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

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

For the quarterly period ended March 31, 2000

OR

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

For the transition period from ____ to ____

Commission file number 1-707

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

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

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

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

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

Yes (X) No ( )

The number of shares outstanding of the registrant's Common stock at May 8, 2000, was 61,898,020 shares.

PART I - FINANCIAL INFORMATION
Item 1. Consolidated Financial Statements

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Balance Sheets

	March 31 2000	December 31 1999
	(thousands)	
ASSETS		
Utility Plant, at Original Cost		
Electric	$3,652,529	$3,628,120
Less-accumulated depreciation	1,541,840	1,516,255
Net utility plant in service	2,110,689	2,111,865
Construction work in progress	211,875	158,616
Nuclear fuel, net of amortization of $112,396 and $108,077	24,933	28,414
Total	2,347,497	2,298,895
Regulatory Asset - Recoverable Taxes	106,000	106,000
Investments and Nonutility Property	402,925	376,704
Current Assets		
Cash and cash equivalents	14,107	13,073
Receivables	52,395	71,548
Fuel inventories, at average cost	24,028	22,589
Materials and supplies, at average cost	47,226	46,289
Deferred income taxes	3,783	2,751

Other	5,851	6,086
Total	147,390	162,336
Deferred Charges		
Regulatory assets	29,944	31,908
Prepaid pension costs	58,688	0
Other deferred charges	19,396	14,299
Total	108,028	46,207
Total	$3,111,840	$2,990,142
CAPITALIZATION AND LIABILITIES		
Capitalization (see statements)	$1,960,822	$1,739,590
Current Liabilities		
Notes payable to banks	0	24,667
Commercial paper	90,900	214,032
Current maturities of long-term debt	143,858	128,858
Accounts payable	78,157	68,309
Accrued taxes	3,623	972
Accrued interest	11,870	15,418
Accrued payroll and vacations	22,784	20,102
Accrued refueling outage costs	9,702	7,056
Other	13,521	13,569
Total	374,415	492,983
Deferred Credits and Other Liabilities		
Deferred income taxes	616,770	592,227
Deferred investment tax credits	53,215	54,333
Other	106,618	111,009
Total	776,603	757,569
Commitments and Contingencies (Note 6)		
Total	$3,111,840	$2,990,142

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Capitalization

	March 31 2000	December 31 1999
	(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)	428,688	418,952
Accumulated other comprehensive loss		
Unrealized loss on securities available for sale	0	(2,337)
Capital stock premium and expense	(1,668)	(1,668)
Total	876,717	864,644
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
$100 Par Value - Redeemable		
4.00%	62	62
Total	39,062	39,062
Company-obligated Mandatorily Redeemable Preferred Securities of a trust holding solely KCPL Subordinated Debentures	150,000	150,000
Long-Term Debt (excluding current maturities)		
General Mortgage Bonds		
Medium-Term Notes due 2000-08, 7.07% and 6.99% weighted-average rate	246,000	286,000
4.44%* Environmental Improvement Revenue Refunding Bonds due 2012-23	158,768	158,768
Unsecured Medium-Term Notes		
6.34%* due 2002	200,000	0
Environmental Improvement Revenue Refunding Bonds		
4.18%* Series A & B due 2015	106,500	106,500
4.50% Series C due 2017	50,000	50,000
4.35% Series D due 2017	40,000	40,000
Subsidiary Obligations		
Affordable Housing Notes due 2000-08, 8.34% and 8.35% weighted-average rate	44,775	44,616
KLT Gas Bank Credit Agreement		
7.97%* due 2003	49,000	0
Total	895,043	685,884
Total	$1,960,822	$1,739,590

* Variable rate securities, weighted-average rate as of March 31, 2000.
The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Income

Three Months Ended March 31	2000	1999
	(thousands)	
Electric Operating Revenues	$190,333	$190,734
Operating Expenses		
Operation		
Fuel	29,853	31,038
Purchased power	14,798	10,658
Other	50,122	45,082
Maintenance	20,061	17,341
Depreciation	29,283	29,659
Income taxes	4,744	9,210
General taxes	21,214	21,811
Total	170,075	164,799
Electric Operating Income	20,258	25,935
Other Income and (Deductions)		
Allowance for equity funds used during construction	36	1,063
Miscellaneous income and (deductions) - net	(16,156)	(10,540)
Income taxes	14,072	12,243
Total	(2,048)	2,766
Income Before Interest Charges	18,210	28,701
Interest Charges		
Long-term debt	12,447	13,331
Short-term debt	3,667	69
Mandatorily redeemable Preferred Securities	3,113	3,113
Miscellaneous	624	1,037
Allowance for borrowed funds used during construction	(2,499)	(732)
Total	17,352	16,818
Income before cumulative effect of changes in accounting principles	858	11,883
Cumulative effect to January 1, 2000, of changes in accounting principles, net of income taxes (Note 1)	34,978	0
Net income	35,836	11,883
Preferred stock dividend requirements	412	947
Earnings available for common stock	$35,424	$10,936
Average number of common shares outstanding	61,898	61,898
Basic and diluted earnings per common share before cumulative effect of changes in accounting principles	$0	$0.18
Cumulative effect to January 1, 2000, of changes in accounting principles	0.57	0
Basic and diluted earnings per common share	$0.57	$0.18
Cash dividends per common share	$0.415	$0.415

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Income

Twelve Months Ended March 31	2000	1999
	(thousands)	
Electric Operating Revenues	$896,992	$934,040
Operating Expenses		
Operation		
Fuel	128,070	138,690
Purchased power	98,837	66,045
Other	201,966	187,070
Maintenance	65,309	72,601
Depreciation	118,052	116,480
Income taxes	54,082	79,755
General taxes	92,404	93,229
Total	758,720	753,870
Electric Operating Income	138,272	180,170
Other Income and (Deductions)		
Allowance for equity funds used during construction	1,630	3,946
Miscellaneous income and (deductions) - net	(57,341)	(44,364)
Income taxes	57,197	48,478
Total	1,486	8,060
Income Before Interest Charges	139,758	188,230
Interest Charges		
Long-term debt	50,443	55,404
Short-term debt	7,960	273
Mandatorily redeemable Preferred Securities	12,450	12,450
Miscellaneous	3,160	4,417
Allowance for borrowed funds used during construction	(5,145)	(2,553)
Total	68,868	69,991
Income before cumulative effect of changes in accounting principles	70,890	118,239
Cumulative effect to January 1, 2000, of changes in accounting principles, net of income taxes (Note 1)	34,978	0
Net income	105,868	118,239
Preferred stock dividend requirements	3,198	3,841
Earnings available for common stock	$102,670	$114,398
Average number of common shares outstanding	61,898	61,890
Basic and diluted earnings per common share before cumulative effect of changes in accounting principles	$1.09	$1.85
Cumulative effect to January 1, 2000, of changes in accounting principles	0.57	0
Basic and diluted earnings per common share	$1.66	$1.85
Cash dividends per common share	$1.66	$1.65

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows

Year to Date March 31	2000	1999
	(thousands)	
Cash Flows from Operating Activities		
Income before cumulative effect of changes in accounting principles	$858	$11,883
Adjustments to reconcile income to net cash from operating activities:		
Depreciation of electric plant	29,283	29,659
Amortization of:		
Nuclear fuel	4,319	4,674
Other	2,957	2,481
Deferred income taxes (net)	(173)	(3,271)
Investment tax credit amortization	(1,118)	(1,117)
Losses from equity investments	5,758	3,517
Asset impairments	6,156	1,400
Kansas rate refund accrual	0	(14,200)
Missouri rate refund accrual	0	1,100
Allowance for equity funds used during construction	(36)	(1,063)
Other operating activities (Note 2)	23,788	14,293
Net cash from operating activities	71,792	49,356
Cash Flows from Investing Activities		
Utility capital expenditures	(79,283)	(26,105)
Allowance for borrowed funds used during construction	(2,499)	(732)
Purchases of investments	(26,233)	(11,794)
Purchases of nonutility property	(6,162)	(14,078)
Other investing activities	(6,048)	(8,976)
Net cash from investing activities	(120,225)	(61,685)
Cash Flows from Financing Activities		
Issuance of long-term debt	268,000	5,388
Repayment of long-term debt	(44,000)	0
Net change in short-term borrowings	(147,799)	4,058
Dividends paid	(26,100)	(26,634)
Other financing activities	(634)	(14)
Net cash from financing activities	49,467	(17,202)
Net Change in Cash and Cash Equivalents	1,034	(29,531)
Cash and Cash Equivalents at Beginning of Year	13,073	43,213
Cash and Cash Equivalents at End of Period	$14,107	$13,682
Cash Paid During the Period for:		
Interest (net of amount capitalized)	$20,444	$18,383
Income taxes	$62	$5,722

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows

Twelve Months Ended March 31	2000	1999
	(thousands)	
Cash Flows from Operating Activities		
Income before cumulative effect of changes in accounting principles	$70,890	$118,239
Adjustments to reconcile income to net cash from operating activities:		
Depreciation of electric plant	118,052	116,480
Amortization of:		
Nuclear fuel	15,427	19,096
Other	12,739	9,280
Deferred income taxes (net)	(23,686)	(5,481)
Investment tax credit amortization	(4,454)	(4,459)
Fuel contract settlement	(13,391)	0
Losses from equity investments	27,192	14,427
Asset impairments	25,834	7,428
Gain on sale of Nationwide Electric, Inc. stock	(19,835)	0
Kansas rate refund accrual	0	(3,165)
Missouri rate refund accrual	(1,100)	1,100
Allowance for equity funds used during construction	(1,630)	(3,946)
Other operating activities (Note 2)	(23,493)	26,855
Net cash from operating activities	182,545	295,854
Cash Flows from Investing Activities		
Utility capital expenditures	(233,865)	(123,158)
Allowance for borrowed funds used during construction	(5,145)	(2,553)
Purchases of investments	(49,511)	(47,718)
Purchases of nonutility property	(47,876)	(33,895)
Sale of KLT Power	0	53,033
Sale of Nationwide Electric, Inc. stock	39,617	0
Hawthorn No. 5 partial insurance recovery	80,000	0
Other investing activities	(7,388)	(3,852)
Net cash from investing activities	(224,168)	(158,143)
Cash Flows from Financing Activities		
Issuance of long-term debt	273,501	5,390
Repayment of long-term debt	(153,060)	(51,669)
Net change in short-term borrowings	76,842	10,563
Dividends paid	(106,128)	(105,969)
Redemption of preferred stock	(50,000)	0
Other financing activities	893	(1,910)
Net cash from financing activities	42,048	(143,595)
Net Change in Cash and Cash Equivalents	425	(5,884)
Cash and Cash Equivalents at Beginning of Period	13,682	19,566
Cash and Cash Equivalents at End of Period	$14,107	$13,682
Cash Paid During the Period for:		
Interest (net of amount capitalized)	$76,581	$69,699
Income taxes	$46,640	$30,510

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Comprehensive Income

	Three Months Ended March 31		Twelve Months Ended March 31	
	2000	1999	2000	1999
	(thousands)			
Net income	$ 35,836	$ 11,883	$ 105,868	$ 118,239
Other comprehensive income (loss):				
Unrealized gain (loss) on securities available for sale	0	733	(4,511)	(5,610)
Income tax benefit (expense)	0	(265)	1,632	2,030
Net unrealized gain (loss) on securities available for sale	0	468	(2,879)	(3,580)
Reclassification adjustment, net of tax	2,337	0	2,337	0
Comprehensive Income	$ 38,173	$ 12,351	$ 105,326	$ 114,659

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

Consolidated Statements of Retained Earnings

	Three Months Ended March 31		Twelve Months Ended March 31	
	2000	1999	2000	1999
	(thousands)			
Beginning balance	$ 418,952	$ 443,699	$ 428,948	$ 416,678
Net income	35,836	11,883	105,868	118,239
	454,788	455,582	534,816	534,917
Dividends declared				
Preferred stock-at required rates	413	947	3,377	3,846
Common stock	25,687	25,687	102,751	102,123
Ending balance	$ 428,688	$ 428,948	$ 428,688	$ 428,948

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

KANSAS CITY POWER & LIGHT COMPANY

CERTAIN FORWARD-LOOKING INFORMATION

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

- - future economic conditions in the regional, national and international markets
- - state, federal and foreign regulation
- - weather conditions
- - financial market conditions, including, but not limited to changes in interest rates
- - inflation rates
- - increased competition, including, but not limited to, the deregulation of the United States electric utility industry, and the entry of new competitors
- - ability to carry out marketing and sales plans
- - ability to achieve generation planning goals and the occurrence of unplanned generation outages
- - nuclear operations
- - ability to enter new markets successfully and capitalize on growth opportunities in nonregulated businesses
- - adverse changes in applicable laws, regulations or rules governing environmental (including air quality regulations), tax or accounting matters
- - delays in the anticipated in service dates of new generating capacity

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

Notes to Consolidated Financial Statements

In management's opinion, the consolidated interim financial statements reflect all adjustments (which include only normal recurring adjustments) necessary to present fairly the results of operations for the interim periods presented. These statements and notes should be read in connection with the financial statements and related notes included in our 1999 annual report on Form 10-K.

1. CHANGES IN PENSION ACCOUNTING PRINCIPLES

Effective January 1, 2000, KCPL changed its methods of amortizing unrecognized net gains and losses and determination of expected return related to its accounting for pension expenses. This change is being made to reflect more timely in pension expense the gains and losses incurred by the pension funds.

At the time KCPL originally adopted the standards governing accounting for pensions, we chose the following accounting methods that would minimize fluctuations in pension expense:

- - Recognized gains and losses if, as of the beginning of the year, the unrecognized net gain or loss exceeds 10 percent of the greater of the projected benefit obligation or the market-related value of plan assets. If amortization is required, amortization is the excess divided by the average remaining service period, approximately 15 years, of active employees expected to receive benefits under the plan. This method has resulted in minimal gains being amortized.

- - Determined the expected return by multiplying the long-term rate of return times the market-related value. We determine market-related value by recognizing changes in fair value of plan assets over a five-year period.

KCPL has changed the above accounting methods to the following:
- - Recognize gains and losses by amortizing over a five-year period the rolling five-year average of unamortized gains and losses.
- - Determine the expected return by multiplying the long-term rate of return times the fair value of plan assets.

Adoption of the new methods of accounting for pensions will lead to greater fluctuations in pension expense in the future and will have the following current effects:

	Changes in Method of Accounting for Pensions *		
	Amortization of Gains and Losses	Expected Return	Total
	(millions except per share)		
Cumulative effect of change in method of accounting:			
Income	$ 21.4	$ 13.6	$ 35.0
Basic and diluted earnings per common share	$ 0.35	$ 0.22	$ 0.57
Year 2000 earnings effect of change in method of accounting:			
Income	$ 4.1	$ 2.0	$ 6.1
Basic and diluted earnings per common share	$ 0.07	$ 0.03	$ 0.10
Prior year's earnings effect of change in method of accounting if the change had been made January 1, 1998:			
1999			
Income	$ 4.4	$ 1.1	$ 5.5
Basic and diluted earnings per common share	$ 0.07	$ 0.02	$ 0.09
1998			
Income	$ 2.9	$ 3.2	$ 6.1
Basic and diluted earnings per common share	$ 0.05	$ 0.05	$ 0.10

* All changes are increases to income or earnings per common share and are after income taxes. The effect on quarterly earnings would be one-fourth of the amounts reported except for the cumulative effect of change in method of accounting which is a one time income increase.

2. CONSOLIDATED STATEMENTS OF CASH FLOWS - OTHER OPERATING ACTIVITIES

	Three Months Ended		Twelve Months Ended	
	2000	1999	2000	1999
Cash flows affected by changes in:	(thousands)			
Receivables	$ 19,153	$ 33,031	$ (15,295)	$ 15,295
Fuel inventories	(1,439)	(2,619)	(2,660)	(5,367)
Materials and supplies	(937)	925	(2,788)	1,418
Accounts payable	9,848	(18,532)	34,925	2,927
Accrued taxes	2,651	6,629	(18,631)	8,628
Accrued interest	(3,548)	(1,233)	(10,277)	1,484
Wolf Creek refueling outage accrual	2,646	412	(3,025)	8,468
Other	(4,586)	(4,320)	(5,742)	(5,998)
Total	$ 23,788	$ 14,293	$ (23,493)	$ 26,855

3. SECURITIES AVAILABLE FOR SALE

On February 1, 2000, CellNet Data System Inc. (CellNet) announced that it had agreed to sell its assets to a third party and that the third party had agreed to assume some of CellNet's financial obligations. As part of this transaction, CellNet plans to reorganize under Chapter 11 of the United States Bankruptcy Code. In March 2000, KLT wrote-off its investment in CellNet of $4.8 million before taxes ($0.05 per share). At December 31, 1999, $3.8 million before taxes ($0.04 per share) of this loss had been reported as an unrealized loss in the Consolidated Statement of Comprehensive Income.

Prior to the write-off, the investment in CellNet had been accounted for as securities available for sale and adjusted to market value, with unrealized gains or (losses) reported as a separate component of comprehensive income.

The cost of these securities available for sale that KLT held as of March 31, 1999 was $4.8 million. Accumulated net unrealized losses were $0.5 million at March 31, 1999.

4. CAPITALIZATION

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

In the first quarter of 2000, KCPL issued $200 million of unsecured medium-term notes (see Consolidated Statement of Capitalization). As of March 31, 2000, $100 million of unsecured medium-term notes remained available for issuance under an indenture dated December 1, 1996.

From April 1 through May 9, 2000, KLT's borrowings under its bank credit agreement increased $9.0 million. This total includes KLT Gas borrowings under its bank credit agreement of $2.0 million.

5. SEGMENT AND RELATED INFORMATION

KCPL's three reportable segments are strategic business units. Electric Operations includes the regulated electric utility, unallocated corporate charges and wholly-owned subsidiaries on an equity basis. KLT and HSS are holding companies for various nonregulated business ventures.

The summary of significant accounting policies applies to all of the segments. We evaluate

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

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

	Electric Operations	KLT	HSS	Intersegment Eliminations	Consolidated Totals
Three Months Ended			(thousands)		
March 31, 2000					
Electric Operating Income (a)	$ 20,258				$ 20,258
Miscellaneous income (b)	4,180	$ 4,192	$ 360	$ 2,990	11,722
Miscellaneous deductions(c)	(11,234)	(14,594)	(2,050)	0	(27,878)
Income taxes on Other Income and (Deductions)	1,400	11,956	716	0	14,072
Interest Charges	(13,929)	(3,423)	0	0	(17,352)
Net income(loss)(d)	35,836	(1,869)	(1,121)	2,990	35,836
Three Months Ended					
March 31, 1999					
Electric Operating Income (a)	$ 25,935				$ 25,935
Miscellaneous income (b)	5,790	$(1,084)	$ 496	$ (170)	5,032
Miscellaneous deductions(c)	(7,888)	(7,025)	(659)	0	(15,572)
Income taxes on Other Income and (Deductions)	769	11,429	45	0	12,243
Interest Charges	(13,786)	(3,032)	0	0	(16,818)
Net income(loss)	11,883	288	(118)	(170)	11,883
Twelve Months Ended					
March 31, 2000					
Electric Operating Income (a)	$ 138,272				$ 138,272
Miscellaneous income (b)	24,020	$22,449	$ (491)	$ 8,106	54,084
Miscellaneous deductions(c)	(45,361)	(59,355)	(6,709)	0	(111,425)
Income taxes on Other Income and (Deductions)	8,782	45,725	2,690	0	57,197
Interest Charges	(56,600)	(12,268)	0	0	(68,868)
Net income(loss)(d)	105,868	(3,449)	(4,657)	8,106	105,868
Twelve Months Ended					
March 31, 1999					
Electric Operating Income (a)	$ 180,170				$ 180,170
Miscellaneous income (b)	21,363	$13,864	$1,229	$ (508)	35,948
Miscellaneous deductions(c)	(35,634)	(43,086)	(1,592)	0	(80,312)
Income taxes on Other Income and (Deductions)	5,443	42,912	123	0	48,478
Interest Charges	(57,049)	(12,942)	0	0	(69,991)
Net income(loss)	118,239	748	(240)	(508)	118,239

(a) Refer to the Consolidated Statements of Income for detail of Electric Operations revenues and expenses.
(b) Includes nonregulated revenues, interest and dividend income, income and losses from equity investments and gains on sales of property.
(c) Includes nonregulated expenses, losses on sales of property, asset impairments and merger-related expenses.
(d) Includes $35.0 million cumulative effect to January 1, 2000, of changes in accounting principles, net of income taxes.

