(a) On or before 10:00 a.m., New York City time, of the day on which payment of principal, Accrued Interest and premium is due on any Global Note pursuant to the terms thereof, the Company shall deliver to the Trustee immediately available funds sufficient to make such payment. On or before 10:30 a.m., New York City time or such other time as shall be agreed upon between the Trustee and the Depositary, of the day on which such payment is due, the Trustee shall deposit with the Depositary such funds by wire transfer into the account specified by the Depositary. As a condition to the payment at the Maturity of any part of the principal and applicable premium of any Global Note, the Depositary shall surrender, or cause to be surrendered, such Global Note to the Trustee, whereupon a new Global Note shall be issued to the Depositary pursuant to Section 3.03(d).

(b) With respect to any Note that is not a Global Note, principal, any premium and Accrued Interest due at the Maturity of such Note shall be payable in immediately available funds when due upon presentation and surrender of such Note at the Corporate Trust Office of the Trustee. Accrued Interest on any Note that is not a Global Note (other than Accrued Interest payable at the maturity date) shall be paid in a clearinghouse funds check mailed on the Interest Payment Date; provided, however, that if any holder of Notes, the aggregate principal amount of which equals or exceeds \$10,000,000, provides a written request to the Trustee on or before the applicable Record Date for such Interest Payment Date, Accrued Interest on such principal amount shall be paid by wire transfer of immediately available funds to a bank within the continental United States or by direct deposit into the account of such holder if such account is maintained with the Trustee.

Section 2.12. Notes Issuable in the Form of a Global Note.

(a) If the Company shall establish pursuant to Section 2.05 that the Notes of a particular series are to be issued in whole or in part in the form of one or more Global Notes, then the Company shall execute and the Trustee shall, in accordance with Section 2.05 and the Company Order delivered to the Trustee thereunder, authenticate and make available for delivery, such Global Note or Notes, which (1) shall represent, shall be denominated in an amount equal to the aggregate principal amount of, and shall have the same terms as, the outstanding Notes to be represented by such Global Note or Notes, (2) shall be registered in the name of the Depositary or its nominee, (3) shall be delivered by the Trustee to the Depositary or pursuant to the Depositary's instruction and (4) shall bear a legend substantially to the following effect: "Unless and until it is exchanged in whole or in part for the individual Notes represented hereby, this Global Note may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary."

(b) Notwithstanding any other provision of Section 2.06 or of this Section 2.12, unless the terms of a Global Note expressly permit such Global Note to be exchanged in whole or in part for individual Notes, a Global Note may be transferred, in whole but not in part, only to a nominee of the Depository, or by a nominee of the Depository to the Depository, or to a successor Depository for such Global Note selected or approved by the Company or to a nominee of such successor Depository.

(c) (1) If at any time the Depository for a Global Note notifies the Company that such Depository is unwilling or unable to continue as Depository for such Global Note or if at any time the Depository for a Global Note shall no longer be eligible or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, the Company shall appoint a successor Depository with respect to such Global Note. If a successor Depository for such Global Note is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, the Company's election pursuant to Section 2.05(c)(6) shall no longer be effective with respect to such Global Note and the Company shall execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of individual Notes of such series in exchange for such Global Note, shall authenticate and make available for delivery, individual Notes of such series of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such Global Note in exchange for such Global Note. The Trustee shall not be charged with knowledge of notice of the ineligibility of a Depository unless a responsible officer assigned to and working in its corporate trustee administration department shall have actual knowledge thereof.

(2) The Company may at any time and in its sole discretion determine that all outstanding (but not less than all) the Notes issued or issuable in the form of one or more Global Notes shall no longer be represented by such Global Note or Notes. In such event the Company shall execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of individual Notes in exchange for such Global Note, shall authenticate and make available for delivery, individual Notes of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such Global Note or Notes in exchange for such Global Note or Notes.

(3) If agreed upon by the Company and the Depository with respect to Notes issued in the form of a Global Note, the Depository for such Global Note shall surrender such Global Note in exchange in whole or in part for individual Notes of like tenor and terms in definitive form on such terms as are acceptable to the Company and such Depository. Thereupon the Company shall execute, and the Trustee shall authenticate and make available for delivery, without a service charge, (A) to each Person specified by the Depository, a new Note or Notes of like tenor and terms, and of any authorized denomination as requested by such Person, in aggregate principal amount equal to and in exchange for the beneficial interest of such Person in such Global Note; and (B) to such Depository a new Global Note of like tenor and terms and in a denomination equal to the difference, if any, between the principal amount of the surrendered Global Note and the aggregate principal amount of Notes delivered to Holders thereof.

(4) In any exchange provided for in

Section

2.12(c) (1), (2) or (3), the Company will execute and the Trustee will authenticate and make available for delivery, individual Notes in definitive registered form in authorized denominations. Upon the exchange of a Global Note for individual Notes, such Global Note shall be cancelled by the Trustee. Notes issued in exchange for a Global Note pursuant to this Section 2.12 shall be registered in such names and in such authorized denominations as the Depository for such Global Note, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Notes to the Depository for delivery to the Persons in whose names such Notes are so registered, or if the Depository shall refuse or be unable to deliver such Notes, the Trustee shall deliver such Notes to the Persons in whose names such Notes are registered, unless otherwise agreed upon by the Trustee and the Company.

(d) Neither the Company, the Trustee or any Authenticating Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) Pursuant to the provisions of this subsection, at the option of the Trustee and upon thirty days' written notice to the Depository, the Depository shall be required to surrender any two or more Global Notes which have identical terms, including, without limitation, identical maturities, interest rates and redemption provisions (but which may have differing Original Issue Dates) to the Trustee, and the Company shall execute and the Trustee shall authenticate and deliver to, or at the direction of, the Depository a Global Note in principal amount equal to the aggregate principal amount of, and with all terms identical to, the Global Notes so surrendered to the Trustee, and such new Global Note shall indicate each applicable Original Issue Date and the principal amount applicable to each such Original Issue Date. The exchange contemplated in this subsection shall be consummated at least 30 days prior to any Interest Payment Date applicable to any of the Global Notes so surrendered to the Trustee. Upon any exchange of any Global Note with two or more original Issue Dates, whether pursuant to this Section or pursuant to Section 2.06 or Section 3.03, the aggregate principal amount of the Notes with a particular Original Issue Date shall be the same before and after such exchange, giving effect to any retirement of Notes and the Original Issue Dates applicable to such Notes occurring in connection with such exchange.

Section 2.13. CUSIP Numbers. The Company in issuing Notes may use CUSIP numbers (if then generally in use), and, if so, the Trustee shall use CUSIP numbers in notices of redemption Notes as a convenience to Noteholders, provided, that any such notice may state that no representation is made as to the correctness of such CUSIP numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers.

ARTICLE THREE.

Redemption of Notes

Section 3.01. Applicability of Article. The provisions of this Article Three shall be applicable to any Notes which are redeemable prior to their stated maturity date.

Section 3.02. Notice of Redemption; Selection of

Notes.

(a) The election of the Company to redeem any Notes shall be evidenced by a Board Resolution which shall be given with notice of redemption to the Trustee ten Business Days prior to the giving of the notice of redemption to holders of such Notes.

(b) Notice of redemption to each holder of Notes to be redeemed as a whole or in part shall be given in the manner provided in Section 15.10 no less than 30 nor more than 60 days prior to the date fixed for redemption. Any notice which is given in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Noteholder receives the notice. In any case, failure to give such notice, or any defect in such notice, to the holder of any Note designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Note.

(c) Each such notice shall specify the date fixed for redemption, the places of redemption and the redemption price at which such Notes are to be redeemed, and shall state that payment of the redemption price of such Notes or portion thereof to be redeemed will be made on surrender of such Notes at such places of redemption, that Accrued Interest to the date fixed for redemption will be paid as specified in such notice, and that from and after such date interest thereon will cease to accrue. If less than all the Notes having the same terms are to be redeemed, the notice shall specify the Notes or portions thereof to be redeemed. In case any Note is to be redeemed in part only, the notice which relates to such Note shall state the portion of the principal amount thereof to be redeemed (which shall be \$1,000 or any integral multiple thereof), and shall state that, upon surrender of such Note, a new Note or Notes having the same terms in aggregate principal amount equal to the unredeemed portion thereof will be issued.

(d) If less than all of the Notes having the same terms are to be redeemed, the Trustee shall select in such manner as it shall deem appropriate and fair in its discretion the particular Notes to be redeemed as a whole or in part and shall thereafter promptly notify the Company in writing of the Notes so to be redeemed. Notes shall be redeemed only in denominations of \$1,000, provided, that any remaining principal amount of a Note redeemed in part shall be at least \$1,000.

(e) If at the time of the mailing of any notice of redemption the Company shall not have irrevocably directed the Trustee to apply funds deposited with the Trustee or held by it and available to be used for the redemption of Notes to redeem all the Notes called for redemption, such notice may state that it is subject to the receipt of the redemption moneys by the Trustee before the date fixed for redemption and that such notice shall be of no effect unless such moneys are so received before such date.

Section 3.03. Payment of Notes on Redemption; Deposit of Redemption Price.

(a) If notice of redemption shall have been given as provided in Section 3.02, such Notes or portions of Notes called for redemption shall become due and payable on the date and at the places stated in such notice at the applicable redemption price, together with Accrued Interest to the date fixed for redemption of such Notes, and on and after such date fixed for redemption,

provided that the Company shall have deposited with the Trustee on such date of redemption the amount sufficient to pay the redemption price together with Accrued Interest to the date fixed for redemption. Interest on the Notes or portions thereof so called for redemption shall cease to accrue and such Notes or portions thereof shall be deemed not to be entitled to any benefit under this Indenture except to receive payment of the redemption price together with Accrued Interest thereon to the date fixed for redemption. On presentation and surrender of such Notes at such a place of payment in such notice specified, such Notes or the specified portions thereof shall be paid and redeemed at the applicable redemption price, together with Accrued Interest thereon to the date fixed for redemption.

(b) The Company shall not mail any notice of redemption of Notes during the continuance of any Event of Default, except (1) that where notice of redemption of any Notes has been mailed, the Company shall redeem such Notes provided that funds have theretofore been deposited for such purpose, and (2) that notices of redemption of all outstanding Notes may be given during the continuance of an Event of Default.

(c) If any Note called for redemption shall not be so paid upon surrender thereof for redemption, the principal of and any premium on such Note, shall until paid bear interest from the date set for redemption at the rate borne by such Note.

(d) Upon surrender of any Note redeemed in part only, the Company shall execute and register, and the Trustee shall authenticate and make available for delivery, a new Note or Notes of authorized denominations in aggregate principal amount equal to, and having the same terms and Original Issue Date or Dates as, the unredeemed portion of the Note so surrendered.

ARTICLE FOUR Mortgage Bonds.

Section 4.01. Issuance Restrictions. So long as any Notes are outstanding, the Company will not (a) issue additional Mortgage Bonds except to replace any mutilated, lost, destroyed or stolen Mortgage Bonds or to effect exchanges and transfers of Mortgage Bonds or (b) subject to the lien of the Mortgage Indenture any property which is the "Excepted Property" under the Mortgage Indenture, unless (i) concurrently with the issuance of such Mortgage Bonds or subjection of any such property to such lien, the Company issues, and the trustee under the Mortgage Indenture authenticates and delivers to the Trustee, a Mortgage Bond or Bonds in an aggregate principal amount equal to the aggregate principal amount of the Notes then outstanding, and (ii) concurrently with and as a condition precedent to the issuance of any Notes thereafter, the Company issues, and the trustee under the Mortgage Indenture authenticates and delivers to the Trustee, a Mortgage Bond or Bonds in an aggregate principal amount equal to the aggregate principal amount of the Notes to be issued, and in each such case such Mortgage Bonds shall have the same stated maturity, bear interest at the same rates, have redemption and other terms and provisions which are the same as, the Notes then outstanding or to be issued, as the case may be.

Section 4.02. Mortgage Bonds held by the Trustee. Mortgage Bonds delivered to the Trustee pursuant to Section 4.01 shall be fully registered in the name of the Trustee, which shall hold such Mortgage Bonds in trust for the benefit of the holders from time to time of the Notes, to provide the security of the Mortgage Bonds for (a) the full and prompt payment of the principal of each Note when and as the same shall become due in accordance with the terms and provisions of this

Indenture, either at the stated maturity thereof, upon declaration of acceleration of the maturity thereof or upon call for redemption, and (b) the full and prompt payment of any premium and interest on each Note when and as the same shall become due in accordance with the terms and provisions of this Indenture.

Section 4.03. Trustee to Exercise Rights of Mortgage Bondholder. As the holder of Mortgage Bonds, the Trustee shall have and exercise all of the rights of a holder of Mortgage Bonds possessed under the Mortgage Indenture.

Section 4.04. No Transfer of Mortgage Bonds; Exception. Except as required to effect an assignment to a successor trustee under this Indenture, the Trustee shall not sell, assign or transfer any Mortgage Bonds held by it and the Company shall issue stop transfer instructions to the Mortgage Trustee and any transfer agent under the Mortgage Indenture to effect compliance with this Section 4.04.

Section 4.05. Release of Mortgage Bonds. When (a) all of the principal of and any premium and interest on all Notes shall have been paid or provision therefor duly made in accordance with this Indenture, or (b) all Notes shall have been delivered to the Trustee for cancellation by or on behalf of the Company, or (c) no Note is any longer outstanding under this Indenture and all conditions in Article Five have been satisfied, the Trustee shall upon request of the Company, within five Business Days thereafter, deliver to the Company without charge all Mortgage Bonds, together with such appropriate instruments of release as may be required; the Mortgage Bonds so acquired by the Company shall be delivered to the Mortgage Trustee for cancellation.

Section 4.06. Voting of Mortgage Bonds.

(a) The Trustee, as holder of Mortgage Bonds, shall attend meetings of Bondholders under the Mortgage Indenture and either at such meeting, or otherwise when the consent of holders of Mortgage Bonds is sought without a meeting, the Trustee shall vote the outstanding principal amount of the Mortgage Bonds, or shall consent with respect thereto, proportionally with respect to all other Mortgage Bonds then outstanding and eligible to vote or consent.

(b) Notwithstanding Section 4.06(a), the Trustee shall not vote any portion of the outstanding principal amount of the Mortgage Bonds in favor of, or give its consent to, any action which, in the opinion of the Trustee, would materially adversely affect the interests of the Noteholders, except with the appropriate consent of the Noteholders.

Section 4.07. Discharge of Mortgage Indenture. The Trustee shall surrender for cancellation to the Mortgage Trustee all Mortgage Bonds then held by the Trustee and issued under the Mortgage Indenture upon receipt by the Trustee of:

(a) an Officer's Certificate requesting such surrender for cancellation of such Mortgage Bonds, and to the effect that no Mortgage Bonds are outstanding under the Mortgage Indenture other than Mortgage Bonds held by the Trustee hereunder and that promptly upon such surrender the Mortgage Indenture will be satisfied and discharged pursuant to the terms thereof; and

(b) an Opinion of Counsel to the effect that upon satisfaction and discharge of the Mortgage Indenture the property formerly subject to the lien of the Mortgage Indenture will be subject to no lien except Permitted Encumbrances.

ARTICLE FIVE.

Satisfaction and Discharge; Unclaimed Moneys.

