UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2004**

or

o TRANSITION REPORT PURSUANT SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____to_____

Commission File Number	Registrant, State of Incorporation, Address and Telephone Number	I.R.S. Employer Identification Number
001-32206	**GREAT PLAINS ENERGY INCORPORATED** (A Missouri Corporation) 1201 Walnut Street Kansas City, Missouri 64106 (816) 556-2200 www.greatplainsenergy.com	43-1916803
1-707	**KANSAS CITY POWER & LIGHT COMPANY** (A Missouri Corporation) 1201 Walnut Street Kansas City, Missouri 64106 (816) 556-2200 www.kcpl.com	44-0308720

Each of the following classes or series of securities registered pursuant to Section 12(b) of the Act is registered on the New York Stock Exchange:

Registrant	Title of each class	
Great Plains Energy Incorporated	Cumulative Preferred Stock par value $100 per share	3.80%
	Cumulative Preferred Stock par value $100 per share	4.50%
	Cumulative Preferred Stock par value $100 per share	4.35%
	Income PRIDES[SM]	

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

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

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act.)
Great Plains Energy Incorporated Yes_X_ No __ Kansas City Power & Light Company Yes__ No _X_

The aggregate market value of the voting and non-voting common equity held by non-affiliates of Great Plains Energy Incorporated (based on the closing price of its common stock on the New York Stock Exchange on June 30, 2004, was approximately $2,205,495,656. All of the common equity of Kansas City Power & Light Company is held by Great Plains Energy Incorporated, an affiliate of Kansas City Power & Light Company.

On February 25, 2005, Great Plains Energy Incorporated had 74,438,825 shares of common stock outstanding. The aggregate market value of the common stock held by non-affiliates of Great Plains Energy Incorporated (based upon the closing price of its common stock on the New York Stock Exchange on February 25, 2005) was approximately $2,318,769,399. On February 25, 2005, Kansas City Power & Light Company had one share of common stock outstanding and held by Great Plains Energy Incorporated.

Documents Incorporated by Reference
Portions of the 2005 Proxy Statement of **Great Plains Energy Incorporated** to be filed with the Securities and Exchange Commission are incorporated by reference in Part III of this report.

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

This report should be read in its entirety. No one section of the report deals with all aspects of the subject matter.

CAUTIONARY STATEMENTS REGARDING CERTAIN FORWARD-LOOKING INFORMATION

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

- *future economic conditions in the regional, national and international markets, including but not limited to regional and national wholesale electricity markets*
- *market perception of the energy industry and the Company*
- *changes in business strategy, operations or development plans*
- *effects of current or proposed state and federal legislative and regulatory actions or developments, including, but not limited to, deregulation, re-regulation and restructuring of the electric utility industry and constraints placed on the Company's actions by the Public Utility Company Act of 1935*
- *adverse changes in applicable laws, regulations, rules, principles or practices governing tax, accounting and environmental matters including, but not limited to, air quality*
- *financial market conditions and performance including, but not limited to, changes in interest rates and in availability and cost of capital and the effects on the Company's pension plan assets and costs*
- *credit ratings*
- *inflation rates*
- *effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments*
- *impact of terrorist acts*
- *increased competition including, but not limited to, retail choice in the electric utility industry and the entry of new competitors*
- *ability to carry out marketing and sales plans*
- *weather conditions including weather-related damage*
- *cost, availability and deliverability of fuel*
- *ability to achieve generation planning goals and the occurrence of unplanned generation outages*
- *delays in the anticipated in-service dates of additional generating capacity*
- *nuclear operations*
- *ability to enter new markets successfully and capitalize on growth opportunities in non-regulated businesses*
- *performance of projects undertaken by the Company's non-regulated businesses and the success of efforts to invest in and develop new opportunities, and*
- *other risks and uncertainties.*

This list of factors is not all-inclusive because it is not possible to predict all factors.

GLOSSARY OF TERMS

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

Abbreviation or Acronym	Definition
35 Act	Public Utility Holding Company Act of 1935, as amended
ARO	Asset Retirement Obligations
CAIR	Clean Air Interstate Rule
Clean Air Act	Clean Air Act Amendments of 1990
CO_2	Carbon Dioxide
Compact	Central Interstate Low-Level Radioactive Waste Compact
Company	Great Plains Energy Incorporated and its subsidiaries
Consolidated KCP&L	KCP&L and its subsidiary, HSS
COSO	Committee of Sponsoring Organizations
Digital Teleport	Digital Teleport, Inc.
DOE	Department of Energy
DTI	DTI Holdings, Inc. and its subsidiaries, Digital Teleport, Inc. and Digital Teleport of Virginia, Inc.
EBITDA	Earnings before interest, income taxes, depreciation and amortization
EEI	Edison Electric Institute
EIRR	Environmental Improvement Revenue Refunding
EPA	Environmental Protection Agency
EPS	Earnings per common share
ERISA	Employee Retirement Income Security Act of 1974
FASB	Financial Accounting Standards Board
FELINE PRIDES℠	Flexible Equity Linked Preferred Increased Dividend Equity Securities, a service mark of Merrill Lynch & Co., Inc.
FERC	Federal Energy Regulatory Commission
FIN	Financial Accounting Standards Board Interpretation
GAAP	Generally Accepted Accounting Principles
GPP	Great Plains Power Incorporated, a wholly owned subsidiary of Great Plains Energy
Great Plains Energy	Great Plains Energy Incorporated and its subsidiaries
Holdings	DTI Holdings, Inc.
HSS	Home Service Solutions Inc., a wholly owned subsidiary of KCP&L
IEC	Innovative Energy Consultants Inc., a wholly owned subsidiary of Great Plains Energy
IRS	Internal Revenue Service
ISO	Independent System Operator
KCC	The State Corporation Commission of the State of Kansas
KCP&L	Kansas City Power & Light Company, a wholly owned subsidiary of Great Plains Energy
KLT Energy Services	KLT Energy Services Inc., a wholly owned subsidiary of KLT Inc.
KLT Gas	KLT Gas Inc., a wholly owned subsidiary of KLT Inc.
KLT Gas portfolio	KLT Gas natural gas properties
KLT Inc.	KLT Inc., a wholly owned subsidiary of Great Plains Energy
KLT Investments	KLT Investments Inc., a wholly owned subsidiary of KLT Inc.
KLT Telecom	KLT Telecom Inc., a wholly owned subsidiary of KLT Inc.
KW	Kilowatt

Abbreviation or Acronym	Definition
kWh	Kilowatt hour
Lease Trust	Lessor for KCP&L's synthetic lease arrangement for five combustion turbines
MAC	Material Adverse Change
MACT	Maximum Achievable Control Technology
MODOR	Missouri Department of Revenue
MPSC	Missouri Public Service Commission
MW	Megawatt

MWh	Megawatt hour
NEIL	Nuclear Electric Insurance Limited
NO_X	Nitrogen Oxide
NPNS	Normal purchases and normal sales exception under SFAS No. 133, as amended
NRC	Nuclear Regulatory Commission
OCI	Other Comprehensive Income
Receivables Company	Kansas City Power & Light Receivables Company, a wholly owned subsidiary of KCP&L
RSAE	R.S. Andrews Enterprises, Inc., a subsidiary of HSS
RTO	Regional Transmission Organization
SEC	Securities and Exchange Commission
SE Holdings	SE Holdings, L.L.C.
Services	Great Plains Energy Services Incorporated
SFAS	Statement of Financial Accounting Standards
SO_2	Sulfur Dioxide
SO_X	Sulfur Oxide
SPP	Southwest Power Pool, Inc.
Strategic Energy	Strategic Energy, L.L.C., a subsidiary of KLT Energy Services
WCNOC	Wolf Creek Nuclear Operating Corporation
Wolf Creek	Wolf Creek Generating Station
Worry Free	Worry Free Service, Inc., a wholly owned subsidiary of HSS

PART I

ITEM 1. BUSINESS

General

Great Plains Energy Incorporated and Kansas City Power & Light Company are separate registrants filing this combined annual report. The terms “Great Plains Energy,” “Company,” “KCP&L” and “consolidated KCP&L” are used throughout this report. “Great Plains Energy” and the “Company” refer to Great Plains Energy Incorporated and its consolidated subsidiaries, unless otherwise indicated. “KCP&L” refers to Kansas City Power & Light Company, and “consolidated KCP&L” refers to KCP&L and its consolidated subsidiaries.

Information in other Items of this report as to which reference is made in this Item 1. is hereby incorporated by reference in this Item 1. The use of terms such as see or refer to shall be deemed to incorporate into this Item 1. the information to which such reference is made.

GREAT PLAINS ENERGY

Great Plains Energy, a Missouri corporation incorporated in 2001 and headquartered in Kansas City, Missouri, is a public utility holding company registered with and subject to the regulation of the Securities and Exchange Commission (SEC) under the Public Utility Holding Company Act of 1935, as amended (35 Act). Through a corporate restructuring consummated on October 1, 2001, Great Plains Energy became the parent company and sole owner of the common stock of KCP&L.

Great Plains Energy does not own or operate any significant assets other than the stock of its subsidiaries. Great Plains Energy’s direct subsidiaries are KCP&L, KLT Inc., Great Plains Power Incorporated (GPP), Innovative Energy Consultants Inc. (IEC) and Great Plains Energy Services Incorporated (Services).

- KCP&L is described below.
- KLT Inc. is an intermediate holding company that primarily holds, directly or indirectly, interests in Strategic Energy, L.L.C. (Strategic Energy) and affordable housing limited partnerships. Strategic Energy provides competitive electricity supply services in several electricity markets offering retail choice. KLT Inc. wholly owns KLT Gas Inc. (KLT Gas). In February 2004, the Board of Directors approved the sale of the KLT Gas natural gas properties (KLT Gas portfolio) and discontinuation of the gas business. KLT Gas completed sales of substantially all of the KLT Gas portfolio in 2004. See Note 6 to the consolidated financial statements for further information regarding KLT Gas.
- GPP focuses on the development of wholesale generation. Management decided during 2002 to limit the operations of GPP to the siting and permitting process that began in 2001 for potential new generation. GPP has made no significant investments to date.
- IEC is an intermediate holding company that holds an indirect interest in Strategic Energy. IEC does not own or operate any assets other than its indirect interest in Strategic Energy. When combined with KLT Inc.’s indirect interest in Strategic Energy, the Company owns just under 100% of the indirect interest in Strategic Energy.
- Services was formed in 2003 to provide services at cost to Great Plains Energy and its subsidiaries, including consolidated KCP&L, as a service company under the 35 Act.

Strategic Intent

For a discussion of the Company’s strategic intent, please refer to the Strategic Intent section in Item 7. Management’s Discussion and Analysis.

CONSOLIDATED KCP&L
KCP&L, a Missouri corporation incorporated in 1922, is an integrated, regulated electric utility, which provides electricity to customers primarily in the states of Missouri and Kansas. KCP&L has one wholly owned subsidiary, Home Service Solutions Inc. (HSS), which held a residential services investment, Worry Free Service, Inc. (Worry Free). HSS entered into a letter of intent to sell Worry Free in December 2004 and closed the sale in February 2005. In June 2003, HSS completed the disposition of its interest in R.S. Andrews Enterprises, Inc. (RSAE).

Business Segments of Great Plains Energy and KCP&L
Consolidated KCP&L's sole reportable business segment is KCP&L. Great Plains Energy, through its direct and indirect subsidiaries, has two reportable business segments: KCP&L and Strategic Energy.

For information regarding the revenues, income and assets attributable to the Company's reportable business segments, see Note 17 to the consolidated financial statements. Comparative financial information and discussion regarding the Company's and KCP&L's reportable business segments can be found in Item 7. Management's Discussion and Analysis.

Regulation - General
Great Plains Energy and its subsidiaries are subject to certain limitations and approval requirements as a registered holding company system under the 35 Act with respect to matters such as the structure of holding company systems, transactions among affiliates, acquisitions, business combinations, the issuance, sale and acquisition of securities, and engaging in business activities not directly related to the utility or energy business. Consistent with the requirements under the 35 Act, Great Plains Energy formed a service company effective April 1, 2003. The Company is required to submit reports providing detailed information concerning the organization, financial structure and operations of Great Plains Energy and its subsidiaries. Several proposals regarding the 35 Act have been introduced in Congress in the past few years; however, the prospects for legislative reform or repeal are uncertain at this time.

Other regulatory matters affecting KCP&L and Strategic Energy are described below in the discussion on each of these reportable business segments.

Capital Program and Financing
For information on the Company's and KCP&L's capital program and financial needs, see Item 7. Management's Discussion and Analysis, Strategic Intent and Capital Requirements and Liquidity sections and Notes 18 and 19 to the consolidated financial statements.

KCP&L
KCP&L, headquartered in Kansas City, Missouri, engages in the generation, transmission, distribution and sale of electricity. KCP&L serves almost 495,000 customers located in all or portions of 24 counties in western Missouri and eastern Kansas. Customers include over 435,000 residences, over 55,000 commercial firms, and over 2,200 industrials, municipalities and other electric utilities. KCP&L's retail revenues were 80%, 84% and 88% of its total operating revenues in 2004, 2003 and 2002, respectively. Wholesale firm power, bulk power sales and miscellaneous electric revenues accounted for the remainder of utility revenues. KCP&L is significantly impacted by seasonality with approximately one-third of its retail revenues recorded in the third quarter. KCP&L's total electric revenues accounted for approximately 44%, 49% and 56% of Great Plains Energy's revenues in 2004, 2003 and 2002, respectively. KCP&L's income from continuing operations accounted for approximately 86%, 67% and 75% of Great Plains Energy's income from continuing operations in 2004, 2003 and 2002, respectively.

Regulation
KCP&L is regulated by the Missouri Public Service Commission (MPSC) and The State Corporation Commission of the State of Kansas (KCC) with respect to retail rates, accounting matters, standards of service and, in certain cases, the issuance of securities, certification of facilities and service territories.

KCP&L is classified as a public utility under the Federal Power Act and accordingly, is subject to regulation by the Federal Energy Regulatory Commission (FERC). By virtue of its 47% ownership interest in Wolf Creek Nuclear Generating Station (Wolf Creek), KCP&L is subject to regulation by the Nuclear Regulatory Commission (NRC), with respect to licensing and safety-related requirements. KCP&L is also subject to the jurisdiction of the SEC under the 35 Act, as described above.

Missouri jurisdictional retail revenues averaged 57% of KCP&L's total retail revenue over the last three years. Kansas jurisdictional retail revenues averaged 43% of KCP&L's total retail revenue over the last three years. See Item 7. Management's Discussion and Analysis, Critical Accounting Policies section for additional information concerning regulatory matters.

Market-Based Rate Authority
KCP&L is authorized by FERC to sell wholesale power at market-based rates. As a condition of that authority, every three years, KCP&L must submit to FERC an updated market power analysis. Pursuant to that condition, KCP&L submitted its most recent update in 2004. Since KCP&L's previous update, FERC revised its market power analysis and devised two screens to identify companies that potentially had generation market power. In December 2004, FERC issued an order explaining that KCP&L passed FERC's new indicative market power screens in all markets except its own control area and the control area of The Board of Public Utilities of Kansas City, Kansas (KCBPU). FERC instituted a proceeding to determine whether KCP&L may continue to charge market-based rates in its control area and the KCBPU control area. FERC instructed KCP&L to submit additional information demonstrating that it lacked generation market power in its control area and the KCBPU control area, propose mitigation measures that would apply to wholesale sales in those areas, or accept FERC's cost-based rates for wholesale sales in those areas. In February 2005, KCP&L submitted additional information to demonstrate that it does not possess market power in its control area or the control area of KCBPU. FERC action on that submission is pending.

The FERC clarified in the December 2004 order that any resulting mitigation or refunds would be limited to wholesale, market-based sales within the KCP&L and KCBPU control areas because those are the geographic markets for which FERC's indicative screens identified the potential for generation market power. However, nearly all of KCP&L's market-based, wholesale sales are outside of its control area and the control area of KCBPU. Consequently, based on 2004 sales figures, FERC's proceeding pertains to less than 4% of KCP&L's wholesale revenues.

Wolf Creek
The NRC evaluates plant performance by analyzing two distinct inputs: inspection findings resulting from NRC's inspection program and performance indicators (PIs) reported by the licensee (Inspection Findings + Performance Indicators = Plant Assessment). Both PIs and inspection findings are evaluated and given a color designation based on their safety significance. Green inspection findings or PIs indicate very low risk significance and therefore have little or no impact on safety. A plant with green inspection findings and all green PI's receives the minimum regimen of inspections from the NRC. White, yellow or red inspection

findings or PIs each, respectively, represent a greater degree of safety significance. PIs are reported quarterly, looking back on the preceding 12 months. During the "current" 12 month cycle (i.e. ending 4th quarter 2004), Wolf Creek experienced 3 unscheduled shutdowns or "scrams" resulting in this PI to approach moving from the green into the white band. There is currently enough margin in this PI to sustain one additional plant trip without turning the PI white. Assuming no additional scrams between now and the end of the third quarter, this margin will grow to two scrams. A unit with green inspection findings, 14 green PIs and a single white PI is still considered to be meeting all NRC oversight objectives. However, the NRC might require an additional inspection be performed to evaluate the causes and corrective actions for the white PI and to determine if any violations occurred. Wolf Creek's current rating on all inspection findings and PIs is green.

Regional Transmission Organization

Under FERC Order 2000, KCP&L, as an investor-owned utility, is strongly encouraged to join a FERC approved Regional Transmission Organization (RTO). RTOs combine transmission operations of utility businesses into regional organizations that schedule transmission services and monitor the energy market to ensure regional transmission reliability and non-discriminatory access. The Southwest Power Pool (SPP), of which KCP&L is a member, obtained approval from FERC as an RTO in a January 24, 2005, order. KCP&L intends on participating in the SPP RTO; however, state regulatory approvals are required. KCP&L anticipates making the necessary applications to the MPSC and the KCC, during the second quarter of 2005 upon completion of the regional cost/benefit analysis currently being conducted for the SPP RTO. This cost/benefit analysis is being conducted under the direction of the SPP Regional State Committee (composed of state commissions from the states where the SPP RTO operates) and is expected to be completed in the first quarter of 2005.

Competition

For years the electric industry was relatively stable, characterized by vertically integrated electric companies. During recent years however, federal and state developments aimed at promoting competition resulted in industry restructuring. The industry has moved from a fully regulated industry, comprised of integrated companies that combine generation, transmission and distribution, to a highly fragmented industry comprised of some fully integrated, regulated utility markets and some competitive wholesale generation markets with continuing regulation of transmission and distribution. However, the pace of restructuring has slowed significantly due primarily to public and governmental reactions to issues associated with deregulation efforts in California and the collapse of its wholesale electric energy market. While most states in the process of deregulating the generation of electricity have continued the process, no new states have initiated the deregulation process.

At the federal level, FERC is committed to the development of wholesale generation markets. The FERC has undertaken an initiative to standardize wholesale markets in the United States by promoting the formation of RTOs. As changes in the retail and wholesale markets have occurred, regulators and legislators in different jurisdictions have not coordinated these changes. In some cases, actions by one jurisdiction may conflict with actions by another, creating potentially incompatible obligations for public utilities. Restructuring issues are complex and are continually affected by events at the federal and state levels; however, these changes may result in fundamental alterations in the way traditional integrated utilities conduct business.

Management believes the transition to competition will continue, although at a slow pace, particularly at the state level. Missouri and Kansas continue on the fully integrated utility model and no legislation authorizing retail choice has been introduced in Missouri or Kansas for several years. If Missouri or Kansas were to pass legislation authorizing or mandating retail choice, KCP&L would no longer be able to apply regulated utility accounting principles to some, or all of its operations and may be required to write off certain regulatory assets and liabilities. See Note 4 to the consolidated financial statements for additional information regarding regulatory assets and liabilities.

Power Supply

KCP&L is a member of the SPP reliability region. As one of the ten regional members of the North American Electric Reliability Council, SPP is responsible for maintaining reliability in its area through coordination of planning and operations. As a member of the SPP, KCP&L is required to maintain a capacity margin of at least 12% of its projected peak summer demand. This net positive supply of capacity and energy is maintained through its generation assets and capacity, power purchase agreements and peak demand reduction programs. The capacity margin is designed to ensure the reliability of electric energy in the SPP region in the event of operational failure of power generating units utilized by the members of the SPP. There currently is not a penalty for falling below the required capacity margin.

KCP&L's maximum system net hourly summer peak load of 3,610 MW occurred on August 21, 2003. The maximum winter peak load of 2,382 MW occurred on December 18, 2000. During 2004, the summer peak load was 3,384 MW and the winter peak load was 2,376 MW. The projected peak summer demand for 2005 is 3,533 MW. KCP&L has adequate generation assets to meet its projected capacity requirements through 2005. Capacity requirements for 2006 through 2009 are expected to be met through short-term capacity purchases, additional demand-side management and efficiency programs, uprates on several of KCP&L's existing turbine generators and the potential additions of wind generation consistent with KCP&L's strategic intent.

The majority of KCP&L's rates do not contain an automatic fuel adjustment clause. Consequently, to the extent the price of coal, coal transportation, nuclear fuel, nuclear fuel processing, natural gas or purchased power increase significantly after the expiration of the contracts described in this section, or if KCP&L's lower fuel cost units do not meet anticipated availability levels, KCP&L's net income may be adversely affected until the increased cost could be reflected in rates.

Fuel

The principal sources of fuel for KCP&L's electric generation are coal and nuclear fuel. KCP&L expects, with normal weather, to satisfy about 98% of its 2005 fuel requirements from these sources with the remainder provided by natural gas and oil. The actual 2004 and estimated 2005 fuel mix and delivered cost in cents per net kWh generated are in the following table.

	Fuel Mix [(a)]	Fuel cost in cents per net kWh generated

Fuel	Estimated 2005	Actual 2004	Estimated 2005	Actual 2004
Coal	77 %	76 %	1.02	0.94
Nuclear	21	23	0.43	0.40
Natural gas and oil	2	1	8.21	6.79
Total Generation	100 %	100 %	1.01	0.86

(a) Fuel mix based on percent of total MWhs generated.

Coal

During 2005, KCP&L's generating units, including jointly owned units, are projected to burn approximately 13.3 million tons of coal. KCP&L has entered into coal-purchase contracts with various suppliers in Wyoming's Powder River Basin, the nation's principal supply region of low-sulfur coal. These contracts will satisfy approximately 100%, 90%, 70% and 35%, respectively, of the projected coal requirements for 2005 through 2008. The remainder of KCP&L's coal requirements will be fulfilled through additional contracts or spot market purchases. The existing contracts have been entered into over time at higher prices as the coal market price has risen creating an increase in coal costs for 2005 and beyond.

KCP&L has also entered into rail transportation contracts with various railroads for moving coal from Powder River Basin to its generating units. These contracts will satisfy approximately 100% of the rail transportation requirements for 2005 and approximately 75% to 80% of the requirements for 2006 through 2010. The major railroads delivering coal to KCP&L have recently experienced congestion and deterioration of service due in part to severe winter weather and limited capacity. Although KCP&L's coal inventory management process is designed to deal with fuel supply disruptions, such disruptions could cause KCP&L to reduce generation at one or more of its coal-fired plants, resulting in reduced wholesale sales, increased replacement power costs, or both.

Nuclear Fuel

KCP&L owns 47% of Wolf Creek Nuclear Operating Corporation (WCNOC), the operating company for Wolf Creek, its only nuclear generating unit. Wolf Creek purchases uranium and has it processed for use as fuel in its reactor. In the first step, uranium concentrates are chemically converted to uranium hexafluoride, which is suitable for enrichment. During enrichment, the fissionable isotope of uranium contained in uranium hexafluoride is concentrated by removing a large part of the non-fissionable isotope resulting in enriched uranium hexafluoride suitable for further processing into nuclear fuel pellets. Finally, the enriched uranium hexafluoride is further processed into uranium dioxide powder that is pressed into ceramic pellets, which are then encased in metal tubes and arranged into fuel assemblies in the fabrication process.

The owners of Wolf Creek have on hand or under contract 100% of the uranium and conversion services needed to operate Wolf Creek through September 2009. The owners also have under contract 100% of the uranium enrichment required to operate Wolf Creek through March 2008. Fabrication requirements are under contract through 2024.

All uranium, uranium conversion and uranium enrichment arrangements, as well as the fabrication agreement, have been entered into in the ordinary course of business. However, contraction and consolidation among suppliers of these commodities and services, coupled with increasing worldwide demand and past inventory drawdowns, have introduced some uncertainty as to Wolf Creek's ability to replace some of these contracts in the event of a protracted supply disruption. Great Plains Energy's management believes this potential problem is common to the nuclear industry. Accordingly, in the event the affected contracts were required to be replaced, Great Plains Energy's and Wolf Creek's management believes that the industry and government would arrive at a solution to minimize disruption of the nuclear industry's operations, including Wolf Creek's operations. In addition, Wolf Creek's management has taken actions to reduce the risk to Wolf Creek of short-term supply disruptions.

Under the Nuclear Waste Policy Act of 1982, the Department of Energy (DOE) is responsible for the permanent disposal of spent nuclear fuel. KCP&L pays the DOE a quarterly fee of one-tenth of a cent for each kWh of net nuclear generation delivered and sold for the future disposal of spent nuclear fuel. In 2002, the U.S. Senate approved Yucca Mountain, Nevada as a long-term geologic repository. The DOE is currently in the process of preparing an application to obtain the NRC license to proceed with construction of the repository. Management cannot predict when this site may be available. Under current DOE policy, once a permanent site is available, the DOE will accept spent nuclear fuel first from the owners with the oldest spent fuel. Wolf Creek has completed an on-site storage facility that is designed to hold all spent fuel generated at the plant through the end of its 40-year licensed life in 2025.

In January 2004, KCP&L and the other two Wolf Creek owners filed suit against the United States in the U.S. Court of Federal Claims seeking an unspecified amount of monetary damages resulting from the government's failure to begin accepting spent fuel for disposal in January 1998, as the government was required to do by the Nuclear Waste Policy Act of 1982. About sixty other similar cases are pending before that court, four of which went to trial in 2004. Another federal court already has determined that the government breached its obligation to begin accepting spent fuel for disposal. The questions now before the court in the pending cases are whether and to what extent the utilities are entitled to monetary damages for that breach. KCP&L cannot predict the outcome of the Wolf Creek case.

The Low-Level Radioactive Waste Policy Amendments Act of 1985 mandated the development of low-level radioactive waste disposal facilities. The states of Kansas, Nebraska, Arkansas, Louisiana and Oklahoma formed the Central Interstate Low-Level Radioactive Waste Compact (Compact) and

selected a site in northern Nebraska to locate a disposal facility. Nebraska officials opposed the site and Nebraska is no longer a member of the Compact. The Compact Commission has begun seeking alternative long-term waste disposal capability elsewhere. Currently, the low-level waste from Wolf Creek is being processed and disposed of in other federally approved sites. See Note 13 to the consolidated financial statements for additional information regarding low-level waste and the Compact.

Natural Gas

KCP&L is projecting increased use of natural gas during 2005 to support peak summer load as a result of KCP&L's projected normal summer weather in 2005. KCP&L has slightly under half of its 2005 projected natural gas usage for retail load and firm MWh sales hedged. KCP&L expects fuel expense to increase in 2005 due to this increase in volume coupled with increasing market prices of natural gas.

Purchased Power

At times, KCP&L purchases power to meet its customers' needs. Management believes KCP&L will be able to obtain enough power to meet its future demands due to the coordination of planning and operations in the SPP region; however, price and availability of power purchases may be impacted during periods of high demand. KCP&L's purchased power, as a percent of MWh requirements, averaged approximately 5% for 2004, 2003 and 2002. These purchases were primarily based on purchased power prices being more economical than the cost of using natural gas fired generation to meet demand.

Environmental Matters

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

KCP&L operates in an environmentally responsible manner and seeks to use current technology to avoid and treat contamination. KCP&L regularly conducts environmental audits designed to ensure compliance with governmental regulations and to detect contamination. Governmental bodies may impose additional or more restrictive environmental regulations that could require substantial changes to operations or facilities at a significant cost. See Note 13 to the consolidated financial statements for additional information regarding environmental matters.

STRATEGIC ENERGY

Great Plains Energy owns just under 100% of the indirect interest in Strategic Energy after IEC's May 2004 purchase of an additional 11.45% indirect interest. The Company paid cash of $90.0 million, including $1.2 million of transaction costs, for the additional indirect interest bringing the total invested in Strategic Energy to $122.1 million. See Note 8 to the consolidated financial statements for additional information regarding the acquisition. Strategic Energy provides competitive electricity supply services by entering into contracts with its customers to supply electricity. Of the states that offer retail choice, Strategic Energy operates in California, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania and Texas. Strategic Energy also provides strategic planning and consulting services in the natural gas and electricity markets. Strategic Energy's total revenues accounted for approximately 56%, 51% and 44% of Great Plains Energy's revenues in 2004, 2003 and 2002, respectively. Strategic Energy's net income accounted for approximately 24%, 21% and 22% of Great Plains Energy's income from continuing operations in 2004, 2003 and 2002, respectively.

Strategic Energy serves approximately 8,500 customers including numerous Fortune 500 companies, smaller companies and governmental entities. Strategic Energy provides competitive electricity supply

to over 54,000 commercial, institutional and small manufacturing accounts. Strategic Energy's projected MWh deliveries for 2005 based on signed contracts and expected additional MWh deliveries are in the range of 21 million to 23 million MWhs.

Strategic Energy's growth objective is to continue to expand in retail choice states and continue to earn its share of a large and growing market opportunity. Strategic Energy's continued success is dependent on a number of industry and operational factors including, but not limited to, the ability to contract for wholesale MWhs to meet its customers' needs at prices that are competitive with the host utility territory rates and with current and/or future competitors, the ability to provide value-added customer services and the ability to attract and retain employees experienced in providing service in retail choice states.

Power Supply

Strategic Energy primarily purchases power under forward physical delivery contracts to supply electricity to its retail energy customers based on projected usage. Strategic Energy does not own any generation, transmission or distribution facilities. Strategic Energy sells any excess retail supply of electricity back into the wholesale market. The proceeds from the sale of excess supply of electricity are recorded as a reduction of purchased power. Strategic Energy is subject to potential volatility to the extent that actual customer usage varies significantly from projections. The effect on purchased power expense would be dependent on conditions and prices in the wholesale market.

In the normal course of business, Great Plains Energy provides financial or performance assurance to third parties on behalf of Strategic Energy in the form of guarantees to those third parties. Additionally, Great Plains Energy provides guarantees and indemnities supporting letters of credit and surety bonds obtained by Strategic Energy. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to Strategic Energy on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish Strategic Energy's intended business purposes.

Strategic Energy enters into forward contracts with multiple suppliers. At December 31, 2004, Strategic Energy's five largest suppliers under forward supply contracts represented 70% of the total future committed purchases. Four of Strategic Energy's five largest suppliers, or their guarantors, are rated investment grade and the non-investment grade rated supplier collateralizes its position with Strategic Energy. Strategic Energy is subject to credit risk if a counterparty failed to perform under its contractual obligations. To reduce its credit exposure, Strategic Energy enters into payment netting agreements with certain counterparties that permit Strategic Energy to offset receivables and payables with such counterparties. Strategic Energy further reduces credit risk with certain counterparties by entering into agreements that enable Strategic Energy to terminate the transaction or modify collateral thresholds upon the occurrence of credit-related events.

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

In the event of supplier non-delivery or default, Strategic Energy's results of operations could be affected to the extent the cost of replacement power exceeded the combination of the contracted price with the supplier and the amount of collateral held by Strategic Energy to mitigate its credit risk with the supplier. In addition to the collateral, if any, that the supplier provides, Strategic Energy's risk is further mitigated by the obligation of the supplier to make a default payment equal to the shortfall and to pay liquidated damages in the event of a failure to deliver power. Strategic Energy's results of operations could also be affected if it were required to make a payment upon termination of a supplier contract to

the extent that the contracted price with the supplier exceeded the market value of the contract at the time of termination.

Regulation
Strategic Energy, as a participant in the wholesale electricity and transmission markets, is subject to FERC jurisdiction. Additionally, Strategic Energy is subject to regulation by state regulatory agencies in states where Strategic Energy is licensed to sell power. Each state has a public utility commission and rules related to retail choice. Each state's rules are distinct and may conflict. These rules do not restrict the amount Strategic Energy can charge for its services, but can have an impact on Strategic Energy's ability to provide retail electricity services in any jurisdiction. Strategic Energy is also subject to the jurisdiction of the SEC under the 35 Act, as described above.

In many markets, Independent System Operators (ISOs) or RTOs manage the power flows, maintain reliability and administer transmission access for the electric transmission grid in a defined region. ISOs and RTOs coordinate and monitor communications among the generator, distributor and retail electricity provider. Additionally, ISOs or RTOs manage the real-time electricity supply and demand, and direct the energy flow. Through these activities ISOs and RTOs maintain a reliable energy supply within their region.

As a competitive electricity supplier, Strategic Energy must register with each ISO or RTO in order to operate in the markets covered by their grids. Strategic Energy primarily engages with the following ISOs and RTOs:

- PJM Interconnection
- New England RTO (formerly ISO-New England)
- California ISO
- New York ISO
- Electric Reliability Council of Texas (ERCOT)
- Midwest ISO

In some cases, ISOs or RTOs provide Strategic Energy with all or a combination of the data for billing, settlement, application of electricity rates and information regarding the imbalance of electricity supply. In addition, they provide balancing energy services and ancillary services to Strategic Energy in the fulfillment of providing services to retail end users. Strategic Energy must go through a settlement process with each ISO or RTO in which the ISO or RTO compares scheduled power with actual meter reads during a given time period and adjusts the original costs charged to Strategic Energy through a revised settlement. These settlements typically include an initial daily settlement, a resettlement and a final settlement that occurs in ranges from 90 days to two years subsequent to the initial settlement, depending on the ISO or RTO. Strategic Energy makes estimates for these settlements in its normal operating cycle. Differences between estimated settlements and actual settlements are recorded as an adjustment to cost of sales in the period they become known.

All participants in the ISOs or RTOs have exposure to other market participants. In the event of default by a market participant within the ISOs or RTOs, the uncollectible balance is generally allocated to the remaining participants in proportion to their load share. Strategic Energy records these adjustments as they become known.

ISOs and RTOs may continue to modify the market structure and mechanisms in an attempt to improve market efficiency. In addition, existing regulations may be revised or reinterpreted and new laws and regulations may be adopted or become applicable to Strategic Energy's activities. These actions could

have an effect on Strategic Energy's results of operations. Strategic Energy participates extensively, together with other market participants, in relevant ISO and RTO governance and regulatory issues.

Competition
Strategic Energy operates in several retail choice electricity markets. Strategic Energy has several competitors that operate in most or all of the same states in which Strategic Energy services customers. Some of these competitors also operate in states other than where Strategic Energy has operations. Strategic Energy also faces competition in certain markets from regional suppliers and deregulated utility affiliates formed by holding companies affiliated with regulated utilities to provide retail load in their home market territories. Strategic Energy's competitors vary in size from small companies to large corporations, some of which have significantly greater financial, marketing, and procurement resources than Strategic Energy. Additionally, Strategic Energy, as well as its other competitors, must compete with the host utility in order to convince customers to switch from the host utility. There is a regulatory lag that slows the adjustment of host public utility rates in response to changes in wholesale prices, which negatively effects Strategic Energy's ability to compete in a rising wholesale price environment. The principal elements of competition are price, service and product differentiation.

GREAT PLAINS ENERGY AND CONSOLIDATED KCP&L EMPLOYEES
At December 31, 2004, Great Plains Energy had 2,417 employees. Consolidated KCP&L had 1,786 employees, including 1,331 represented by three local unions of the International Brotherhood of Electrical Workers (IBEW). KCP&L has labor agreements with Local 1613, representing clerical employees (expires March 31, 2005, negotiations for a new agreement began in February 2005), with Local 1464, representing transmission and distribution workers (expires January 31, 2006), and with Local 412, representing power plant workers (expires February 28, 2007).

All of the individuals in the following table have been officers or employees in a responsible position with the Company for the past five years except as noted in the footnotes. The term of office of each officer commences with his or her appointment by the Board of Directors and ends at such time as the Board of Directors may determine. There are no family relationships between any of the executive officers, nor any arrangement or understanding between any executive officer and any other person involved in officer selection.

Executive Officers of Great Plains Energy and KCP&L at December 31, 2004

Name	Age	Current Position(s)	Year Assumed An Officer Position
Michael J. Chesser [a]	56	Chairman of the Board and Chief Executive Officer - Great Plains Energy Chairman of the Board - KCP&L	2003
William H. Downey [b]	60	President and Chief Operating Officer - Great Plains Energy President and Chief Executive Officer - KCP&L	2000
Andrea F. Bielsker [c]	46	Senior Vice President - Finance, Chief Financial Officer and Treasurer - Great Plains Energy Senior Vice President - Finance, Chief Financial Officer and Treasurer - KCP&L	1996
John J. DeStefano	55	President - Great Plains Power Incorporated President - Home Service Solutions Inc. President - Worry Free Service, Inc.	1989
Stephen T. Easley [d]	49	Vice President - Generation Services - KCP&L	2000
William P. Herdegen III [e]	50	Vice President - Distribution Operations - KCP&L	2001
Jeanie S. Latz	53	Executive Vice President - Corporate and Shared Services and Secretary - Great Plains Energy Secretary - KCP&L	1991
Shahid Malik[f]	44	President and Chief Executive Officer - Strategic Energy	2004
Nancy J. Moore	55	Vice President - Customer Services - KCP&L	2000
Brenda Nolte [g]	52	Vice President - Public Affairs - Great Plains Energy	2000
William G. Riggins [h]	46	General Counsel - Great Plains Energy	2000
Richard A. Spring	50	Vice President - Transmission Services - KCP&L	1994
Lori A. Wright [i]	42	Controller - Great Plains Energy Controller - KCP&L	2002

(a) Mr. Chesser was Chief Executive Officer of United Water (2002-2003), President and Chief Executive Officer of GPU Energy (2000-2002) and President and Chief Executive Officer of Itron, Inc. (1999-2000).
(b) Mr. Downey joined the Company in 2000 as Executive Vice President of KCP&L and President – KCP&L Delivery Division. He previously was principal of W.H. Downey & Associates (1999-2000).
(c) Ms. Bielsker resigned her positions in March 2005.

(d) Mr. Easley was President and CEO of GPP (2001-2002), Vice President – Business Development of KCP&L Power Division (2000-2001) and Director of Construction of KCP&L (1999-2000). He was promoted to Senior Vice President-Supply of KCP&L in March 2005.
(e) Mr. Herdegen was Chief Operating Officer of Laramore, Douglass and Popham, an engineering consulting company, (2001) and Vice President and Director of Utilities Practice of System Development Integration, a consulting company, (1999-2001).
(f) Mr. Malik was appointed as President and Chief Executive Officer of Strategic Energy effective November 10, 2004. Mr. Malik was a partner of Sirius Solutions LLP, a consulting company, (2002-2004) and President of Reliant Energy Wholesale Marketing Group (1999-2002).
(g) Ms. Nolte was Vice President, Corporate Affairs, of AMC Entertainment (1997-2000). Ms. Nolte resigned her position with Great Plains Energy effective February 7, 2005.
(h) Mr. Riggins' position was changed to Vice President - Legal and Environmental of KCP&L in March 2005.

(i) Ms. Wright served as Assistant Controller of KCP&L from 2001 until named Controller in 2002 and was Director of Accounting and Reporting of American Electric Power Company, Inc. (which acquired Central & South West Corporation) (2000-2001) and Assistant Controller of Central & South West Corporation (1997-2000).

Available Information

Great Plains Energy's website is www.greatplainsenergy.com and KCP&L's website is www.kcpl.com. Information contained on the companies' websites is not incorporated herein. Both companies make available, free of charge, on or through their websites, their annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act as soon

as reasonably practicable after the companies electronically file such material with, or furnish it to, the SEC. In addition, the companies make available on or through their websites all other reports, notifications and certifications filed electronically with the SEC.

ITEM 2. PROPERTIES

KCP&L Generation Resources

KCP&L's generating facilities are detailed in the following table.

	Unit	Year Completed	Estimated 2005 MW Capacity	Primary Fuel
Base Load	Wolf Creek	1985	548[a]	Nuclear
	Iatan	1980	469[a]	Coal
	LaCygne 2	1977	337[a]	Coal
	LaCygne 1	1973	362[a]	Coal
	Hawthorn 5 [b]	1969	565	Coal
	Montrose 3	1964	176	Coal
	Montrose 2	1960	164	Coal
	Montrose 1	1958	170	Coal
Peak Load	West Gardner 1, 2, 3 and 4 [c]	2003	308	Gas
	Osawatomie [c]	2003	77	Gas
	Hawthorn 9 [d]	2000	137	Gas
	Hawthorn 8 [e]	2000	77	Gas
	Hawthorn 7 [e]	2000	77	Gas
	Hawthorn 6 [e]	1997	132	Gas
	Northeast 17 and 18 [e]	1977	117	Oil
	Northeast 15 and 16 [e]	1975	116	Oil
	Northeast 13 and 14 [e]	1976	114	Oil
	Northeast 11 and 12 [e]	1972	111	Oil
	Northeast Black Start Unit	1985	2	Oil
Total			4,059	

[a] KCP&L's share of a jointly owned unit.

[b] The Hawthorn Generating Station returned to commercial operation in 2001 with a new boiler, air quality control equipment and an uprated turbine following a 1999 explosion.

[c] KCP&L entered an operating lease with a Lease Trust to finance the purchase, installation, assembly and construction of the combustion turbines and related property and equipment. KCP&L consolidated the Lease Trust effective October 1, 2003.

[d] Heat Recovery Steam Generator portion of combined cycle.

[e] Combustion turbines.

KCP&L owns the Hawthorn Station (Jackson County, Missouri), Montrose Station (Henry County, Missouri) and Northeast Station (Jackson County, Missouri). KCP&L leases West Gardner Station (Johnson County, Kansas) and Osawatomie Station (Miami County, Kansas). KCP&L also owns 50% of the 724 MW LaCygne 1 Unit and 674 MW LaCygne 2 Unit (Linn County, Kansas), 70% of the 670

MW Iatan Station (Platte County, Missouri) and 47% of the 1,166 MW Wolf Creek Unit (Coffey County, Kansas).

KCP&L Transmission and Distribution Resources

KCP&L's electric transmission system interconnects with systems of other utilities for reliability and to permit wholesale transactions with other electricity suppliers. KCP&L owns approximately 1,700 miles of transmission lines, approximately 9,000 miles of overhead distribution lines and approximately 3,600 miles of underground distribution lines in Missouri and Kansas. KCP&L has all the franchises necessary to sell electricity within the territories from which substantially all of its gross operating revenue is derived. KCP&L's transmission and distribution systems are continuously monitored for adequacy to meet customer needs. Management believes the current systems are adequate to serve its customers.

KCP&L General

KCP&L's principal plants and properties, insofar as they constitute real estate, are owned in fee simple, except for the West Gardner and Osawatomie stations which are leased pursuant to a lease with a special purpose entity, which has been consolidated under Financial Accounting Standards Board (FASB) Interpretation (FIN) No. 46, "Consolidation of Variable Interest Entities," as amended. Certain other facilities are located on premises held under leases, permits or easements. KCP&L electric transmission and distribution systems are for the most part located over or under highways, streets, other public places or property owned by others for which permits, grants, easements or licenses (deemed satisfactory but without examination of underlying land titles) have been obtained.

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

ITEM 3. LEGAL PROCEEDINGS

Weinstein v. KLT Telecom
Richard D. Weinstein (Weinstein) filed suit against KLT Telecom Inc. (KLT Telecom) in September 2003 in the St. Louis County, Missouri Circuit Court. KLT Telecom acquired a controlling interest in DTI Holdings, Inc. (Holdings) in February 2001 through the purchase of approximately two-thirds of the Holdings stock held by Weinstein. In connection with that purchase, KLT Telecom entered into a put option in favor of Weinstein, which granted Weinstein an option to sell to KLT Telecom his remaining shares of Holdings stock. The put option provided for an aggregate exercise price for the remaining shares equal to their fair market value with an aggregate floor amount of $15 million and was exercisable between September 1, 2003, and August 31, 2005. In June 2003, the stock of Holdings was cancelled and extinguished pursuant to the joint Chapter 11 plan confirmed by the Bankruptcy Court. In September 2003, Weinstein delivered a notice of exercise of his claimed rights under the put option. KLT Telecom rejected the notice of exercise. KLT Telecom denied that Weinstein has any remaining rights or claims pursuant to the put option and denied any obligation to pay Weinstein any amount under the put option. Subsequent to KLT Telecom's rejection of his notice of exercise, Weinstein filed suit alleging breach of contract. Weinstein seeks damages of at least $15 million, plus statutory interest. KLT Telecom believes it has meritorious defenses to this lawsuit. Trial of this suit is scheduled to begin in May 2005.

Hawthorn No. 5 Litigation
KCP&L filed suit against National Union Fire Insurance Company of Pittsburgh, Pennsylvania (National Union) and Travelers Indemnity Company of Illinois (Travelers) in Missouri state court on June 14, 2002, which was removed to the U.S. District Court for the Western District of Missouri. In 1999, there was a boiler explosion at KCP&L's Hawthorn No. 5 generating unit, which was subsequently

reconstructed and returned to service. National Union and Reliance National Insurance had issued a $200 million primary insurance policy and Travelers had issued a $100 million secondary insurance policy covering Hawthorn No. 5. A dispute arose among KCP&L, National Union and Travelers regarding the amount payable under these insurance policies for the reconstruction of Hawthorn No. 5 and replacement power expenses, and KCP&L filed suit against the two carriers. In that suit, KCP&L sought recovery, subject to the limits of the insurance policies, of Hawthorn No. 5 reconstruction costs and replacement power expenses, plus damages and attorneys' fees from National Union for failing to pay the full amount of its insurance policy. In 2004, KCP&L settled with National Union for the amount remaining under the primary insurance policy limit, less the applicable deductible. In January 2005, KCP&L settled with Travelers for $10 million. This settlement does not encompass any alleged subrogation claims Travelers may have against National Union or any alleged subrogation claims with regard to possible future recoveries by National Union and KCP&L in the litigation described in the next paragraph.

KCP&L also filed suit on April 3, 2001, in Jackson County, Missouri Circuit Court against multiple defendants who are alleged to have responsibility for the Hawthorn No. 5 boiler explosion. KCP&L and National Union have entered into a subrogation allocation agreement under which recoveries in this suit are generally allocated 55% to National Union and 45% to KCP&L. Certain defendants have been dismissed from the suit and various other defendants have settled with KCP&L. KCP&L received $38.2 million under the terms of the subrogation allocation agreement. Trial of this case with the one remaining defendant resulted in a March 2004 jury verdict finding KCP&L's damages as a result of the explosion were $452 million. After deduction of amounts received from pre-trial settlements with other defendants and an amount for KCP&L's comparative fault (as determined by the jury), the verdict would have resulted in an award against the defendant of approximately $97.6 million (of which KCP&L would have received $33 million pursuant to the subrogation allocation agreement after payment of attorney's fees). In response to post-trial pleadings filed by the defendant, in May 2004 the trial judge reduced the award against the defendant to $0.2 million. Both KCP&L and the defendant have appealed this case to the Court of Appeals for the Western District of Missouri.

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

During the fourth quarter of 2004, no matter was submitted to a vote of security holders through the solicitation of proxies or otherwise for either Great Plains Energy or KCP&L.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

GREAT PLAINS ENERGY
Great Plains Energy common stock is listed on the New York Stock Exchange under the symbol GXP. At December 31, 2004, Great Plains Energy's common stock was held by 15,188 shareholders of record. Information relating to market prices and cash dividends on Great Plains Energy's common stock is set forth in the following table.

	Common Stock Price Range				Common Stock Dividends Declared		
	2004		2003				
Quarter	High	Low	High	Low	2005	2004	2003
First	$ 35.29	$ 31.66	$ 25.00	$ 21.36	$ 0.415	$ 0.415	$ 0.415
Second	34.36	29.23	30.31	23.75		0.415	0.415
Third	31.71	28.62	30.84	27.32		0.415	0.415
Fourth	30.71	28.17	32.78	30.10		0.415	0.415

Regulatory Restrictions
Under the 35 Act, Great Plains Energy can pay dividends only out of retained or current earnings, unless authorized to do otherwise by the SEC. Great Plains Energy's authorization under the 35 Act to issue guarantees and other securities is conditioned upon it maintaining consolidated common equity of not less than

30% of consolidated capitalization as of the end of each quarter. Further, under stipulations with the MPSC and KCC, Great Plains Energy has committed to maintain consolidated common equity of not less than 30%.

Dividend Restrictions

Great Plains Energy's Articles of Incorporation contain certain restrictions on the payment of dividends on Great Plains Energy's common stock in the event common equity falls to 25% of total capitalization. If preferred stock dividends are not declared and paid when scheduled, Great Plains Energy could not declare or pay common stock dividends or purchase any common shares. If the unpaid preferred stock dividends equal four or more full quarterly dividends, the preferred shareholders, voting as a single class, could elect members to the Board of Directors.