	Identifiable Assets	
	March 31, 2000	December 31, 1999
	(thousands)	
Electric Operations	$ 2,940,240	$ 2,851,469
KLT	299,491	267,763
HSS	49,279	50,043
Intersegment Eliminations	(177,170)	(179,133)
Consolidated Totals	$ 3,111,840	$ 2,990,142

6. COMMITMENTS AND CONTINGENCIES

Environmental Matters

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

Monitoring Equipment and Certain Air Toxic Substances

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

Air Particulate Matter

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

Nitrogen Oxide

In 1997 the EPA also issued new proposed regulations on reducing nitrogen oxide (NOx) emissions. The EPA announced in 1998 final regulations implementing reductions in NOx emissions. These regulations initially called for 22 states, including Missouri, to submit plans for controlling NOx emissions. The regulations require a significant reduction in NOx emissions from 1990 levels at KCPL's Missouri coal-fired plants by the year 2003.

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

Preliminary analysis of the regulations indicate that selective catalytic reduction technology will be required for some of the KCPL units, as well as other changes. Currently, we estimate that additional capital expenditures to comply with these regulations could range from $40 million to $60 million. Operations and maintenance expenses could also increase

by more than $2.5 million per year. These capital expenditure estimates do not include the costs of the new air quality control equipment to be installed at Hawthorn No. 5. The new air control equipment designed to meet current environmental standards will also comply with the proposed requirements discussed above.

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

In December 1998, KCPL and several other western Missouri utilities filed suit against the EPA over the inclusion of western Missouri in the 1997 NOx reduction program. On March 3, 2000, a three-judge panel of the D.C. Circuit of the U.S. Court of Appeals sent the NOx rules related to Missouri back to the EPA stating the EPA failed to prove that fossil plants in the western part of Missouri contribute to ozone formation in downwind states. The impact of this decision, which is likely to be appealed in whole or part, is unknown at this time however it is likely to delay the implementation of new NOx regulations by EPA in Missouri for some time.

In May 1999, a three-judge panel of the D.C. Circuit of the U.S. Court of Appeals found certain portions of the NOx control program unconstitutional in a related case. The EPA is pursuing review of this finding with the U.S. Supreme Court, and the outcome cannot be predicted at this time. If the panel's decision is upheld, the effect will be to decrease the severity of the standards with which KCPL ultimately may need to comply.

The State of Missouri is currently developing a State Implementation Plan (SIP) for NOx reduction. This plan will likely result in KCPL having to comply with new standards for NOx that are less severe than those that would result from the EPA's 1998 regulations implementing reductions in NOx emissions. As currently proposed, KCPL would not incur significant additional costs to comply with the State of Missouri SIP.

Carbon Dioxide

At a December 1997 meeting in Kyoto, Japan, the Clinton Administration supported changes to the International Global Climate Change treaty which would require a seven percent reduction in United States carbon dioxide (CO2) emissions below 1990 levels. The Administration has not submitted this change to the U.S. Senate where ratification is uncertain. If future reductions of electric utility CO2 emissions are eventually required, the financial impact upon KCPL could be substantial.

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. Wolf Creek Nuclear Operating Corporation (WCNOC) and the owners of the other five nuclear units in the compact have provided most of the pre-construction financing for this project. As of March 31, 2000, KCPL's net investment on its books was $7.4 million.

Significant opposition to the project has been raised by Nebraska officials and residents in the area of the proposed facility, and attempts have been made through litigation and proposed legislation in Nebraska to slow down or stop development of the facility. On December 18, 1998, the application for a license to construct this project was denied. In December 1998, the utilities filed a federal court lawsuit contending Nebraska officials acted in bad faith while handling the license application.

On January 15, 1999, a request for a contested case hearing on the denial of the license was filed. On April 16, 1999, a U.S. District Court judge in Nebraska issued an injunction staying indefinitely any further activity on the contested case hearing. In May 1999 the state of Nebraska appealed the injunction. In April 2000 the court of appeals affirmed the U.S. District Court's decision. The possibility of reversing the license denial will be greater when the contested case hearing ultimately is conducted than it would have been had the hearing been conducted immediately.

In May 1999, the Nebraska legislature passed a bill withdrawing Nebraska from the Compact. In August 1999, the Nebraska governor gave official notice of the withdrawal to the other member states. Withdrawal will not be effective for five years and will not, of itself, nullify the site license proceeding.

Corporate Owned Life Insurance
On January 4, 2000, KCPL received written notification from the Internal Revenue Service (IRS) that it intends to dispute interest deductions associated with KCPL's corporate owned life insurance (COLI) program. We understand this issue is an IRS Coordinated Issue and thus has been raised and not finalized for many of the largest companies in the country. A disallowance of KCPL's COLI interest deductions and assessed interest on the disallowance for tax years 1994 to 1998 would reduce net income by approximately $12 million. KCPL believes it has complied with all applicable tax laws and regulations and will vigorously contest any adjustment or claim by the IRS including exhausting all appeals available.

7. RECEIVABLES

	March 31 2000	December 31 1999
	(thousands)	
KCPL Receivable Corporation	$ 15,583	$ 29,705
Other Receivables	36,812	41,843
Receivables	$ 52,395	$ 71,548

In 1999 KCPL entered into a revolving agreement to sell all of its right, title and interest in the majority of its customer accounts receivable to KCPL Receivable Corporation, a special purpose entity established to purchase customer accounts receivable from KCPL. KCPL Receivable Corporation has sold receivable interests to outside investors. In consideration of the sale, KCPL received $60 million in cash and the remaining balance in the form of a subordinated note from KCPL Receivable Corporation. The agreement is structured as a true sale under which the creditors of KCPL Receivable Corporation will be entitled to be satisfied out of the assets of KCPL Receivable Corporation prior to any value being returned to KCPL or its creditors.

Other receivables consist primarily of receivables from partners in jointly-owned electric utility plants, bulk power sales receivables and accounts receivable held by subsidiaries.

8. SIGNIFICANT NONREGULATED INVESTMENTS (Subsequent to December 31, 1999)

During the first quarter of 2000, KLT Gas purchased a 50% ownership in Patrick Energy, an Oklahoma oil and gas exploration and development company. The investment is accounted for using the equity method and is approximately $17 million at March 31, 2000.

On April 1, 2000, KLT Energy Services invested an additional $6.4 million in Strategic Energy, LLC (SEL). With this investment KLT Energy Services economic ownership percentage increased to about 71% (68% of the voting interest) and will require KLT to change its accounting treatment of SEL from the equity basis to consolidation.

ITEM 2. 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 continuing to improve the efficiency of KCPL's electric utility operations, lowering prices and offering new services.

Competition in the electric utility industry accelerated with the passage of the National Energy Policy Act of 1992. This Act gave the Federal Energy Regulatory Commission (FERC) the authority to require electric utilities to provide transmission line access to independent power producers (IPPs) and other utilities (wholesale wheeling).

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, including Kansas and Missouri, have actively considered retail competition. Several comprehensive retail competition bills were introduced in the 2000 Missouri General Assembly but none will pass this year. No comprehensive retail competition bills were introduced in the 2000 Kansas Legislature.

Retail access could result in market-based rates below current cost-based rates, providing growth opportunities for low-cost producers and risks for higher-cost producers, especially those with large industrial customers. Lower rates and the loss of major customers could result in stranded costs and place an unfair burden on the remaining customer base or shareholders. We cannot predict whether any stranded costs would be recoverable in future rates. If an adequate and fair provision for recovery of lost revenues is not provided, certain generating assets may have to be evaluated for impairment and appropriate charges recorded against earnings. In addition to lowering profit margins, market-based rates could require generating assets to be depreciated over shorter useful lives, increasing operating expenses.

KCPL is positioned to compete in an open market with its diverse customer mix and pricing strategies. Industrial customers make up about 20% of KCPL's retail mwh sales, well below the utility industry average. KCPL's flexible industrial rate structure is competitive with other companies' rate structures in the region. In addition, we have entered into long-term contracts for a significant portion of KCPL's industrial sales. Although no direct competition for retail electric service currently exists within KCPL's service territory; it does exist in the bulk power market and between alternative fuel suppliers and KCPL. Third-party energy management companies are seeking to initiate relationships with large users in KCPL's service territory to enhance their chances to supply electricity directly when retail wheeling is authorized.

Increased competition could also force utilities to change accounting methods. Financial Accounting Standards Board (FASB) Statement No. 71 - - Accounting for Certain Types of Regulation, applies to regulated entities whose rates are designed to recover the costs of providing service. A utility's operations could cease meeting the requirements of FASB 71 for various reasons, including a change in regulation or a change in the competitive environment for a company's regulated services. For those operations no longer meeting the requirements of regulatory accounting, regulatory assets would be written off. KCPL can maintain its $136 million of regulatory assets at March 31, 2000, as long as FASB 71 requirements are met.

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

PROPOSED RESTRUCTURING

KCPL is proactively seeking to restructure the company in advance of retail access legislation into a holding company with three separate subsidiaries - Power Supply, Power Delivery and KLT Inc. This proposed restructuring will be subject to approval by a number of regulatory authorities. We cannot predict when or if these approvals will be received. As part of this restructuring, we are requesting that the generation assets be deregulated.

We expect this proposed restructuring to create additional value for KCPL and its shareholders by:

- - Enabling KCPL to leverage its low-cost generation assets in an unregulated environment.
- - Allowing management to focus on value creation within each business unit.
- - Facilitating growth of each business unit and the expansion into new markets.
- - Allowing the financial market to evaluate the nonregulated assets at a share price to earnings multiple that is greater than the multiple historically used to evaluate the regulated electric utility.

Power Supply - generation

KCPL's electric generation business is fundamentally sound and competitive. It has a strong asset mix including baseload, intermediate and peaking units. KCPL has historically been a low-cost provider in its region and, with the rebuild of Hawthorn No. 5 (projected to be placed in service in June 2001), KCPL's generation should be positioned well to compete in a deregulated market.

In addition to the rebuild of Hawthorn No. 5, KCPL has been investing in increased capacity. In July 1999, Hawthorn No. 6, a 141-megawatt unit was placed in service. Hawthorn Nos. 7, 8 and 9 are scheduled to be completed and placed in service by July 2000, adding 294 megawatts of generating capacity.

We expect that there will be a power supply agreement for a period of time between the Power Supply and Power Delivery subsidiaries while Power Supply's additional generating capacity and competitive cost structure can be utilized to sell electricity in the competitive wholesale market. We believe KCPL will realize many benefits, including:

- - The ability to make a higher return in a deregulated or competitive market.
- - The ability to make investment decisions and enter into strategic partnerships without needing regulatory approval.

Power Delivery - transmission and distribution

KCPL transmission and distribution (T&D) currently serves over 461,000 customers and experiences annual load growth of around 3% through increased customer usage and additional customers. KCPL's rates charged for electricity are currently below the national average. Additionally, KCPL has a moratorium on Missouri retail rates until 2002.

The creation of a separate business for T&D will isolate KCPL's regulated assets in a separate business unit. We will pursue an incentive-based regulatory model under the new structure for the T&D regulated business. In addition, the T&D business currently plans to participate in the Southwest Power Pool Independent System Operator (ISO). This will satisfy the FERC requirement to participate in a Regional Transmission Organization (RTO). RTOs will combine the transmission operations of utility businesses in the region into an organization that can schedule and deliver energy in the region to ensure regional transmission reliability.

KLT INC. NONREGULATED OPPORTUNITIES

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

KCPL's investment in KLT was $119 million as of March 31, 2000 and December 31, 1999. KLT's loss for the three months ended March 31, 2000, totaled $1.9 million compared to income of $0.3 million for the three months ended March 31, 1999. (See KLT earnings per share analysis on page 25 for significant factors impacting KLT's operations and resulting net income for all periods.) KLT's consolidated assets totaled $299 million at March 31, 2000 compared to $268 million at December 31, 1999.

Telecommunications

Through our subsidiary, KLT Telecom, we own 47% of DTI Holdings (acquired in 1997), which is the parent company of Digital Teleport, Inc. (DTI), a facilities-based telecommunications company. DTI is creating an approximately 20,000 route-mile, digital fiber optic network comprised of 23 regional rings that interconnect primary, secondary and tertiary cities in 37 states. DTI now owns or controls over 10,000 route-miles of fiber optic capacity with local rings located in the metropolitan areas of Kansas City, St. Louis, Memphis and Tulsa. By the end of 2000, DTI projects it will have over 18,000 route-miles of its network completed.

The strategic design of the DTI network allows DTI to offer reliable, high-capacity voice and data transmission services, on a region-by-region basis, to primary carriers and end-user customers who seek a competitive alternative to existing providers. DTI's network infrastructure is designed to provide reliable customer service through back-up power systems, automatic traffic re-routing and computerized automatic network monitoring. If the network experiences a failure of one of its links, the routing intelligence of the equipment transfers traffic to the next choice route, thereby ensuring call delivery without affecting customers. DTI currently provides services to other communications companies including AT&T, Sprint, MCI Worldcom, Ameritech Cellular and Broadwing Communications, among others. DTI also provides private line services to targeted business and governmental end-user customers.

In the first quarter of 2000, KLT and KCPL entered into a partnership with Ameren Corporation and bex.com and announced the creation of a business-to-business vertical market exchange that will allow utilities to purchase various goods and services on-line. The exchange is expected to commence operations in June 2000.

Oil and Gas Development and Production

KLT Gas pursues nonregulated growth primarily through the acquisition, development and production of natural gas properties. We have built a knowledge base in coalbed methane production and reserves evaluation. Therefore, KLT Gas focuses on coalbed methane; a niche in the oil and gas industry where we believe our expertise gives us a competitive advantage. Coalbed methane, with a longer, predictable reserve life, is inherently lower risk than conventional gas exploration. In addition to coalbed methane projects, we seek out high quality conventional gas production to add further value to our operations. Conventional gas properties comprise approximately 25% of KLT Gas' production as of March 31, 2000.

KLT Gas has properties in Colorado, Texas, Wyoming, Oklahoma, Kansas, New Mexico and North Dakota. KLT Gas has an ownership interest in approximately 350 wells in these states and plans to drill over 150 additional wells during 2000. These totals include KLT Gas' January 2000 acquisition

of 80 wells with significant proven reserves. As it pursues its growth strategy, KLT Gas develops newly acquired areas to realize significant gas production from proven reserves. With the January 2000 acquisition, we estimate net proven reserves at March 31, 2000, totaled approximately 300 billion cubic feet. Average gas production at March 31, 2000, was approximately 43 million cubic feet per day. These levels of net production and reserves in the United States would place KLT Gas in the top 100 publicly-traded oil and gas companies, based on the September 1999 Oil and Gas Journal.

The future price scenarios for natural gas appear strong, showing steady growth. We believe the demand for natural gas should strengthen into the future. Environmental concerns and the increased demand for natural gas for new electric generating capacity are driving this projected growth in demand. We believe that natural gas prices will continue to be more stable than oil prices and that an increased demand for natural gas will move natural gas prices upward in the future. Even with the stable gas prices, we utilize gas forward contracts to minimize the risk of gas price changes.

Energy Services

In 1999, KLT Energy Services acquired a 56% ownership interest (49% of the voting interest) in Strategic Energy, LLC (SEL). In April 2000, KLT Energy Services invested an additional $6.4 million to increase its ownership interest to about 71% (68% of the voting interest). SEL buys and manages electricity and natural gas in unregulated markets for commercial and industrial customers. SEL also provides strategic planning and consulting services in natural gas and electricity markets.

SEL builds strong customer relationships by providing quality services over extended periods of time. SEL has provided services to over 100 Fortune 500 companies and currently serves over 6,000 customers. SEL has developed an excellent market reputation over the past fifteen years.

SEL has developed into a major provider of services, mainly electricity for a fee, in the newly deregulated electricity market in Pennsylvania, capturing approximately 10% of the eligible commercial market and 4% of the eligible industrial market in western Pennsylvania. SEL utilizes hedges on all of its retail obligations to eliminate any material market risk.

SEL has invested substantial dollars over the past three years in information systems necessary to manage both retail and wholesale energy on an integrated basis. SEL plans to continue investing in systems to maintain and exploit their technological advantage.

HOME SERVICE SOLUTIONS INC. NONREGULATED OPPORTUNITIES

Home Service Solutions Inc. (HSS), a wholly-owned subsidiary of KCPL, pursues nonregulated business ventures, primarily in residential services. At March 31, 2000, HSS had a 49% ownership in R.S. Andrews Enterprises, Inc. (RSAE), a consumer services company in Atlanta, Georgia. RSAE has made acquisitions in key U.S. markets. RSAE provides heating, cooling, plumbing and electrical services as well as appliance services, pest control and home warranties. Additionally, Worry Free Service, Inc., a wholly-owned subsidiary of HSS, assists residential customers in obtaining financing primarily for heating and air conditioning equipment.

KCPL's investment in HSS was $47.3 million as of March 31, 2000, and $46.3 million as of December 31, 1999. HSS' loss for the three months ended March 31, 2000, totaled $1.1 million compared to $0.1 million for the three months ended March 31, 1999. HSS' increased loss for the three months ended March 31, 2000, was primarily due to continued losses associated with its

investment in RSAE. HSS' consolidated assets totaled $49 million at March 31, 2000, compared to $50 million at December 31, 1999.

RESULTS OF OPERATIONS

Three-month period:	Three months ended March 31, 2000, compared with three months ended March 31, 1999
Twelve-month period:	Twelve months ended March 31, 2000, compared with twelve months ended March 31, 1999

EARNINGS OVERVIEW

	Three-months ended March 31		Twelve-months ended March 31	
	2000	1999	2000	1999
Core utility earnings per share	$0.05	$0.18	$ 1.23	$ 1.84
KLT Inc. gain (loss) 1	(0.03)	0	(0.06)	0.01
HSS Inc. loss	(0.02)	0	(0.08)	0
Cumulative effect of changes in pension accounting	0.57	0	0.57	0
Reported earnings per share (EPS)	$0.57	$0.18	$ 1.66	$ 1.85

	For the Periods Ended March 31, 2000 versus March 31, 1999	
	Three Months	Twelve Months
Factors impacting core utility EPS	Increase (decrease)	
Merger impact	0	$ 0.14
Hawthorn No. 5 explosion 2	$ (0.03)	(0.12)
July 1999 heat storm	0	(0.18)
1999 write off of start up costs	0.02	0.02
Annualized rate reduction in Missouri effective March 1, 1999	(0.02)	(0.14)
Other (see discussion below)	(0.10)	(0.33)
Total impact of factors impacting core utility EPS	$ (0.13)	$ (0.61)

1 See KLT earnings per share analysis on page 25.
2 See Hawthorn No. 5 on page 29.

Contributing to the decreases in other factors impacting core utility EPS (reflected in the table above) are the following:

- Higher net interchange and fuel costs of approximately $4 million or $0.04 per share in the three-month period and approximately $10 million or $0.10 per share in the twelve-month period because of increased per unit prices.
- Higher other operating expenses in the three- and twelve-month periods, excluding the impact of the unavailability of Hawthorn No. 5.
- Milder than normal weather during the three- and twelve-month periods.

Effective January 1, 2000, KCPL changed its methods of amortizing unrecognized net gains and losses and determination of expected return related to its accounting for pension expense. Accounting principles required KCPL to record the cumulative effect of these changes in the three months ended March 31, 2000, increasing common stock earnings by $0.57 per share or $35 million. Additionally, the changes in pension accounting will reduce pension expense by $10 million

for the year 2000, increasing earnings per share by $0.10 per share. One-fourth of this reduction in pension expense was allocated to the three months ended March 31, 2000. See Note 1 to the Consolidated Financial Statements for further information.