Section 5.01. Satisfaction and Discharge.

a) If at any time

(1) the Company shall have paid or caused to be paid the principal of and premium, if any, and interest on all the outstanding Notes, as and when the same shall have become due and payable, or

(2) the Company shall have delivered to the Trustee for cancellation all Notes theretofore authenticated other than any Notes which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 2.07 hereof), or

(3) (A) all such Notes not theretofore delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within the year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and (B) the Company shall have irrevocably deposited or caused to be irrevocably deposited with the Trustee as trust funds the entire amount in cash (other than moneys repaid by the Trustee or any paying agent to the Company in accordance with Section 5.03 or moneys paid to any State or to the District of Columbia pursuant to its unclaimed property or similar laws), U.S. Government Obligations maturing as to principal and interest in such amounts and at such times as will insure the availability of cash, or a combination of cash and U.S. Government Obligations, sufficient to pay at maturity all outstanding Notes not theretofore delivered to the Trustee for cancellation, including principal and any premium and interest due or to become due to such date of maturity, as the case may be, and

if, in any such case, the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then this Indenture shall cease to be of further effect (except as to (i) rights of registration of transfer and exchange of Notes, (ii) substitution of apparently mutilated, defaced, destroyed, lost or stolen Notes, (iii) rights of Noteholders to receive payments of principal thereof and any premium and interest thereon, upon the original stated due dates therefor (but not upon acceleration of maturity), (iv) the rights, obligations and immunities of the Trustee hereunder and (v) the rights of the holders of Notes as beneficiaries hereof with respect to the property so deposited with the Trustee payable to all or any of them), and the Trustee, on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel and at the cost and expense of the Company, shall execute proper instruments acknowledging such satisfaction of and discharging this Indenture. Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 9.06 shall survive.

(b) The Company shall be deemed to have been Discharged from its obligations with respect to the Notes on the 91st day after the applicable conditions set forth below have been satisfied:

(1) the Company shall have deposited or caused to be deposited irrevocably with the Trustee as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the holders of the Notes

(A) money in an amount, or

(B) U.S. Government Obligations, or a combination money and U.S. Government Obligations, which through the payment of interest and principal in respect thereof in accordance with their terms will provide, in the opinion of an accountant, who is also an employee of the Company, expressed in a written certification thereof delivered to the Trustee, not later than one day before the due date of any payment, money in an amount sufficient to pay and discharge each installment of principal of and any premium and interest on the outstanding Notes on the dates such installments of interest or principal are due, provided that the Trustee shall have been irrevocably instructed to apply such money or proceeds of such U.S. Government Obligations to the payment of such installments of principal of and any premium and interest with respect to the outstanding Notes; and

(2) no Event of Default or event (including such deposit) which with notice or lapse of time would become an Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit.

(c) "Discharged" means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by, and obligations under, the Notes and to have satisfied all the obligations under this Indenture relating to the Notes (and the Trustee, on demand of the Company accompanied by an Officers' Certificate and an Opinion of Counsel and at the expense of the Company, shall execute proper instruments acknowledging the same), except

(1) the rights of holders of the Notes to receive, from the trust fund described in Section 5.01(b)(1), payments of the principal of and interest on the Notes when such payments become due;

(2) the Company's obligations with respect to the Notes under Sections 2.06, 2.07, 5.02, 5.03 and 6.02; and

(3) the rights, powers, trusts, duties and immunities of the Trustee with respect to the Notes as specified in this Indenture, including the rights of the Trustee to receive payment or reimbursement of compensation and expenses pursuant to Section 9.06.

Section 5.02. Deposited Moneys to Be Held in

Trust by Trustee. All moneys and U.S. Government Obligations deposited with the Trustee pursuant to Section 5.01 shall be held in trust and applied by it to the payment, either directly or through any paying agent (including the Company if acting as its own paying agent), to the holders of the particular Notes for the payment or redemption of which such moneys and U.S. Government Obligations have been deposited with the

Trustee, of all sums due and to become due thereon for principal and premium, if any, and interest.

Section 5.03. Return of Unclaimed Moneys. Any moneys deposited with or paid to the Trustee for payment of the principal of or any premium or interest on any Notes and not applied but remaining unclaimed by the holders of such Notes for two years after the date upon which the principal of or any premium or interest on such Notes, as the case may be, shall have become due and payable, shall be repaid to the Company by the Trustee on written demand and all liability of the Trustee shall thereupon cease; and any holder of any of such Notes shall thereafter look only to the Company for any payment which such holder may be entitled to collect; provided, however, that the Trustee before being required to make any such repayment, may at the expense of the Company cause to be mailed to such holder notice that such money remains unclaimed and that, after a date specified therein which shall not be less than 30 days from the date of such mailing, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 5.04. Reinstatement. If the Trustee is unable to apply any money or U.S. Government Obligations in accordance with Section 5.01 by reason of any legal proceeding or any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's obligations under this Indenture with respect to the Notes to which such money or U.S. Government Obligations were to have been applied shall be revived and reinstated as though no deposit had occurred pursuant to Section 5.01 until such time as the Trustee is permitted to apply such money or U.S. Government Obligations in accordance with Section 5.01; provided, however, that if the Company has made any payment of principal of or any premium or interest on any Notes because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee.

ARTICLE SIX.

Particular Covenants of the Company.

Section 6.01. Payment of Principal, Premium and Interest. The Company covenants and agrees for the benefit of the holders of the Notes that it will duly and punctually pay or cause to be paid the principal of and any premium and interest on each of the Notes at the places, at the respective times and in the manner provided in such Notes.

Section 6.02. Office for Notices and Payments, etc. So long as any of the Notes remain outstanding, the Company will maintain in the Borough of Manhattan, The City and State of New York, an office or agency where the Notes may be presented for registration of transfer and for exchange as in this Indenture provided, and where, at any time when the Company is obligated to make a payment upon Notes (other than an interest payment as to which it has exercised its option to make such payment by check), the Notes may be presented for payment, and shall maintain at any such

office or agency and at its principal office an office or agency where notices and demands to or upon the Company in respect of the Notes or of this Indenture may be served, provided that the Company may maintain at its principal executive offices, one or more other offices or agencies for any or all of the foregoing purposes; the Company hereby appoints the Trustee as agent of the Company for the foregoing purposes. The Company will give to the Trustee written notice of the location of each such office or agency and of any change of location thereof. In case the Company shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations may be made and notices and demands may be served at the corporate trust office of the Trustee.

Section 6.03. Appointments to Fill Vacancies in Trustee's Office. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 9.11, a Trustee, so that there shall at all times be a Trustee hereunder.

Section 6.04. Annual Statement and Notice. (a) The Company will deliver to the Trustee within 120 days after the end of each fiscal year of the Company, beginning with the fiscal year ending December 31, 1996, an Officers' Certificate which complies with TIA Section 314(a)(4) stating that in the course of the performance by the signers of their duties as officers of the Company they would obtain knowledge of any default by the Company in the performance of any covenant contained in this Indenture or an Event of Default stating whether they have obtained knowledge of any such default and, if so, specifying each such default or such Event of Default of which the signers have knowledge, and the nature and status thereof.

(b) The Company shall give to the Trustee written notice of the occurrence of an Event of Default within five days after the Company becomes aware of such occurrence.

Section 6.05. Corporate Existence. Subject to Article Twelve, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory) and franchises; provided however, that the Company shall not be required to preserve any such right or franchise if the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company.

Section 6.06. Limitation Upon Mortgages and Liens. The Company will not at any time directly or indirectly create or assume and will not cause or permit a Subsidiary directly or indirectly to create or assume, except in favor of the Company or a Wholly-Owned Subsidiary, any mortgage, pledge or other lien or encumbrance upon any Principal Facility or any interest it may have therein or upon any stock of any Regulated Subsidiary or any indebtedness of any Subsidiary to the Company or any other Subsidiary, whether now owned or hereafter acquired, without making effective provision (and the Company covenants that in such case it will make or cause to be made,

effective provision) whereby the outstanding Notes and any other indebtedness of the Company then entitled thereto shall be secured by such mortgage, pledge, lien or encumbrance equally and ratably with any and all other obligations and indebtedness thereby secured, so long as any such other obligations and indebtedness shall be so secured; provided, however, that the foregoing covenant shall not be applicable to the lien of the Mortgage Indenture or Permitted Encumbrances.

Section 6.07. Waiver of Certain Covenants. The Company may omit in any particular instance to comply with any term, provision or condition set forth in Article Four or

Section 6.06 (and if so specified, any other covenant not set forth herein and specified pursuant to Section 2.05 to be applicable to any Notes, except as otherwise provided pursuant to Section 2.05), if before the time for such compliance

the holders of at least a majority in aggregate principal amount of the

Notes then outstanding shall either waive such compliance in such instance or generally waive compliance with such term, provision

or condition, but no waiver shall extend to or affect such

term, provision or condition except to the extent expressly so

waived, and, until such waiver shall become effective, the

obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

ARTICLE SEVEN.

Noteholder Lists and Reports by the Company and the Trustee.

Section 7.01. Noteholder Lists. If it is not the registrar for the Notes, the Company will, so long as any Notes are outstanding under this Indenture, furnish or cause to be furnished to the Trustee within 15 days prior to each

Interest Payment Date on Notes from time to time outstanding, and at

such other times as the Trustee, may request in writing, the information required by TIA Section 312(a), which the Trustee shall preserve as required by TIA Section 312(a).

The Trustee shall also comply with TIA Section 312(b), but the Trustee, the Company and each Person acting on behalf of the Trustee or the Company shall have the protection of TIA Section 312(c).

Section 7.02. Securities and Exchange Commission

Reports. The Company shall (a) file with the Trustee, within 15 days after the Company is required to file the same with the Securities and Exchange Commission, copies of the reports, information and documents (or portions thereof) required to be so filed pursuant to TIA Section 314(a), and (b) comply with the other provisions of TIA Section 314(a).

Section 7.03. Reports by the Trustee. The Trustee shall (a) transmit within 60 days after August 15 in each year, beginning with the year 1997, to the Noteholders specified in TIA Section 3.13(c) and to the Securities and Exchange Commission, a brief report dated as of such

August 15 and complying with the requirements of TIA Section 313(a), but no report shall be required if no event described in TIA Section 313(a) shall have occurred within the previous twelve months ending on such date. The Trustee shall also comply with the other provisions of TIA Section 313(b) (2).

ARTICLE EIGHT.

Remedies of the Trustee and Noteholders on Event of Default.

Section 8.01. Events of Default.

(a) In case one or more of the following Events of Default shall have occurred and be continuing with respect to the Notes:

(1) default in the payment of any installment of interest upon any of the Notes as and when the same shall become due and payable, and continuance of such default for a period of 30 days; or

(2) default in the payment of the principal of or any premium on any of the Notes as and when the same shall become due and payable, and continuance of such default for a period of one day (whether at the stated maturity thereof or upon declaration of acceleration or call for redemption or otherwise); or

(3) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company contained in the Notes or in this Indenture for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied and stating that such notice is a "Notice of Default" hereunder, shall have been given to the Company by the Trustee by registered mail, or to the Company and the Trustee by the holders of at least 25% in aggregate principal amount of the Notes at the time outstanding provided, however, that, subject to Sections 9.01 and 6.04, the Trustee shall not be deemed to have knowledge of such failure unless either (A) a responsible officer of the Trustee shall have actual knowledge of such failure, or (B) the Trustee shall have received written notice thereof from the Company or any Noteholder; or

(4) default (i) in the payment of any principal of or interest on any Indebtedness of the Company (other than the Notes), or on any Indebtedness of any Subsidiary of the Company which is recourse to the Company, aggregating more than \$15,000,000 in principal amount, when due after giving effect to any applicable grace period or (ii) in the performance of any other term or provision of any such Indebtedness (other than Notes) in excess of \$15,000,000 principal amount that results in such Indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable, and such acceleration shall not have been rescinded or annulled, or such Indebtedness shall not have been discharged, within a period of 15 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the holders of at least 25% in principal amount of the Notes then outstanding, a written notice specifying such default or defaults and stating that such notice is a "Notice of Default" hereunder; or

(5) the entry against the Company or any Subsidiary of any judgment or order for the payment of money in excess of \$10,000,000 and either (x) enforcement proceedings

shall have been commenced

by any creditor upon such judgment or order or (y) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(6) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Company under Title 11 of the United States Code, as now constituted or hereafter amended, or any other applicable Federal or State bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of the Company or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(7) the filing by the Company of a petition or answer or consent seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other applicable Federal or State bankruptcy, insolvency or other similar law, or the consent by it to the institution of proceedings thereunder or to the filing of any such petition or to the appointment of or taking possession by a receiver liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Company or of any substantial part of its property, or the failure of the Company generally to pay its debts as such debts become due, or the taking of corporate action by the Company in furtherance of any such action; or

(8) any other Event of Default provided with respect to the particular Note specified in the applicable Company Order;

then and in each and every such case, unless the principal of all of the Notes shall have already become due and payable, either the Trustee or the holders of a majority in aggregate principal amount of the Notes then outstanding, by notice in writing to the Company (and to the Trustee if given by Noteholders), may declare the principal of all the Notes to be due and payable immediately and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Notes contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of the Notes shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all of the Notes and the principal of and any premium on any and all Notes which shall have become due otherwise than by acceleration (with interest on overdue installments of interest, to the extent that payment of such interest is enforceable under applicable law, and on such principal and any premium at the rate borne by the Notes to the date of such payment or deposit) and all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any and all defaults under this Indenture, other than the non-payment of principal of and accrued interest on Notes which shall have become due by acceleration of maturity, shall have been cured or waived -- then and in every such case the

holders of a majority in aggregate principal amount of the Notes then outstanding, by written notice to the Company and to the Trustee, may waive all such defaults and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon.

(b) In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company and the Trustee shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Company and the Trustee shall continue as though no such proceeding had been taken.

Section 8.02. Payment of Notes on Default;
Suit
Therefor.

(a) The Company covenants that in case of

(1) default in the payment of any installment of interest upon any of the Notes as and when the same shall become due and payable, and continuance of such default for a period of 30 days; or

(2) default in the payment of the principal of or any premium on any of the Notes as and when the same shall have become due and payable, and continuance of such default for a period of one day (whether at the stated maturity thereof or upon declaration of acceleration or call for redemption or otherwise)

then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of the Notes, the whole amount that then shall have so become due and payable on all such Notes for principal and any premium or interest, or both, as the case may be, with interest upon the overdue principal and any premium and (to the extent that payment of such interest is enforceable under applicable law) upon the overdue installments of interest at the rate borne by the Notes; and, in addition thereto, such further amounts as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee hereunder other than through its negligence or bad faith.

(b) In case the Company shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Company or any other obligor on the Notes and collect in the manner provided by law out of the property of the Company or any other obligor on such series of Notes wherever situated, the moneys adjudged or decreed to be payable.

(c) In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor on the Notes under the Federal Bankruptcy

Code or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Company or such other obligor, or in the case of any similar judicial proceedings relative to the Company or other obligor upon the Notes, or to the creditors or property of the Company or such other obligor, the Trustee, irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to this Section 8.02, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal and any premium and interest owing and unpaid in respect of the Notes, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any amounts due to the Trustee under Section 9.06 hereof) and of the holders of Notes allowed in such judicial proceedings relative to the Company of any other obligor on the Notes, its or their creditors, or its or their property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the Noteholders to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the holders of any Notes, to pay to the Trustee any amount due to it for compensation and expenses, including counsel fees and expenses incurred by it up to the date of such distribution.

(d) All rights of action and of asserting claims under this Indenture, or under any of the Notes, may be enforced by the Trustee without the possession of any of the Notes, or the production thereof in any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the holders of the Notes in respect of which such action was taken.

(e) Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent or to accept or adopt on behalf of any Noteholder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any holder thereof, or to authorize the Trustee to vote in respect of the claim of any Noteholder in any such proceeding.