Equity Compensation Plan

The Great Plains Energy Long-Term Incentive Plan is an equity compensation plan, approved by its shareholders, which authorizes the issuance of Great Plains Energy stock options, restricted stock, performance shares and other stock-based awards. The following table provides information, as of December 31, 2004, regarding the number of common shares to be issued upon exercise of outstanding options, warrants and rights, their weighted average exercise price, and the number of shares of common stock remaining available for future issuance under the Long-Term Incentive Plan. The table excludes shares issued or issuable under Great Plains Energy's defined contribution savings plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	215,286(1)	$ 25.48(2)	2,223,029
Equity compensation plans not approved by security holders	-	-	-
Total	215,286(1)	$ 25.48(2)	2,223,029

(1) Includes 19,313 performance shares at target performance levels and options for 195,973 shares of Great Plains Energy common stock outstanding at December 31, 2004.

(2) The 19,313 performance shares have no exercise price and therefore are not reflected in the weighted average exercise price.

Purchases of Equity Securities

Portions of restricted stock grants made under the Long-Term Incentive Plan that vested on December 31, 2004, were transferred by the recipients to Great Plains Energy for payment of taxes due upon the vesting of the grants. The following table provides information regarding these transfers of Great Plains Energy common stock during the fourth quarter of 2004.

Issuer Purchases of Equity Securities				
Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (a)
October 1 - 31	-	$ -	-	2,236,362
November 1 - 30	-	-	-	2,223,029
December 1 - 31	14,500	30.41	14,500	2,223,029
Total	14,500	$ 30.41	14,500	

(a) The Long-Term Incentive Plan became effective on May 5, 1992. The maximum aggregate number of shares of common stock available for awards under this plan is three million. Awards may be granted under this plan until May 5, 2012. The shares in this column represent the aggregate number of securities remaining available for future issuance under the Long-Term Incentive Plan.

KCP&L

KCP&L is a wholly owned subsidiary of Great Plains Energy, which holds the one share of issued and outstanding KCP&L common stock.

Regulatory Restrictions
Under the 35 Act, KCP&L can pay dividends only out of retained or current earnings, unless authorized to do otherwise by the SEC. KCP&L's authorization under the 35 Act to issue short-term debt is conditioned upon both it and Great Plains Energy maintaining consolidated common equity of not less than 30% of consolidated capitalization as of the end of each quarter. Further, under stipulations with the MPSC and KCC, KCP&L has committed to maintain consolidated common equity of not less than 35%.

Equity Compensation Plan
KCP&L does not have any equity compensation plans; however, KCP&L officers participate in the Long-Term Incentive Plan.

ITEM 6. SELECTED FINANCIAL DATA

Year Ended December 31	2004 [b]	2003 [b]	2002 [b]	2001	2000
Great Plains Energy [a]	(dollars in millions except per share amounts)				
Operating revenues	$ 2,464	$ 2,148	$ 1,802	$ 1,399	$ 1,086
Income (loss) from continuing operations [c]	$ 174	$ 190	$ 137	$ (28)	$ 53
Net income (loss)	$ 181	$ 145	$ 126	$ (24)	$ 159
Basic and diluted earnings (loss) per common share from continuing operations	$ 2.39	$ 2.72	$ 2.16	$ (0.49)	$ 0.83
Basic and diluted earnings (loss) per common share	$ 2.49	$ 2.07	$ 1.99	$ (0.42)	$ 2.54
Total assets at year end	$ 3,799	$ 3,682	$ 3,517	$ 3,464	$ 3,309
Total redeemable preferred stock, mandatorily redeemable preferred securities and long-term debt (including current maturities)	$ 1,296	$ 1,347	$ 1,332	$ 1,342	$ 1,286
Cash dividends per common share	$ 1.66	$ 1.66	$ 1.66	$ 1.66	$ 1.66
SEC ratio of earnings to fixed charges	3.51	4.23	2.99	(d)	1.88
Consolidated KCP&L [a]					
Operating revenues	$ 1,092	$ 1,057	$ 1,013	$ 1,287	$ 1,086
Income from continuing operations [e]	$ 143	$ 126	$ 103	$ 116	$ 53
Net income	$ 143	$ 117	$ 96	$ 120	$ 159
Total assets at year end	$ 3,337	$ 3,303	$ 3,139	$ 3,146	$ 3,309
Total redeemable preferred stock, mandatorily redeemable preferred securities and long-term debt (including current maturities)	$ 1,126	$ 1,336	$ 1,313	$ 1,311	$ 1,286
SEC ratio of earnings to fixed charges	3.34	3.69	2.88	2.07	1.88

[a] Great Plains Energy's consolidated financial statements include consolidated KCP&L, KLT Inc., GPP, IEC and GPES. KCP&L's consolidated financial statements include its wholly owned subsidiary HSS. In addition, KCP&L's consolidated results of operations include KLT Inc. and GPP for all periods prior to the October 1, 2001, formation of the holding company, Great Plains Energy.

[b] See Management's Discussion and Analysis for explanations of 2004, 2003 and 2002 results.

[c] This amount is before discontinued operations of $7.3, $(44.8), $(7.5), $4.3 and $75.6 million in 2004 through 2000, respectively. In 2002, this amount is before the $3.0 million cumulative effect of a change in accounting principle. For further information, see Notes to Consolidated Financial Statements. In 2000, this amount is before the $30.1 million cumulative effect of changes in pension accounting.

[d] An $87.1 million deficiency in earnings caused the ratio of earnings to fixed charges to be less than a one-to-one coverage. A $195.8 million net write-off before income taxes related to the bankruptcy filing of DTI was recorded in 2001.

[e] This amount is before discontinued operations of $(8.7), $(4.0), $3.6 and $75.6 million in 2003, 2002, 2001 and 2000, respectively. In 2002, this amount is before the $3.0 million cumulative effect of a change in accounting principle. For further information, see Notes to Consolidated Financial Statements. In 2000, this amount is before the $30.1 million cumulative effect of changes in pension accounting.

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

The Management's Discussion and Analysis of Financial Condition and Results of Operations that follow are a combined presentation for Great Plains Energy and consolidated KCP&L, both registrants under this filing. The discussion and analysis by management focuses on those factors that had a material effect on the financial condition and results of operations of the registrants during the periods presented. It should be read in conjunction with the accompanying consolidated financial statements and related notes.

SIGNIFICANT EVENTS IN 2004

- Exited the KLT Gas business
- Developed a comprehensive strategic intent
- Initiated discussions with interested participants on a comprehensive energy plan at KCP&L
- Completed an equity offering to strengthen the balance sheet
- Purchased an additional indirect interest in Strategic Energy

OVERVIEW

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

KCP&L

KCP&L is an integrated, regulated electric utility that engages in the generation, transmission, distribution and sale of electricity. KCP&L has over 4,000 MWs of generating capacity and has transmission and distribution facilities that provide reliable affordable electricity to almost 495,000 customers in the states of Missouri and Kansas. KCP&L has continued to experience modest load growth annually through increased customer usage and additional customers. Rates charged for electricity are below the national average.

KCP&L has a wholly owned subsidiary, HSS, which held a residential services investment, Worry Free. HSS entered into a letter of intent to sell Worry Free in December 2004 and closed the sale in February 2005.

Strategic Energy

Strategic Energy provides competitive electricity supply services by entering into contracts with its customers to supply electricity. Strategic Energy does not own any generation, transmission or distribution facilities. Of the states that offer retail choice, Strategic Energy operates in California, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania and Texas. Strategic Energy also provides strategic planning and consulting services in the natural gas and electricity markets.

Great Plains Energy owns just under 100% of the indirect interest in Strategic Energy after IEC's May 2004 purchase of an additional 11.45% indirect interest. See Note 8 to the consolidated financial statements for additional information about the acquisition.

Strategic Energy serves approximately 8,500 customers including numerous Fortune 500 companies, smaller companies and governmental entities. Strategic Energy provides competitive electricity supply to over 54,000 commercial, institutional and small manufacturing accounts. Strategic Energy had a

79% customer retention rate for 2004 and expects continued growth in 2005, with MWhs delivered projected to range from 21 to 23 million. The increase in MWhs delivered is expected to be more than offset by a decline in average gross margin per MWh. Strategic Energy currently expects the gross margin per MWh on new customer contracts to average from $3.00 to $4.00 and gross margin per MWh on total customer contracts to average $4.60 to $5.00 in 2005.

Based solely on expected usage under current signed contracts, Strategic Energy has forecasted future MWh commitments (backlog) of 15.4 million, 4.4 million and 1.2 million for the years 2005 through 2007, respectively. Strategic Energy expects to deliver additional MWhs in these years through growth in existing markets, retention of existing customers and expansion into new markets. Higher wholesale energy prices have reduced savings available to customers in some markets compared to prevailing utility rates, which have created more customer price sensitivity and reduced average contract lengths and the rate of backlog growth.

STRATEGIC INTENT

Over the first six months of 2004, the Company engaged in a comprehensive strategic planning process to map its view of the future of the electric industry, and ultimately the Company, over the next five to ten years. This inclusive process drew on the creativity and skills of employees, outside experts and community leaders. The strategic planning process sought to enhance the disciplined growth of the Company and build upon the strong foundation of KCP&L and Strategic Energy. This platform for growth provides a balanced mix of regulated earnings from the utility operations of KCP&L and the potential continued growth of Strategic Energy as it expands its presence in competitive retail markets.

KCP&L held a series of public forums during June and July 2004 in Missouri and Kansas to discuss how to meet the area's growing need for electricity and cleaner air. In July 2004, Great Plains Energy unveiled six key elements to its long-range strategic intent.

- KCP&L will expand and diversify its regulated supply portfolio to include new coal and wind generation.
- KCP&L will accelerate its investments in improving the environmental performance of its fleet, helping to protect its community's quality of life and preparing for an uncertain future of potentially more stringent regulations.
- KCP&L will adopt new delivery technology to enhance the reliability and efficiency of its delivery system. This technology will allow KCP&L to transform the delivery grid from a one-way to a two-way system. Customers will serve as both consumers and virtual suppliers of electricity through distributed generation and various demand response programs.
- Great Plains Energy, through Strategic Energy, will continue to profitably grow its competitive supply business, expanding into new markets, and creating new offerings when economical, and further cementing its reputation as the premium energy retailer from the standpoint of customer focus and value added.
- Great Plains Energy will collaborate even more closely with customers, communities and regulators to take a broader view in anticipating and meeting their energy needs.
- Great Plains Energy will continue to manage its business to achieve disciplined growth, and strong operating performance and deliver strong returns to its shareholders.

Since the July 2004 announcement, Strategic Energy has initiated several product innovations and process improvements to adapt to market conditions and changing customer needs. Strategic Energy has developed new product offerings including contract options to satisfy the desire of some customers to accept more commodity risk themselves in the near term, contracts that trigger automatically if prices

fall to predefined levels and contracts to aid customers who desire to take a balanced approach to their power needs with a combination of short, medium and longer term contracts. Strategic Energy is also implementing processes to sharpen its customer targeting approach to insure that the right products and services are being offered to various customer segments to meet customers' needs. Additionally, electricity supply costs represent over 90% of Strategic Energy's total costs. Strategic Energy is currently exploring innovative ways to manage these supply costs to enhance its competitiveness.

Since the July 2004 announcement, KCP&L, through a MPSC established workshop docket, began discussions with interested participants, including the MPSC staff and the KCC staff, among others, to collaborate on and develop a regulatory plan to implement KCP&L's proposed comprehensive energy plan, which includes:

- accelerated environmental investments of $300 million to $350 million for selected existing plants,
- investment in up to 200 megawatts of wind generation,
- building and owning up to 500 megawatts of an 800 to 900 megawatt coal fired plant at the Iatan site in Missouri and
- development of technologies and pilot programs to help customers conserve energy.

The proposal has the potential to add approximately $1.1 billion in capital investment for KCP&L over the next five years and is dependent upon approvals from the MPSC and KCC. In February 2005, the MPSC issued an order closing a workshop docket established specifically for the discussions. KCP&L continues in discussions with the interested participants with the goal of developing an agreement on implementation of the comprehensive energy plan to be formally submitted by KCP&L to the MPSC and KCC for approval. KCP&L anticipates that the next step in the process would include hearings scheduled by the MPSC and KCC to take testimony regarding the implementation of the comprehensive energy plan.

RELATED PARTY TRANSACTIONS

See Note 12 to the consolidated financial statements for information regarding related party transactions.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect reported amounts and related disclosures. Management considers an accounting estimate to be critical if it requires assumptions to be made that were uncertain at the time the estimate was made and changes in the estimate or different estimates that could have been used could have a material impact on the results of operations and financial position.

Pensions

The Company incurs significant costs in providing non-contributory defined pension benefits. The costs are measured using actuarial valuations that are dependent upon numerous factors derived from actual plan experience and assumptions of future plan experience.

Pension costs are impacted by actual employee demographics (including age, compensation levels and employment periods), the level of contributions made to the plan, earnings on plan assets and plan amendments. In addition, pension costs are also affected by changes in key actuarial assumptions, including anticipated rates of return on plan assets and the discount rates used in determining the projected benefit obligation and pension costs.

These assumptions are updated annually in accordance with Statement of Financial Accounting Standards (SFAS) No. 87, "Employers' Accounting for Pensions". In selecting an assumed discount rate, the prevailing market rate of fixed income debt instruments with maturities matching the expected timing of the benefit obligation was considered. The assumed rate of return on plan assets was developed based on the weighted average of long-term returns forecast for the expected portfolio mix of investments held by the plan. These assumptions are based on the Company's best estimates and judgment; however, material changes may occur if these assumptions differ from actual events. See Note 9 to the consolidated financial statements for information regarding the assumptions used to determine benefit obligations and net costs.

The following table reflects the sensitivities associated with a 0.5 percent increase or a 0.5 percent decrease in key actuarial assumptions. Each sensitivity reflects an evaluation of the change based solely on a change in that assumption only.

Actuarial assumption	Change in Assumption	Impact on Projected Benefit Obligation	Impact on Pension Liability	Impact on 2004 Pension Expense
			(millions)	
Discount rate	0.5% increase	$ (28.3)	$ (16.1)	$ (1.7)
Rate of return on plan assets	0.5% increase	-	-	(1.8)
Discount rate	0.5% decrease	30.3	18.6	1.8
Rate of return on plan assets	0.5% decrease	-	-	1.8

For the year ended December 31, 2004, the Company recorded pension expense of approximately $21.8 million, a $4.3 million increase from the prior year. Pension expense for 2005 is expected to approximate $27.0 million, a $5.2 million increase over 2004. The increase is primarily due to the amortization of investment losses from prior years that are recognized on a rolling five-year average basis and lower discount rates.

The Company's pension plan assets are primarily made up of equity and fixed income investments. The market value of the plan assets increased $29.5 million in 2004 reflecting continued improvement in the equity markets since the decline in 2002 and 2001. At plan year-end 2004, the fair value of pension plan assets was $370.5 million, not including a $20.7 million contribution made in 2004 after the plan year-end.

The total accumulated benefit obligation (ABO) of the plans exceeded the fair value of plan assets requiring the Company to record an additional minimum pension liability of $84.2 million including $79.8 million recorded at KCP&L. See Note 9 to the consolidated financial statements for additional information.

Market conditions and interest rates significantly affect the future assets and liabilities of the plan. It is difficult to predict future pension costs, the additional pension liability and cash funding requirements due to volatile market conditions; however, similar charges may be required in the future.

Regulatory Matters

As a regulated utility, KCP&L is subject to the provisions of SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation." Accordingly, KCP&L has recorded assets and liabilities on its balance sheet resulting from the effects of the ratemaking process, which would not be recorded under GAAP if KCP&L were not regulated. Regulatory assets represent costs incurred that have been deferred because future recovery in customer rates is probable. Regulatory liabilities generally represent probable future reductions in revenue or refunds to customers. KCP&L's continued ability to meet the

criteria for application of SFAS No. 71 may be affected in the future by competitive forces and restructuring in the electric industry. In the event that SFAS No. 71 no longer applied to all, or a separable portion, of KCP&L's operations, the related regulatory assets and liabilities would be written off unless an appropriate regulatory recovery mechanism is provided. Additionally, these factors could result in an impairment on utility plant assets as determined pursuant to SFAS No. 144, "Accounting for the Impairment or Disposal of Long-lived Assets." See Note 4 to the consolidated financial statements for a discussion of regulatory assets and liabilities.

Asset Retirement Obligations

Effective January 1, 2003, the Company adopted SFAS No. 143, "Accounting for Asset Retirement Obligations," which provides accounting requirements for the recognition and measurement of liabilities associated with the retirement of tangible long-lived assets.

The adoption of SFAS No. 143 changed the accounting for and the method used to report KCP&L's obligation to decommission its 47% share of Wolf Creek. The legal obligation to decommission Wolf Creek was incurred when the plant was placed in service in 1985. The estimated liability, recognized on KCP&L's balance sheet at January 1, 2003, is based on a third party nuclear decommissioning study conducted in 2002. KCP&L used a credit-adjusted risk free discount rate of 6.42% to calculate the retirement obligation. This estimated rate is based on the rate KCP&L could issue 30-year bonds, adjusted downward to reflect the portion of the anticipated costs in current year dollars that had been funded at date of adoption through a tax-qualified trust fund. The cumulative impact of prior decommissioning accruals recorded consistent with rate orders issued by the MPSC and KCC has been reversed and a new regulatory contra-asset for such amounts has been established. Amounts collected through these rate orders have been deposited in a legally restricted external trust fund.

KCP&L also must recognize, where possible to estimate, the future costs to settle other legal liabilities including the removal of water intake structures on rivers, capping/filling of piping at levees following steam power plant closures and capping/closure of ash landfills. Estimates for these liabilities are based on internal engineering estimates of third party costs to remove the assets in satisfaction of legal obligations and have been discounted using credit adjusted risk free rates ranging from 5.25% to 7.50% depending on the anticipated settlement date.

Revisions to the estimated liabilities of KCP&L could occur due to changes in the decommissioning or other cost estimates, extension of the nuclear operating license or changes in federal or state regulatory requirements. KCP&L has legal Asset Retirement Obligations (ARO) for certain other assets where it is not possible to estimate the time period when the obligations will be settled. Consequently, the retirement obligations cannot be measured at this time. See Note 16 to the consolidated financial statements for a discussion of ARO.

Although the liability for Wolf Creek decommissioning costs recorded under the ARO method is expected to be substantially the same at the end of Wolf Creek's life as the liability to be recorded pursuant to regulatory orders, the rate at which the liability increases varies under the different methods. Because KCP&L is subject to SFAS No. 71, the difference in the recognition of the liability will have no impact on net income.

Asset Impairment, including Goodwill and Other Intangible Assets

SFAS No. 144

Long-lived assets and intangible assets subject to amortization are periodically reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable as prescribed under SFAS No. 144.

During 2003, KLT Gas management determined that two gas properties were impaired as development activities indicated a decline in the estimates of future gas production. As a result of the lower

estimated production, the carrying amount of each property exceeded its estimated fair value based upon discounted estimated future cash flows, which resulted in impairments on the two properties. Internal and third party models were used in the Company's estimate of future production volumes, natural gas pricing, capital expenditures and operating costs. Cash flow models were based on management's understanding of prospect geology, well costs and projected operating expenses. Natural gas pricing assumptions were based on the New York Mercantile Exchange Henry Hub Natural Gas forward curve, adjusted for basis differentials and other transportation charges.

Additionally in 2003, Great Plains Energy management performed a strategic review of the KLT Gas portfolio and operations. Management determined it would recommend a sale of the KLT Gas portfolio and a plan to exit the gas business at the February 2004 Board of Directors' meeting. As a result of its decision to recommend a sale of the KLT Gas portfolio and exit the gas business, Great Plains Energy management engaged a second third party firm to complete a market reference valuation analysis for the Company's use in determination of the fair value of the KLT Gas portfolio. As a result of the KLT Gas strategic review and market reference valuation analysis having been conducted, an impairment test of the entire KLT Gas portfolio was performed at December 31, 2003, in accordance with SFAS No. 144, using a probability weighting of the likelihood of potential outcomes at the February 2004 meeting. The impairment test considered 1) the scenario of sale of the entire KLT Gas portfolio with fair value based on estimated market prices and 2) the scenario of hold and use with fair value determined by risk adjusted discounted cash flows.

In February 2004, the Great Plains Energy Board of Directors approved management's recommendation to sell the KLT Gas portfolio and exit the gas business. As a result, the carrying amount of the KLT Gas portfolio was written down to its estimated realizable value. See Note 6 to the consolidated financial statements for a discussion of KLT Gas discontinued operations and SFAS 144 impairments.

SFAS No. 142

Great Plains Energy, through IEC, completed its purchase of an additional indirect interest in Strategic Energy during 2004. The Company recorded indefinite and finite lived intangible assets at fair value in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets." Finite lived intangible assets are periodically reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable as prescribed under SFAS No. 144. Indefinite lived intangibles are tested for impairment at least annually and more frequently when indicators of impairment exist as prescribed under SFAS No. 142. See Note 8 to the consolidated financial statements for additional information.

Goodwill is tested for impairment at least annually and more frequently when indicators of impairment exist as prescribed under SFAS No. 142. SFAS No. 142 requires that if the fair value of a reporting unit is less than its carrying value including goodwill, the implied fair value of the reporting unit goodwill must be compared with its carrying value to determine the amount of impairment. Strategic Energy's 2004 annual impairment test was completed as of September 1, the annual review date, and there was no impairment of the Strategic Energy goodwill. See Note 5 to the consolidated financial statements for information regarding the impact of adopting SFAS No. 142 on goodwill and goodwill amortization.

The accounting estimates related to impairment analyses are subject to change from period to period because management is required to make assumptions about future sales, operating costs and discount rates over an indefinite life. Actual margins and volumes have fluctuated and, to a great extent, fluctuations are expected to continue. The estimates of future margins are based upon internal budgets, which incorporate estimates of customer growth, business expansion and weather trends, among other items.

Strategic Energy – Energy and Energy-related Contract Accounting

Strategic Energy primarily purchases power under forward physical delivery contracts to supply electricity to its retail energy customers under full requirement sales contracts. Both the forward purchase contracts and the full requirements sales contracts meet the accounting definition of a derivative; however, on a majority of the forward purchase derivative contracts and all of the full requirement sales contracts, Strategic Energy applies the normal purchases and normal sales exception (NPNS) accounting treatment. Accordingly, Strategic Energy records receivables and revenues generated from the sales contracts as energy is delivered and consumed by the retail customer. Likewise, a liability and purchase power expense are recorded when the energy under forward physical delivery contracts is delivered to Strategic Energy's retail customers.

An inability to sustain the NPNS accounting treatment for forward purchase derivative contracts could result in asymmetrical accounting, whereby the timing of the impact on operating income would differ if NPNS accounting treatment was applied to the full requirements sales contracts, but the forward purchase derivative contracts no longer qualified for NPNS accounting treatment.

For forward purchase contracts that do not meet the qualifying criteria for NPNS accounting treatment, Strategic Energy elects cash flow hedge accounting where appropriate. Under cash flow hedge accounting, the fair value of the contract is recorded as a current or long-term derivative asset or liability. Subsequent changes in the fair value of the derivative assets and liabilities are recorded on a net basis in OCI and subsequently reclassified as purchased power expense in Great Plains Energy's consolidated statement of income as the power is delivered and/or the contract settles. Additionally, in the future, OCI may have greater fluctuations than historically because of a larger number of derivative contracts designated for cash flow hedge accounting, but these fluctuations would not affect current period operating income or cash flows.

Changes in fair value of forward purchase derivative contracts that do not meet the requirements for the NPNS accounting treatment or cash flow hedge accounting are recorded in operating income and as a current or long-term derivative asset or liability. The subsequent changes in the fair value of these contracts could result in operating income volatility as the fair value of the changes in the associated derivative assets and liabilities are recorded on a net basis in purchased power expense in Great Plains Energy's consolidated statement of income.

Derivative assets and liabilities consist of a combination of energy and energy-related contracts. While some of these contracts represent commodities or instruments for which prices are available from external sources, other commodities and certain contracts are not actively traded and are valued using modeling techniques to determine expected future market prices. The market prices used to determine fair value reflect management's best estimate considering time, volatility and historical trends. However, future market prices will vary from those used in recording energy assets and liabilities at fair value, and it is possible that such variations could be significant.

Market prices for energy and energy-related commodities vary based upon a number of factors. Changes in market prices will affect the recorded fair value of energy contracts. Changes in the fair value of energy contracts will affect operating income in the period of the change for contracts under fair value accounting and OCI in the period of change for contracts under cash flow hedge accounting, while changes in forward market prices related to contracts under accrual accounting will affect operating income in future periods to the extent those prices are realized. Strategic Energy cannot predict whether, or to what extent, the factors affecting market prices may change, but those changes could be material and could be either favorable or unfavorable.

GREAT PLAINS ENERGY RESULTS OF OPERATIONS

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

	2004	2003	2002
		(millions)	
Operating revenues	$ 2,464.0	$ 2,148.0	$ 1,802.3
Fuel	(179.4)	(160.3)	(159.7)
Purchased power - KCP&L	(52.5)	(53.2)	(46.2)
Purchased power - Strategic Energy	(1,247.5)	(968.9)	(685.4)
Other operating expenses	(510.6)	(479.2)	(465.1)
Depreciation and amortization	(150.1)	(142.8)	(146.8)
Gain (loss) on property	(5.1)	23.7	1.4
Operating income	318.8	367.3	300.5
Non-operating income (expenses)	(8.4)	(13.0)	(13.1)
Interest charges	(83.0)	(76.2)	(87.4)
Income taxes	(54.5)	(78.6)	(51.3)
Minority interest in subsidiaries	2.1	(7.8)	(10.8)
Loss from equity investments	(1.5)	(2.0)	(1.2)
Income from continuing operations	173.5	189.7	136.7
Discontinued operations	7.3	(44.8)	(7.5)
Cumulative effect of a change in accounting principle	-	-	(3.0)
Net income	180.8	144.9	126.2
Preferred dividends	(1.6)	(1.6)	(1.7)
Earnings available for common stock	$ 179.2	$ 143.3	$ 124.5

Great Plains Energy's 2004 earnings, as detailed in the following table, increased to $179.2 million, or $2.49 per share, from $143.3 million, or $2.07 per share in 2003. The issuance of 5.0 million shares in June 2004 diluted 2004 EPS by $0.10.

	Earnings			Earnings Per Great Plains Energy Share		
	2004	2003	2002	2004	2003	2002
		(millions)				
KCP&L	$150.0	$127.2	$102.9	$ 2.08	$ 1.84	$ 1.64
Subsidiary operations	(6.7)	(1.3)	(0.2)	(0.09)	(0.02)	-
Discontinued operations (RSAE)	-	(8.7)	(4.0)	-	(0.13)	(0.06)
Cumulative effect of a change in accounting principle	-	-	(3.0)	-	-	(0.05)
Consolidated KCP&L	143.3	117.2	95.7	1.99	1.69	1.53
Strategic Energy	42.5	39.6	29.7	0.59	0.57	0.48
Other non-regulated operations	(12.3)	24.2	4.3	(0.17)	0.35	0.07
Discontinued operations (KLT Gas)	7.3	(36.1)	(3.5)	0.10	(0.52)	(0.06)
Preferred dividends	(1.6)	(1.6)	(1.7)	(0.02)	(0.02)	(0.03)
Great Plains Energy	$179.2	$143.3	$124.5	$ 2.49	$ 2.07	$ 1.99

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

The increase in Great Plains Energy's 2004 earnings is primarily due to an increase in KCP&L's wholesale MWhs sold at higher wholesale prices, the May 2004 purchase of an additional 11.45% indirect interest in Strategic Energy and a $10.8 million favorable impact of state tax planning on the composite tax rate for the Company. The increase in KCP&L's wholesale MWh sales was primarily due to increased generation, bundling transmission with energy and lower retail loads during the summer months. The Great Plains Energy earnings increase was offset by an increase in operating expenses at KCP&L and Strategic Energy, a $5.3 million impairment related to the first quarter 2005 sale of Worry Free, the net effect on 2003 earnings of the Hawthorn No. 5 litigation settlements and the $28.1 million net gain in 2003 related to the DTI bankruptcy. Additionally, a continuing environment of higher and less volatile energy prices and flat to higher forward electricity prices continue to negatively impact Strategic Energy's average gross margins. Discontinued operations (KLT Gas) primarily reflect the gain on sales of assets in 2004 and the loss due to the impairment related to the exit of the business in 2003. Discontinued operations (RSAE) primarily reflect the loss on the sale of RSAE in 2003.

Great Plains Energy's 2003 earnings increased to $143.3 million, or $2.07 per share, from $124.5 million, or $1.99 per share in 2002. The issuance of 6.9 million shares in November 2002 diluted 2003 EPS by $0.23. The increase in Great Plains Energy's 2003 earnings is primarily due to an increase in wholesale MWh sales, partial settlements of the Hawthorn No. 5 litigation, the fourth quarter 2002 purchase of an additional 6.0% indirect interest in Strategic Energy and the $28.1 million net gain related to the DTI bankruptcy. The increase in wholesale revenues was partially offset by the effect on retail revenues of the January 2003 Kansas rate reduction. In 2003, discontinued operations (KLT Gas) reflect an operating loss, property impairments and impairments related to the exit of the business. Discontinued operations (RSAE) primarily reflect the loss on the sale of RSAE in 2003.

Great Plains Energy's projected net income is expected to decrease in 2005. The decrease in projected net income for 2005 is due to a significant increase in fuel costs at KCP&L, lower anticipated 2005 average gross margins at Strategic Energy, expiration of a portion of the Company's investment tax credits in 2005 and the absence of the 2004 impact of the lower composite tax rate on deferred tax balances. These factors are projected to more than offset projected retail load growth and operational expense savings at KCP&L as well as lower holding company losses in 2005.

CONSOLIDATED KCP&L RESULTS OF OPERATIONS

The following discussion of consolidated KCP&L results of operations includes KCP&L, an integrated electric utility and HSS, an unregulated subsidiary of KCP&L. References to KCP&L, in the discussion that follows, reflect only the operations of the integrated electric utility. The following table summarizes consolidated KCP&L's comparative results of operations.

	2004	2003	2002
		(millions)	
Operating revenues	$ 1,091.6	$ 1,057.0	$ 1,012.8
Fuel	(179.4)	(160.3)	(159.7)
Purchased power	(52.5)	(53.2)	(46.2)
Other operating expenses	(442.3)	(422.6)	(411.6)
Depreciation and amortization	(145.2)	(141.0)	(145.5)
Gain (loss) on property	(5.1)	1.6	0.2
Operating income	267.1	281.5	250.0
Non-operating income (expenses)	(1.9)	(3.1)	(4.1)
Interest charges	(74.2)	(70.3)	(80.3)
Income taxes	(52.8)	(83.5)	(62.9)
Minority interest in subsidiary	5.1	1.3	-
Income from continuing operations	143.3	125.9	102.7
Discontinued operations	-	(8.7)	(4.0)
Cumulative effect of a change in accounting principle	-	-	(3.0)
Net income	$ 143.3	$ 117.2	$ 95.7

Consolidated KCP&L's income from continuing operations increased $17.4 million in 2004 compared to 2003. Consolidated KCP&L's operating revenues increased $34.6 million in 2004 compared to 2003, primarily due to a 14% increase in KCP&L's wholesale MWhs sold and a 13% increase in the average wholesale market price. The increase in wholesale MWhs sold was primarily due to increased generation, bundling transmission with energy and lower than expected retail loads during the summer months. An increase in operating expenses more than offset these factors primarily due to the increase in MWhs generated, including higher coal and coal transportation costs, higher administrative expenses, a $7.3 million impairment charge related to the first quarter 2005 sale of Worry Free and the significant positive impact on 2003 of the Hawthorn No. 5 litigation settlements. Income taxes decreased due to the $10.1 million favorable impact of state tax planning on the composite tax rate and a $5.9 million allocation of tax benefits from holding company losses pursuant to the Company's intercompany tax allocation agreement.

As described in Item 3. Legal Proceedings, KCP&L filed suit against multiple defendants who are alleged to have responsibility for the 1999 Hawthorn No. 5 boiler explosion. KCP&L and its primary insurance company have entered into a subrogation allocation agreement under which recoveries in this suit are generally allocated 55% to the primary insurance company and 45% to KCP&L. Various defendants have settled with KCP&L in this litigation, resulting in KCP&L recording $2.4 million and $35.8 million in 2004 and 2003, respectively, under the terms of the subrogation allocation agreement. A portion of the settlements, $1.2 million and $17.3 million, for 2004 and 2003, respectively, was recorded as a recovery of capital expenditures. The following table summarizes the income statement impact related to the remainder of the settlements for loss of use of Hawthorn No. 5.

	2004	2003
	(millions)	
Wholesale revenues	$ 0.2	$ 2.7
Fuel	0.2	4.0
Purchased power	0.8	11.8

Operating income	1.2	18.5
Income taxes	(0.5)	(7.2)
Net income	$ 0.7	$ 11.3

Consolidated KCP&L's income from continuing operations increased $23.2 million in 2003 compared to 2002. Consolidated KCP&L's operating revenues increased $44.2 million primarily due to a significant increase in wholesale MWhs sold at higher wholesale prices partially offset by the effect on retail revenues of the January 2003 Kansas rate reduction. Wholesale MWhs sold increased 16% in 2003 primarily due to increased generation and a more focused sales effort. Additionally, the average market price increased 33% primarily due to higher natural gas prices. Revenues also increased due to the partial settlements of Hawthorn No. 5 litigation. This increase in revenues combined with decreases in interest expense and depreciation expense more than offset increases in purchased power, pension, power plant maintenance and transmission expenses. The amortization of the Missouri jurisdictional portion of the January 2002 storm costs increased $3.1 million in 2003. In 2002, KCP&L expensed $16.5 million for the Kansas jurisdictional portion of the January 2002 storm costs.

Discontinued operations in 2003 includes a $7.1 million loss on the June 2003 disposition of HSS' interest in RSAE and continuing losses through the date of disposition of $1.6 million. Additionally, 2002 net income reflects the $3.0 million cumulative effect to January 1, 2002, of a change in accounting principle for the adoption of SFAS No. 142 and the associated write-down of RSAE goodwill.

Consolidated KCP&L's net income is projected to decrease in 2005 primarily due to a significant increase in fuel costs and the absence of the 2004 impact of the lower composite tax rate on deferred tax balances. These factors are projected to more than offset projected retail load growth and operational expense savings at KCP&L.

Consolidated KCP&L Sales Revenues and MWh Sales

	2004	% Change	2003	% Change	2002
Retail revenues			(millions)		
Residential	$ 347.1	(4)	$ 361.5	(2)	$ 367.4
Commercial	421.1	1	417.6	-	418.6
Industrial	96.2	1	95.0	1	93.7
Other retail revenues	8.7	1	8.7	-	8.6
Total retail	873.1	(1)	882.8	(1)	888.3
Wholesale revenues	200.2	27	157.5	46	108.0
Other revenues	16.8	15	14.6	8	13.6
KCP&L electric revenues	1,090.1	3	1,054.9	4	1,009.9
Subsidiary revenues	1.5	(25)	2.1	(28)	2.9
Consolidated KCP&L revenues	$ 1,091.6	3	$ 1,057.0	4	$ 1,012.8

	2004	% Change	2003	% Change	2002
Retail MWh sales			(thousands)		
Residential	4,903	(3)	5,047	1	5,004
Commercial	6,998	1	6,933	-	6,902
Industrial	2,058	1	2,035	3	1,968
Other retail MWh sales	85	-	85	2	83
Total retail	14,044	-	14,100	1	13,957
Wholesale MWh sales	6,603	14	5,777	16	4,969
KCP&L electric MWh sales	20,647	4	19,877	5	18,926

Retail revenues decreased $9.7 million in 2004 compared to 2003 primarily due to a $14.4 million reduction in residential revenues. Residential usage per customer decreased 4% in 2004 compared to 2003 as a result of significantly cooler summer weather in 2004. The Kansas City area experienced one of the coolest summers in the past 30 years, which resulted in cooling degree days 18% below normal. Weather most significantly affects residential customers' usage patterns. The impact of the cooler summer weather was partially offset by continued load growth in 2004. Load growth consists of higher usage per customer and the addition of new customers. The average number of residential and commercial customers continues to grow; both increased 1% to 2% in 2004 and 2003 compared to the respective prior years. Retail revenues decreased $5.5 million in 2003 compared to 2002. The Kansas rate reduction effective January 1, 2003, decreased 2003 retail revenues approximately $12.5 million and was partially offset by load growth in 2003.

Bulk power sales, the major component of wholesale sales, vary with system requirements, generating unit and purchased power availability, fuel costs and requirements of other electric systems. Wholesale revenues increased $42.7 million in 2004. Wholesale MWhs sold increased 14% in 2004 compared to 2003,

primarily due to increased generation, bundling transmission with energy and lower than expected retail loads during the summer months, combined with successful marketing efforts. KCP&L's coal fleet equivalent availability factor increased to 84% in 2004 compared to 82% for 2003, which contributed to an increased volume of wholesale MWhs available to sell. Average market prices per MWh increased 13% to $30.72 in 2004 compared to 2003, primarily due to more sales made during periods of higher natural gas prices and bundling transmission with energy to provide a delivered product. Additionally, wholesale revenues were affected by the partial settlements of the Hawthorn No. 5 litigation. Wholesale revenues increased $49.5 million in 2003 compared to 2002, which in 2003 included $2.7 million related to the partial settlements of Hawthorn No. 5 litigation. Wholesale MWhs

sold increased 16% in 2003 compared to 2002, primarily due to increased generation and a more focused sales effort. The revenue variance in 2003 compared to 2002 was primarily due to a 33% increase in average market price per MWh of power sold in 2003 to $27.27. The increase was driven by higher natural gas prices. Less than 1% of revenues reflect rates that include an automatic fuel adjustment provision.

Consolidated KCP&L Fuel and Purchased Power

The fuel cost per MWh generated and the purchased power cost per MWh has a significant impact on the results of operations for KCP&L. Generation fuel mix can change the fuel cost per MWh generated substantially. In 2004, KCP&L experienced a record coal base load capacity factor of 80%. The coal fleet achieved a record level of generation of approximately 16 million MWhs, a 5% increase compared to 2003. Nuclear fuel costs per MWh generated remain substantially less than the cost of coal per MWh generated. Coal has a significantly lower cost per MWh generated than natural gas and oil. Fossil plants averaged over 75% of total generation and the nuclear plant the remainder over the last three years. Replacement power costs for planned Wolf Creek outages are accrued evenly over the unit's operating cycle. KCP&L expects its cost of nuclear fuel to remain relatively stable through the year 2009. The cost per MWh for purchased power is still significantly higher than the fuel cost per MWh of coal and nuclear generation. KCP&L continually evaluates its system requirements, the availability of generating units, availability and cost of fuel supply, availability and cost of purchased power and the requirements of other electric systems to provide reliable power economically.

Fuel expense increased $19.1 million in 2004 compared to 2003 primarily due to a 6% increase in MWhs generated, higher coal and coal transportation costs, higher natural gas costs and the net effect of $3.8 million from the Hawthorn No. 5 partial litigation settlements. The increase was partially offset by a lower average fuel cost per MWh generated due to increased coal and nuclear fuel and less natural gas in the fuel mix. The change in fuel mix was primarily due to the 2003 refueling outage at Wolf Creek and the cooler 2004 summer weather, which allowed coal and nuclear capacity to supply a greater percentage of the reduced retail load. Fuel expense increased $0.6 million in 2003 compared to 2002 primarily due to a 3% increase in MWhs generated. This increase was partially offset by a lower average fuel cost per MWh generated due to increased coal and less natural gas in the fuel mix and a $4.0 million decrease related to the partial settlements of Hawthorn No. 5 litigation.

Purchased power expense decreased $0.7 million in 2004 compared to 2003. MWhs purchased decreased 31% in 2004 compared to 2003 primarily due to lower retail customer demand and a 2% increase in the coal fleet equivalent availability factor in 2004 compared to 2003. The decrease in MWhs purchased was partially offset by an 11% increase in the average purchased power price per MWh in 2004 compared to 2003 primarily due to higher natural gas market prices and increased demand in the market area earlier in 2004. Another offset includes the net effect of the Hawthorn No. 5 partial litigation settlements, which impacted purchased power expense by $11.0 million in 2004 compared to 2003. Purchased power expense increased $7.0 million in 2003 compared to 2002 primarily due to a 31% increase in the price per MWh driven primarily by increased natural gas prices. MWhs purchased increased 27% in 2003 compared to 2002 due to increased customer needs. These increases were partially offset by the $11.8 million related to the Hawthorn No. 5 litigation settlements in 2003.

KCP&L expects its fuel expense to increase significantly in 2005 due to projected increases in the cost of coal and coal transportation and in the volume and price of natural gas generation in the fuel mix. KCP&L expects to utilize its natural gas-fired peaking generating capacity more often to serve expected growth in retail customer demand, which will increase natural gas consumption. High natural gas and fuel oil costs are also influencing the price of coal and coal transportation costs, which are also expected to increase. The anticipated increase in delivered coal prices is expected to affect most

utilities; therefore, the increase is not expected to materially erode KCP&L's position as a low cost regional electricity generator.

Consolidated KCP&L Other Operating Expenses *(including other operating, maintenance and general taxes)*

Consolidated KCP&L's other operating expenses increased $19.7 million in 2004 compared to 2003 primarily due to the following:

- increased pension expense of $3.5 million primarily due to lower discount rates, the amortization of investment losses from prior years and plan settlement losses,
- increased other employee-related costs of $3.5 million including higher medical costs and incentive compensation costs,
- increased property taxes of $4.3 million primarily due to increases in assessed property valuations and mill levies,
- increased outside services of $4.4 million including costs associated with Sarbanes-Oxley compliance,
- increased transmission and distribution expenses including $2.5 million primarily due to increased transmission usage charges as a result of the increased wholesale MWh sales, $2.3 million related to SPP administration and $1.3 million in storm related expenses and
- increased office expense including a $2.1 million expenditure to buy out computer equipment operating leases.

Partial offsets to the increase in other operating expenses included:

- decreased plant maintenance expense of $1.3 million primarily due to differences in timing and scope of outages and $0.9 million in lower gross receipts taxes as a result of lower retail revenues and
- decreased expenses due to the reversal of an environmental accrual and the establishment of a regulatory asset for the probable recovery in the Kansas jurisdiction of enhanced security costs.

Consolidated KCP&L's other operating expenses increased $11.0 million in 2003 compared to 2002 primarily due to the following:

- amortizing an additional $3.1 million of the Missouri jurisdictional portion of the January 2002 ice storm in 2003,
- increased pension expense of $11.3 million primarily due to a significant decline in the market value of plan assets,
- increased plant maintenance expense of $6.7 million for plant outages,
- increased transmission expenses of $3.3 million primarily due to increased usage charges as a result of the increased wholesale MWh sales and increased MWh of purchased power,
- partially offsetting the increases were lower maintenance expense in 2003 due to expensing in 2002 the $16.5 million of the Kansas jurisdictional portion of the January 2002 ice storm.

Consolidated KCP&L Depreciation and Amortization
Consolidated KCP&L's depreciation and amortization expense increased $4.2 million in 2004 compared to 2003. The increases are primarily due to an increase of $2.6 million related to capital additions and $3.8 million as a result of the consolidation of the Lease Trust. The increase was partially offset by $1.9 million as a result of certain software becoming fully amortized in 2003.

Consolidated KCP&L's depreciation expense decreased $4.5 million in 2003 compared to 2002. Depreciation expense decreased approximately $7.7 million due to the change to a 60-year life for Wolf Creek pursuant to the 2002 KCC stipulation and agreement. See Note 4 to the consolidated financial statements for additional information. This decrease was partially offset by increased depreciation expense of $2.2 million related to capital additions and $1.3 million as a result of the consolidation of the Lease Trust.

Consolidated KCP&L Interest Charges
Consolidated KCP&L's interest charges increased $3.9 million in 2004 compared to 2003. The increase was primarily due to a $10.1 million interest component related to the IRS 1995-1999 audit settlement. Partially offsetting this increase was a $6.3 million decrease primarily due to the 2004 redemption of KCP&L’s $154.6 million 8.3% Junior Subordinated Deferred Interest Bonds. See Notes 11 and 19 to the consolidated financial statements for further information.

Consolidated KCP&L's interest charges decreased $10.0 million in 2003 compared to 2002. KCP&L’s long-term debt interest expense decreased $9.3 million in 2003 compared to 2002 primarily due to lower levels of outstanding long-term debt as a result of the repayment of $124.0 million of medium-term notes in 2003. Lower average interest rates in 2003 compared to 2002 also contributed to the decrease.

Consolidated KCP&L Income Taxes
Consolidated KCP&L's income taxes decreased $30.7 million in 2004 compared to 2003. Several factors contributed to the decreased taxes including lower income in 2004 compared to 2003. The favorable impact of state tax planning on the composite tax rate decreased income taxes $10.1 million, including $8.6 million reflecting the composite tax rate change on deferred tax balances resulting from book to tax temporary differences. An additional $10.1 million decrease is attributable to the reserves for the interest component of the IRS 1995-1999 audit settlement, which offset interest expense and had no impact on income from continuing operations. Income taxes also decreased by $5.9 million due to the allocation of tax benefits from holding company losses pursuant to the Company's intercompany tax allocation agreement. Income taxes increased $20.6 million in 2003 compared to 2002, primarily due to higher income.

On October 22, 2004, the American Jobs Creation Act of 2004 (AJCA) became law. Most significantly, the AJCA contains a provision that allows for a tax deduction of 9% (3% for 2005-2006; 6% for 2007-2009; 9% thereafter) of qualified production activities income. Income from electric generation activities is included in the definition of qualified production activities. Because of its electric generation activities, KCP&L expects to be favorably impacted by the AJCA. The IRS has recently issued interim guidance on which KCP&L may rely on until regulations are issued. KCP&L is reviewing the recent guidance and has made preliminary estimates of the deduction. For 2005, the deduction is estimated to be approximately $6 million. The regulatory treatment regarding the qualified production deduction is unknown at this time.

STRATEGIC ENERGY RESULTS OF OPERATIONS

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

	2004	2003	2002
		(millions)	
Operating revenues	$ 1,372.4	$ 1,091.0	$ 789.5
Purchased power	(1,247.5)	(968.9)	(685.4)
Other operating expenses	(51.3)	(42.1)	(37.6)
Depreciation and amortization	(4.8)	(1.7)	(0.9)
Operating income	68.8	78.3	65.6
Non-operating income (expenses)	1.7	1.0	0.4
Interest charges	(0.7)	(0.4)	(0.3)
Income taxes	(24.3)	(30.2)	(25.2)
Minority interest	(3.0)	(9.1)	(10.8)

Net income	$ 42.5	$ 39.6	$ 29.7

Strategic Energy's net income increased $2.9 million in 2004 compared to 2003. Retail MWhs delivered increased 22% in 2004 compared to 2003. Great Plains Energy, through IEC, completed the purchase of an additional 11.45% indirect interest in Strategic Energy resulting in a $1.8 million increase in net income. Income taxes decreased in 2004 primarily due to a $3.1 million allocation of tax benefits from holding company losses pursuant to the Company's intercompany tax allocation agreement and the Company's income tax accounting policies for segment reporting. The increase to net income was partially offset by a 16% decline in the average gross margin per MWh (revenues less purchased power divided by MWhs delivered) to $6.15 in 2004. The decline in gross margin is primarily due to the roll-off of older, higher margin contracts, price discounts driven by a more competitive market and persistently higher commodity prices, and a $4.2 million increase in tax reserves. A continuing environment of higher and less volatile energy prices and flat to higher forward electricity prices continue to negatively impact the average gross margins. The negative impacts on average gross margin per MWh were partially offset by a $1.7 million change in fair value related to energy contracts that do not qualify for hedge accounting and from hedge ineffectiveness.

Strategic Energy's net income increased $9.9 million in 2003 compared to 2002. The increased net income was primarily due to growth in retail electric revenues from the expansion into new markets and continued sales efforts in existing markets. In addition, Great Plains Energy increased its indirect interest in Strategic Energy by 6% in the fourth quarter of 2002. These increases were partially offset by increased general and administrative expenses including employee related expenses. Also, the average gross margin per MWh decreased to $7.34 in 2003 compared to $8.70 in 2002. The decrease in average gross margin per MWh in 2003 compared to 2002 was primarily due to the roll-off of higher margin contracts that were obtained during periods of high market price volatility in late 2000 and early 2001 and to a lesser extent market conditions, including increased competition.

Strategic Energy's net income is projected to decrease in 2005. The projected decrease in average gross margins per MWh to a range of $4.60 to $5.00 in 2005 from $6.15 in 2004 is anticipated to more than offset the expected increase in MWhs delivered from 20.3 million in 2004 to a range of 21 to 23 million in 2005.

Strategic Energy Operating Revenues

Operating revenues from Strategic Energy increased $281.4 million in 2004 compared to 2003 and $301.5 million in 2003 compared to 2002 as shown in the following table.