MEGAWATT-HOUR (MWH) SALES AND OPERATING REVENUES

Sales and revenue data:
(revenue change in millions)

	For the Periods Ended March 31, 2000 versus March 31, 1999			
	Three Months		Twelve Months	
	Mwh	Revenues	Mwh	Revenues
	Increase (decrease)			
Retail Sales:				
Residential	0 %	$ 0	(3)%	$ (12)
Commercial	5 %	1	1 %	(5)
Industrial	1 %	1	(1)%	0
Other	12 %	0	5 %	1
Total Retail	3 %	2	(1)%	(16)
Sales for Resale:				
Bulk Power Sales	(30)%	(2)	(34)%	(19)
Other	2 %	0	(1)%	0
Total	(3)%	0	(7)%	(35)
Other revenues		0		(2)
Total Operating Revenues		$ 0		$ (37)

In 1999 the Missouri Public Service Commission (MPSC) approved a stipulation and agreement that called for KCPL to reduce its annual Missouri electric revenues by 3.2%, or about $15 million effective March 1, 1999. Revenues decreased by approximately $2 million for the three-month period and $14 million for the twelve-month period as a result of the Missouri rate reduction. As part of the stipulation and agreement, KCPL, MPSC Staff or the Office of Public Counsel will not file any case with the Commission, requesting a general increase or decrease, rate credits or rate refunds that would become effective prior to March 1, 2002.

Even though weather was milder than normal for the three months ended March 31, 2000, retail mwh sales increased 3% in the three-month period primarily due to continued load growth. Milder weather in the twelve-month period contributed to a decline in retail mwh sales but was partially offset by continued load growth. Load growth consists of higher usage-per-customer as well as the addition of new customers.

Bulk power sales vary with system requirements, generating unit and purchased power availability, fuel costs and requirements of other electric systems. The unavailability of Hawthorn No. 5 contributed to the decreases in bulk power mwh sales of 30% for the three-month period and 34% for the twelve-month period. Wolf Creek's tenth maintenance and refueling outage during the second quarter of 1999 also contributed to the decrease in bulk power mwh sales for the twelve-month period. The 1998 outage at Hawthorn No. 5, due to a ruptured steam pipe, contributed to reduced bulk power mwh sales for the twelve months ended March 31, 1999.

Future mwh sales and revenues per mwh could be affected by national and local economies, weather, customer conservation efforts and availability of generating units. Competition, including

alternative sources of energy, such as natural gas, co-generation, IPPs and other electric utilities, may also affect future sales and revenue.

FUEL AND PURCHASED POWER

Combined fuel and purchased power expenses for the three-month period increased 7% while total mwh sales (total of retail and sales for resale) decreased 3%. Excluding the impact of the unavailability of Hawthorn No. 5, net interchange and fuel costs increased for the three-month period by about $4 million because of increased per unit prices. The unavailability of Hawthorn No. 5 resulted in decreased fuel expenses at Hawthorn No. 5 partially offset by increased purchased power expenses. The cost per mwh for purchased power was significantly higher than the fuel cost per mwh of generation.

Combined fuel and purchased power expenses for the twelve-month period increased 11% while total mwh sales decreased 7%. Excluding the impacts of the unavailability of Hawthorn No. 5 and the July 1999 heat storm, net interchange and fuel costs increased for the twelve-month period by about $10 million because of increased per unit prices. The unavailability of Hawthorn No. 5 resulted in increased purchased power expenses partially offset by decreased fuel expenses at Hawthorn No. 5. Moreover, as a result of the intense and prolonged heat in the Midwest during the last half of July 1999, KCPL incurred approximately $18 million in higher costs, including purchased power expenses, net of the increased revenues.

We are implementing the following risk mitigation measures to protect KCPL in the event of another very hot summer period:

- - Price protection: We are replacing 325 megawatts of KCPL's purchased capacity at market-based energy prices with over 300 megawatts of generation at known prices. Hawthorn Unit Nos. 7, 8 and 9, gas-fired units located on the same site as the rebuilt Hawthorn No. 5, are under construction and are on schedule to be completed and placed in service by July 2000.
- - Forced outage swaps for the period June 1 to September 30, 2000: We made arrangements to share the forced outage exposure of two of KCPL's larger generating units with another utility's two generating units outside of our service territory. Each utility will supply the other with up to 50 mwh per hour of electricity per generating unit at a set price per mwh should a forced outage occur. In the second quarter of 2000, we intend to enter two similar 50 mwh per hour forced outage swaps with a second utility outside of our service territory. The agreement will cover forced outages at the same two KCPL generating units and two generating units of the other utility. If KCPL has to supply power under these four agreements, the maximum exposure (which is unlikely) is from $5 million to $10 million per agreement.
- - Forced outage insurance: We are negotiating to purchase insurance to partially cover, above certain deductible limits, the excess costs of replacement power that would be incurred if a forced outage occurs at any of KCPL's generating units.
- - Delivery protection: KCPL has purchased 905 megawatts of firm transmission capacity from neighboring systems to ensure the delivery of power from outside sources during summer peak periods.

Nuclear fuel costs per mmBtu decreased 7% for the twelve-month period and remained substantially less than the mmBtu price of coal. Nuclear fuel costs per mmBtu averaged about 55% of the mmBtu price of coal for the twelve months ended March 31, 2000, and 60% of the mmBtu price of coal for the twelve months ended March 31, 1999. We expect the price of nuclear fuel to remain fairly constant through the year 2001. During the twelve months ended March 31, 2000, fossil plants represented about 70% and the nuclear plant about 30% of total generation. For the

twelve months ended March 31, 1999, fossil plants represented about 69% and the nuclear plant about 31% of total generation.

The cost of coal per mmBtu increased 2% for the twelve-month period partially because of the unavailability of Hawthorn No. 5. The cost of coal per mmBtu at Hawthorn No. 5 was lower than the average cost of coal per mmBtu at most of KCPL's other coal-fired plants. However, KCPL's coal procurement strategies continue to provide coal costs below the regional average and we expect coal costs to remain fairly consistent with current levels through 2000.

OTHER OPERATION AND MAINTENANCE EXPENSES

Combined other operation and maintenance expenses increased about $8 million or 12% for the three-month period and about $8 million or 3% for the twelve-month period primarily due to the following:

- - Customer accounts expenses increased due to higher customer record keeping expenses.
- - Distribution expenses increased because of higher cable locating expenses.
- - Non-fuel production operations increased due to operating and lease expenses for Hawthorn No. 6, which was placed into commercial operation in July 1999.
- - Hawthorn No. 5's other operation and maintenance expenses decreased because of the boiler explosion on February 17, 1999.
- - For the three-month period, maintenance expenses increased primarily due to higher maintenance expenses for scheduled maintenance at KCPL's generating units.
- - For the three-month period, distribution expenses also increased because of higher fleet expenses.
- - For the twelve-month period, administrative and general labor expenses increased primarily due to increased salary expenses including additional salary expenses incurred for information technology Year 2000 preparedness and implementation of system applications. Much of the additional salary expenses associated with the implementation of system applications was capitalized in the twelve months ended March 31, 1999.
- - For the twelve-month period, maintenance expenses decreased primarily due to lower maintenance expenses during outages at KCPL's generating units.
- - For the twelve-month period, customer accounts expenses also increased because of higher meter reading expenses.
- - For the twelve-month period, non-fuel production operations also increased because of higher operating expenses at certain generating units.

We continue to emphasize new technologies, improved work methodology and cost control. We continuously improve our work processes to increase efficiencies and improve operations.

DEPRECIATION

The increase in depreciation expense for the twelve-month period reflected increased depreciation of capitalized computer software for internal use and normal increases in depreciation from capital additions. These increases were partially offset by a $2.8 million decrease in depreciation expense for the twelve-month period because Hawthorn No. 5 was partially retired due to the February 1999 explosion.

TAXES

Operating income taxes decreased for the three- and twelve-month periods reflecting lower taxable operating income.

Components of general taxes:

	Three months ended March 31		Twelve months ended March 31	
	2000	1999	2000	1999
	(thousands)			
Property	$ 10,341	$ 10,741	$ 42,333	$ 40,781
Gross receipts	8,654	8,912	40,959	42,439
Other	2,219	2,158	9,112	10,009
Total	$ 21,214	$ 21,811	$ 92,404	$ 93,229

Property taxes increased in the twelve-month period because reductions in Kansas property taxes booked in the last half of 1998 impacted the twelve months ended March 31, 1999. The reductions resulted primarily from changes in Kansas tax law which reduced the mill levy rates and lower Missouri and Kansas property tax assessed valuations in 1998. Changes in gross receipts taxes result from changes in billed Missouri revenues.

OTHER INCOME AND (DEDUCTIONS)

KLT summarized operations:

	Three months ended March 31		Twelve months ended March 31	
	2000	1999	2000	1999
	(millions)			
Miscellaneous income and (deductions) - net *	$ (10.4)	$ (8.1)	$ (36.9)	$ (29.2)
Income taxes	11.9	11.4	45.7	42.9
Interest charges	(3.4)	(3.0)	(12.3)	(13.0)
Net income (loss)	$ (1.9)	$ 0.3	$ (3.5)	$ 0.7
KLT earnings (loss) per share	$ (0.03)	$ 0	$ (0.06)	$ 0.01

* To table on page 25

KLT earnings per share analysis:

	Three months ended March 31		Twelve months ended March 31	
	2000	1999	2000	1999
	(earnings per share)			
KLT excluding items below	$ 0.09	$ 0.05	$ 0.35	$ 0.24
Write-off of CellNet stock	(0.05)	0	(0.05)	0
Sale of Nationwide Electric	0	0	0.20	0
Write down of Lyco investment	0	0	(0.03)	0
Write down of a note receivable	0	0	(0.05)	0
KLT Power transactions - 1998	0	0	0	(0.02)
KLT Telecom - Telemetry Solutions	0	(0.02)	(0.20)	(0.07)
KLT Telecom - Digital Teleport Inc.	(0.07)	(0.03)	(0.28)	(0.14)
KLT Earnings(Loss) per share	$(0.03)	$ 0	$ (0.06)	$ 0.01

In the three months ended March 31, 2000, KLT wrote off its investment of $4.8 million before taxes in CellNet Data Systems Inc., reducing earnings per share by $0.05. Through December 31, 1999, $3.8 million before taxes, or $0.04 per share, of this loss had been reported as an unrealized loss in the Consolidated Statements of Comprehensive Income.

KLT recorded equity losses on its investment in Digital Teleport, Inc. (DTI) of approximately $7 million for the three months ended March 31, 2000, and approximately $26 million for the twelve months ended March 31, 2000. DTI is developing a National fiber optic network. KLT's total losses from its investment in DTI are limited to its $45 million equity investment. At March 31, 2000, the equity investment in DTI was approximately $7 million, limiting the magnitude of possible future losses.

In the twelve months ended March 31, 2000, KLT Energy Services sold 100% of the stock it held in Nationwide Electric, Inc., resulting in a gain of $20 million. Additionally, in the twelve months ended March 31, 2000, KLT Telecom wrote off its investment in Telemetry Solutions. Both the write-off of the investment ($0.13 per share) and the operating losses incurred in the twelve months ended March 31, 2000, prior to the write-off, are included on the KLT Telecom - Telemetry Solutions line in the earnings per share table above.

For the three- and twelve-month periods, earnings per share from KLT (excluding KLT Telecom and one-time transactions) increased primarily due to improved earnings from its investments in affordable housing, gas production and development, and energy services.

Miscellaneous income and (deductions) - net:

	Three months ended March 31		Twelve months ended March 31	
	2000	1999	2000	1999
	(millions)			
Merger-related expenses	$ (0.2)	$ (0.3)	$ (3.1)	$ (9.6)
* From table on page 24	(10.4)	(8.1)	(36.9)	(29.2)
Other	(5.6)	(2.1)	(17.3)	(5.6)
Total Miscellaneous income and (deductions) - net	$ (16.2)	$ (10.5)	$ (57.3)	$ (44.4)

Other Miscellaneous income and (deductions) - net for the three- and twelve-month periods were affected by an increase of approximately $1 million primarily reflecting bad debt expense associated with the sale of accounts receivable to KCPL Receivable Corporation. Prior to establishing KCPL Receivable Corporation, bad debt expense on accounts receivable was recorded as an other operating expense. A $2.8 million reduction in electric operations interest and dividend income also affected the twelve-month period. Further, HSS' operations resulted in increased deductions of approximately $1.5 million for the three-month period and $6.8 million for the twelve-month period primarily due to equity losses from HSS' investment in R.S. Andrews Enterprises, Inc.

Other Income and (Deductions) - Income taxes
Other Income and (Deductions) - Income taxes for the three- and twelve-month periods reflect the tax impact on total miscellaneous income and (deductions) - net. In addition, KLT accrued tax credits of $7 million for the three months ended March 31, 2000, and March 31, 1999. KLT accrued tax credits of $28 million for the twelve months ended March 31, 2000 and $26 million for the twelve months ended March 31, 1999.

INTEREST CHARGES

Long-term debt interest expense decreased for the three- and twelve-month periods, reflecting lower average levels of outstanding long-term debt. The lower average levels of debt primarily reflect scheduled debt repayments by KCPL and repayments by KLT on its affordable housing notes. The twelve-month period also reflects lower average levels of debt by KLT on its bank credit agreement.

Short-term debt interest expense increased for the three- and twelve-month periods, since KCPL had higher average levels of outstanding short-term debt. In March 2000, KCPL issued $200 million of unsecured medium-term notes and used the proceeds to repay short-term commercial paper.

Allowance for borrowed funds used during construction increased during the three- and twelve-month periods due to higher balances of outstanding short-term debt during the periods. This resulted in a higher proportion of the allowance being calculated using the short-term borrowing rate versus the rate for equity funds. This follows FERC guidelines for calculating the allowance which require consideration of the level of outstanding short-term debt before long-term debt and equity funds. Additionally, construction expenditures increased significantly during the three- and twelve-month periods primarily because of the construction projects at the Hawthorn generating station.

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

WOLF CREEK

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

We accrue the incremental operating, maintenance and replacement power costs for planned outages evenly over the unit's operating cycle, normally 18 months. As actual outage expenses are

incurred, the refueling liability and related deferred tax asset are reduced. Wolf Creek's eleventh refueling and maintenance outage is scheduled for Fall 2000 and is estimated to be a 35-day outage.

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

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

ENVIRONMENTAL MATTERS

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

We continually conduct environmental audits to detect contamination and ensure compliance with governmental regulations. However, compliance programs need to meet new and future environmental laws, as well as regulations governing water and air quality, including carbon dioxide emissions, nitrogen oxide emissions, hazardous waste handling and disposal, toxic substances and the effects of electromagnetic fields. Therefore, compliance programs could require substantial changes to operations or facilities (see Note 6 to the Consolidated Financial Statements).

SIGNIFICANT CONSOLIDATED BALANCE SHEET CHANGES (March 31, 2000 compared to December 31, 1999)

- Utility plant - construction work in process increased $53.3 million primarily due to increases of $31.8 million at Hawthorn No. 5 for rebuilding the boiler and $23.3 million for construction of an additional 294 megawatts of capacity.
- Investments and nonutility property increased $26.2 million primarily due to a $23.7 million increase in KLT's investments including:
  - $ 22.1 million increase in oil and gas property and investments,
  - $ 5.3 million increase in marketable securities,
  - $ 3.5 million increase in long-term notes receivable,
  - $ 6.6 million decrease due to continued equity losses from the investment in Digital Teleport Inc.
- Receivables decreased $19.2 million primarily due to a $14.1 million reduction in a receivable from KCPL Receivable Corporation. Because of seasonally lower retail sales in March 2000 versus December 1999, there were fewer customer accounts receivable available to sell to KCPL Receivable Corporation.
- Prepaid pension costs increased $58.7 million because KCPL changed its methods of accounting for pension expenses (see Note 1 to the Consolidated Financial Statements).
- Capitalization increased $221.2 million primarily due to KCPL's issuance of $200 million of

unsecured medium-term notes. Proceeds from the issuance were used to repay outstanding short-term commercial paper. Additionally, KCPL reclassified $40.0 million of long-term debt to current maturities and recorded net income in excess of dividend payments of $9.7 million, including $35.0 million for the cumulative effect of changes in pension accounting. KLT's long-term debt increased $49.2 million primarily due to $49.0 million of borrowings on a new KLT Gas bank credit agreement.

- Notes payable to banks decreased $24.7 million because KLT Gas repaid its notes payable to banks with proceeds from borrowings on its new long-term bank credit agreement.
- Commercial paper decreased $123.1 million as a result of the $200.0 million repayment. This repayment with the proceeds from the new long-term debt was partially offset by additional commercial paper borrowings because expenditures exceeded cash receipts.
- Current maturities of long-term debt increased $15.0 million primarily reflecting a $17.0 million net increase in KLT Inc.'s borrowings on its bank credit agreement partially offset by a $2.0 million decrease in the current portion of KCPL's medium-term notes.
- Accounts payable increased $9.8 million due to the timing of payments for expenditures associated with construction projects at the Hawthorn generating station and a scheduled maintenance outage at the Iatan station.
- Deferred income taxes increased by $24.5 million mostly due to a $22.3 million increase in deferred taxes associated with the cumulative effect of changes in pension accounting.

CAPITAL REQUIREMENTS AND LIQUIDITY

KCPL's liquid resources at March 31, 2000 included cash flows from operations; $100 million of registered but unissued, unsecured medium-term notes; and $231 million of unused bank lines of credit. The unused lines consisted of KCPL's short-term bank lines of credit of $184 million and KLT's bank credit agreement of $47 million. These amounts do not include $6 million available to KLT Gas on its new $55 million bank credit agreement as these funds are only available to KLT Gas for oil and gas development and production. During the first quarter of 2000, KCPL issued $200 million of unsecured medium-term notes and used the proceeds to repay outstanding commercial paper. KCPL had $91 million of commercial paper borrowings at March 31, 2000, decreased from $214 million at December 31, 1999.

KCPL continues to generate positive cash flows from operating activities. Individual components of working capital will vary with normal business cycles and operations. Also, the timing of the Wolf Creek outage affects the refueling outage accrual, deferred income taxes and amortization of nuclear fuel. For the three-month period, income before non-cash expenses (income is before the cumulative effect of changes in accounting principles) did not change significantly. The increase in cash from operating activities for the three-month period was primarily due to changes in certain working capital items (as detailed in Note 2 to the Consolidated Financial Statements).

Cash from operating activities decreased for the twelve-month period reflecting a decrease in income before non-cash expenses (income is before the cumulative effect of changes in accounting principles). The buyout of a fuel contract in 1999; a payment of $19 million in 1999 to the IRS to settle certain outstanding issues; and changes in certain working capital items (as detailed in Note 2 to the Consolidated Financial Statements) also contributed to the decrease for the twelve-month period.

Cash used in investing activities varies with the timing of utility capital expenditures and purchases of investments and nonutility properties. Cash used for investing activities increased for the three-month period primarily reflecting increased utility capital expenditures for construction projects at the Hawthorn generating station and increased purchases by KLT of oil and gas investments. Cash

used for investing activities increased for the twelve-month period primarily because of increased utility capital expenditures and increased expenditures for oil and gas nonutility property. The proceeds from the sale of the Nationwide Electric, Inc. stock by KLT Energy Services and $80 million in partial insurance recoveries related to Hawthorn No. 5 partially offset these increases in the twelve-month period. The twelve months ended March 31, 1999, reflected the proceeds from the sale of KLT Power Inc.

Cash from financing activities increased for the three- and twelve-month periods primarily because KCPL issued $200 million of unsecured medium-term notes in the first quarter of 2000 and KLT increased borrowings on its bank credit agreements, including KLT Gas' new bank credit agreement. Furthermore, KCPL's short-term borrowings increased for both periods prior to the repayment with proceeds from the unsecured medium-term note issuance. Partially offsetting these increases, KCPL's scheduled debt repayments were higher in both periods. In the twelve-month period, KCPL redeemed $50 million of preferred stock.

KCPL's common dividend payout ratio was 152% (excluding the cumulative effect of changes in accounting principles) for the twelve months ended March 31, 2000, and 89% for the twelve months ended March 31, 1999.

We expect KCPL to meet day-to-day operations, utility construction requirements (excluding new generating capacity) and dividends with internally-generated funds. But KCPL might not be able to meet these requirements with internally-generated funds because of the effect of inflation on operating expenses, the level of mwh sales, regulatory actions, compliance with future environment regulations and the availability of generating units (see Hawthorn No. 5 discussion below). The funds needed to retire $573 million of maturing debt through the year 2004 will be provided from operations, refinancings and/or short-term debt. KCPL might issue additional debt and/or additional equity to finance growth or take advantage of new opportunities.