Section 8.03. Application of Moneys Collected by Trustee. Any moneys collected by the Trustee with respect to any of the Notes shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such

moneys, upon presentation of the several Notes, and stamping thereon the payment, if only partially paid, and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due to the Trustee pursuant to Section 9.06;

SECOND: In case the principal of the outstanding Notes in respect of which such moneys have been collected shall not have become due and be unpaid, to the payment of interest on the Notes, in the order of the maturity of the installments of such interest, with interest (to the extent allowed by law and to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest at the rate borne by the Notes, such payments to be made ratably to the persons entitled thereto;

THIRD: In case the principal of the outstanding Notes in respect of which such moneys have been collected shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Notes for principal and any premium and interest thereon, with interest on the overdue principal and any premium and (to the extent allowed by law and to the extent that such interest has been collected by the Trustee) upon overdue installments of interest at the rate borne by the Notes; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Notes, then to the payment of such principal and any premium and interest without preference or priority of principal and any premium over interest, or of interest over principal and any premium or of any installment of interest over any other installment of interest, or of any Note over any other Note, ratably to the aggregate of such principal and any premium and accrued and unpaid interest; and

FOURTH: To the payment of the remainder, if any, to the Company its successors or assigns, or to whomsoever may lawfully be entitled to the same, or as a court of competent jurisdiction may determine.

Section 8.04. Proceedings by Noteholders.

(a) No holder of any Note shall have any right by virtue of or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of default with respect to such Note and of the continuance thereof, as hereinabove provided, and unless also the holders of not less than a majority in aggregate principal amount of the Notes then outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding, it being understood and intended, and being expressly covenanted by the taker and the holder of

every Note with every other taker and holder and the Trustee that no one or more holders of Notes shall have any right in any manner whatever by virtue of or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other holder of Notes, or to obtain or seek to obtain priority over or preference to any other such holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Notes.

(b) Notwithstanding any other provision in this Indenture, however, the rights of any holder of any Note to receive payment of the principal of and any premium and interest on such Note, on or after the respective due dates expressed in such Note, or to institute suit for the enforcement of any such payment on or after such respective dates shall not be impaired or affected without the consent of such holder.

Section 8.05. Proceedings by Trustee. In case of an Event of Default hereunder the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either by suit in equity or by action at law or by proceeding in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

Section 8.06. Remedies Cumulative and Continuing. All powers and remedies given by this Article Eight to the Trustee or to the Noteholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any powers and remedies hereof or of any other powers and remedies available to the Trustee or the holders of the Notes, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any holder of any of the Notes in exercising any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to Section 8.04, every power and remedy given by this Article Eight or by law to the Trustee or to the Noteholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Noteholders.

Section 8.07. Restoration of Rights and Remedies. If the Trustee or any Noteholder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or

to such Noteholder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Noteholders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Noteholders shall continue as though no such proceeding had been instituted.

Section 8.08. Direction of Proceedings and Waiver of Defaults by Majority Noteholders. The holders of a majority in aggregate principal amount of the Notes at the time outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that (subject to Section 9.01) the Trustee shall have the right to decline to follow any such direction if the Trustee being advised by counsel determines that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors or trustees, executive committee, or a trust committee of directors or trustees or responsible officers shall determine that the action or proceeding so directed would involve the Trustee in personal liability or would be unduly prejudicial to the rights of Noteholders not joining in such directions. Prior to any declaration accelerating the maturity of the Notes, the holders of a majority in aggregate principal amount of the Notes at the time outstanding may on behalf of all of the holders of the Notes waive any past default or Event of Default hereunder and its consequences except a default in the payment of principal of or any premium or interest on the Notes. Upon any such waiver the Company, the Trustee and the holders of the Notes shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Whenever any default or Event of Default hereunder shall have been waived as permitted by this Section 8.07, said default or Event of Default shall for all purposes of the Notes and this Indenture be deemed to have been cured and to be not continuing.

Section 8.09. Notice of Default. The Trustee shall, within 90 days after the occurrence of a default with respect to the Notes, give to all holders of the Notes specified in TIA Section 3.13(c), in the manner provided in Section 15.10, notice of such default, unless such default shall have been cured before the giving of such notice, the term "default" for the purpose of this Section 8.08 being hereby defined to be any event which is or after notice or lapse of time or both would become an Event of Default; provided that, except in the case of default in the payment of the principal of or any premium or interest on any of the Notes, the Trustee shall be protected in withholding such notice if and so long as its board of directors or trustees, executive committee, or a trust committee of directors or trustees or responsible officers in good faith determines that the withholding of such notice is in the interests of the holders

of the Notes. The Trustee shall not be charged with knowledge of any Event of Default unless a responsible officer of the Trustee assigned to the corporate trust division of the Trustee shall have actual knowledge of such Event of Default.

Section 8.10. Undertaking to Pay Costs. All parties to this Indenture agree, and each holder of any Note by acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but this Section 8.09 shall not apply to any suit instituted by the Trustee, or to any suit instituted by any Noteholder, or group of Noteholders, holding in the aggregate more than 10% in principal amount of the Notes outstanding, or to any suit instituted by any Noteholder for the enforcement of the payment of the principal of or any premium or interest on any Note on or after the due date expressed in such Note.

ARTICLE NINE.

Concerning the Trustee.

Section 9.01. Duties and Responsibilities of Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) No provisions of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

1) prior to the occurrence of any Event of Default and after the curing or waiving of all Events of Default which may have occurred,

(A) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(B) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such certificates or opinions which by any provision

hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of at least a majority in principal amount of the Notes at the time outstanding determined as provided in Section 10.04 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(c) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to this Section 9.01.

Section 9.02. Reliance on Documents, Opinions, etc. Except as otherwise provided in Section 9.01,

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof is herein specifically (prescribed); and any Board Resolution may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Company;

(c) the Trustee may consult with counsel selected by the Trustee, if such counsel is reasonably satisfactory to the Company, and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Noteholders, pursuant to this Indenture, unless such Noteholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred by such exercise;

(e) the Trustee shall not be liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(g) no provision of this Indenture shall require the Trustee to extend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it; and

(h) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys; provided, however, that the Trustee shall not be liable for the conduct or acts of any such agent or attorney that shall have been appointed in accordance herewith with due care.

Section 9.03. No Responsibility for Recitals, etc.
The recitals contained herein and in the Notes (except in the certificate of authentication) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Notes. The Trustee shall not be accountable for the use or application by the Company of any Notes or the proceeds of any Notes authenticated and delivered by the Trustee in conformity with this Indenture.

Section 9.04. Trustee, Authenticating Agent or Registrar May Own Notes. The Trustee and any Authenticating Agent or Note registrar, in its individual or any other capacity, may become the owner or pledgee of Notes with the same rights it would have if it were not Trustee, Authenticating Agent or Note registrar.

Section 9.05. Moneys to Be Held in Trust.
Subject to Section 5.03, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law.

Section 9.06. Compensation and Expenses of Trustee.

(a) The Company agrees:

(1) to pay to the Trustee from time to time such compensation for all services rendered by it hereunder as has been agreed upon in writing (which compensation shall not be limited by any provision of law in regard to the compensation

of a trustee of an express trust);

(2) except as otherwise expressly provided

herein, to

reimburse each of the Trustee and any predecessor

Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the reasonable expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify each of the Trustee and any predecessor Trustee for, and to hold it harmless against, any loss, liability expense incurred without negligence

or bad faith on its own part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and

expenses of defending itself against any claim or liability in

connection with the exercise or performance of any of its powers or duties hereunder.

(b) As security for the performance of the obligations of the Company under this Section 9.06, the Trustee

shall have a claim prior to the Notes upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of and any premium and interest on particular Notes.

(c) When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 8.01(5) or (6), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal or state bankruptcy, insolvency or other similar law.

(d) The provisions of this Section 9.06 shall survive the termination of this Indenture.

Section 9.07. Officers' Certificate as Evidence.

Except as otherwise provided in Section 9.01, whenever in the administration of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof is herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such Officers' Certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under this Indenture in reliance thereon.

Section 9.08. Conflicting Interest of Trustee.

The Trustee will comply with TIA Section 310(b); provided, however, that (a) there shall be excluded from the requirements of TIA Section 310(b)(1) all indentures which may be excluded pursuant to the proviso to TIA Section 310(b)(1);

and(b) the provisions of the first sentence of TIA Section 310(b) (9) shall not apply to any securities described in the second sentence of TIA Section 310(b) (9).

Section 9.09. Eligibility of Trustee. The Trustee hereunder shall at all times be a corporation organized and doing business under the laws of the United States or any State thereof or of the District of Columbia authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$20,000,000 and subject to supervision or examination by Federal, State or District of Columbia authority and shall not otherwise be disqualified under TIA Section 310(a) (5). If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section 9.09, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with this Section 9.09, the Trustee shall resign immediately in the manner and with the effect specified in Section 9.10.

Section 9.10. Resignation or Removal of Trustee.

(a) The Trustee may at any time resign and be discharged of the trusts created by this Indenture by giving written notice to the Company specifying the day upon which such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor trustee shall have been appointed by the Noteholders or the Company in the manner provided in Section 9.11, and in such event such resignation shall take effect immediately on the appointment of such successor trustee.

(b) The Trustee may be removed at any time by an instrument or concurrent instruments in writing filed with such Trustee and signed and acknowledged by the holders of a majority in principal amount of the then outstanding Notes or by their attorneys in fact duly authorized.

(c) In case at any time the Trustee shall cease to be eligible in accordance with Section 9.09, then the Trustee so ceasing to be eligible shall resign immediately in the manner and with the effect provided in this Section 9.10, and in the event that it does not resign immediately in such case, then it may be removed forthwith by an instrument or concurrent instruments in writing filed with the Trustee so ceasing to be eligible and either:

(1) signed by the President or any Vice President of the Company attested by the Secretary or an Assistant Secretary of the Company; or

(2) signed and acknowledged by the holders of a majority in principal amount of outstanding Notes or by their attorneys in fact duly authorized.

(d) Any resignation or removal of the Trustee and any appointment of a successor Trustee pursuant to this Section

9.10 shall become effective upon acceptance of appointment by the successor Trustee as provided in Section 9.12.

Section 9.11. Appointment of Successor Trustee.

(a) In case at any time the Trustee shall resign or shall be removed (unless such Trustee shall be removed as provided in Section 9.10(c) in which event the vacancy shall be filled as provided therein), or shall become adjudged a bankrupt or insolvent, or if a receiver of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, for the purpose of rehabilitation, conservation or liquidation, or a vacancy shall be deemed to exist in the office of the Trustee for any other reason, the Company, by a Board Resolution, shall promptly appoint a successor Trustee. Within one year after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee may be appointed by act of the holders of a majority in principal amount of the outstanding Notes, delivered to the Company and retiring Trustee, and the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Company or by such receiver or Trustee.

(b) The Company shall publish notice of any resignation and subsequent appointment of a successor Trustee made by it or by act of Noteholders in one Authorized Newspaper in the Borough of Manhattan, The City of New York, and in one Authorized Newspaper in the city in which the principal office of the Trustee is located, once each.

(c) If in a proper case no appointment of a successor Trustee shall be made pursuant to Section 9.11(a) within six months after a vacancy shall have occurred in the office of Trustee, any Noteholder or any resigning Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(d) If any Trustee resigns because of conflict of interest as provided in Section 9.08 and a successor Trustee has not been appointed by the Company or the Noteholders or, if appointed, has not accepted the appointment, within 30 days after the date of such resignation, the resigning Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee.

(e) Any Trustee appointed under this Section 9.11 as a successor Trustee shall be a bank or trust company eligible under Section 9.09 and qualified under Section 9.08.

Section 9.12. Acceptance by Successor Trustee.

(a) Any successor Trustee appointed as provided in

Section 9.11 shall execute, acknowledge and deliver to the Company and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein; but nevertheless, on the written request of the Company or of the successor Trustee, the Trustee ceasing to act shall, upon payment of any amounts then due it pursuant to Section 9.06, execute and deliver an instrument transferring to such successor Trustee all the rights and powers of the Trustee so ceasing to act. Upon request of any such successor Trustee, the Company shall execute any and all instruments in writing in order more fully and certainly to vest in and confirm to such successor Trustee all such rights and powers. Any Trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such Trustee to secure any amounts then due it pursuant to Section 9.06.

(b) No successor Trustee shall accept appointment as provided in this Section 9.12 unless at the time of such acceptance such successor Trustee shall be qualified under Section 9.08 and eligible under Section 9.09.

(c) Upon acceptance of appointment by a successor Trustee as provided in this Section 9.12, the Company shall mail notice of the succession of such Trustee hereunder to all holders of Notes as the names and addresses of such holders appear on the registry books. If the Company fails to mail such notice in the prescribed manner within 10 days after the acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Company.

Section 9.13. Succession by Merger, etc.

(a) Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto.

(b) In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to

the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificates of the Trustee shall have; provided, however, that the right to adopt the certificate of authentication of any predecessor Trustee or authenticate Notes in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 9.14. Limitations on Rights of Trustee as a Creditor. The Trustee shall comply with TIA Section 311(a). A Trustee which has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

Section 9.15. Authenticating Agent. (a) There may be one or more Authenticating Agents appointed by the Trustee with power to act on its behalf and subject to its direction in the authentication and delivery of Notes in connection with transfers and exchanges under Sections 2.05, 2.06, 2.07, 2.08, 3.02, 3.03, and 13.04, as fully to all intents and purposes as though such Authenticating Agents had been expressly authorized by those Sections to authenticate and deliver Notes. For all purposes of this Indenture, the authentication and delivery of Notes by any Authenticating Agent pursuant to this Section 9.15 shall be deemed to be the authentication and delivery of such Notes "by the Trustee." Any such Authenticating Agent shall be a bank or trust company of the character and qualifications set forth in Section 9.09.

(b) Any corporation into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which any Authenticating Agent shall be a party, or any corporation succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of such Authenticating Agent hereunder, if such successor corporation is otherwise eligible under this Section 9.15, without the execution or filing of any paper or any further act on the part of the parties hereto or such Authenticating Agent or such successor corporation.

(c) Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee and to the Company. The Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section 9.15, the Trustee shall promptly appoint a successor Authenticating Agent, shall give written notice of such appointment to the Company and shall mail, in the manner provided in Section 15.10, notice of such appointment to the holders of Notes.

(d) The Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services, and the Trustee shall be entitled to be reimbursed for such payments, in accordance with Section 9.06.

(e) Sections 9.02, 9.03, 9.04, 9.06, 9.09 and 10.03 shall be applicable to any Authenticating Agent.

Section 9.16. Trustee's Application for Instructions from the Company. Any application by the Trustee for written instructions from the Company may, at the option of the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than five Business Days after the date any officer of the Company actually receives such application, unless any such officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

ARTICLE TEN.
Concerning the Noteholders.

Section 10.01. Action by Noteholders. (a) Whenever in this Indenture it is provided that the holders of a specified percentage in aggregate principal amount of the Notes may take any action (the making of any demand or request, or the giving of any notice, consents or waivers in lieu of a Noteholders' meeting or the taking of any other action) the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by such Noteholders in person or by agent or proxy appointed in writing, or (b) by the record of such Noteholders voting in favor thereof at any meeting of Noteholders duly called and held in accordance with Article Eleven, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Noteholders.

(b) Whenever in this Indenture it is provided that the holders of a specified percentage in aggregate principal amount of the Notes may take any action, any party designated in writing by the Depositary, or by any party so designated by the Depositary, as the owner of a beneficial interest of a specified principal amount of any Global Note held by such Depositary shall be deemed to be a holder of Notes in such principal amount for such purpose.

Section 10.02. Proof of Execution by Noteholders. (a) Subject to Sections 9.01, 9.02 and 11.05, proof of the execution of any instruments by a Noteholder or the agent or proxy for such Noteholder shall be sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The ownership of Notes shall be proved by the Note

register of the Company or by a certificate of the Note registrar.

(b) The record of any Noteholders' meeting shall be proven in the manner provided in Section 11.06.

Section 10.03. Who Deemed Absolute Owners. Subject to Sections 2.04(f) and 10.01, the Company, the Trustee, any Authenticating Agent and Note registrar may deem the person in whose name any Note shall be registered upon the Note register of the Company to be, and may treat such person as, the absolute owner of such Note (whether or not such Note shall be overdue) for the purpose of receiving payment of or on account of the principal of and any premium and interest on such Note, and for all other purposes; and neither the Company nor the Trustee nor any Authenticating Agent nor any Note registrar shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon any such Note to the extent of the sum or sums so paid.