	2004	% Change	2003	% Change	2002
			(millions)		
Electric - Retail	$ 1,355.3	27	$ 1,063.2	40	$ 759.5
Electric - Wholesale	15.5	(41)	26.5	(8)	28.8
Professional services	1.6	18	1.3	14	1.2
Total operating revenues	$ 1,372.4	26	$ 1,091.0	38	$ 789.5

Retail electric revenues increased $292.1 million in 2004 compared to 2003 primarily due to increased retail MWhs delivered. Retail MWhs delivered increased 22% to 20.3 million in 2004 compared to 2003. The increased MWhs delivered resulted primarily from strong sales efforts in customer retention as well as enrolling new customers primarily in Michigan and Texas where Strategic Energy continued to experience favorable conditions for growth. Strategic Energy's customer accounts totaled over 54,000 accounts at the end of 2004, a 14% increase from approximately 48,000 accounts at the end of 2003. Several factors contribute to changes in the average retail price per MWh, including the underlying electricity price, the nature and type of products offered and the mix of sales by geographic market. Average retail revenues per MWh increased 4% in 2004 compared to 2003 primarily due to a higher underlying electricity price that was driven by higher natural gas prices partially offset by price discounts driven by a more competitive market and persistently higher commodity prices.

Retail electric revenues increased $303.7 million in 2003 compared to 2002 primarily due to increased retail MWhs delivered. Retail MWhs delivered increased 41% to 16.6 million in 2003 from 11.8 million in 2002. The increased MWhs delivered resulted primarily from effective sales efforts in re-signing approximately 80% of existing customers as well as enrolling new customers in markets in which Strategic Energy continued to experience favorable conditions for growth. Customer accounts at the end of 2003 increased 44% from approximately 33,000 accounts at the end of 2002. MWhs delivered in California increased 70% to 5.5 million in 2003 and MWhs delivered in Texas increased 58% to 4.5 million in 2003 compared to 2002.

Strategic Energy Purchased Power

Strategic Energy primarily purchases power under forward physical delivery contracts to supply electricity to its retail energy customers based on projected usage. Strategic Energy sells any excess retail supply of electricity back into the wholesale market. The proceeds from the sale of excess supply of electricity are recorded as a reduction of purchased power. The amount of excess retail supply sales that reduced purchased power was $265.2 million, $160.4 million and $126.4 million in 2004, 2003 and 2002, respectively.

Strategic Energy utilizes derivatives including forward physical delivery contracts in the procurement of electricity. Changes in the fair value of derivative instruments that do not qualify for hedge accounting and cash flow hedge ineffectiveness reduced purchased power expense by $1.7 million in 2004 and were insignificant for 2003 and 2002.

As previously discussed, Strategic Energy operates in several retail choice electricity markets. The cost of supplying electricity to retail customers can vary widely by geographic market. This variability can be affected by many factors including, among other items, geographic differences in the cost per MWh of purchased power and capacity charges due to regional purchased power availability and requirements of other electricity providers and differences in transmission charges.

Purchased power expense increased $278.6 million in 2004 compared to 2003 primarily due to increased MWhs delivered as discussed above. Additionally, average prices per retail MWh purchased increased 7% in 2004 primarily due to the effect of the persistent environment of relatively high natural gas prices, increased competition, increased supply costs on certain contracts caused by customers selecting variable pricing mechanisms and increased tax reserves partially offset by the change in fair value of derivative instruments. Purchased power increased $283.5 million in 2003 compared to 2002 primarily due to increased MWhs delivered.

Strategic Energy Other Operating Expenses
Strategic Energy's other operating expenses as a percentage of operating revenues decreased to 3.7% in 2004 from 3.9% and 4.8% in 2003 and 2002, respectively, due to Strategic Energy's efforts in leveraging its infrastructure and the effects of achieving economies of scale. Strategic Energy's other operating expenses increased $9.2 million in 2004 compared to 2003; a 22% increase driven mainly by higher staffing levels associated with the continued growth of Strategic Energy. Additionally, higher consulting expenses associated with new software development initiatives and higher general tax expenses primarily due to higher capital stock and franchise tax rates increased other operating expenses.

Other operating expenses increased $4.5 million in 2003 compared to 2002 primarily due to higher staffing levels and higher other general and administrative expenses associated with higher sales volumes, geographic market expansion, and regulatory and market development initiatives.

Strategic Energy Income Taxes
Strategic Energy's income taxes decreased $5.9 million in 2004 compared to 2003 reflecting lower income and additional tax benefits. The additional benefits included $3.1 million due to the allocation of tax benefits from holding company losses pursuant to the Company's intercompany tax allocation agreement and a slight decrease due to the favorable impact of state tax planning on the composite tax rate. Strategic Energy's income taxes increased $5.0 million in 2003 compared to 2002 primarily reflecting higher income.

Strategic Energy Minority Interest
Minority interest represents the share of Strategic Energy's net income not attributable to Great Plains Energy's indirect ownership interest in Strategic Energy. Minority interest decreased $6.1 million in 2004 compared to 2003 primarily due to IEC's acquisition of an additional 11.45% indirect interest in Strategic Energy in May 2004. Minority interest decreased $1.7 million in 2003 compared to 2002 primarily due to IEC's acquisition of a 6% indirect ownership interest in Strategic Energy during the fourth quarter of 2002.

OTHER NON REGULATED ACTIVITIES

Investment in Affordable Housing Limited Partnerships - KLT Investments
KLT Investments Inc.'s (KLT Investments) net income in 2004 totaled $11.2 million (including an after tax reduction of $4.6 million in its affordable housing investment) compared to net income of $8.1 million in 2003 (including an after tax reduction of $6.7 million in its affordable housing investment) and net income of $10.4 million in 2002 (including an after tax reduction of $5.7 million in its affordable housing investment).

On a quarterly basis, KLT Investments compares the cost of properties accounted for by the cost method to the total of projected residual value of the properties and remaining tax credits to be received. Based on the latest comparison, KLT Investments reduced its investments in affordable housing limited partnerships by $7.5 million, $11.0 million and $9.0 million in 2004, 2003 and 2002, respectively. Pre-tax reductions in affordable housing investments are estimated to be $10 million, $1 million and $2 million in 2005 through and 2007, respectively. These projections are based on the

latest information available but the ultimate amount and timing of actual reductions could be significantly different from the above estimates. The properties underlying the partnership investment are subject to certain risks inherent in real estate ownership and management. Even after these estimated reductions, net income from the investments in affordable housing is expected to be positive for 2005 through 2007.

KLT Investments accrued tax credits related to its investments in affordable housing limited partnerships of $18.3 million, $19.1 million and $19.3 million in 2004, 2003 and 2002, respectively. KLT Investments' estimates tax credits will be $16 million, $10 million and $6 million for 2005 through 2007, respectively, and continue to decline through 2009.

DTI Bankruptcy
On December 31, 2001, a subsidiary of KLT Telecom, DTI Holdings, Inc. and its subsidiaries, Digital Teleport, Inc. and Digital Teleport of Virginia, Inc., filed separate voluntary petitions in the Bankruptcy Court for the Eastern District of Missouri for reorganization under Chapter 11 of the U.S. Bankruptcy Code, which cases were procedurally consolidated. DTI Holdings and its two subsidiaries are collectively called "DTI". In December 2002, Digital Teleport entered into an agreement to sell substantially all of its assets to CenturyTel Fiber Company II, LLC, a nominee of CenturyTel, Inc, which was approved by the Bankruptcy Court, and closed in 2003.

The Company recorded a net gain of $28.1 million or $0.41 per share in 2003 related to the DTI bankruptcy. The impact on 2003 net income was primarily due to the net effect of the Chapter 11 plan confirmation and the resulting distribution, the reversal of a $15.8 million tax valuation allowance and the reversal of $5 million debtor in possession financing previously reserved.

Holding Company Income Taxes
The Company maintains an intercompany tax allocation agreement among the companies that file a consolidated or combined income tax return. Tax benefits from holding company losses are allocated to the subsidiaries based on income and these allocations are reflected in each segment's provision for income taxes. Holding company income taxes increased $6.5 million in 2004 compared to 2003 primarily to reflect the allocation of tax benefits pursuant to the Company's intercompany tax allocation agreement.

KLT GAS DISCONTINUED OPERATIONS

In February 2004, the Great Plains Energy Board of Directors approved management's recommendation to sell the KLT Gas portfolio and exit the gas business. The Company evaluated this business and determined the amount of capital and the length of time required for development of reserves and production, combined with the income volatility of the exploration process, were no longer compatible with the Company's strategic vision.

In 2004, KLT Gas completed sales of substantially all of the KLT Gas portfolio for $23.5 million cash, net of $1.4 million of transaction costs. The gain on the KLT Gas portfolio asset sales totaled $10.3 million, or $0.14 per share. The impact of the gain was partially offset by the loss from the wind down operations of $1.8 million in 2004. Additionally, the 2004 write down of the KLT Gas portfolio to its estimated net realizable value reduced net income by $1.2 million. Loss from discontinued operations in 2003 was $36.1 million including after tax impairments of $33.5 million and after tax operating losses of $2.6 million. See Note 6 to the consolidated financial statements for additional information and see Note 15 to the consolidated financial statements for information regarding a pending arbitration proceeding.

GREAT PLAINS ENERGY AND CONSOLIDATED KCP&L SIGNIFICANT BALANCE SHEET CHANGES (December 31, 2004 compared to December 31, 2003)

- Great Plains Energy's restricted cash and supplier collateral decreased $13.2 million due to a reduction in the collateral provided from suppliers to cover portions of credit exposure as a result of lower market exposure with counterparties posting cash and one counterparty posting a letter of credit rather than cash.
- Great Plains Energy's receivables increased $6.8 million primarily due to a $35.0 million increase in Strategic Energy's receivables, which was primarily the result of increased sales in late 2004 compared to late 2003. This increase was mostly offset by a $32.3 million decrease in consolidated KCP&L's receivables. Consolidated KCP&L's receivables decreased primarily due to KCP&L's receipt of $30.8 million for the Hawthorn No. 5 insurance recovery.
- Great Plains Energy's and consolidated KCP&L's deferred income taxes (current assets) increased $12.4 million and $12.1 million, respectively, to reflect previously non-current deferred income taxes expected to reverse in 2005 and $4.4 million related to the timing of the Wolf Creek refueling outage.
- Great Plains Energy's assets of discontinued operations decreased $27.1 million due to the sale of KLT Gas' assets in 2004.
- Great Plains Energy's goodwill increased $60.7 million due to the purchase of the additional indirect interest in Strategic Energy in May 2004.
- Great Plains Energy's other deferred charges increased $31.5 million primarily due to $36.1 million in intangible assets, net of amortization, recorded as a result of the purchase of the additional indirect interest in Strategic Energy in May 2004.
- Great Plains Energy's notes payable decreased $67.0 million due to the net repayments of short-term borrowings. Consolidated KCP&L's notes payable to Great Plains Energy decreased $22.0 million primarily due to HSS' repayment of an intercompany loan mostly related to the disposition of RSAE.
- Great Plains Energy's and consolidated KCP&L's current maturities of long-term debt increased $193.9 million and $195.5 million, respectively, to reflect KCP&L's $250 million of senior notes scheduled to mature in 2005, partially offset by the retirement of KCP&L's $54.5 million of medium-term notes in 2004.
- Great Plains Energy's and consolidated KCP&L's Environmental Improvement Revenue Refunding (EIRR) bonds classified as current decreased $43.4 million due to scheduled remarketings of EIRR bonds. The new terms changed the classification of certain EIRR bonds to long-term debt.
- Great Plains Energy's other deferred credits and liabilities increased $9.4 million primarily due to an $18.8 million liability for the fair value of acquired retail contracts, net of amortization, partially offset by a $9.0 million reduction in minority interest recorded as a result of the purchase of an additional indirect interest in Strategic Energy in May 2004. An additional increase of $6.7 million was due to recording the FELINE PRIDES^{SM} long-term forward contract fee, partially offset by a $5.3 million decrease in consolidated KCP&L's other deferred credits and liabilities. Consolidated KCP&L's decrease was primarily due to a $4.6 million decrease in minority interest, which was the result of losses at KCP&L's Lease Trust.
- Great Plains Energy's common stock increased $154.1 million due to the issuance of five million shares of common stock in June 2004 and the issuance of shares for purchases under the Dividend Reinvestment and Direct Stock Purchase Plan plans. Consolidated KCP&L's common stock increased $225.0 million due to equity contributions from Great Plains Energy.

- Great Plains Energy's capital stock premium and expense increased $24.9 million primarily due to recording $19.6 million of FELINE PRIDES purchase contract adjustment, allocated fees and expenses. Additionally, the June 2004 common stock issuance costs totaled $5.4 million.
- Great Plains Energy's and consolidated KCP&L's long-term debt decreased $201.9 million and $362.3 million, respectively, to reflect KCP&L's $250 million of senior notes scheduled to mature in 2005 as current and the 2004 redemption of KCP&L's $154.6 million 8.3% Junior Subordinated Deferred Interest Bonds partially offset by KCP&L's EIRR bonds totaling $43.4 million now classified as long-term following the scheduled remarketing during 2004. Great Plains Energy's decrease was further offset by the issuance of $163.6 million of FELINE PRIDES senior notes in 2004.

CAPITAL REQUIREMENTS AND LIQUIDITY

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

Great Plains Energy's capital requirements are principally comprised of KCP&L's utility construction and other capital expenditures, debt maturities, pension benefit plan funding requirements discussed below and credit support provided to Strategic Energy. Additional cash and capital requirements for the companies are discussed below.

Great Plains Energy's liquid resources at December 31, 2004, consisted of $127.1 million of cash and cash equivalents on hand, including $51.6 million at KCP&L, and $795.8 million of unused bank lines of credit. The unused lines consisted of $250.0 million from KCP&L's revolving credit facility, $55.8 million from Strategic Energy's revolving credit facility, and $490.0 million from Great Plains Energy's revolving credit facility. See the Debt Agreements section below for more information on these agreements.

Cash Flows From Operations

Great Plains Energy and consolidated KCP&L generated positive cash flows from operating activities for the periods presented. The increase in cash flows from operating activities for Great Plains Energy in 2004 compared to 2003 was primarily due to the changes in working capital detailed in Significant Balance Sheet Changes and in Note 2 to the consolidated financial statements. The individual components of working capital vary with normal business cycles and operations. In addition, the timing of the Wolf Creek outage affects the refueling outage accrual, deferred income taxes and amortization of nuclear fuel. Consolidated KCP&L's cash flow from operations increased in 2004 compared to 2003 partially due to a $17.4 million increase in income from continuing operations and the changes in working capital detailed in Significant Balance Sheet Changes and in Note 2 to the consolidated financial statements.

The increase in cash flows from operating activities for Great Plains Energy in 2003 compared to 2002 is primarily due to a $56.0 million increase in income from continuing operations and the changes in working capital detailed in Significant Balance Sheet Changes and in Note 2 to the consolidated financial statements. Consolidated KCP&L's cash flow from operations increased slightly in 2003 compared to 2002 due to a $26.2 million increase in income from continuing operations and an increase in deferred taxes mostly offset by the changes in working capital detailed in Significant Balance Sheet Changes and in Note 2 to the consolidated financial statements.

Investing Activities

Great Plains Energy's and consolidated KCP&L's cash used for investing activities varies with the timing of utility capital expenditures and purchases of investments and nonutility property. Investing

activities are offset by the proceeds from the sale of properties and insurance recoveries. Great Plains Energy's and consolidated KCP&L's utility capital expenditures increased $41.9 million in 2004 compared to 2003 primarily due to the $28.5 million buyout of KCP&L's operating lease for vehicles and heavy equipment in 2004. Insurance recoveries and litigation settlements related to Hawthorn No. 5 in 2004 of $31.9 million, a $10.7 million increase over 2003 recoveries, offset cash used in investing activities. Additionally, Great Plains Energy paid $90.0 million to acquire an additional indirect interest in Strategic Energy during 2004.

Utility capital expenditures and the allowance for borrowed funds used during construction increased $17.9 million in 2003 compared to 2002 primarily due to transmission plant and nuclear fuel additions partially offset by 2002 capital expenditures of $14.7 million related to the January 2002 ice storm and insurance proceeds and partial litigation settlements from Hawthorn No. 5 received in 2003. In 2003, Great Plains Energy received proceeds of $19.2 million as a result of the DTI bankruptcy.

Financing Activities

The change in Great Plains Energy's cash flows from financing activities in 2004 compared to 2003 reflects Great Plains Energy's June 2004 gross proceeds of $150.0 million from the issuance of five million shares of common stock at $30 per share and $163.6 million from the issuance of 6.5 million FELINE PRIDES. Fees related to these issuances were $10.2 million. Great Plains Energy used the proceeds to repay short-term borrowings and to make $225.0 million of equity contributions to KCP&L. In 2004, KCP&L redeemed $154.6 million of 8.3% Junior Subordinated Deferred Interest Bonds from KCPL Financing I. KCPL Financing I used those proceeds to redeem the $4.6 million common securities held by KCP&L and the $150.0 million of 8.3% Trust Preferred Securities. See Note 19 to the consolidated financial statements for additional information. KCP&L also redeemed $54.5 million of its medium-term notes at maturity during 2004.

The change in Great Plains Energy and consolidated KCP&L's cash flows from financing activities in 2003 compared to 2002 reflects the 2003 equity infusion of $100.0 million from Great Plains Energy to KCP&L and KCP&L's subsequent redemption of $104.0 million of medium-term notes. Great Plains Energy essentially funded the infusion with proceeds from its $151.8 million common stock offering in late 2002; however, prior to the infusion, Great Plains Energy used the offering proceeds to repay short-term borrowings in late 2002 and then re-borrowed in early 2003 to make the equity infusion into KCP&L at the time of redemption. An additional $20.0 million of KCP&L's medium-term notes were retired during 2003. The increase in dividends paid by Great Plains Energy is primarily attributable to the public offering of 6.9 million common shares in late 2002.

In November 2002, Great Plains Energy entered into an Agreement and Plan of Merger (Agreement) with Environmental Lighting Concepts, Inc. (ELC), the ELC shareholders and IEC, a wholly owned subsidiary of Great Plains Energy, to acquire ELC's 6% indirect interest in Strategic Energy. The ELC Shareholders received $15.1 million in merger consideration. As part of the merger consideration, on November 7, 2002, Great Plains Energy issued 387,596 additional shares of its common stock to the ELC Shareholders. The Agreement valued such shares at approximately $8 million. The remainder of the merger consideration was in short-term notes, which were paid in January 2003.

KCP&L expects to meet day-to-day operating requirements including interest payments, construction requirements (excluding new generating capacity and environmental compliance on existing generating units) and dividends to Great Plains Energy with internally generated funds. However, it might not be able to meet these requirements with internally generated funds because of the effect of inflation on operating expenses, the level of MWh sales, regulatory actions, compliance with future environmental regulations and the availability of generating units. The funds Great Plains Energy and consolidated KCP&L need to retire maturing debt will be provided from operations, the issuance of long and short-term debt and/or the issuance of equity or equity-linked instruments. In addition, the Company may

issue debt, equity and/or equity-linked instruments to finance growth or take advantage of new opportunities.

Strategic Energy expects to meet day-to-day operating requirements including interest payments, credit support fees, capital expenditures and dividends to its indirect interest holders with internally generated funds. However, it might not be able to meet these requirements with internally generated funds because of the

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

Great Plains Energy filed a registration statement, which became effective in April 2004, for the issuance of an aggregate amount up to $500.0 million of any combination of senior debt securities, subordinated debt securities, trust preferred securities and related guarantees, common stock, warrants, stock purchase contracts or stock purchase units. The prospectus filed with this registration statement also included $148.2 million of securities remaining available to be offered under a prior registration statement providing for an aggregate amount of availability of $648.2 million. In June 2004, Great Plains Energy issued $150.0 million of common stock and $163.6 million of FELINE PRIDES. After these issuances, $171.0 million remains available under this registration statement, which reflects the effect of the $163.6 million stock purchase contract component of FELINE PRIDES.

As a registered public utility holding company, Great Plains Energy must receive authorization from the SEC under the 35 Act to issue securities. Great Plains Energy is currently authorized to issue up to $1.2 billion of debt and equity through December 31, 2005. The following table reflects Great Plains Energy's utilization of this amount.

December 31	**2004**
	(millions)
Preferred stock issued in connection with the October 2001 reorganization	$ 39.0
Five-year credit facility [(a)]	28.0
November 2002 common equity offer	151.8
Common equity issued in connection with IEC's 2002 acquisition of an indirect ownership interest in Strategic Energy	8.0
June 2004 common equity offer	150.0
June 2004 FELINE PRIDES	163.6
June 2004 FELINE PRIDES purchase contracts	163.6
Issuance of common stock under the Dividend Reinvestment and Direct Stock Purchase Plan	3.7
Issuance of restricted stock to executives	2.3
Total utilized	$ 710.0

[(a)] This is a $550 million facility; however, at December 31, 2004, the Company could borrow a maximum of $518 million under the 35 Act authorization of which $28 million was outstanding at December 31, 2004.

Under its current SEC authorization, Great Plains Energy cannot issue securities other than common stock unless (i) the security to be issued, if rated, is rated investment grade by one nationally recognized statistical rating organization, (ii) all of its outstanding securities that are rated (except for its preferred stock) are rated investment grade by one nationally recognized statistical rating organization, and (iii) it has maintained common equity as a percentage of consolidated capitalization (as reflected on its consolidated balance sheets as of the end of each quarter) of at least 30%. Great Plains Energy was in compliance with these conditions as of December 31, 2004.

In 2003, KCP&L filed a shelf registration statement for up to $255 million of senior and subordinated debt securities, trust preferred securities and related guarantees providing KCP&L flexibility to access the capital markets.

KCP&L may issue equity and long-term debt only with the authorization of the MPSC. In June 2004, the MPSC authorized KCP&L to issue up to $600 million of long-term debt through March 31, 2006. The authorization contains the following conditions, among others: (i) no more than $150.0 million of the authorized debt can be used for purposes other than refinancing existing securities and (ii) the proceeds of the authorized debt must be used exclusively for the benefit of KCP&L's regulated operations.

Issuances of short-term debt by KCP&L are subject to SEC authorization under the 35 Act. Under the current authorization, KCP&L may issue and have outstanding at any given time up to $500 million of short-term debt. Under this authorization, KCP&L cannot issue short-term debt (other than commercial paper or short-term bank facilities) unless (i) the short-term debt to be issued, if rated, is rated investment grade by one nationally recognized statistical rating organization, (ii) all of its outstanding securities that are rated are rated investment grade by one nationally recognized statistical rating organization, (iii) all of the outstanding rated securities of Great Plains Energy (except preferred stock) are rated investment grade and (iv) Great Plains Energy and KCP&L have maintained common equity as a percentage of consolidated capitalization (as reflected on their consolidated balance sheets as of the end of each quarter) of at least 30%. KCP&L was in compliance with these conditions as of December 31, 2004.

In 2004, KCP&L remarketed its secured 1994 series EIRR bonds totaling $35.9 million and its unsecured 1998 Series C EIRR bonds totaling $50.0 million. The bonds are classified as current liabilities in the December 31, 2004, balance sheet. The 1994 series bonds were remarketed with a one-year maturity at a fixed interest rate of 2.25%. The 1998 Series C bonds were remarketed with a one-year maturity at a fixed interest rate of 2.38%. KCP&L also remarketed its secured 1993 series EIRR bonds totaling $12.4 million at a fixed rate of 4.0% until maturity at January 2, 2012.

In 2004, KCP&L secured a municipal bond insurance policy as a credit enhancement to its secured 1992 series EIRR bonds totaling $31.0 million. This municipal bond insurance policy replaced a 364-day credit facility with a bank, which expired in August 2004 that previously supported full liquidity of these bonds. These variable-rate secured EIRR bonds with a final maturity in 2017 are remarketed on a weekly basis through a Dutch auction process.

KCP&L had entered into a revolving agreement to sell all of its right, title and interest in the majority of its customer accounts receivable to Kansas City Power & Light Receivables Company, which in turn sold most of the receivables to outside investors. The agreement expired in January 2005 and was not renewed by

KCP&L. KCP&L is currently evaluating alternatives to replace this agreement and intends to enter into a new agreement in 2005. See Note 3 to the consolidated financial statements.

Debt Agreements

In December 2004, Great Plains Energy syndicated a $550 million, five-year revolving credit facility with a group of banks replacing a $150.0 million 364-day revolving credit facility and a $150.0 million three-year revolving credit facility with a group of banks that were syndicated earlier in 2004. Those latter two facilities had replaced a prior $225.0 million revolving credit facility with a group of banks. The new facility contains a Material Adverse Change (MAC) clause that requires Great Plains Energy to represent, prior to receiving funding, that no MAC has occurred. The clause does, however, permit the Company to access the facility even in the event of a MAC in order to repay maturing commercial paper. Available liquidity under this facility is not impacted by a decline in credit ratings unless the downgrade results in a MAC or occurs in the context of a merger, consolidation or sale. A default by

Great Plains Energy or any of its significant subsidiaries of other indebtedness totaling more than $25.0 million is a default under the current facility. Under the terms of this agreement, Great Plains Energy is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the agreement, not greater than 0.65 to 1.00 at all times. At December 31, 2004, the Company was in compliance with this covenant. At December 31, 2004, Great Plains Energy had $20.0 million of outstanding borrowings with an interest rate of 3.04% and had issued letters of credit totaling $8.0 million under the credit facility as credit support for Strategic Energy. At December 31, 2004, Great Plains Energy had $490 million available under this facility due to limitations under its 35 Act authorization.

In December 2004, KCP&L syndicated a $250 million five-year revolving credit facility. This facility replaced $155 million in 364-day bilateral credit lines KCP&L had in place with a group of banks. KCP&L uses this facility to provide support for its issuance of commercial paper and other general purposes. The new facility contains a MAC clause that requires KCP&L to represent, prior to receiving funding, that no MAC has occurred. The clause does, however, permit KCP&L to access the facility even in the event of a MAC in order to repay maturing commercial paper. Available liquidity under this facility is not impacted by a decline in credit ratings unless the downgrade results in a MAC or occurs in the context of a merger, consolidation or sale. A default by KCP&L on other indebtedness totaling more than $25.0 million is a default under the current facility. Under the terms of the agreement, KCP&L is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the agreement, not greater than 0.65 to 1.00 at all times. At December 31, 2004, KCP&L was in compliance with this covenant. At December 31, 2004, KCP&L had no short-term borrowings outstanding.

During 2004, Strategic Energy syndicated a $125.0 million three-year revolving credit facility with a group of banks. Great Plains Energy has guaranteed $25.0 million of this facility. This facility replaced a $95.0 million revolving credit facility with a group of banks. The existing facility contains a MAC clause that requires Strategic Energy to represent, prior to receiving funding, that no MAC has occurred. A default by Strategic Energy of other indebtedness, as defined in the facility, totaling more than $7.5 million is a default under the facility. Under the terms of this agreement, Strategic Energy is required to maintain a minimum net worth of $62.5 million, a maximum funded indebtedness to EBITDA ratio of 2.25 to 1.00, a minimum fixed charge coverage ratio of at least 1.05 to 1.00 and a minimum debt service coverage ratio of at least 4.00 to 1.00, as those terms are defined in the agreement. In the event of a breach of one or more of these four covenants, so long as no other default has occurred, Great Plains Energy may cure the breach through a cash infusion, a guarantee increase or a combination of the two. At December 31, 2004, Strategic Energy was in compliance with these covenants. At December 31, 2004, $69.2 million in letters of credit had been issued and there were no borrowings under the agreement, leaving $55.8 million of capacity available for loans and additional letters of credit.

Great Plains Energy has agreements with KLT Investments associated with notes KLT Investments issued to acquire its affordable housing investments. Great Plains Energy has agreed not to take certain actions including, but not limited to, merging, dissolving or causing the dissolution of KLT Investments, or withdrawing amounts from KLT Investments if the withdrawals would result in KLT Investments not being in compliance with minimum net worth and cash balance requirements. The agreements also give KLT Investments' lenders the right to have KLT Investments repurchase the notes if Great Plains Energy's senior debt rating falls below investment grade or if Great Plains Energy ceases to own at least 80% of KCP&L's stock. At December 31, 2004, KLT Investments had $5.8 million in outstanding notes, including current maturities.

Under stipulations with the MPSC and the KCC, Great Plains Energy and KCP&L maintain common equity at not less than 30% and 35%, respectively, of total capitalization. Pursuant to an SEC order,

Great Plains Energy's and KCP&L's authorization to issue securities is conditioned on maintaining a consolidated common equity capitalization of at least 30% and complying with other conditions described above.

KCP&L Projected Utility Capital Expenditures

Total utility capital expenditures, excluding allowance for funds used to finance construction, were $190.5 million, $148.7 million and $132.0 million in 2004, 2003 and 2002, respectively. Utility capital expenditures projected for the next three years are in the following table.

	2005	2006	2007
		(millions)	
Generating facilities	$ 43.4	$ 61.3	$ 47.7
Nuclear fuel	4.6	18.6	23.7
Distribution and transmission facilities	69.1	76.5	90.4
General facilities	18.2	17.7	13.6
Total	$ 135.3	$ 174.1	$ 175.4

This utility capital expenditure plan is subject to continual review and change and does not reflect utility capital expenditures for new capacity. These projections could be significantly impacted by KCP&L's comprehensive energy plan for environmental investments and new generation, which has the potential to add approximately $1.1 billion in capital investment for KCP&L over the next five years. See Strategic Intent for additional information.

Pensions

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

The Company contributed $39.1 million to the plans in 2004, which included $35.0 million of additional funding above the minimum ERISA funding requirements. In 2003, the Company contributed $41.2 million to the plans, which included $26.8 million to cover the 2003 and a portion of the 2004 minimum funding requirements. KCP&L contributed $32.7 million and $39.3 million of the contributions in 2004 and 2003, respectively.

The ERISA funding requirement for 2005 is projected to be $4.7 million, all of which will be paid by KCP&L. Management believes the Company has adequate access to capital resources through cash flows from operations or through existing lines of credit to support the funding requirement. Participants in the plans may request a lump-sum cash payment upon termination of their employment. A change in payment assumptions could result in increased cash requirements from pension plan assets with the Company being required to accelerate future funding.

Under the terms of the pension plans, the Company reserves the right to amend or terminate the plans, and from time to time benefits have changed. See Note 9 to the consolidated financial statements for additional information.

Credit Ratings

At December 31, 2004, the major credit rating agencies rated the companies' securities as detailed in the following table.

	Moody's Investors Service	Standard and Poor's
Great Plains Energy		
Outlook	Negative	Stable
Corporate Credit Rating	-	BBB
Preferred Stock	Ba1	BB+
Senior Unsecured Debt	Baa2	BBB-
KCP&L		
Outlook	Stable	Stable
Senior Secured Debt	A2	BBB
Senior Unsecured Debt	A3	BBB
Commercial Paper	P-2	A-2

The ratings presented reflect the current views of these rating agencies and are subject to change. The companies view maintenance of strong credit ratings as being extremely important and to that end an active and ongoing dialogue is maintained with the agencies with respect to the companies' results of operations, financial position, and future prospects.

None of the companies' outstanding debt, except for the notes associated with affordable housing investments, requires the acceleration of interest and/or principal payments in the event of a ratings downgrade, unless the downgrade occurs in the context of a merger, consolidation, or sale. In the event of a downgrade the companies and/or their subsidiaries may be subject to increased interest costs on their credit facilities. Additionally, in KCP&L's bond insurance policies on its secured 1992 series EIRR bonds totaling $31.0 million and its Series 1993A and 1993B EIRR bonds totaling $79.5 million, KCP&L has agreed to limits on its ability to issue additional mortgage bonds based on the mortgage bond's credit ratings. See Note 19 to the consolidated financial statements.

Supplemental Capital Requirements and Liquidity Information

The information in the following tables is provided to summarize cash obligations and commercial commitments.

Great Plains Energy Contractual Obligations

Payment due by period	2005	2006	2007	2008	2009	After 2009	Total
				(millions)			
Long-term debt							
Principal	$ 253.2	$ 147.0	$ 389.6	$ 0.3	$ -	$ 505.3	$ 1,295.4
Interest	70.5	53.9	25.9	21.3	21.2	101.9	294.7
Lease obligations	21.4	21.7	13.4	11.1	8.7	85.2	161.5
Pension plans	4.7	-	-	-	-	-	4.7
Purchase obligations							
Fuel	74.2	80.7	63.7	30.9	7.3	43.2	300.0
Purchased capacity	10.9	5.4	5.5	5.6	4.4	24.8	56.6
Purchased power	697.2	201.5	65.6	10.3	3.7	3.7	982.0
Other	32.9	5.2	4.0	4.7	-	-	46.8
Total contractual obligations	$ 1,165.0	$ 515.4	$ 567.7	$ 84.2	$ 45.3	$ 764.1	$ 3,141.7

Consolidated KCP&L Contractual Obligations

Payment due by period	2005	2006	2007	2008	2009	After 2009	Total
Long-term debt				(millions)			
Principal	$ 250.0	$ 145.2	$ 225.5	$ -	$ -	$ 505.3	$ 1,126.0
Interest	57.1	40.6	24.0	21.2	21.2	101.9	266.0
Lease obligations	20.1	20.5	12.4	10.3	8.7	85.2	157.2
Pension plans	4.7	-	-	-	-	-	4.7
Purchase obligations							
Fuel	74.2	80.7	63.7	30.9	7.3	43.2	300.0
Purchased capacity	10.9	5.4	5.5	5.6	4.4	24.8	56.6
Other	32.9	5.2	4.0	4.7	-	-	46.8
Total contractual obligations	$ 449.9	$ 297.6	$ 335.1	$ 72.7	$ 41.6	$ 760.4	$ 1,957.3

Long-term debt includes current maturities. Long-term debt principal excludes $0.5 million discount on senior notes and the $0.7 million fair value adjustment to the EIRR bonds related to SFAS No. 133. EIRR bonds classified as current liabilities of $85.9 million due at various dates during the years 2015 through 2018 are included here on their final maturity date. Variable rate interest obligations are based on rates as of January 1, 2005. See Note 19 to the consolidated financial statements for additional information.

Lease obligations include capital and operating lease obligations; capital lease obligations are $0.2 million per year for the years 2005 through 2009 and total $4.1 million after 2009. Lease obligations also include leases for railcars to serve jointly-owned generating units where KCP&L is the managing partner. KCP&L will be reimbursed by the other owners for about $2.0 million per year ($21.9 million total) of the amounts included in the table above. See Note 13, contractual commitments, to the consolidated financial statements for additional information regarding leases.

Pension plans represent only the minimum funding requirements under ERISA. Minimum funding requirements for future periods are not yet known. The Company's funding policy is to contribute amounts sufficient to meet the minimum funding requirements plus additional amounts as deemed fiscally appropriate; therefore, actual contributions may differ from expected contributions. See Note 9 to the consolidated financial statements for additional information regarding pensions.

Fuel represents KCP&L's 47% share of Wolf Creek nuclear fuel commitments, KCP&L's share of coal purchase commitments based on estimated prices to supply coal for generating plants and KCP&L's share of rail transportation commitments for moving coal to KCP&L's generating units.

KCP&L purchases capacity from other utilities and nonutility suppliers. Purchasing capacity provides the option to purchase energy if needed or when market prices are favorable. This can be a cost-effective alternative to new construction. KCP&L has capacity sales agreements not included above that total $11.7 million for 2005, $11.4 million for 2006, $11.2 million per year for 2007 through 2009 and $23.5 million after 2009.

Purchased power represents Strategic Energy's agreements to purchase electricity at various fixed prices to meet estimated supply requirements. Strategic Energy has energy sales contracts not included above for 2005 through 2007 totaling $69.1 million, $8.7 million and $0.6 million, respectively.

Other purchase obligations represent individual commitments entered into in the ordinary course of business.

Great Plains Energy and consolidated KCP&L have long-term liabilities recorded on their consolidated balance sheets at December 31, 2004, under GAAP that do not have a definitive cash payout date and are not included in the table above.

Off-Balance Sheet Arrangements

In the normal course of business, Great Plains Energy and certain of its subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries. Such agreements include, for example, guarantees, stand-by letters of credit and surety bonds. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to a subsidiary on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish the subsidiaries' intended business purposes.

As a registered public utility holding company system, Great Plains Energy must receive authorization from the SEC, under the 35 Act, to issue guarantees on behalf of its subsidiaries. Under its current SEC authorization, guarantees cannot be issued unless (i) all of its outstanding securities that are rated (except for its preferred stock) are rated investment grade and (ii) it has maintained common equity as a percentage of consolidated capitalization (as reflected on its consolidated balance sheets as of the end of each quarter) of at least 30%. Great Plains Energy was in compliance with these conditions as of December 31, 2004. Great Plains Energy is currently authorized to issue up to $600 million of guarantees on behalf of its subsidiaries and the nonutility subsidiaries have $300 million of authorization for guarantees they can issue on behalf of other nonutility subsidiaries. The nonutility subsidiaries cannot issue guarantees unless Great Plains Energy is in compliance with its conditions to issue guarantees.

Other Commercial Commitments Outstanding

	Amount of commitment expiration per period

	2005	2006	2007	2008	2009	After 2009	Total
				(millions)			
Consolidated KCP&L Guarantees	$ 1.4	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 6.4
Great Plains Energy Guarantees, including consolidated KCP&L	$ 117.6	$ 1.0	$ 1.0	$ 1.0	$ 1.0	$ 1.1	$ 122.7

KCP&L is contingently liable for guaranteed energy savings under agreements with several customers. KCP&L has entered agreements guaranteeing an aggregate value of approximately $6.4 million over the next six years. In most cases, a subcontractor would indemnify KCP&L for any payments made by KCP&L under these guarantees.

Great Plains Energy and KLT Inc. have provided $116.3 million of guarantees to support certain Strategic Energy power purchases and regulatory requirements. At December 31, 2004, guarantees related to Strategic Energy are as follows:

- Great Plains Energy direct guarantees to counterparties totaling $53.3 million and KLT Inc. direct guarantees to counterparties totaling $0.1 million, with varying expiration dates,
- Great Plains Energy provides indemnifications to the issuers of surety bonds totaling $29.9 million which expire in 2005,
- Great Plains Energy guarantees related to letters of credit totaling $25.0 million, which expire in 2005 and 2006 and
- Great Plains Energy letters of credit totaling $8.0 million.

The table above does not include guarantees related to bond insurance policies that KCP&L has as a credit enhancement to its secured 1992 series EIRR bonds totaling $31.0 million and its Series 1993A and 1993B EIRR bonds totaling $79.5 million. The insurance agreement between KCP&L and the issuer of the bond insurance policies provides for reimbursement by KCP&L for any amounts the insurer pays under the bond insurance policies.

RISK FACTORS

Actual results in future periods for Great Plains Energy and consolidated KCP&L could differ materially from historical results and the forward-looking statements contained in this report. Factors that might cause or contribute to such differences include, but are not limited to, those discussed below. These and many other factors described in this report, including the factors listed in the “Cautionary Statements Regarding Certain Forward-Looking Information” and “Quantitative and Qualitative Disclosures About Market Risks” sections of this report, could adversely affect the results of operations and financial position of Great Plains Energy and consolidated KCP&L. Risk factors of consolidated KCP&L are also risk factors for Great Plains Energy.

KCP&L Has Operations Risks

The operation of KCP&L’s electric generation, transmission and distribution systems involves many risks, including breakdown or failure of equipment or processes; operating limitations that may be imposed by equipment conditions, environmental or other regulatory requirements; fuel supply or fuel transportation reductions or interruptions; and catastrophic events such as fires, explosions, severe weather or other similar occurrences. These events may reduce revenues or increase costs, or both, at KCP&L, and may materially affect KCP&L’s results of operations and financial position.

KCP&L And Strategic Energy Are Affected By Demand, Seasonality And Weather

The results of operations of KCP&L and Strategic Energy can be materially affected by changes in weather and customer demand. KCP&L and Strategic Energy estimate customer demand based on historical trends, to procure fuel and purchased power. Differences in customer usage from these estimates due to weather or other factors could materially affect KCP&L’s and Strategic Energy’s results of operations.

Weather conditions directly influence the demand for electricity and natural gas and affect the price of energy commodities. KCP&L is significantly impacted by seasonality with approximately one-third of its retail revenues recorded in the third quarter. Strategic Energy is impacted by seasonality, but to a much lesser extent. In addition, severe weather, including but not limited to tornados, snow, rain and ice storms can be destructive causing outages and property damage that can potentially result in additional expenses and lower revenues. KCP&L’s Iatan and Hawthorn power plants use water from the Missouri River for cooling purposes. A continuing drought in the north central United States has led to record low river levels in the Missouri River reservoir system, resulting in lower water and flow levels in the Missouri River. Low water and flow levels can increase KCP&L’s maintenance costs and, if these levels are low enough, could cause KCP&L to modify plant operations.

KCP&L Has Nuclear Exposure

KCP&L owns 47% (548 MW) of Wolf Creek. The NRC has broad authority under Federal law to impose licensing and safety-related requirements for the operation of nuclear generation facilities, including Wolf Creek. In the event of non-compliance, the NRC has the authority to impose fines, shutdown the facilities, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. Any revised safety requirements promulgated by the NRC could result in substantial capital expenditures at Wolf Creek.

Wolf Creek has the lowest fuel cost per MWh of any of KCP&L's generating units. Although not expected, an extended shut-down of Wolf Creek, whether resulting from NRC action, an incident at the

plant or otherwise, could have a substantial adverse effect on KCP&L's results of operations and financial position in the event KCP&L incurs higher replacement power and other costs that are not recovered through rates. If a long-term shut down occurred, the state regulatory commissions could reduce rates by excluding the Wolf Creek investment from rate base.

Ownership and operation of a nuclear generating unit exposes KCP&L to risks regarding decommissioning costs at the end of the unit's life. KCP&L contributes annually to a tax-qualified trust fund to be used to decommission Wolf Creek. The funding level assumes a projected level of return on trust assets. If the actual return on trust assets is below the anticipated level, KCP&L could be responsible for the balance of funds required. If returns are lower than the expected level, KCP&L believes a rate increase would be allowed ensuring full recovery of decommissioning costs over the remaining life of the unit.

KCP&L is also exposed to other risks associated with the ownership and operation of a nuclear generating unit, including but not limited to potential liability associated with the potential harmful effects on the environment and human health resulting from the operation of a nuclear generating unit and the storage, handling and disposal of radioactive materials, and to potential retrospective assessments and losses in excess of insurance coverage.

The Company Is Subject to Environmental Laws and the Incurrence of Environmental Liabilities
The Company is subject to regulation by federal, state and local authorities with regard to air and other environmental matters primarily through KCP&L's operations. The generation, transmission and distribution of electricity produces and requires disposal of certain hazardous products, which are subject to these laws and regulations. In addition to imposing continuing compliance obligations, these laws and regulations authorize the imposition of substantial penalties for noncompliance, including fines, injunctive relief and other sanctions. Failure to comply with these laws and regulations could have a material adverse effect on Great Plains Energy and consolidated KCP&L results of operations and financial position. KCP&L regularly conducts environmental audits designed to ensure compliance with governmental regulations and to detect contamination.

New environmental laws and regulations affecting KCP&L's operations may be adopted, and new interpretations of existing laws and regulations could be adopted or become applicable to KCP&L or its facilities, which may substantially increase its environmental expenditures in the future. New facilities, or modifications of existing facilities, may require new environmental permits or amendments to existing permits. Delays in the environmental permitting process, denials of permit applications or conditions imposed in permits may materially affect KCP&L's results of operations and financial position. In addition, KCP&L may not be able to recover all of its costs for environmental expenditures through rates at current levels in the future. Under current law, KCP&L is also generally responsible for any on-site liabilities associated with the environmental condition of its facilities that it has previously owned or operated, regardless of whether the liabilities arose before, during or after the time it owned or operated the facilities. The incurrence of material environmental costs or liabilities, without related rate recovery, could have a material adverse effect on KCP&L's results of operations and financial position. See Note 13 to the consolidated financial statements for additional information regarding environmental matters.

KCP&L and Strategic Energy Have Commodity Price Risks
KCP&L and Strategic Energy engage in the wholesale and retail marketing of electricity and, accordingly, are exposed to risks associated with the price of electricity. Strategic Energy routinely enters into contracts to purchase and sell electricity in the normal course of business. KCP&L generates, purchases and sells electricity in the retail and wholesale markets.

Fossil Fuel and Transportation Prices Impact KCP&L's Costs
The majority of KCP&L's rates do not contain an automatic fuel adjustment provision, exposing KCP&L to risk from changes in the market prices of coal and natural gas used to generate power and in the cost of coal and natural gas transportation. Changes in KCP&L's fuel mix due to electricity demand, plant availability, transportation issues, fuel prices and other factors can also adversely affect KCP&L's fuel costs. KCP&L's net income may be adversely affected until increased costs are recovered in rates.

KCP&L manages its exposure to coal and coal rail transportation prices through the structure of commercial contracts. KCP&L enters into coal purchase contracts with various suppliers in Wyoming's Powder River Basin to hedge significant portions of its projected coal requirements for upcoming years consistent with KCP&L risk management policies. The remainder of KCP&L's coal requirements are generally insignificant and are fulfilled through additional contracts or spot market purchases. About half of KCP&L's delivered cost of coal is for rail transportation. KCP&L enters into rail transportation contracts to reduce the degree of variability in the delivered cost of coal. Coal rail transportation prices are generally trending upwards, primarily due to rail transportation companies moving away from contract rates to tariff rates, which could impact KCP&L as it renegotiates rail contracts expiring at the end of 2005. KCP&L also hedges its expected natural gas usage for retail load and firm MWh sales consistent with its risk management policies.

KCP&L does not hedge its entire exposure from fossil fuel and transportation price volatility. As a consequence, its results of operations and financial position may be materially impacted by changes in these prices.

Wholesale Electricity Prices Affect Costs and Revenues
KCP&L's ability to maintain or increase its level of wholesale sales depends on the wholesale market price, transmission availability and the availability of KCP&L's generation for wholesale sales, among other factors. A substantial portion of KCP&L's wholesale sales are made in the spot market, and thus KCP&L has immediate exposure to wholesale price changes. Declines in wholesale market price or availability of generation or transmission constraints in the wholesale markets, could reduce KCP&L's wholesale sales and adversely affect KCP&L's results of operations and financial position.

KCP&L is also exposed to risk because at times it purchases power to meet its customers' needs. The cost of these purchases may be affected by the timing of customer demand and/or unavailability of KCP&L's lower-priced generating units. Wholesale power prices can be volatile and generally increase in times of high regional demand and high natural gas prices.

As described below, Strategic Energy operates in competitive retail electricity markets, competing against the host utilities and other retail suppliers. Wholesale electricity costs, which account for a significant portion of its operating expenses, can materially affect Strategic Energy's ability to attract and retain retail electricity customers at profitable prices. There is also a regulatory lag that slows the adjustment of host public utility rates in response to changes in wholesale prices. This lag can negatively affect Strategic Energy's ability to compete in a rising wholesale price environment, which is the current environment. Strategic Energy manages wholesale electricity risk by establishing risk limits and entering into contracts to offset some of its positions to balance energy supply and demand; however, Strategic Energy does not hedge its entire exposure to electricity price volatility. As a consequence, its results of operations and financial position may be materially impacted by changes in the wholesale price of electricity.

Strategic Energy Operates in Competitive Retail Electricity Markets
Strategic Energy has several competitors that operate in most or all of the same states in which Strategic Energy serves customers. Some of these competitors also operate in states other than where Strategic Energy has operations. It also faces competition in certain markets from regional suppliers

and deregulated utility affiliates formed by holding companies affiliated with regulated utilities to provide retail load in their home market territories. Strategic Energy's competitors vary in size from small companies to large corporations, some of which have significantly greater financial, marketing and procurement resources than Strategic Energy. Additionally, Strategic Energy, as well as its other competitors, must compete with the host utility in order to convince customers to switch from the host utility. Strategic Energy's results of operations and financial position are impacted by the success Strategic Energy has in attracting and retaining customers in these markets.

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

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

Strategic Energy enters into forward contracts with multiple suppliers. At December 31, 2004, Strategic Energy's five largest suppliers under forward supply contracts represented 70% of the total future committed purchases. Four of Strategic Energy's five largest suppliers, or their guarantors, are rated investment grade and the non-investment grade rated supplier collateralizes its position with Strategic Energy. In the event of supplier non-delivery or default, Strategic Energy's results of operations could be affected to the extent the cost of replacement power exceeded the combination of the contracted price with the supplier and the amount of collateral held by Strategic Energy to mitigate its credit risk with the supplier. In addition to the collateral, if any, that the supplier provides, Strategic Energy's risk is further mitigated by the obligation of the supplier to make a default payment equal to the shortfall and to pay liquidated damages in the event of a failure to deliver power. Strategic Energy's results of operations could also be affected, in a given period, if it was required to make a payment upon termination of a supplier contract to the extent that the contracted price with the supplier exceeded the market value of the contract at the time of termination.

The following table provides information on Strategic Energy's credit exposure to suppliers, net of collateral, as of December 31, 2004. It further delineates the exposure by the credit rating of counterparties and provides guidance on the concentration of credit risk and an indication of the maturity of the credit risk by credit rating of the counterparties.