HAWTHORN NO. 5

On February 17, 1999, an explosion occurred at the 476-megawatt, coal-fired Hawthorn Generating Station Unit No. 5 (Hawthorn No. 5). The boiler, which was not operating at the time, was destroyed, but there were no injuries. Though the cause of the explosion is still under investigation, preliminary results indicate that an explosion of accumulated gas in the boiler's firebox caused the damage. KCPL has property insurance coverage with limits of $300 million. Through March 31, 2000, KCPL has received $80 million in insurance recoveries under this coverage and has recorded the recoveries in Utility Plant - accumulated depreciation on the consolidated balance sheet. In April 2000, KCPL received an additional $11 million in insurance recoveries.

We have entered into a contract for construction of a new coal-fired boiler to permanently replace the lost capacity of Hawthorn No. 5. Expenditures for rebuilding Hawthorn No. 5 were $36 million in 1999 and are projected to be $217 million in 2000 and $65 million in 2001. These amounts have not been reduced by the insurance proceeds received to date or future proceeds to be received. The new unit, expected to have a capacity of 550 megawatts, is estimated to be complete and placed in service by June 2001. However, we are continuing to evaluate alternatives to replace the power generated by Hawthorn No. 5 before the new coal-fired boiler comes on line (in addition to the risk mitigation measures discussed on page 22). We believe that we can secure sufficient power to meet the energy needs of KCPL's customers. Hawthorn No. 6, a 141-megawatt, gas-fired combustion turbine was accepted under a lease arrangement and placed into commercial operation in July 1999. An additional 294 megawatts of capacity, represented by two new combustion

turbines and a re-powered existing unit, are under construction and on schedule to be completed and placed in service by July 2000.

Assuming normal weather and operating conditions, we estimate additional expenses (before tax) of $31 million for the year 2000 and $3 million for the year 2001 due to the unavailability of Hawthorn No. 5. This estimate mainly includes the effect of increased net replacement power costs, reduced bulk power sales and reduced fuel expense at Hawthorn No. 5.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

Exhibits
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Exhibit 3	By-laws of KCPL, as amended and in effect on May 2, 2000
Exhibit 10-a	Supplemental Executive Retirement Plan for KCPL executives
Exhibit 10-b	Nonqualified Deferred Compensation Plan for KCPL executives
Exhibit 10-c	Employment Agreement between KLT Inc. and Gregory J. Orman, President of KLT Inc.
Exhibit 10-d	KLT Inc. Incentive Compensation Plan for Employees and Directors
Exhibit 18	Letter regarding Change in Accounting Principles
Exhibit 27	Financial Data Schedule (for the three months ended Mach 31, 1999).

Reports on Form 8-K

A report on Form 8-K was filed with the Securities and Exchange Commission on January 3, 2000, with attached press release announcing the termination of the Amended and Restated Agreement and Plan of Merger with Western Resources, Inc., and certain affiliated companies.

A report on Form 8-K was filed with the Securities and Exchange Commission on February 15, 2000, with attached presentation materials prepared for the financial community.

SIGNATURES

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

KANSAS CITY POWER & LIGHT COMPANY

Dated: May 9, 2000

By: /s/Drue Jennings
(Drue Jennings)
(Chief Executive Officer)

Dated: May 9, 2000

By: /s/Neil Roadman
(Neil Roadman)
(Principal Accounting Officer)

KANSAS CITY POWER & LIGHT COMPANY

BY-LAWS

AS AMENDED MAY 2, 2000

KANSAS CITY POWER & LIGHT COMPANY

BY-LAWS

ARTICLE I

Offices

Section 1. The registered office of the Company in the State of Missouri shall be at 1201 Walnut, in Kansas City, Jackson County, Missouri.

Section 2. The Company also may have offices at such other places either within or without the State of Missouri as the Board of Directors may from time to time determine or the business of the Company may require.

ARTICLE II

Shareholders

Section 1. All meetings of the shareholders shall be held at such place within or without the State of Missouri as may be selected by the Board of Directors or Executive Committee, but if the Board of Directors or Executive Committee shall fail to designate a place for said meeting to be held, then the same shall be held at the principal place of business of the Company.

Section 2. An annual meeting of the shareholders shall be held on the first Tuesday of May in each year, if not a legal holiday, and if a legal holiday, then on the first succeeding day which is not a legal holiday, at ten o'clock in the forenoon, for the purpose of electing directors of the Company and transacting such other business as may properly be brought before the meeting.

Section 3. Unless otherwise expressly provided in the Restated Articles of Consolidation of the Company with respect to the Cumulative Preferred Stock, Cumulative No Par Preferred Stock or Preference Stock, special meetings of the shareholders may only be called by the Chairman of the Board, by the President or at the request in writing of a majority of the Board of Directors. Special meetings of shareholders of the Company may not be called by any other person or persons.

Section 4. Written or printed notice of each meeting of the shareholders, annual or special, shall be given in the manner provided in the corporation laws of the State of

Missouri. In case of a call for any special meeting, the notice shall state the time, place and purpose of such meeting.

Any notice of a shareholders' meeting sent by mail shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid addressed to the shareholder at his address as it appears on the records of the Company.

In addition to the written or printed notice provided for in the first paragraph of this Section, published notice of each meeting of shareholders shall be given in such manner and for such period of time as may be required by the laws of the State of Missouri at the time such notice is required to be given.

Section 5. Attendance of a shareholder at any meeting shall constitute a waiver of notice of such meeting except where a shareholder attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6. At least ten days before each meeting of the shareholders, a complete list of the shareholders entitled to vote at such meeting, arranged in alphabetical order with the address of and the number of shares held by each, shall be prepared by the officer having charge of the transfer book for shares of the Company. Such list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Company and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original share ledger or transfer book, or a duplicate thereof kept in the State of Missouri, shall be prima facie evidence as to who are the shareholders entitled to examine such list or share ledger or transfer book or to vote at any meeting of shareholders.

Failure to comply with the requirements of this Section shall not affect the validity of any action taken at any such meeting.

Section 7. Each outstanding share entitled to vote under the provisions of the articles of consolidation of the Company shall be entitled to one vote on each matter submitted at a meeting of the shareholders. A shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

At any election of directors of the Company, each holder of outstanding shares of any class entitled to vote thereat shall have the right to cast as many votes in the aggregate as shall equal the number of shares of such class held, multiplied by the

number of directors to be elected by holders of shares of such class, and may cast the whole number of votes, either in person or by proxy, for one candidate, or distribute them among two or more candidates as such holder shall elect.

Section 8. At any meeting of shareholders, a majority of the outstanding shares entitled to vote represented in person or by proxy shall constitute a quorum for the transaction of business, except as otherwise provided by statute or by the articles of consolidation or by these By-laws. The holders of a majority of the shares represented in person or by proxy and entitled to vote at any meeting of the shareholders shall have the right successively to adjourn the meeting to a specified date not longer than ninety days after any such adjournment, whether or not a quorum be present. The time and place to which any such adjournment is taken shall be publicly announced at the meeting, and no notice need be given of any such adjournment to shareholders not present at the meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 9. The vote for directors and the vote on any other question that has been properly brought before the meeting in accordance with these By-laws shall be by ballot. Each ballot cast by a shareholder must state the name of the shareholder voting and the number of shares voted by him and if such ballot be cast by a proxy, it must also state the name of such proxy. All elections and all other questions shall be decided by plurality vote, unless the question is one on which by express provision of the statutes or of the articles of consolidation or of these By-laws a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 10. The Chairman of the Board, or in his absence the President of the Company, shall convene all meetings of the shareholders and shall act as chairman thereof. The Board of Directors may appoint any shareholder to act as chairman of any meeting of the shareholders in the absence of the Chairman of the Board and the President, and in the case of the failure of the Board so to appoint a chairman, the shareholders present at the meeting shall elect a chairman who shall be either a shareholder or a proxy of a shareholder.

The Secretary of the Company shall act as secretary of all meetings of shareholders. In the absence of the Secretary at any meeting of shareholders, the presiding officer may appoint any person to act as secretary of the meeting.

Section 11. At any meeting of shareholders where a vote by ballot is taken for the election of directors or on any proposition, the person presiding at such meeting shall appoint not less than two persons, who are not directors, as inspectors to receive and canvass the votes given at such meeting and certify the result to him. Subject to any statutory requirements which may be applicable, all questions touching upon the qualification of voters, the validity of proxies, and the acceptance or rejection of votes

shall be decided by the inspectors. In case of a tie vote by the inspectors on any question, the presiding officer shall decide the issue.

Section 12. Unless otherwise provided by statute or by the articles of consolidation, any action required to be taken by shareholders may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

Section 13. No business may be transacted at an annual meeting of shareholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (c) otherwise properly brought before the annual meeting by any shareholder of the Company (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section 13 and on the record date for the determination of shareholders entitled to vote at such annual meeting and (ii) who complies with the notice procedure set forth in this Section 13.

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a shareholder, such shareholder must have given timely notice thereof in proper written form to the Secretary of the Company.

To be timely, a shareholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Company not less than sixty (60) days nor more than ninety (90) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that less than seventy (70) days' notice or prior public disclosure of the date of the meeting is given to shareholders, notice by the shareholder to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a shareholder's notice to the Secretary must set forth as to each matter such shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of such shareholder, (iii) the class or series and number of shares of capital stock of the Company that are owned beneficially or of record by such shareholder, (iv) a description of all arrangements or understandings between such shareholder and any other person or persons (including their names) in connection with the proposal of such business by such shareholder and any material interest of such shareholder in such business and (v) a representation that such shareholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

No business shall be conducted at the annual meeting of shareholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 13, provided, however, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 13 shall be deemed to preclude discussion by any shareholder of any such business. If the Chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

ARTICLE III

Board of Directors

Section 1. The property, business and affairs of the Company shall be managed and controlled by a Board of Directors which may exercise all such powers of the Company and do all such lawful acts and things as are not by statute or by the articles of consolidation or by these By-laws directed or required to be exercised or done by the shareholders.

Section 2. The Board of Directors shall consist of eight directors who shall be elected at the annual meeting of the shareholders. Each director shall be elected to serve until the next annual meeting of the shareholders and until his successor shall be elected and qualified. Directors need not be shareholders.

Section 3. In case of the death or resignation of one or more of the directors of the Company, a majority of the remaining directors, though less than a quorum, may fill the vacancy or vacancies until the successor or successors are elected at a meeting of the shareholders. A director may resign at any time and the acceptance of his resignation shall not be required in order to make it effective.

Section 4. The Board of Directors may hold its meetings either within or without the State of Missouri at such place as shall be specified in the notice of such meeting.

Section 5. Regular meetings of the Board of Directors shall be held as the Board of Directors by resolution shall from time to time determine. The Secretary or an Assistant Secretary shall give at least five days' notice of the time and place of each such meeting to each director in the manner provided in Section 9 of this Article III. The notice need not specify the business to be transacted.

Section 6. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board, the President or three members of the Board and

shall be held at such place as shall be specified in the notice of such meeting. Notice of such special meeting stating the place, date and hour of the meeting shall be given to each director either by mail not less than forty-eight (48) hours before the date of the meeting, or personally or by telephone, telecopy, telegram, telex or similar means of communication on twenty-four (24) hours' notice, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances.

Section 7. A majority of the full Board of Directors as prescribed in these By-laws shall constitute a quorum for the transaction of business. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the directors, the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. Members of the Board of Directors or of any committee designated by the Board of Directors may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting.

Section 8. The Board of Directors, by the affirmative vote of a majority of the directors then in office, and irrespective of any personal interest of any of its members, shall have authority to establish reasonable compensation for directors. Compensation for nonemployee directors may include both a stated annual retainer and a fixed fee for attendance at each regular or special meeting of the Board. Nonemployee members of special or standing committees of the Board may be allowed a fixed fee for attending committee meetings. Any director may serve the Company in any other capacity and receive compensation therefor. Each director may be reimbursed for his expenses, if any, in attending regular and special meetings of the Board and committee meetings.

Section 9. Whenever under the provisions of the statutes or of the articles of consolidation or of these By-laws, notice is required to be given to any director, it shall not be construed to require personal notice, but such notice may be given by telephone, telecopy, telegram, telex or similar means of communication addressed to such director at such address as appears on the books of the Company, or by mail by depositing the same in a post office or letter box in a postpaid, sealed wrapper addressed to such director at such address as appears on the books of the Company. Such notice shall be deemed to be given at the time when the same shall be thus telephoned, telecopied, telegraphed or mailed.

Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 10. The Board of Directors may by resolution provide for an Executive Committee of said Board, which shall serve at the pleasure of the Board of Directors and, during the intervals between the meetings of said Board, shall possess and may exercise any or all of the powers of the Board of Directors in the management of the business and affairs of the corporation, except with respect to any matters which, by resolution of the Board of Directors, may from time to time be reserved for action by said Board.

Section 11. The Executive Committee, if established by the Board, shall consist of the Chief Executive Officer of the Company and two or more additional directors, who shall be elected by the Board of Directors to serve at the pleasure of said Board until the first meeting of the Board of Directors following the next annual meeting of shareholders and until their successors shall have been elected. Vacancies in the Committee shall be filled by the Board of Directors.

Section 12. Meetings of the Executive Committee shall be held whenever called by the chairman or by a majority of the members of the committee, and shall be held at such time and place as shall be specified in the notice of such meeting. The Secretary or an Assistant Secretary shall give at least one day's notice of the time, place and purpose of each such meeting to each committee member in the manner provided in Section 9 of this Article III, provided, that if the meeting is to be held outside of Kansas City, Missouri, at least three days' notice thereof shall be given.

Section 13. At all meetings of the Executive Committee, a majority of the committee members shall constitute a quorum and the unanimous act of all the members of the committee present at a meeting where a quorum is present shall be the act of the Executive Committee. All action by the Executive Committee shall be reported to the Board of Directors at its meeting next succeeding such action.

Section 14. In addition to the Executive Committee provided for by these By-laws, the Board of Directors, by resolution adopted by a majority of the whole Board of Directors, (i) shall designate, as standing committees, an Audit Committee, a Compensation Committee and a Governance Committee, and (ii) may designate one or more special committees, each consisting of two or more directors. Each standing or special committee shall have and may exercise so far as may be permitted by law and to the extent provided in such resolution or resolutions or in these By-laws, the responsibilities of the business and affairs of the corporation. The Board of Directors may, at its discretion, appoint qualified directors as alternate members of a standing or special committee to serve in the temporary absence or disability of any member of a committee. Except where the context requires otherwise, references in these By-laws to the Board of Directors shall be deemed to include the Executive Committee, a standing committee or a special committee of the Board of Directors duly authorized and empowered to act in the premises.

Section 15. Each standing or special committee shall record and keep a record of all its acts and proceedings and report the same from time to time to the Board of Directors.

Section 16. Regular meetings of any standing or special committee, of which no notice shall be necessary, shall be held at such times and in such places as shall be fixed by majority of the committee. Special meetings of a committee shall be held at the request of any member of the committee. Notice of each special meeting of a committee shall be given not later than one day prior to the date on which the special meeting is to be held. Notice of any special meeting need not be given to any member of a committee, if waived by him in writing or by telegraph before or after the meeting; and any meeting of a committee shall be a legal meeting without notice thereof having been given, if all the members of the committee shall be present.

Section 17. A majority of any committee shall constitute a quorum for the transaction of business, and the act of a majority of those present, by telephone conference call or otherwise, at any meeting at which a quorum is present shall be the act of the committee. Members of any committee shall act only as a committee and the individual members shall have no power as such.

Section 18. The members or alternates of any standing or special committee shall serve at the pleasure of the Board of Directors.

Section 19. If all the directors severally or collectively shall consent in writing to any action which is required to be or may be taken by the directors, such consents shall have the same force and effect as a unanimous vote of the directors at a meeting duly held. The Secretary shall file such consents with the minutes of the meetings of the Board of Directors.

Section 20. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company, except as may be otherwise provided in the Restated Articles of Consolidation of the Company with respect to the right of holders of Preferred Stock to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the Board of Directors may be made at any annual meeting of shareholders (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any shareholder of the Company (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section 20 and on the record date for the determination of shareholders entitled to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 20.

In addition to any other applicable requirements, for a nomination to be made by a shareholder, such shareholder must have given timely notice thereof in proper written form to the Secretary of the Company.

To be timely, a shareholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Company not less than sixty (60) days nor more than ninety (90) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that less than seventy (70) days' notice or prior public disclosure of the date of the meeting is given to shareholders, notice by the shareholder in order to be timely must be so received not later than the close of business on the tenth (10) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a shareholder's notice to the Secretary must set forth (a) as to each person whom the shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the Company that are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder; and (b) as to the shareholder giving the notice (i) the name and record of such shareholder, (ii) the class or series and number of shares of capital stock of the Company that are owned beneficially or of record by such shareholder, (iii) a description of all arrangements or understandings between such shareholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such shareholder, (iv) a representation that such shareholder intends to appear in person or by proxy at the meeting to nominate the persons named in the notice and (v) any other information relating to such shareholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being name as a nominee and to serve as a director if elected.

No person shall be eligible for election as a director of the Company unless nominated in accordance with the procedures set forth in this Section 20. If the Chairman of the annual meeting determines that a nomination was not made in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

ARTICLE IV

Officers

Section 1. The officers of the Company shall include a Chairman of the Board, a President, one or more Vice Presidents, a Secretary, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers, all of whom shall be appointed by the Board of Directors. Any one person may hold two or more offices except that the offices of President and Secretary may not be held by the same person.

Section 2. The officers of the Company shall be appointed annually by the Board of Directors. The office of Chairman of the Board may or may not be filled, as may be deemed advisable by the Board of Directors.

Section 3. The Board of Directors may from time to time appoint such other officers as it shall deem necessary or expedient, who shall hold their offices for such terms and shall exercise such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time determine.

Section 4. The officers of the Company shall hold office until their successors shall be chosen and shall qualify. Any officer appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole board. If the office of any officer becomes vacant for any reason, or if any new office shall be created, the vacancy may be filled by the Board of Directors.

Section 5. The salaries of all officers of the Company shall be fixed by the Board of Directors.

ARTICLE V

Powers and Duties of Officers

Section 1. The Board of Directors shall designate the Chief Executive Officer of the Company, who may be either the Chairman of the Board or the President. The Chief Executive Officer shall have general and active management of and exercise general supervision of the business and affairs of the Company, subject, however, to the right of the Board of Directors, or the Executive Committee acting in its stead, to delegate any specific power to any other officer or officers of the Company, and the Chief Executive Officer shall see that all orders and resolutions of the Board of Directors and the Executive Committee are carried into effect. During such times when neither the Board of Directors nor the Executive Committee is in session, the Chief Executive Officer of the Company shall have and exercise full corporate authority and power to manage the business and affairs of the Company (except for matters required by law, the By-laws or

the articles of consolidation to be exercised by the shareholders or Board itself or as may otherwise be specified by orders or resolutions of the Board) and the Chief Executive Officer shall take such actions, including executing contracts or other documents, as he deems necessary or appropriate in the ordinary course of the business and affairs of the Company. The Vice Presidents and other authorized persons are authorized to take actions which are (i) routinely required in the conduct of the Company's business or affairs, including execution of contracts and other documents incidental thereto, which are within their respective areas of assigned responsibility, and (ii) within the ordinary course of the Company's business or affairs as may be delegated to them respectively by the Chief Executive Officer.

Section 2. The Chairman of the Board shall preside at all meetings of the shareholders and at all meetings of the Board of Directors, and shall perform such other duties as the Board of Directors shall from time to time prescribe, including, if so designated by the Board of Directors, the duties of Chief Executive Officer.

Section 3. The President, if not designated Chief Executive Officer, shall perform such duties and exercise such powers as shall be assigned to him from time to time by the Board of Directors or the Chief Executive Officer. In the absence of the Chairman of the Board, or if the position of Chairman of the Board be vacant, the President shall preside at all meetings of the shareholders and at all meetings of the Board of Directors.

Section 4. The Vice Presidents shall perform such duties and exercise such powers as shall be assigned to them from time to time by the Board of Directors or the Chief Executive Officer.