Section 10.04. Company-Owned Notes Disregarded. In determining whether the holders of the requisite aggregate principal amount of outstanding Notes have concurred in any direction, consent or waiver under this Indenture, Notes which are owned by the Company or any other obligor on the Notes or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any other obligor on the Notes shall be disregarded and deemed not to be outstanding for the purpose of any such determination; provided that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver only Notes which the Trustee knows are so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this Section 10.04 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Notes and that the pledgee is not a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any such other obligor. In the case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 10.05. Revocation of Consents; Future Holders Bound. At any time prior to the taking of any action by the holders of the percentage in aggregate principal amount of the Notes specified in this Indenture in connection with such action, any holder of a Note, which is shown by the evidence to be included in the Notes the holders of which have consented to such action may, by filing written notice with the Trustee at the Corporate Trust Office of the Trustee and upon proof of ownership as provided in Section 10.02(a), revoke such action so far as it concerns such Note. Except as aforesaid any such action taken by the holder of any Note shall be conclusive and binding upon such holder and upon all future holders and owners of such Note and of any Notes issued in exchange or substitution therefor, irrespective of whether or not any notation thereof is made upon such Note or such other Notes.

Section 10.06. Record Date for Noteholder Acts. If the Company shall solicit from the Noteholders any request, demand, authorization, direction,

notice, consent, waiver or other act, the Company may, at its option, by Board Resolution, fix in advance a record date in compliance with TIA Section 3.16(c) for the determination of Noteholders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other act, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other act may be given before or after the record date, but only the Noteholders of record at the close of business on the record date shall be deemed to be Noteholders for the purpose of determining whether holders of the requisite aggregate principal amount of outstanding Notes have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other act, and for that purpose the outstanding Notes shall be computed as of the record date; provided, however, that no such authorization, agreement or consent by the Noteholders on the record date shall be deemed effective unless it shall become effective pursuant to this Indenture not later than six months after the record date.

ARTICLE ELEVEN
Noteholders' Meeting.

Section 11.01. Purposes of Meetings.

A meeting of Noteholders may be called at any time and from time to time pursuant to this Article Eleven for any of the following purposes:

- (a) to give any notice to the Company or to the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Noteholders pursuant to Article Eight;
- (b) to remove the Trustee and nominate a successor Trustee pursuant to Article Nine;
- (c) to consent to the execution of an indenture or indentures supplemental hereto pursuant to Section 13.02; or
- (d) to take any other action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of the Notes, as the case may be, under any other provision of this Indenture or under applicable law.

Section 11.02. Call of Meetings by Trustee. The Trustee may at any time call a meeting of holders of Notes to take any action specified in Section 11.01, to be held at such time and at such place as the Trustee shall determine. Notice of every such meeting of Noteholders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given to holders of the Notes that may be affected by the action proposed to be taken at such meeting in the manner provided in Section 15.10. Such notice shall be given not less than 20 nor more than 90 days prior

to the date fixed for such meeting.

Section 11.03. Call of Meetings by Company or Noteholders. In case at any time the Company, pursuant to a Board Resolution, or the holders of at least 10% in aggregate principal amount of the Notes then outstanding, shall have requested the Trustee to call a meeting of Noteholders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed the notice of such meeting within 20 days after receipt of such request, then the Company or such Noteholders may determine the time and the place for such meeting and may call such meeting to take any action authorized in Section 11.01, by giving notice thereof as provided in Section 11.02.

Section 11.04. Qualifications for Voting. To be entitled to vote at any meetings of Noteholders a Person shall (a) be a holder of one or more Notes affected by the action proposed to be taken or (b) be a Person appointed by an instrument in writing as proxy by a holder of one or more such Notes. The only Persons who shall be entitled to be present or to speak at any meeting of Noteholders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

Section 11.05. Regulations. (a) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Noteholders, in regard to proof of the holding of Notes and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

(b) The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by the Noteholders as provided in Section 11.03, in which case the Company or Noteholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by the holders of a majority in aggregate principal amount of the Notes present in person or by proxy at the meeting.

(c) Subject to Section 10.04, at any meeting each Noteholder or proxy shall be entitled to one vote for each \$1,000 principal amount of Notes held or represented by such Noteholder; provided, however, that no vote shall be cast or counted at any meeting in respect of any Note challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Notes held by such chairman or instruments in writing as aforesaid duly designating such chairman as the person to vote on behalf of other Noteholders. At any meeting of

Noteholders duly called pursuant to Section 11.02 or 11.03, the presence of persons holding or representing Notes in an aggregate principal amount sufficient to take action on any business for the transaction for which such meeting was called shall constitute a quorum. Any meeting of Noteholders duly called pursuant to Section 11.02 or 11.03 may be adjourned from time to time by the holders of a majority in aggregate principal amount of the Notes present in person or by proxy at the meeting, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice.

Section 11.06. Voting. The vote upon any resolution submitted to any meeting of Noteholders shall be by written ballots on which shall be subscribed the signatures of the holders of Notes or of their representatives by proxy and the principal amount of Notes held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Noteholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 11.02. The record shall show the principal amount of the Notes voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 11.07. Right of Trustee or Noteholders not Delayed. Nothing in this Article Eleven contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Noteholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the holders of Notes under any of the provisions of this Indenture or of the Notes.

ARTICLE TWELVE

Consolidation, Merger, Conveyance, Transfer or Lease

Section 12.01. Company May Consolidate, etc., only on Certain Terms. The Company shall not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person unless:

(1) the corporation formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer the properties and assets of the Company substantially as an entirety shall be a corporation organized and

existing under the laws of the United States of America or any State or the District of Columbia, and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and any premium and interest on all of the Notes and the performance of every covenant of this Indenture on the part of the Company to be performed or observed;

(2) immediately after giving effect to such consolidation, merger, conveyance or transfer, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have occurred and be continuing;

(3) if, as a result of such consolidation, merger, conveyance, transfer or lease, properties or assets of the Company would become subject to a mortgage, pledge, lien, security interest or other encumbrance which would not otherwise be permitted by this Indenture without making effective provision whereby the Notes then outstanding and any other indebtedness of the Company then entitled thereto will be equally and ratably secured with any and all indebtedness and obligations secured thereby, the Company or the successor corporation or Person, as the case may be, will take such action as will be necessary effectively to secure all Notes equally and ratably with (or prior to) all indebtedness secured thereby; and

(4) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with this Article Twelve and that all conditions precedent herein provided for relating to such consolidation, merger, conveyance or transfer have been complied with.

Section 12.02. Successor Corporation Substituted.
Upon any consolidation or merger, or any conveyance or transfer of the properties and assets of the Company substantially as an entirety in accordance with Section 12.01, the successor corporation formed by such consolidation or into which the Company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor corporation had been named as the Company herein; provided, however, that no such conveyance or transfer shall have the effect of releasing the Person named as the "Company" in the first paragraph of this Indenture or any successor corporation which shall theretofore have become such in the manner prescribed in this Article Twelve from its liability as obligor and maker on any of the Notes.

ARTICLE THIRTEEN
Supplemental Indentures.

Section 13.01. Supplemental Indentures without Consent of Noteholders.

(a) The Company, when authorized by Board Resolution, and the Trustee may from time to time and at any time enter into an indenture or indentures

supplemental hereto for one or more of the following purposes:

(1) to make such provision in regard to matters or questions arising under this Indenture as may be necessary or desirable and not inconsistent with this Indenture or for the purpose of supplying any omission, curing any ambiguity, or curing, correcting or supplementing any defective or inconsistent provision or to make a change which does not affect the rights of any Noteholder;

(2) to change or eliminate any of the provisions of this indenture, provided that any such change or elimination shall become effective only when there is no Note outstanding created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision;

(3) to secure the Notes;

(4) to establish the form of Notes as permitted by Section 2.01 or to establish or reflect any terms of any Note determined pursuant to Section 2.05;

(5) to evidence the succession of another corporation to the Company, and the assumption by any such successor of the covenants of the Company herein and in the Notes;

(6) to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority;

(7) to permit the Trustee to comply with any duties imposed upon it by law;

(8) to specify further the duties and responsibilities of, and to define further the relationships among, the Trustee, any Authenticating Agent and any paying agent; and

(9) to add to the covenants of the Company for the benefit of the holders or to surrender a right or power conferred on the Company herein.

(b) The Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer and assignment of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(c) Any supplemental indenture authorized by this Section 15.01 may be executed by the Company and the Trustee without the consent of the holders of any of the Notes at the time outstanding, notwithstanding any of the provisions of Section 13.02.

Indentures with
Consent of Noteholders.

(a) With the consent (evidenced as provided in Section 10.01) of the holders of at least 50% in aggregate principal amount of the Notes at the time outstanding that would be affected by such supplemental indenture, the Company, when authorized by Board Resolution, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the Noteholders; provided, however, that no such supplemental indenture shall:

(1) change the maturity of any Note; or reduce the rate or extend the time of payment of interest on any Note; or change the method of calculating interest, or any term used in the calculation of interest, or the period for which interest is payable, on any Floating Rate Note; or reduce the principal amount of any Note or any premium thereon; or change the coin or currency in which the principal of any Note or any premium or interest thereon is payable; or change the date on which any Note may be redeemed; or adversely affect the rights of any Noteholder to institute suit for the enforcement of any payment of principal of or any premium or interest on any Note; in each case without the consent of the holder of each Note so affected (for purposes of this Section 13.02 (a)(1) only, the term "Note" shall include Notes for which an offer has been accepted by the Company); or

(2) reduce the aforesaid percentage of Notes, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all of the Notes then outstanding.

(b) Upon the request of the Company, accompanied by a copy of the Board Resolution authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Noteholders as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

(c) It shall not be necessary for the consent of the holders of Notes under this Section 13.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

(d) Promptly after the execution by the Company and the Trustee of any supplemental indenture pursuant to this Section 13.02, the Company shall give notice in the manner provided in Section 15.10, setting forth in general terms the substance of such supplemental

indenture, to all Noteholders. Any failure of the Company to give such notice, or any defect therein shall not, however, in any way impair or affect the validity of any such supplemental indenture.

Section 13.03. Compliance with Trust Indenture Act; Effect of Supplemental Indentures. Any supplemental indenture executed pursuant to this Article Thirteen shall comply with the TIA. Upon the execution of any supplemental indenture pursuant to this Article Thirteen, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the Noteholders shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 13.04. Notation on Notes. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to this Article Thirteen may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company or the Trustee shall so determine, new Notes so modified as to conform in the opinion of the Trustee and the Board of Directors to any modification of this Indenture contained in any such supplemental indenture may be prepared and executed by the Company, authenticated by the Trustee and delivered in exchange for the Notes then outstanding.

Section 13.05. Evidence of Compliance of Supplemental Indenture to Be Furnished Trustee. The Trustee, subject to Sections 9.01 and 9.02, may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant hereto complies with the requirements of this Article Thirteen.

ARTICLE FOURTEEN.

Immunity of Incorporators, Stockholders, Officers and Directors.

Section 14.01. Indenture and Notes Solely Corporate Obligations. No recourse for the payment of the principal of or any premium or interest on any Note, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company, contained in this Indenture or in any supplemental indenture, or in any Note, or because of the creation of any indebtedness represented thereby, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Notes.

ARTICLE FIFTEEN.
Miscellaneous Provisions.

Section 15.01. Provisions Binding on Company's Successors. All the covenants, stipulations, promises and agreements made by the Company in this Indenture shall bind its successors and assigns whether so expressed or not.

Section 15.02. Official Acts by Successor Corporation. Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation that shall at the time be the lawful successor of the Company.

Section 15.03. Addresses for Notices, etc. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Noteholders on the Company may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Company with the Trustee) to Kansas City Power & Light Company, 1201 Walnut, Kansas City, Missouri 64106, to the attention of the Corporate Secretary. Any notice, direction, request or demand by any Noteholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made in writing at the Corporate Trust Office of the Trustee.

Section 15.04. Governing Law. This Indenture and each Note shall be deemed to be a contract made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State.

Section 15.05. Evidence of Compliance with Conditions Precedent.

(a) Upon any application or demand by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

(b) Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture shall include (1) a statement that each Person making such certificate or opinion has read such covenant or condition and the definitions relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinion contained in such certificate or opinion are based; (3) a statement that, in the opinion of each such Person, such Person has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of each such Person, such condition or covenant has been complied with.

(c) In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and such Person may certify or give an opinion as to such matters in one or several documents.

(d) Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such person knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

(e) Any certificate, statement or opinion of any officer of the Company, or of counsel, may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an accountant or firm of accountants, unless such officer or counsel, as the case may be, knows that the certificate or opinion or representations with respect to the accounting matters upon which the certificate, statement or opinion of such officer or counsel may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous. Any certificate or opinion of any firm of independent public accountants filed with the Trustee shall contain a statement that such firm is independent.

(f) Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 15.06. Business Days. Unless otherwise provided herein, in any case where the date of maturity of the principal of or any premium or interest on any Note or the date fixed for redemption of any Note is not a Business Day, then payment of such principal or any premium or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and, in the case of payment, no interest shall accrue for the period from and after such date.

Section 15.07. Trust Indenture Act to Control. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture which

is required to be included in this Indenture by any of Sections 310 to 317, inclusive, of the TIA, such required provision shall control.

Section 15.08. Table of Contents, Headings, etc.
The table of contents and the titles and headings of the articles and sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

Section 15.09. Execution in Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 15.10. Manner of Mailing Notice to Noteholders. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or the Company to or on the holders of Notes, as the case may be, shall be given or served by first-class mail, postage prepaid, addressed to the holders of such Notes at their last addresses as the same appear on the Note register referred to in Section 2.06, and any such notice shall be deemed to be given or served by being deposited in a post office letter box in the form and manner provided in this Section 15.10.

In Witness Whereof, Kansas City Power & Light Company has caused this Indenture to be signed and acknowledged by its Executive Vice President, and its corporate seal to be affixed hereunto, and the same to be attested by its Secretary or an Assistant Secretary, and The Bank of New York has caused this Indenture to be signed and acknowledged by one of its Assistant Vice Presidents and its corporate seal to be affixed hereunto, and the same to be attested by one of its Assistant Treasurers, as of the day and year first written above.

KANSAS CITY POWER & LIGHT COMPANY

By _____ Bernard J. Beaudoin
Executive
Vice
President

Attest:

Jeanie Sell Latz
Secretary

[Seal]

THE BANK OF NEW
YORK, as
Trustee

By _____
Assistant Vice
President

Attest:

Assistant Treasurer

[Seal]

STATE OF MISSOURI)
) ss:
COUNTY OF JACKSON)

I, _____, a Notary Public
in and
for
said County and State aforesaid, do hereby certify
that Bernard J. Beaudoin of Kansas City Power &
Light Company, a
Missouri corporation and Jeanie Sell Latz
of said
corporation,
who are personally known to me to be the same
persons whose
names
are subscribed to the foregoing instrument and who
are both
personally known to me to be Executive Vice
President and
Secretary of said corporation, appeared before me
this day
in
person and severally acknowledged that they this
day signed,
sealed and delivered the said instrument as their
free and
voluntary act as such Executive Vice
President
and
Secretary,
respectively, of said corporation and as the
free and
voluntary
act of said corporation, for the uses and
purposes
therein
set
forth, and that the seal affixed to said instrument
is the
corporate seal of said corporation and that
the said
instrument
was executed, signed, sealed and delivered on behalf
of said
corporation by authority of its Board of Directors,
and acknowledged said instrument to be the free
and voluntary
act and
deed of said corporation.

GIVEN under my hand and notarial
seal this

day of December, 1996.