Rating	Exposure Before Credit Collateral	Credit Collateral	Net Exposure	Number Of Counterparties Greater Than 10% Of Net Exposure	Net Exposure Of Counterparties Greater Than 10% of Net Exposure
External rating		(millions)			(millions)
Investment Grade	$ 49.4	$ -	$ 49.4	2	$ 43.9
Non-Investment Grade	18.0	14.0	4.0	-	-
Internal rating					
Investment Grade	3.9	-	3.9	-	-
Non-Investment Grade	5.6	5.5	0.1	-	-
Total	$ 76.9	$ 19.5	$ 57.4	2	$ 43.9

Maturity Of Credit Risk Exposure Before Credit Collateral

Rating	Less Than 2 Years	2 - 5 Years	Exposure Greater Than 5 Years	Total Exposure
External rating		(millions)		
Investment Grade	$ 46.1	$ 3.3	$ -	$ 49.4
Non-Investment Grade	13.5	3.8	0.7	18.0
Internal rating				
Investment Grade	3.8	0.1	-	3.9
Non-Investment Grade	4.2	1.1	0.3	5.6
Total	$ 67.6	$ 8.3	$ 1.0	$ 76.9

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

At December 31, 2004, Strategic Energy had exposure before collateral to non-investment grade counterparties totaling $23.6 million, of which 75% is scheduled to mature in less than two years. In addition, Strategic Energy held collateral totaling $19.5 million limiting its exposure to these non-investment grade counterparties to $4.1 million.

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

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

Great Plains Energy's Ability to Pay Dividends and Meet Financial Obligations Depends on its Subsidiaries
Great Plains Energy is a holding company with no significant operations of its own. The primary source of funds for payment of dividends to its shareholders and its financial obligations is dividends paid to it by its subsidiaries. The ability of Great Plains Energy's subsidiaries to pay dividends or make other distributions, and, accordingly, Great Plains Energy's ability to pay dividends on its common stock and meet its financial obligations, will depend on the actual and projected earnings and cash flow, capital requirements and general financial position of its subsidiaries, as well as on regulatory factors, financial covenants, general business conditions and other matters.

The Company has Regulatory Risks
The Company is subject to extensive regulation under the 35 Act and Federal and state utility regulation, as described below. Failure to obtain in a timely manner adequate rates or regulatory approvals, adoption of new regulations by Federal or State agencies, or changes to current regulations and interpretations of such regulations may materially affect the Company's business and its results of operations and financial position.

The Company is a Registered Holding Company Under the 35 Act
Great Plains Energy and its subsidiaries comprise a registered holding company system under the 35 Act, and are subject to certain limitations and approval requirements with respect to matters such as the structure of the holding company system, payment of dividends out of capital, transactions among affiliates, acquisitions, business combinations, the issuance, sale and acquisition of securities and engaging in business activities not directly related to the utility or energy business.

KCP&L and Strategic Energy are Impacted by Federal and State Utility Regulation
KCP&L is also regulated by the MPSC and KCC with respect to retail rates, accounting matters, standards of service and, in certain cases, the issuance of securities and certification of facilities and service territories. Pursuant to a stipulation entered into in 2002, KCP&L has agreed to file a rate case with the KCC by May 15, 2006. KCP&L currently is engaged in discussions with interested participants, seeking an agreement on a proposed comprehensive energy plan relating to generation additions, environmental and infrastructure improvements, rate recovery and other matters. KCP&L is also subject to regulation by the FERC with respect to wholesale electricity sales and transmission matters and the NRC as to nuclear operations.

Strategic Energy is a participant in the wholesale electricity and transmission markets, and is subject to FERC regulation with respect to wholesale electricity sales. Additionally, Strategic Energy is subject to regulation by state regulatory agencies in states where it has retail customers. Each state has a public utility commission and rules related to retail choice. Each state's rules are distinct and may conflict. These rules do not restrict the amount Strategic Energy can charge for its services, but can have an impact on Strategic Energy's ability to provide retail electricity services in each state. Additionally, each state regulates the rates of the host public utility, and the timing and amount of changes in host public utility rates can materially affect Strategic Energy's results of operations and financial position.

The Company has Financial Market and Ratings Risks
The Company relies on access to both short-term money markets and longer-term capital markets as a significant source of liquidity for capital requirements not satisfied by cash flows from operations. KCP&L's capital requirements are expected to increase substantially over the next several years if its regulatory plan, which includes environmental and generation investments, is approved. The Company believes that it will maintain sufficient access to these financial markets based upon current credit

ratings and market conditions. However, changes in market conditions or credit ratings could adversely affect the companies' ability to access financial markets and could materially affect their results of operations and financial position.

Great Plains Energy, KCP&L and certain of their securities are rated by Moody's and Standard & Poor's. These ratings impact the Company's cost of funds and Great Plains Energy's ability to provide credit support for its subsidiaries. Additionally, Great Plains Energy and KCP&L must maintain investment-grade ratings from at least one nationally recognized rating agency as a condition of their 35 Act authorization to issue securities.

The Company's Financial Statements Reflect the Application of Critical Accounting Policies

The application of the Company's critical accounting policies reflects complex judgments and estimates. These policies include industry-specific accounting applicable to regulated public utilities, accounting for pensions, long-lived assets, derivative instruments and goodwill. The adoption of new GAAP or changes to current accounting policies or interpretations of such policies may materially affect the Company's results of operations and financial position.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, Great Plains Energy and consolidated KCP&L face risks that are either non-financial or non-quantifiable. Such risks principally include business, legal, operations and credit risks and are not represented in the following analysis. See Item 7. Management's Discussion and Analysis for further discussion of the companies' risk factors.

Great Plains Energy and consolidated KCP&L are exposed to market risks associated with commodity price and supply, interest rates and equity prices. Management has established risk management policies and strategies to reduce the potentially adverse effects that the volatility of the markets may have on its operating results. During the normal course of business, under the direction and control of internal risk management committees, the companies' hedging strategies are reviewed to determine the hedging approach deemed appropriate based upon the circumstances of each situation. Derivative instruments are frequently utilized to execute risk management and hedging strategies. Derivative instruments are instruments, such as futures, forward contracts, swaps or options that derive their value from underlying assets, indices, reference rates or a combination of these factors. These derivative instruments include negotiated contracts, which are referred to as over-the-counter derivatives and instruments that are listed and traded on an exchange. The companies maintain commodity-price risk management strategies that use derivative instruments to minimize significant, unanticipated net income fluctuations caused by commodity price volatility.

Interest Rate Risk

Great Plains Energy manages interest expense and short and long-term liquidity through a combination of fixed rate and variable rate debt. Generally, the amount of each type of debt is managed through market issuance, but interest rate swap and cap agreements with highly rated financial institutions may be used to achieve the desired combination. Using outstanding balances and annualized interest rates as of December 31, 2004, a hypothetical 10% increase in the interest rates associated with variable rate debt would result in an increase of less than $1.0 million in interest expense for 2005. Additionally, interest rates impact the fair value of long-term debt. A change in interest rates would impact the Company to the extent it redeemed any of its outstanding long-term debt. Great Plains Energy's and consolidated KCP&L's book values of long-term debt were between 3% and 4% below fair values at December 31, 2004.

Commodity Risk

KCP&L and Strategic Energy engage in the wholesale and retail marketing of electricity and are exposed to risk associated with the price of electricity.

KCP&L's wholesale operations include the physical delivery and marketing of power obtained through its generation capacity and long, intermediate and short-term capacity or power purchase agreements. The agreements contain penalties for non-performance to limit KCP&L's energy price risk on the contracted energy. KCP&L also enters into additional power purchase agreements with the objective of obtaining the most economical energy to meet its physical delivery obligations to its customers. KCP&L is required to maintain a capacity margin of at least 12% of its peak summer demand. This net positive supply of capacity and energy is maintained through its generation assets and capacity and power purchase agreements to protect it from the potential operational failure of one of its owned or contracted power generating units. KCP&L continually evaluates the need for additional risk mitigation measures in order to minimize its financial exposure to, among other things, spikes in wholesale power prices during periods of high demand.

KCP&L's sales include the sales of electricity to its retail customers and bulk power sales of electricity in the wholesale market. KCP&L continually evaluates its system requirements, the availability of generating units, availability and cost of fuel supply, the availability and cost of purchased power and the requirements of other electric systems; therefore, the impact of the hypothetical amounts that follow could be significantly reduced depending on the system requirements and market prices at the time of the increases. A hypothetical 10% decrease in the market price of power could result in a $3.5 million decrease in operating income for 2005 related to wholesale sales of electricity and purchased power. In 2005, approximately 77% of KCP&L's net MWhs generated are expected to be coal fired. KCP&L currently has almost all of its coal requirements for 2005 under contract. A hypothetical 10% increase in the market price of coal could result in less than a $1.0 million increase in fuel expense for 2005. KCP&L has also implemented price risk mitigation measures to reduce its exposure to high natural gas prices. A hypothetical 10% increase in natural gas and oil market prices could result in an increase of less than $1.0 million in fuel expense for 2005. As of December 31, 2004, KCP&L had slightly under half of its 2005 projected natural gas usage for retail load and firm MWh sales hedged, which is less than the percentages for 2004 hedged as of December 31, 2003.

Strategic Energy maintains a commodity-price risk management strategy that uses forward physical energy purchases and derivative instruments to minimize significant, unanticipated net income fluctuations caused by commodity-price volatility. In certain markets where Strategic Energy operates, entering into forward fixed price contracts is cost prohibitive. Derivative instruments, primarily swaps, are used to limit the unfavorable effect that price increases will have on electricity purchases, effectively fixing the future purchase price of electricity for the applicable forecasted usage and protecting Strategic Energy from significant price volatility. A hypothetical 10% increase in the cost of purchased power could result in less than $1.0 million increase in purchased power expense for 2005.

The effectiveness of the companies' policies and procedures for managing risk exposure can never be completely estimated or fully assured. The Company could experience losses, which could have a material adverse effect on its results of operations or financial position, from unexpectedly large or rapid movements or disruptions in the energy markets, from regulatory-driven market rule changes and/or bankruptcy of customers or counterparties.

Equity Price Risk

KCP&L maintains trust funds, as required by the NRC, to fund certain costs of decommissioning its Wolf Creek nuclear power plant. KCP&L does not expect Wolf Creek decommissioning to start before 2025. As of December 31, 2004, these funds were invested primarily in domestic equity securities and fixed income securities and are reflected at fair value on KCP&L's balance sheets. The mix of securities is designed to provide returns to be used to fund decommissioning and to compensate for inflationary increases in decommissioning costs; however, the equity securities in the trusts are exposed to price fluctuations in equity markets and the value of fixed rate fixed income securities are exposed to changes in interest rates. Investment performance and asset allocation are periodically

reviewed. A hypothetical increase in interest rates resulting in a hypothetical 10% decrease in the value of the fixed income securities would have resulted in a $4.2 million reduction in the value of the decommissioning trust funds at December 31, 2004. A hypothetical 10% decrease in equity prices would have resulted in a $3.9 million reduction in the fair value of the equity securities at December 31, 2004. KCP&L's exposure to equity price market risk associated with the decommissioning trust funds is in large part mitigated due to the fact that KCP&L is currently allowed to recover its decommissioning costs in its rates.

KLT Investments has affordable housing notes that require the greater of 15% of the outstanding note balances or the next annual installment to be held as cash, cash equivalents or marketable securities. A hypothetical 10% decrease in market prices of the securities held as collateral could result in a decrease of less than $1.0 million in pre-tax net income for 2005.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS

GREAT PLAINS ENERGY
Consolidated Statements of Income

Year Ended December 31	2004	2003	2002
Operating Revenues	(thousands, except per share amounts)		
Electric revenues - KCP&L	$ 1,090,067	$ 1,054,900	$ 1,009,868
Electric revenues - Strategic Energy	1,370,760	1,089,663	788,278
Other revenues	3,191	3,482	4,147
Total	2,464,018	2,148,045	1,802,293
Operating Expenses			
Fuel	179,362	160,327	159,666
Purchased power - KCP&L	52,533	53,163	46,214
Purchased power - Strategic Energy	1,247,522	968,967	685,370
Other	324,237	295,383	276,632
Maintenance	83,603	85,416	91,419
Depreciation and amortization	150,071	142,763	146,757
General taxes	102,756	98,461	97,146
(Gain) loss on property	5,133	(23,703)	(1,376)
Total	2,145,217	1,780,777	1,501,828
Operating income	318,801	367,268	300,465
Non-operating income	6,799	7,414	5,839
Non-operating expenses	(15,184)	(20,462)	(18,948)
Interest charges	(83,030)	(76,171)	(87,380)
Income from continuing operations before income taxes, minority interest in subsidiaries and loss from equity investments	227,386	278,049	199,976
Income taxes	(54,451)	(78,565)	(51,348)
Minority interest in subsidiaries	2,131	(7,764)	(10,753)
Loss from equity investments	(1,531)	(2,018)	(1,173)
Income from continuing operations	173,535	189,702	136,702
Discontinued operations, net of income taxes (Notes 6 and 7)	7,276	(44,779)	(7,514)
Cumulative effect of a change in accounting principle (Note 5)	-	-	(3,000)
Net income	180,811	144,923	126,188
Preferred stock dividend requirements	1,646	1,646	1,646
Earnings available for common stock	$ 179,165	$ 143,277	$ 124,542
Average number of common shares outstanding	72,028	69,206	62,623
Basic and diluted earnings (loss) per common share			
Continuing operations	$ 2.39	$ 2.72	$ 2.16
Discontinued operations	0.10	(0.65)	(0.12)
Cumulative effect	-	-	(0.05)
Basic and diluted earnings per common share	$ 2.49	$ 2.07	$ 1.99
Cash dividends per common share	$ 1.66	$ 1.66	$ 1.66

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

GREAT PLAINS ENERGY
Consolidated Balance Sheets

	December 31 2004	December 31 2003
ASSETS	(thousands)	
Current Assets		
Cash and cash equivalents	$ 127,129	$ 114,227
Restricted cash	7,700	20,850
Receivables, net	247,184	240,344
Fuel inventories, at average cost	21,121	22,543
Materials and supplies, at average cost	54,432	56,599
Deferred income taxes	13,065	686
Assets of discontinued operations	749	27,830
Other	20,857	14,293
Total	492,237	497,372
Nonutility Property and Investments		
Affordable housing limited partnerships	41,317	52,644
Nuclear decommissioning trust fund	84,148	74,965
Other	32,739	44,428
Total	158,204	172,037
Utility Plant, at Original Cost		
Electric	4,841,355	4,700,983
Less-accumulated depreciation	2,196,835	2,082,419
Net utility plant in service	2,644,520	2,618,564
Construction work in progress	53,821	53,250
Nuclear fuel, net of amortization of $127,631 and $113,472	36,109	29,120
Total	2,734,450	2,700,934
Deferred Charges		
Regulatory assets	144,345	145,627
Prepaid pension costs	119,811	108,247
Goodwill	86,767	26,105
Other deferred charges	63,087	31,628
Total	414,010	311,607
Total	$ 3,798,901	$ 3,681,950

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

GREAT PLAINS ENERGY
Consolidated Balance Sheets

	December 31 2004	December 31 2003
LIABILITIES AND CAPITALIZATION	(thousands)	
Current Liabilities		
Notes payable	$ 20,000	$ 87,000
Current maturities of long-term debt	253,230	59,303
EIRR bonds classified as current	85,922	129,288
Accounts payable	199,952	186,747

Accrued taxes	46,993	39,886
Accrued interest	11,598	11,937
Accrued payroll and vacations	32,462	34,762
Accrued refueling outage costs	13,180	1,760
Supplier collateral	7,700	20,850
Liabilities of discontinued operations	2,129	4,607
Other	24,931	28,944
Total	698,097	605,084
Deferred Credits and Other Liabilities		
Deferred income taxes	632,160	609,333
Deferred investment tax credits	33,587	37,571
Asset retirement obligations	113,674	106,694
Pension liability	95,805	89,488
Other	88,524	79,141
Total	963,750	922,227
Capitalization		
Common stock equity		
Common stock-150,000,000 shares authorized without par value		
74,394,423 and 69,259,203 shares issued, stated value	765,482	611,424
Unearned compensation	(1,393)	(1,633)
Capital stock premium and expense	(32,112)	(7,240)
Retained earnings	451,491	391,750
Treasury stock-28,488 and 3,265 shares, at cost	(856)	(121)
Accumulated other comprehensive loss	(41,018)	(36,886)
Total	1,141,594	957,294
Cumulative preferred stock $100 par value		
3.80% - 100,000 shares issued	10,000	10,000
4.50% - 100,000 shares issued	10,000	10,000
4.20% - 70,000 shares issued	7,000	7,000
4.35% - 120,000 shares issued	12,000	12,000
Total	39,000	39,000
Long-term debt (Note 19)	956,460	1,158,345
Total	2,137,054	2,154,639
Commitments and Contingencies (Note 13)		
Total	$ 3,798,901	$ 3,681,950

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

GREAT PLAINS ENERGY
Consolidated Statements of Cash Flows

Year Ended December 31	**2004**	**2003**	**2002**
Cash Flows from Operating Activities		(thousands)	
Net income	$ 180,811	$ 144,923	$ 126,188
Less: Discontinued operations, net of income taxes	7,276	(44,779)	(7,514)
Income from continuing operations	173,535	189,702	133,702
Adjustments to reconcile income to net cash from operating activities:			
Cumulative effect of a change in accounting principles	-	-	3,000
Depreciation and amortization	150,071	142,763	146,757
Amortization of:			
Nuclear fuel	14,159	12,334	13,109
Other	11,827	11,626	12,461
Deferred income taxes, net	20,286	30,471	12,009
Investment tax credit amortization	(3,984)	(3,994)	(4,183)
Loss from equity investments	1,531	2,018	1,173
(Gain) loss on property	5,133	(23,703)	(1,376)
Deferred storm costs	-	-	(20,149)
Minority interest in subsidiaries	(2,131)	7,764	10,753

Other operating activities (Note 2)	6,693	(2,254)	25,067
Net cash from operating activities	377,120	366,727	332,323
Cash Flows from Investing Activities			
Utility capital expenditures	(190,548)	(148,675)	(131,158)
Allowance for borrowed funds used during construction	(1,498)	(1,368)	(979)
Purchases of investments	(38,556)	(3,520)	(7,134)
Purchases of nonutility property	(6,108)	(3,256)	(2,788)
Proceeds from sale of assets and investments	43,949	32,556	7,821
Purchase of additional indirect interest in Strategic Energy	(90,033)	-	-
Hawthorn No. 5 partial insurance recovery	30,810	3,940	-
Hawthorn No. 5 partial litigation settlements	1,139	17,263	-
Other investing activities	(7,081)	(1,220)	(3,748)
Net cash from investing activities	(257,926)	(104,280)	(137,986)
Cash Flows from Financing Activities			
Issuance of common stock	153,662	-	151,800
Issuance of long-term debt	163,600	-	224,539
Issuance costs	(14,496)	(266)	(9,962)
Repayment of long-term debt	(213,943)	(133,181)	(238,384)
Net change in short-term borrowings	(67,000)	43,846	(172,001)
Dividends paid	(120,806)	(116,527)	(107,424)
Other financing activities	(7,309)	(7,598)	(5,517)
Net cash from financing activities	(106,292)	(213,726)	(156,949)
Net Change in Cash and Cash Equivalents	12,902	48,721	37,388
Cash and Cash Equivalents from Continuing Operations at Beginning of Year	114,227	65,506	28,118
Cash and Cash Equivalents from Continuing Operations at End of Year	$ 127,129	$ 114,227	$ 65,506
Net Change in Cash and Cash Equivalents from Discontinued Operations	$ 458	$ 73	$ (821)
Cash and Cash Equivalents from Discontinued Operations at Beginning of Year	168	95	916
Cash and Cash Equivalents from Discontinued Operations at End of Year	$ 626	$ 168	$ 95

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

GREAT PLAINS ENERGY
Consolidated Statements of Common Stock Equity

	2004		2003		2002	
	Shares	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**
Common Stock	(thousands, except share amounts)					
Beginning balance	69,259,203	$ 611,424	69,196,322	$ 609,497	61,908,726	$ 449,697
Issuance of common stock	5,121,887	153,662	-	-	7,287,596	159,800
Issuance of restricted common stock	13,333	396	62,881	1,927	-	-
Ending balance	74,394,423	765,482	69,259,203	611,424	69,196,322	609,497
Unearned Compensation						
Beginning balance		(1,633)		-		-
Issuance of restricted common stock		(396)		(1,927)		-
Compensation expense recognized		636		294		-
Ending balance		(1,393)		(1,633)		-
Capital Stock Premium and Expense						
Beginning balance		(7,240)		(7,744)		(1,656)
Issuance of common stock		(5,434)		-		(6,096)

FELINE PRIDES[SM] purchase contract adjustment, allocated fees and expenses		(19,603)		-		-
Other		165		504		8
Ending balance		(32,112)		(7,240)		(7,744)
Retained Earnings						
Beginning balance		391,750		363,579		344,815
Net income		180,811		144,923		126,188
Loss on reissuance of treasury stock		(193)		-		-
Dividends:						
Common stock		(119,160)		(114,881)		(105,778)
Preferred stock - at required rates		(1,646)		(1,646)		(1,646)
Options		(71)		(225)		-
Ending balance		451,491		391,750		363,579
Treasury Stock						
Beginning balance	(3,265)	(121)	(152)	(4)	(35,916)	(903)
Treasury shares acquired	(54,683)	(1,645)	(85,000)	(2,332)	(17,000)	(435)
Treasury shares reissued	29,460	910	81,887	2,215	52,764	1,334
Ending balance	(28,488)	(856)	(3,265)	(121)	(152)	(4)
Accumulated Other Comprehensive Loss						
Beginning balance		(36,886)		(25,858)		(13,141)
Derivative hedging activity, net of tax		931		(598)		13,037
Minimum pension obligation, net of tax		(5,063)		(10,430)		(25,754)
Ending balance		(41,018)		(36,886)		(25,858)
Total Common Stock Equity		$ 1,141,594		$ 957,294		$ 939,470

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

GREAT PLAINS ENERGY
Consolidated Statements of Comprehensive Income

Year Ended December 31	**2004**	**2003**	**2002**
		(thousands)	
Net income	$ 180,811	$ 144,923	$ 126,188
Other comprehensive income			
Gain on derivative hedging instruments	2,649	7,712	17,584
Income taxes	(1,126)	(3,359)	(7,138)
Net gain on derivative hedging instruments	1,523	4,353	10,446
Reclassification to revenues and expenses, net of tax	(592)	(4,951)	2,591
Derivative hedging activity, net of tax	931	(598)	13,037
Change in minimum pension obligation	(7,624)	(17,100)	(42,218)
Income taxes	2,561	6,670	16,464
Net change in minimum pension obligation	(5,063)	(10,430)	(25,754)
Comprehensive income	$ 176,679	$ 133,895	$ 113,471

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Income

Year Ended December 31	2004	2003	2002
Operating Revenues		(thousands)	
Electric revenues	$ 1,090,067	$ 1,054,900	$ 1,009,868
Other revenues	1,568	2,101	2,918
Total	1,091,635	1,057,001	1,012,786
Operating Expenses			
Fuel	179,362	160,327	159,666
Purchased power	52,533	53,163	46,214
Other	259,699	241,701	224,618
Maintenance	83,535	85,391	91,333
Depreciation and amortization	145,246	140,955	145,569
General taxes	98,984	95,590	95,546
(Gain) loss on property	5,133	(1,603)	(178)
Total	824,492	775,524	762,768
Operating income	267,143	281,477	250,018
Non-operating income	5,402	5,251	4,641
Non-operating expenses	(7,407)	(8,280)	(8,830)
Interest charges	(74,170)	(70,294)	(80,306)
Income from continuing operations before income taxes and minority interest in subsidiaries	190,968	208,154	165,523
Income taxes	(52,763)	(83,572)	(62,857)
Minority interest in subsidiaries	5,087	1,263	-
Income from continuing operations	143,292	125,845	102,666
Discontinued operations, net of income taxes (Note 7)	-	(8,690)	(3,967)
Cumulative effect of a change in accounting principle (Note 5)	-	-	(3,000)
Net income	$ 143,292	$ 117,155	$ 95,699

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Balance Sheets

	December 31 2004	2003
ASSETS	(thousands)	
Current Assets		
Cash and cash equivalents	$ 51,619	$ 26,520
Receivables, net	63,366	95,635
Fuel inventories, at average cost	21,121	22,543
Materials and supplies, at average cost	54,432	56,599
Deferred income taxes	12,818	686
Other	12,874	8,611
Total	216,230	210,594
Nonutility Property and Investments		
Nuclear decommissioning trust fund	84,148	74,965
Other	20,576	34,255
Total	104,724	109,220
Utility Plant, at Original Cost		
Electric	4,841,355	4,700,983
Less-accumulated depreciation	2,196,835	2,082,419

Net utility plant in service	2,644,520	2,618,564
Construction work in progress	53,821	53,046
Nuclear fuel, net of amortization of $127,631 and $113,472	36,109	29,120
Total	2,734,450	2,700,730
Deferred Charges		
Regulatory assets	144,345	145,627
Prepaid pension costs	116,024	106,888
Other deferred charges	21,621	29,517
Total	281,990	282,032
Total	$ 3,337,394	$ 3,302,576

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Balance Sheets

	December 31 2004	December 31 2003
LIABILITIES AND CAPITALIZATION	(thousands)	
Current Liabilities		
Notes payable to Great Plains Energy	$ 24	$ 21,983
Current maturities of long-term debt	250,000	54,500
EIRR bonds classified as current	85,922	129,288
Accounts payable	84,105	82,353
Accrued taxes	34,497	41,114
Accrued interest	9,800	11,763
Accrued payroll and vacations	22,870	20,486
Accrued refueling outage costs	13,180	1,760
Other	8,327	8,619
Total	508,725	371,866
Deferred Credits and Other Liabilities		
Deferred income taxes	654,055	641,673
Deferred investment tax credits	33,587	37,571
Asset retirement obligations	113,674	106,694
Pension liability	90,491	84,434
Other	46,933	52,196
Total	938,740	922,568
Capitalization		
Common stock equity		
Common stock-1,000 shares authorized without par value 1 share issued, stated value	887,041	662,041
Retained earnings	252,893	228,761
Accumulated other comprehensive loss	(40,334)	(35,244)
Total	1,099,600	855,558
Long-term debt (Note 19)	790,329	1,152,584
Total	1,889,929	2,008,142
Commitments and Contingencies (Note 13)		
Total	$ 3,337,394	$ 3,302,576

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows

Year Ended December 31	2004	2003	2002
Cash Flows from Operating Activities		(thousands)	
Net income	$ 143,292	$ 117,155	$ 95,699
Less: Discontinued operations, net of income taxes	-	(8,690)	(3,967)
Income from continuing operations	143,292	125,845	99,666
Adjustments to reconcile income to net cash from operating activities:			
Cumulative effect of a change in accounting principles	-	-	3,000
Depreciation and amortization	145,246	140,955	145,569
Amortization of:			
Nuclear fuel	14,159	12,334	13,109
Other	7,719	9,350	9,546
Deferred income taxes, net	10,861	34,285	11,355
Investment tax credit amortization	(3,984)	(3,994)	(4,183)
(Gain) loss on property	5,133	(1,603)	(178)
Deferred storm costs	-	-	(20,149)
Minority interest in subsidiaries	(5,087)	(1,263)	-
Other operating activities (Note 2)	(1,080)	(34,536)	21,178
Net cash from operating activities	316,259	281,373	278,913
Cash Flows from Investing Activities			
Utility capital expenditures	(190,548)	(148,675)	(132,039)
Allowance for borrowed funds used during construction	(1,498)	(1,368)	(979)
Purchases of investments	(3,553)	(3,520)	(3,421)
Purchases of nonutility property	(254)	(147)	(225)
Proceeds from sale of assets	7,465	4,135	-
Hawthorn No. 5 partial insurance recovery	30,810	3,940	-
Hawthorn No. 5 partial litigation settlements	1,139	17,263	-
Other investing activities	(7,100)	(4,045)	(4,084)
Net cash from investing activities	(163,539)	(132,417)	(140,748)
Cash Flows from Financing Activities			
Issuance of long-term debt	-	-	224,539
Repayment of long-term debt	(209,140)	(124,000)	(227,000)
Net change in short-term borrowings	(21,959)	(341)	(61,750)
Dividends paid to Great Plains Energy	(119,160)	(98,000)	(105,617)
Equity contribution from Great Plains Energy	225,000	100,000	36,000
Issuance costs	(2,362)	(266)	(4,269)
Net cash from financing activities	(127,621)	(122,607)	(138,097)
Net Change in Cash and Cash Equivalents	25,099	26,349	68
Cash and Cash Equivalents from Continuing Operations at Beginning of Year	26,520	171	103
Cash and Cash Equivalents from Continuing Operations at End of Year	$ 51,619	$ 26,520	$ 171
Net Change in Cash and Cash Equivalents from Discontinued Operations	$ -	$ (307)	$ (552)
Cash and Cash Equivalents from Discontinued Operations at Beginning of Year	-	307	859
Cash and Cash Equivalents from Discontinued Operations at End of Year	$ -	$ -	$ 307

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Common Stock Equity

	2004		2003		2002	
	Shares	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**
Common Stock	(thousands, except share amounts)					
Beginning balance	1	$ 662,041	1	$ 562,041	1	$ 526,041
Equity contribution from Great Plains Energy	-	225,000	-	100,000	-	36,000
Ending balance	1	887,041	1	662,041	1	562,041
Retained Earnings						
Beginning balance		228,761		209,606		219,524
Net income		143,292		117,155		95,699
Dividends:						
Common stock held by Great Plains Energy		(119,160)		(98,000)		(105,617)
Ending balance		252,893		228,761		209,606
Accumulated Other Comprehensive Loss						
Beginning balance		(35,244)		(26,614)		(1,182)
Derivative hedging activity, net of tax		(233)		(83)		322
Minimum pension obligation, net of tax		(4,857)		(8,547)		(25,754)
Ending balance		(40,334)		(35,244)		(26,614)
Total Common Stock Equity		$1,099,600		$ 855,558		$ 745,033

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Comprehensive Income

Year Ended December 31	**2004**	**2003**	**2002**
		(thousands)	
Net income	$ 143,292	$ 117,155	$ 95,699
Other comprehensive income			
Gain on derivative hedging instruments	280	657	702
Income taxes	(111)	(256)	(274)
Net gain on derivative hedging instruments	169	401	428
Reclassification to revenues and expenses, net of tax	(402)	(484)	(106)
Derivative hedging activity, net of tax	(233)	(83)	322
Change in minimum pension obligation	(7,321)	(14,012)	(42,218)
Income taxes	2,464	5,465	16,464
Net change in minimum pension obligation	(4,857)	(8,547)	(25,754)
Comprehensive income	$ 138,202	$ 108,525	$ 70,267

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Great Plains Energy has five direct subsidiaries:

- KCP&L is an integrated, regulated electric utility, which provides electricity to customers primarily in the states of Missouri and Kansas. KCP&L’s wholly owned subsidiary, Home Service Solutions Inc. (HSS) has invested in Worry Free Service, Inc. (Worry Free). HSS entered into a letter of intent to sell Worry Free in December 2004 and closed the sale in February 2005. Prior to the June 2003 disposition of R.S. Andrews Enterprises, Inc. (RSAE), HSS held an investment in RSAE. See Note 7 for additional information concerning the June 2003 disposition of RSAE.
- KLT Inc. is an intermediate holding company that primarily holds, directly or indirectly, interests in Strategic Energy, L.L.C. (Strategic Energy) and affordable housing limited partnerships. Strategic Energy provides competitive electricity supply services in several electricity markets offering retail choice. KLT Inc. wholly owns KLT Gas Inc. (KLT Gas). In February 2004, the Board of Directors approved the sale of the KLT Gas natural gas properties (KLT Gas portfolio) and discontinuation of the gas business. KLT Gas completed sales of substantially all of the KLT Gas portfolio in 2004. See Note 6 for additional information.
- Great Plains Power Incorporated (GPP) focuses on the development of wholesale generation. Management decided during 2002 to limit the operations of GPP to the siting and permitting process that began in 2001 for potential new generation. GPP has made no significant investments to date.
- Innovative Energy Consultants Inc. (IEC) is an intermediate holding company that holds an indirect interest in Strategic Energy. IEC does not own or operate any assets other than its indirect interest in Strategic Energy. When combined with KLT Inc.’s indirect interest in Strategic Energy, the Company owns just under 100% of the indirect interest in Strategic Energy.
- Great Plains Energy Services Incorporated (Services) was formed to provide services at cost to Great Plains Energy and its subsidiaries, including consolidated KCP&L, as a service company under the 35 Act.

The operations of Great Plains Energy and its subsidiaries are divided into two reportable segments, KCP&L and Strategic Energy. Great Plains Energy’s legal structure differs from the functional management and financial reporting of its reportable segments. Other activities not considered a

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

Financial Statement Presentation
Certain prior year amounts have been reclassified to conform to current year presentation.

Cash and Cash Equivalents
Cash equivalents consist of highly liquid investments with original maturities of three months or less. For Great Plains Energy this includes Strategic Energy’s cash held in trust of $21.0 million and $16.1 million at December 31, 2004 and 2003, respectively.

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

Restricted Cash
Strategic Energy has entered into Master Power Purchase and Sale Agreements with its power suppliers. Certain of these agreements contain provisions whereby, to the extent Strategic Energy has a net exposure to the purchased power supplier, collateral requirements are to be maintained. Collateral posted in the form of cash to Strategic Energy is restricted by agreement, but would become unrestricted in the event of a default by the purchased power supplier. Restricted cash collateral at December 31, 2004 and 2003, was $7.7 million and $20.9 million, respectively.

Fair Value of Financial Instruments
The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Nonutility Property and Investments – Consolidated KCP&L's investments and nonutility property includes the nuclear decommissioning trust fund recorded at fair value. Fair value is based on quoted market prices of the investments held by the fund. In addition to consolidated KCP&L’s investments, Great Plains Energy’s investments and nonutility property include KLT Investments Inc.’s (KLT Investments) affordable housing limited partnerships. The fair value of KLT Investments' affordable housing limited partnership total portfolio, based on the discounted cash flows generated by tax credits, tax deductions and sale of properties, approximates book value. The fair values of other various investments are not readily determinable and the investments are therefore stated at cost.

Long-term Debt – The incremental borrowing rate for similar debt was used to determine fair value if quoted market prices were not available. Great Plains Energy’s and consolidated KCP&L’s book values of long-term debt were between 3% and 4% below fair values at December 31, 2004.

Derivative Instruments

The Company accounts for derivative instruments in accordance with Statement of Financial Accounting Standards (SFAS) No. 133, “Accounting for Derivative Instruments and Hedging Activities,” as amended. This statement generally requires derivative instruments to be recorded on the balance sheet at fair value and establishes criteria for designation and effectiveness of hedging relationships. The Company enters into derivative contracts to manage its exposure to commodity price fluctuations and interest rate risk. All derivative instruments are used solely for hedging purposes and are not issued or held for speculative reasons.

The Company’s policy is to elect normal purchases and normal sales exception (NPNS), in accordance with SFAS No. 133, for derivative contracts that qualify for this accounting treatment. The appropriate accounting treatment for NPNS designation for derivative contracts is accrual accounting, which requires the effects of the derivative to be recorded when the derivative contract settles.

The Company records derivative instruments that are not accounted for as NPNS as assets or liabilities on the consolidated balance sheets at fair value. The fair value of derivative instruments is estimated using market quotes, over-the-counter forward price and volatility curves and correlation among power and fuel prices, net of estimated credit risk. Changes in the fair value of derivatives are recorded each period in net income unless specific hedge accounting criteria are met. Changes in the fair value of derivative instruments recorded to other comprehensive income (OCI) are reclassified to revenues and expenses in the period when the forecasted transaction occurs. The portion of the change in fair value of a derivative instrument determined to be ineffective is immediately recognized in net income. See Note 21 for additional information regarding derivative financial instruments and hedging activities.

Investments in Affordable Housing Limited Partnerships
At December 31, 2004, KLT Investments had $41.3 million in affordable housing limited partnerships. Approximately 65% of these investments were recorded at cost; the equity method was used for the remainder. Tax expense is reduced in the year tax credits are generated. The investments generate future cash flows from tax credits and tax losses of the partnerships. The investments also generate cash flows from the sales of the properties. For most investments, tax credits are received over ten years. A change in accounting principle relating to investments made after May 19, 1995, requires the use of the equity method when a company owns more than 5% in a limited partnership investment. Of the investments recorded at cost, $26.0 million exceed this 5% level but were made before May 19, 1995. Management does not anticipate making additional investments in affordable housing limited partnerships at this time.

On a quarterly basis, KLT Investments compares the cost of those properties accounted for by the cost method to the total of projected residual value of the properties and remaining tax credits to be received. Based on the latest comparison, KLT Investments reduced its investments in affordable housing limited partnerships by $7.5 million, $11.0 million and $9.0 million in 2004, 2003 and 2002, respectively. These amounts are included in Non-operating expenses on Great Plains Energy’s consolidated statements of income. The properties underlying the partnership investments are subject to certain risks inherent in real estate ownership and management.

Natural Gas Properties Included in Assets of Discontinued Operations
During 2004, KLT Gas completed sales of substantially all of the KLT Gas portfolio, and natural gas properties had a zero-balance at December 31, 2004. At December 31, 2003, natural gas property and equipment included in Assets of Discontinued Operations on Great Plains Energy’s consolidated balance sheets totaled $9.8 million, net of $63.8 million of accumulated depreciation and impairments. See Note 6 for information regarding the impairment and sale of KLT Gas assets and discontinued operations.

Other Nonutility Property
Great Plains Energy’s and consolidated KCP&L’s other nonutility property includes land, buildings, vehicles, general office equipment and software and is recorded at historical cost, net of accumulated depreciation, and has a range of estimated useful lives of 3 to 50 years.

Utility Plant
KCP&L's utility plant is stated at historical costs of construction. These costs include taxes, an allowance for the cost of borrowed and equity funds used to finance construction and payroll-related costs, including pensions and other fringe benefits. Replacements, improvements and additions to

units of property are capitalized. Repairs of property and replacements of items not considered to be units of property are expensed as incurred (except as discussed under Wolf Creek Refueling Outage Costs). When property units are retired or otherwise disposed, the original cost, net of salvage, is charged to accumulated depreciation. Substantially all utility plant is pledged as collateral for KCP&L’s mortgage bonds under the General Mortgage Indenture and Deed of Trust dated December 1, 1986, as supplemented.

The balances of utility plant in service with a range of estimated useful lives are listed in the following table.

December 31	**2004**	**2003**
Utility Plant In Service	(millions)	
Production (23 - 42 years)	$ 2,938.5	$ 2,913.9
Transmission (27 - 76 years)	315.5	308.3
Distribution (8 - 75 years)	1,320.0	1,261.6
General (5 - 50 years)	267.4	217.2
Total [(a)]	$ 4,841.4	$ 4,701.0

[(a)] Includes $89.1 million and $66.7 million of land and other assets for which depreciation was not recorded in 2004 and 2003, respectively.

Through December 31, 2004, KCP&L had received $194.8 million in insurance recoveries related to property destroyed in the 1999 explosion at the Hawthorn No. 5 generating unit. An additional $10.0 million in insurance recoveries was received in early 2005. Additionally, KCP&L filed suit against multiple defendants who are alleged to have responsibility for the explosion. Various defendants have settled with KCP&L for a total of $38.2 million through December 31, 2004, of which $18.5 million was recorded as a recovery of capital expenditures. Recoveries received related to property destroyed and subrogation settlements recorded as a recovery of capital expenditures have been recorded as an increase in accumulated depreciation.

As prescribed by the Federal Energy Regulatory Commission (FERC), Allowance for Funds used During Construction (AFDC) is charged to the cost of the plant. AFDC is included in the rates charged to customers by KCP&L over the service life of the property. AFDC equity funds are included as a non-cash item in non-operating income and AFDC borrowed funds are a reduction of interest charges. The rates used to compute gross AFDC are compounded semi-annually and averaged 8.6% in 2004, 8.2% in 2003 and 4.4% in 2002.

In 2001, the American Institute of Certified Public Accountants issued an exposure draft on a proposed Statement of Position (SOP) “Accounting for Certain Costs and Activities Related to Property, Plant, and Equipment.” In 2004, the Financial Accounting Standards Board (FASB) objected to final clearance of the proposed SOP and removed the project from its agenda. No further discussion or action related to this SOP is expected.

Depreciation, Depletion and Amortization

Depreciation and amortization of KCP&L’s utility plant other than nuclear fuel is computed using the straight-line method over the estimated lives of depreciable property based on rates approved by state regulatory authorities. Annual depreciation rates average about 3%. Nuclear fuel is amortized to fuel expense based on the quantity of heat produced during the generation of electricity.

Depreciation of nonutility property is computed using the straight-line method. Consolidated KCP&L’s nonutility property annual depreciation rates for 2004, 2003 and 2002 were 12.3%, 11.5% and 10.7%, respectively. Other Great Plains Energy nonutility property annual depreciation rates for 2004, 2003 and 2002 were 24.2%, 21.2% and 15.7%, respectively. Other Great Plains Energy’s nonutility property

includes Strategic Energy’s depreciable assets, which are primarily software costs and are amortized over a shorter time period, three years, resulting in a higher annual depreciation rate.

As part of the acquisition of additional interest in Strategic Energy, IEC recorded intangible assets that have finite lives and are subject to amortization. These intangible assets include the fair value of acquired supply contracts, customer relationships and asset information systems, which are being amortized over 28, 72 and 44 months, respectively. See Note 8 for additional discussion of the May 2004 acquisition of an additional indirect interest in Strategic Energy.

Natural gas properties sold in 2004 were included in Assets of Discontinued Operations in 2003. Depletion, depreciation and amortization of natural gas properties were calculated using the units of production method. After deciding to exit the gas business, the Company ceased recording depletion and as such, there was no significant depletion recorded in 2004. The depletion per mmBtu was $2.78 in 2003 and $4.61 in 2002. The depletion per mmBtu in 2002 reflected downward revisions in reserve estimates. Unproved gas properties were not amortized but were assessed for impairment either individually or on an aggregated basis.

Spent Nuclear Fuel and Radioactive Waste

Under the Nuclear Waste Policy Act of 1982, the Department of Energy (DOE) is responsible for the permanent disposal of spent nuclear fuel. KCP&L pays the DOE a quarterly fee of one-tenth of a cent for each kilowatt-hour of net nuclear generation delivered and sold for the future disposal of spent nuclear fuel. These disposal costs are charged to fuel expense. In 2002, the U.S. Senate approved Yucca Mountain, Nevada as a long-term geologic repository. The DOE is currently in the process of preparing an application to obtain the Nuclear Regulatory Commission (NRC) license to proceed with construction of the repository. Management cannot predict when this site may be available. Under current DOE policy, once a permanent site is available, the DOE will accept spent nuclear fuel first from the owners with the oldest spent fuel. Wolf Creek Generating Station (Wolf Creek) has completed an on-site storage facility that is designed to hold all spent fuel generated at the plant through the end of its 40-year licensed life in 2025.

In January 2004, KCP&L and the other two Wolf Creek owners filed suit against the United States in the U.S. Court of Federal Claims seeking an unspecified amount of monetary damages resulting from the government’s failure to begin accepting spent fuel for disposal in January 1998, as the government was required to do by the Nuclear Waste Policy Act of 1982. About sixty other similar cases are pending before that court, four of which went to trial in 2004. Another federal court already has determined that the government breached its obligation to begin accepting spent fuel for disposal. The questions now before the court in the pending cases are whether and to what extent the utilities are entitled to monetary damages for that breach. KCP&L cannot predict the outcome of the Wolf Creek case.

Wolf Creek Refueling Outage Costs

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

Nuclear Plant Decommissioning Costs

The Missouri Public Service Commission (MPSC) and The State Corporation Commission of the State of Kansas (KCC) require KCP&L and the other owners of Wolf Creek to submit an updated decommissioning cost study every three years. The most recent study was submitted to the MPSC and the KCC on August 30, 2002, and is the basis for the decommissioning cost estimates in the following

table. Both the MPSC and the KCC have accepted the 2002 cost estimate as filed and have approved funding schedules for this cost estimate. The MPSC-approved schedule assumes funding through the expiration of Wolf Creek’s current NRC operating license (2025). The KCC-approved schedule assumes that Wolf Creek will be granted a 20-year license extension and, thus, assumes funding through 2045. At this time, the owners of Wolf Creek have neither sought nor received a license extension from the NRC. The escalation rates and return on assets assumptions shown in the following table are those that were last explicitly approved by the MPSC and the KCC. The decommissioning cost estimates are based on the immediate dismantlement method and include the costs of decontamination, dismantlement and site restoration. KCP&L does not expect plant decommissioning to start before 2025.

	KCC	MPSC
Current cost of decommissioning (in 2002 dollars):	(millions)	
Total Station	$ 468	$ 468
47% share	220	220
Future cost of decommissioning (in 2025 dollars):		
Total Station		$ 1,288
47% share		606
Future cost of decommissioning (in 2045 dollars):		
Total Station	$ 2,527	
47% share	1,188	
Annual escalation factor	4.00%	4.50%
Annual return on trust assets [(a)]	6.02%	7.66%

[(a)] The 6.02% rate of return in Kansas is thru 2025. The rate systematically decreases to 3.99% from 2025 to decommissioning at the end of the extended 60-year life of 2045.

KCP&L currently contributes about $3.6 million annually to a tax-qualified trust fund to be used to decommission Wolf Creek. These costs are charged to other operating expense and recovered in billings to customers. If the actual return on trust assets is below the anticipated level, KCP&L believes a rate increase would be allowed ensuring full recovery of decommissioning costs over the remaining life of the station.

The trust fund balance, including reinvested earnings, was $84.1 million and $75.0 million at December 31, 2004 and 2003, respectively. The related liabilities for decommissioning are included in Asset Retirement Obligations (ARO).

The Company adopted SFAS No. 143, "Accounting for Asset Retirement Obligations" on January 1, 2003. See Note 16 for discussion of ARO including those associated with nuclear plant decommissioning costs.

Regulatory Matters
KCP&L is subject to the provisions of SFAS No. 71, “Accounting for the Effects of Certain Types of Regulation.” Pursuant to SFAS No. 71, KCP&L defers items on the balance sheet resulting from the effects of the ratemaking process, which would not be recorded in accordance with Generally Accepted Accounting Principles (GAAP) if KCP&L were not regulated. See Note 4 for additional information concerning regulatory matters.

Revenue Recognition
KCP&L and Strategic Energy recognize revenues on sales of electricity when the service is provided. Receivables recorded at December 31, 2004 and 2003, include $31.2 million and $28.4 million,

respectively, for electric services provided but not yet billed by KCP&L, and $103.0 million and $81.2 million, respectively, for electric services provided, but not yet billed by Strategic Energy. See Note 3 for additional information on receivables.

Strategic Energy primarily purchases power under forward physical delivery contracts to supply electricity to its retail energy customers. Strategic Energy sells any excess retail supply of electricity back into the wholesale market. The proceeds from the sale of excess supply of electricity are recorded as a reduction of purchased power. The amount of excess retail supply sales that reduced purchased power was $265.2 million, $160.4 million and $126.4 million in 2004, 2003 and 2002, respectively.

Allowance for Doubtful Accounts
This reserve represents estimated uncollectible accounts receivable and is based on management’s judgment considering historical loss experience and the characteristics of existing accounts. Provisions for losses on receivables are charged to income to maintain the allowance at a level considered adequate to cover losses. Receivables are charged off against the reserve when they are deemed to be uncollectible.

Property Gains and Losses
Net gains and losses from the sales of assets, businesses and asset impairments are recorded in operating expenses. See Note 2 for information regarding the sale of RSAE.

Asset Impairments
Long-lived assets and finite lived intangible assets subject to amortization are periodically reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable as prescribed under SFAS No. 144 “Accounting for the Impairment or Disposal of Long-lived Assets.” SFAS No. 144 requires that if the sum of the undiscounted expected future cash flows from an asset to be held and used is less than the carrying value of the asset, an asset impairment must be recognized in the financial statements. The amount of impairment recognized is the excess of the carrying value of the asset over its fair value. In December 2004, HSS entered into a letter of intent to sell Worry Free and recorded an asset impairment based on the valuation performed in connection with the sale.

Goodwill and indefinite lived intangible assets are tested for impairment at least annually and more frequently when indicators of impairment exist as prescribed under SFAS No. 142. SFAS No. 142 requires that if the fair value of a reporting unit is less than its carrying value including goodwill, an impairment charge for goodwill must be recognized in the financial statements. To measure the amount of the impairment loss to recognize, the implied fair value of the reporting unit goodwill would be compared with its carrying value. See Note 5 for additional information.

Income Taxes
In accordance with SFAS No. 109, “Accounting for Income Taxes,” Great Plains Energy has recognized deferred taxes for all temporary book to tax differences using the liability method. The liability method requires that deferred tax balances be adjusted to reflect enacted tax rates that are anticipated to be in effect when

the temporary differences reverse. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of the deferred tax assets will not be realized.

Great Plains Energy and its subsidiaries file consolidated federal and combined and separate state income tax returns. Income taxes for consolidated or combined subsidiaries are allocated to the subsidiaries based on separate company computations of income or loss. In accordance with 35 Act requirements and the Company's intercompany tax allocation agreement, the holding company also

allocates its own net income tax benefits to its direct subsidiaries based on the positive income of each company in the consolidated federal or combined state returns. Consistent with the ratemaking treatment, KCP&L uses the separate return method, adjusted for the allocation of parent company tax benefits, to compute its income tax provision.