Section 5. The Secretary shall attend all meetings of the shareholders, the Board of Directors and the Executive Committee, and shall keep the minutes of such meetings. He shall give, or cause to be given, notice of all meetings of the shareholders, the Board of Directors and the Executive Committee, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer. He shall be the custodian of the seal of the Company and shall affix the same to any instrument requiring it and, when so affixed, shall attest it by his signature. He shall, in general, perform all duties incident to the office of secretary.

Section 6. The Assistant Secretaries shall perform such of the duties and exercise such of the powers of the Secretary as shall be assigned to them from time to time by the Board of Directors or the Chief Executive Officer or the Secretary, and shall perform such other duties as the Board of Directors or the Chief Executive Officer shall from time to time prescribe.

Section 7. The Treasurer shall have the custody of all moneys and securities of the Company. He is authorized to collect and receive all moneys due the Company and to receipt therefor, and to endorse in the name of the Company and on its behalf when

necessary or proper all checks, drafts, vouchers or other instruments for the payment of money to the Company and to deposit the same to the credit of the Company in such depositaries as may be designated by the Board of Directors. He is authorized to pay interest on obligations and dividends on stocks of the Company when due and payable. He shall, when necessary or proper, disburse the funds of the Company, taking proper vouchers for such disbursements. He shall render to the Board of Directors and the Chief Executive Officer, whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Company. He shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer. He shall, in general, perform all duties incident to the office of treasurer.

Section 8. The Assistant Treasurers shall perform such of the duties and exercise such of the powers of the Treasurer as shall be assigned to them from time to time by the Board of Directors or the Chief Executive Officer or the Treasurer, and shall perform such other duties as the Board of Directors or the Chief Executive Officer shall from time to time prescribe.

Section 9. The Board of Directors may, by resolution, require any officer to give the Company a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration to the Company, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control and belonging to the Company.

Section 10. In the case of absence or disability or refusal to act of any officer of the Company, other than the Chairman of the Board, the Chief Executive Officer may delegate the powers and duties of such officer to any other officer or other person unless otherwise ordered by the Board of Directors.

Section 11. The Chairman of the Board, the President, the Vice Presidents and any other person duly authorized by resolution of the Board of Directors shall severally have power to execute on behalf of the Company any deed, bond, indenture, certificate, note, contract or other instrument authorized or approved by the Board of Directors.

Section 12. Unless otherwise ordered by the Board of Directors, the Chairman of the Board, the President or any Vice President of the Company (a) shall have full power and authority to attend and to act and vote, in the name and on behalf of this Company, at any meeting of shareholders of any corporation in which this Company may hold stock, and at any such meeting shall possess and may exercise any and all of the rights and powers incident to the ownership of such stock, and (b) shall have full power and authority to execute, in the name and on behalf of this Company, proxies authorizing any suitable person or persons to act and to vote at any meeting of shareholders of any corporation in which this Company may hold stock, and at any such meeting the person

or persons so designated shall possess and may exercise any and all of the rights and powers incident to the ownership of such stock.

ARTICLE VI

Certificates of Stock

Section 1. The Board of Directors shall provide for the issue, transfer and registration of the certificates representing the shares of capital stock of the Company, and shall appoint the necessary officers, transfer agents and registrars for that purpose.

Section 2. Until otherwise ordered by the Board of Directors, stock certificates shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and sealed with the seal of the Company. Such seal may be facsimile, engraved or printed. In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on, any stock certificate or certificates shall cease to be such officer or officers of the Company, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Company, such certificate or certificates may nevertheless be issued by the Company with the same effect as if the person or persons who signed such certificate or certificates or whose facsimile signature or signatures shall have been used thereon had not ceased to be such officer or officers of the Company.

Section 3. Transfers of stock shall be made on the books of the Company only by the person in whose name such stock is registered or by his attorney lawfully constituted in writing, and unless otherwise authorized by the Board of Directors only on surrender and cancellation of the certificate transferred. No stock certificate shall be issued to a transferee until the transfer has been made on the books of the Company.

Section 4. The Company shall be entitled to treat the person in whose name any share of stock is registered as the owner thereof, for all purposes, and shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have notice thereof, except as otherwise expressly provided by the laws of Missouri.

Section 5. In case of the loss or destruction of any certificate for shares of the Company, a new certificate may be issued in lieu thereof under such regulations and conditions as the Board of Directors may from time to time prescribe.

ARTICLE VII

Closing of Transfer Books

The Board of Directors shall have power to close the stock transfer books of the Company for a period not exceeding seventy days preceding the date of any meeting of shareholders or the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of shares shall go into effect; provided, however, that in lieu of closing the stock transfer books as aforesaid, the Board of Directors may fix in advance a date, not exceeding seventy days preceding the date of any meeting of shareholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of shares shall go into effect, as a record date for the determination of the shareholders entitled to notice of, and to vote at, any such meeting, and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of shares, and in such case such shareholders and only such shareholders as shall be shareholders of record on the date of closing the transfer books or on the record date so fixed shall be entitled to notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any shares on the books of the Company after such date of closing of the transfer books or such record date fixed as aforesaid.

ARTICLE VIII

Inspection of Books

Section 1. A shareholder shall have the right to inspect books of the Company only to the extent such right may be conferred by law, by the articles of consolidation, by the By-laws or by resolution of the Board of Directors.

Section 2. Any shareholder desiring to examine books of the Company shall present a demand to that effect in writing to the President or the Secretary or the Treasurer of the Company. Such demand shall state:

(a) the particular books which he desires to examine;

(b) the purpose for which he desires to make the examination;

(c) the date on which the examination is desired;

(d) the probable duration of time the examination will require; and

(e) the names of the persons who will be present at the examination.

Within three days after receipt of such demand, the President or the Secretary or the Treasurer shall, if the shareholder's purpose be lawful, notify the shareholder making the demand of the time and place the examination may be made.

Section 3. The right to inspect books of the Company may be exercised only at such times as the Company's registered office is normally open for business and may be limited to four hours on any one day.

Section 4. The Company shall not be liable for expenses incurred in connection with any inspection of its books.

ARTICLE IX

Corporate Seal

The corporate seal of the Company shall have inscribed thereon the name of the Company and the words "Corporate Seal", "Missouri" and "1922".

ARTICLE X

Fiscal Year

Section 1. The fiscal year of the Company shall be the calendar year.

Section 2. As soon as practicable after the close of each fiscal year, the Board of Directors shall cause a report of the business and affairs of the Company to be made to the shareholders.

ARTICLE XI

Waiver of Notice

Whenever by statute or by the articles of consolidation or by these By-laws any notice whatever is required to be given, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII

Indemnification by the Company

[Deleted].

ARTICLE XIII

Amendments

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

KANSAS CITY POWER & LIGHT COMPANY

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Effective April 1, 2000

KANSAS CITY POWER & LIGHT COMPANY

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

PREAMBLE

The principal objective of this Supplemental Executive Retirement Plan is to ensure the payment of a competitive level of retirement income in order to attract, retain, and motivate selected executives, and to restore benefits which cannot be paid under the Company's Qualified Pension Plan due to restrictions on benefits, contributions, compensation, or the like imposed under that plan. The Company may, but is not required to, set aside funds from time to time to provide such benefits, and such funds may be held in a separate trust established for such purpose. This Plan is a successor to the supplemental executive retirement component of the Company's former Supplemental Executive Retirement and Deferred Compensation Plan (the "Prior Plan"), which was effective on November 2, 1993. It shall be effective as to each Participant on the date he or she becomes a Participant hereunder; provided, however, that the benefits of those individuals whose employment with the Company or any of its affiliates terminated prior to April 1, 2000, shall continue to be governed by the terms of the Prior Plan, and not the terms of this Plan. This Plan supersedes the supplemental executive retirement component of the Prior Plan and all similar non-qualified supplemental executive retirement plans that may be in existence.

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ARTICLE I

DEFINITIONS

1.1 "Active Participant" means, with respect to a Plan Year, any employee of the Company (i) who is an officer appointed by the Board of Directors, or (ii) whose annualized Base Compensation exceeds the limitation imposed by Internal Revenue Code Section 401(a)(17) and regulations promulgated thereunder, as adjusted from time to time. For purposes of determining Years of Benefit Service pursuant to Section 1.10 of this Plan, an employee shall be deemed to have been an Active Participant with respect to any Plan Year in which he or she was a Participant for purposes of Sections II, III, IV, and V of the Prior Plan.

1.3 "Basic Plan" means the Kansas City Power & Light Company Management Pension Plan. The following terms shall have the same meaning as set forth in the Basic Plan, as amended from time-to-time:

- Actuarial Equivalent
- Base Compensation
- Early Retirement Date
- Normal Retirement Date
- Plan Year
- Single Life Pension
- Years of Credited Service

1.4 "Board of Directors" means the Board of Directors of Kansas City Power & Light Company.

1.5 "Committee" means the Nominating & Compensation Committee (or successor to such Committee) of the Board of Directors.

1.6 "Company" means Kansas City Power & Light Company or its successor and any wholly-owned subsidiary that has adopted, and whose employees participate in, the Basic Plan.

1.7 "Participant" means an individual who has become an Active Participant and who has not received his or her entire benefit under this Plan; provided, however, that individuals who were Participants for purposes of Sections II, III, IV, and V of the Prior Plan as of April 1, 2000, and whose employment with the Company had not terminated as of that date, shall be Participants in this Plan on that date.

1.8 "Plan" means this Kansas City Power & Light Company Supplemental Executive Retirement Plan.

1.9 "Surviving Spouse" means a Participant's surviving spouse who is eligible to receive a surviving spouse's benefit under the Basic Plan.

1.10 "Years of Benefit Service" means Years of Credited Service (including fractions thereof) during which an employee is an Active Participant.

ARTICLE II

ELIGIBILITY FOR BENEFITS

2.1 Except as provided in Sections 2.2 and 3.4, below, each Participant shall be eligible to receive a supplemental retirement benefit under this Plan beginning as soon as is practicable after the Participant terminates employment with the Company.

2.2 Notwithstanding any provision of this Plan to the contrary, the terms of this Plan and all subsequent amendments hereto shall not affect the rights and benefits of any person who is not an employee of the Company on or after April 1, 2000. The rights and benefits, if any, of such former employees (or spouses or beneficiaries of said former employees) shall continue to be governed by the terms of the Prior Plan as in effect on their date of termination, death, total disability, or retirement, whichever first shall have occurred.

ARTICLE III

AMOUNT AND FORM OF RETIREMENT BENEFITS

3.1 Normal Retirement. A Participant's monthly supplemental retirement benefit payable under the Plan as a Single Life Pension at the Participant's Normal Retirement Date shall be made up of the sum of two portions, the first of which is described in Paragraph (a) and the second of which is described in Paragraph (b) of this Section.

(a) The first of those portions shall make up for the difference between an accrual rate of two percent (2%) and an accrual rate of one and two-thirds percent (1 2/3%) for each of an Active Participant's Years of Benefit Service.

(b) The second portion shall make up for the benefit otherwise lost to an Active Participant under the Basic Plan due to:

(i) compensation deferred under the Kansas City Power and Light Company Nonqualified Deferred Compensation Plan, or under Section VI of the Prior Plan, and

(ii) any amounts disregarded under the Basic Plan pursuant to the provisions of Internal Revenue Code Sections 401(a)(17), 415, or similar

provisions restricting the amount of compensation or benefits that may be considered under plans qualified pursuant to Internal Revenue Code Section 401(a).

3.2 Benefits Payable Prior to Normal Retirement Date. In the event a Participant terminates employment with the Company before he or she reaches Normal Retirement Date, the monthly supplemental retirement benefit payable under the Plan shall be determined by computing the monthly retirement benefit necessary to make up for the difference in accrual rates described in Section 3.1(a), for the benefit otherwise lost to the Participant due to the factors described in Paragraph 3.1(b), and for the difference between computations of monthly salary using computation periods of more than thirty-six (36) consecutive months rather than of thirty-six (36) consecutive months, reduced to reflect the early payment of the benefit and the Participant's younger age in the same circumstances and to the same extent as the Single Life Pension under the Basic Plan is reduced to reflect these factors. The result is that:

(a) There shall be no early retirement reduction factor applied to the retirement benefit of a Participant who has satisfied all of the requirements set forth in the Basic Plan for the Rule of 85 early retirement benefit,

(b) The Basic Plan's early retirement reduction factor of one quarter of one-percent (.25%) per month shall apply to the retirement benefit of a Participant who does not satisfy all of the requirements set forth in the Basic Plan for the Rule of 85 early retirement benefit, and whose employment with the Company terminates on or after his or her Early Retirement Date, and

(c) For the retirement benefit of a Participant who terminates employment with the Company before his or her Early Retirement Date, and without satisfying all

of the requirements set forth in the Basic Plan for the Rule of 85 early retirement benefit, no early retirement subsidy of any kind shall apply.

3.3 Disability Retirement. A Participant whose employment with the Company terminates due to a total disability for which the Participant is eligible to receive benefits under the Company's Long-Term Disability Plan shall then be eligible for a supplemental retirement benefit. The supplemental retirement benefit shall be determined in accordance with Sections 3.1 and 3.2, except that his or her Years of Benefit Service shall include the period from the date of disability to the Participant's Normal Retirement Date. In no event shall Years of Credited Service or Benefit Service in excess of 30 be considered.

3.4 Form of Payment. The Participant may elect the form in which benefits under the Plan are to be paid from the forms set forth in this Section, the value of each of which shall be the Actuarial Equivalent of the value of each of the others. Under each form other than the Lump Sum Payment, payment shall begin as soon as practicable after the Participant terminates employment with the Company.

(a) Lump Sum Payment. This form provides the Participant with a one-time, single sum payment of the Participant's entire benefit under the Plan. Payment shall be made as soon as practicable after the Participant terminates employment with the Company, or at such later anniversary of the Participant's termination as is elected by the Participant.

(b) Single Life Pension. A Single Life Pension pays the Participant a monthly pension only for as long as the Participant lives.

(c) Single Life Pension with 60 Months Guaranteed. A Single Life Pension with 60 Months Guaranteed pays a monthly benefit for as long as the Participant lives. If the Participant dies before receiving 60 monthly payments, the

Participant's beneficiary receives them for the remainder of the 60 months that were guaranteed.

(d) Single Life Pension with 120 Months Guaranteed. A Single Life Pension with 120 Months Guaranteed pays the Participant a monthly benefit for as long as the Participant lives. If the Participant dies before receiving 120 monthly payments, the Participant's beneficiary receives them for the remainder of the 120 months that were guaranteed.

(e) 100%, 75%, 66 2/3%, 50%, 33 1/3% and 25% Joint Pensions. A 100%, 75%, 66 2/3%, 50%, 33 1/3% or 25% Joint Pension pays the Participant a monthly benefit for as long as the Participant lives. If the Participant's spouse is living when the Participant dies, he or she receives a monthly pension equal to 100%, 75%, 66 2/3%, 50%, 33 1/3% or 25%, respectively, of the monthly pension the Participant received, for as long as he or she lives. If the Participant is not married as of the date the Participant's pension commences, it will be paid to the Participant as a Single Life Pension. The term "spouse," as used in this form, means the person to whom the Participant is married on the date the Participant's pension commences.

3.5 Election of Form and Timing. A new Active Participant in the Plan shall, within sixty (60) days of the date he or she becomes a Participant, elect the form in which he or she wishes the benefit under the Plan to be paid. In the case of a Lump Sum Payment, the Participant shall also elect whether payment is to be made as soon as is practicable after termination of employment with the Company and, if not, the anniversary of termination when payment is to be made. A Participant in the Plan as of April 1, 2000, shall make these elections no later than April 15, 2000. If such a Participant terminates employment with the Company within one (1) year of the date the election form is filed with the Company, the

election shall have no effect, and the Participant's benefit under the Plan will be paid in the form of a Single Life Pension, if the Participant is then single, or in the form of a 50% Joint Pension, with the Participant's spouse as the survivor, if the Participant is then married.

ARTICLE IV

PAYMENT OF RETIREMENT BENEFITS

4.1 Supplemental retirement benefits payable in accordance with Article III shall commence as provided in Section 2.1, and shall continue to be paid as required by the form in which the Participant's benefit is paid.

ARTICLE V

DEATH BENEFITS

5.1 If a Participant dies before supplemental retirement benefit payments commence under this Plan, the Participant's Surviving Spouse shall receive a pre-retirement survivor annuity under the Plan. The amount of the pre-retirement survivor annuity payable under this Plan shall be equal to the amount of the qualified pre-retirement survivor annuity determined under the Basic Plan, but calculated by substituting the amount of the Participant's supplemental retirement benefit determined under Article III for the amount of the Participant's benefit under the Basic Plan.

5.2 A Surviving Spouse's benefit under Section 5.1 shall be payable monthly; its duration shall be the same as that of the qualified pre-retirement survivor annuity payable under the Basic Plan.

ARTICLE VI

MISCELLANEOUS

6.1 The Board of Directors may, in its sole discretion, terminate, suspend, or amend this Plan at any time or from time-to-time, in whole or in part. However, no amendment or suspension of the Plan shall affect a Participant's right or the right of a Surviving Spouse to benefits accrued up to the date of any amendment or termination, payable at least as quickly as is consistent with the Participant's election made as provided in Section 3.5. In the event the Plan is terminated, the Committee will continue to administer the Plan until all amounts accrued have been paid.

6.2 Nothing contained herein shall confer upon any Participant the right to be retained in the service of the Company, nor shall it interfere with the right of the Company to discharge or otherwise deal with Participants without regard to the existence of this Plan.

6.3 Neither the Committee nor any member of the Board of Directors nor any officer or employee of the Company shall be liable to any person for any action taken or omitted in connection with the administration of the Plan unless attributable to his or her own fraud or willful misconduct; nor shall the Company be liable to any person for any such action unless attributable to fraud or willful misconduct on the part of a director, officer or employee of the Company.

6.4 This Plan is unfunded, and constitutes a mere promise by the Company to make benefit payments in the future. The right of any Participant or Surviving Spouse to receive a distribution under this Plan shall be an unsecured claim against the general assets of the Company. The Company may choose to establish a separate trust (the "Trust"), and to contribute to the Trust from time to time assets that shall be held therein, subject to the

claims of the Company's creditors in the event of the Company's insolvency, until paid to Plan Participants and Surviving Spouses in such manner and at such times as specified in the Plan. It is the intention of the Company that such Trust, if established, shall constitute an unfunded arrangement, and shall not affect the status of the Plan as an unfunded Plan for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended. The Trustee of the Trust shall invest the Trust assets, unless the Committee, in its sole discretion, chooses either to instruct the Trustee as to the investment of Trust assets or to appoint one or more investment managers to do so.

6.5 To the maximum extent permitted by law, no benefit under the Plan shall be assignable or subject in any manner to alienation, sale, transfer, claims of creditors, pledge, attachment, or encumbrances of any kind.

6.6 Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Committee, is unable properly to manage his or her financial affairs, may be paid to the legal representative of such person or may be applied for the benefit of such person in any manner which the Committee may select.

6.7 The Plan shall be administered by the Committee or its designee, which may adopt rules and regulations to assist it in the administration of the Plan.

6.8 A request for a Plan benefit shall be filed with the Chairperson of the Committee or his or her designee, on a form prescribed by the Committee. Such a request, hereinafter referred to as a "claim," shall be deemed filed when the executed claim form is received by the Chairperson of the Committee or his or her designee.

The Chairperson of the Committee or his or her designee shall decide such a claim within a reasonable time after it is received. If a claim is wholly or partially denied, the

claimant shall be furnished a written notice setting forth, in a manner calculated to be understood by the claimant:

(a) The specific reason or reasons for the denial;

(b) A specific reference to pertinent Plan provisions on which the denial is based;

(c) A description of any additional material or information necessary for the claimant to perfect the claim, along with an explanation of why such material or information is necessary; and

(d) Appropriate information as to the steps to be taken if the claimant wishes to appeal his or her claim, including the period in which the appeal must be filed and the period in which it will be decided.

The notice shall be furnished to the claimant within 90 days after receipt of the claim by the Chairperson of the Committee or his or her designee, unless special circumstances require an extension of time for processing the claim. No extension shall be for more than 90 days after the end of the initial 90-day period. If an extension of time for processing is required, written notice of the extension shall be furnished to the claimant before the end of the initial 90-day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision will be rendered.