My commission expires:

STATE OF _____)
) ss:
COUNTY OF _____)

I, _____, a
Notary Public
in
and for said County and State aforesaid, do
hereby
certify
that

_____ of The Bank of
New York, a
corporation organized and existing under the laws
of the
State of
New York, and _____, of said
corporation, who
are
personally known to me to be the same persons
whose names
are
subscribed to the foregoing instrument and who are
both personally known to me to be an Assistant Vice
President and
Assistant Treasurer of said corporation, appeared
before me
this
day in person and severally acknowledged that they
this day
signed, sealed and delivered the said instrument
as their
free
and voluntary act as such an Assistant Vice
President and
Assistant Treasurer, respectively, of said
corporation, and
as
the free and voluntary act of said corporation, for
the uses
and
purposes therein set forth, and that the seal
affixed to
said
instrument is the corporate seal of said
corporation and
that the
said instrument was executed, signed, sealed
and delivered
on
behalf of said corporation by authority of its By-
laws, and
acknowledged said instrument to be the free
and voluntary
act and
deed of said corporation.

GIVEN under my hand and notarial seal this
_____ day
of
December, 1996.

Notary Public

My commission expires:

EXHIBIT A

Global

Fixed Rate
Note

Registered
REGISTERED
NO.

KANSAS CITY POWER & LIGHT

COMPANY Fixed Rate
Medium-Term Note

THIS NOTE IS A GLOBAL NOTE REGISTERED IN THE NAME
OF THE
DEPOSITARY (REFERRED TO HEREIN) OR A NOMINEE
THEREOF AND,
UNLESS
AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART
FOR THE
INDIVIDUAL
NOTES REPRESENTED HEREBY, THIS GLOBAL NOTE MAY
NOT BE
TRANSFERRED
EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF
THE DEPOSITARY OR BY A NOMINEE OF THE
DEPOSITARY TO THE
DEPOSITARY OR
ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE
DEPOSITARY OR
ANY
SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE
OF SUCH
SUCCESSOR DEPOSITARY.

CUSIP:
PRINCIPAL
AMOUNT:

\$

ORIGINAL ISSUE
DATES:
MATURITY
DATE:

INTEREST
RATE:
REDEMPTION
DATE:

INTEREST PAYMENT DATES:

Kansas City Power & Light Company, a Missouri
corporation (herein called the "Company",
which term
includes any
successor Person under the Indenture referred to
on the
reverse
hereof) for value received hereby promises to pay to
or registered assigns the principal sum of

DOLLARS
on the Maturity Date set forth above and to
pay interest
thereon
from the Original Issue Date (or if this Global Note
has two
or
more Original Issue Dates, interest shall, beginning
on each
such
Original Issue Date, begin to accrue for that part
of the
principal amount to which such Original Issue
Date is
applicable)
set forth above, or from the most recent
Interest Payment
Date to
which interest has been paid or duly provided
for,
semi-
annually
in arrears on the Interest Payment Dates set
forth above in
each
year commencing on (a) the first such Interest
Payment Date
next
succeeding the earliest Original Issue Date or

Dates set forth above, or (b) if such Original Issue Date is after a Record Date and prior to the first Interest Payment Date, on the second Interest Payment Date, at the per annum Interest Rate set forth above until the principal hereof is paid or made available for payment. The interest so payable and punctually paid or duly provided for on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note is registered at the close of business on the Record Date for such Interest Payment Date, which shall be the date fifteen calendar days (whether or not a Business Day) preceding such Interest Payment Date, provided, however, that if an Original Issue Date falls between a Record Date and an Interest Payment Date, the first payment of interest with respect to such Original Issue Date will be paid on the second Interest Payment Date subsequent to such Original Issue Date to the Person in whose name this Note is registered at the close of business on the Record Date for such second Interest Payment Date, and provided further, that interest payable on the Maturity date or, if applicable, upon redemption, shall be payable to the Person to whom principal shall be payable. Except as otherwise provided in the Indenture, any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the holder on such Record Date and shall be paid to the Person in whose name this Note is registered at the close of business on a Record Date for the payment of such defaulted interest to be fixed by the

Company,
notice whereof shall be given to Noteholders not
less than
fifteen days prior to such Record Date. Payment
of
the
principal
of and any premium and interest on this Note will
be made at
the
Corporate Trust Office of the Trustee in the Borough
of Manhattan, The City of New York, or such other
office or
agency
of the Company as may be designated by it for
such purpose,
in
such coin or currency of the United States of America
as at
the
time of payment is legal tender for payment of
public and
private
debts, provided, however, that at the option of
the Company,
payment of interest may be made by United
States dollar
check
mailed to the address of the Person entitled thereto
as such
address shall appear in the Note Register.

Under certain circumstances, this Global Note is
exchangeable in whole or from time to time in part for
a definitive Note or Notes, with the same Original
Issue Date
or
Dates, Maturity Date, Interest Rate
and redemption
provisions as
provided herein or in the Indenture.

REFERENCE IS HEREBY MADE TO THE
FURTHER PROVISIONS
OF
THIS GLOBAL NOTE SET FORTH IN FULL ON THE
REVERSE
HEREOF,
WHICH
FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE
THE SAME
EFFECT AS
IF SET FORTH IN FULL AT THIS PLACE.

Unless the certificate of authentication
hereon has
executed by the Trustee referred to on the
reverse hereof,
directly or through an Authenticating Agent,
by
manual
signature
of an authorized signatory, this Note shall not
be entitled
to
any benefit under the Indenture or be valid
or
obligatory
for any
purpose.

IN WITNESS WHEREOF, the Company has caused
this instrument to be duly executed under its
corporate seal.

Dated

[SEAL]

TRUSTEE'S CERTIFICATE
OF AUTHENTICATION

Kansas

City Power &
Light

Company

This is one of the notes designated
therein referred to in the within-
mentioned
Indenture
Executive

By

Vice
President

THE BANK OF NEW YORK, as Trustee

By Attest

Authorized

Signatory
Secretary

KANSAS CITY POWER & LIGHT COMPANY
MEDIUM-TERM NOTE

This Global Note is one of, and a
global security
which
represents Notes which are part of, a duly
authorized
issue
of
Notes of the Company (herein called the "Notes"),
issued and
to
be issued under an Indenture dated as of December
1, 1996
(herein
called the "Indenture") between the Company and The
Bank of
New
York, as Trustee (herein called the "Trustee",
which term
includes any successor Trustee under the
Indenture), to
which
Indenture and all indentures supplemental
thereto reference
is
hereby made for a statement of the
respective rights,
limitations
of rights, duties and immunities thereunder of
the Company,
the
Trustee and the Noteholders, and of the terms upon
which the
Notes are, and are to be, authenticated and
delivered. The
Notes
are limited to \$300,000,000 aggregate principal
amount.

Each Note shall be dated the date
of its
authentication
by the Trustee. Each Note shall also bear an
Original Issue
Date
or Dates which with respect to this Global Note
(or any
portion
thereof), shall mean the date or dates of the
original issue
of
the Notes represented hereby as specified on
the face
hereof, and
such Original Issue Date or Dates shall remain the

same for
all
Notes subsequently issued upon transfer, exchange, or
substitution of such original Note (or
such subsequently
issued
Notes) regardless of their dates of authentication.

This Global Note may not be redeemed prior
to the
Redemption Date set forth on the face hereof.
If no
Redemption
Date is so set forth, this Global Note is
not redeemable
prior to
its maturity. On or after the Redemption Date set
forth on
the
face hereof this Note is redeemable in whole or in
part in
increments of \$1,000 (provided that any
remaining principal
amount of this note shall be at least \$1,000) at
the
option
of
the Company at the following redemption
prices (expressed as
percentages of the principal amount to be
redeemed) together
with
interest thereon payable to the date of redemption:

Redemption Periods	Redemption
--------------------	------------

Prices

Notice of redemption will be given by mail to
Holders of
Notes
not less than 30 nor more than 60 days prior to
the date
fixed
for redemption all as provided in the Indenture.
In the
event of
redemption of this Global Note in part only, a
new Global
Note or
Notes and of like tenor for the unredeemed
portion hereof
will be
issued in the name of the Noteholder hereof
upon the
surrender
hereof.

This Global Note will not be entitled
to the
benefit of
a sinking fund.

Interest payments on this Global Note
will include
Accrued Interest to but excluding the Interest
Payment Date.
Interest payments on this Note shall be computed
and paid on
the
basis of a 360-day year of twelve 30-day months.

The Company at its option, subject to the
terms and
conditions provided in the Indenture, will
be discharged
from any
and all obligations in respect of the Notes
(except
for
certain

obligations including obligations to register the transfer or exchange of Notes, replace stolen, lost or mutilated Notes, maintain paying agencies and hold monies for payment in trust), 91 days after the Company deposits with the Trustee money or U.S. Government Obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide money, or a combination of money and U.S. Government Obligations, in an amount sufficient to pay all the principal of and any premium and interest on the Notes on the dates such payments are due in accordance with the terms of the Notes.

If an Event of Default with respect to Notes shall occur and be continuing, the principal of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Noteholders to be affected under the Indenture at any time by the Company and the Trustee with the consent of the holders of not less than a majority in principal amount of the outstanding Notes affected thereby. The Indenture also contains provisions permitting the holders of not less than a majority in principal amount of the outstanding Notes affected thereby, on behalf of the holders of all Notes, to waive compliance by the Company with certain provisions of the Indenture. The Indenture also provides that the holders of not less than a majority in principal amount of the outstanding Notes may waive certain past defaults and their consequences on behalf of the holders of all Notes. Any such consent or waiver by the holder of this Global Note shall be conclusive and binding upon such holder and upon

all future holders of this Global Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Global Note or such Note.

As set forth in, and subject to, the provisions of the Indenture, no holder of any Notes will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless such holder shall have previously given to the Trustee written notice of a continuing Event of Default with respect to the Notes, the holders of not less than a majority in principal amount of the outstanding Notes shall have made written request, and offered reasonable indemnity, to the Trustee to institute such proceeding as Trustee, and the Trustee shall have failed to institute such proceeding within 60 days, provided, however, that such limitations do not apply to a suit instituted by the holder hereof for the enforcement of payment of the principal of and any premium or interest on this Global Note on or after the respective due dates expressed herein.

As provided in the Indenture and subject to certain limitations therein set forth, this Global Note may be transferred, in whole but not in part, only by the Depositary to a nominee of the Depositary, or by a nominee of the Depositary to another nominee or the Depositary or by the Depositary or any such nominee to a successor Depositary for this Global Note selected or approved by the Company or to a nominee of such successor Depositary.

If at any time the Depositary for this Global Note notifies the Company that it is unwilling or unable to continue as Depositary for this Global Note or if at any time the Depositary for this Global Note shall no longer be eligible or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, the Company

shall appoint a successor Depositary with respect to this Global Note. If a successor Depositary for this Global Note is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, the Company's election to issue this Note in global form shall no longer be effective with respect to this Global Note and the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of individual Notes in exchange for this Global Note, will authenticate and deliver individual Notes of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such Global Note or Notes in exchange for such Global Note or Notes.

If specified by the Company and agreed by the Depositary with respect to Notes issued in the form of a Global Note, the Depositary for such Global Note shall surrender such Global Note in exchange in whole or in part for individual Notes of like tenor and terms in definitive form on such terms as are acceptable to the Company and such Depositary. Thereupon the Company shall execute, and the Trustee shall authenticate and deliver, without service charge, (1) to each Person specified by such Depositary, a new Note or Notes of like tenor and terms and of any authorized denomination as requested by such Person in aggregate principal amount equal to and in exchange for beneficial interest of such Person in such Global Note; and (2) to such Depositary a new Global Note of like tenor and terms and in a denomination equal to the difference, if any, between the principal amount of the surrendered Global Note and the aggregate principal amount of Notes delivered to Holders

thereof.

Under certain circumstances specified in the Indenture, the Depository may be required to surrender any two or more Global Notes which have identical terms (but which may have differing Original Issue Dates) to the Trustee, and the Company shall execute and the Trustee shall authenticate and deliver to, or at the direction of, the Depository a Global Note in principal amount equal to the aggregate principal amount of, and with all terms identical to, the Global Notes surrendered thereto and which shall indicate all Original Dates and the principal amount applicable to each such Original Issue Date.

No reference herein to the Indenture and no provision of this Global Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Note at the times, places and rates, and in the coin or currency, herein prescribed.

Prior to due presentment of this Global Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Global Note is registered as the owner hereof for all purposes, whether or not this Global Note is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

All terms used in the Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in

to this assignment must
correspond with the name as written upon
the face of the within instrument
in every particular,
without alteration or enlargement or
any change whatever.

EXHIBIT B

Fixed Rate
Note

Registered REGISTERED

NO.

KANSAS CITY POWER & LIGHT COMPANY
Fixed Rate
Medium-Term Note

CUSIP:
PRINCIPAL
AMOUNT: \$

ORIGINAL ISSUE
DATE:
MATURITY
DATE:

INTEREST
RATE:
REDEMPTION
DATE:

INTEREST PAYMENT DATES:

Kansas City Power & Light Company, a Missouri
corporation (herein called the "Company",
which term includes any
successor Person under the Indenture referred to
on the reverse
hereof) for value received hereby promises to pay to
or registered assigns the principal sum of

DOLLARS
on the Maturity Date set forth above, and to
pay interest thereon
from the Original Issue Date set forth above, or
from the most
recent Interest Payment Date to which interest has
been paid
or
duly provided for, semi-annually in arrears on
the Interest
Payment Dates set forth above in each year,
commencing on
(a) the
first such Interest Payment Date next

succeeding
the
Original
Issue Date set forth above, or (b) if such
Original Issue
Date is
after a Record Date and prior to the first
Interest Payment
Date,
on the second Interest Payment Date, at the
per annum
Interest
Rate set forth above until the principal hereof is
paid or
made
available for payment. The interest so
payable and
punctually
paid or duly provided for on any Interest Payment
Date will,
as
provided in such Indenture, be paid to the Person
in whose
name
this Note is registered at the close of business
on the
Record
Date for such Interest Payment Date, which shall be
the date
fifteen calendar days (whether or not a
Business Day)
preceding
such Interest Payment Date, provided, however that
if the
Original issue Date falls between a Record Date
and an
Interest
Payment Date, the first payment of interest will be
paid on
the
second Interest Payment Date subsequent to
such Original
Issue
Date to the Person in whose name this Note is
registered at
the
close of business on the Record Date for
such second
Interest
Payment Date, and provided further, that
interest payable on
the
Maturity Date, or if applicable, upon redemption,
shall be
payable to the Person to whom principal shall
be payable.
Except
as otherwise provided in the Indenture, any
such interest
not so
punctually paid or duly provided for will
forthwith cease to
be
payable to the holder on such Record Date and shall
be paid
to
the Person in whose name this Note is registered
at
the
close of
business on a Record Date for the payment of
such defaulted
interest to be fixed by the Company, notice
whereof shall be
given to Noteholders not less than fifteen days
prior to
such
Record Date. Payment of the principal of and
any
premium
and

interest on this Note will be made at the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York, or such other office or agency of the Company as may be designated by it for such purpose, in such coin or currency of the United States of America as at the time of payment is legal lender for payment of public and private debts, provided, however, that at the option of the Company, payment of interest may be made by United States dollar check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH IN FULL ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH IN FULL AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof, directly or through an Authenticating Agent, by manual signature of an authorized signatory, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal

Dated

[SEAL]

TRUSTEE'S CERTIFICATE
OF AUTHENTICATION

Kansas

City Power &
Light

Company

This is one of the notes designated therein referred to in the within-mentioned Indenture Executive

By

Vice
President

THE BANK OF NEW YORK, as Trustee

By Attest

Authorized

Signatory
Secretary

KANSAS CITY POWER & LIGHT COMPANY
MEDIUM-TERM NOTE

This Note is one of a duly authorized issue of Notes of the Company (herein called the "Notes"), issued and to be issued under an Indenture dated as of December 1, 1996 (herein called the "Indenture") between the Company and The Bank of New York, as Trustee (herein called the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Noteholders, and of the terms upon which the Notes are, and are to be, authenticated and delivered. The Notes are limited to \$300,000,000 aggregate principal amount.