KCP&L has established a regulatory asset for the additional future revenues to be collected from customers for deferred income taxes. Tax credits are recognized in the year generated except for certain KCP&L investment tax credits that have been deferred and amortized over the remaining service lives of the related properties.

Environmental Matters
Environmental costs are accrued when it is probable a liability has been incurred and the amount of the liability can be reasonably estimated.

Stock Options
The Company has an equity compensation plan, which is described more fully in Note 10. The Company adopted the fair value recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," for its stock options as of January 1, 2003. The Company has elected to use the modified prospective method of adoption as prescribed under SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure." Under the modified prospective method of adoption, stock option compensation cost recognized beginning January 1, 2003, is the same as if the fair value recognition provisions of SFAS No. 123 had been applied to all stock options granted after October 1, 1995.

In December 2004, FASB issued SFAS No. 123 (revised 2004) "Share-Based Payment," effective for reporting periods beginning after June 15, 2005. Management has determined that this statement will not have a significant impact on the Company's results of operations and financial position.

The following table illustrates the effect on net income and earnings per common share (EPS) for Great Plains Energy as if the fair value method had been applied in preparing the 2002 financial statements.

	2002
	(thousands, except per share amounts)
Net income, as reported	$ 126,188
Add: stock-based employee compensation expense included in net income as reported, net of income taxes	57
Less: total stock-based employee compensation expense determined under fair value based method for all awards, net of income taxes	255
Pro forma net income as if fair value method were applied	$ 125,990
Basic and diluted EPS, as reported	$ 1.99
Basic and diluted EPS, pro forma	$ 1.99

Basic and Diluted Earnings per Common Share Calculation
There was no significant dilutive effect on Great Plains Energy's EPS from other securities in 2004, 2003 and 2002. To determine basic EPS, preferred stock dividend requirements are deducted from income from continuing operations and net income before dividing by average number of common shares outstanding. The earnings (loss) per share impact of discontinued operations, net of income taxes, is determined by dividing discontinued operations, net of income taxes, by the average number of common shares outstanding. Diluted EPS assumes the issuance of common shares applicable to

stock options, performance shares, restricted stock and FELINE PRIDES calculated using the treasury stock method.

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

	2004	**2003**	**2002**
Income	(thousands, except per share amounts)		
Income from continuing operations	$ 173,535	$ 189,702	$ 136,702
Less: preferred stock dividend requirements	1,646	1,646	1,646
Income available to common stockholders	$ 171,889	$ 188,056	$ 135,056
Common Shares Outstanding			

Average number of common shares outstanding	72,028	69,206	62,623
Add: effect of dilutive securities	64	42	1
Diluted average number of common shares outstanding	72,092	69,248	62,624
Basic EPS from continuing operations	$ 2.39	$ 2.72	$ 2.16
Diluted EPS from continuing operations	$ 2.39	$ 2.72	$ 2.16

As of December 31, 2004 and 2003, there were no anti-dilutive shares applicable to stock options, performance shares or restricted stock. As of December 31, 2004, 6.5 million FELINE PRIDES had no dilutive effect because the number of common shares to be issued in accordance with the settlement rate described in Note 19, assuming applicable market value equal to the average price during the period, would be equal to the number of shares Great Plains Energy could re-purchase in the market at the average price during the period. Options to purchase 394,723 shares of common stock as of December 31, 2002, were excluded from the computation of diluted EPS because they were anti-dilutive due to the option exercise prices being greater than the average market price of the common shares during the period.

In February 2005, the Board of Directors declared a quarterly dividend of $0.415 per share on Great Plains Energy's common stock. The common dividend is payable March 21, 2005, to shareholders of record as of February 28, 2005. The Board of Directors also declared regular dividends on the preferred stock, payable June 1, 2005, to shareholders of record on May 10, 2005.

2. SUPPLEMENTAL CASH FLOW INFORMATION

Great Plains Energy Other Operating Activities

	2004	2003	2002
Cash flows affected by changes in:		(thousands)	
Receivables	$ (36,517)	$ (13,077)	$ (50,200)
Fuel inventories	1,840	(821)	1,339
Materials and supplies	2,167	(5,799)	(104)
Accounts payable	43,261	6,331	(2,982)
Accrued taxes	7,107	21,777	48,756
Accrued interest	(1,006)	(4,184)	3,117
Wolf Creek refueling outage accrual	11,420	(6,532)	(4,687)
Pension and postretirement benefit assets and obligations	(10,387)	(20,545)	3,774
Allowance for equity funds used during construction	(2,087)	(1,424)	(299)
Other	(9,105)	22,020	26,353
Total other operating activities	$ 6,693	$ (2,254)	$ 25,067
Cash paid during the period:			
Interest	$ 84,082	$ 78,049	$ 82,132
Income taxes	$ 38,611	$ 42,440	$ 17,709

Consolidated KCP&L Other Operating Activities

	2004	2003	2002
Cash flows affected by changes in:		(thousands)	
Receivables	$ 1,649	$ (1,444)	$ (8,565)
Fuel inventories	1,840	(821)	1,339
Materials and supplies	2,167	(5,799)	(104)
Accounts payable	1,752	7,735	(35,963)
Accrued taxes	(6,617)	(2,792)	49,584
Accrued interest	(1,963)	(3,413)	4,107
Wolf Creek refueling outage accrual	11,420	(6,532)	(4,687)
Pension and postretirement benefit assets and obligations	(8,059)	(20,272)	3,774
Allowance for equity funds used during construction	(2,087)	(1,424)	(299)
Other	(1,182)	226	11,992
Total other operating activities	$ (1,080)	$ (34,536)	$ 21,178
Cash paid during the period:			
Interest	$ 73,840	$ 71,399	$ 74,068
Income taxes	$ 64,878	$ 68,112	$ 11,897

Significant Non-Cash Items

Asset Retirement Obligations

KCP&L adopted SFAS No. 143 on January 1, 2003, and recorded a liability for ARO of $99.2 million and increased property and equipment, net of accumulated depreciation, by $18.3 million. KCP&L is a regulated utility subject to the provisions of SFAS No. 71, and management believes it is probable that any differences between expenses under SFAS No. 143 and expenses recovered currently in rates will be recoverable in future rates. As a result, the $16.3 million net cumulative effect of the adoption of SFAS No. 143 was recorded as a regulatory asset; therefore, it had no impact on net income. The adoption of SFAS No. 143 had no effect on Great Plains Energy and consolidated KCP&L's cash flows.

FIN 46

KCP&L consolidated the Lease Trust and de-consolidated KCPL Financing I in 2003, as required by FASB Interpretation (FIN) No. 46, "Consolidation of Variable Interest Entities," as amended. As a result of the consolidation of the Lease Trust, Great Plains Energy's and consolidated KCP&L's long-term

debt increased $143.8 million. The consolidation of the Lease Trust had no effect on Great Plains Energy's and consolidated KCP&L's cash flows. See Note 13 for additional information concerning the consolidation of the Lease Trust.

Prior to the de-consolidation of KCPL Financing I, Great Plains Energy and consolidated KCP&L reflected $150 million of 8.3% preferred securities issued by KCPL Financing I on their respective balance sheets. As a result of the de-consolidation, Great Plains Energy's and consolidated KCP&L's other nonutility property and investments increased $4.6 million representing the investment in the common securities of KCPL Financing I, and long-term debt increased $154.6 million representing the 8.3% Junior Subordinated Deferrable Interest Debentures issued by KCP&L and held by KCPL Financing I. The de-consolidation of KCPL Financing I had no effect on Great Plains Energy's and consolidated KCP&L's cash flows.

Minimum Pension Liability

Primarily as a result of lower discount rates and historical losses in the market value of plan assets, the Company recorded a minimum pension liability of $84.2 million offset by an intangible asset of $15.6 million and OCI of $68.6 million ($42.3 million net of tax) in 2004. In 2003, the Company's minimum pension liability was $78.4 million offset by an intangible asset of $17.4 million and OCI of $61.0 million ($37.2 million net of tax). Recording the minimum pension liabilities had no effect on Great Plains Energy's and consolidated KCP&L's cash flows.

RSAE Disposition

In 2003, HSS completed the disposition of its interest in RSAE. See Note 7 for additional information concerning the disposition of RSAE. The following table summarizes Great Plains Energy's and consolidated KCP&L's loss from discontinued operations as a result of this transaction.

Year to Date June 30	**2003**
	(thousands)
Cash repayment of supported bank line	$ (22,074)
Write-off of intercompany balance and investment	4,760
Accrued transaction costs	(1,550)
Income tax benefit	11,793
Loss on disposition	(7,071)
Pre-disposition operating losses	(1,619)
Discontinued operations	$ (8,690)

DTI Bankruptcy

On December 31, 2001, a subsidiary of KLT Telecom Inc. (KLT Telecom), DTI Holdings, Inc. and its subsidiaries, Digital Teleport, Inc. and Digital Teleport of Virginia, Inc., filed separate voluntary petitions in the Bankruptcy Court for the Eastern District of Missouri for reorganization under Chapter 11 of the U.S. Bankruptcy Code, which cases were procedurally consolidated. DTI Holdings and its two subsidiaries are collectively called "DTI." In December 2002, Digital Teleport entered into an agreement to sell substantially all of its assets to CenturyTel Fiber Company II, LLC, a nominee of CenturyTel, Inc., which was approved by the Bankruptcy Court and closed in 2003.

KLT Telecom received $19.2 million in 2003 related to the confirmation of the DTI bankruptcy. Pending final resolution of the MODOR Claim and the litigation regarding the put option of a minority shareholder, the effect of the DTI bankruptcy on the Company has been resolved. See Note 15 for information regarding the MODOR Claim and the put option.

The following table summarizes Great Plains Energy's gain on the sale of DTI assets.

DTI	**2003**
	(thousands)
Cash proceeds from bankruptcy estates	$ 19,234
Cash proceeds from sale of office building	1,186
Receivables	1,300
Total proceeds	21,720
Book basis of office building sold	(2,720)

DIP financing accrual reversal	5,000
Accounts payable	(1,900)
Income tax	(9,810)
Reversal of tax valuation allowance	15,779
Gain on sale of assets	$ 28,069

Strategic Energy Acquisition

During November 2002, Great Plains Energy indirectly acquired an additional 6% ownership in Strategic Energy through its subsidiary IEC. The $15.1 million consideration paid for the 6% ownership consisted of $8.0 million in Great Plains Energy common stock and promissory notes of $4.7 million (issued by Great Plains Energy) and $2.4 million (issued by IEC). The promissory notes were paid in January 2003. This transaction had no effect on Great Plains Energy's cash flows for the year ended December 31, 2002. See Note 8 for information regarding the purchase of an additional indirect interest in Strategic Energy in 2004.

3. RECEIVABLES

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

December 31	**2004**	**2003**
	(thousands)	
Customer accounts receivable sold to Receivables Company	$ 19,866	$ 17,902
Consolidated KCP&L other receivables	43,500	77,733
Consolidated KCP&L receivables	63,366	95,635
Great Plains Energy other receivables	183,818	144,709
Great Plains Energy receivables	$ 247,184	$ 240,344

KCP&L entered into a revolving agreement to sell all of its right, title and interest in the majority of its customer accounts receivable to Kansas City Power & Light Receivables Company (Receivables Company), which in turn sold most of the receivables to outside investors. Accounts receivable sold under this revolving agreement totaled $84.9 million and $87.9 million at December 31, 2004 and 2003, respectively. These sales included unbilled receivables of $31.2 million and $28.4 million at December 31, 2004 and 2003, respectively. As a result of the sale to outside investors, Receivables Company received up to $70 million in cash, which was forwarded to KCP&L as consideration for its sale. At December 31, 2004 and 2003, Receivables Company had received $65.0 million and $70.0 million in cash, respectively. The agreement was structured as a true sale under which the creditors of Receivables Company were entitled to be satisfied out of the assets of Receivables Company prior to any value being returned to KCP&L or its creditors. The agreement expired in January 2005 and was not renewed by KCP&L. KCP&L is currently evaluating alternatives to replace this agreement and intends to enter into a new agreement in 2005.

Under the agreement, KCP&L sold its receivables at a fixed price based upon the expected cost of funds and charge-offs. These costs comprised KCP&L's loss on the sale of accounts receivable.

KCP&L serviced the receivables and received an annual servicing fee of 0.25% of the outstanding principal amount of the receivables sold and retained any late fees charged to customers.

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

	2004	**2003**	**2002**
		(thousands)	
Gross proceeds on sale of accounts receivable	$929,122	$939,498	$957,222
Collections	927,986	949,484	974,669
Loss on sale of accounts receivable	2,529	3,714	4,558
Late fees	2,210	2,256	2,572

Consolidated KCP&L's other receivables at December 31, 2004 and 2003, consist primarily of receivables from partners in jointly owned electric utility plants, wholesale sales receivables and accounts receivable held by Worry Free. The December 31, 2003, amounts also included insurance recoveries. Great Plains Energy's other receivables at December 31, 2004 and 2003, are primarily the accounts receivable held by Strategic Energy including unbilled receivables of $103.0 million and $81.2 million, respectively.

4. REGULATORY MATTERS

Regulatory Assets and Liabilities

KCP&L is subject to the provisions of SFAS No. 71. Accordingly, KCP&L has recorded assets and liabilities on its balance sheet resulting from the effects of the ratemaking process, which would not be recorded under GAAP for non-regulated entities. Regulatory assets represent costs incurred that have been deferred because future recovery in customer rates is probable. Regulatory liabilities generally represent probable future reductions in revenue or refunds to customers. KCP&L's continued ability to meet the criteria for application of SFAS No. 71 may be affected in the future by competitive forces and restructuring in the electric industry. In the event that SFAS No. 71 no longer applied to all, or a separable portion, of KCP&L's operations, the related regulatory assets and liabilities would be written off unless an appropriate regulatory recovery mechanism is provided. Additionally, these factors could result in an impairment of utility plant assets if the cost of the assets could not be expected to be recovered in customer rates. Whether an asset has been impaired is determined pursuant to SFAS No. 144.

	Amortization ending period	December 31 2004	2003
Regulatory Assets		(millions)	
Taxes recoverable through future rates		$ 81.0	$ 89.0
Decommission and decontaminate federal uranium enrichment facilities	2007	2.0	2.6
Loss on reacquired debt	2023	7.7	4.3
January 2002 incremental ice storm costs (Missouri)	2007	9.5	14.1
Change in depreciable life of Wolf Creek (Kansas)	2045	15.5	7.7
Cost of removal		13.9	14.5
Asset retirement obligations		11.4	12.9
Other [(a)]	Various	3.3	0.5
Total Regulatory Assets		$ 144.3	$ 145.6
Regulatory Liabilities			
Emission allowances [(b)]		$ (4.1)	$ (3.8)
Total Regulatory Liabilities		$ (4.1)	$ (3.8)

[(a)] An insignificant amount at December 31, 2004 and 2003, respectively, earns a return on investment in the rate making process.

[(b)] Consistent with the MPSC order establishing regulatory treatment, no amortization is being recorded.

The Company adopted SFAS No. 143 on January 1, 2003, and recorded liabilities for legal obligations to retire assets. In conjunction with the adoption of SFAS No. 143, non-legal costs of removal were reclassified for all periods presented from accumulated depreciation to a regulatory asset. See Note 16 for discussion of ARO. The change in the depreciable life of Wolf Creek in 2003 was the result of the KCC stipulation and agreement discussed below.

Retail Rate Matters

At the end of January 2002, a severe ice storm occurred throughout large portions of the Midwest, including the greater Kansas City metropolitan area. In 2002, the KCC approved a stipulation and agreement regarding the treatment of the $16.5 million Kansas jurisdictional portion of the ice storm costs. Pursuant to the stipulation and agreement, KCP&L implemented a retail rate reduction January 1, 2003, and began calculating depreciation expense on Wolf Creek using a 60-year life instead of a 40-year life. As a result of the stipulation and agreement, KCP&L's retail revenues decreased approximately $12.5 million and depreciation expense decreased approximately $7.7 million annually beginning in 2003. The reduction in depreciation expense has been recorded as a regulatory asset, as discussed above. KCP&L also agreed to file a rate case by May 15, 2006.

In 2002, the MPSC approved KCP&L's application for an accounting authority order related to the Missouri jurisdictional portion of the storm costs. The order allows KCP&L to defer and amortize $20.1 million, representing the Missouri portion of the storm costs, through January 2007. The amortization, which began in September 2002, is approximately $4.6 million annually for the remainder of the amortization period. The amortization totaled $1.5 million in 2002.

5. GOODWILL AND INTANGIBLE PROPERTY

In accordance with SFAS No. 142, goodwill is tested for impairment upon adoption and at least annually thereafter. The annual test must be performed at the same time each year.

Strategic Energy's annual impairment tests, conducted September 1, have been completed and there were no impairments of the Strategic Energy goodwill in 2004, 2003 or 2002. Goodwill reported on Great Plains Energy's consolidated balance sheets associated with the Company's ownership in Strategic Energy was $86.8 million and $26.1 million at December 31, 2004 and 2003, respectively.

See Note 8 for additional information concerning the acquisition of an additional indirect interest in Strategic Energy in 2004.

As a result of the transition impairment test of RSAE goodwill related to the adoption of SFAS No. 142 in 2002, the Company recorded a $3.0 million write-down of goodwill as a cumulative effect of a change in accounting principle. See Note 7 for additional information concerning the June 2003 disposition of RSAE.

Other Intangible Assets and Liabilities

KCP&L's electric utility plant on the consolidated balance sheets included intangible computer software of $27.4 million, net of accumulated amortization of $61.3 million, in 2004 and $33.6 million, net of accumulated amortization of $52.5 million, in 2003.

Other intangible assets on Great Plains Energy's consolidated balance sheets include other intangible computer software of $2.0 million, net of accumulated amortization of $3.4 million, in 2004 and $2.7 million, net of accumulated amortization of $1.8 million, in 2003. See Note 8 for information concerning the intangible assets and liabilities recorded as a result of the acquisition of an additional indirect interest in Strategic Energy.

Assets of Discontinued Operations on Great Plains Energy's consolidated balance sheets included no intangible assets at December 31, 2004, and included gross intangible drilling costs, before impairments, of $32.0 million at December 31, 2003. Assets of Discontinued Operations, including intangible drilling costs, were significantly written down at the end of 2003 in aggregate at the property level. See Note 6 for additional information.

6. KLT GAS DISCONTINUED OPERATIONS

In February 2004, the Board of Directors approved the sale of the KLT Gas portfolio and discontinuation of the gas business. Consequently, in 2004, the KLT Gas portfolio was reported as discontinued operations and KLT Gas' historical activities were reclassified in accordance with SFAS No. 144 for all periods presented.

In 2004, KLT Gas completed sales of substantially all of the KLT Gas portfolio for $23.5 million cash, net of $1.4 million of transaction costs. During 2003, the Company recorded a loss of $33.5 million in Discontinued Operations, net of income taxes, as a result of impairments recognized in accordance with SFAS No. 144. The following table summarizes the discontinued operations.

	2004	2003	2002
		(millions)	
Revenues	$ 1.6	$ 1.5	$ 1.1
Loss from operations, including impairments, before income taxes	(4.5)	(59.1)	(6.6)
Gain on sales of assets	16.8	-	-
Discontinued operations before income taxes	12.3	(59.1)	(6.6)
Income taxes	(5.0)	23.0	3.1
Discontinued operations, net of income taxes	$ 7.3	$(36.1)	$(3.5)

Assets and liabilities of the discontinued operations are summarized in the following table.

December 31	2004	2003
	(millions)	
Current assets	$ 0.7	$ 1.0
Gas property and investments	-	9.8
Other nonutility property and investments	-	0.3
Accrued taxes	-	6.7
Deferred income taxes	-	10.0
Total assets of discontinued operations	$ 0.7	$27.8
Current liabilities	$ 2.1	$ 2.8
Asset retirement obligations	-	1.8
Total liabilities of discontinued operations	$ 2.1	$ 4.6

7. DISPOSITION OF OWNERSHIP INTEREST IN R.S. ANDREWS ENTERPRISES, INC.

On June 13, 2003, HSS' board of directors approved a plan to dispose of its interest in residential services provider RSAE. On June 30, 2003, HSS completed the disposition of its interest in RSAE. The financial statements reflect RSAE as discontinued operations for all periods presented as prescribed under SFAS No. 144. The following table summarizes the discontinued operations.

	2004	2003
	(millions)	
Revenues	$ 31.8	$ 58.5
Loss from operations before income taxes	(1.6)	(4.0)
Loss on disposal before income taxes	(18.9)	-
Total loss on discontinued operations before income taxes	(20.5)	(4.0)
Income tax benefit [(a)]	11.8	-
Discontinued operations, net of income taxes	$ (8.7)	$ (4.0)

[(a)] Since RSAE was not included in Great Plains Energy's consolidated income tax returns, an income tax benefit was not recognized on RSAE's 2002 losses. RSAE

had continual losses and therefore did not recognize tax benefits. The 2003 tax benefit reflects the tax effect of Great Plains Energy's disposition of its interest in RSAE. See Note 11 on income taxes.

8. ACQUISITION OF ADDITIONAL INDIRECT INTEREST IN STRATEGIC ENERGY

Effective May 6, 2004, Great Plains Energy, through IEC, completed its purchase of an additional 11.45% indirect interest in Strategic Energy bringing Great Plains Energy's indirect ownership interest in Strategic Energy to just under 100%. The Company paid cash of $90.0 million, including $1.2 million of transaction costs. In accordance with the purchase terms, the Company also recorded a $0.9 million liability for 2004 fractional dividends to the previous owner for its share of 2004 budgeted Strategic Energy dividends. See Notes 12 and 15 for additional discussion of the acquisition.

The purchase price allocation for the net assets acquired is detailed in the following table.

	2004
	(millions)
Other non-utility property and investments	$ 10.6
Goodwill	60.7
Other deferred charges	46.1
Total assets	117.4
Accounts payable	0.9
Other deferred credits and liabilities	26.5
Net assets acquired	$ 90.0

A third party valuation was prepared to assist in the Company's determination of the purchase price allocation. The acquired share of identifiable intangible assets and liabilities were recorded by IEC at fair value as part of the purchase price allocation. The acquired share of the fair value of the identifiable intangibles was a net asset of $19.6 million. The fair value of acquired supply (intangible asset) and retail (liability) contracts is being amortized over approximately 28 months. Other intangible assets recorded that have finite lives and are subject to amortization include customer relationships and asset information systems, which are being amortized over 72 and 44 months, respectively. Net amortization for 2004 was $2.2 million. A $0.7 million intangible asset for the Strategic Energy trade name was also recorded and deemed to have an indefinite life, and as such, is not being amortized.

9. PENSION PLANS AND OTHER EMPLOYEE BENEFITS

Pension Plans and Other Employee Benefits

The Company maintains defined benefit pension plans for substantially all employees, including officers, of KCP&L, Services and Wolf Creek Nuclear Operating Corporation (WCNOC). Pension benefits under these plans reflect the employees' compensation, years of service and age at retirement. The funding policy for the pension plans is to contribute amounts sufficient to meet the minimum funding requirements under the Employee Retirement Security Act of 1974 (ERISA) plus additional amounts as considered appropriate.

For defined benefit pension plans sponsored by Great Plains Energy, contributions and expense are allocated to KCP&L and Services based on labor costs of plan participants. Any additional minimum pension liability is allocated based on each companies' funded status per plan. The Company recognizes gains and losses incurred by the pension plans by amortizing over a five-year period the rolling five-year average of unamortized actuarial gains and losses.

In addition to providing pension benefits, the Company provides certain postretirement health care and life insurance benefits for substantially all retired employees of KCP&L, Services and WCNOC. The cost of postretirement benefits charged to KCP&L are accrued during an employee's years of service and recovered through rates. The Company funds the portion of net periodic postretirement benefit costs that are tax deductible. For post-retirement health care plans sponsored by Great Plains Energy, contributions and expense are allocated to KCP&L and Services based upon the number of plan participants.

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Medicare Act) was signed into law. The Medicare Act, among other things, provides a federal subsidy to sponsors of retiree health care benefit plans. In 2004, the Company adopted FASB Staff Position No. FAS 106-2, "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." The 2004 actuarial measurements include the effects of

the Medicare Act. The Medicare Act did not materially impact plan obligations and it is not expected to materially impact future health care costs and participation rates.

The following pension benefits tables provide information relating to the funded status of all defined benefit pension plans on an aggregate basis. The plan measurement date for the majority of plans is September 30. In 2004, contributions of $20.7 million were made to the pension plans after the measurement date and in 2003, contributions of $32.0 million and $4.8 million were made to the pension and postretirement benefit plans, respectively, after the measurement date. Net periodic benefit costs reflect total plan benefit costs prior to the effects of capitalization and sharing with joint-owners of power plants.

	Pension Benefits		Other Benefits	
	2004	2003	2004	2003

Change in projected benefit obligation (PBO)	(thousands)			
PBO at beginning of year	$ 501,497	$ 450,800	$ 52,119	$ 48,936
Service cost	16,695	14,969	948	851
Interest cost	30,137	29,892	3,094	3,210
Contribution by participants	-	-	1,082	858
Amendments	-	34	-	230
Actuarial loss (gain)	25,117	42,496	(3,193)	2,176
Benefits paid	(54,702)	(36,122)	(4,331)	(3,655)
Benefits paid by Company	(348)	(572)	(585)	(487)
Settlements	(2,660)	-	-	-
PBO at end of plan year	$ 515,736	$ 501,497	$ 49,134	$ 52,119
Change in plan assets				
Fair value of plan assets at beginning of year	$ 340,986	$ 324,169	$ 8,353	$ 11,054
Actual return on plan assets	33,893	43,663	287	122
Contributions by employer and participants	50,345	9,276	10,424	970
Benefits paid	(54,702)	(36,122)	(4,331)	(3,793)
Fair value of plan assets at end of plan year	$ 370,522	$ 340,986	$ 14,733	$ 8,353
Prepaid (accrued) benefit cost				
Funded status	$(145,214)	$(160,511)	$(34,401)	$(43,766)
Unrecognized actuarial loss	195,978	182,555	10,467	13,984
Unrecognized prior service cost	36,271	40,556	1,045	1,282
Unrecognized transition obligation	398	455	9,395	10,570
Net prepaid (accrued) benefit cost	$ 87,433	$ 63,055	$(13,494)	$(17,930)
Amounts recognized in the consolidated balance sheets				
Prepaid benefit cost	$ 89,229	$ 80,881	$ -	$ -
Accrued benefit cost	(1,796)	(17,826)	(13,494)	(17,930)
Minimum pension liability adjustment	(84,245)	(78,435)	-	-
Intangible asset	15,613	17,426	-	-
Accumulated other comprehensive income	68,632	61,009	-	-
Net amount recognized in balance sheets	87,433	63,055	(13,494)	(17,930)
Contributions and changes after measurement date	20,740	34,139	-	4,790
Net amount recognized at December 31	$ 108,173	$ 97,194	$(13,494)	$(13,140)

	Pension Benefits			Other Benefits		
	2004	**2003**	**2002**	**2004**	**2003**	**2002**
Components of net periodic benefit cost	(thousands)					
Service cost	$ 16,695	$ 14,969	$ 13,360	$ 948	$ 851	$ 757
Interest cost	30,137	29,892	30,272	3,094	3,210	2,951
Expected return on plan assets	(31,701)	(27,702)	(34,144)	(669)	(572)	(503)
Amortization of prior service cost	4,285	4,286	4,313	237	216	194
Recognized net actuarial loss (gain)	7,746	1,377	(7,237)	737	574	100
Transition obligation	57	57	(742)	1,175	1,175	1,174
Amendment	-	-	-	-	110	-
Net settlements	1,798	-	284	-	-	-
Net periodic benefit cost	$ 29,017	$ 22,879	$ 6,106	$ 5,522	$ 5,564	$ 4,673

The accumulated benefit obligation (ABO) for all defined benefit pension plans was $445.4 million and $429.9 million at December 31, 2004 and 2003, respectively. The projected benefit obligation, accumulated benefit obligation and the fair value of plan assets at plan year-end are aggregated by funded and underfunded plans in the following table.

	2004	**2003**
Pension plans with the ABO in excess of plan assets	(thousands)	
Projected benefit obligation	$ 309,799	$ 297,392
Accumulated benefit obligation	266,081	252,209
Fair value of plan assets	179,980	156,389

Pension plans with plan assets in excess of the ABO		
Projected benefit obligation	$ 205,937	$ 204,105
Accumulated benefit obligation	179,327	177,725
Fair value of plan assets	190,542	184,597

Pension plan assets are managed in accordance with "prudent investor" guidelines contained in the ERISA requirements. The investment strategy supports the objective of the fund, which is to earn the highest possible return on plan assets within a reasonable and prudent level of risk. Investments are diversified across classes and within each class to minimize risks. At December 31, 2004 and 2003, the fair value of plan assets was $370.5 million, not including a $20.7 million contribution made after the plan year-end, and $341.0 million, not including a $32.0 million subsequent contribution, respectively. The asset allocation for the Company's pension plans at the end of 2004 and 2003, and the target allocation for 2005 are reported in the following table. The portfolio is rebalanced when the targets are exceeded.

Asset Category	Target Allocation	Plan Assets at December 31 2004	2003
Equity securities	59%	59%	62%
Debt securities	30%	31%	34%
Real estate	6%	8%	4%
Other	5%	2%	0%
Total	100%	100%	100%

The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset classes in the plan's investment portfolio. Assumed projected rates of return for each asset class were selected after analyzing historical experience and future expectations of the returns of various asset classes. Based on the target asset allocation for each asset class, the

overall expected rate of return for the portfolio was developed and adjusted for the effect of projected benefits paid from plan assets and future plan contributions.

The following tables provide the weighted-average assumptions used to determine benefit obligations and net costs.

Weighted average assumptions used to determine the benefit obligation at plan year-end	Pension Benefits 2004	2003	Other Benefits 2004	2003
Discount rate	5.82%	6.00%	5.82%	6.00%
Rate of compensation increase	3.06%	3.30%	3.05%	3.25%

Weighted average assumptions used to determine net costs for years ended at December 31	Pension Benefits 2004	2003	Other Benefits 2004	2003
Discount rate	6.00%	6.75%	6.00%	6.75%
Expected long-term return on plan assets	9.00%	9.00%	9.00%	9.00%
Rate of compensation increase	3.30%	4.10%	3.25%	4.00%

Primarily as a result of lower discount rates and historical losses in the market value of plan assets, the Company recorded a minimum pension liability offset by an intangible asset and OCI. The amounts recognized in Great Plains Energy's and consolidated KCP&L's balance sheets related to the minimum pension liability are detailed in the following table.

	Great Plains Energy December 31 2004	2003	Consolidated KCP&L December 31 2004	2003
	(millions)			
Additional minimum pension liability	$ 84.2	$ 78.4	$ 79.8	$ 74.4
Intangible asset	15.6	17.4	14.6	16.5
Deferred taxes	26.3	23.8	25.0	22.6
OCI, net of tax	42.3	37.2	40.2	35.3

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. The health care plan requires retirees to share in the cost when premiums exceed a certain amount. The following table provides information on the assumed health care rate trends.

Assumed Health Care Cost Trends at December 31	2004	2003

Health care cost trend rate assumed for next year	10%	9%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5%	5%
Year that the rate reaches the ultimate trend rate	2010	2008

The effects of a one-percentage point change in the medical cost trend rates, holding all other assumptions constant, as of December 31, 2004, are detailed in the following table.

	Increase	Decrease
	(thousands)	
Effect on total service and interest component	$ 73	$ (62)
Effect on postretirement benefit obligation	$ 732	$ (647)

The Company expects to contribute $4.7 million to its pension plans and $4.3 million to its other postretirement benefit plans in 2005. The Company's funding policy is to contribute amounts sufficient to meet the minimum funding requirements of employee benefit and tax regulations plus additional amounts as deemed fiscally appropriate, therefore actual contributions may differ from expected contributions.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid through fiscal 2014.

	Pension Benefits	Other Benefits
	(thousands)	
2005	$ 32,934	$ 5,479
2006	35,827	5,984
2007	36,532	6,739
2008	37,262	7,497
2009	39,358	8,205
2010-2014	238,915	51,370

Employee Savings Plans
Great Plains Energy has defined contribution savings plans that cover substantially all employees. The Company matches employee contributions, subject to limits. The annual cost of the plans was $4.3 million in 2004 and $4.1 million in 2003 and 2002.

Strategic Energy Phantom Stock Plan
Strategic Energy had a phantom stock plan that provided incentive in the form of deferred compensation based upon the award of performance units, the value of which was related to the increase in profitability of Strategic Energy. The plan was terminated and an insignificant amount of costs were recorded in 2004. Strategic Energy's annual cost for the plan was $4.6 million and $5.9 million in 2003 and 2002, respectively.

10. EQUITY COMPENSATION

The Company's Long-Term Incentive Plan is an equity compensation plan approved by its shareholders. The Long-Term Incentive Plan permits the grant of restricted stock, stock options, limited stock appreciation rights and performance shares to officers and other employees of the Company and its subsidiaries. The maximum number of shares of Great Plains Energy common stock that can be issued under the plan is 3.0 million. At December 31, 2004, 2.2 million shares remained available for future issuance.

Stock Options Granted 1995
The exercise price of stock options granted equaled the market price of the Company's common stock on the grant date. An amount equal to the quarterly dividends paid on Great Plains Energy common

stock shares (dividend equivalents) accrues on the options for the benefit of option holders. The option holders are entitled to stock for their accumulated dividend equivalents only if the options are exercised when the market price is above the exercise price. At December 31, 2004, the market price of Great Plains Energy common stock was $30.28, which exceeded the grant price for all such options still outstanding. Unexercised options expire ten years after the grant date. For options outstanding at December 31, 2004, the grant price was $23.0625 and the remaining contractual life was 0.4 years.

Prior to the adoption of SFAS No. 123 on January 1, 2003, Great Plains Energy followed Accounting Principles Board (APB) Opinion 25, "Accounting for Stock Issued to Employees" and related interpretations in accounting for these options. Great Plains Energy recognized annual compensation expense equal to accumulated and reinvested dividends plus the impact of the change in stock price since the grant date. Great Plains Energy recognized compensation expense of $0.1 million in 2002. These options were fully vested prior to the adoption of SFAS No. 123; therefore, no compensation expense was recognized in 2003 or 2004.

Stock Options Granted 2001 – 2003
Stock options were granted under the plan at the fair market value of the shares on the grant date. The options vest three years after the grant date and expire in ten years if not exercised. Exercise prices range from $24.90 to $27.73 and the weighted-average remaining contractual life at December 31, 2004 was 6.9 years.

In accordance with the provisions of SFAS No. 123, the Company recognized an insignificant amount of compensation expense in 2004 and 2003. Under the provisions of APB Opinion 25, no compensation expense was recognized in 2002 because the option exercise price was equal to the market price of the underlying stock on the date of grant.

The fair value for the stock options granted in 2001 – 2003 was estimated at the date of grant using the Black-Scholes option-pricing model. The option valuation model requires the input of highly subjective assumptions, primarily stock price volatility, changes in which can materially affect the fair value estimate. The weighted-average assumptions used are detailed in the following table.

	2003	2002	2001
Risk-free interest rate	4.77 %	4.57 %	5.53 %
Dividend yield	6.88 %	7.68 %	6.37 %
Stock volatility	22.650 %	27.503 %	25.879 %
Expected option life (in years)	10	10	10

All stock option activity for the last three years is summarized in the following table.

	2004		2003		2002	
	Shares	Price*	Shares	Price*	Shares	Price*
Outstanding at January 1	241,898	$25.41	397,000	$25.21	250,375	$25.14
Granted	-	-	27,898	27.73	181,000	24.90
Exercised	(26,000)	24.79	(16,000)	26.19	(34,375)	23.00
Forfeited	(19,925)	25.50	(167,000)	25.26	-	-
Outstanding at December 31	195,973	$25.48	241,898	$25.41	397,000	$25.21
Exercisable as of December 31	75,000	$25.43	7,000	$21.67	23,000	$24.81

* Weighted-average price

Performance Shares
The number of performance shares granted may increase or decrease depending on company performance goals as compared to a peer group of utilities, over a three-year vesting period. The issuance of performance shares is contingent upon achievement of these goals. Performance shares have a value equal to the fair market value of the shares on the grant date with accruing dividends. During 2004, 1,431 of the 20,744 performance shares granted in 2003 were forfeited, and at December 31, 2004, 19,313 shares were outstanding. No additional shares were granted in 2004. In accordance with the provisions of SFAS No. 123, compensation expense and accrued dividends are recognized over the vesting period based on the Company's estimate of the number of shares to be issued. The Company recognized an insignificant amount of compensation expense in 2004 and $0.4 million in 2003.

During 2003, all 144,500 performance shares granted in 2001 were canceled. No compensation expense had been recorded related to these performance shares.

Restricted Stock
Restricted stock cannot be sold or otherwise transferred by the recipient prior to vesting and has a value equal to the fair market value of the shares on the grant date. Restricted stock granted in 2004 and 2003 totaled 13,333 and 120,196, respectively. Restricted stock shares issued in 2003 totaling 57,315 vested in 2003 and were issued out of treasury stock; however, 54,436 of these shares were restricted as to transfer until December 31, 2004, but were considered vested under SFAS No. 123 because the employee's right to retain the shares of stock was not contingent upon remaining in the service of the Company and was not contingent upon achievement of performance conditions. The remaining restricted stock shares issued in 2004 and 2003, totaling 76,214, vest on a graded schedule over a three-year period with accruing reinvested dividends. The Company recognized compensation expense of $0.6 million and $1.8 million in 2004 and 2003, respectively.

11. INCOME TAXES

Components of income tax expense (benefit) are detailed in the following tables.

Great Plains Energy	2004	2003	2002
Current income taxes		(thousands)	
Federal	$ 19,898	$ 12,024	$ 27,505
State	13,255	8,896	9,369
Total	33,153	20,920	36,874
Deferred income taxes			
Federal	45,811	23,299	13,915
State	(15,492)	3,497	1,679

Total	30,319	26,796	15,594
Investment tax credit amortization	(3,984)	(3,994)	(4,183)
Total income tax expense	59,488	43,722	48,285
Less: taxes on discontinued operations (Notes 6 and 7)			
Current tax benefit	(4,996)	(31,167)	(6,648)
Deferred tax (benefit) expense	10,033	(3,676)	3,585
Income taxes on continuing operations	$ 54,451	$ 78,565	$ 51,348

Consolidated KCP&L	**2004**	**2003**	**2002**
Current income taxes		(thousands)	
Federal	$ 39,232	$ 26,063	$ 47,027
State	6,654	5,688	8,668
Total	45,886	31,751	55,695
Deferred income taxes			
Federal	22,226	37,140	9,391
State	(11,365)	6,883	1,964
Total	10,861	44,023	11,355
Investment tax credit amortization	(3,984)	(3,994)	(4,183)
Total income tax expense	52,763	71,780	62,867
Less: taxes on discontinued operations (Notes 6 and 7)			
Current tax (benefit) expense	-	(21,530)	10
Deferred tax expense	-	9,738	-
Income taxes on continuing operations	$ 52,763	$ 83,572	$ 62,857

Effective Income Tax Rates

The effective income tax rates reflected in the financial statements and the reasons for their differences from the statutory federal rates are in the following tables.

Great Plains Energy	**2004**	**2003**	**2002**
Federal statutory income tax rate	35.0 %	35.0 %	35.0 %
Differences between book and tax depreciation not normalized	0.6	2.1	1.9
Amortization of investment tax credits	(1.7)	(2.1)	(2.4)
Federal income tax credits	(5.3)	(7.7)	(11.3)
State income taxes	3.3	4.8	4.1
State effective rate change on deferred taxes	(3.6)	-	-
Valuation allowance	0.2	(8.4)	-
RSAE [(a)]	-	(1.9)	1.4
Other	(3.5)	1.5	(1.0)
Effective income tax rate	25.0 %	23.3 %	27.7 %

Consolidated KCP&L	**2004**	**2003**	**2002**
Federal statutory income tax rate	35.0 %	35.0 %	35.0 %
Differences between book and tax depreciation not normalized	0.7	2.1	2.1
Amortization of investment tax credits	(2.0)	(2.1)	(2.6)
State income taxes	3.4	4.3	4.4
State effective rate change on deferred taxes	(4.4)	-	-
Allocation of parent company tax benefits	(3.0)	-	-
RSAE [(a)]	-	(1.9)	1.5

Other	(2.7)	0.6	(0.8)
Effective income tax rate	27.0 %	38.0 %	39.6 %

[a] Amounts reflect the tax effect of operations in 2002 and the effect of the disposition in 2003.

Great Plains Energy and consolidated KCP&L's income tax expense decreased by $10.8 million and $10.1 million, respectively, due to the favorable impact of state tax planning on the companies' composite tax rates. SFAS No. 109, "Accounting for Income Taxes" requires the companies to adjust

deferred tax balances to reflect tax rates that are anticipated to be in effect when the differences reverse. The largest component of the companies' decreases in income taxes was the result of adjusting KCP&L's deferred tax balance to its lower composite tax rate. The impact of the composite tax rate reductions on KCP&L's deferred tax balances resulted in an $8.6 million tax benefit for both the Company and consolidated KCP&L. The change in the deferred tax balances reduced the Company's and consolidated KCP&L's 2004 effective tax rates by 3.6% and 4.4%, respectively.

Deferred Income Taxes

The tax effects of major temporary differences resulting in deferred tax assets and liabilities in the balance sheets are in the following table.

	Great Plains Energy		Consolidated KCP&L	
December 31	**2004**	**2003**	**2004**	**2003**
	(thousands)			
Plant related	$ 556,543	$ 543,840	$ 556,543	$ 543,840
Future income taxes	81,000	89,000	81,000	89,000
Pension and postretirement benefits	9,047	6,838	9,239	7,768
Tax credit carryforwards	(23,661)	(22,393)	-	-
Gas properties related	3,356	(6,640)	-	-
Nuclear fuel outage	(5,061)	(686)	(5,061)	(686)
Alternative minimum tax credit carryforward	(4,093)	(4,093)	-	-
State net operating loss carryforward	(476)	-	-	-
Other	1,964	(7,252)	(484)	1,065
Net deferred tax liability before valuation allowance	618,619	598,614	641,237	640,987
Valuation allowance	476	-	-	-
Less deferred taxes in discontinued operations (Notes 6 and 7)	-	10,033	-	-
Net deferred tax liability	$ 619,095	$ 608,647	$ 641,237	$ 640,987

The net deferred income tax liability is detailed in the following table.

	Great Plains Energy		Consolidated KCP&L	
December 31	**2004**	**2003**	**2004**	**2003**
	(thousands)			
Gross deferred income tax assets	$ (144,324)	$ (131,968)	$ (120,739)	$ (99,936)
Gross deferred income tax liabilities	763,419	740,615	761,976	740,923
Net deferred income tax liability	$ 619,095	$ 608,647	$ 641,237	$ 640,987

Tax Credit Carryforwards

At December 31, 2004, the Company had $7.3 million and $16.4 million of federal and Missouri state income tax credit carryforwards, respectively. These credits relate primarily to the Company's low-income housing investment portfolio, and the carryforwards expire in years 2006 to 2024. Management believes the credits will be fully utilized within the carryforward period.

Net Operating Loss Carryforwards

At December 31, 2004, KLT Inc. and subsidiaries had Kansas state net operating loss carryforwards of $10.0 million primarily resulting from losses associated with DTI. KLT Inc. and subsidiaries moved its corporate headquarters to Missouri in 2003, and as a result, will not have sufficient presence in Kansas to utilize the losses. The Kansas state net operating loss carryforwards expire in years 2011 to 2012.

In 2004, management determined that the loss carryforwards will more likely than not expire unutilized and has provided a valuation allowance against the entire deferred tax benefit.

Reserve for Contingent Tax Liabilities
Management evaluates and records contingent tax liabilities based on the probability of ultimately sustaining the tax deductions or income positions. Management assesses the probabilities of successfully defending the tax deductions or income positions based upon statutory, judicial or administrative authority.

At December 31, 2004 and 2003, the Company had $13.4 million and $16.8 million, respectively, of liabilities for contingencies related to tax deductions or income positions taken on the Company's tax returns. Consolidated KCP&L had liabilities of $3.7 million and $6.4 million at December 31, 2004 and 2003, respectively. Management believes the tax deductions or income positions are properly treated on such tax returns, but has recorded reserves based upon its assessment of the probabilities that certain deductions or income positions may not be sustained when the returns are audited. The tax returns containing these tax deductions or income positions are currently under audit or will likely be audited. The timing of the resolution of these audits is uncertain. If the positions are ultimately sustained, the Company will reverse these tax provisions to income. If the positions are not ultimately sustained, the Company may be required to make cash payments plus interest and/or utilize the Company's federal and state credit carryforwards.

Internal Revenue Service Settlement
In November 2002, KCP&L accepted a settlement offer related to the proposed disallowance of interest deductions on corporate-owned life insurance (COLI) loans. The offer allowed 20% of the interest originally deducted and taxed only 20% of the gain on surrender of the COLI policies. KCP&L surrendered the policies in February 2003. KCP&L paid $1.3 million to the IRS in 2003 to satisfy the liability associated with the surrender. In December 2004, KCP&L settled the 1995-1999 IRS audit and paid tax of $7.3 million and interest of $4.2 million related to the disallowed COLI interest deduction. KCP&L accrued for these payments in 2000.

In addition to COLI, as part of the settlement of the 1995-1999 IRS audit, consolidated KCP&L agreed to additional tax of $6.9 million and interest of $5.9 million related primarily to timing differences. This settlement did not have a significant impact on consolidated KCP&L's net income because the liability had been previously recorded in the liabilities for tax contingencies or had offsetting impacts on deferred taxes.

12. RELATED PARTY TRANSACTIONS AND RELATIONSHIPS

In May 2004, Great Plains Energy, through IEC, completed its purchase from SE Holdings, L.L.C. (SE Holdings) of an additional 11.45% indirect interest in Strategic Energy. The purchase increased Great Plains Energy's indirect ownership of Strategic Energy to just under 100%. See Note 8 for additional information regarding the purchase transaction. Richard Zomnir, who resigned as Chief Executive Officer of Strategic Energy in November 2004, and certain other current and former employees of Strategic Energy held direct or indirect interests in SE Holdings. Mr. Zomnir has disclosed that he held an approximate 25% interest in SE Holdings. In connection with the transaction, Mr. Zomnir and other direct and indirect owners of SE Holdings entered into an agreement with IEC and Strategic Energy, providing for certain indemnification rights related to the litigation described in Note 15.

SE Holdings remains a member of Custom Energy Holdings, L.L.C. (Custom Energy Holdings) and is represented on the Management Committees of Custom Energy Holdings and Strategic Energy. Custom Energy Holdings' business and affairs are controlled and managed by a three member Management Committee composed of one representative designated by KLT Energy Services Inc.

(KLT Energy Services), one representative designated by IEC, and one representative designated by SE Holdings. Certain actions (including amendment of Custom Energy Holdings' operating agreement, approval of actions in contravention of the operating agreement, approval of a dissolution of Custom Energy Holdings, additional capital contributions and assumption of recourse indebtedness) require the unanimous consent of all the members of Custom Energy Holdings.

Strategic Energy's business and affairs are controlled and managed by a four member Management Committee composed of two representatives designated by KLT Energy Services, one representative designated by IEC and one representative designated by SE Holdings. Certain actions (including amendment of Strategic Energy's operating agreement, approval of actions in contravention of the operating agreement, approval of transactions between Strategic Energy and affiliates of its members, approval of a dissolution of Strategic Energy, and assumption of recourse indebtedness) require the unanimous consent of all the Management Committee members.

Pursuant to a service agreement approved by the SEC under the 35 Act, consolidated KCP&L began receiving various support and administrative services from Services. These services are billed to consolidated KCP&L at cost based on payroll and other expenses incurred by Services for the benefit of consolidated KCP&L. These costs totaled $62.7 million and $45.2 million for 2004 and 2003, respectively, and consisted primarily of employee compensation, benefits and fees associated with various professional services. At December 31, 2004 and 2003, consolidated KCP&L had a net intercompany payable to Services of $9.2 million and $10.9 million, respectively.

13. COMMITMENTS AND CONTINGENCIES

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

Liability Insurance
Pursuant to the Price-Anderson Act, the Owners are required to insure against public liability claims resulting from nuclear incidents to the full limit of public liability, which is currently $10.8 billion. This limit of liability consists of the maximum available commercial insurance of $0.3 billion, and the remaining $10.5 billion is provided through an industry-wide retrospective assessment program mandated by the NRC. Under this retrospective assessment program, the Owners can be assessed up to $100.6 million ($47.3 million, KCP&L's 47% share) per incident at any commercial reactor in the country, payable at no more than $10

million ($4.7 million, KCP&L's 47% share) per incident per year. This assessment is subject to an inflation adjustment based on the Consumer Price Index and applicable premium taxes. This assessment also applies in excess of our worker radiation claims

insurance. In addition, the U.S. Congress could impose additional revenue-raising measures to pay claims. If the $10.8 billion liability limitation is insufficient, management believes the U.S. Congress will consider taking whatever action is necessary to compensate the public for valid claims.

The Price-Anderson Act expired in August 2002 and was extended until December 31, 2003 for Licensees. Licensees such as Wolf Creek continue to be grandfathered under the Act. A current version of a comprehensive energy bill pending before Congress contains provisions that would amend the Price-Anderson Act addressing public liability from nuclear energy hazards in ways that would increase the annual limit on retrospective assessments from $10 million to $15 million per reactor per incident.