If a claim is denied, in whole or in part, the claimant may appeal the denial to the full Committee, upon written notice to the Chairperson thereof. The claimant may review documents pertinent to the appeal and may submit issues and comments in writing to the Committee. No appeal shall be considered unless it is received by the Committee within 90 days after receipt by the claimant of written notification of denial of the claim. The Committee shall decide the appeal within 60 days after it is received. However, if special

circumstances require an extension of time for processing, a decision shall be rendered as soon as possible, but not later than 120 days after the appeal is received. If such an extension of time for deciding the appeal is required, written notice of the extension shall be furnished to the claimant prior to the commencement of the extension. The Committee's decision shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions upon which the decision is based.

6.9 Each Participant shall receive a copy of the Plan and, if a Trust is established pursuant to Section 6.4, the Trust, and the Company shall make available for inspection by any Participant a copy of any rules and regulations used in administering the Plan.

6.10 If any contest or dispute shall arise as to amounts due to a Participant under this Plan, the Company shall reimburse the Participant, on a current basis, all legal fees and expenses incurred by the Participant in connection with such contest or dispute; provided, however, that in the event the resolution of any such contest or dispute includes a finding denying the Participant's claims, the Participant shall be required immediately to reimburse the Company for all sums advanced to the Participant hereunder.

6.11 This Plan is binding on the Company and will bind with equal force any successor of the Company, whether by way of purchase, merger, consolidation or otherwise.

6.12 If a court of competent jurisdiction holds any provision of this Plan to be invalid or unenforceable, the remaining provisions of the Plan shall continue to be fully effective.

6.13 To the extent not superseded by the laws of the United States, this Plan shall be construed according to the laws of the State of Missouri.

KANSAS CITY POWER & LIGHT COMPANY

NONQUALIFIED DEFERRED COMPENSATION PLAN

Effective April 1, 2000

KANSAS CITY POWER & LIGHT COMPANY

NONQUALIFIED DEFERRED COMPENSATION PLAN

PREAMBLE

The principal objective of this Nonqualified Deferred Compensation Plan is to provide opportunities for selected employees and members of the Board of Directors to defer the receipt of compensation. The Company may, but is not required to, set aside funds from time to time to provide such benefits, and such funds may be held in a separate trust established for such purpose. This Plan is a successor to the deferred compensation component of the Company's former Supplemental Executive Retirement and Deferred Compensation Plan (the "Prior Plan"), which was effective on November 2, 1993. It shall be effective as to each Participant on the date he or she becomes as a Participant hereunder. This Plan supersedes the deferred compensation component of the Prior Plan and all similar nonqualified deferred compensation plans that may be in existence.

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ARTICLE I

DEFINITIONS

1.1 "Basic Plan" means the Kansas City Power & Light Company Management Pension Plan, as it may be amended from time to time.

1.2 "Base Salary" means the annual salary, excluding Incentive Awards, paid by the Company to the Participant. A Participant's Base Salary for any year shall not be limited by the provisions of Internal Revenue Code Sections 401(a)(17), 401(k)(3)(A)(ii), 401(m)(2), 402(g)(1), 415, or similar provisions restricting the amount of compensation that may be considered, deferred, or matched under plans qualified pursuant to Internal Revenue Code Section 401(a).

1.3 "Board of Directors" means the Board of Directors of the Company.

1.4 "Capital Accumulation Plan" means the Kansas City Power & Light Company Capital Accumulation Plan, as it may be amended from time to time.

1.5 "Committee" means the Nominating & Compensation Committee (or successor to such Committee) of the Company's Board of Directors.

1.6 "Company" means Kansas City Power & Light Company or its successor.

1.7 "Employee Savings Plus Plan" means the Kansas City Power & Light Company Cash or Deferred Arrangement ("Employee Savings Plus"), as it may be amended from time to time.

1.8 "Flexible Benefits Program" means the flexible benefits arrangement agreed to and promulgated by the Board of Directors by resolutions adopted September 14, 1982, as it may be amended from time to time.

1.9 "Incentive Award" means any award under any bonus or incentive plan sponsored or maintained by the Company.

1.10 "Participant" means any employee selected for participation by the Chief Executive Officer of the Company. For purposes of Sections 2.1 to 2.7, the term "Participant" shall also include members of the Board of Directors. Individuals shall become Participants in the Plan as of the date they are so designated; provided, however, that individuals who were Participants for purposes of Sections VI, VII, and VIII of the Prior Plan as of April 1, 2000, shall continue to be Participants in this Plan.

1.11 "Plan" means this Nonqualified Deferred Compensation Plan.

ARTICLE II

DEFERRED COMPENSATION

2.1 Prior to the beginning of any calendar year, a Participant may elect to defer the receipt of:

(a) a specified dollar amount or percentage of his or her anticipated Base Salary (or director's fees) as in effect on January 1 of the year in which such salary or fees are to be deferred; and/or

(b) a specified dollar amount or percentage of any anticipated Incentive Awards to be paid to the Participant for performance in the following calendar year.

If the Participant desires to make such an election, the election shall be in writing on a form provided by the Company, and shall indicate an election to defer a fixed percentage of up to 50 percent of Base Salary, and/or 100 percent of director's fees or any Incentive Awards. Alternatively, the Participant may elect to defer a fixed dollar amount of Base Salary and/or

any Incentive Awards in increments of one thousand dollars, with a minimum deferral of $2,000 and a maximum deferral of an amount equal to 50 percent of Base Salary and 100 percent of director's fees or any Incentive Awards. Base Salary may be deferred in a given year only if the Participant participates in the Company's Employee Savings Plus Plan to the maximum extent allowed for that year. An individual who first becomes a Participant during a year may make a deferral election for the balance of the year in which he or she becomes a Participant, provided the election is made on or before the 30th day after the day on which he or she becomes a Participant.

An election to defer compensation under this Article II shall apply only to compensation earned subsequent to the date the election is made. An election to defer compensation shall be effective only for the year, or portion of the year, for which the election was made, and may not be terminated or changed during such year or portion of such year. If the Participant desires to continue the same election from year to year, he or she must nevertheless make an affirmative election each year to defer compensation.

2.2 A separate account shall be established for each Participant who defers compensation under this Article II. Such account shall be credited with that portion of the Participant's compensation being deferred.

Deferred Base Salary shall be credited to the Participant's account each month at the time nondeferred Base Salary is paid to the Participant. A deferred Incentive Award shall be credited to the Participant's account annually at the time the award is payable. Neither the Participant nor his or her designated beneficiary or beneficiaries shall have any property interest whatsoever in any specific assets as a result of this Plan.

2.3 The Committee shall establish a means by which gains or losses on a Participant's account (hereinafter, "Earnings") are credited to each Participant's account. The method and manner of establishing such Earnings may be set forth in a separate trust which the Company may establish with respect to this Plan, and shall be reviewed from time to time by the Committee. Such Earnings shall be credited or debited to a Participant's account on a monthly basis, or at such other time or times as the Committee may determine.

2.4 A Participant's deferral election shall indicate, with respect to amounts deferred pursuant to the election, a deferral period in accordance with Section 2.5 and a distribution alternative in accordance with Section 2.6.

2.5 A Participant may elect to defer receipt of amounts deferred pursuant to a deferral election until one of the following:

(a) A stated date;

(b) A stated attained age; or

(c) A stated event (e.g., death) or events, or the earlier of two or more stated events (e.g., the earlier of death or attainment of age 65).

In the event a Participant fails to designate a deferral period hereunder, payment of amounts deferred pursuant to the Participant's deferral election shall commence within 90 days after the Participant's termination of employment.

Earnings shall continue to be credited to the balance of a Participant's account during the payout period elected pursuant to this Article II. The Earnings attributable to compensation deferred pursuant to a particular deferral election shall be payable according to the same terms, conditions, limitations, and restrictions applicable to the compensation deferred pursuant to the deferral election. Any remaining payments shall be re-computed annually to reflect the additional Earnings.

2.6 A Participant's deferral election shall indicate the manner in which the amounts deferred pursuant to the election are to be paid. The Participant may choose to have such amounts paid:

(a) in a single lump-sum payment; or

(b) in substantially equal monthly installments (of principal plus Earnings) over a period of 60 months certain, 120 months certain, or 180 months certain.

If a Participant fails to make an election concerning the form of payment, payment shall be made in a single lump sum.

Any amounts paid to the Participant shall be subject to income tax withholding or other deductions as may from time to time be required by federal, state, or local law. Payments under this Article on account of deferral shall be paid in full if the lump-sum option is chosen, or shall begin to be paid in monthly installments if a monthly payment option is chosen, within 30 days of the date elected by the Participant, or as soon thereafter as practicable.

Following the close of each year, or as soon thereafter as practicable, the Participant or the Participant's designated beneficiary or beneficiaries shall receive a statement of the Participant's deferred compensation account as of the end of such year.

2.7 At the time a Participant elects to defer compensation under this Plan, the Participant shall have the right to designate a death beneficiary or beneficiaries, and to amend or revoke such designation at any time. If the Participant dies before beginning to receive payment of amounts deferred pursuant to a given deferral election, the full amount due the Participant under said election shall be paid to the Participant's designated beneficiary or beneficiaries, in a single lump-sum payment, as soon as practicable after the Participant's death.

If a Participant dies after beginning to receive payment of amounts deferred pursuant to a given deferral election, the balance of the amounts which would have been paid under the deferral election to the Participant, but for his or her death, shall continue to be paid to the Participant's beneficiary or beneficiaries at the same times and in the same form as the amounts would have been paid to the Participant, but for his or her death. If a Participant is not survived by a designated beneficiary, the balance of the amounts due the Participant under the deferral election for which no surviving beneficiary exists shall be paid in a single lump-sum payment to the Participant's estate as soon as practicable following his or her death. If, with respect to a particular deferral election, a Participant's last surviving designated beneficiary dies after the Participant, but before the balance of the amounts due the beneficiary under the deferral election have been paid, the balance shall be paid in a single lump-sum payment to the estate of the last surviving designated beneficiary as soon as practicable after the beneficiary's death.

2.8 The Company shall credit to a Participant's account a matching contribution in an amount equal to 50% of the first 6% of the Base Salary deferred by the Participant under Section 2.1(a), but such amount shall be reduced by the matching contribution made for the year to the Participant's account in the Employee Savings Plus Plan. In no event shall the total matching contributions in the Employee Savings Plus Plan and this Plan exceed 3% of the Participant's Base Salary in any given year. Any matching contributions under this Plan shall be credited to the Participant's account on a monthly basis. The matching contributions and earnings thereon shall be subject to the following vesting schedule:

Years of Service	Vested Percentage
Less Than Two Years	0%
Two Years	20%
Three Years	40%
Four Years	60%
Five Years	80%
Six Years	100%

ARTICLE III

CAPITAL ACCUMULATION PLAN EXCESS BENEFIT

3.1 At the beginning of each calendar year or as soon thereafter as practicable, an amount will be credited to each Participant's CAP Excess Benefits Account under this Plan. Such amount shall be equal to the Participant's total number of flex dollars for the year under the Flexible Benefits Program, minus:

(a) the maximum permissible contribution to the Capital Accumulation Plan for the year on behalf of the Participant; and

(b) the number of flex dollars used by the Participant during such year to purchase the benefits available to the Participant under the Flexible Benefits Program.

3.2 Benefits will be paid to the Participant as follows:

(a) When the Participant's employment is terminated (whether due to death, disability, retirement or other termination), a single lump-sum payment will be made. The payment shall be equal to the amount credited to the CAP Excess Benefits Account, plus the additional amount credited to the CAP Excess Benefits Account under Section 3.2(b), below. Payment will be made no later than the 60th day after the

close of the calendar year in which the Participant's employment terminates. If the Participant dies before payment is made, payment shall be made to the Participant's beneficiary as promptly as possible after the Participant's death. The Participant's beneficiary for the purposes of this Article III shall be the Participant's beneficiary under the Capital Accumulation Plan.

(b) The Participant's CAP Excess Benefits Account shall be credited and debited with the same Earnings and in the same manner as provided for in Section 2.3 herein.

3.3 The CAP Excess Benefits provided in Section VIII of the Prior Plan superseded those provided in the Capital Accumulation Plan Excess Benefit Agreement, and any amounts accrued under such Agreement are now subject to the provisions herein.

ARTICLE IV

MISCELLANEOUS

4.1 The Board of Directors may, in its sole discretion, terminate, suspend, or amend this Plan at any time or from time-to-time, in whole or in part. However, no amendment or suspension of the Plan shall affect a Participant's right or the right of a beneficiary to vested benefits accrued up to the date of any amendment or termination. In the event the Plan is terminated, the Committee will continue to administer the Plan until all amounts accrued and vested have been paid.

4.2 Nothing contained herein shall confer upon any Participant the right to be retained in the service of the Company, nor shall it interfere with the right of the Company to discharge or otherwise deal with Participants without regard to the existence of this Plan.

4.3 Neither the Committee nor any member of the Board of Directors nor any officer or employee of the Company shall be liable to any person for any action taken or omitted in connection with the administration of the Plan unless attributable to his or her own fraud or willful misconduct; nor shall the Company be liable to any person for any such action unless attributable to fraud or willful misconduct on the part of a director, officer or employee of the Company.

4.4 This Plan is unfunded, and constitutes a mere promise by the Company to make benefit payments in the future. The right of any Participant, spouse, or beneficiary to receive a distribution under this Plan shall be an unsecured claim against the general assets of the Company. The Company may choose to establish a separate trust (the "Trust"), and to contribute to the Trust from time to time assets that shall be held therein, subject to the claims of the Company's creditors in the event of the Company's insolvency, until paid to Plan Participants and beneficiaries in such manner and at such times as specified in the Plan. It is the intention of the Company that such Trust, if established, shall constitute an unfunded arrangement, and shall not affect the status of the Plan as an unfunded Plan maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended. The Trustee of the Trust shall invest the Trust assets, unless the Committee, in its sole discretion, chooses either to instruct the Trustee as to the investment of Trust assets or to appoint one or more investment managers to do so. The Committee may consult with Participants concerning the investment of Trust assets, but shall reserve the right to invest and reinvest such assets in the manner it deems best.

4.5 To the maximum extent permitted by law, no benefit under the Plan shall be assignable or subject in any manner to alienation, sale, transfer, claims of creditors, pledge, attachment, or encumbrances of any kind.

4.6 Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Committee, is unable properly to manage his or her financial affairs, may be paid to the legal representative of such person or may be applied for the benefit of such person in any manner which the Committee may select.

4.7 The Plan shall be administered by the Committee or its designee, which may adopt rules and regulations to assist it in the administration of the Plan.

4.8 A request for a Plan benefit shall be filed with the Chairperson of the Committee or his or her designee, on a form prescribed by the Committee. Such a request, hereinafter referred to as a "claim," shall be deemed filed when the executed claim form is received by the Chairperson of the Committee or his or her designee.

The Chairperson of the Committee or his or her designee shall decide such a claim within a reasonable time after it is received. If a claim is wholly or partially denied, the claimant shall be furnished a written notice setting forth, in a manner calculated to be understood by the claimant:

(a) The specific reason or reasons for the denial;

(b) A specific reference to pertinent Plan provisions on which the denial is based;

(c) A description of any additional material or information necessary for the claimant to perfect the claim, along with an explanation of why such material or information is necessary; and

(d) Appropriate information as to the steps to be taken if the claimant wishes to appeal his or her claim, including the period in which the appeal must be filed and the period in which it will be decided.

The notice shall be furnished to the claimant within 90 days after receipt of the claim by the Chairperson of the Committee or his or her designee, unless special circumstances require an extension of time for processing the claim. No extension shall be for more than 90 days after the end of the initial 90-day period. If an extension of time for processing is required, written notice of the extension shall be furnished to the claimant before the end of the initial 90-day period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which a final decision will be rendered.

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4.9 Each Participant shall receive a copy of the Plan and, if a Trust is established pursuant to Section 4.4, the Trust, and the Company shall make available for inspection by any Participant a copy of any rules and regulations used in administering the Plan.

4.10 If any contest or dispute shall arise as to amounts due to a Participant under this Plan, the Company shall reimburse the Participant, on a current basis, all legal fees and expenses incurred by the Participant in connection with such contest or dispute; provided, however, that in the event the resolution of any such contest or dispute includes a finding denying the Participant's claims, the Participant shall be required immediately to reimburse the Company for all sums advanced to the Participant hereunder.

4.11 This Plan is binding on the Company and will bind with equal force any successor of the Company, whether by way of purchase, merger, consolidation or otherwise.

4.12 If a court of competent jurisdiction holds any provision of this Plan to be invalid or unenforceable, the remaining provisions of the Plan shall continue to be fully effective.

4.13 To the extent not superseded by the laws of the United States, this Plan shall be construed according to the laws of the State of Missouri.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made effective as of January 17, 2000, by and between KLT Inc., a Missouri corporation with its principal place of business at 1201 Walnut, Kansas City, MO 64106 (the "Company"), and Gregory J. Orman, an individual residing at 12707 Cedar, Leawood, KS 66209 (the "Employee"). Each of Company and Employee is a "Party", and collectively they are the "Parties".

RECITALS

The Company desires to employ the Employee, and the Employee desires to be employed by the Company. In consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties agree as follows:

1. Term of Employment. The Term (the "Initial Term") of this Agreement shall commence on the date hereof (the "Commencement Date") and, subject to the further provisions of this Agreement, shall end on December 31, 2002; provided, however, this Agreement shall be automatically renewed for successive one (1) year periods ("Renewal Term") unless, at least ninety (90) days prior to the expiration of the Initial Term or any Renewal Term, either party gives written notice to the other party specifically electing to terminate this Agreement at the end of the Initial Term or any such Renewal Term. The Initial Term and any Renewal Terms are sometimes collectively referred to herein as the "Employment Period."

2. Title; Capacity. The Employee shall serve as President and Chief Executive Officer of the Company. The Employee shall be subject to the supervision of, and shall have such authority as is delegated to him by, the Company's Board of Directors (the "Board").

The Employee hereby accepts such employment and agrees to undertake the duties and responsibilities inherent in such position and such other duties and responsibilities as the Board shall from time to time reasonably assign to him in such position. The Employee shall have such general executive powers and authority of supervision and management as are usually vested in the office of the chief executive officer of a corporation. The Employee agrees to devote such amount of his business time, attention and energies to the business and interests of the Company (and its affiliates as required by the Company's investments and the Employee's positions therein) during the Employment Period as may be reasonably required to perform his duties and responsibilities hereunder. The Employee may pursue personal investments and other business interests so long as such activity does not materially interfere with his duties hereunder. The Employee agrees to abide by reasonable rules, regulations, instructions, personnel practices and policies of the Company, and any reasonable changes therein which may be adopted from time to time, to the extent that the foregoing are not inconsistent with the provisions of this Agreement. The Employee acknowledges receipt of copies of all such rules and policies committed to writing as of the date of this Agreement.

In no event shall the Employee be required to perform any duties or responsibilities, or otherwise take any actions that would violate any restrictive covenants to which the Employee is bound under the Agreement and Plan of Merger of Bracknell Corporation dated as of September 30, 1999, or the Employment Agreement between Custom Energy LLC and the Employee dated as of January 1, 1997.