Each Note shall be dated the date of its authentication by the Trustee. Each Note shall also bear an Original Issue Date which with respect to this Note (or any portion thereof), shall mean the date of its original issue as specified on the face hereof, and such Original Issue Date shall remain the same for all Notes subsequently issued upon transfer, exchange or substitution of such original Note (or such subsequently issued Notes) regardless of their dates of authentication.

This Note may not be redeemed prior to the Redemption Date set forth on the face hereof. If no Redemption Date is so set forth, this Note is not redeemable prior to its maturity. On or after the Redemption Date set forth on the face hereof this Note is redeemable in whole or in part in increments of \$1,000 (provided that any remaining principal amount of this note shall be at least \$1,000) at the option of the Company at the

following
redemption prices (expressed as percentages of
the principal
amount to be redeemed) together with
interest thereon
payable to
the date of redemption:

Redemption Periods Redemption Prices

Notice of redemption will be given by mail to
Holders of
Notes
not less than 30 nor more than 60 days prior to
the date
fixed
for redemption, all as provided in the Indenture.
In the
event
of redemption of this Note in part only, a new Note
or Notes
and
of like tenor for the unredeemed portion hereof
will be
issued in
the name of the Noteholder hereof upon the
surrender hereof.

This Note will not be entitled to the
benefit of a
sinking fund.

Interest payments on this Note will
include Accrued
Interest to but excluding the Interest
Payment Date.
Interest
payments on this Note shall be computed and paid
on the
basis of
a 360-day year of twelve 30-day months.

The Company at its option, subject to the
terms and
conditions provided in the Indenture, will
be discharged
from any
and all obligations in respect of the Notes
(except for
certain
obligations including obligations to register
the transfer
or
exchange of Notes, replace stolen, lost or
mutilated Notes,
maintain paying agencies and hold monies for
payment in
trust),
91 days after the Company deposits with the
Trustee money or
U.S.

Government Obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide money, or a combination of money and U.S. Government Obligations, in an amount sufficient to pay all the principal of and any premium and interest on the Notes on the dates such payments are due in accordance with the terms of the Notes.

If an Event of Default with respect to Notes shall occur and be continuing, the principal of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Noteholders to be affected under the Indenture at any time by the Company and the Trustee with the consent of the holders of not less than a majority in principal amount of the outstanding Notes affected thereby. The Indenture also contains provisions permitting the holders of not less than a majority in principal amount of the outstanding Notes affected thereby, on behalf of the holders of all Notes, to waive compliance by the Company with certain provisions of the Indenture. The Indenture also provides that the holders of not less than a majority in principal amount of the outstanding Notes may waive certain past defaults and their consequences on behalf of the holders of all Notes. Any such consent or waiver by the holder of this Note shall be conclusive and binding upon such holder and upon all future holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note or such Note.

As set forth in, and subject to,

the provisions of
the
Indenture, no holder of any Notes will have any right
to institute any proceeding with respect to the
Indenture or
for any
remedy thereunder, unless such holder shall
have previously
given
to the Trustee written notice of a continuing
Event of
Default
with respect to the Notes, the holders of not less
than
a
majority in principal amount of the outstanding
Notes shall
have
made written request, and offered reasonable
indemnity, to
the
Trustee to institute such proceeding as Trustee,
and the
Trustee
shall have failed to institute such proceeding
within 60
days,
provided, however, that such limitations do not
apply to a
suit
instituted by the holder hereof for the
enforcement of
payment of
the principal of and any premium or interest on
this Note on
or
after the respective due dates expressed herein.

No reference herein to the Indenture
and no
provision
of this Note or of the Indenture shall alter or
impair the
obligation of the Company, which is
absolute and
unconditional,
to pay the principal of and any premium and interest
on this
Note
at the times, places and rates, and in the coin
or currency,
herein prescribed.

As provided in the Indenture and subject
to certain
limitations therein set forth, the transfer of this
Note is
registrable in the Note Register. Upon surrender
of this
Note
for registration of transfer at the Corporate
Trust Office
of the
Trustee or such other office or agency as may
be
designated
by it
in the Borough of Manhattan, The City of New
York, duly
endorsed
by, or accompanied by a written instrument of
transfer in
form
satisfactory to the Company and the Note
registrar duly
executed
by the holder hereof or the attorney of such holder
duly authorized in writing, and thereupon one or
more new Notes
of
like tenor, of authorized denominations and for the

same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in registered form, without coupons, in denominations of \$1,000 and any integral multiple of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Notes are exchangeable for a like aggregate principal amount of Notes of like tenor of a different authorized denomination, as requested by the holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

All terms used in the Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription of the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common UNIT GIFT
MIN

ACT
- -

_____Custodian_____

TEN ENT - as tenants by
the
(Cust)
(Minor)

entireties

Under
Uniform
Gifts

to

Minors Act

JT TEN - as joint tenants with
right of survivorship and
not as tenants

in
common

State

Additional abbreviations may also be
used though
not in
the above list.

FOR VALUE RECEIVED the undersigned
hereby sell(s)
assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE

Please print or typewrite name and address
including postal zip code of assignee

the within note and all rights
thereunder,
hereby
irrevocably
constituting
and
appointing

attorney to transfer said
note on
the
books of the Company, with full power of substitution
in
the
premises.

Dated: _____

NOTICE: The signature
to this
assignment must
correspond with
the
name as written upon
the face
of
the within instrument
in every
particular,
without alteration
or

enlargement or

any change
whatever.

EXHIBIT C

Global

Floating Rate
Note

Registered REGISTERED
NO.

KANSAS CITY POWER & LIGHT COMPANY
Floating Rate
Medium-Term Note

THIS NOTE IS A GLOBAL NOTE REGISTERED IN THE NAME
OF THE
DEPOSITARY (REFERRED TO HEREIN) OR A NOMINEE
THEREOF AND,
UNLESS
AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART
FOR THE
INDIVIDUAL
NOTES REPRESENTED HEREBY, THIS GLOBAL NOTE MAY
NOT BE
TRANSFERRED
EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF
THE DEPOSITARY OR BY A NOMINEE OF THE
DEPOSITARY TO THE
DEPOSITARY OR
ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE
DEPOSITARY OR
ANY
SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE
OF SUCH
SUCCESSOR DEPOSITARY.

CUSIP:
Original Issue Dates:

Base Rate:
Index Maturity:
Interest Payment Dates:
Initial Interest Rate:
Initial Interest Reset Date:
Interest Reset Dates:

Principal Amount: \$
Maturity Date:

Maximum Interest Rate:
Minimum Interest Rate:
Redemption Date:
Spread:
Spread Multiplier:

Kansas City Power & Light Company, a Missouri
corporation (herein called the "Company",
which term
includes any
successor Person under the Indenture referred to
on the
reverse
hereof) for value received hereby promises to pay to
or registered assigns the principal sum of

DOLLARS

on the Maturity Date set forth above and to pay interest thereon from the Original Issue Date (or if this Global Note has two or more Original Issue Dates, interest shall, beginning on each such Original Issue Date, begin to accrue for that part of the principal amount to which such Original Issue Date is applicable) set forth above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, monthly, quarterly, semiannually or annually as specified above under Interest Payment Period, on the Interest Payment Dates specified above, commencing on (a) the first such Interest Payment Date next succeeding the earliest Original Issue Date or Dates set forth above, or (b) if such Original Issue Date is after a Record Date and prior to the first Interest Payment Date, on the second Interest Payment Date, and at Maturity, at a rate per annum equal to the Initial Interest Rate specified above until the Initial Interest Reset Date specified above, and thereafter at a rate per annum determined in accordance with the provisions in the Indenture for calculating the Interest Rate for Notes having the Base Rate specified above, until the principal hereof is paid or made available for payment. The interest so payable and punctually paid or duly provided for on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note is registered at the close of business on the Record Date for such Interest Payment Date, which shall be the fifteenth day (whether or not a Business Day) next preceding such Interest Payment Date provided, however, that if an Original Issue Date falls between a Record Date and an Interest Payment Date, the first payment of interest with respect to such

Original
Issue Date will be paid on the second Interest
Payment Date
subsequent to such Original Issue Date to the
Person in
whose
name this Note is registered at the close of business
on the
Record Date for such second Interest Payment
Date, and
provided
further, that interest payable on the Maturity Date
or, if
applicable, upon redemption, shall be payable to
the Person
to
whom principal shall be payable. Except
as
otherwise
provided in
the Indenture, any such interest not so punctually
paid or
dully
provided for will forthwith cease to be payable
to the
holder on
such Record Date and shall be paid to the Person
in whose
name
this Note is registered at the close of business on
a Record
Date
for the payment of such defaulted interest to be
fixed by
the
Company, notice whereof shall be given to
Noteholders
not
less
than fifteen days prior to such Record Date. Payment
of the
principal of and any premium and interest on this
Note will
be
made at the Corporate Trust Office of the Trustee
in the
Borough
of Manhattan, The City of New York, or such other
office or
agency of the Company as may be designated by it
for such
purpose, in such coin or currency of the United
States of
America
as at the time of payment is legal lender for
payment of
public
and private debts, provided, however, that at the
option of
the
Company, payment of interest may be made by
United
States
dollar
check mailed to the address of the Person
entitled thereto
as
such address shall appear in the Note Register.

Under certain circumstances, this Global Note is
exchangeable in whole or from time to time in part for
a definitive Note or Notes, with the same Original
Issue Date
or
Dates, Maturity Date, Interest Rate
and
redemption
provisions as
provided herein or in the Indenture.

REFERENCE IS HEREBY MADE TO THE

FURTHER PROVISIONS
OF
THIS GLOBAL NOTE SET FORTH IN FULL ON THE
REVERSE HEREOF,
WHICH
FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE
THE SAME
EFFECT AS
IF SET FORTH IN FULL AT THIS PLACE.

Unless the certificate of authentication
hereon has
executed by the Trustee referred to on the
reverse hereof,
directly or through an Authenticating Agent,
by
manual
signature
of an authorized signatory, this Note shall not
be entitled
to
any benefit under the Indenture or be valid
or
obligatory
for any
purpose.

IN WITNESS WHEREOF, the Company has caused
this instrument to be duly executed under its
corporate seal.

Dated

[SEAL]

TRUSTEE'S CERTIFICATE
OF AUTHENTICATION

Kansas

City Power &
Light

Company

This is one of the notes designated
therein referred to in the within-
mentioned
Indenture
Executive

By

Vice
President

THE BANK OF NEW YORK, as Trustee

By

Attest

Authorized

Signatory
Secretary

KANSAS CITY POWER & LIGHT COMPANY
MEDIUM-TERM NOTE

This Global Note is one of, and a
global security
which
represents Notes which are part of, a duly
authorized issue
of
Notes of the Company (herein called the "Notes"),
issued and
to
be issued under an Indenture dated as of December
1, 1996
(herein
called the "Indenture") between the Company and The
Bank of
New
York, as Trustee (herein called the "Trustee",
which term
includes any successor Trustee under the
Indenture), to
which

Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Noteholders, and of the terms upon which the Notes are, and are to be, authenticated and delivered. The Notes are limited to \$300,000,000 aggregate principal amount.

Each Note shall be dated the date of its authentication by the Trustee. Each Note shall also bear an Original Issue Date or Dates which with respect to this Global Note (or any portion thereof), shall mean the date or dates of the original issue of the Notes represented hereby as specified on the face hereof, and such Original Issue Date or Dates shall remain the same for all Notes subsequently issued upon transfer, exchange, or substitution of such original Note (or such subsequently issued Notes) regardless of their dates of authentication.

This Global Note may not be redeemed prior to the Redemption Date set forth on the face hereof. If no Redemption Date is so set forth, this Global Note is not redeemable prior to its maturity. On or after the Redemption Date set forth on the face hereof this Note is redeemable in whole or in part in increments of \$1,000 (provided that any remaining principal amount of this note shall be at least \$1,000) at the option of the Company at the following redemption prices (expressed as percentages of the principal amount to be redeemed) together with interest thereon payable to the date of redemption:

Redemption Periods	Redemption Prices
--------------------	-------------------

Notice of redemption will be given by mail to Holders of Notes not less than 30 nor more than 60 days prior to the date fixed for redemption all as provided in the Indenture.

In the event of redemption of this Global Note in part only, a new Global Note or Notes and of like tenor for the unredeemed portion hereof will be issued in the name of the Noteholder hereof upon the surrender hereof.

This Global Note will not be entitled to the benefit of a sinking fund.

The Company at its option, subject to the terms and conditions provided in the Indenture, will be discharged from any and all obligations in respect of the Notes (except for certain obligations including obligations to register the transfer or exchange of Notes, replace stolen, lost or mutilated Notes, maintain paying agencies and hold monies for payment in trust), 91 days after the Company deposits with the Trustee money or U.S. Government Obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide money, or a combination of money and U.S. Government Obligations, in an amount sufficient to pay all the principal of and any premium and interest on the Notes on the dates such payments are due in accordance with the terms of the Notes.

If an Event of Default with respect to Notes shall occur and be continuing, the principal of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Noteholders to be affected under the Indenture at any time by the Company and the Trustee with the consent of the holders of not less than a majority in principal amount of the outstanding Notes affected thereby. The Indenture also

contains provisions permitting the holders of not less than a majority in principal amount of the outstanding Notes affected thereby, on behalf of the holders of all Notes, to waive compliance by the Company with certain provisions of the Indenture. The Indenture also provides that the holders of not less than a majority in principal amount of the outstanding Notes may waive certain past defaults and their consequences on behalf of the holders of all Notes.

Any such consent or waiver by the holder of this Global Note shall be conclusive and binding upon such holder and upon all future holders of this Global Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Global Note or such Note.

As set forth in, and subject to, the provisions of the Indenture, no holder of any Notes will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless such holder shall have previously given to the Trustee written notice of a continuing Event of Default with respect to the Notes, the holders of not less than a majority in principal amount of the outstanding Notes shall have made written request, and offered reasonable indemnity, to the Trustee to institute such proceeding as Trustee, and the Trustee shall have failed to institute such proceeding within 60 days, provided, however, that such limitations do not apply to a suit instituted by the holder hereof for the enforcement of payment of the principal of and any premium or interest on this Global Note on or after the respective due dates expressed herein.

As provided in the Indenture and subject to certain limitations therein set forth, this Global Note may be transferred, in whole but not in part, only by the

Depository to a nominee of the Depository, or by a nominee of the Depository to another nominee or the Depository or by the Depository or any such nominee to a successor Depository for this Global Note selected or approved by the Company or to a nominee of such successor Depository.

If at any time the Depository for this Global Note notifies the Company that it is unwilling or unable to continue as Depository for this Global Note or if at any time the Depository for this Global Note shall no longer be eligible or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, the Company shall appoint a successor Depository with respect to this Global Note. If a successor Depository for this Global Note is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, the Company's election to issue this Note in global form shall no longer be effective with respect to this Global Note and the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of individual Notes in exchange for this Global Note, will authenticate and deliver individual Notes of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such Global Note or Notes in exchange for such Global Note or Notes.

If specified by the Company and agreed by the Depository with respect to Notes issued in the form of a Global Note, the Depository for such Global Note shall surrender such Global Note in exchange in whole or in part for individual Notes of like tenor and terms in definitive form on such terms as are acceptable to the Company and such Depository. Thereupon the

Company shall execute, and the Trustee shall authenticate and deliver, without service charge, (1) to each Person specified by such Depositary, a new Note or Notes of like tenor and terms and of any authorized denomination as requested by such Person in aggregate principal amount equal to and in exchange for beneficial interest of such Person in such Global Note; and (2) to such Depositary a new Global Note of like tenor and terms and in a denomination equal to the difference, if any, between the principal amount of the surrendered Global Note and the aggregate principal amount of Notes delivered to Holders thereof.