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

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

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

Under all NEIL policies, the Owners are subject to retrospective assessments if NEIL losses, for each policy year, exceed the accumulated funds available to the insurer under that policy. The estimated maximum amount of retrospective assessments under the current policies could total about $26.0 million ($12.2 million, KCP&L's 47% share) per policy year.

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

Low-Level Waste
The Low-Level Radioactive Waste Policy Amendments Act of 1985 mandated that the various states, individually or through interstate compacts, develop alternative low-level radioactive waste disposal facilities. The states of Kansas, Nebraska, Arkansas, Louisiana and Oklahoma formed the Central Interstate Low-Level Radioactive Waste Compact (Compact) and selected a site in northern Nebraska to locate a disposal facility. WCNOC and the owners of the other five nuclear units in the Compact provided most of the pre-construction financing for this project. KCP&L's net investment in the Compact was $7.4 million at December 31, 2004, and December 31, 2003.

On December 18, 1998, the application for a license to construct this project was denied. After the license denial, WCNOC, the Compact Commission (Commission) and others filed a lawsuit in federal court contending Nebraska officials acted in bad faith while handling the license application. In September 2002, the U.S. District Court Judge presiding over the lawsuit issued his decision in the case finding that the State of Nebraska acted in bad faith in processing the license application for a low-

level radioactive waste disposal site in Nebraska and rendered a judgment on behalf of the Commission in the amount of $151.4 million against the state. After the U.S. Court of Appeals affirmed the decision, Nebraska and the Commission settled the case by Nebraska agreeing to pay the Commission either a one-time amount of $140.5 million or four annual installments of $38.5 million each beginning on August 1, 2005. All related litigation and appeals have been dismissed. Upon final payment, Nebraska will be relieved of its responsibility to host a disposal facility. The Commission has begun seeking alternative long-term waste disposal capability elsewhere. WCNOC intends to pursue with the Commission the possibility of recovering from the settlement proceeds some of WCNOC's contributions to the Nebraska facility's pre-licensing effort. Based on the contribution of the respective utilities in relation to the total settlement amount, management believes the settlement proceeds would be sufficient to recover KCP&L's $7.4 million net investment in the Compact.

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

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

KCP&L operates in an environmentally responsible manner and seeks to use current technology to avoid and treat contamination. KCP&L regularly conducts environmental audits designed to ensure compliance with governmental regulations and to detect contamination. Governmental bodies, however, may impose additional or more restrictive environmental regulations that could require substantial changes to operations or facilities at a significant cost. At December 31, 2004 and 2003, KCP&L had $0.3 million and $1.8 million, respectively, accrued for environmental remediation expenses. The remaining accrual covers water

monitoring at one site. The amounts accrued were established on an undiscounted basis and KCP&L does not currently have an estimated time frame over which the accrued amounts may be paid out.

On April 15, 2004, the EPA issued to KCP&L a notice of violation of Hawthorn No. 5 permit limits on sulfur dioxide (SO_2) emissions. SO_2 emissions from Hawthorn No. 5 exceeded the applicable thirty-day rolling average emission limit on certain days in the third and fourth quarters of 2003 and also exceeded the applicable 24-hour emission limit on one day in the fourth quarter of 2003. These exceedances occurred while the unit was operating in compliance with an exception protocol that had been accepted by the issuer of the air permit. The equipment issues that caused these violations have been addressed by KCP&L. In September 2004, KCP&L finalized a consent order with the EPA, agreeing to pay a civil penalty and fund certain Kansas City metro environmental projects at an aggregate cost of $0.4 million.

Discussed below are issues that may require material expenditures to comply with environmental laws and regulations. KCP&L's expectation is that any such expenditures will be recovered through rates.

Clean Air Legislation

Congress is currently debating numerous bills that could make significant changes to the Clean Air Act Amendments of 1990 (Clean Air Act) including potential establishment of nationwide limits on power plant emissions for several specific pollutants. Some of these bills address oxides of sulfur and nitrogen (SO_x and NO_x), mercury and carbon dioxide (CO_2), while other bills address SO_x, NO_x and mercury, and some legislative bills address CO_2 by itself. There are various compliance dates and compliance limits stipulated in the numerous legislative bills being debated. These bills have the potential for a significant financial impact on KCP&L through the installation of new pollution control equipment to achieve compliance if new nationwide limits are enacted. The financial consequences to KCP&L cannot be accurately determined until the final legislation is passed. However, KCP&L would seek recovery of capital costs and expenses for such compliance through rates. KCP&L will continue to monitor the progress of these bills.

EPA Phase II NO_x SIP Call

On April 1, 2004, the Environmental Protection Agency (EPA) issued final Phase II NO_x State Implementation Plan (SIP) Call regulation, which specifically excludes coal-fired power plants in the western part of Missouri, including all of KCP&L's Missouri coal-fired plants, from the NO_x SIP Call. The final Phase II NO_x SIP Call was contained in the April 21, 2004, Federal Register with an effective date of June 7, 2004. This action completes the EPA's response to several decisions from the U.S. Court of Appeals for the District of Columbia.

NO_x and SO_2 Regulations-Proposed Clean Air Interstate Rule

The EPA published a proposed regulation in the January 30, 2004, Federal Register titled the Interstate Air Quality Rule, which addresses SO_2 and NO_x emissions. This title was subsequently changed to the Clean Air Interstate Rule (CAIR). A supplemental proposal for the CAIR was published in the June 10, 2004, Federal Register. The proposed CAIR is designed to reduce NO_x and SO_2 emissions 65% and 70%, respectively, below current levels in a two-phased program between 2010 and 2015.

If coal-fired plants in Missouri and Kansas are required to implement reductions under the proposed CAIR, KCP&L would need to incur significant capital costs, purchase power or purchase emission allowances. Preliminary analysis of the proposed regulation indicates that selective catalytic reduction technology for NO_x control and scrubbers for SO_2 control may be required for some of the KCP&L units. Currently, KCP&L estimates that additional capital expenditures could range from $385 million to $555 million. The timing of the installation of such control equipment is uncertain pending the final regulation being issued. The final regulation is expected to contain specific compliance dates and compliance levels, final determination of whether Kansas and/or Missouri are included (as they are in the proposed rules), as well as the applicability of accumulated SO_2 allowances for future compliance. KCP&L is currently allocated approximately 50,000 tons of SO_2 allowances per year to support its emissions of approximately 50,000 tons per year. KCP&L has accumulated over 190,000 tons of allocated SO_2 allowances; however, the disposition of such credits is subject to regulatory approvals from both Kansas and Missouri. KCP&L continues to refine these preliminary estimates and explore alternatives. The ultimate cost of these regulations, if any, could be significantly different from the amounts estimated above. The CAIR is scheduled to be finalized in March 2005. As discussed below, certain of the control technology for SO_2 and NO_x will also aid in the control of mercury. If mercury controls, as discussed below, are required to be implemented prior to the CAIR, the above estimates could be reduced by $100 million to $144 million.

In the May 5, 2004, Federal Register, the EPA published proposed regulations on best available retrofit technology (BART) that would amend its July 1999 regional haze regulations regarding emission controls for industrial facilities emitting air pollutants that reduce visibility. The BART requirement would direct state air quality agencies to identify whether emissions from sources subject to BART are below limits set by the state, or whether retrofit measures are needed to reduce the emissions below those

limits. If the proposed BART regulations are adopted, they will apply to KCP&L units Montrose No. 3, LaCygne No. 1, LaCygne No. 2 and Iatan. Based on the results of the state air quality studies, KCP&L could be required to achieve compliance by making capital expenditures that would be similar to those required for the proposed CAIR. The EPA is scheduled to adopt final regulations by April 15, 2005; however, if the proposed CAIR is adopted, management believes the EPA will reevaluate the need for the proposed BART regulation.

Mercury Emissions

In July 2000, the National Research Council published its findings of a study under the Clean Air Act, which stated that power plants that burn fossil fuels, particularly coal, generate the greatest amount of mercury emissions from man-made sources. As a result, in the January 30, 2004, and March 16, 2004, Federal Registers, the EPA published proposed regulations for controlling mercury emissions from coal-fired power plants that contained three options. Two of the options, the EPA's preferred approaches, call for regulating mercury via emission trading regimes under section 111 or section 112 of the Clean Air Act (cap and

trade options), and the third option would require utilities to install controls known as maximum achievable control technology (MACT). The EPA is scheduled to issue final rules by March 2005.

Under either of the cap and trade options, both of which would become applicable in 2010, the EPA would establish a mechanism by which mercury emissions from new and existing coal-fired plants would be capped at specified, nationwide levels. A first phase cap of 34 tons would become effective on January 1, 2010, and a second phase cap of 15 tons would become effective on January 1, 2018. Facilities would demonstrate compliance with the standard by holding one allowance for each ounce of mercury emitted in any given year and allowances would be readily transferable among all regulated facilities nationwide. Under the cap and trade options, KCP&L would be able to purchase mercury allowances that would be available nationwide or elect to install pollution control equipment to achieve compliance. While it is expected that mercury allowances would be available in sufficient quantities for purchase in the 2010-2018 timeframe, the significant reduction in the nationwide cap in 2018 may hamper KCP&L's ability to obtain reasonably priced allowances beyond 2018. Therefore, capital expenditures may be required in the 2016-2018 timeframe to install mercury pollution control equipment.

Under the MACT option, KCP&L could incur capital expenses prior to the 2007-2008 timeframe when the regulation would be applicable. This option would require compliance on a facility basis and therefore the option of trading nationwide mercury allowances would not be available. The EPA stated in the preamble that there are no adequately demonstrated control technologies specifically designed to reduce mercury emissions from coal-fired plants. However, the EPA also stated it is confident such technologies will be commercially available by 2007. There is currently considerable debate at the EPA and within the utility industry whether the installation of pollution control equipment for the control of NO_x and SO_2 under the CAIR might simultaneously remove mercury to the specified MACT regulatory levels, which is referred to as the co-benefit approach. If this approach is correct, and if the CAIR became final and all of KCP&L's units were subject to the final regulation, KCP&L would not be required to install additional mercury control equipment to achieve compliance with this regulation. However, if the co-benefit approach is not correct, or if KCP&L units located in Missouri and/or Kansas were not included in the final CAIR regulation, KCP&L would be required to install mercury control equipment prior to 2007. If KCP&L were required to install mercury control equipment on all of its coal-fired plants, it is anticipated that activated carbon injection or comparable technology in conjunction with a baghouse would need to be installed at a projected cost to KCP&L ranging from $170 million to $245 million.

KCP&L is a participant in the DOE project at the Sunflower Electric Holcomb plant to investigate control technology options for mercury removal from coal-fired plants burning sub bituminous coal.

Carbon Dioxide

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

There are several bills being debated in the U.S. Congress that address the CO_2 issue, including establishing a nationwide cap on CO_2 levels. There are various compliance dates and nationwide caps stipulated in the numerous legislative bills being debated. These bills have the potential for a significant financial impact on KCP&L in conjunction with achieving compliance with the proposed new nationwide limits. However, the financial consequences to KCP&L cannot be determined until final legislation is passed. KCP&L will continue to monitor the progress of these bills.

On February 14, 2002, President Bush unveiled his Clear Skies Initiative, which included a climate change policy. The climate change policy is a voluntary program that relies heavily on incentives to encourage industry to voluntarily limit emissions. The strategy includes tax credits, energy conservation programs, funding for research into new technologies, and a plan to encourage companies to track and report their emissions so that companies could gain credits for use in any future emissions trading program. The greenhouse strategy links growth in emissions of greenhouse gases to economic output. The administration's strategy is intended to reduce the greenhouse gas intensity of the U.S. economy by 18% over the next 10 years. Greenhouse gas intensity measures the ratio of greenhouse gas emissions to economic output as measured by Gross Domestic Product (GDP). Under this plan, as the economy grows, greenhouse gases also would continue to grow, although at a slower rate than they would have without these policies in place. When viewed per unit of economic output, the rate of emissions would drop. The plan projects that the U.S. will lower its rate of greenhouse gas emissions from an estimated 183 metric tons per $1 million of GDP in 2002 to 151 metric tons per $1 million of GDP by 2012.

On December 19, 2002, Great Plains Energy joined the Power Partners through Edison Electric Institute (EEI). Power Partners is a voluntary program with the DOE under which utilities commit to undertake measures to reduce, avoid or sequester CO_2 emissions. Eventually, industry sectors and individual companies are expected to enter into an umbrella memorandum of understanding (MOU) that will set forth programs for industries and individual companies to reduce greenhouse gas emissions.

On January 17, 2003, the EEI sent a letter to numerous Administration officials, in which the EEI committed to work with the government over the next decade to reduce the power sector's CO_2 emissions per kWh generated (carbon intensity) by the equivalent of 3% to 5% of the current level.

On December 13, 2004, Power Partners entered into a cooperative umbrella MOU with the DOE. This MOU contains supply and demand-side actions as well as offset projects that will be undertaken to reduce the power sector's CO_2 emissions per kWh generated over the next decade consistent with the EEI commitment of 3% to 5%. Individual companies, including KCP&L, will now begin entering into agreements with the DOE that set forth quantitative, concrete and specific activities to reduce, avoid or sequester greenhouse gases.

EPA New Source Review

The EPA is conducting an enforcement initiative under Section 114(a) of the Clean Air Act to determine whether modifications at selected coal-fired plants across the U.S. may have been subject to New Source Performance Standards (NSPS) or New Source Review (NSR) requirements. After an operator has received a Section 114 letter, the EPA requests data and reviews all expenditures at the plants to determine if they were routine maintenance or whether the expenditures were for substantial

modifications or resulted in improved operations. If a plant, subject to a Section 114 letter, is determined to have been subject to NSPS or NSR, the plant could be required to install best available control technology or lowest achievable emission rate technology. KCP&L has not received a Section 114 letter to date.

Air Particulate Matter and Ozone

In July 1997, the EPA revised ozone and particulate matter air quality standards creating a new eight-hour ozone standard and establishing a new standard for particulate matter less than 2.5 microns (PM-2.5) in diameter. These standards were challenged in Federal court. However, the courts ultimately denied all state, industry and environmental groups petitions for review and thus upheld as valid the EPA's new eight-hour ozone and PM-2.5 National Ambient Air Quality Standards (NAAQS). In so doing, the court held that the EPA acted consistently with the Clean Air Act in setting the standards at the levels it chose and the EPA's actions were reasonable and not arbitrary and capricious, and cited the deference given the EPA's decision-making authority. The court stated that the extensive records established for each rule supported the EPA's actions in both rulemakings. This removed the last major hurdle to the EPA's implementation of stricter ambient air quality standards for ozone and fine particles. On December 17, 2004, the EPA designated the Kansas City area as attainment with respect to the PM-2.5 NAAQS.

On April 15, 2004, the EPA designated the Kansas City area as unclassifiable with respect to the eight-hour ozone NAAQS based on 2003 ozone season data. In the February 10, 2005, Federal Register, the EPA issued a proposed rule to redesignate Johnson, Linn, Miami and Wyandotte Counties in Kansas and Cass, Clay, Jackson and Platte Counties in Missouri to attainment for the eight-hour ozone standard. The EPA is scheduled to designate attainment areas for the eight-hour ozone NAAQS by April 15, 2005.

Water Use Regulations

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

Southwest Power Pool Regional Transmission Organization

Under the FERC Order 2000, KCP&L, as an investor-owned utility, is strongly encouraged to join a FERC approved Regional Transmission Organization (RTO). RTOs combine transmission operations of utility businesses into regional organizations that schedule transmission services and monitor the energy market to ensure regional transmission reliability and non-discriminatory access. The Southwest Power Pool (SPP), of which KCP&L is a member, obtained approval from FERC as an RTO in a January 24, 2005, order. KCP&L intends on participating in the SPP RTO; however, state regulatory approvals are required. KCP&L anticipates making the necessary applications to the MPSC and the KCC, during the second quarter of 2005 upon completion of the regional cost/benefit analysis currently being conducted for the SPP RTO. This cost/benefit analysis is being conducted under the

direction of the SPP Regional State Committee (composed of state commissions from the states where the SPP RTO operates) and is expected to be completed in the first quarter of 2005.

Pennsylvania Gross Receipts Tax Contingency

In January 2005, Strategic Energy was advised by the Pennsylvania Department of Revenue of a potential tax deficiency relating to state gross receipts tax on Strategic Energy's Provider of Last Resort (POLR) revenues from 2000 to 2002. After consulting with external legal counsel, management believes the Pennsylvania Department of Revenue does not have an appropriate basis for a tax deficiency claim. Management believes, but cannot assure, that Strategic Energy will prevail if a claim is formally asserted. Strategic Energy has not accrued for any portion of this contingency at December 31, 2004. If this claim is formally asserted and the Pennsylvania Department of Revenue is successful, Strategic Energy's total anticipated loss for the period 2000 through 2004 is a maximum of $16.4 million.

Income Tax Contingencies

See Note 11 for information regarding income tax contingences.

Contractual Commitments

Great Plains Energy's and consolidated KCP&L's expenses related to lease commitments are detailed in the following table.

	2004	2003	2002
		(millions)	
Consolidated KCP&L	$ 18.4	$ 23.1	$ 25.7
Other Great Plains Energy [(a)]	1.9	1.0	1.7
Total Great Plains Energy	$ 20.3	$ 24.1	$ 27.4

[(a)] Includes insignificant amounts related to discontinued operations.

Great Plains Energy's and consolidated KCP&L's contractual commitments excluding pensions and long-term debt are detailed in the following tables.

Great Plains Energy Contractual Commitments

	2005	2006	2007	2008	2009	After 2009	Total
				(millions)			
Lease commitments	$ 21.4	$ 21.7	$ 13.4	$ 11.1	$ 8.7	$ 85.2	$ 161.5

Purchase commitments							
Fuel [(a)]	74.2	80.7	63.7	30.9	7.3	43.2	300.0
Purchased capacity	10.9	5.4	5.5	5.6	4.4	24.8	56.6
Purchased power	697.2	201.5	65.6	10.3	3.7	3.7	982.0
Other	32.9	5.2	4.0	4.7	-	-	46.8
Total contractual commitments	$836.6	$314.5	$152.2	$ 62.6	$ 24.1	$156.9	$ 1,546.9

[(a)] Fuel commitments consists of commitments for nuclear fuel, coal and coal transportation costs.

Consolidated KCP&L Contractual Commitments

	2005	2006	2007	2008	2009	After 2009	Total
				(millions)			
Lease commitments	$ 20.1	$ 20.5	$ 12.4	$ 10.3	$ 8.7	$ 85.2	$ 157.2
Purchase commitments							
Fuel [(a)]	74.2	80.7	63.7	30.9	7.3	43.2	300.0
Purchased capacity	10.9	5.4	5.5	5.6	4.4	24.8	56.6
Other	32.9	5.2	4.0	4.7	-	-	46.8
Total contractual commitments	$138.1	$ 111.8	$ 85.6	$ 51.5	$ 20.4	$153.2	$ 560.6

[(a)] Fuel commitments consists of commitments for nuclear fuel, coal and coal transportation costs.

Lease commitments end in 2028 and include insignificant amounts for capital leases. These amounts exclude possible termination payments under the synthetic lease arrangement with the Lease Trust. As the managing partner of three jointly owned generating units, KCP&L has entered into leases for railcars to serve those units. Consolidated KCP&L has reflected the entire lease commitment in the above amounts, although the other owners will reimburse about $2.0 million per year ($21.9 million total).

KCP&L purchases capacity from other utilities and nonutility suppliers. Purchasing capacity provides the option to purchase energy if needed or when market prices are favorable. KCP&L has capacity sales agreements not included above that total $11.7 million for 2005, $11.4 million for 2006, $11.2 million per year for 2007 through 2009 and $23.5 million after 2009.

Purchased power represents Strategic Energy’s agreements to purchase electricity at various fixed prices to meet estimated supply requirements. Strategic Energy has energy sales contracts not included above for 2005 through 2007 totaling $69.1 million, $8.7 million and $0.6 million, respectively.

Synthetic Lease

In 2001, KCP&L entered into a synthetic lease arrangement with a Lease Trust (Lessor) to finance the purchase, installation, assembly and construction of five combustion turbines and related property and equipment that added 385 MWs of peaking capacity (Project). Rental payments under the lease, which reflects interest payments only, began in 2004 and end in October 2006. KCP&L’s expense for the synthetic lease was $1.9 million in 2004. Upon a default during the lease period, KCP&L's maximum obligation to the Lessor equals 100% of project costs, approximately $154.0 million. KCP&L’s rental obligation for the years 2005 and 2006 are $5.3 million and $5.9 million, respectively. At the end of the lease term, KCP&L may choose to sell the project for the Lessor, guaranteeing that the Lessor receives a residual value for the Project in an amount, which may be up to 83.21% of the project cost. Alternatively, KCP&L may purchase the facility at an amount equal to the project cost.

The Lease Trust, a special purpose entity, acting as Lessor in the synthetic lease arrangement discussed above, is considered a variable interest entity under FIN No. 46. Because KCP&L has variable interests in the Lease Trust, including among other things, a residual value guarantee provided to the Lessor, KCP&L is the primary beneficiary of the Lease Trust. The Lease Trust was consolidated in 2003, as required by FIN No. 46. As a result, Great Plains Energy’s and consolidated KCP&L’s depreciation expense increased $5.1 million and $1.3 million in 2004 and 2003, respectively, with offsetting recognition of minority interest.

14. GUARANTEES

In the normal course of business, Great Plains Energy and certain of its subsidiaries enter into various agreements providing financial or performance assurance to third parties on behalf of certain subsidiaries. Such agreements include, for example, guarantees and indemnification of letters of credit

and surety bonds. These agreements are entered into primarily to support or enhance the creditworthiness otherwise attributed to a subsidiary on a stand-alone basis, thereby facilitating the extension of sufficient credit to accomplish the subsidiaries’ intended business purposes. The majority of these agreements guarantee the Company’s own future performance, so a liability for the fair value of the obligation is not recorded.

As of December 31, 2004, KCP&L had guarantees, with a maximum potential of $6.4 million, for energy savings under agreements with several customers that expire over the next six years. In most cases, a subcontractor would indemnify KCP&L for any payments made by KCP&L under these guarantees. These guarantees were entered into before December 31, 2002; therefore, a liability was not recorded in accordance with FIN No. 45, “Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Guarantees of Indebtedness of Others.”

15. LEGAL PROCEEDINGS

Strategic Energy
On March 23, 2004, Robert C. Haberstroh filed suit for breach of employment contract and violation of the Pennsylvania Wage Payment Collection Act against Strategic Energy Partners, Ltd. (Partners), SE Holdings and Strategic Energy in the Court of Common Pleas of Allegheny County, Pennsylvania. Mr. Haberstroh claims that he acquired an equity interest in Partners under the terms of his employment agreement and that through a series of transactions, Mr. Haberstroh's equity interest became an equity interest in SE Holdings. In 2001, Mr. Haberstroh's employment was terminated and SE Holdings redeemed his equity interest. Mr. Haberstroh is seeking the loss of his non-equity compensation (including salary, bonus and benefits) and equity compensation and associated distributions (his equity interest in SE Holdings).

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

See Note 12 for further information regarding related party transactions.

KLT Gas
On July 28, 2004, KLT Gas received a Notice and Demand for Arbitration Pursuant to Joint Operating Agreement from SWEPI LP doing business as Shell Western E&P and formerly known as Shell Western E&P Inc. (Shell). Prior to the October 2004 sale (with a July 1, 2004, effective date) of KLT Gas' working interests in certain oil and gas leases in Duval County, Texas to Shell, KLT Gas had a 50% working interest in the leases. Shell held the other 50% working interest and was the operator of the properties under a joint operating agreement, as amended (JOA). Three groups of current or past lessors filed suit against Shell in Duval County, Texas, alleging various claims against Shell. Additionally, Shell has been party to ongoing proceedings before the Texas Railroad Commission relating to a well drilled on acreage adjacent to the properties of Shell and KLT Gas mentioned above. Through arbitration, Shell is seeking recovery from KLT Gas of 50% of the fees and costs incurred in the three lawsuits and the Texas Railroad Commission proceedings and settlement proceeds paid with respect to the three lawsuits, which Shell asserts is a total amount of not less than $5.4 million for KLT Gas' share. Shell is also seeking a declaration that the fees and costs incurred and settlement proceeds paid, including any fees and costs incurred in the future, are reimbursable expenses under the JOA. Shell is seeking a ruling compelling KLT Gas to pay Shell immediately all sums deemed to be due pursuant to the arbitration. On August 17, 2004, KLT Gas submitted its notice of defense generally asserting that there is no contractual basis or implied duty for reimbursement or contribution regarding the settlements and there is no contractual basis for reimbursement or contribution regarding the Texas

Railroad Commission proceedings. KLT Gas also asserted counterclaims based upon misrepresentations and promissory estoppel, gross negligence in imprudent operations, full accounting under the JOA and offset. The arbitration is currently scheduled to begin in May 2005. KLT Gas and its counsel continue to evaluate KLT Gas' rights and obligations under the JOA as well as other possible counterclaims that KLT Gas may have against Shell; however, management is unable to predict the ultimate outcome of this demand for arbitration.

Hawthorn No. 5 Subrogation Litigation
KCP&L filed suit against National Union Fire Insurance Company of Pittsburgh, Pennsylvania (National Union) and Travelers Indemnity Company of Illinois (Travelers) in Missouri state court on June 14, 2002, which was removed to the U.S. District Court for the Western District of Missouri. In 1999, there was a boiler explosion at KCP&L's Hawthorn No. 5 generating unit, which was subsequently reconstructed and returned to service. National Union and Reliance National Insurance had issued a $200 million primary insurance policy and Travelers had issued a $100 million secondary insurance policy covering Hawthorn No. 5. A dispute arose among KCP&L, National Union and Travelers regarding the amount payable under these insurance policies for the reconstruction of Hawthorn No. 5 and replacement power expenses, and KCP&L filed suit against the two carriers. In that suit, KCP&L sought recovery, subject to the limits of the insurance policies, of Hawthorn No. 5 reconstruction costs and replacement power expenses, plus damages and attorneys' fees from National Union for failing to pay the full amount of its insurance policy. In 2004, KCP&L settled with National Union for the amount remaining under the primary insurance policy limit, less the applicable deductible. In January 2005, KCP&L settled with Travelers for $10 million. This settlement does not encompass any alleged subrogation claims Travelers may have against National Union or any alleged subrogation claims with regard to possible future recoveries by National Union and KCP&L in the litigation described in the next paragraph.

KCP&L also filed suit on April 3, 2001, in Jackson County, Missouri Circuit Court against multiple defendants who are alleged to have responsibility for the Hawthorn No. 5 boiler explosion. KCP&L and National Union have entered into a subrogation allocation agreement under which recoveries in this suit are generally allocated 55% to National Union and 45% to KCP&L. Certain defendants have been dismissed from the suit and various other defendants have settled with KCP&L. KCP&L received $38.2 million under the terms of the subrogation allocation agreement. Trial of this case with the one remaining defendant resulted in a March 2004 jury verdict finding KCP&L's damages as a result of the explosion were $452 million. After deduction of amounts received from pre-trial settlements with other defendants and an amount for KCP&L's comparative fault (as determined by the jury), the verdict would have resulted in an award against the defendant of approximately $97.6 million (of which KCP&L would have received $33 million pursuant to the subrogation allocation agreement after payment of attorney's fees). In response to post-trial pleadings filed by the defendant, in May 2004 the trial judge reduced the award against the defendant to $0.2 million. Both KCP&L and the defendant have appealed this case to the Court of Appeals for the Western District of Missouri.

KLT Telecom
On December 31, 2001, a subsidiary of KLT Telecom, DTI Holdings, Inc. (Holdings) and its subsidiaries Digital Teleport Inc. (Digital Teleport) and Digital Teleport of Virginia, Inc., filed separate voluntary petitions in the Bankruptcy Court for the Eastern District of Missouri for reorganization under Chapter 11 of the U.S. Bankruptcy Code. In 2003, the Bankruptcy Court confirmed the plan of reorganization for these three companies. The Bankruptcy Court conducted an evidentiary hearing regarding three priority proofs of claim by the Missouri Department of Revenue (MODOR) in the aggregate amount of $2.8 million (collectively, the MODOR Claim), and ruled substantially in favor of Digital Teleport. MODOR has appealed this ruling. KLT Telecom may receive an additional distribution from the bankruptcy estate; however, the amount and timing of any additional distribution is dependent upon the outcome of the MODOR appeal.

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

put option. The put option provided for the sale by Weinstein of his remaining shares in Holdings to KLT Telecom during a period beginning September 1, 2003, and ending August 31, 2005. The put option provides for an aggregate exercise price for these remaining shares equal to their fair market value with an aggregate floor amount of $15 million. The floor amount of the put option was fully reserved during 2001. On September 2, 2003, Weinstein delivered to KLT Telecom notice of the exercise of his put option. KLT Telecom declined to pay Weinstein any amount under the put option because, among other things, the stock of Holdings has been cancelled and extinguished pursuant to the joint Chapter 11 plan confirmed by the Bankruptcy Court. Weinstein has sued KLT Telecom for allegedly breaching the put option. Trial of this suit is scheduled to begin in May 2005.

16. ASSET RETIREMENT OBLIGATIONS

Effective January 1, 2003, the Company adopted SFAS No. 143. SFAS No. 143 provides accounting requirements for the recognition and measurement of liabilities associated with the retirement of tangible long-lived assets. Under the standard, these liabilities are recognized at fair value as incurred and capitalized as part of the cost of the related long-lived asset. Accretion of the liabilities due to the passage of time is recorded as an operating expense. Retirement obligations associated with long-lived assets included within the scope of SFAS No. 143 are those for which a legal obligation exists under enacted laws, statutes and written or oral contracts, including obligations arising under the doctrine of promissory estoppel.

The adoption of SFAS No. 143 changed the accounting for and the method used to report KCP&L's obligation to decommission its 47% share of Wolf Creek. The legal obligation to decommission Wolf Creek was incurred when the plant was placed in service in 1985. The estimated liability, recognized on KCP&L's balance sheet at January 1, 2003, was based on a third party nuclear decommissioning study conducted in 2002. KCP&L used a credit-adjusted risk free discount rate of 6.42% to calculate the retirement obligation. This estimated rate was based on the rate KCP&L could issue 30-year bonds, adjusted downward to reflect the portion of the anticipated costs in current year dollars that had been funded at date of adoption through a tax-qualified trust fund. The cumulative impact of prior decommissioning accruals recorded consistent with rate orders issued by the MPSC and KCC has been reversed with an offsetting reduction of the regulatory asset established upon adoption of SFAS No. 143, as described below. Amounts collected through these rate orders have been deposited in a legally restricted external trust fund. The fair market value of the trust fund was $84.1 million and $75.0 million at December 31, 2004 and 2003, respectively.

KCP&L also must recognize, where possible to estimate, the future costs to settle other legal liabilities including the removal of water intake structures on rivers, capping/filling of piping at levees following steam power plant closures and capping/closure of ash landfills. Estimates for these liabilities are based on internal engineering estimates of third party costs to remove the assets in satisfaction of legal obligations and have been discounted using credit adjusted risk free rates ranging from 5.25% to 7.50% depending on the anticipated settlement date.

Revisions to the estimated liabilities of KCP&L could occur due to changes in the decommissioning or other cost estimates, extension of the nuclear operating license or changes in federal or state regulatory requirements.

On January 1, 2003, KCP&L recorded an ARO of $99.2 million, reversed the decommissioning liability of $64.6 million previously accrued and increased property and equipment, net of accumulated depreciation, by $18.3 million. KCP&L is a regulated utility subject to the provisions of SFAS No. 71

and management believes it is probable that any differences between expenses under SFAS No. 143 and expenses recovered currently in rates will be recoverable in future rates. As a result, the $16.3 million net cumulative effect ($80.9 million gross cumulative effect net of $64.6 million decommissioning liability previously accrued) of the adoption of SFAS No. 143 was recorded as a regulatory asset and therefore, had no impact on net income.

In addition, KCP&L recognizes removal costs for utility assets that do not have an associated legal retirement obligation. Historically, these removal costs have been reflected as a component of depreciation in accordance with regulatory treatment. In conjunction with the adoption of SFAS No. 143, non-legal costs of removal were reclassified for all periods presented from accumulated depreciation to a regulatory asset.

KCP&L has legal ARO for certain other assets where it is not possible to estimate the time period when the obligations will be settled. Consequently, the retirement obligations cannot be measured at this time. For transmission easements obtained by condemnation, KCP&L must remove its transmission lines if the line is de-energized. It is extremely difficult to obtain siting for new transmission lines. Consequently, KCP&L does not anticipate de-energizing any of its existing lines. KCP&L also operates, under state permits, ash landfills at several of its power plants. While the life of the ash landfill at one plant can be estimated and is included in the estimated liabilities above, the future life of ash landfills at other permitted landfills cannot be estimated. KCP&L can continue to maintain permits for these landfills after the adjacent plant is closed.

KLT Gas had estimated liabilities for gas well plugging and abandonment, facility removal and surface restoration. As a result of the sale of the KLT Gas portfolio discussed in Note 6, the new owners have assumed the ARO related to the KLT Gas portfolio estimated to be $1.8 million as December 31, 2003.

The following table summarizes the change in Great Plains Energy's and consolidated KCP&L's ARO, excluding prior year amounts included in Liabilities of Discontinued Operations. Pro forma amounts for 2002 illustrate the effect on ARO if the provisions of SFAS No. 143 had been applied prior to the January 1, 2003, adoption and were measured using assumptions consistent with the period of adoption.

December 31	2004	2003	2002
		(millions)	
ARO beginning of period	$ 106.7	$ 99.2	$ 93.1
Additions	-	1.0	-
Accretion	7.0	6.5	6.1
ARO end of period	$ 113.7	$ 106.7	$ 99.2

17. SEGMENT AND RELATED INFORMATION

Great Plains Energy

Great Plains Energy has two reportable segments based on its method of internal reporting, which generally segregates the reportable segments based on products and services, management responsibility and regulation. The two reportable business segments are KCP&L, an integrated, regulated electric utility, which

provides reliable, affordable electricity to customers; and Strategic Energy, a competitive electricity supplier, which operates in several electricity markets offering retail choice. Other includes the operations of HSS, GPP, Services, all KLT Inc. operations other than Strategic Energy, unallocated corporate charges and intercompany eliminations. Intercompany eliminations include insignificant amounts of intercompany financing related activities. The summary of significant accounting policies applies to all of the reportable segments. For segment reporting, each

segment's income taxes include the effects of allocating holding company tax benefits. Segment performance is evaluated based on net income.

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

2004	KCP&L	Strategic Energy	Other	Great Plains Energy
		(millions)		
Operating revenues	$ 1,090.1	$ 1,372.4	$ 1.5	$ 2,464.0
Depreciation	(144.3)	(4.8)	(1.0)	(150.1)
Interest charges	(73.7)	(0.7)	(8.6)	(83.0)
Income taxes	(55.7)	(24.3)	25.5	(54.5)
Loss from equity investments	-	-	(1.5)	(1.5)
Discontinued operations	-	-	7.3	7.3
Net income (loss)	150.0	42.5	(11.7)	180.8

2003	KCP&L	Strategic Energy	Other	Great Plains Energy
		(millions)		
Operating revenues	$ 1,054.9	$ 1,091.0	$ 2.1	$ 2,148.0
Depreciation	(139.9)	(1.7)	(1.2)	(142.8)
Interest charges	(69.9)	(0.4)	(5.9)	(76.2)
Income taxes	(84.4)	(30.2)	36.0	(78.6)
Loss from equity investments	-	-	(2.0)	(2.0)
Discontinued operations	-	-	(44.8)	(44.8)
Net income (loss)	127.2	39.6	(21.9)	144.9

2002	KCP&L	Strategic Energy	Other	Great Plains Energy
		(millions)		
Operating revenues	$ 1,009.9	$ 789.5	$ 2.9	$ 1,802.3
Depreciation	(144.3)	(0.9)	(1.6)	(146.8)
Interest charges	(80.3)	(0.3)	(6.8)	(87.4)
Income taxes	(63.4)	(25.2)	37.3	(51.3)
Loss from equity investments	-	-	(1.2)	(1.2)
Discontinued operations	-	-	(7.5)	(7.5)
Cumulative effect of a change in accounting principle	-	-	(3.0)	(3.0)
Net income (loss)	102.9	29.7	(6.4)	126.2

	KCP&L	Strategic Energy	Other	Great Plains Energy
2004		(millions)		
Assets	$ 3,330.2	$ 407.7	$ 61.0	$ 3,798.9
Capital expenditures [a]	190.8	2.6	3.3	196.7
2003				
Assets	$ 3,293.5	$ 283.0	$ 105.5	$ 3,682.0
Capital expenditures [a]	148.8	3.1	-	151.9
2002				
Assets	$ 3,084.5	$ 226.0	$ 206.6	$ 3,517.1

Capital expenditures [a]	132.1	2.1	(0.3)	133.9

[a] Capital expenditures reflect annual amounts for the periods presented.

Consolidated KCP&L

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

2004	KCP&L	Other	Consolidated KCP&L
		(millions)	
Operating revenues	$ 1,090.1	$ 1.5	$ 1,091.6
Depreciation	(144.3)	(0.9)	(145.2)
Interest charges	(73.7)	(0.5)	(74.2)
Income taxes	(55.7)	2.9	(52.8)
Net income (loss)	150.0	(6.7)	143.3

2003	KCP&L	Other	Consolidated KCP&L
		(millions)	
Operating revenues	$ 1,054.9	$ 2.1	$ 1,057.0
Depreciation	(139.9)	(1.1)	(141.0)
Interest charges	(69.9)	(0.4)	(70.3)
Income taxes	(84.4)	0.9	(83.5)
Discontinued operations	-	(8.7)	(8.7)
Net income (loss)	127.2	(10.0)	117.2

2002	KCP&L	Other	Consolidated KCP&L
		(millions)	
Operating revenues	$ 1,009.9	$ 2.9	$ 1,012.8
Depreciation	(144.3)	(1.2)	(145.5)
Interest charges	(80.3)	-	(80.3)
Income taxes	(63.4)	0.5	(62.9)
Discontinued operations	-	(4.0)	(4.0)
Cumulative effect of a change in accounting principle	-	(3.0)	(3.0)
Net income (loss)	102.9	(7.2)	95.7

	KCP&L	Other	Consolidated KCP&L
2004		(millions)	
Assets	$ 3,330.2	$ 7.2	$ 3,337.4
Capital expenditures (a)	190.8	-	190.8
2003			
Assets	$ 3,293.5	$ 9.1	$ 3,302.6
Capital expenditures [a]	148.8	-	148.8
2002			
Assets	$ 3,084.5	$ 54.7	$ 3,139.2
Capital expenditures [a]	132.1	0.1	132.2

[a] Capital expenditures reflect annual amounts for the periods presented.

18. SHORT-TERM BORROWINGS AND SHORT-TERM BANK LINES OF CREDIT

In December 2004, Great Plains Energy syndicated a $550 million, five-year revolving credit facility with a group of banks replacing a $150.0 million 364-day revolving credit facility and a $150.0 million three-year revolving credit facility with a group of banks that were syndicated earlier in 2004. Those latter two facilities had replaced a $225.0 million revolving credit facility with a group of banks. A default by Great Plains Energy or any of its significant subsidiaries of

other indebtedness totaling more than $25.0 million is a default under the current facility. Under the terms of the agreement, Great Plains Energy is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the agreement, not greater than 0.65 to 1.00 at all times. At December 31, 2004, the Company was in compliance with this covenant. At December 31, 2004, Great Plains Energy had $20.0 million of outstanding borrowings with an interest rate of 3.04% and had issued letters of credit totaling $8.0 million under the credit facility as credit support for Strategic Energy. At December 31, 2003, Great Plains Energy had $87.0 million of outstanding borrowings under the $225.0 million revolving credit facility with a weighted-average interest rate of 2.12% and had issued a letter of credit for $15.8 million as credit support for Strategic Energy.

KCP&L's short-term borrowings consist of funds borrowed from banks or through the sale of commercial paper as needed. In December 2004, KCP&L syndicated a $250 million five-year revolving credit facility. This facility replaced $155 million in 364-day bilateral credit lines KCP&L had in place with a group of banks. A default by KCP&L on other indebtedness totaling more than $25.0 million is a default under the current facility. Under the terms of the agreement, KCP&L is required to maintain a consolidated indebtedness to consolidated capitalization ratio, as defined in the agreement, not greater than 0.65 to 1.00 at all times. At December 31, 2004, KCP&L was in compliance with this covenant. At December 31, 2004 and 2003, KCP&L had no short-term borrowings outstanding.

During 2004, Strategic Energy syndicated a $125.0 million three-year revolving credit facility with a group of banks. Great Plains Energy has guaranteed $25.0 million of this facility. This facility replaced a $95.0 million revolving credit facility with a group of banks. A default by Strategic Energy of other indebtedness, as defined in the new facility, totaling more than $7.5 million is a default under the facility. Under the terms of this agreement, Strategic Energy is required to maintain a minimum net worth of $62.5 million, a maximum funded indebtedness to EBITDA ratio of 2.25 to 1.00, a minimum fixed charge coverage ratio of at least 1.05 to 1.00 and a minimum debt service coverage ratio of at least 4.00 to 1.00 as those are defined in the agreement. In the event of a breach of one or more of these four covenants, so long as no other default has occurred, Great Plains Energy may cure the breach through a cash infusion, a guarantee increase or a combination of the two. At December 31, 2004, Strategic Energy was in compliance with these covenants. At December 31, 2004, $69.2 million in letters of credit had been issued and there were no borrowings under the agreement. At December 31, 2003, $58.5 million in letters of credit had been issued under the previous agreement.

On June 30, 2003, HSS completed the disposition of its interest in RSAE. RSAE's line of credit totaling $27 million was cancelled. With proceeds from a note to Great Plains Energy, HSS repaid $22.1 million on the supported bank line. HSS repaid all but an immaterial amount of the notes payable to Great Plains Energy during 2004. At December 31, 2003, the notes payable to Great Plains Energy totaled $22.0 million. See Note 7 for additional information concerning the disposition of RSAE.

19. LONG-TERM DEBT AND EIRR BONDS CLASSIFIED AS CURRENT LIABILITIES

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

	Year Due	December 31 2004	2003
Consolidated KCP&L		(thousands)	
General Mortgage Bonds			
7.95%* and 7.55%** Medium-Term Notes	2007	$ 500	$ 55,000
2.26%* and 2.36%** EIRR bonds	2012-2023	158,768	158,768
Senior Notes			
7.125%	2005	250,000	250,000
6.500%	2011	150,000	150,000
6.000%	2007	225,000	225,000
Unamortized discount		(465)	(689)
EIRR bonds			
2.29%* and 2.16%** Series A & B	2015	106,991	108,919
2.38%* and 2.25%** Series C	2017	50,000	50,000
2.29%* and 2.16%** Series D	2017	40,183	40,923
8.3% Junior Subordinated Deferred Interest Bonds		-	154,640
2.10%* and 1.25%** Combustion Turbine Synthetic Lease	2006	145,274	143,811
Current liabilities			
EIRR bonds classified as current		(85,922)	(129,288)
Current maturities		(250,000)	(54,500)
Total consolidated KCP&L excluding current liabilities		790,329	1,152,584
Other Great Plains Energy			
4.25% FELINE PRIDES Senior Notes	2009	163,600	-
7.64%* and 7.84%** Affordable Housing Notes	2005-2008	5,761	10,564
Current maturities		(3,230)	(4,803)
Total consolidated Great Plains Energy excluding current maturities		$ 956,460	$ 1,158,345

* Weighted-average rate as of December 31, 2004
** Weighted-average rate as of December 31, 2003

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

	2004	2003	2002

Consolidated KCP&L	$ 2.1	$ 2.1	$ 2.1
Other Great Plains Energy	1.8	1.4	0.8
Total Great Plains Energy	$ 3.9	$ 3.5	$ 2.9

KCP&L General Mortgage Bonds

KCP&L has issued mortgage bonds under the General Mortgage Indenture and Deed of Trust dated December 1, 1986, as supplemented. The Indenture creates a mortgage lien on substantially all utility

plant. Mortgage bonds secure $159.3 million and $213.8 million of medium-term notes and Environmental Improvement Revenue Refunding (EIRR) bonds at December 31, 2004 and 2003, respectively. In 2004, KCP&L redeemed $54.5 million of its medium-term notes at maturity.

In August 2004, KCP&L secured a municipal bond insurance policy as a credit enhancement to its secured 1992 series EIRR bonds totaling $31.0 million. This municipal bond insurance policy replaced a 364-day credit facility with a bank, which expired in August 2004 that previously supported full liquidity of these bonds. These variable-rate secured EIRR bonds with a final maturity in 2017 are remarketed on a weekly basis through a Dutch auction process. The insurance agreement between KCP&L and XL Capital Assurance Inc. (XLCA), the issuer of the municipal bond insurance policy, provides for reimbursement by KCP&L for any amounts that XLCA pays under the municipal bond insurance policy. The insurance policy is in effect for the term of the bonds. The insurance agreement contains a covenant that the indebtedness to total capitalization ratio of KCP&L and its consolidated subsidiaries will not be greater than 0.68 to 1.00. At December 31, 2004, KCP&L was in compliance with this covenant. KCP&L is also restricted from issuing additional bonds under its General Mortgage Indenture if, after giving effect to such additional bonds, the proportion of secured debt to total indebtedness would be more than 75%, or more than 50% if the long term rating for such bonds by Standard & Poor's or Moody's Investors Service would be at or below A- or A3, respectively. In the event of a default under the insurance agreement, XLCA may take any available legal or equitable action against KCP&L, including seeking specific performance of the covenants.

During 2004, KCP&L remarketed its secured 1994 series EIRR bonds totaling $35.9 million at a fixed rate of 2.25% ending August 31, 2005. If the bonds could not be remarketed, KCP&L would be obligated to either purchase or retire the bonds. KCP&L also remarketed its secured 1993 series EIRR bonds totaling $12.4 million at a fixed rate of 4.0% until maturity at January 2, 2012. The previous interest rate periods on these two series, with interest rates of 3.9%, expired on August 31, 2004. The $35.9 million of secured 1994 series EIRR bonds were classified as current liabilities at December 31, 2004. Both of these series were classified as current liabilities at December 31, 2003.

KCP&L Unsecured Notes

KCP&L had $196.5 million of unsecured EIRR bonds outstanding excluding the fair value of interest rate swaps of $0.7 million and $3.3 million at December 31, 2004 and 2003, respectively. During 2004, KCP&L remarketed its 1998 Series C EIRR bonds, totaling $50.0 million due 2017, at a fixed rate of 2.38% ending August 31, 2005. If the bonds could not be remarketed, KCP&L would be obligated to either purchase or retire the bonds. The previous interest rate period on this series, with an interest rate of 2.25%, expired on August 31, 2004. The Series C EIRR bonds were classified as current liabilities at December 31, 2004 and 2003.

In 1997, KCPL Financing I issued $150.0 million of 8.3% preferred securities and KCP&L invested $4.6 million in common securities of KCPL Financing I. The sole asset of KCPL Financing I was the $154.6 million principal amount of 8.3% Junior Subordinated Deferrable Interest Debentures, due 2037, issued by KCP&L. In July 2004, KCP&L redeemed the $154.6 million 8.3% Junior Subordinated Deferred Interest Debentures. KCPL Financing I used the proceeds from the repayment of the 8.3% Junior Subordinated Deferrable Interest Debentures to redeem the $4.6 million of common securities held by KCP&L and the $150.0 million of 8.3% preferred securities.

Other Great Plains Energy Long-Term Debt

Great Plains Energy filed a registration statement, which became effective in April 2004, for the issuance of an aggregate amount up to $500.0 million of any combination of senior debt securities, subordinated debt securities, trust preferred securities and related guarantees, common stock, warrants, stock purchase contracts or stock purchase units. The prospectus filed with this registration

statement also included $148.2 million of securities remaining available to be offered under a prior registration statement providing for an aggregate amount of availability of $648.2 million.

In June 2004, Great Plains Energy issued $163.6 million of FELINE PRIDES under this registration statement. After this transaction and the stock issuance discussed in Note 20, $171.0 million remains available under the registration statement. FELINE PRIDES, each with a stated amount of $25, initially consist of an interest in a senior note due February 16, 2009, and a contract requiring the holder to purchase the Company's common stock on February 16, 2007. Each purchase contract obligates the holder of the purchase contract to purchase, and Great Plains Energy to sell, on February 16, 2007, for $25 in cash, newly issued shares of the Company's common stock equal to the settlement rate. The settlement rate will vary according to the applicable market value of the Company's common stock at the settlement date. Applicable market value will be measured by the average of the closing price per share of the Company's common stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding February 16, 2007. The settlement rate will be applied to the 6.5 million FELINE PRIDES at the settlement date to issue a number of common shares determined as described in the following table.

Applicable market value	Settlement rate (in common shares)	Market value per common share [(a)]
$35.40 or greater	0.7062 to 1	Greater than $25 per common share
$35.40 to $30.00	$25 divided by the applicable	Equal to $25 per common share

	market value to 1	
$30.00 or less	0.8333 to 1	Less than $25 per common share

[a] Assumes that the market price of the Company's common stock on February 16, 2007, is the same as the applicable market value.