3. Compensation and Benefits.

a. Salary. The Company shall pay the employee, in semi-monthly installments, an annual base salary of $125,000.00 for the one-year period commencing on the Commencement Date. Such salary shall be subject to increase thereafter as determined

by the Board, after taking into account the recommendations of the Compensation Committee of the Board.

b. Fringe Benefits. The Employee shall be entitled to participate in all bonus and benefit programs that the Company establishes and makes available to its employees, if any, to the extent that Employee's position, tenure, salary, age, health and other qualifications make him eligible to participate, provided, however, that the Employee shall in any event be entitled to such fringe benefits as are provided from time to time by the Company to similarly situated senior executive officers, including health and welfare benefits, disability insurance benefits, life insurance benefits, vacation benefits, sick leave, automobile usage or allowances, and club privileges.

c. Reimbursement of Expenses. The Company shall reimburse the Employee for all reasonable travel, entertainment and other expenses incurred or paid by the Employee in connection with, or related to, the performance of his duties, responsibilities or services under this Agreement, upon presentation by the Employee of documentation, expense statements, vouchers and/or such other supporting information as the Company may request, provided, however, that the amount available for such travel, entertainment and other expenses may be fixed in advance by the Board. Upon prior approval by the Board, the Company shall reimburse Employee, or directly pay for, dues and membership fees for industry organizations relevant to Employee's duties.

d. Incentive Compensation Plan. The Employee shall be entitled to participate in the Company's Incentive Compensation Plan (the "Incentive Plan") as the same may be in effect from time to time. Initially, the Incentive Plan shall be as set forth in Exhibit A attached hereto. The Employee's account (the "Incentive Account") under the Incentive Plan shall equal 30% of the Pool established pursuant to the Incentive Plan (or such greater percentage of the Pool as may be approved by the Compensation Committee of the Board). The Employee's rights with respect to the Incentive Account upon or following any termination of the Employee's employment shall be governed by Section 5 hereof. In the event of any conflict between the provisions of this Agreement and the Incentive Plan, with respect to the Incentive Account or otherwise, the provisions of this Agreement shall control. Unless otherwise defined herein or inconsistent with this Agreement, capitalized terms used herein with respect to the Incentive Plan shall have the meaning ascribed to such terms in the Incentive Plan.

4. Employment Termination. The employment of the Employee by the Company pursuant to this Agreement shall terminate upon the occurrence of any of the following:

a. Expiration of the Employment Period in accordance with Section 1.

b. At the election of the Company, for "Cause", upon the later of (x) receipt by the Employee of a written Notice of Termination as contemplated by the last paragraph of this Section 4, or (y) compliance with the requirements of subsection iv of this Section 4.b. "Cause" for such termination shall include, and be limited to, the following:

i. Dishonesty of the Employee having the effect of injuring the Company in a material respect;

ii. Willful misfeasance or nonfeasance of duty intended to injure in a material respect or having the effect of injuring in a material respect, the reputation, business or business relationships of the Company or its respective officers, directors or employees;

iii. Upon the Employee's conviction in a court of competent jurisdiction, or the Employee's guilty plea or plea of nolo contendere of any felony crime involving moral turpitude; or

iv. Upon the reasonable good faith determination by the Board (after having given the Employee reasonably detailed written notice of the claimed deficiency, and, in the case of a deficiency which is susceptible to cure, an opportunity to cure the deficiency within 30 days, and, in any event, the opportunity within 15 days following such notice for the Employee (and/or, at the Employee's option, Employee's counsel or other representative) to make an oral and/or written presentation to the Board responding to any such notice) that the Employee has willfully failed to perform, in a material respect, his duties to the Company under this Agreement (other than a failure resulting from the Employee's illness, disability, or other incapacity).

c. Immediately upon the death of the Employee, or on thirty (30) days notice from the Company following any disability as a result of which Employee has been unable to regularly perform a majority of his duties hereunder for a period in excess of ninety (90) consecutive days ("Disability"). If the Employee shall disagree with any determination by the Company regarding Disability, then the question of such Disability shall be submitted to an impartial and reputable physician for determination, selected by mutual agreement of Employee and the Company or, failing such agreement, selected by two physicians (one of which shall be selected by the Company and the other by the Employee), and such determination of the question of such Disability by such physician or physicians shall be final and binding on the Company and the Employee. The Company shall pay the reasonable fees and expenses of such physician or physicians.

d. At any time, by written notice from the Employee to the Company, for good reason. For purposes of this Section 4.d., "good reason" is defined as, and limited to (i) a Change of Control (as defined below) of the Company or any Affiliate(s) in direct or indirect control of the Company as of the date hereof or at any time during the Employment Period; (ii) a failure of the Company to comply with any material provision of this Agreement which has not been cured within fifteen (15) days after notice of such noncompliance has been given by the Employee to the Company; (iii) a material adverse change by the Company of any of the Employee's titles, offices, management functions, duties or responsibilities, compensation or benefits; (iv) any amendment or termination of the Incentive Plan without the consent of the Employee that adversely affects, with respect to the Employee or any other members of the

Company's senior management team (which is defined to comprise all officers of the Company), eligibility to participate, computation of the Pool, baselines, thresholds, Realization Events, valuation methodologies, allocations, payment provisions, effect of termination of employment, or other restrictions, terms or conditions relating to entitlement, measurement, or realization of benefits under or with respect to the Incentive Plan, except in connection with the termination of the Employee's employment pursuant to Sections 4.a, 4.b., or 4.c. of this Agreement; or (v) without the Employee's prior written consent, the Company requiring the Employee to be based anywhere other than a major metropolitan area within the continental United States, except for required travel on the Company's business to an extent substantially consistent with the Employee's present travel obligations. A "Change of Control" for purposes of this Agreement shall mean a change of control of the Company (for purposes of this definition, the term "Company" shall be deemed to include any Affiliate(s) in direct or indirect control of the Company as of the date hereof or at any time during the Employment Period) of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (as in effect on the date hereof) promulgated under the Securities Exchange Act of 1934, as in effect on the date hereof (the "Exchange Act") assuming that the Company were then subject to Regulation 14A; provided, however, that, without limitation, such a change of control shall be deemed to have occurred if (A) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act; other than any underwriter or member of an underwriting syndicate or group with respect to a public offering of securities of the Company registered under the Securities Act of 1933, the Company or any "person" who on the date hereof is a director or officer of the Company or whose shares of Company stock are treated as "beneficially owned" (as defined in Rule 13d-3 under the Exchange Act, as in effect on the date hereof) by any such director or officer) is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of the Company's then-outstanding securities, (B) less than a majority of the members of the Board are persons who were either nominated for election by the current directors of the Board or successors to such directors selected by current directors of the Board, (C) the stockholders of the Company approve a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the Voting Securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the Company or such surviving entity) at least 80 percent of the total voting power represented by the Voting Securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (D) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets. For purposes hereof, a Change of Control shall not be deemed to have occurred as a result of the consummation of any reorganization of Kansas City Power & Light Company ("KCPL") solely for purposes of establishing a holding company structure wherein the stockholders of the entity owning all or substantially all of the assets of KCPL immediately following such reorganization are predominantly the same as the stockholders of KCPL immediately prior to such reorganization. As used in this Agreement, "Voting Securities" shall mean any securities of the Company which vote generally in the election of directors.

e. At the election of the Company or the Employee, with or without cause upon 90 days written notice by one party to the other.

Any termination of the Employee's employment by the Company or by the Employee shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide the basis for termination under the provision so indicated. A Notice of Termination shall not be given by the Company during any vacation periods. Any purported termination of Employee's employment which is not effected pursuant to a Notice of Termination that complies with such requirements shall not be effective.

5. Effect of Termination.

a. Termination Arising From Expiration of the Employment Period. In the event that the Employment Period expires in accordance with Section 1 due to the giving of notice by the Company of its election to terminate the Agreement, the Company shall pay to the Employee the compensation and benefits otherwise payable to him under Section 3 through the last day of his actual employment by the Company. In addition, the Employee shall be paid, within 30 days of such date, cash in an amount equal to the amount remaining in the Employee's Incentive Account, net of all applicable withholding taxes, as of the last day of his actual employment by the Company.

b. Termination for Cause or at Election of Employee. In the event the Employee's employment is terminated for Cause pursuant to Section 4.b., or at the election of the Employee pursuant to Section 4.e., the Company shall pay to the Employee the compensation and benefits otherwise payable to him under Section 3 through the last day of his actual employment by the Company. In the event the Employee's employment is terminated for Cause pursuant to Section 4.b, the Employee shall forfeit all amounts remaining in his Incentive Account as of the date of termination. If the Employee's employment is terminated at the election of the Employee pursuant to Section 4.e., the Employee shall be paid, within 30 days of such date, in addition to the amounts set forth in the first sentence of this Section 5.b., cash in an amount equal to 50% of the amount remaining in the Employee's Incentive Account, net of all applicable withholding taxes, as of the last day of his actual employment by the Company.

c. Termination at the Election of Company or for Good Reason. In the event the Employee's employment is terminated at the election of the Company pursuant to Section 4.e., or by the Employee for good reason pursuant to Section 4.d., the Company shall pay to the Employee the compensation and benefits otherwise payable to him under Section 3 through the last day of his actual employment by the Company and, if Employee's employment is terminated within one year of the Commencement Date, then also for the remainder of the Employment Period as if the Employee had continued his employment for the remainder of the Employment Period. In addition, the Employee shall be paid, within 30 days of such date, cash in an amount equal to the amount remaining in the Employee's Incentive Account, net of all applicable withholding taxes, as of the last day of his actual employment by the Company; provided, further, that if Employee's employment is terminated within one year of the Commencement Date, then the Employee shall be deemed, for purposes only of participation in the Incentive Plan, to have continued participation in the Incentive Plan through the last day of the Initial Term and shall be entitled to all payments as due and payable pursuant to the terms of the Incentive Plan, with any amount remaining in Employee's Incentive Plan as of the last day of the Initial

Term being due and payable within 30 days of such date, net of all applicable withholding taxes. For purposes of this Agreement and notwithstanding any contrary provision in the Incentive Plan, in the event that Employee's employment is terminated at the election of the Company pursuant to Section 4.e. or by the Employee for good reason pursuant to Section 4.d. prior to the expiration of the Employment Period, then the amount remaining in the Employee's Incentive Account as of the applicable time prescribed by this Section 5.c., and which has not been the subject of a Realization Event as of such time, shall be determined by the appraisal procedure set forth in Section 5.h. rather than by the methodology listed in Exhibit B to the Incentive Plan.

d. Termination for Death or Disability. If the Employee's employment is terminated by death or because of disability pursuant to Section 4.c., the Company shall pay to the estate of the Employee or to the Employee, as the case may be, the compensation which would otherwise be payable to the Employee up to the end of the month in which the termination of his employment because of death or disability occurs. In addition, the Employee shall be paid, within 90 days following such month end, cash in an amount equal to the amount remaining in the Employee's Incentive Account, net of all applicable withholding taxes, as of 60 days following such month end. Further, the Employee shall be paid, as promptly as practicable, all amounts payable under the provisions of Section 5.g, below.

e. Survival. The provisions of Sections 6 and 7, and any rights of the Employee with respect to compensation or benefits, including the Employee's Incentive Account, as herein provided, shall survive the termination of this Agreement.

f. No Mitigation. The Employee shall not be required to mitigate the amount of any payment or benefit provided to the Employee under this Agreement or the Incentive Plan by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided to the Employee under this Agreement or the Incentive Plan be reduced or offset by any compensation earned or received by the Employee from another employer after the termination of the Employee's employment under this Agreement.

g. Realization Events. For purposes of this Agreement and notwithstanding any contrary provision in the Incentive Plan (i) any Realization Event that occurs within 120 days after the Employee's employment is terminated (a) at the election of the Company pursuant to Section 4.e., or (b) by the Employee for good reason pursuant to Section 4.d., or (c) pursuant to Section 4.c., shall be deemed to have occurred as of the last day of such actual employment and Amounts Realized in connection with such Realization Event shall be allocated to the Employee's Incentive Account, and the Employee shall be entitled to an Award and payment based thereupon pursuant to the terms of the Incentive Plan as modified by the terms of this Agreement, and (ii) in the event that the Corporation has, prior to termination of the Employee's employment under Sections 4.c., 4.d. or 4.e. this Agreement, entered into a definitive agreement that contemplates an event that would constitute a Realization Event under the Incentive Plan and such Realization Event occurs within one year following any termination of the Employee's employment under this Agreement, then such Realization Event shall be deemed to occur during the Employment Period and Amounts Realized in connection with such Realization Event shall be allocated to the Employee's Incentive Account, and the Employee shall be entitled to an Award and payment based thereupon pursuant to the terms of the Incentive Plan as modified by the terms of this Agreement.

h. Appraisal Procedure. The appraisal procedure contemplated by Sections 5.c. and 5.d. shall consist of the following: (i) the Employee shall select a nationally recognized investment banking firm ("Employee Appraiser") to determine the fair market value of the assets in the Investment Account of the Employee, as of the applicable time period (the "Initial Appraisal"), within 30 days of such Employee's termination of actual employment by the Company, (ii) if the Company does not object to the Initial Appraisal within 15 days after receipt thereof, such appraisal shall be final and binding upon the Employee and the Company, (iii) if the Company objects to the Initial Appraisal with respect to an amount equal to 10% or more of the Initial Appraisal, then the Company shall promptly so notify the Employee and select a different nationally recognized investment banking firm (the "Company Appraiser") who shall review the Initial Appraisal and issue its own appraisal of the fair market value of the assets in the Employee's Investment Account as of the applicable time period (the "Company Appraisal"), and shall deliver the Company Appraisal to the Employee within 30 days of such notification to the Employee, (iv) within 10 days after the delivery of the Company Appraisal to the Employee, the Employee Appraiser and the Company Appraiser shall meet in an effort to resolve any questions or differences between their respective appraisals, (v) if the Employee Appraiser and Company Appraiser agree on the fair market value of the assets in the Employee's Incentive Account as of the applicable time period, such agreed upon value shall be final and binding upon the Employee and the Company, (vi) if no agreement as to such fair market value is reached between the Employee Appraiser and the Company Appraiser, such appraisers shall select a mutually acceptable appraiser (the "Third Appraiser") within ten days after their initial meeting and such fair market value shall be determined by the Third Appraiser within 30 days of its selection and such appraisal shall be final and binding upon the Employee and the Company, and (vii) the appraisal performed by the Employee Appraiser, the Company Appraiser or the Third Appraiser shall not take into account discounts arising from the number of shares or amount of securities of any Affiliate held in the Employee's Investment Account (sometimes referred to as minority discounts or illiquidity discounts.).

6. Non-Compete.

a. During the period of the Employee's actual employment by the Company and for the Applicable Non-Compete Period (as defined below), the Employee will not directly or indirectly, in the territory comprised by the continental United States:

(1) as an individual proprietor, partner, stockholder, officer, employee, director, joint venturer, investor, lender, or in any other capacity whatsoever (other than as the record holder or beneficial owner of not more than five percent (5%) of the total outstanding stock of, a publicly held company), engage in the business of developing, producing, marketing or selling products or services that are of the kind or type developed, produced, marketed or sold by the Company or its Affiliates (as defined in the Incentive Plan), while the Employee was employed by the Company or that are of the kind or type described in reasonable detail in the written business plan of the Company for the year during which the Employee's employment is actually terminated, provided that such products or services are reasonably expected to be developed, produced, marketed and sold on a commercially significant basis during that year or the immediately succeeding year (provided further, however, that the Employee may hold stock in, and otherwise hold or act in any capacity with respect to, Bracknell Corporation); or

(2) recruit, solicit or induce, or attempt to induce employee or employees of the Company to terminate their employment with, or otherwise cease their relationship with, the Company (other than by means of general advertisements); or

(3) solicit, divert or take away, or attempt to divert or to take away, the business or patronage of any of the clients, customers or accounts of the Company which were contacted, solicited or served by the Employee while employed by the Company.

With respect to Section 6.a.(1) above, the Applicable Non-Compete Period shall be twelve months, provided, however, that such period shall be reduced to six months in the event that the Employee's employment is terminated at the election of the Company pursuant to Section 4.a or 4.e. or if the Employee's employment is terminated for good reason pursuant to Section 4.d. With respect to Section 6.a.(2) and (3) above, the Applicable Non-Compete Period shall be eighteen months, provided, however, that such period shall be reduced to six months in the event that the Employee's employment is terminated at the election of the Company pursuant to Section 4.a. or 4.e. or if the Employee's employment is terminated for good reason pursuant to Section 4.d.

b. If any restriction set forth in this Section 6 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

c. The restrictions contained in this Section 6 are necessary for the protection of the business and goodwill of the Company and are considered by the Employee to be reasonable for such purpose. The Employee agrees that any breach of this Section 6 will cause the Company substantial and irrevocable damage and therefore, in the event of any such breach, in addition to such other remedies which may be available, the Company shall have the right to seek specific performance and injunctive relief. The prevailing party in a legal proceeding to remedy a breach under this Agreement shall be entitled to receive its reasonable attorney's fees, reasonable expert witness fees, and reasonable out-of-pocket costs incurred in connection with such proceeding, in addition to any other relief it may be granted.

d. In the event the Company terminates this Agreement without cause pursuant to Section 4.c., the restrictions contained in Section 6.a.(1) shall not apply.

7. Proprietary Information and Developments

a. Proprietary Information.

i. Employee agrees that all information and know-how, whether or not in writing, of a private, secret or confidential nature concerning the Company's business or financial affairs (collectively, "Proprietary Information") is and shall be the exclusive property of the Company. By way of illustration, but not limitation, Proprietary Information may include inventions, products, processes, methods, techniques, formulas, compositions, compounds, projects, developments, plans, research data, clinical data, financial data, personnel data, computer programs, and customer and supplier lists, provided that the foregoing reasonably relate to the Company's business or financial affairs. Employee will not disclose any Proprietary Information to others outside the Company or use the same for any unauthorized purposes without written approval by an officer of the Company, either during or after his employment, unless and until such Proprietary Information has become public knowledge without fault by the Employee.

ii. Employee agrees that all files, letters, memoranda, reports, records, data, sketches, drawings, laboratory notebooks, program listings, or other written, photographic, or other tangible material containing Proprietary Information, whether created by the Employee or others, which shall come into his custody or possession, shall be and are the exclusive property of the Company to be used by the Employee only in the performance of his duties for the Company.

iii. Employee agrees that his obligation not to disclose or use Proprietary Information of the types set forth in paragraphs (i) and (ii) above, also extends to such types of information, know-how, records and tangible property of customers of the Company or suppliers to the Company or other third parties who may have disclosed or entrusted the same to the Company or to the Employee in the course of the Company's business (collectively, "Third Party Proprietary Information").

iv. The Company agrees that Proprietary Information and Third Party Proprietary Information does not include information or know-how which (A) was known to the Employee prior to the time of disclosure of such Proprietary Information or Third Party Proprietary Information to the Employee; (B) is available from a public source through no breach by the Employee of a confidentiality agreement relating to Proprietary Information or Third Party Proprietary Information; (C) is obtained by the Employee lawfully from a third party through no breach by Employee or such third party of a confidentiality agreement relating to Proprietary Information or Third Party Proprietary Information; (D) is independently developed or derived by the Employee without the necessity of use of any Proprietary Information or Third Party Proprietary Information disclosed to the Employee in connection with the Employee's employment hereunder; or (E) is required to be disclosed by law, regulation, rule, act, or order of any governmental or judicial authority or agency.

b. Developments.

i. Employee will make full and prompt disclosure to the Company of all inventions, improvements, discoveries, methods, developments, software, and works of authorship, whether patentable or not, which are created, made, conceived or reduced to practice by the Employee or under his direction or jointly with others and which relate to the present active business, research, or development of the Company and are made and conceived by the Employee in the performance of his duties and responsibilities hereunder or using the Company's tools, devices, equipment or Proprietary Information (all of which are collectively referred to in this Agreement as "Developments"). In no event shall Developments be deemed to include inventions, improvements, discoveries, methods, developments, software, works of authorship, techniques, tools, know-how, or information which the Employee had prior to the Commencement Date.

ii. Employee agrees to assign and does hereby assign to the Company (or any person or entity designated by the Company) all his right, title and interest in and to all Developments and all related patents, patent applications, copyrights and copyright applications.

iii. Employee agrees to cooperate fully with the Company, both during and after his employment with the Company, with respect to the procurement, maintenance and enforcement of copyrights and patents (both in the United States and foreign countries) relating to Developments. Employee shall sign all papers, including, without limitation, copyright applications, patent applications, declarations, oaths, formal assignments, assignment of proprietary rights, and powers of attorney, which the Company may reasonably deem necessary in order to protect its rights and interests in any Development.

c. Other Agreements. Employee hereby represents that he is not bound by the terms of any agreement with any previous employer or other party to refrain from using or disclosing any trade secret or confidential or proprietary information in the course of his employment with the Company or to refrain from competing, directly or indirectly, with the business of such previous employer or any other party, except for the Employee's agreements with Bracknell Corporation and Custom Energy. Employee further represents that his performance of all the terms of this Agreement and as an employee of the Company does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by him in confidence or in trust prior to his employment with the Company, provided that the Company agrees that the Employee shall have no obligation to disclose or utilize any such proprietary information, knowledge or data in the performance of any terms of this Agreement or otherwise as an employee of the Company.

d. Company's Right to Notify Subsequent Employers. The Company may do all permissible things, and take all permissible action, reasonably necessary to protect its rights under this Section 7, including without limitation notifying any subsequent employer of the Employee of the existence of (and furnishing to any such employer) the provisions of this Agreement.