Under certain circumstances specified in the Indenture, the Depositary may be required to surrender any two or more Global Notes which have identical terms (but which may have differing Original Issue Dates) to the Trustee, and the Company shall execute and the Trustee shall authenticate and deliver to, or at the direction of, the Depositary a Global Note in principal amount equal to the aggregate principal amount of, and with all terms identical to, the Global Notes surrendered thereto and which shall indicate all Original Dates and the principal amount applicable to each such Original Issue Date.

No reference herein to the Indenture and no provision of this Global Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Note at the times, places and rates, and in the coin or currency, herein prescribed.

Prior to due presentment of this Global Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person

in whose name this Global Note is registered as the owner hereof for all purposes, whether or not this Global Note is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

All terms used in the Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription of the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common UNIT GIFT
MIN

ACT
- -

____ Custodian _____
TEN ENT - as tenants by
the
(Cust)
(Minor)
entireties

Under
Uniform
Gifts to

Minors Act
JT TEN - as joint tenants with
right of survivorship and
not as tenants
in
common

_____ State

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED the undersigned hereby sell(s) assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE

Please print or typewrite name and address
including postal zip code of assignee

the within note and all rights
thereunder, hereby
irrevocably
constituting
and
appointing

_____ attorney to transfer said
note on
the
books of the Company, with full power of substitution
in the
premises.

Dated: _____

to this NOTICE: The signature
correspond with assignment must
the name as written upon
the face of the within instrument
in every particular,
without alteration
or enlargement or
any change
whatever.

EXHIBIT D

Floating Rate
Note

Registered REGISTERED

NO.

KANSAS CITY POWER & LIGHT
COMPANY Floating Rate
Medium-Term Note

CUSIP:
Original Issue Dates:

Base Rate:
Index Maturity:
Interest Payment Dates:
Initial Interest Rate:
Initial Interest Reset Date:
Interest Reset Dates:

Principal Amount: \$
Maturity Date:

Maximum Interest Rate:
Minimum Interest Rate:
Redemption Date:
Spread:
Spread Multiplier:

Kansas City Power & Light Company, a Missouri corporation (herein called the "Company", which term includes any successor Person under the Indenture referred to on the reverse hereof) for value received hereby promises to pay to or registered assigns the principal sum of

DOLLARS on the Maturity Date set forth above, and to pay interest thereon from the Original Issue Date set forth above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, monthly, quarterly, semiannually or annually as specified above under Interest Payment Period, on the Interest Payment Dates specified above, commencing on (a) the first such Interest Payment Date next succeeding the Original Issue Date or Dates set forth above or (b) if such Original Issue Date is after a Record Date and prior to the first Interest Payment Date, on the second Interest Payment Date, and at maturity, at a rate per annum equal to the Initial Interest Rate specified above until the Initial Interest Rate Reset Date specified above, and thereafter at a rate per annum determined in accordance with the provisions in the Indenture for calculating the Interest Rate for Notes having the Base Rate specified above, until the principal hereof is paid or made available for payment. The interest so payable and punctually paid or duly provided for on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note is registered at the close of business on the Record Date for such interest which shall be the fifteenth day (whether or not a Business Day), next preceding such Interest Payment Date provided, however that

if
the
Original
Issue Date falls between a Record Date and
an
Interest
Payment
Date, the first payment of interest will be paid
on
the
second
Interest Payment Date subsequent to such Original
Issue Date
to
the Person in whose name this Note is registered
at
the
close of
business on the Record Date for such second
Interest Payment
Date, and provided further, that interest payable
on
the
Maturity
Date, or, if applicable, upon redemption, shall
be payable
to the
Person to whom principal shall be payable.
Except as
otherwise
provided in the Indenture, any such interest
not so
punctually
paid or duly provided for will forthwith cease to
be
payable
to
the holder on such Record Date and shall be paid
to
the
Person in
whose name this Note is registered at the close
of business
on a
Record Date for the payment of such defaulted
interest to be
fixed by the Company, notice whereof shall be given to
Noteholders not less than fifteen days prior to
such Record
Date.
Payment of the principal of and any premium and
interest on
this
Note will be made at the Corporate Trust Office
of
the
Trustee in
the Borough of Manhattan, The City of New York,
or
such
other
office or agency of the Company as may be designated
by it
for
such purpose, in such coin or currency of the
United States
of
America as at the time of payment is legal
tender for
payment of
public and private debts, provided, however, that
at
the
option
of the Company, payment of interest may be made
by United
States
dollar check mailed to the address of the
Person
entitled
thereto

as such address shall appear in the Security Register.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH IN FULL ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH IN FULL AT THIS PLACE.

Unless the certificate of authentication hereon has executed by the Trustee referred to on the reverse hereof, directly or through an Authenticating Agent, by manual signature of an authorized signatory, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal
Dated

[SEAL]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Kansas

City Power & Light

Company

This is one of the notes designated therein referred to in the within-mentioned Indenture Executive

By

Vice President

THE BANK OF NEW YORK, as Trustee

By Attest

Authorized

Signatory Secretary

KANSAS CITY POWER & LIGHT COMPANY MEDIUM-TERM NOTE

This Note is one of a duly authorized issue of Notes of the Company (herein called the "Notes"), issued and to be issued under an Indenture dated as of December 1, 1996 (herein called the "Indenture") between the Company and The Bank of New York, as Trustee (herein called the "Trustee", which term includes any successor Trustee under the Indenture), to which Indenture and

all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Noteholders, and of the terms upon which the Notes are, and are to be, authenticated and delivered. The Notes are limited to \$300,000,000 aggregate principal amount.

Each Note shall be dated the date of its authentication by the Trustee. Each Note shall also bear an Original Issue Date which with respect to this Note (or any portion thereof), shall mean the date of its original issue as specified on the face hereof, and such Original Issue Date shall remain the same for all Notes subsequently issued upon transfer, exchange or substitution of such original Note (or such subsequently issued Notes) regardless of their dates of authentication.

This Note may not be redeemed prior to the Redemption Date set forth on the face hereof. If no Redemption Date is so set forth, this Note is not redeemable prior to its maturity. On or after the Redemption Date set forth on the face hereof this Note is redeemable in whole or in part in increments of \$1,000 (provided that any remaining principal amount of this note shall be at least \$1,000) at the option of the Company at the following redemption prices (expressed as percentages of the principal amount to be redeemed) together with interest thereon payable to the date of redemption:

Redemption Periods	Redemption Prices
--------------------	-------------------

Notice of redemption will be given by mail to Holders of Notes

not less than 30 nor more than 60 days prior to the date fixed for redemption, all as provided in the Indenture. In the event of redemption of this Note in part only, a new Note or Notes and of like tenor for the unredeemed portion hereof will be issued in the name of the Noteholder hereof upon the surrender hereof.

This Note will not be entitled to the benefit of a sinking fund.

The Company at its option, subject to the terms and conditions provided in the Indenture, will be discharged from any and all obligations in respect of the Notes (except for certain obligations including obligations to register the transfer or exchange of Notes, replace stolen, lost or mutilated Notes, maintain paying agencies and hold monies for payment in trust), 91 days after the Company deposits with the Trustee money or U.S. Government Obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide money, or a combination of money and U.S. Government Obligations, in an amount sufficient to pay all the principal of and any premium and interest on the Notes on the dates such payments are due in accordance with the terms of the Notes.

If an Event of Default with respect to Notes shall occur and be continuing, the principal of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Noteholders to be affected under the Indenture at any time by the Company and the Trustee with the consent of the holders of not less than a majority in principal amount of the outstanding Notes affected thereby. The Indenture also contains provisions

permitting the holders of not less than a majority in principal amount of the outstanding Notes affected thereby, on behalf of the holders of all Notes, to waive compliance by the Company with certain provisions of the Indenture. The Indenture also provides that the holders of not less than a majority in principal amount of the outstanding Notes may waive certain past defaults and their consequences on behalf of the holders of all Notes. Any such consent or waiver by the holder of this Note shall be conclusive and binding upon such holder and upon all future holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note or such Note.

As set forth in, and subject to, the provisions of the Indenture, no holder of any Notes will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless such holder shall have previously given to the Trustee written notice of a continuing Event of Default with respect to the Notes, the holders of not less than a majority in principal amount of the outstanding Notes shall have made written request, and offered reasonable indemnity, to the Trustee to institute such proceeding as Trustee, and the Trustee shall have failed to institute such proceeding within 60 days, provided, however, that such limitations do not apply to a suit instituted by the holder hereof for the enforcement of payment of the principal of and any premium or interest on this Note on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest

on this
Note
at the times, places and rates, and in the coin
or currency,
herein prescribed.

As provided in the Indenture and subject
to certain
limitations therein set forth, the transfer of this
Note is
registrable in the Note Register. Upon surrender
of this
Note
for registration of transfer at the Corporate
Trust Office
of the
Trustee or such other office or agency as may
be
designated
by it
in the Borough of Manhattan, The City of New
York, duly
endorsed
by, or accompanied by a written instrument of
transfer in
form
satisfactory to the Company and the Note
registrar duly
executed
by the holder hereof or the attorney of such holder
duly authorized in writing, and thereupon one or
more new Notes
of
like tenor, of authorized denominations and for the
same aggregate principal amount, will be issued
to the designated
transferee or transferees.

The Notes are issuable only in
registered form,
without
coupons, in denominations of \$1,000 and
any
integral
multiple of
\$1,000 in excess thereof. As provided in the
Indenture and
subject to certain limitations therein set forth,
Notes are
exchangeable for a like aggregate principal amount
of Notes
of
like tenor of a different authorized
denomination, as
requested
by the holder surrendering the same.

No service charge shall be made for any such
registration of transfer or exchange but the
Company may
require
payment of a sum sufficient to cover any tax or other
governmental charge payable in connection therewith.

Prior to due presentment of this
Note for
registration
of transfer, the Company, the Trustee and any agent
of the
Company or the Trustee may treat the Person in
whose name
this
Note is registered as the owner hereof for
all
purposes,
whether
or not this Note is overdue, and neither the
Company, the
Trustee
nor any such agent shall be affected by notice
to the

contrary.

The Indenture and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

All terms used in the Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription of the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common UNIT GIFT MIN

ACT - - - Custodian - as tenants by the (Cust) (Minor) entireties

Under Uniform Gifts to Minors Act

JT TEN - as joint tenants with right of survivorship and not as tenants in common

State

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED the undersigned hereby sell(s) assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

Please print or typewrite name and address including postal zip code of assignee

_____ the within note and all rights

thereunder,
hereby
irrevocably
constituting
and
appointing

_____ attorney to transfer said
note on
the
books of the Company, with full power of substitution
in the
premises.

Dated: _____

_____ NOTICE: The signature
to this assignment must
correspond with the name as written upon
the face of the within instrument
in every particular,
without alteration or enlargement or
any change whatever.

STATE OF MISSOURI)
) ss:
COUNTY OF JACKSON)

I, _____, a Notary Public in
and for
said
County and State aforesaid, do hereby certify
that Bernard
J.
Beaudoin of Kansas City Power & Light Company,
a Missouri
corporation and Jeanie Sell Latz of said
corporation, who
are
personally known to me to be the same persons
whose names
are
subscribed to the foregoing instrument and who are
both personally known to me to be Executive Vice
President and
Secretary of said corporation, appeared before me
this day
in
person and severally acknowledged that they this
day signed,
sealed and delivered the said instrument as their
free and
voluntary act as such Executive Vice
President and
Secretary,
respectively, of said corporation and as the
free and
voluntary
act of said corporation, for the uses and
purposes
therein
set
forth, and that the seal affixed to said instrument
is the
corporate seal of said corporation and that
the said

instrument was executed, signed, sealed and delivered on behalf of said corporation by authority of its Board of Directors, and acknowledged said instrument to be the free and voluntary act and deed of said corporation.

GIVEN under my hand and notarial seal this

day of December, 1996.

My commission expires:

STATE OF _____)) ss. COUNTY OF _____)

I, _____, a Notary Public in and for said County and State aforesaid, do hereby certify that

_____ of The Bank of New York, a corporation organized and existing under the laws of the State of New York; and _____ of said corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument and who are both personally known to me to be an Assistant Vice President and Assistant Treasurer of said corporation, appeared before me this day in person and severally acknowledged that they this day signed, sealed and delivered the said instrument as their free and voluntary act as such an Assistant Vice President and Assistant Treasurer, respectively, of said corporation, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth, and that the seal affixed to said instrument is the corporate seal of said corporation and that the said instrument was executed, signed, sealed and delivered on behalf of said corporation by authority of its By-laws, and acknowledged said instrument to be the free and voluntary act and deed of said corporation.

GIVEN under my hand and notarial seal this

____ day
of
December, 1996.

My commission expires:

Notary Public

KANSAS CITY POWER & LIGHT COMPANY
LONG- AND SHORT-TERM INCENTIVE COMPENSATION PLAN
JANUARY 1, 1997

I. Purposes

The Kansas City Power & Light Company Incentive Compensation Plan (the "Plan") is designated to provide a means of paying incentive compensation, in addition to annual salaries, to Officers and Key Employees of the Company who, by virtue of their responsibilities, may contribute materially to the success of the Company. The opportunity to receive incentive compensation is intended as a strong motivational program and one that will result in improved corporate performance.

The key objectives of the Plan are to align both the long-term and short-term interests of the shareholders, Officers, and key employees of Kansas City Power & Light (KCPL), create strong incentives for KCPL Officers and key employees to maximize the Company's shareholder value, retain the management team by providing attractive compensation opportunities and limit shareholder cost to a reasonable level.

II. Definitions

The following terms shall have the meanings set forth below:

1. "Company" shall mean Kansas City Power & Light Company and its successors and assigns, by merger, purchase or otherwise.
2. "Board of Directors" or "Board" shall mean the Board of Directors of the Company.
3. "Committee" shall mean the Nominating & Compensation Committee of the Board of Directors, all of whose members shall consist of Directors who are not employees and who are not eligible for participation in this Plan.
4. "Officer" shall mean any full-time Officer of the Company.
5. "Key Employee" shall mean those employees deemed critical to the execution of the Company's business plans.
6. "Participant" shall mean each Officer or Key Employee who has been selected by the Committee in the manner hereinafter provided for participation in the Plan with respect to a Plan Year.
7. "Plan Year" shall mean the applicable fiscal year of the Company.
8. "Salary" shall mean the direct compensation earned by a Participant as base salary during the Plan Year, excluding any and all commissions, bonuses, contributions by the Company to its Pension Plan on behalf of the Participant, incentive payments for the current Plan Year or prior Plan Years, and other similar payments.
9. "EVA" shall mean an estimate of the Company's true economic profit after subtracting the cost of all capital employed.
10. "Target Bonus" shall mean the bonus earned for achieving the expected level of EVA improvement.
11. "Expected EVA Improvement" shall mean EVA improvement required for the Company's shareholders to earn a cost of capital return on the market value of

their investment, as well as the EVA improvement required to earn the Target Bonus.

12. "Bonus Bank" shall mean the personal account to which the bonus earned is credited and from which the bonus paid is deducted; the Bonus Bank balance is the amount held in reserve to be recouped if prior EVA improvement is not sustained or (when negative) to be recovered before additional bonus is paid.

III. Approval, Amendment, Termination and Administration of the Plan

A. Approval of Awards Under the Plan

Payment of awards under the Plan are become effective upon approval by the Board of Directors of the Company.

B. Committee Oversight

The Committee shall administer the Plan. The Committee may establish such rules and regulations as it deems necessary for the Plan, its interpretation and administration. In addition, the Committee may make such determinations and take such actions in connection with the Plan as it deems necessary.

C. Finality of Determination

Each determination made by the Committee, in accordance with the provisions of this Plan, shall be final, binding, and conclusive for all purposes and on all persons.

D. Amendment and Termination of the Plan

The Board of Directors in its sole discretion may modify, suspend, terminate, or reinstate the Plan, provided, however, that no such modification, suspension, termination or reinstatement shall diminish, reduce, alter or impair the value of or the rights to any award made prior to the date of such modification, suspension, termination or reinstatement of the Plan without the consent of the Participant. Following termination of the Plan for reasons other than change of control, each Participant's Bonus Bank balance will be paid in two equal installments over two years, beginning at the end of the final Plan Year.

IV. Eligibility and Participation

A. Selection of Participants

Participants for each Plan Year shall be selected by the Committee from among the Officers and management employees upon recommendation by the chief executive officer.

B. Future Participation

Participation in the Plan during one Plan Year will not guarantee participation in any subsequent Plan Year.

V. Determination of Awards

A. Target Bonus

Target Bonus levels shall be determined by the Committee and expressed as a percentage of each Participant's base salary for the Plan Year. Target Bonus levels may vary by Participant and reflect the level of responsibility of the Participant in the corporate structure. Target and maximum Bonus levels for the Participants are set forth below:

	Target	Maximum
Officer	Bonus Percent	Bonus Percent

Chief Executive Officer	50%	100%
Executive Vice President	45%	90%
Senior Vice President	40%	80%
Other Officers	35%	70%
Key Employees	25%	50%

B. Corporate Performance

EVA Improvement shall be the Committee's measure of corporate performance. Not more than 90 days after the beginning of the Plan Year, and, in any event, before 25 percent or more of the Plan Year has elapsed, the Committee will establish the EVA Improvement goal for the Target Bonus awards of the Participants. Expected EVA Improvement represents an estimate of the EVA Improvement required for the Company's investors to earn a cost of capital return on the market value of their investment. The Committee may establish a multi-year schedule of Expected EVA Improvement to link bonus compensation to cumulative investor return.

If EVA Improvement for the Plan Year is greater than \$0, an award shall be paid to Participants. Expected EVA Improvement shall be the dollar amount of EVA Improvement required to earn the Target Bonus. Two times the Expected EVA Improvement level shall be required for Participants to receive maximum incentive awards. If EVA Improvement for the Plan Year is greater than \$0 but less than Maximum EVA Improvement, awards for Participant's for such Plan Year shall be based on a table of percentage awards, such percentages to begin at zero percent for EVA Improvement of \$0 or less and increase to maximum awards at Maximum EVA Improvement. The Committee shall establish a table of bonus awards, with Target Bonus set at Expected EVA Improvement. The table will establish a minimum level of EVA Improvement performance that must be achieved before any bonus is awarded. The table will also establish an EVA Improvement level for which a maximum bonus will be awarded. Such table shall be based on straight-line interpolation.

For example, a Participant has a Target Bonus level of 40% of Salary, and the award table is constructed with Minimum EVA Improvement at \$-5 million, Expected EVA Improvement at \$5,000,000, and Maximum EVA Improvement at \$15,000,000. Actual EVA Improvement achieved for the Plan Year is \$6,000,000. Using the award table for that Plan Year the Participant would be credited with achieving a bonus award of 44% of Salary. The 44% of Salary is considered the bonus earned for that year.

C. Bonus Bank

A Bonus Bank shall be established for each Participant. The initial balance of each Participant's bonus bank shall be zero. Each year in which the bonus earned is positive, the Participant shall receive 1/2 of the bonus earned by the Participant for that Plan Year. In each year a negative bonus is earned, the negative amount is deducted from any Bonus Bank balance. The balance of the bonus (which may be a negative amount) shall be credited to the Participant's Bonus Bank balance. At the end of each year in which the Bonus Bank balance is positive, a bonus shall be paid to the Participant equal to 1/2 of the amount of the Bonus Bank balance. (Attachment A)

No interest shall be credited or charged on the Bonus Bank balance.

VI. Payment of Awards: Changes in Year and Capitalization

A. Form of Payment

Bonus Awards shall be paid shall be paid in cash within thirty days following determination of the amount of such awards by the Committee.

B. Change of Fiscal Year

In the event of a change in the Company's fiscal year resulting in a fiscal year of less than twelve months, the Committee shall make adjustments in the EVA Improvement target as it shall, in its sole discretion, deem appropriate.

VII. Employment Provisions

A. Promotions and New Employees

Employees who are newly hired or promoted into positions eligible for participation in the Plan during a Plan Year shall participate in the Plan to the degree deemed appropriate, if at all, by the Committee on the recommendation of the chief executive officer. In the absence of special circumstances, any reward for a Participant whose eligibility commences after the beginning of a Plan Year shall be based on the Participant's salary earned during that portion of the Plan Year commencing with the determination of such Participant's eligibility.

B. Termination of Employment

Following termination of employment during a Plan Year by reason of death, disability, or normal retirement, the Participant's Bonus Bank balance will be at the end of the Plan Year in which the Participant's termination occurs. A Participant will be eligible to receive an award determined in accordance with Section VI of the Plan, but based on the Participant's salary actually earned for the Plan Year in which such termination of employment occurs. Such awards will be paid in accordance with Section VII above. The Committee in its discretion shall determine whether a Participant shall be eligible to receive an award for a Plan Year in which he takes early retirement and, if so, the amount of such award. Following termination during a Plan Year for any reason other than death, disability, or early or normal retirement, a Participant will not be eligible to receive an award for that Plan Year. Similarly, any amounts in the Participant's Bonus Bank shall be forfeited if the employment of such Participant is terminated for any reason other than death, disability or retirement.

C. Future Eligibility of a Participant

Participation in this Plan during one Plan Year shall not guarantee any Officer or Key Employee the right to participate in the Plan in subsequent Plan Years. Payment of an award with respect to one Plan Year, moreover, shall not guarantee an Officer or Key Employee the right to receive an award with respect to subsequent Plan Years.

D. Key Employee Participation in RESULTS Workforce Incentive

Key Employees designated by the Committee as Participants in the Plan will forfeit their participation in the RESULTS Workforce Incentive Plan.

E. Change in Control

In the event of a Change in Control (as defined below) of the Company, and except as the Committee may expressly provide otherwise, (i) mid-Plan Year Change in Control will result in bonus calculations based year-to-date performance as measured against

the pre-established EVA Improvement goal for determination of award levels; and (ii) Participants with positive Bonus Bank balances will be paid the balance in their account within 30 days of the consummation of a merger agreement.

A "Change in Control" shall be deemed to have occurred if (i) any person other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company, and other than the Company or corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of securities of the Company representing 20 percent or more of the Common Stock of the Company then outstanding; or (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board and any new director (other than a director designated by a person who has into an agreement with the Company to effect a transaction described in (i) above) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were director at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute the majority thereof.

F. No Employment Contract

Neither the action of the Company in establishing this Plan, nor any action taken by the Company, the Board, the Committee, or the chief executive Officer with respect to the Plan, nor any provision herein shall be construed as granting to any Officer or Key Employee the right to continue in the employ of the Company.

VIII. Miscellaneous Provisions

A. Nonassignability of Benefits

No Participant, nor his or her legal representatives, shall have any right to assign, transfer, appropriate, encumber, or anticipate any interest in the Plan or any payments hereunder. Participants have only the right to receive payments under this Plan if, as, and when such payments are due and payable under the terms and provisions of the Plan.

B. Expenses of the Plan

The Company shall bear all of the expenses of administering the Plan and shall not charge such expenses against amounts payable hereunder.

C. Applicable Law

This Plan, all derminations made hereunder, and all actions taken pursuant hereto will be governed by the the laws of the State of Missouri.

D. First Plan Year

The first Plan Year of this Plan shall commence on January 1, 1997.

AMENDMENT TO
SEVERANCE AGREEMENT

This Agreement is entered into as of January [NUMBER] by and between Kansas City Power & Light Company (the "Company") and (the "Executive").

WHEREAS, the Company and the Executive have entered into a Severance Agreement as of (and, as amended as described in the next clause, hereinafter referred to as the "Agreement"); and

WHEREAS, the Company and the Executive amended the agreement as of (the "Amendment"); and

WHEREAS, it has come to the attention of the Company and the Executive that the Agreement contains mutual mistakes which were contrary to the intended purposes of the Amendment, and the Company and the Executive desire to further amend the Agreement in order to correct those mutual mistakes and to more fully reflect the intended purposes of the Amendment.

NOW, THEREFORE, the Agreement is hereby amended as set forth below.

Terms which are defined in the Agreement shall have the same meaning in this further amendment.

1. Section 1 (g) of the Agreement is hereby amended so that the portion preceding paragraph (1) thereof reads as follows:

(g) "Good Reason" means, without Executive's express written consent, the occurrence of any of the following events after a Change in Control (or after any potential Change in Control under the circumstances described in Clause (ii) of Section 3 (d) hereof (treating all references in this paragraph (g) to a "Change in Control" as references to a "Potential Change in Control")).

2. Section 3 (d) of the Agreement is hereby amended to read as follows:

(d) For the purposes of this Agreement, the Executive's employment shall be deemed to have been terminated within the Termination Period other than by reason of a Nonqualifying Termination if (i) the Executive's employment is terminated without Cause prior to a Change in Control (or, if later, prior to the consummation of the transaction the approval of which by the Company's stockholders constitutes a Change in Control under Section 1 (d) (III) or (IV) and such termination was at the request or direction of a Person who has entered into an agreement with the Company the consummation of which or the approval of which by the Company's stockholders would constitute a Change in Control, (ii) the Executive terminates his employment with Good Reason prior to a Change of Control (or, if later, prior to the consummation of the transaction the approval of which by the Company's stockholders constitutes a Change in Control under Section 1 (d) (III) or (IV)) and the circumstance or event which constitutes Good Reason occurs at the request or direction of such Person, or, (iii) the Executive's employment is terminated without Cause prior to a Change in Control (or, if later, prior to the consummation of the transaction the approval of which by the Company's stockholders constitutes a Change in Control under Section 1 (d) (III) or (IV)) and such termination is otherwise in connection with or in anticipation of a Change in Control which actually occurs.

3. Clause (ii) of Section 2 (a) of the Agreement is amended to read as follows:

"(ii) if a Change in Control shall occur, until 90 days following such Change of Control (or, if later, until the consummation of the transaction the approval of which by the Company's stockholders constitutes a Change in Control under Section 1 (d) (III) or (IV) hereof)."

4. Clause (ii) of Section 3 (a) (1) of the Agreement is amended by deleting the second occurrence of the phrase "Change in Control" therein and inserting in lieu thereof, the phrase "Date of Termination".

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed by a duly authorized officer of the Company and Executive has executed this Amendment as of the day and year first above written.

By: _____

KANSAS CITY POWER & LIGHT COMPANY

COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES

	1996	1995	1994 (Thousands)	1993	1992
Net income	\$108,171	\$122,586	\$104,775	\$105,772	\$86,334
Add:					
Taxes on income	31,753	66,803	66,377	67,953	52,196
Kansas City earnings tax	558	958	524	495	382
Total taxes on income	32,311	67,761	66,901	68,448	52,578
Interest on value of leased property	8,301	8,269	6,732	7,273	6,366
Interest on long-term debt	53,939	52,184	43,962	50,118	54,266
Interest on short-term debt	1,251	1,189	1,170	750	2,749
Other interest expense and amortization	4,840	3,112	4,128	4,113	2,173
Total fixed charges	68,331	64,754	55,992	62,254	65,554
Earnings before taxes on income and fixed charges	\$208,813	\$255,101	\$227,668	\$236,474	\$204,466
Ratio of earnings to fixed charges	3.06	3.94	4.07	3.80	3.12

OPINION AND CONSENT OF COUNSEL

As Senior Vice President-Corporate Services, Corporate Secretary and Chief Legal Officer of Kansas City Power & Light Company, I have reviewed the statements as to matters of law and legal conclusions in the Annual Report on Form 10-K for the fiscal year ended December 31, 1996, and consent to the incorporation by reference of such statements in the Company's previously-filed Form S-3 Registration Statements (Registration No. 33-51799 and Registration No. 333-17285) and Form S-8 Registration Statements (Registration No. 33-45618 and Registration No. 33-58917).

/s/ Jeanie Sell Latz
Jeanie Sell Latz

Kansas City, Missouri
March 17, 1997

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of Kansas City Power & Light Company on Form S-3 (File Nos. 33-51799 and 333-17285) and Form S-8 (File Nos. 33-45618 and 33-58917) of our report dated February 14, 1997, on our audits of the consolidated financial statements of Kansas City Power & Light Company and Subsidiary as of December 31, 1996 and 1995, and for the years ended December 31, 1996, 1995, and 1994, which report is included in this Annual Report on Form 10-K.

/s/Coopers & Lybrand L.L.P.
COOPERS & LYBRAND L.L.P.

Kansas City, Missouri
March 14, 1997

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Drue Jennings or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K; hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 4th day of February, 1997.

/s/David L. Bodde

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 5th day of February, 1997, before me the undersigned, a Notary Public, personally appeared David L. Bodde, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Cathy Claypole
Notary Public

Cathy Claypole
Notary Public-Notary Seal
State of Missouri
Clay County
My Commission Expires:
February 27, 2000

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Drue Jennings or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K; hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 4th day of February, 1997.

/s/William H. Clark

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 5th day of February, 1997, before me the undersigned, a Notary Public, personally appeared William H. Clark, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Cathy Claypole
Notary Public

Cathy Claypole
Notary Public-Notary Seal
State of Missouri
Clay County
My Commission Expires:
February 27, 2000

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Drue Jennings or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K; hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 4th day of February, 1997.

/s/Robert J. Dineen

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 5th day of February, 1997, before me the undersigned, a Notary Public, personally appeared Robert J. Dineen, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Cathy Claypole
Notary Public

Cathy Claypole
Notary Public-Notary Seal
State of Missouri
Clay County
My Commission Expires:
February 27, 2000

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Drue Jennings or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K; hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 4th day of February, 1997.

/s/Arthur J. Doyle

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 5th day of February, 1997, before me the undersigned, a Notary Public, personally appeared Arthur J. Doyle, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Cathy Claypole
Notary Public

Cathy Claypole
Notary Public-Notary Seal
State of Missouri
Clay County
My Commission Expires:
February 27, 2000

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Drue Jennings or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K; hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 5th day of February, 1997.

/s/W. Thomas Grant II

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 5th day of February, 1997, before me the undersigned, a Notary Public, personally appeared W. Thomas Grant II, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Cathy Claypole
Notary Public

Cathy Claypole
Notary Public-Notary Seal
State of Missouri
Clay County
My Commission Expires:
February 27, 2000

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Drue Jennings or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K; hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 4th day of February, 1997.

/s/George E. Nettels, Jr.

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 5th day of February, 1997, before me the undersigned, a Notary Public, personally appeared George E. Nettels, Jr., to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Cathy Claypole
Notary Public

Cathy Claypole
Notary Public-Notary Seal
State of Missouri
Clay County
My Commission Expires:
February 27, 2000

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Drue Jennings or Jeanie Sell Latz, her true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K; hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 4th day of February, 1997.

/s/Linda H. Talbott

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 5th day of February, 1997, before me the undersigned, a Notary Public, personally appeared Linda H. Talbott, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that she executed the same as her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Cathy Claypole
Notary Public

Cathy Claypole
Notary Public-Notary Seal
State of Missouri
Clay County
My Commission Expires:
February 27, 2000

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Drue Jennings or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K; hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 4th day of February, 1997.

/s/Robert H. West

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 5th day of February, 1997, before me the undersigned, a Notary Public, personally appeared Robert H. West, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Cathy Claypole
Notary Public

Cathy Claypole
Notary Public-Notary Seal
State of Missouri
Clay County
My Commission Expires:
February 27, 2000

UT
1,000

YEAR	
Dec-31-1996	Dec-31-1996
	PER-BOOK
2,343,494	
231,874	
160,980	
178,164	
	0
	2,914,512
	449,697
(1,666)	
	455,934
910,449	
	62
	89,000
	944,136
	0
0	
26,591	
	0
0	
	0
944,274	
2,914,512	
903,919	
	68,155
657,951	
726,106	
177,813	
	(11,559)
166,254	
	58,083
	108,171
3,790	
104,381	
	98,421
	53,939
	216,909
	1.69
	1.69