8. Indemnification. The Company shall defend and indemnify Employee from and against, and to exculpate Employee from, any and all claims, actions, suits, proceedings, fines, damages, judgments, costs and expenses, or other liabilities arising from or relating to the

performance by the Employee of his duties hereunder, or otherwise with respect to his status, as an employee, officer, or director of the Company, on a basis that is at least as favorable to the Employee as the broadest indemnification available or provided by the Company to any of its employees, officers, or directors, whether pursuant to applicable corporate documents or separate written agreement, or if more extensive, on as broad a scope of indemnification and exculpation from liability as permitted by law.

9. Legal Expenses. The Company shall promptly pay, or promptly reimburse the Employee for, all reasonable legal fees and expenses of Employee's personal legal counsel incurred by the Employee in connection with the drafting, negotiation and advice rendered with respect to this Agreement, the Incentive Plan, and matters reasonably related thereto, in an aggregate amount not to exceed $15,000. In addition, the Company shall promptly pay, or promptly reimburse the Employee for all reasonable legal fees and expenses incurred by the Employee in connection with any litigation between the Company and the Employee (a) contesting the validity of this Agreement or the Incentive Plan, or (ii) enforcing the Employee's rights under this Agreement or the Incentive Plan, in either case if the Employee prevails on the merits.

10. Notices. All notices required or permitted under this Agreement shall be in writing and shall be deemed effective upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail, postage prepaid, addressed to the other party at the address shown above, or at such other address or addresses as either party shall designate to the other in accordance with this Section 10.

11. Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

12. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement.

13. Amendment. This Agreement may be amended or modified only by a written instrument executed by both the Company and the Employee.

14. Governing Law. This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of Missouri, without giving effect to that State's conflict of laws provisions.

15. Choice of Venue. All actions or proceedings with respect to this Agreement shall be instituted only in any state or federal court sitting in Jackson County, Missouri, and by execution and delivery of this Agreement, the parties irrevocably and unconditionally subject to the jurisdiction (both subject matter and personal) of each such court and irrevocably and unconditionally waive: (a) any objection that the parties might now or hereafter have to the venue of any of such court; and (b) any claim that any action or proceeding brought in any such court has been brought in an inconvenient forum.

16. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of both Parties and their respective successors and assigns, including any corporation with which or into which the Company may be merged or consolidated, or which may succeed to its assets or business, subject to the Employee's rights under Section 4.d., and provided, however, that the obligations of the Employee are personal and shall not be assigned by him.

17. Waiver. No delay or omission by the Company in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

18. Captions and Headings. The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

19. Severability. In case any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

20. Counterparts. This Agreement may be executed in a number of counterparts and all of such counterparts executed by the Company or the Employee, shall constitute one and the same agreement, and it shall not be necessary for all parties to execute the same counterpart hereof.

21. Facsimile Signatures. The parties hereby agree that, for purposes of the execution of this Agreement, facsimile signatures shall constitute original signatures.

22. Incorporation by Reference. The preamble and recitals to this Agreement are hereby incorporated by reference and made a part hereof.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

KLT Inc.

/s/R. G. Wasson
Name: R. G. Wasson
Title: Chairman of the Board

EMPLOYEE:

/s/Gregory J. Orman
Gregory J. Orman

KLT INC.
INCENTIVE COMPENSATION PLAN

This Incentive Compensation Plan (the "Plan") of KLT Inc. (the "Corporation") is established and adopted by the Board of Directors of the Corporation (the "Board") as of March 14, 2000.

1. Purpose. The purpose of the Plan is to provide certain benefits in the form of additional compensation for designated employees and directors (the "Participants") of the Corporation for services rendered or hereafter rendered, to induce Participants to remain as employees.

2. Eligibility. Employees and directors of the Corporation are eligible to participate in the Plan if and as approved by the disinterested members of the Compensation Committee of the Board (the "Compensation Committee"). Notwithstanding any other provision of this Plan, any provisions in a separate employment contract or other contract between the Corporation and a Participant (a "Participant Contract") relating to participation in, or rights or obligations under, this Plan shall supersede the terms contained in this Plan.

3. Computation of Pool.

a. The Plan is designed to provide incentive compensation to Participants only with respect to the increase in value of the Corporation's investments in direct and indirect affiliates, as that term is defined in Rule 12b-2 under the Securities Exchange Act of 1934 (each an "Affiliate" and collectively the "Affiliates") in which the Corporation's employees have a management or director role. The Affiliates as of the adoption of the Plan are listed on Exhibit A. The disinterested members of the Board shall have the discretion of amending Exhibit A from time to time to reflect additions and deletions of the Corporation's Affiliates included in the Plan.

b. The disinterested members of the Board, after taking into account the recommendations of the Compensation Committee, shall establish a baseline value (the "Baseline") for the equity ownership by the Corporation with respect to each Affiliate included in the Plan. The Baseline for Affiliates existing at the time of initial adoption of the Plan shall be based on the current fair market value, on a pre-tax basis, established by the Compensation Committee in its sole good faith opinion, and is set forth opposite each Affiliate's name on Exhibit A. The Baseline for Affiliates included subsequent to the Plan's initial adoption shall be the amount of the Corporation's capital investment in such Affiliates (for purposes of this Plan, capital investment means and shall be limited to equity investment). The Baseline of each Affiliate shall be increased by the amount of additional capital investments to such Affiliate and decreased by the amount of distributions from such Affiliate to the Corporation.

c. The aggregate amount available to be distributed to Participants (the "Pool") shall be twenty percent of the difference between (i) the Amount Realized (as defined below) on each Affiliate or Corporation, as the case may be, and (ii) the sum of the Baseline for such Affiliate or Corporation, as the case may be, and an amount equal to a 10% annual pre-tax return on such Baseline (such Baseline shall be computed, as to Affiliates existing as of the date of initial adoption of the Plan, from the date of such adoption, and, as to Affiliates included subsequent to the Plan's initial adoption, from the date of such subsequent inclusion. The Baseline for the Corporation shall be the sum of the Baselines of its Affiliates). If the amount calculated pursuant to clause 3.c.(i) is less than the amount calculated pursuant to clause 3.c.(ii), then the Pool shall be reduced by an amount equal to twenty percent of such difference and the amounts in the Participant's Incentive Accounts shall be accordingly adjusted to reflect this reduction in the Pool. If the annual return on investment from an Affiliate or Corporation, as the case may be, exceeds 100%, the

Pool shall be increased by an amount equal to 10% of the difference between the annual return and 100%.

d. Except as otherwise provided herein or in any Participant Contract, no distributions shall be due or payable under the Plan until and unless the aggregate Amount Realized on the Affiliates or Corporation is, at the time of such distributions, at least $200 million (the "Threshold"). The Threshold only determines when and if distributions are payable; distributions shall be otherwise payable on all Amounts Realized.

e. The Amount Realized for each Affiliate or Corporation will be determined upon the occurrence of a Realization Event. A Realization Event shall be deemed to occur upon the earliest to occur of the following events:

(i) an initial public offering (an "IPO") of common stock of the Corporation or an Affiliate;
(ii) the sale of twenty percent (20%) or more of the fully diluted capital stock or other equity securities in the Corporation or an Affiliate;
(iii) a merger or consolidation of the Corporation an Affiliate in which the Corporation is not the survivor or the controlling shareholder of the resulting entity;
(iv) a sale, disposition or other transfer of all or substantially all of the assets of the Corporation or an Affiliate;
(v) a liquidation or dissolution of the Corporation or an Affiliate; and
(vi) the expiration of three years after implementation of the Plan, in the case of Affiliates initially included in Exhibit A, and three years after the Corporation's initial capital investment in an Affiliate which is subsequently included in Exhibit A.

f. The Amount Realized in events (i) through (v), above, shall be the fair market value on a pre-tax basis (the "FMV") of the Corporation's investment in the affected Affiliate, based upon the IPO price or the consideration received in the Realization Event. Except as otherwise provided herein or in any Participant Contract, the Amount Realized in event (vi) above shall be based upon an appropriate methodology that has been established by the Board, after taking into account the recommendations of the Compensation Committee and the Corporation's President, which (i) with respect to the Affiliates initially listed in Exhibit A, is listed in Exhibit B as to

each such Affiliate; and (ii) with respect to the Affiliates subsequently listed in Exhibit A, will be listed in Exhibit B as to each such Affiliate prior to the time the initial capital investment is made in such Affiliate.

g. If, after a Realization Event occurs with respect to a particular Affiliate, the Corporation retains a direct or indirect ownership interest in such Affiliate and all distributions relating to the Realization Event have not been paid due to distribution payment limitations set forth below, then the Amount Realized with respect to such Realization Event shall be annually adjusted to reflect any further accretion or dilution to the FMV realized by the Corporation in such Affiliate. Nothing in paragraphs 3.c. or 3.g. shall be deemed to require Participants to repay to the Corporation any distributions previously received on account of such Realization Event.

4. Allocation of the Pool.

a. The Board, acting through its disinterested members and in its sole discretion after taking into account the recommendations of the Compensation Committee and the Corporation's President and obligations of the Corporation, if any, under Participant Contracts, shall determine the allocation of the Pool (including but not limited to specific allocations of Amounts Realized) among the Participants (the "Awards") and any reallocation of any amounts in any Participant's Incentive Account that are not paid as a result of the termination of such Participant's employment with the Corporation (or other applicable events) pursuant to the provisions hereof or a separate written employment agreement or other arrangement between such Participant and the Corporation. An Award shall be subject to all terms and conditions of this Plan, and shall, if the Participant is not a party to a separate written employment agreement or other agreement containing a noncompetition or nondisclosure covenant, be conditioned upon the Participant executing and delivering a noncompetition or nondisclosure agreement, at the Board's option, in substantially the form attached hereto as Exhibit C.

b. A notional account ("Incentive Account") shall be established and maintained for each Participant receiving Awards under the Plan, showing the Awards granted, the portion of the value or Amounts Realized as allocated to the Participant (whether specified as a specific determinable dollar amount or as a percentage of the Pool), any adjustments thereto pursuant to the terms of the Plan, and the payments made under the Plan to such Participant. It is specifically contemplated that adjustments to the Pool, and the corresponding amounts allocated to Participants' Incentive Accounts, may be either positive or negative, as calculated pursuant to Section 3.c. for each Realization Event, and that as a result the Pool and the Participants' Incentive Accounts may be either positive or negative.

c. Except as otherwise provided herein, payments shall be made to each Participant so long as the Participant has a positive amount in his or her respective Incentive Account and the Threshold has been satisfied, both as of the end of a calendar year. In such event, a sum equal to 50% of the positive year-end amount in each Participant's Incentive Account shall be paid within 15 days of the end of such year, net of all applicable withholding taxes.

d. Allocations and payments under the Plan and related determinations shall be made in the same manner as contemplated in the examples set forth in Exhibit D attached hereto.

5. Effect of Termination of Employment.

a. Nothing in this Plan shall be construed to:

(i) Give any employee of the Corporation or any Participant any right to be awarded an Award, other than in the sole discretion of the Compensation Committee or as otherwise set forth in a separate written employment agreement between the Participant and the Corporation;

(ii) Give a Participant any right whatsoever with respect to any equity interest in the Corporation or any of its Affiliates (subject, however, to any separate written employment agreement between the Participant and the Corporation);

(iii) Limit in any way the right of the Corporation to terminate a Participant's employment with the Corporation at any time (subject, however, to any separate written employment agreement between the Participant and the Corporation); or

(iv) Be evidence of any agreement or understanding, express or implied, that the Corporation will employ a Participant in any particular position or at any particular rate of remuneration or for any particular period of time (subject, however, to any separate written employment agreement between the Participant and the Corporation).

b. Except as may otherwise be provided in a Participant Contract, termination of a Participant's employment with the Corporation shall have the following effect on the Participant's Award:

(i) If the Participant terminates employment, or if the Corporation terminates the Participant's employment for any reason (including but not limited to death or disability) other than Cause (as defined below), the Participant will be entitled to receive, within 30 days of termination of employment, a lump sum equal to 50% of the Award remaining in the Participant's Incentive Account at the time of such termination, net of all applicable withholding taxes. The Participant shall not be entitled to any other portion of the Award remaining in the Participant's Incentive Account.

(ii) If the Participant is terminated for Cause, the Participant shall forfeit all of the Award remaining in the Participant's Incentive Account at the time of such termination.

(iii) "Cause" is defined as:

(a) Dishonesty of the Participant with respect to the Corporation;

(b) Willful misfeasance or nonfeasance of duty intended to injure or having the effect of injuring the reputation, business or business relationships of the Corporation or its respective officers, directors or employees;

(c) Upon a charge by a governmental entity against the Participant of any crime involving moral turpitude or which could reflect unfavorably upon the Corporation or upon the filing of any civil action involving a charge of embezzlement, theft, fraud, or other similar act;

(d) Willful or prolonged absence from work by the Participant (other than by reason of disability due to physical or mental illness) or failure, neglect or refusal by the Participant to perform his duties and responsibilities without the same being corrected upon ten (10) days prior written notice;

(e) Breach by the Participant of any of the covenants contained in Exhibit C, or termination by the Corporation of the Participant for "cause" under an applicable separate written employment agreement; or

(f) Failure by the Participant to materially meet agreed-upon performance standards.

6. General Terms and Conditions

a. Non-alienation. No Award or any other rights under this Plan shall be subject to alienation, sale, assignment, pledge, encumbrance, or charge, and any attempt to alienate, sell, assign, pledge, encumber, or charge the same shall be void. No Award hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the person awarded such Award. If any Participant hereunder should become bankrupt or attempt to alienate, sell, assign, pledge, encumber, or charge any Award hereunder, then such Award shall, in the discretion of the Compensation Committee, cease.

b. Termination or Amendment of Plan. Unless otherwise amended or terminated as provided in this paragraph, this Plan shall terminate as of December 31, 2004, and all amounts then remaining in Incentive Accounts shall be paid within 15 days of such termination, net of all applicable withholding taxes. The Board may not otherwise terminate or amend this Plan, in whole or in part, without first obtaining the written consent of the Participants holding, in aggregate, a majority of the percentage of the Pool then allocated under this Plan. In the event of a Change of Control, as defined below, only those Participants holding percentages of the Pool

allocated as of the Change of Control shall be deemed to have the power to consent to any termination or amendment of the Plan occurring on or after the Change of Control. Notwithstanding the above, (i) any Award which is payable (that is, the Threshold had been reached) upon the termination of the Plan shall nevertheless be paid in accordance with the terms of this Plan (however, no Realization Events occurring after such termination shall be recognized for determining the amount of such Award), (ii) any Awards payable (that is, the Threshold had been reached) at the time the Compensation Committee amends the Plan shall nevertheless be payable accordance with the terms of this Plan in effect prior to such amendment, and (iii) the Plan shall not be amended or terminated with respect to any Participant except in accordance with any applicable Participant Contract. A Change of Control is a change of control of the Corporation (for purposes of this definition, the term "Corporation" shall be deemed to include any Affiliate(s) in direct or indirect control of the Corporation as of the date hereof or at any time during the Employment Period) of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (as in effect on the date hereof) promulgated under the Securities Exchange Act of 1934, as in effect on the date hereof (the "Exchange Act") assuming that the Corporation were then subject to Regulation 14A; provided, however, that, without limitation, such a change of control shall be deemed to have occurred if (A) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act; other than any underwriter or member of an underwriting syndicate or group with respect to a public offering of securities of the Corporation registered under the Securities Act of 1933, the Corporation or any "person" who on the date hereof is a director or officer of the Corporation or whose shares of Corporation stock are treated as "beneficially owned" (as defined in Rule 13d-3 under the Exchange Act, as in effect on the date hereof) by any such director or officer) is or becomes the beneficial owner, directly or indirectly, of securities of the Corporation representing 25% or more of the combined voting power of the Corporation's then-outstanding securities, (B) less than a majority of the members of the Board are persons who were either nominated for election by the current directors of the Board or successors to such directors selected by current directors of the Board, (C) the stockholders of the Corporation approve a merger or consolidation of the Corporation with any other entity, other than a merger or consolidation which would result in the Voting Securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the Corporation or such surviving entity) at least 80 percent of the total voting power represented by the Voting Securities of the Corporation or such surviving entity outstanding immediately after such merger or consolidation, or (D) the stockholders of the Corporation approve a plan of complete liquidation of the Corporation or an agreement for the sale or disposition by the Corporation of all or substantially all of the Corporation's assets. For purposes hereof, a Change of Control shall not be deemed to have occurred as a result of the consummation of any reorganization of Kansas City Power & Light Company ("KCPL") solely for purposes of establishing a holding company structure wherein the stockholders of the entity owning all or substantially all of the assets of KCPL immediately following such reorganization are predominantly the same as the stockholders of KCPL immediately prior to such reorganization. As used in this Agreement, "Voting Securities" shall mean any securities of the Corporation which vote generally in the election of directors.

c. Captions. The captions of any section or subsection of this Plan have been inserted for convenience and reference only and are to be ignored in the construction of the provisions hereof.

d. Execution of Necessary Documents. All persons claiming any interest whatsoever under this Plan agree to perform any and all acts and execute any and all documents and papers which may be necessary or desirable for the carrying out of this Plan or any of its provisions.

e. Notice. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail with postage and fees prepaid, addressed to Participant at his address shown on the Corporation's employment records and to the Corporation at the address of its principal corporate offices (attention: President) or at such other address as such party may designate by ten days' advance written notice to the other party hereto.

f. Choice of Law. This Plan and all documents associated therewith shall be construed, interpreted and enforced in accordance with the laws of the State of Missouri, without giving effect to that State's conflict of laws provisions.

g. Venue. All actions or proceedings with respect to this Plan or any documents associated therewith shall be instituted only in any state or federal court sitting in Jackson County, Missouri, and by execution of this Plan and the acceptance of Awards, the Corporation and the Participants irrevocably and unconditionally subject to the jurisdiction (both subject matter and personal) of each such court and irrevocably and unconditionally waive: (a) any objection that the parties might now or hereafter have to the venue of any of such court; and (b) any claim that any action or proceeding brought in any such court has been brought in an inconvenient forum.

h. No Waiver. No delay or omission by the Corporation in exercising any right under this Pan shall operate as a waiver of that or any other right. A waiver or consent given by the Corporation on any one occasion shall be effective only in that instance and shall not be construed as a bar or waiver of any right on any other occasion.

i. Captions. The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

j. Effect of Invalidity. In case any provision of this Plan shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

In witness whereof, the Corporation has executed this Plan as of the date first above written.

KLT INC., a Missouri corporation

By: /s/Gregory J. Orman

Attest:

/s/Mark G. English
Secretary

EXHIBIT 18

May 9, 2000

Board of Directors
Kansas City Power & Light Company
1201 Walnut
Kansas City, Missouri 64106

Dear Directors:

We are providing this letter to you for inclusion as an exhibit to your Form 10-Q filing pursuant to Item 601 of Regulation S-K.

We have been provided a copy of the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2000. Note 1. therein describes changes in accounting principles in pension accounting from recognizing limited pension gains and losses and determining expected return on plan assets on a basis other than fair market value to 1) recognizing gains and losses by amortizing over a five year period, the rolling five year average of unamortized gains and losses and 2) determining the expected return by multiplying the long-term rate of return times the fair value of plan assets. It should be understood that the preferability of one acceptable method of accounting over another for pensions has not been addressed in any authoritative accounting literature, and in expressing our concurrence below we have relied on management's determination that these changes in accounting principles are preferable. Based on our reading of management's stated reasons and justification for these changes in accounting principles in the Form 10-Q, and our discussions with management as to their judgment about the relevant business planning factors relating to the changes, we concur with management that such changes represent, in the Company's circumstances, the adoption of preferable accounting principles in conformity with Accounting Principles Board Opinion No. 20.

We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 1999. Accordingly, our comments are subject to change upon completion of an audit of the financial statements covering the period of the accounting changes.

Very truly yours,

/s/PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP

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Dec-31-2000
Mar-31-2000
PER-BOOK
2,347,497
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147,390
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