Great Plains Energy will make quarterly contract adjustment payments at the rate of 3.75% per year and interest payments at the rate of 4.25% per year both payable in February, May, August and November of each year, which commenced August 16, 2004. Great Plains Energy must attempt to remarket the senior notes, in whole but not in part. If the senior notes are not successfully remarketed by February 16, 2007, Great Plains Energy will exercise its rights as a secured party to dispose of the senior notes in accordance with applicable law and satisfy in full each holder's obligation to purchase the Company's common stock under the purchase contracts.

The June 2004 fair value of the contract adjustment payments of $15.4 million was recorded as a liability in other deferred credits and other liabilities with a corresponding amount recorded as capital stock premium and expense on Great Plains Energy's consolidated balance sheet. Expenses incurred with the offering were allocated between the senior notes and the purchase contracts. Expenses allocated to the senior notes of $1.2 million have been deferred and are being recognized as interest expense over the term of the notes. Expenses allocated to the purchase contracts of $4.2 million were recorded as capital stock premium and expense. Great Plains Energy has the right to defer the contract adjustment payment on the purchase contracts, but not the interest payments on the senior notes. In the event Great Plains Energy exercises its option to defer the payment of contract adjustment payments, Great Plains Energy and its subsidiaries are not permitted to, with certain exceptions, declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any capital stock of Great Plans Energy until the deferred contract adjustment payments have been paid.

KLT Investments' affordable housing notes are collateralized by the affordable housing investments. Most of the notes also require the greater of 15% of the outstanding note balances or the next annual

installment to be held as cash, cash equivalents or marketable securities. At December 31, 2004, the collateral was held entirely as cash and totaled $3.7 million. At December 31, 2003, collateral of $4.7 million was held as cash and $1.5 million was held in equity securities for these notes. The equity securities were included in other investments and nonutility property on Great Plains Energy's consolidated balance sheets.

Scheduled Maturities

Great Plains Energy's and consolidated KCP&L's long-term debt maturities for the next five years are detailed in the following table.

	2005	2006	2007	2008	2009
			(millions)		
Consolidated KCP&L	$ 250.0	$ 145.2	$ 225.5	$ -	$ -
Other Great Plains Energy	3.2	1.8	164.1	0.3	-
Total Great Plains Energy	$ 253.2	$ 147.0	$ 389.6	$ 0.3	$ -

20. COMMON STOCK EQUITY AND PREFERRED STOCK

Common Stock Equity

In 2004, Great Plains Energy issued 5.0 million shares of common stock at $30 per share under the registration statement discussed in Note 19 with $150.0 million in gross proceeds. Issuance costs of $5.4 million are reflected in capital stock premium and expense on Great Plains Energy's consolidated balance sheet and statement of common stock equity at December 31, 2004.

Treasury shares are held for future distribution upon exercise of options issued in conjunction with the Company's equity compensation plan.

Great Plains Energy has 3.0 million shares of common stock registered with the SEC for a Dividend Reinvestment and Direct Stock Purchase Plan (Plan). The Plan allows for the purchase of common shares by reinvesting dividends or making optional cash payments. Great Plains Energy can issue new shares or purchase shares on the open market for the Plan. At December 31, 2004, 2.2 million shares remained available for future issuances.

Great Plains Energy has 9.3 million shares of common stock registered with the SEC for a defined contribution savings plan. The Company matches employee contributions, subject to limits. At December 31, 2004, 1.1 million shares remained available for future issuances.

Under the 35 Act, Great Plains Energy and KCP&L can pay dividends only out of retained or current earnings, unless authorized to do otherwise by the SEC. Under stipulations with the MPSC and KCC, Great Plains Energy and KCP&L have committed to maintain consolidated common equity of not less than 30% and 35%, respectively. Pursuant to SEC order, Great Plains Energy's and KCP&L's authorization to issue securities is conditioned on maintaining a consolidated common equity capitalization of at least 30%.

Great Plains Energy's Articles of Incorporation contain a restriction related to the payment of dividends in the event common equity falls to 25% of total capitalization. If preferred stock dividends are not declared and paid when scheduled, Great Plains Energy could not declare or pay common stock dividends or purchase any common shares. If the unpaid preferred stock dividends equal four or more full quarterly dividends, the preferred shareholders, voting as a single class, could elect the smallest number of Directors necessary to constitute a majority of the full Board of Directors.

Great Plains Energy made capital contributions to KCP&L of $225 million and $100 million in 2004 and 2003, respectively. These contributions were used to pay down long-term debt. At December 31, 2004, KCP&L's capital contributions from Great Plains Energy totaled $400 million which is reflected in common stock in the consolidated KCP&L balance sheet.

Preferred Stock
As of December 31, 2004, 1.6 million shares of Cumulative No Par Preferred Stock and 11.0 million shares of no par Preference Stock were authorized under Great Plains Energy's Articles of Incorporation. Great Plains Energy has the option to redeem the $39.0 million of issued Cumulative Preferred Stock at prices approximating par or stated value.

21. DERIVATIVE FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of market risks including interest rates and commodity prices. Management has established risk management policies and strategies to reduce the potentially adverse effects that the volatility of the markets may have on its operating results. The Company's risk management activities, including the use of derivatives, are subject to the management, direction and control of internal risk management committees. The Company's interest rate risk management strategy uses derivative instruments to adjust the Company's liability portfolio to optimize the mix of fixed and floating rate debt within an established range. The Company maintains commodity-price risk management strategies that use derivative instruments to reduce the effects of fluctuations on purchased power expense caused by commodity price volatility. Counterparties on commodity derivatives and interest rate swap agreements expose the Company to credit loss in the event of nonperformance. This credit loss is limited to the cost of replacing these contracts at current market rates. Derivative instruments measured at fair value are recorded on the balance sheet as an asset or liability. Changes in the fair value are recognized currently in net income unless specific hedge accounting criteria are met.

Fair Value Hedges - Interest Rate Risk Management
In 2002, KCP&L remarketed its 1998 Series A, B, and D EIRR bonds totaling $146.5 million to a 5-year fixed interest rate of 4.75% ending October 1, 2007. Simultaneously with the remarketing, KCP&L entered into an interest rate swap for the $146.5 million based on the London Interbank Offered Rate (LIBOR) to effectively create a floating interest rate obligation. The transaction is a fair value hedge with no ineffectiveness. Changes in the fair market value of the swap are recorded on the balance sheet as an asset or liability with an offsetting entry to the respective debt balances with no net impact on net income. The fair value of the swap was an asset of $0.7 million and $3.3 million at December 31, 2004 and 2003, respectively.

Cash Flow Hedges - Commodity Risk Management
KCP&L's risk management policy is to use derivative hedge instruments to mitigate its exposure to market price fluctuations on a portion of its projected natural gas purchases to meet generation requirements for retail and firm wholesale sales. As of December 31, 2004, KCP&L had slightly under half of its 2005 projected natural gas usage for retail load and firm MWh sales hedged. These hedging instruments are designated as cash flow hedges. The fair values of these instruments are recorded as current assets or current liabilities with an offsetting entry to OCI for the effective portion of the hedge. To the extent the hedges are not effective, the ineffective portion of the change in fair market value is recorded currently in fuel expense. KCP&L did not record any gains or losses due to ineffectiveness for the years ended December 31, 2004, 2003 or 2002. When the natural gas is purchased, the amounts in OCI are reclassified to fuel expense in the consolidated income statement.

Strategic Energy maintains a commodity-price risk management strategy that uses forward physical energy purchases and other derivative instruments to reduce the effects of fluctuations on purchased

power expense caused by commodity-price volatility. Derivative instruments are used to limit the unfavorable effect that price increases will have on electricity purchases, effectively fixing the future purchase price of electricity for the applicable forecasted usage and protecting Strategic Energy from significant price volatility. The maximum term over which Strategic Energy is hedging its exposure and variability of future cash flows is 3.1 years and 3.0 years at December 31, 2004 and 2003, respectively.

Certain forward fixed price purchases and swap agreements are designated as cash flow hedges. The fair values of these instruments are recorded as assets or liabilities with an offsetting entry to OCI for the effective portion of the hedge. To the extent the hedges are not effective, the ineffective portion of the change in fair market value is recorded currently in purchased power. When the forecasted purchase is completed, the amounts in OCI are reclassified to purchased power. Purchased power for the year ended December 31, 2004, includes a $3.2 million gain due to ineffectiveness of the cash flow hedges. Strategic Energy did not record any gains or losses due to ineffectiveness for the years ended December 31, 2003 or 2002.

In 2003, Strategic Energy terminated an agreement with a swap counterparty due to credit and performance concerns. Strategic Energy received a $4.8 million fair value settlement. The swap was designated as a cash flow hedge of a forecasted transaction and Strategic Energy management believed the forecasted transaction would occur. Accordingly, the $4.8 million settlement was reclassified to purchased power expense over the remaining term of the underlying transaction, which was completed in 2003.

Strategic Energy also enters into economic hedges (non-hedging derivatives) that do not qualify for hedge accounting. The changes in the fair value of these derivative instruments recorded into net income as a component of purchased power were a $1.5 million loss and an insignificant gain for the years ended December 31, 2004 and 2003, respectively.

The notional and estimated fair values of the Company's derivative instruments are summarized in the following table as of December 31. The fair values of these derivatives are recorded on the consolidated balance sheets as of December 31, 2004 and 2003, respectively.

	2004		2003	
	Notional Contract Amount	Fair Value	Notional Contract Amount	Fair Value

Great Plains Energy		(millions)		
Swap contracts				
Cash flow hedges	$ 92.4	$ 4.5	$ 67.3	$ (0.8)
Non-hedging derivatives	2.3	0.7	-	-
Forward contracts				
Cash flow hedges	23.0	1.6	25.8	1.0
Non-hedging derivatives	5.5	(2.2)	1.3	-
Consolidated KCP&L				
Swap contracts				
Cash flow hedges	6.3	(0.3)	2.9	0.1

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

	Great Plains Energy December 31		Consolidated KCP&L December 31	
	2004	**2003**	**2004**	**2003**
		(millions)		
Current assets	$ 2.5	$ 2.7	$ (0.3)	$ 0.1
Other deferred charges	0.9	0.8	-	-
Other current liabilities	(0.5)	(2.6)	-	-
Deferred income taxes	(0.8)	(0.2)	0.2	-
Other deferred credits	(0.9)	(0.4)	-	-
Total	$ 1.2	$ 0.3	$ (0.1)	$ 0.1

The amounts recorded in current assets and liabilities reflected in accumulated OCI in the table above as of December 31, 2004, are expected to be reclassified to expenses during the next twelve months for Great Plains Energy and consolidated KCP&L.

The amounts reclassified to revenues and expenses in 2004, 2003 and 2002 are summarized in the following table.

	Great Plains Energy			Consolidated KCP&L		
	2004	**2003**	**2002**	**2004**	**2003**	**2002**
			(millions)			
Gas revenues	$ -	$ -	$ 0.2	$ -	$ -	$ -
Fuel expense	(0.7)	(0.8)	(0.1)	(0.7)	(0.8)	(0.1)
Purchased power expense	(0.6)	(9.0)	5.4	-	-	-
Minority interest	0.2	1.0	(0.9)	-	-	-
Income taxes	0.5	3.8	(2.0)	0.3	0.3	0.1
OCI	$ (0.6)	$ (5.0)	$ 2.6	$ (0.4)	$ (0.5)	$ -

22. JOINTLY OWNED ELECTRIC UTILITY PLANTS

KCP&L’s share of jointly owned electric utility plants as of December 31, 2004, is detailed in the following table.

	Wolf Creek Unit	LaCygne Units	Iatan Unit
		(millions, except MW amounts)	
KCP&L's share	47%	50%	70%
Utility plant in service	$ 1,366	$ 322	$ 260
Accumulated depreciation	671	236	183
Nuclear fuel, net	36		
KCP&L's accredited capacity--MWs	548	681	469

Each owner must fund its own portion of the plant's operating expenses and capital expenditures. KCP&L’s share of direct expenses is included in the appropriate operating expense classifications in the Great Plains Energy and consolidated KCP&L Statements of Income.

23. QUARTERLY OPERATING RESULTS (UNAUDITED)

Great Plains Energy	Quarter 1st	2nd	3rd	4th
2004	(millions, except per share amounts)			
Operating revenue	$ 541.5	$ 613.5	$ 714.8	$ 594.2
Operating income	62.6	82.3	125.5	48.4
Income from continuing operations	29.5	41.4	67.9	34.7
Net income	27.3	41.6	75.9	36.0
Basic and diluted earning per common share from continuing operations	0.42	0.59	0.91	0.46
Basic and diluted earning per common share	0.39	0.59	1.02	0.48
2003				
Operating revenue	$ 464.2	$ 503.0	$ 660.8	$ 520.0
Operating income	58.7	90.9	166.9	50.8
Income from continuing operations	22.0	59.0	84.2	24.5
Net income (loss)	14.5	50.9	83.8	(4.3)
Basic and diluted earning per common share from continuing operations	0.31	0.85	1.21	0.34
Basic and diluted earning (loss) per common share	0.20	0.73	1.20	(0.07)

Consolidated KCP&L	Quarter 1st	2nd	3rd	4th
2004	(millions)			
Operating revenue	$ 247.0	$ 275.0	$ 323.7	$ 245.9
Operating income	49.7	68.3	111.3	37.8
Net income	21.2	32.3	63.9	25.9
2003				
Operating revenue	$ 234.9	$ 247.9	$ 350.7	$ 223.5
Operating income	42.8	53.9	148.5	36.3
Income from continuing operations	13.1	22.0	78.5	12.3
Net income	11.9	14.5	78.5	12.3

Quarterly data is subject to seasonal fluctuations with peak periods occurring in the summer months.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Great Plains Energy Incorporated

We have audited the accompanying consolidated balance sheets of Great Plains Energy Incorporated and subsidiaries (the “Company”) as of December 31, 2004 and 2003, and the related consolidated statements of income, comprehensive income, common stock equity and cash flows for each of the three years in the period ended December 31, 2004. Our audits also included the financial statement schedules listed in the Index at Item 15. These financial statements and financial statement schedules are the responsibility of the Company’s management. Our responsibility is to express an opinion on the financial statements and financial statement schedules based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Great Plains Energy Incorporated and subsidiaries as of December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

As discussed in Note 5 to the consolidated financial statements, effective January 1, 2002, the Company changed its method of accounting for intangible assets to adopt Statement of Financial Accounting Standards (“SFAS”) No. 142, “Goodwill and Other Intangible Assets”. As discussed in Notes 1 and 16, respectively, to the consolidated financial statements, effective January 1, 2003, the Company changed its method of accounting for stock-based compensation to adopt SFAS No.

123, “Accounting for Stock-Based Compensation” and changed its method of accounting for asset retirement obligations to adopt SFAS No. 143, “Accounting for Asset Retirement Obligations”.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company’s internal control over financial reporting as of December 31, 2004, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 4, 2005, expressed an unqualified opinion on management’s assessment of the effectiveness of the Company’s internal control over financial reporting and an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting.

/s/DELOITTE & TOUCHE LLP

Kansas City, Missouri
March 4, 2005

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
Kansas City Power & Light Company

We have audited the accompanying consolidated balance sheets of Kansas City Power & Light Company and subsidiaries (the “Company”) as of December 31, 2004 and 2003, and the related consolidated statements of income, comprehensive income, common stock equity and cash flows for each of the three years in the period ended December 31, 2004. Our audits also included the financial statement schedules listed in the Index at Item 15. These financial statements and financial statement schedules are the responsibility of the Company’s management. Our responsibility is to express an opinion on the financial statements and financial statement schedules based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Kansas City Power & Light and subsidiaries as of December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

As discussed in Note 5 to the consolidated financial statements, effective January 1, 2002, the Company changed its method of accounting for intangible assets to adopt Statement of Financial Accounting Standards (“SFAS”) No. 142, “Goodwill and Other Intangible Assets”. As discussed in Note 16 to the consolidated financial statements, effective January 1, 2003, the Company changed its method of accounting for asset retirement obligations to adopt SFAS No. 143, “Accounting for Asset Retirement Obligations”.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company’s internal control over financial reporting as of December 31, 2004, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 4, 2005, expressed an unqualified opinion on management’s assessment of the effectiveness of the Company’s internal control over financial reporting and an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting.

/s/DELOITTE & TOUCHE LLP

Kansas City, Missouri
March 4, 2005

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

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

Based upon these evaluations, the chief executive officer and chief financial officer of Great Plains Energy and KCP&L, respectively, have concluded as of the end of the period covered by this report that the disclosure controls and procedures of Great Plains Energy and KCP&L are functioning effectively to provide reasonable assurance that the information required to be disclosed by the respective companies in the reports that they file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

Changes in Internal Control Over Financial Reporting
There has been no change in Great Plains Energy's or KCP&L's internal control over financial reporting that occurred during the quarterly period ended December 31, 2004, that has materially affected, or is reasonably likely to materially affect, those companies' internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting
Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Great Plains Energy
Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended) for Great Plains Energy. Under the supervision and with the participation of Great Plains Energy's chief executive officer and chief financial officer, management evaluated the effectiveness of Great Plains Energy's internal control over financial reporting as of December 31, 2004. Management used for this evaluation the framework in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Management has concluded that, as of December 31, 2004, Great Plains Energy's internal control over financial reporting is effective based on the criteria set forth in the COSO framework. Deloitte & Touche, LLP, the independent registered public accounting firm that audited the financial statements included in this annual report on Form 10-K, has issued its audit report on this assessment, which is included below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Great Plains Energy Incorporated

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that Great Plains Energy Incorporated and subsidiaries (the "Company") maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that the Company maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedules as of and for the year ended December 31, 2004, of the Company and our report dated March 4, 2005, expressed an unqualified opinion on those financial statements and financial statement schedules.

/s/DELOITTE & TOUCHE LLP

Kansas City, Missouri
March 4, 2005

KCP&L

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 15d-15(f) under the Securities Exchange Act of 1934, as amended) for KCP&L. Under the supervision and with the participation of KCP&L's chief executive officer and chief financial officer, management evaluated the effectiveness of KCP&L's internal control over financial reporting as of December 31, 2004. Management used for this evaluation the framework in *Internal Control – Integrated Framework* issued by the COSO of the Treadway Commission. Management has concluded that, as of December 31, 2004, KCP&L's internal control over financial reporting is effective based on the criteria set forth in the COSO framework. Deloitte & Touche, LLP, the independent registered public accounting firm that audited the financial statements included in this annual report on Form 10-K, has issued its audit report on this assessment, which is included below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
Kansas City Power & Light Company

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that Kansas City Power & Light Company and subsidiaries (the "Company") maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that the Company maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedules as of and for the year ended December 31, 2004, of the Company and our report dated March 4, 2005, expressed an unqualified opinion on those financial statements and financial statement schedules.

/s/DELOITTE & TOUCHE LLP

Kansas City, Missouri
March 4, 2005

ITEM 9B. OTHER INFORMATION

Report of Triggering Events in Lieu of Current Report on Form 8-K

Pursuant to the guidance provided by the SEC Division of Corporation Finance in the Current Report on Form 8-K Frequently Asked Questions dated November 23, 2004, the following information is provided pursuant to the following Items of Form 8-K: Item 1.01 Entry into a Material Definitive Agreement, Item 1.02 Termination of a Material Definitive Agreement, and Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On March 7, 2005, Great Plains Energy announced the resignation of Andrea F. Bielsker as Senior Vice President- Finance, Chief Financial Officer and Treasurer effective March 25, 2005. An Agreement containing the terms of the resignation is attached to this report as Exhibit 10.1.jj.

Effective March 28, 2005, Terry Bassham will become Executive Vice President – Finance & Strategic Development and Chief Financial Officer of Great Plains Energy. Mr. Bassham, 44, has been Executive Vice President, Chief Financial and Administrative Officer (November 2001 to March 2005), Executive Vice

President and General Counsel (August 2000 to November 2001) and Vice President and General Counsel (January 1999 to August 2000) of El Paso Electric Company.

Mr. Bassham's initial annual base salary will be $275,000. Mr. Bassham will participate in the Great Plains Energy Annual Incentive Plan 2005, under which he will be eligible to receive up to 150% of a cash bonus of 40% of his annual base salary at target. He will also receive a $275,000 grant of restricted stock payable at the end of three years upon continued employment and performance shares equal to 70% of base salary at target under the Great Plains Long-Term Incentive Plan. Mr. Bassham will enter into an indemnification agreement and a change of control severance agreement with Great Plains Energy. He will also be eligible to participate in the Company's Non-Qualified Deferred Compensation Plan, Supplemental Executive Retirement Plan and other benefit plans. The Company will also pay Mr. Bassham's reasonable relocation costs. There is no family relationship between Mr. Bassham and any director or executive officer of the Company or its subsidiaries. There are no transactions or proposed transactions to which the Company or its subsidiaries, or their respective directors, shareholders or executive officers, is a party and in which Mr. Bassham has or will have an interest.

Combined current report on Form 8-K filed on December 16, 2004
The information provided under Item 1.01 of the combined current report on Form 8-K filed on December 16, 2004, respecting the entry into five-year revolving credit agreements by Great Plains Energy and KCP&L, is also provided under Item 2.03 of Form 8-K. In addition, the following information is provided.

The agreements provide for floating rate and Eurodollar advances. The interest rate on floating rate advances is calculated each day and is the higher of the prime rate and the federal funds effective rate plus 0.5% (as those terms are defined in the agreements), plus an amount based on current credit ratings. The interest rate on Eurodollar advances is based on the Eurodollar interest rate for the applicable period, adjusted for reserve requirements, plus an amount based on current credit ratings. Eurodollar advances may be made for terms of one, two, three or six months. Advances may be repaid at any time. All outstanding advances are due and payable at the expiration of the term of the agreements.

The five-year credit agreements contain representations and affirmative, negative and financial covenants customary for such facilities, including, among other things, limits on the incurrence of liens, disposition of assets, consolidations and mergers. The agreements also contain customary events of default including, without limitation, payment defaults, material inaccuracy of representations and warranties, covenant defaults, indebtedness cross-defaults, certain bankruptcy and insolvency events and certain ERISA events. Upon a default caused by certain events of bankruptcy and insolvency, the obligations of the lenders to make advances or issue letters of credit automatically cease, and all outstanding advances and letter of credit obligations are immediately payable. Upon other defaults, lenders in the aggregate having more than 50% of the aggregate commitment under the credit agreement, may cause the termination or suspensio n of the obligations of the lenders to make advances or issue letters of credit, or declare all outstanding advances and letter of credit obligations to be due and payable, or both.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANTS

Great Plains Energy Directors
The following information is incorporated by reference from the Great Plains Energy 2005 Proxy Statement, which will be filed with the SEC no later than March 31, 2005 (Proxy Statement):

- Information regarding the directors of Great Plains Energy required by this item contained in the section titled "Election of Directors".
- Information regarding the Audit Committee of Great Plains Energy required by this item contained in the sections titled "Corporate Governance", "Election of Directors" and "Director Independence".

KCP&L Directors
Great Plains Energy, as the sole shareholder of KCP&L, elects the directors of KCP&L. The directors of KCP&L are the same as those for Great Plains Energy, and the Board committees of Great Plains Energy function as the Board committees of KCP&L. The eleven individuals listed below are all of the current directors and have consented to stand for election to the Board of Great Plains Energy. If they are elected at the annual shareholders meeting on May 3, 2005, to serve on the Great Plains Energy Board, they will also be elected to the KCP&L Board to serve as directors until the next annual shareholders meeting and until their successors are elected and qualified.

David L. Bodde Director since 1994
Dr. Bodde, 62, is the Senior Fellow and Professor, Arthur M. Spiro Center for Entrepreneurial Leadership at Clemson University (since 2004). He previously held the Charles N. Kimball Professor of Technology and Innovation (1996-2004), at the University of Missouri-Kansas City. He also serves on the board of The Commerce Funds. Dr. Bodde served as a member of the Audit and Governance committees during 2004.

Michael J. Chesser Director since 2003
Mr. Chesser, 56, is Chairman of the Board and Chief Executive Officer of Great Plains Energy and Chairman of the Board – KCP&L (since October 2003). Previously he served as Chief Executive Officer of United Water (2002-2003); President and Chief Executive Officer of GPU Energy (2000-2002); and President and Chief Executive Officer of Itron Inc. (1999-2000). Mr. Chesser served as a member of the Executive committee in 2004.

William H. Downey Director since 2003
Mr. Downey, 60, is President and Chief Operating Officer - Great Plains Energy and President and Chief Executive Officer - KCP&L (since October 2003). Mr. Downey joined the Company in 2000 as Executive Vice President – Kansas City Power & Light Company and President – KCPL Delivery Company. He previously was principal of W. H. Downey & Associates (1999-2000). Mr. Downey also serves on the board of Enterprise Financial Services Corp.

Mark A. Ernst Director since 2000

Mr. Ernst, 46, is Chairman, President and Chief Executive Officer of H&R Block, Inc., a global provider of tax preparation, investment, mortgage and accounting services. He was elected Chairman of the Board in 2002, Chief Executive Officer in 2001 and President in 1999. Mr. Ernst also serves on the board of Knight Ridder, Inc. Mr. Ernst served on the Audit and Compensation and Development committees during 2004.

Randall C. Ferguson, Jr. Director since 2002
Mr. Ferguson, 53, is the Senior Partner for Business Development for Tshibanda & Associates, LLC (since March 2005), a consulting and project management services firm committed to assisting clients to improve operations and achieve long-lasting, measurable results. Previously he served as Senior Vice President Business Growth & Member Connections with the Greater Kansas City Chamber of Commerce (2003-2005)

and the retired Senior Location Executive (1998-2003) for the IBM Kansas City Region. Mr. Ferguson served on the Audit and Governance committees during 2004.

William K. Hall Director since 2000
Dr. Hall, 61, is Chairman (since 2000) of Procyon Technologies, Inc., a holding company with investments in the aerospace and defense industries. He also served as Chief Executive Officer (2000-2003) of the company. Dr. Hall also serves on the boards of Actuant Corporation, A. M. Castle & Co., GenCorp and Woodhead Industries. Dr. Hall served on the Compensation and Development and Executive committees during 2004.

Luis A. Jimenez Director since 2001
Mr. Jimenez, 60, is Senior Vice President and Chief Strategy Officer (since 2001) of Pitney Bowes Inc., a global provider of integrated mail and document management solutions. He served as Vice President, Global Growth and Future Strategy (1999-2001). Mr. Jimenez served on the Governance and Executive committees during 2004.

James A. Mitchell Director since 2002
Mr. Mitchell, 63, is the Executive Fellow-Leadership, Center for Ethical Business Cultures (since 1999), a not-for-profit organization assisting business leaders in creating ethical and profitable cultures. Mr. Mitchell served on the Compensation and Development and Governance committees during 2004.

William C. Nelson Director since 2000
Mr. Nelson, 67, is Chairman (since 2001) of George K. Baum Asset Management, a provider of investment management services to individuals, foundations and institutions. He is the retired Chairman (1990-2000) of Bank of America Midwest. He also serves on the board of DST Systems. Mr. Nelson served on the Audit and Compensation and Development committees during 2004.

Linda H. Talbott Director since 1983
Dr. Talbott, 64, is President of Talbott & Associates (since 1975), consultants in strategic planning, philanthropic management and development to foundations, corporations, and nonprofit organizations. She is also Chairman of the Center for Philanthropic Leadership. Dr. Talbott served as a member of the Executive and Governance committees during 2004.

Robert H. West Director since 1980
Mr. West, 66, serves on the boards of Saint Luke's Health System, Burlington Northern Santa Fe Corporation and Commerce Bancshares, Inc. Mr. West served as the Lead Director of the Board and as a member of the Audit, Executive and Compensation and Development committees during 2004.

KCP&L Audit Committee
The Audit Committee of the Great Plains Energy Board of Directors functions as the Audit Committee of KCP&L. The members of the Audit Committee are Mark A. Ernst, David L. Bodde, Randall C. Ferguson, Jr., William C. Nelson and Robert H. West. The Board identified Mark A. Ernst, William C. Nelson and Robert H. West as independent "audit committee financial experts", as that term is defined by the SEC pursuant to Section 407 of the Sarbanes-Oxley Act of 2002, and determined that those individuals are independent.

Great Plains Energy and KCP&L Executive Officers
Information regarding the executive officers of Great Plains Energy and KCP&L is contained in this report in the Part I, Item 1 section titled "Executive Officers."

Great Plains Energy and KCP&L Code of Ethics
The Company has adopted a Code of Business Conduct and Ethics (Code), which applies to all directors, officers and employees of Great Plains Energy, KCP&L and their subsidiaries. The Code is posted on the investor relations page of our Internet websites at www.greatplainsenergy.com and www.kcpl.com. A copy of the Code is available, without charge, upon written request to Corporate Secretary, Great Plains Energy Incorporated, 1201 Walnut, Kansas City, Missouri 64106. Great Plains Energy and KCP&L intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding an amendment to, or a waiver from, a provision of the Code that applies to the principal executive officer, principal financial officer, principal accounting officer or controller of those companies by posting such information on the investor relations page of their Internet websites.

Section 16(a) Beneficial Ownership Reporting Compliance
The information regarding compliance with Section 16(a) of the Securities Exchange Act of 1934, as amended, contained in the section titled "Security Ownership of Directors and Officers" of the Proxy Statement is incorporated by reference.

ITEM 11. EXECUTIVE COMPENSATION

GREAT PLAINS ENERGY
The information regarding compensation of Great Plains Energy directors and named executive officers contained in the sections titled "Corporate Governance", "Executive Compensation", "Aggregated Option/SAR Exercises in the Last Fiscal Year and Fiscal Year-End Option/SAR Values", "Great Plains Energy Pension

Plans", "Great Plains Energy Severance Agreements", "Employment Arrangement With Mr. Chesser", "Compensation and Development Committee Report on Executive Compensation", "Certain Relationships and Related Transactions" and "Stock Performance Graph" of the Proxy Statement is incorporated by reference.

KCP&L

Summary Compensation Table

The following table contains compensation data for KCP&L executive officers named below, for fiscal years ended December 31, 2004, 2003 and 2002.

		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($) (1)	Restricted Stock Award(s) ($)(2)	Securities Underlying Options/ SARs (#)	LTIP Payouts ($)	All Other Compensation ($)(3)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Michael J. Chesser	2004	550,000	495,535	311,436	-	-	-	8,734
Chairman of the Board	2003	137,500	123,750	-	1,115,813	-	-	1,403
	2002	-	-	-	-	-	-	-
William H. Downey	2004	400,000	270,292	-	-	-	-	27,562
President and Chief	2003	325,000	219,375	-	1,001,998	5,249	-	20,764
Executive Officer	2002	260,000	78,000	-	-	20,000	-	14,382
Andrea F. Bielsker	2004	230,000	141,831	-	-	-	-	24,678
Senior Vice President–	2003	220,000	132,000	-	125,626	2,887	-	22,313
Finance, Chief Financial	2002	200,000	60,000	-	-	13,000	-	18,569
Officer and Treasurer								
Stephen T. Easley	2004	225,000	116,684	-	-	-	-	11,972
Vice President-	2003	210,000	94,500	-	128,378	2,449	-	10,737
Generation Services	2002	200,000	56,388	-	-	13,000	-	5,242
William P. Herdegen, III	2004	175,000	85,510	-	-	-	-	8,881
Vice President –	2003	175,000	78,750	-	62,481	2,041	-	8,594
Distribution Operations	2002	160,000	32,000	-	-	6,000	-	4,682

(1) While the five named executive officers receive certain perquisites from the Company, with the exception of Mr. Chesser in 2004, such perquisites did not reach in any of the reported years the threshold for reporting of the lesser of either $50,000 or ten percent of salary and bonus set forth in the applicable rules of the Securities and Exchange Commission.
For 2004, amounts include:

- **Personal Travel:** Chesser-$3,794
- **Relocation Costs:** Chesser-$299,292
- **Transportation Allowance:** Chesser-$7,200
- **Club Dues:** Chesser-$1,150

(2) The dollar value of restricted stock awards shown in Column (f) above is calculated by multiplying the number of shares awarded by the closing market price of the Great Plains Energy common stock on the date of the grant.
Chesser
12,135 shares vesting October 1, 2005, 12,135 shares vesting October 1, 2006 and 12,135 shares vesting October 1, 2007; dividends are reinvested with the same restrictions as the restricted stock; value as of December 31, 2004 was $1,102,343.
Downey
8,825 shares vesting October 1, 2005, 8,825 shares vesting October 1, 2006 and 8,826 shares vesting October 1, 2007; dividends are reinvested with the same restrictions as the restricted stock; value as of December 31, 2004 was $801,693.

(3) For 2004, amounts include:

- **Contribution Under the Great Plains Energy Employee Savings Plus Plan:** Chesser-$263; Downey-$6,079; Bielsker-$6,142; Easley-$6,150; and Herdegen-$5,250.
- **Flex Dollars Under the Flexible Benefits Plan:** Chesser-$6,581; Downey-$3,932; Bielsker-$14,027; Easley-$3,997; and Herdegen-$3,542.
- **Deferred Flex Dollars:** Chesser-$1,836; and Downey-$2,535.
- **Contribution under the Great Plains Energy Employee Savings Plus Plan accruing to the Deferred Compensation Plan:** Downey-$4,269; Bielsker-$344; and Easley-$156.
- **Above-Market Interest Paid on Deferred Compensation:** Chesser-$54; Downey-$10,747; Bielsker-$4,165; and Easley-$1,669.
- **Wellness Program:** Herdegen-$89.

Aggregated Option/SAR Exercises in the Last Fiscal Year and Fiscal Year-End Option/SAR Values

	Shares Acquired on Exercise	Value Realized	Number of Securities Underlying Unexercised Options/SARs at Fiscal Year End (#)		Value of Unexercised In-the-Money Options/SARs at Fiscal Year End ($)	
Name (a)	(#) (b)	($) (c)	Exercisable (1)(d)	Unexercisable (d)	Exercisable (1) (e)	Unexercisable (e)
Michael J. Chesser	0	-	-	-	-	-
William H. Downey	0	-	40,000	5,249	202,200	13,385
Andrea F. Bielsker	5,000	24,000	21,000	2,887	107,780	7,362
Stephen T. Easley	0	-	19,000	2,449	98,320	6,245
William P. Herdegen, III	0	-	12,000	2,041	60,660	5,205

(1) Includes stock options of 20,000 shares, 13,000 shares, 13,000 shares and 6,000 shares to Mr. Downey, Ms. Bielsker, Mr. Easley and Mr. Herdegen, respectively, that became exercisable February 5, 2005.

Pension Plans

Great Plains Energy has a non-contributory pension plan (Great Plains Energy Pension Plan) providing for benefits upon retirement, normally at age 65. In addition, a supplemental retirement benefit is provided for selected executive officers. The following table shows examples of single life option pension benefits (including unfunded supplemental retirement benefits) payable upon retirement at age 65 to the named executive officers:

Average Annual Base Salary	Annual Pension for Years of Service Indicated			
for Highest 36 Months	15	20	25	30 or more
150,000	45,000	60,000	75,000	90,000
200,000	60,000	80,000	100,000	120,000
250,000	75,000	100,000	125,000	150,000
300,000	90,000	120,000	150,000	180,000
350,000	105,000	140,000	175,000	210,000
400,000	120,000	160,000	200,000	240,000
450,000	135,000	180,000	225,000	270,000
500,000	150,000	200,000	250,000	300,000
550,000	165,000	220,000	275,000	330,000
600,000	180,000	240,000	300,000	360,000
650,000	195,000	260,000	325,000	390,000
700,000	210,000	280,000	350,000	420,000

Each eligible employee with 30 or more years of credited service, or whose age and years of service add up to 85, is entitled to a total monthly annuity equal to 50% of their average base monthly salary for the period of 36 consecutive months in which their earnings were highest. The monthly annuity will be proportionately reduced if their years of credited service are less than 30 or if their age and years of service do not add up to 85. The compensation covered by the Great Plains Energy Pension Plan -- base monthly salary -- excludes any bonuses and other compensation. The Great Plains Energy Pension Plan provides that pension amounts are not reduced by Social Security benefits. The estimated credited years of service for the named executive officers in the Summary Compensation table are as follows:

Officer	Credited Years of Service
Michael J. Chesser (1)	1 year
William H. Downey	4 years
Andrea F. Bielsker	20 years
Stephen T. Easley	8 years
William P. Herdegen, III	3 years

(1) Pursuant to the terms of an employment agreement, Mr. Chesser will be credited with two years of service for every one year of service earned. The additional year of service will be paid as a supplemental retirement benefit.

Eligibility for supplemental retirement benefits is limited to executive officers selected by the Copensation and Development Committee of the Board; all the executive officers named in the Summary Compensation Table are participants. The total retirement benefit payable at the normal retirement date is equal to 2% of highest average earnings, as shown above, for each year of credited service up to 30 (maximum of 60% of highest average earnings). A liability accrues each year to cover the estimated cost of future supplemental benefits.

The Internal Revenue Code imposes certain limitations on pensions that may be paid under tax qualified pension plans. In addition to the supplemental retirement benefits, the amount by which pension benefits exceed the limitations will be paid outside the qualified plan and accounted for by Great Plains Energy as an operating expense.

Severance Agreements

Great Plains Energy has severance agreements (Severance Agreements) with certain KCP&L executive officers, including the named executive officers, to ensure their continued service and dedication to and their objectivity in considering on behalf of Great Plains Energy any transaction that would change the control of the Company. Under the Severance Agreements, an executive officer would be entitled to receive a lump-sum cash payment and certain insurance benefits during the three-year period after a Change in Control (or, if later, the three-year period following the consummation of a transaction approved by Great Plains Energy’s shareholders constituting a Change in Control) if the officer's employment was terminated by:

- Great Plains Energy other than for cause or upon death or disability;
- the executive officer for "Good Reason" (as defined in the Severance Agreements); and
- the executive officer for any reason during a 30-day period commencing one year after the Change in Control or, if later, commencing one year following consummation of a transaction approved by Great Plains Energy’s shareholders constituting a change in control (a "Qualifying Termination").

A Change in Control is defined as:

- an acquisition by a person or group of 20% or more of the Great Plains Energy common stock (other than an acquisition from or by Great Plains Energy or by a Great Plains Energy benefit plan);

- a change in a majority of the Board; and
- approval by the shareholders of a reorganization, merger or consolidation (unless shareholders receive 60% or more of the stock of the surviving Company) or a liquidation, dissolution or sale of substantially all of Great Plains Energy's assets.

Upon a Qualifying Termination, Great Plains Energy must make a lump-sum cash payment to the executive officer of:

- the officer's base salary through the date of termination;
- a pro-rated bonus based upon the average of the bonuses paid to the officer for the last five fiscal years;
- any accrued vacation pay;
- two or three times the officer's highest base salary during the prior 12 months;
- two or three times the average of the bonuses paid to the officer for the last five fiscal years;

- the actuarial equivalent of the excess of the officer's accrued pension benefits including supplemental retirement benefits computed without reduction for early retirement and including two or three additional years of benefit accrual service, over the officer's vested accrued pension benefits; and
- the value of any unvested Great Plains Energy contributions for the benefit of the officer under the Great Plains Energy Employee Savings Plus Plan.

In addition, Great Plains Energy must offer health, disability and life insurance plan coverage to the officer and his dependents on the same terms and conditions that existed immediately prior to the Qualifying Termination for two or three years, or, if earlier, until the executive officer is covered by equivalent plan benefits. Great Plains Energy must make certain "gross-up" payments regarding tax obligations relating to payments under the Severance Agreements as well as provide reimbursement of certain expenses relating to possible disputes that might arise.

Payments and other benefits under the Severance Agreements are in addition to balances due under the Great Plains Energy Long-Term Incentive Plan and Annual Incentive Plan. Upon a Change in Control (as defined in the Great Plains Energy Long-Term Incentive Plan), all stock options granted in tandem with limited stock appreciation rights will be automatically exercised.

Employment Arrangement with Mr. Chesser
Pursuant to the terms of an employment arrangement, Michael Chesser, Chairman of the Board of KCP&L, is entitled to receive three times annual salary and bonus if he is terminated without cause prior to his reaching age 63. After age 63, any benefit for termination without cause will be one times annual salary and bonus until age 65. Regarding pension benefits, Mr. Chesser will receive two credited years of service for every one year of service earned. The additional year of service will be paid as a supplemental retirement benefit.

Director Compensation
The directors of KCP&L receive the following compensation for serving on the Boards of Great Plains Energy and KCP&L:

Non-employee directors received an annual retainer of $50,000 in 2004 ($25,000 of which was used to acquire shares of Great Plains Energy common stock through Great Plains Energy's Dividend Reinvestment and Direct Stock Purchase Plan on behalf of each non-employee member of the Board). An additional retainer of $10,000 was paid annually to the lead director. Also, a retainer of $3,000 was paid to those non-employee directors serving as chair of a committee. Attendance fees of $1,000 for each Board meeting and $1,000 for each committee meeting attended were also paid in 2004. Directors may defer the receipt of all or part of the cash retainers and meeting fees.

Great Plains Energy also provides life and medical insurance coverage for each non-employee member of the Board. The total premiums paid by Great Plains Energy for this coverage for all participating non-employee directors in 2004 were $30,629.

Compensation and Development Committee Report on KCP&L Executive Compensation
The Compensation and Development Committee of the Board of Great Plains Energy is composed of five independent directors, and functions as the Compensation Committee of KCP&L. The Compensation and Development Committee sets the executive compensation structure and administers the policies and plans that govern compensation for the executive officers. Executive compensation is consistent with the Great Plains Energy total remuneration philosophy, which provides:

> Given Great Plains Energy's strategies in the competitive and demanding energy marketplace, attracting and retaining talent is a top priority. Great Plains Energy is committed to establishing total remuneration levels that are performance-based, competitive with the energy or utility market for jobs of similar scope to enable the organization to recruit and retain talented personnel at all levels in a dynamic and complex marketplace. This will be established through base salary, benefits and performance-based annual and long-term incentives. The incentive targets will be consistent with current trends in the energy or utility sector and the incentive measures will be appropriately tied to shareholder and customer interests.

Executive compensation for 2004 consisted of base salary and annual incentives. No grants were made under the Great Plains Energy Long-Term Incentive Plan in 2004. The Compensation and Development Committee has not adopted a policy concerning the Internal Revenue Services' rules on the deductibility of compensation in excess of $1,000,000.

Base Salaries

The Compensation and Development Committee reviews executive officer salaries annually and makes adjustments as warranted. The Compensation and Development Committee benchmarks executive compensation regularly and compares with national compensation surveys. Base salaries for executive officers were established for 2004 on the basis of:

- job responsibilities and complexity;
- individual performance under established guidelines;
- competitiveness for comparable positions in companies of similar size within the industry and general industry; and
- sustained performance of the company.

Annual Incentive Plan
Under the Great Plains Energy Annual Incentive Plan (Plan), executive officers receive incentive compensation based on the achievement of specific corporate business unit and individual goals. The size of the entire award under the Plan is determined by Great Plains Energy earnings per share. Individual award levels are set as a percentage of the executive officer's base salary. The corporate earnings per share target is subject to established performance measures at threshold, target and maximum. Payments at target equal 100% of the potential payout for each individual. Performance awards are not paid if the corporate earnings per share performance falls below the threshold level. Corporate earnings per share performance above the target goal results in payouts above the target level. The entire award is distributed proportionately among participants based on individual award levels and achievement of goals. In 2004, corporate earnings per share were at the maximum level and individual awards were earned in the amounts set forth in the Summary Compensation Table.

Long-Term Incentive Plan
Great Plains Energy has a Long-Term Incentive Plan, approved by the shareholders, which provides for grants by the Compensation and Development Committee of stock options, restricted stock, performance shares and other stock-based awards. The Compensation and Development Committee believes that appropriate equity interests in Great Plains Energy by its executive officers more closely aligns the interests of management with shareholders and has established stock ownership guidelines for executive officers based on their level within the organization. Compliance with these guidelines is taken into consideration in determining grants under the Long-Term Incentive Plan. No long-term grants were made in 2004.

Chief Executive Officer
In determining the base salary for William H. Downey, the President and Chief Executive Officer of KCP&L, the Compensation and Development Committee considered:

- financial performance of the company;
- cost and quality of services provided;
- leadership in enhancing the long-term value of the company; and
- relevant salary data from the utility industry.

The incentive award to Mr. Downey in 2004 under the Annual Incentive Plan was determined in the same manner as other executive officers.

COMPENSATION AND DEVELOPMENT COMMITTEE
William C. Nelson (Chairman)
Mark A. Ernst
William K. Hall
James A. Mitchell
Robert H. West

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

GREAT PLAINS ENERGY
The information regarding security ownership of the directors and executive officers of Great Plains Energy contained in the section titled "Security Ownership of Directors and Officers" of the Proxy Statement is incorporated by reference.

KCP&L
Great Plains Energy is the sole shareholder of KCP&L. The following table shows beneficial ownership of Great Plains Energy's common stock by the named executive officers, directors and all directors and executive officers of KCP&L as of February 5, 2005 (with the exception of shares held in the Employee Savings Plus Plan, which is reported as of January 31, 2005). The total of all shares owned by directors and executive officers represents less than 1% of Great Plains Energy's common stock.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned	
Named Executive Officers		
Michael J. Chesser	38,889	(1)
William H. Downey	79,923	(1)

Andrea F. Bielsker	27,669	(1)
Stephen T. Easley	35,133	(1)
William P. Herdegen, III	13,965	(1)
Other Directors		
David L. Bodde	8,835	(3)
Mark A. Ernst	7,244	
Randall C. Ferguson, Jr.	2,957	
William K. Hall	10,612	
Luis A. Jimenez	3,263	
James A. Mitchell	3,845	
William C. Nelson	3,601	
Linda H. Talbott	9,340	
Robert H. West	6,803	(3)
All KCP&L Executive Officers and Directors As A Group (17 persons)	291,612	(1)

(1) Includes restricted stock and exercisable non-qualified stock options.
- Restricted Stock: Chesser – 38,871 shares; Downey – 28,269 shares; and Easley – 10,000 shares (awarded February 1, 2005).
- Exercisable Non–Qualified Stock Options: Downey – 40,000 shares; Bielsker – 21,000 shares; Easley – 19,000 shares; and Herdegen – 12,000 shares.

(2) The nominee disclaims beneficial ownership of 1,000 shares reported and held by nominee's mother.
(3) The nominee disclaims beneficial ownership of 1,000 shares reported and held by nominee's wife.

Equity Compensation Plan
The information regarding Great Plains Energy's equity compensation plan is in Item 5, Market for the Registrants' Common Equity and Related Shareholder Matters, of this report.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

GREAT PLAINS ENERGY
The information regarding certain relationships and related transactions regarding Great Plains Energy contained in the section titled "Certain Relationships and Related Transactions" of the Proxy Statement is incorporated by reference.

KCP&L
See note 12 to the consolidated financial statements.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

GREAT PLAINS ENERGY
The information regarding the independent auditors of Great Plains Energy and its subsidiaries contained in the section titled "Audit Committee Report" of the Proxy Statement is incorporated by reference.

KCP&L
The Audit Committee of the Great Plains Energy Board functions as the Audit Committee of KCP&L.

The following table sets forth the aggregate fees billed by Deloitte & Touche LLP for audit services rendered in connection with the consolidated financial statements and reports for 2004 and 2003 and for other services rendered during 2004 and 2003 on behalf of KCP&L and its subsidiaries, as well as all out-of-pocket costs incurred in connection with these services.

Fee Category	2004	2003
Audit Fees	$ 920,904	$ 227,013
Audit-Related Fees	138,080	22,000
Tax Fees	373,730	85,637
All Other Fees	-	-
Total Fees	$ 1,432,714	$ 334,650

Audit Fees
Consists of direct and allocated fees billed for professional services rendered for the audits of the annual consolidated financial statements of KCP&L and its subsidiaries and reviews of the interim condensed consolidated financial statements included in quarterly reports. Audit fees also include: services provided by Deloitte & Touche LLP in connection with statutory and regulatory filings or engagements; audit reports on audits of the effectiveness of internal control over financial reporting and on management's assessment of the effectiveness of internal control over financial reporting (the fees in 2004 aggregated $594,750) and other attest services, except those not required by statute or regulation; services related to filings with the Securities and Exchange Commission, including comfort letter, consents and assistance with and review of documents filed with the Securities and Exchange Commission; and accounting research in support of the audit.

Audit-Related Fees
Consists of direct and allocated fees billed for assurance and related services that are reasonably related to the performance of the audit or review of consolidated financial statements of KCP&L and its subsidiaries and are not reported under "Audit Fees". These services include consultation concerning financial accounting

and reporting standards and services in connection with KCP&L's assessment of the effectiveness of its internal control over financial reporting (the fees in 2004 aggregated $131,980).

Tax Fees
Consists of direct and allocated fees billed for tax compliance and related support of tax returns and other tax services, including assistance with tax audits and tax research and planning. Tax fees for 2004 included $372,040 of fees that became payable upon resolution of engagements entered into in prior years.

All Other Fees
Consists of fees for all other services other than those reported above.

Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors
The Audit Committee pre-approves all audit and permissible non-audit services provided by the independent auditor to Great Plains Energy and its subsidiaries. These services may include audit services, audit-related services, tax services and other services. The Audit Committee has adopted for both Great Plains Energy and KCP&L, and their respective subsidiaries, policies and procedures for the pre-approval of services provided by the independent auditor. Under these policies and procedures, the Audit Committee may pre-approve certain types of services, up to aggregate fee levels established by the Audit Committee. The Audit Committee as well may specifically approve audit and permissible non-audit services on a case-by-case basis. Any proposed service within a pre-approved type of service that would cause the applicable fee level to be exceeded cannot be provided unless the Audit Committee either amends the applicable fee level or specifically approves the proposed service. Pre-approval is generally provided for up to one year, unless the Audit Committee specifically provides for a different period. The Audit Committee receives quarterly reports regarding the pre-approved services performed by the independent auditor. The Chairman of the Audit Committee may, between meetings, pre-approve audit and non-audit services provided by the independent auditor and report such pre-approval at the next Audit Committee meeting.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

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Great Plains Energy

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KCP&L

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Exhibits

Great Plains Energy Documents

Exhibit Number		Description of Document
2.1	*	Agreement and Plan of Merger among Kansas City Power & Light Company, Great Plains Energy Incorporated and KCP&L Merger Sub Incorporated dated as of October 1, 2001 (Exhibit 2 to Form 8-K dated October 1, 2001).
3.1.a	*	Articles of Incorporation of Great Plains Energy Incorporated dated as of February 26, 2001 (Exhibit 3.i to Form 8-K filed October 1, 2001).
3.1.b	*	By-laws of Great Plains Energy Incorporated, as amended September 16, 2003 (Exhibit 3.1 to Form 10-Q for the period ended September 30, 2003).
4.1.a	*	Resolution of Board of Directors Establishing 3.80% Cumulative Preferred Stock (Exhibit 2-R to Registration Statement, Registration No. 2-40239).
4.1.b	*	Resolution of Board of Directors Establishing 4.50% Cumulative Preferred Stock (Exhibit 2-T to Registration Statement, Registration No. 2-40239).
4.1.c	*	Resolution of Board of Directors Establishing 4.20% Cumulative Preferred Stock (Exhibit 2-U to Registration Statement, Registration No. 2-40239).
4.1.d	*	Resolution of Board of Directors Establishing 4.35% Cumulative Preferred Stock (Exhibit 2-V to Registration Statement, Registration No. 2-40239).

4.1.e	*	Pledge Agreement, dated June 14, 2004, between Great Plains Energy Incorporated and BNY Midwest Trust Company, as Collateral Agent, Custodial Agent and Securities Intermediary and BNY Midwest Trust Company, as Purchase Contract Agent (Exhibit 4.2 to Form 8-A/A, dated June 14, 2004).
4.1.f	*	Indenture, dated June 1, 2004, between Great Plains Energy Incorporated and BNY Midwest Trust

		Company, as Trustee (Exhibit 4.5 to Form 8-A/A, dated June 14, 2004).
4.1.g	*	First Supplemental Indenture, dated June 14, 2004, between Great Plains Energy Incorporated and BNY Midwest Trust Company, as Trustee (Exhibit 4.5 to Form 8-A/A, dated June 14, 2004).
4.1.h	*	Form of Income PRIDES (included in Exhibit 4.1 to Form 8-A/A, dated June 14, 2004, as Exhibit A thereto).
10.1.a	*+	Amended Long-Term Incentive Plan, effective as of May 7, 2002 (Exhibit 10.1.a to Form 10-K for the year ended December 31, 2002).
10.1.b	*+	Restricted Stock Agreement Pursuant to the Great Plains Energy Incorporated Long-Term Incentive Plan Effective May 7, 2002 (Exhibit 10.1 to Form 8-K dated February 4, 2005).
10.1.c	*+	Restricted Stock Agreement Pursuant to the Great Plains Energy Incorporated Long-Term Incentive Plan Effective May 7, 2002 (Exhibit 10.2 to Form 8-K dated February 4, 2005).
10.1.d	*+	Performance Share Agreement Pursuant to the Great Plains Energy Incorporated Long-Term Incentive Plan Effective May 7, 2002 (Exhibit 10.3 to Form 8-K dated February 4, 2005).
10.1.e	*+	Performance Share Agreement Pursuant to the Great Plains Energy Incorporated Long-Term Incentive Plan Effective May 7, 2002 (Exhibit 10.4 to Form 8-K dated February 4, 2005).
10.1.f	+	Great Plains Energy Incorporated / Kansas City Power & Light Company Annual Incentive Plan 2005.
10.1.g	+	Strategic Energy, L.L.C. Annual Incentive Plan 2005.
10.1.h	*+	Indemnification Agreement with each officer and director (Exhibit 10-f to Form 10-K for year ended December 31, 1995).
10.1.i	*+	Conforming Amendment to Indemnification Agreement with each officer and director (Exhibit 10.1.a to Form 10-Q for the period ended March 31, 2003).
10.1.j	*+	Restated Severance Agreement dated January 2000 with certain executive officers (Exhibit 10-e to Form 10-K for the year ended December 31, 2000).
10.1.k	*+	Conforming Amendment to Severance Agreements with certain executive officers (Exhibit 10.1.b to Form 10-Q for the period ended March 31, 2003).
10.1.l	*+	Great Plains Energy Incorporated Supplemental Executive Retirement Plan, as amended and restated effective October 1, 2003 (Exhibit 10.1.a to Form 10-Q for

		the period ended September 30, 2003).
10.1.m	*+	Nonqualified Deferred Compensation Plan (Exhibit 10-b to Form 10-Q for the period ended March 31, 2000).
10.1.n	+	Description of Compensation Arrangements with Directors and Certain Executive Officers.
10.1.o	*+	Employment Agreement between Strategic Energy, L.L.C. and Richard M. Zomnir dated June 13, 2002 (Exhibit 10.1.h to Form 10-K for the year ended December 31, 2002).
10.1.p	+	Employment Agreement among Strategic Energy, L.L.C., Great Plains Energy Incorporated and Shahid J. Malik, dated as of November 10, 2004.
10.1.q	+	Severance Agreement among Strategic Energy, L.L.C., Great Plains Energy Incorporated and Shahid J. Malik, dated as of November 10, 2004.

10.1.r	*	First Amended and Restated Joint Plan under Chapter 11 of the United States Bankruptcy Code dated March 31, 2003, of Digital Teleport Inc., DTI Holdings, Inc. and Digital Teleport of Virginia, Inc. (Exhibit 10.1.e to Form 10-Q for the period ended March 31, 2003).
10.1.s		Credit Agreement dated as of December 15, 2004, among Great Plains Energy Incorporated, Bank of America, N.A., as Syndication Agent, The Bank of Tokyo-Mitsubishi, Ltd, Wachovia Bank, National Association and BNP Paribas, as Co-Documentation Agents, JPMorgan Chase Bank, N.A., as Administrative Agent, The Bank of New York, KeyBank National Association, The Bank of Nova Scotia, U.S. Bank National Association, Merrill Lynch Bank USA, Morgan Stanley Bank, Mizuho Corporate Bank, UMB Bank, N.A., PNC Bank, National Association, Bank Midwest, N.A. and UFJ Bank Limited.
10.1.t	*	Amended and Restated Credit Agreement, dated as of July 2, 2004, by and among Strategic Energy, L.L.C., LaSalle Bank National Association, PNC Bank, National Association, Citizens Bank of Pennsylvania, Provident Bank, Fifth Third Bank and Sky Bank. (Exhibit 10.2 to Form 10-Q for the period ended June 30, 2004).
10.1.u	*	Amended and Restated Limited Guaranty dated as of July 2, 2004, by Great Plains Energy Incorporated in favor of the lenders under the Amended and Restated Credit Agreement dated as of July 2, 2004 among Strategic Energy, L.L.C. and the financial institutions from time to time parties thereto. (Exhibit 10.3 to Form 10-Q for the period ended June 30, 2004).
10.1.v	*	Agreement dated May 10, 2004, by and among SE Holdings, LLC, members of SE Holdings, LLC, SE, Inc., shareholders of SE, Inc., Strategic Energy, LLC and Innovative Energy Consultants Inc. (Exhibit 10.6 to Form 10-Q for the period ended June 30, 2004).
10.1.w	*	General Agreement of Indemnity issued by Great Plains Energy Incorporated and Strategic Energy, L.L.C. in favor of Federal Insurance Company and subsidiary or affiliated insurers dated May 23, 2002 (Exhibit 10.1.a. to Form 10-Q for the period

		ended June 30, 2002).
10.1.x	*	Agreement of Indemnity issued by Great Plains Energy Incorporated and Strategic Energy, L.L.C. in favor of Federal Insurance Company and subsidiary or affiliated insurers dated May 23, 2002 (Exhibit 10.1.b. to Form 10-Q for the period ended June 30, 2002).
10.1.y	*	Guaranty issued by Great Plains Energy Incorporated, dated as of June 30, 2003, in favor of El Paso Merchant Energy, L.P. (Exhibit 10.1.c to Form 10-Q for the period ended June 30, 2003).
10.1.z	*	First Amendment to Guarantee by and between Great Plains Energy Incorporated and El Paso Merchant Energy, dated as of July 29, 2003 (Exhibit 10.1.d to Form 10-Q for the period ended June 30, 2003).
10.1.aa	*	Guaranty issued by Great Plains Energy Incorporated in favor of Coral Power, L.L.C., dated as of September 12, 2002, and First Amendment to Guaranty by and between Great Plains Energy Incorporated and Coral Power, L.L.C. dated as of March 7, 2003 (Exhibit 10.1.f to Form 10-Q for the period ended March 31, 2003).
10.1.bb	*	Second Amendment to Guaranty by and between Great Plains Energy Incorporated and Coral Power, L.L.C. dated as of May 9, 2003 (Exhibit 10.1.f to Form 10-Q for the period ended June 30, 2003).
10.1.cc	*	Third Amendment to Guaranty by and between Great Plains Energy Incorporated and Coral Power, L.L.C., dated as of May 30, 2003 (Exhibit 10.1.g to Form 10-Q for the period ended June 30, 2003).
10.1.dd	*	Fourth Amendment to Guaranty by and between Great Plains Energy Incorporated and Coral Power, L.L.C., dated as of August 29, 2003 (Exhibit 10.1.c to Form 10-Q for the period ended September 30, 2003).
10.1.ee	*	Fifth Amendment to Guaranty dated as of August 30, 2004 between Great Plains Energy Incorporated and Coral Power, L.L.C. (Exhibit 10.1.c. to Form 10-Q for the period ended September 30, 2004).

10.1.ff	*	Guaranty Extension by and between Great Plains Energy Incorporated and Coral Power, L.L.C., dated as of September 11, 2003 (Exhibit 10.1.d to Form 10-Q for the period ended September 30, 2003).
10.1.gg	*	Agreement and Plan of Merger among Environmental Lighting Concepts, Inc., Mark R. Schroeder and Gregory J. Orman, Innovative Energy Consultants Inc. and Great Plains Energy Incorporated dated November 7, 2002 (Exhibit 10 to Form 8-K dated November 7, 2002).
10.1.hh	*	Guaranty issued by Great Plains Energy Incorporated, dated as of March 1, 2004, in favor of Cincinnati Gas & Electric Company (Exhibit 10.1.dd to Form 10-K for the year ended December 31, 2003).
10.1.ii	*	Guaranty Extension by and between Great Plains Energy Incorporated and The Cincinnati Gas & Electric Company, dated as of March 29, 2004. (Exhibit 10.1.d to For 10-Q for the period ended March 31, 2004)

10.1.jj	Agreement between Great Plains Energy Incorporated and Andrea F. Bielsker dated March 4, 2005.
12.1	Computation of Ratio of Earnings to Fixed Charges.
21.1	List of Subsidiaries of Great Plains Energy Incorporated.
23.1.a	Consent of Counsel.
23.1.b	Consent of Independent Registered Public Accounting Firm.
24.1	Powers of Attorney.
31.1.a	Rule 13a-14(a)/15d-14(a) Certifications of Michael J. Chesser.
31.1.b	Rule 13a-14(a)/15d-14(a) Certifications of Andrea F. Bielsker.
32.1	Section 1350 Certifications.

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

+ Indicates management contract or compensatory plan or arrangement.

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

Great Plains Energy agrees to furnish to the SEC upon request any instrument with respect to long-term debt as to which the total amount of securities authorized does not exceed 10% of total assets of Great Plains Energy and its subsidiaries on a consolidated basis.

KCP&L Documents

Exhibit Number		Description of Document
2.2	*	Agreement and Plan of Merger among Kansas City Power & Light Company, Great Plains Energy Incorporated and KCP&L Merger Sub Incorporated dated as of October 1, 2001 (Exhibit 2 to Form 8-K dated October 1, 2001).
3.2.a	*	Restated Articles of Consolidation of Kansas City Power & Light Company, as amended October 1, 2001 (Exhibit 3-(i) to Form 10-Q for the period ended September 30, 2001).
3.2.b	*	By-laws of Kansas City Power & Light Company, as amended September 16, 2003 (Exhibit 3.2 to Form 10-Q for the period ended September 30, 2003).

4.2.a	*	General Mortgage and Deed of Trust dated as of December 1, 1986, between Kansas City Power & Light Company and UMB Bank, n.a. (formerly United Missouri Bank of Kansas City, N.A.), Trustee (Exhibit 4-bb to Form 10-K for the year ended December 31, 1986).

4.2.b	*	Fourth Supplemental Indenture dated as of February 15, 1992, to Indenture dated as of December 1, 1986 (Exhibit 4-y to Form 10-K for the year ended December 31, 1991).
4.2.c	*	Fifth Supplemental Indenture dated as of September 15, 1992, to Indenture dated as of December 1, 1986 (Exhibit 4-a to quarterly report on Form 10-Q for the period ended September 30, 1992).
4.2.d	*	Seventh Supplemental Indenture dated as of October 1, 1993, to Indenture dated as of December 1, 1986 (Exhibit 4-a to quarterly report on Form 10-Q for the period ended September 30, 1993).
4.2.e	*	Eighth Supplemental Indenture dated as of December 1, 1993, to Indenture dated as of December 1, 1986 (Exhibit 4 to Registration Statement, Registration No. 33-51799).
4.2.f	*	Ninth Supplemental Indenture dated as of February 1, 1994, to Indenture dated as of December 1, 1986 (Exhibit 4-h to Form 10-K for year ended December 31, 1993).
4.2.g	*	Indenture for Medium-Term Note Program dated as of February 15, 1992, between Kansas City Power & Light Company and The Bank of New York (Exhibit 4-bb to Registration Statement, Registration No. 33-45736).
4.2.h	*	Indenture for $150 million aggregate principal amount of 6.50% Senior Notes due November 15, 2011 and $250 million aggregate principal amount of 7.125% Senior Notes due December 15, 2005 dated as of December 1, 2000, between Kansas City Power & Light Company and The Bank of New York (Exhibit 4-a to Report on Form 8-K dated December 18, 2000).
4.2.i	*	Indenture for $225 million aggregate principal amount of 6.00% Senior Notes due 2007, Series B, dated March 1, 2002 between The Bank of New York and Kansas City Power & Light Company (Exhibit 4.1.b. to Form 10-Q for the period ended March 31, 2002).
10.2.a	*	Railcar Lease dated as of April 15, 1994, between Shawmut Bank Connecticut, National Association, and Kansas City Power & Light Company (Exhibit 10 to Form 10-Q for the period ended June 30, 1994).
10.2.b	*	Railcar Lease dated as of January 31, 1995, between First Security Bank of Utah, National Association, and Kansas City Power & Light Company (Exhibit 10-o to Form 10-K for the year ended December 31, 1994).
10.2.c	*	Railcar Lease dated as of September 8, 1998, with CCG Trust Corporation (Exhibit 10(b) to Form 10-Q for the period ended September 30, 1998).
10.2.d	*	Amended and Restated Lease dated as of October 12, 2001 between Kansas City Power & Light Company and Wells Fargo Bank Northwest, National Association (Exhibit 10.2.d to Form 10-K for the year ended December 31, 2001).
10.2.e	*	Purchase and Sale Agreement dated October 29, 1999 between Kansas City Power & Light Company and Kansas City Power & Light Receivables Company (Exhibit 10-m to Form 10-K for year ended December 31, 1999).
10.2.f	*	Insurance agreement between Kansas City Power & Light Company and XL Capital Assurance Inc., dated December 5, 2002, relating to City of Burlington, Kansas,

Environmental Improvement Revenue Refunding Bonds, Series 1993A and 1993B in the aggregate amount of $79,000,000.

10.2.g	*	Insurance Agreement dated as of August 1, 2004, between Kansas City Power & Light Company and XL Capital Assurance Inc. (Exhibit 10.2 to Form 10-Q for the period ended September 30, 2004).

10.2.h	Credit Agreement dated as of December 15, 2004, among Kansas City Power & Light Company, Bank of America, N.A., as Syndication Agent, The Bank of Tokyo-Mitsubishi, Ltd, Wachovia Bank, National Association and BNP Paribas, as Co-Documentation Agents, JPMorgan Chase Bank, N.A., as Administrative Agent, The Bank of New York, KeyBank National Association, The Bank of Nova Scotia, U.S. Bank National Association, Merrill Lynch Bank USA, Morgan Stanley Bank, Mizuho Corporate Bank, UMB Bank, N.A., PNC Bank, National Association, Bank Midwest, N.A. and UFJ Bank Limited.
12.2	Computation of Ratio of Earnings to Fixed Charges.
23.2.a	Consent of Counsel.
23.2.b	Consent of Independent Registered Public Accounting Firm.
24.2	Powers of Attorney.
31.2.a	Rule 13a-14(a)/15d-14(a) Certifications of William H. Downey.
31.2.b	Rule 13a-14(a)/15d-14(a) Certifications of Andrea F. Bielsker.
32.2	Section 1350 Certifications.

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

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

KCP&L agrees to furnish to the SEC upon request any instrument with respect to long-term debt as to which the total amount of securities authorized does not exceed 10% of total assets of KCP&L and its subsidiaries on a consolidated basis.

Schedule II - Valuation and Qualifying Accounts and Reserves

Great Plains Energy
Valuation and Qualifying Accounts
Years Ended December 31, 2004, 2003 and 2002

		Additions			
Description	**Balance At Beginning Of Period**	**Charged To Costs And Expenses**	**Charged To Other Accounts**	**Deductions**	**Balance At End Of Period**
Year Ended December 31, 2004			(millions)		
Allowance for uncollectible accounts	$ 8.5	$ 5.4	$ 2.8(a)	$ 10.3(b)	$ 6.4
Legal reserves	4.0	1.4	-	2.2(c)	3.2
Environmental reserves	1.8	(1.5)(d)	-	-	0.3
Year Ended December 31, 2003					
Allowance for uncollectible accounts	$ 8.8	$ 5.1	$ 2.8(a)	$ 8.2(b)	$ 8.5
Legal reserves	3.8	3.3	-	3.1(c)	4.0
Environmental reserves	1.9	-	-	0.1(e)	1.8
Tax valuation allowance (f)	15.8	(15.8)	-	-	-
Discontinued operations	1.7	-	-	1.7(g)	-
Year Ended December 31, 2002					
Allowance for uncollectible accounts	$ 6.7	$ 7.6	$ 3.4(a)	$ 8.9(b)	$ 8.8
Legal reserves	2.0	3.5	-	1.7(c)	3.8
Environmental reserves	1.9	-	-	-	1.9
Tax valuation allowance	15.8	-	-	-	15.8
Discontinued operations (h)	1.8	2.3	0.6(i)	3.0(j)	1.7

(a) Recoveries. Charged to other accounts for the year ended December 31, 2002, includes the establishment of an allowance of $0.3 million.

(b) Uncollectible accounts charged off. Deductions for the year ended December 31, 2004, includes a charge off

of $1.4 million by Worry Free.

(c) Payment of claims.

(d) Reversal of reserve for remediation of soil and groundwater.

(e) Payment of expenses.

(f) A tax valuation allowance of $15.8 million was recorded at KLT Telecom in 2001 to reduce the income tax benefits arising primarily from DTI's 2002 abandonment of its $104 million of long-haul assets. The allowance was necessary due to the uncertainty of recognizing future tax deductions while DTI is in the bankruptcy process. The allowance was reversed in 2003 after confirmation of the DTI restructuring plan.

(g) In 2003, HSS completed the disposition of its interest in RSAE.

(h) Discontinued operations at December 31, 2002, includes property and casualty insurance reserves, medical insurance reserves and warranty repair reserves for RSAE.

(i) The establishment of medical insurance reserves, contributions from Cobra insurance premiums and recoveries.

(j) Payment of claims on property and casualty and medical insurance reserves, expenses incurred on warranty repair reserves, inventory reserve adjustments and uncollectible accounts charged off.

Kansas City Power & Light Company
Valuation and Qualifying Accounts
Years Ended December 31, 2004, 2003 and 2002

		Additions			
Description	**Balance At Beginning Of Period**	**Charged To Costs And Expenses**	**Charged To Other Accounts**	**Deductions**	**Balance At End Of Period**
Year Ended December 31, 2004			(millions)		
Allowance for uncollectible accounts	$ 4.9	$ 2.6	$ 2.7(a)	$ 8.5(b)	$ 1.7
Legal reserves	3.8	1.4	-	2.0(c)	3.2
Environmental reserves	1.8	(1.5)(d)	-	-	0.3
Year Ended December 31, 2003					
Allowance for uncollectible accounts	$ 5.6	$ 3.5	$ 2.7(a)	$ 6.9(b)	$ 4.9
Legal reserves	3.8	3.1	-	3.1(c)	3.8
Environmental reserves	1.9	-	-	0.1(e)	1.8
Discontinued operations	1.7	-	-	1.7(f)	-
Year Ended December 31, 2002					
Allowance for uncollectible accounts	$ 5.8	$ 3.5	$ 2.9(a)	$ 6.6(b)	$ 5.6
Legal reserves	2.0	3.5	-	1.7(c)	3.8
Environmental reserves	1.9	-	-	-	1.9
Discontinued operations(g)	1.8	2.3	0.6(h)	3.0(i)	1.7

(a) Recoveries.

(b) Uncollectible accounts charged off. Deductions for the year ended December 31, 2004, includes a charge off of $1.4 million by Worry Free.

(c) Payment of claims.

(d) Reversal of reserve for remediation of soil and groundwater.

(e) Payment of expenses.

(f) In 2003, HSS completed the disposition of its interest in RSAE.

(g) Discontinued operations at December 31, 2002, includes property and casualty insurance reserves, medical insurance reserves and warranty repair reserves for RSAE.

(h) The establishment of medical insurance reserves, contributions from Cobra insurance premiums and recoveries.

(i) Payment of claims on property and casualty and medical insurance reserves, expenses incurred on warranty repair reserves, inventory reserve adjustments and uncollectible accounts charged off.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GREAT PLAINS ENERGY INCORPORATED

Date: March 7, 2005

By: /s/Michael J. Chesser

Michael J. Chesser

Chairman of the Board and
Chief Executive Officer

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

Signature	Title		Date
/s/Michael J. Chesser Michael J. Chesser	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	)	
/s/Andrea F. Bielsker Andrea F. Bielsker	Senior Vice President – Finance, Chief Financial Officer and Treasurer (Principal Financial Officer)	)	
/s/Lori A. Wright Lori A. Wright	Controller (Principal Accounting Officer)	)	
David L. Bodde*	Director	)	March 7, 2005
/s/William H. Downey William H. Downey	Director	)	
Mark A. Ernst*	Director	)	
Randall C. Ferguson, Jr.*	Director	)	
William K. Hall*	Director	)	
Luis A. Jimenez*	Director	)	
James A. Mitchell*	Director	)	
William C. Nelson*	Director	)	
Linda H. Talbott*	Director	)	
Robert H. West*	Director	)	

*By /s/Michael J. Chesser

Michael J. Chesser

Attorney-in-Fact*

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KANSAS CITY POWER & LIGHT COMPANY

Date: March 7, 2005 By: /s/ William H. Downey

William H. Downey

President and Chief Executive Officer

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

Signature	Title		Date
/s/ William H. Downey William H. Downey	President and Chief Executive Officer and Director (Principal Executive Officer)	)	
/s/Andrea F. Bielsker Andrea F. Bielsker	Senior Vice President – Finance, Chief Financial Officer and Treasurer (Principal Financial Officer)	)	
/s/Lori A. Wright Lori A. Wright	Controller (Principal Accounting Officer)	)	
David L. Bodde*	Director	)	March 7, 2005
/s/Michael J. Chesser Michael J. Chesser	Chairman of the Board	)	
Mark A. Ernst*	Director	)	
Randall C. Ferguson, Jr.*	Director	)	
William K. Hall*	Director	)	
Luis A. Jimenez*	Director	)	
James A. Mitchell*	Director	)	
William C. Nelson*	Director	)	
Linda H. Talbott*	Director	)	
Robert H. West*	Director	)	

*By /s/Michael J. Chesser

Michael J. Chesser

Attorney-in-Fact*

Supplemental Information to be Furnished With Reports Filed Pursuant to Section 15(d) of the Act by Registrants Which Have Not Registered Securities Pursuant to Section 12 of the Act. KCP&L did not send any annual report to security holders covering its last fiscal year, and did not send any proxy statement, form of proxy or other proxy soliciting material to its security holders with respect to any annual or other meeting of security holders.

Exhibit 10.1.f

Great Plains Energy Incorporated
Kansas City Power & Light Company
Annual Incentive Plan 2005

Objective
The Great Plains Energy/Kansas City Power & Light Company (KCP&L) executive Annual Incentive Plan (Plan) is designed to reward value creation by providing competitive incentives for the achievement of annual financial performance goals. By providing market-competitive target awards, the Plan supports the attraction and retention of senior executive talent critical to achieving Great Plains Energy's strategic business objectives.

Eligible participants include executives and other key employees of Great Plains Energy and KCP&L, as approved by the Compensation and Development Committee (Committee) of the Board of Directors.

Target Awards
Target award levels are approved by the Committee and set as a percentage of the executive's base salary. The percentages vary based on organizational responsibilities and market-compilation bonus levels based on industry data. The annual target award percentages of base salary are set forth on Appendix I attached hereto.

EPS Performance Goal
The size of the entire award under the Plan will be determined by corporate Earnings Per Shares (EPS). The annual corporate EPS goal is set and approved by the Committee. The annual corporate EPS goal for the current annual incentive plan year is set forth in Appendix II attached hereto.

The corporate EPS goal is subject to an established threshold, target and maximum levels. The Plan will pay out at 100% at target. Fifty percent of the incentive is payable at the threshold level of performance and 150% of the incentive is payable at the maximum level of performance. If performance falls below target but is above threshold, the amount of the award payable will be below the target award level. Similarly, performance above target will result in an award higher than target level.

Individual Incentive Awards
Individual incentive awards reflect a mix of Great Plains Energy and business unit/department performance along with individual discretionary factors; the current actual mix for each executive will be determined based upon his/her role and contribution to the organization in accordance with the chart set forth on Appendix III attached hereto. Individual awards will not be paid for executives if the corporate EPS performance falls below the threshold level for the year.

Exceptions
The EPS targets established for the plan period are fixed for the duration period and will only be changed upon the approval of the Committee. Each year, the Committee will approve the annual targets.

APPENDIX I

Great Plains Energy Incorporated
Kansas City Power & Light Company
Annual Incentive Plan 2005

Proposed Target Incentive Award Levels
(expressed as a percent of base salary)

Executive	Annual Target Award Opportunity
Chesser	60%
Downey	45%
Bielsker	40%
Latz	40%
Nolte	30%
Riggins	30%
Wright	30%
DeStefano	30%
Easley	35%
Herdegen	35%
Moore	30%
Spring	30%

APPENDIX II

Great Plains Energy Incorporated
Kansas City Power & Light Company
Annual Incentive Plan 2005

EPS Target

Following is the proposed corporate target for the period January 1, 2005 through December 31, 2005:

Earnings Per Share

	GPE Reported Earnings
Threshold - 50%	
Target - 100%	
Max - 150%	

Note: Information regarding specific threshold, target and maximum earnings amounts is confidential and has been removed.

APPENDIX III

Annual Incentive Plan 2005

Weighting of Performance Goals

	Corporate Balanced Scorecard	**KCPL Balanced Scorecard**	**Individual**
Chairman & CEO	80%	0%	20%
President & COO	40%	40%	20%
Corporate Executives*	80%	0%	20%
Operations Executives	20%	60%	20%

*Bielsker, Latz, Riggins and Wright

Strategic Energy, L.L.C.
Annual Incentive Plan 2005

Objective
The Strategic Energy, L.L.C. (SE) Annual Incentive Plan (Bonus Plan) is designed to reward sustained value creation by providing competitive incentives for the achievement of annual financial goals. By providing market-competitive target awards, the plan supports the attraction and retention of talent critical to achieving SE's strategic business objectives.

Eligible participants include executives as approved by the Compensation and Development Committee (the Committee) of the Board of Directors of Great Plains Energy Incorporated.

Target Awards
Target award levels are set as a percentage of the employee's base salary. The percentage will vary based on organizational responsibilities and market-compilation bonus levels based on general industry data designed to meet market competitive compensation programs. The annual target award percentages of base salary are set forth on Appendix I attached hereto.

Pre-Tax Income Performance Goals
The size of the entire award under the Bonus Plan will be determined by SE's pre-tax income. The proposed goals for the 2005 annual incentive plan year are set forth in Appendix II attached hereto.

The pre-tax income is subject to an established threshold, target and maximum levels. The Bonus Plan will pay 100% at target. Fifty percent (50%) of the incentive is payable at the threshold level of performance and 150% of the incentive is payable at the maximum level of performance. If performance falls below target but is above threshold, the amount of the award payable will be below the target level. Similarly, performance above target will result in an award higher than target level.

Individual Incentive Awards
Individual incentive awards will reflect a mix of SE balanced scorecard measures and individual goals; the current actual mix for each employee will be determined based upon his/her role and contribution to the organization as reflected on Appendix III. Individual awards will not be paid for executives if the corporate EPS performance falls below the threshold level for the year.

Exceptions
The goals established for the plan period are fixed for the duration period and will only be changed.

APPENDIX I

Strategic Energy, L.L.C.
Annual Incentive Plan 2005

Annual Target Award Percentages of Base Salary

Executive	Annual Target Award Opportunity
Malik	60%
Purdy	50%
Lauer	50%
Washburn	50%
Sebben	40%
Fox	40%
Shaw	40%

APPENDIX II

Strategic Energy, L.L.C.
Annual Incentive Plan 2005

Goals

Size of award to be determined by SE's pre-tax income.

	Pre-Tax Earnings
Threshold - 50%	
Target - 100%	
Max - 150%	

Individual Awards will be weighted between Great Plains Energy goals; the following SE balanced scorecard goals and individual goals.

Note: Information regarding specific threshold, target and maximum pre-tax income amounts is confidential and has been removed.

APPENDIX III

Strategic Energy, L.L.C.
Annual Incentive Plan 2005

Weighting of Performance Goals

	GPE Balanced Scorecard	**SE Balanced Scorecard**	**Business Unit/Department Balanced Scorecard**	**Individual**
Malik	20%	60%	0%	20%
Purdy	0%	80%	0%	20%
Lauer	0%	20%	60%	20%
Washburn	0%	20%	60%	20%
Sebben	0%	20%	60%	20%
Fox	0%	20%	60%	20%
Shaw	0%	20%	60%	20%

Compensation Arrangements of Directors and Certain Executive Officers

Directors

Compensation is paid to non-employee members of the Board. An annual retainer of $50,000 will be paid in 2005 ($25,000 of which will be used to acquire shares of Great Plains Energy common stock through Great Plains Energy's Dividend Reinvestment and Direct Stock Purchase Plan on behalf of each non-employee member of the Board). An additional retainer of $10,000 will be paid annually to the lead director. Also, a retainer of $3,000 will be paid to those non-employee directors serving as chair of a committee. Attendance fees of $1,000 for each Board meeting and $1,000 for each committee meeting attended will also be paid in 2005. Directors may defer the receipt of all or part of the cash retainers and meeting fees. Great Plains Energy also provides life and medical insurance coverage for each non-employee member of the Board.

Executive Officers

None of the executive officers of Great Plains Energy or KCPL&L have written Employment Agreements with the exception of Shahid Malik, President and Chief Executive Officer of Strategic Energy, L.L.C. (indirect subsidiary of Great Plains Energy).

Salary and incentive compensation information for 2005 for certain executive officers of Great Plains Energy and KCP&L is given below.

Michael J. Chesser

Pursuant to an employment arrangement with Michael Chesser, Chairmain of the Board and Chief Executive Officer of Great Plains Energy, Mr. Chesser is entitled to receive three times annual salary and bonus if he is terminated without cause prior to his reaching age 63. After age 63, any benefit for termination without cause will be one times annual salary and bonus until age 65. Regarding pension benefits, Mr. Chesser will receive two credited years of service for every one year of service earned. The additional year of service will be paid as a supplemental retirement benefit.

For 2005, Mr. Chesser will be paid an annual salary of $610,000 with a potential annual incentive bonus at target of 60% of salary (the amount of such incentive may be adjusted based on performance from 0-150% of target) under the Great Plains Energy Annual Incentive Plan 2005. Since no long-term grants were made in 2004, two individual long-term grants of performance shares, each at 150% of salary (the amount of such incentive may be adjusted based on

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performance from 0-200% of target) were made to him in February 2005 under the Great Plains Energy Long-Term Incentive Plan.

William H. Downey

For 2005, Mr. Downey will be paid an annual salary of $440,000 with a potential annual incentive bonus at target of 45% of salary (the amount of such incentive may be adjusted based on performance from 0-150% of target) under the Great Plains Energy Annual Incentive Plan 2005. Since no long-term grants were made in 2004, two individual long-term grants of performance shares, each at 115% of salary (the amount of such incentive may be adjusted based on performance from 0-200% of target) were made to him in February 2005 under the Great Plains Energy Long-Term Incentive Plan.

Andrea F. Bielsker

For 2005, Ms. Bielsker will be paid an annual salary of $230,000 with a potential annual incentive bonus at target of 40% of salary (the amount of such incentive may be adjusted based on performance from 0-150% of target) under the Great Plains Energy Annual Incentive Plan 2005. Since no long-term grants were made in 2004, two individual long-term grants of performance shares, each at 45% of salary the amount of such incentive may be adjusted based on performance from 0-200% of target), were made to her in February 2005 under the Great Plains Energy Long-Term Incentive Plan.

Ms. Bielsker has resigned from the Company in March 2005.

Stephen T. Easley

For 2005, Mr. Easley will be paid an annual salary of $250,000 with a potential annual incentive bonus at target of 40% of salary (the amount of such incentive may be adjusted based on performance from 0-150% of target) under the Great Plains Energy Annual Incentive Plan 2005. Since no long-term grants were made in 2004, two individual long-term grants of performance shares, each at 70% of salary (the amount of such incentive may be adjusted based on performance from 0-200% of target), were made to him in February 2005 under the Great Plains Energy Long-Term

Incentive Plan. In addition, Mr. Easley received on February 1, 2005 a grant of 10,000 shares of restricted stock under the Great Plains Energy Long-Term Incentive Plan.

William P. Herdegen

For 2005, Mr. Herdegen will be paid an annual salary of $190,000 with a potential annual incentive bonus at target of 35% of salary (the amount of such incentive may be adjusted based on performance from 0-150% of target) under the Great Plains Energy Annual Incentive Plan 2005. Since no long-term grants were made in 2004, two individual long-term grants of performance shares, each at 55% of salary(the amount of such incentive may be adjusted based on performance from 0-200% of target), were made to him in February 2005 under the Great Plains Energy Long-Term Incentive Plan.

Jeanie S. Latz

For 2005, Ms. Latz will be paid an annual salary of $220,000 with a potential annual incentive bonus at target of 40% of salary (the amount of such incentive may be adjusted based on performance from 0-150% of target) under the Great Plains Energy Annual Incentive Plan 2005. Since no long-term grants were made in 2004, two individual long-term grants of performance shares, each at 45% of salary (the amount of such incentive may be adjusted based on performance from 0-200% of target), were made to her in February 2005 under the Great Plains Energy Long-Term Incentive Plan.

Shahid Malik

Mr. Malik has an Employment Agreement among Strategic Energy, L.L.C., Great Plains Energy Incorporated and Shahid J. Malik, dated as of November 10, 2004.

On November 10, 2004, Mr. Malik received a grant of 13,333 shares of restricted stock under the Long-Term Incentive Plan.

For 2005, Mr. Malik will be paid on annual salary of $400,000 with a potential annual incentive bonus at target of 60% of salary (the amount of such incentive may be adjusted based on performance from 0-150% of target) under the Strategic Energy, L.L.C. Annual Incentive Plan 2005. On February 1, 2005, Mr. Malik received two grants of 4,956 shares each of restricted stock under the Great Plains Energy Long-Term Incentive Plan

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is made as of November 10, 2004 ("Effective Date") by and among Strategic Energy, L.L.C. a Delaware limited liability company, whose address is Two Gateway Center, 9th Floor, Pittsburgh, PA 15222 ("Employer") and Great Plains Energy Incorporated ("Great Plains Energy"), whose address is 1201 Walnut, Kansas City, Missouri 64106-2124, and Shahid J. Malik; an individual (the "Executive").

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. DEFINITIONS

For the purposes of this Agreement, the following terms have the meanings specified or referred to in this Section 1.

"Agreement" - this Employment Agreement.

"Basic Compensation" - as defined in Section 3.1.

"Benefits" - as defined in Section 3.1(B).

"Board" - the board of directors of Great Plains Energy.

"Cause" - as defined in Section 5.3.

"*Confidential Information*" - any and all:

(a) trade secrets concerning the business and affairs of the Employer, product specifications, data, know how, formulae, algorithms, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current, and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists, market studies, business plans, computer software and programs (including object code and source code), computer software and database technologies, systems, structures, and architectures;

(b) information concerning the business and affairs of the Employer (which includes historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, the names and backgrounds of key personnel, personnel training and techniques and materials);

(c) notes, analysis, compilations, studies, summaries, and other material prepared by or for the Employer containing or based, in whole or in part, on any information included in the foregoing; provided, however, the Confidential Information shall not include any of the foregoing items which has become publicly known and made generally available through no wrongful act of Executive or others who were under confidentiality obligations as to the item or items involved.

"disability" - as defined in Section 5.2.

"*Effective Date*" - the date stated in the first paragraph of the Agreement.

"Employment Period" - the period from the Effective Date through and including the Termination Date.

"Executive Invention" - any idea, invention, technique, modification, process, or improvement (whether patentable or not), any industrial design (whether registerable or not), and any work of authorship (whether or not copyright protection may be obtained for it) created, conceived, or developed by the Executive, either solely or in conjunction with others, during the Employment Period, or a period that includes a portion of the Employment Period, that relates in any way to or is useful in any manner in the business of a retail electricity provider, and any such item created by the Executive, either solely or in conjunction with others, following termination of the Executive's employment with the Employer, that is based upon or uses Confidential Information; provided, however, that notwithstanding anything to the contrary herein, Executive Inventions shall not include writings, articles and works of authorship not based upon or using Confidential Information (whether or not copyright protection may be obtained for such items) created or prepared by Executive primarily for academic, lecturing, or other scholarly purposes.

"Fiscal Year" - the Employer's fiscal year, as it exists on the Effective Date or as changed from time to time.

"Good Reason" - as defined in Section 5.4.

"Incentive Compensation" - as defined in Section 3.1(C).

"Non-Disclosure and Non-Solicitation Agreement" - as defined in Section 7.2(D).

"person" - any individual, corporation (including any non profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, or governmental body.

"Post Employment Period" - as defined in Section 7.2.

"Proprietary Items" - as defined in Section 6.2(A) and (B).

"Salary" - as defined in Section 3.1(A).

"***Severance Agreement"*** - the Agreement by and among the Executive, the Employer and Great Plains Energy applicable in the event of a Change of Control or Potential Change of Control (as defined in the Severance Agreement).

"Termination Date" - as defined in Section 5.1.

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2. EMPLOYMENT TERM AND DUTIES

The Employer desires to offer the Executive continued employment with the Employer, along with enhanced conditions of employment and severance benefits, and the Executive wishes to accept such continued employment, upon the terms and conditions of this Agreement.

2.1 TERM

The term of the Executive's employment with the Employer shall be the Employment Period.

2.2 DUTIES

The Executive shall have the duties customarily associated with the position of President and Chief Executive Officer of the Employer subject to the established policies and direction of the Board. The Executive will devote his/her entire business time, attention, skill, and energy exclusively to the business of the Employer, will use his/her best efforts to promote the success of the Employer's business, and will cooperate fully in the advancement of the best interests of the Employer. Nothing in this Section 2.2, however, will prevent the Executive from engaging in additional activities, including without limitation, speaking, lecturing, investing and community affairs that are not inconsistent with the Executive's duties under this Agreement or under the Great Plains Energy Code of Business Conduct and Ethics.

3. COMPENSATION

3.1 Basic Compensation

During the Employment Period the Executive shall receive the following compensation ("Basic Compensation"):

(A) *Salary.* The Executive will be paid an initial annual salary in the amount of $400,000, subject to adjustment as provided herein (the "Salary"), which will be payable in equal periodic installments according to the Employer's customary payroll practices, but no less frequently than monthly. The Salary will be reviewed by the Board not less frequently than annually, and may be adjusted upward or downward in the sole discretion of the Board.

(B) *Benefits.* The Executive will participate in life insurance, hospitalization, major medical, savings, deferred compensation and other employee benefit plans of the Employer that may be in effect from time to time, to the extent the Executive is eligible under the terms of those plans (collectively, the "Benefits").

(C) *Incentive Compensation and Long-Term Awards.* The Executive will participate in any Employer's annual incentive (bonus) plan as may be established, maintained, amended and modified from time to time ("Incentive Compensation"). In addition, the Executive will be eligible for long-term awards of stock and other consideration under the Great Plains Energy Long-Term Incentive Plan. The initial Incentive Compensation and Long-Term Awards are set forth in the offer letter to Executive.

(D) *Automobile.* The Executive will, during the Employment Period, be provided with one paid parking space. Additionally, the Executive will, during the Employment Period, be provided with an automobile allowance of $600 per month.

4. VACATIONS AND HOLIDAYS

The Executive will be entitled to four weeks of paid vacation each Fiscal Year in accordance with the vacation policies of the Employer in effect for its Executives from time to time. Vacation may only be taken by the Executive at such time or times as approved by the Employer. The Executive will also be entitled to the paid holidays and other paid leave set forth in the Employer's policies. Vacation days and holidays during any Fiscal Year that are not used by the Executive during such Fiscal Year may not be used in any subsequent Fiscal Year.

5. TERMINATION

Notwithstanding anything in this Agreement to the contrary, if the Severance Agreement becomes operative by its terms during any period of time, then this Section 5 shall be superseded during such period by the Severance Agreement and the terms and conditions applicable to the termination of the Executive's employment during such period, and the compensation payable following such termination, shall be determined solely by the terms of the Severance Agreement.

5.1 events of Termination

The Employment Period shall terminate upon the earliest to occur of the following (the "Termination Date"):

(A) upon the death of the Executive*;*

(B) upon the disability of the Executive (as defined in Section 5.2) immediately upon notice from either party to the other;

(C) upon receipt of written notice from the Employer to the Executive, or at such later time as such notice may specify notifying the Executive of the Employer's intention to terminate the Executive's employment for Cause (as defined in Section 5.3);

(D) upon the date that is thirty (30) days' after the Employer's receipt of written notice from the Executive (or such later date as such notice may specify), notifying the Employer of the Executive's intention to terminate his employment for Good Reason (as defined in Section 5.4);

(E) upon the third (3rd) anniversary of the Effective Date, provided, however, that such date shall be automatically extended, without the requirement of any action by any party hereto, by successive one (1) year period(s) thereafter, unless either the Employer or the Executive provides at least sixty (60) days written notice of such party's intention to terminate the Executive's employment;

(F) at the election of the Employer, with or without Cause and for any or no reason whatsoever, pursuant to at least sixty (60) days written notice to the Executive; or

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(G) at the election of the Executive, with or without Good Reason and for any or no reason whatsoever, pursuant to at least sixty (60) days written notice to the Employer.

5.2 Definition of "*Disability*"

For purposes of this Agreement, the Executive will be deemed to have a "disability" if, during the Employment Period for physical or mental reasons, the Executive is unable to perform the Executive's duties under this Agreement for 120 consecutive days, or 180 days during any twelve (12) month period, as determined in accordance with this Section 5.2. The disability of the Executive will be determined by a medical doctor selected by written mutual agreement of the Employer and the Executive upon the request of either party by notice to the other. If the Employer and the Executive cannot agree on the selection of a medical doctor, each of them will select a medical doctor and the two medical doctors will select a third medical doctor who will determine whether the Executive has a disability. The determination of the medical doctor selected under this Section 5.2 will be binding on both parties. The Executive must submit to a reason able number of examinations by the medical doctor making the determination of disability under this Section 5.2, and the Executive hereby authorizes the disclosure and release to the Employer of such determination and any relevent medical records. If the Executive is not legally competent, the Executive's legal guardian or duly authorized attorney in fact will act in the Executive's stead, under this Section 5.2, for the purposes of submitting the Executive to the medical examinations, and providing the authorization of disclosure, required under this Section 5.2.

5.3 Definition of " *Cause"*

For purposes of this Agreement, "Cause" means the occurrence of any of the following during the Employment Period: (a) the Executive's material breach of those duties and responsibilities of Executive as of the Effective Date (as may be amended from time to time by mutual agreement of the parties hereto), other than as a result of incapability due to physical or mental illness, which is demonstratably willful and deliberate on Executive's part, committed in bad faith and without reasonable belief that such breach is in the best interest of the company, and is not remedied in a reasonable period of time after receipt of written notice from the company specifying such breach; or (b) the commission by Executive of a felony involving moral turpitude.

5.4 DEFINITION OF *"GOOD REASON"*

For purposes of this Agreement, "Good Reason" means the occurrence of the following during the Employment Period: (a) any of (i) the assignment to Executive of any duties inconsistent in any material respect with Executive's position(s), duties, responsibilities or status as of the Effective Date (as may be amended from time to time by mutual agreement of the parties hereto), (ii) a change in Executive's reporting responsibilities, titles or offices as in existence as of the Effective Date, or (iii) any removal or involuntary termination of Executive otherwise than as expressly permitted by this Agreement or any failure to re-elect Executive

to any position held by Executive; (b) a reduction in Executive's rate of annual base salary of more than fifteen (15) percent; (c) any requirement that Executive be based anywhere other than at the offices of Employer as of the Effective Date.

5.5 compensation Following Termination of Employment

Upon termination of Executive's employment under this Agreement, in addition to any other compensation that Executive may be entitled to receive pursuant to Sections 5.5(A) through (D), Executive (or his/her designated beneficiary or estate, as the case may be) shall be entitled to receive the following compensation:

(i) Any accrued but unpaid Salary for services rendered to the date of termination, any accrued but unpaid expenses required to be reimbursed under this Agreement, and any vacation accrued to the date of termination; and

(ii) Any Benefits to which the Executive may be entitled pursuant to the plans, policies and arrangements referred to in Section 3.1(B), which benefits shall be determined and paid in accordance with the terms of such plans, policies and arrangements.

(A) *Additional Compensation Payable Following Termination Upon Disability.* In the event that the Executive's employment is terminated by either party as a result of the Executive's disability, as determined under Section 5.2, the Employer will pay the Executive:

(i) the Executive's Salary at the rate in effect as of the Termination Date, as if his/her employment had continued uninterrupted until the earlier of: (a) three (3) consecutive months thereafter, or (b) the period until disability insurance benefits commence under any disability insurance coverage furnished by the Employer to the Executive; and

(ii) an amount equal to 100% of the Executive's Incentive Compensation, if any, payable for the Fiscal Year during which his/her disability occurs, prorated through the end of the calendar month during which such disability occurs.

(B) *Additional Compensation Payable Following Death.* In the event that the Executive's employment is terminated by reason of his/her death, the Employer shall pay to Executive's designated beneficiary or estate

(i) the Executive's Salary through the end of the calendar month in which his/her death occurs, and

(ii) an amount equal to 100% of the Executive's Incentive Compensation, if any, for the Fiscal Year during which his/her death occurs, prorated through the end of the calendar month during which his/her death occurs.

(C) *Additional Compensation Payable Following Termination by the Employer, Pursuant to Any Manner Set Forth in Section 5.1 Other Than By Reason of Death, Disability or Cause, or By The Executive, Pursuant to Section 5.1(D).* In the event that (i) the Executive's employment is terminated by (a) the Employer pursuant to any manner set forth in Section 5.1 other than by reason of death, disability or Cause; or (b) the Executive, pursuant to Section 5.1(D); and (ii) upon the Employer's request, the Executive executes a separation agreement and general release in a form mutually agreed to by the Executive and the Employer within a time frame reasonably required by the Employer on or after the Termination Date, the Employer shall pay the Executive on the first pay period following the Executive's termination:

(i) a lump sum payment equal to the Executive's Salary at the rate in effect on his/her last day of employment, as if his/her employment had continued uninterrupted until the third (3rd) anniversary of the Termination Date, and

(ii) a lump sum payment equal to (x) 100% of the Incentive Compensation payable to the Executive for such fiscal year prorated through the Termination Date, plus (y) an amount equal to 300% of the average annual Incentive Compensation paid to the Executive during the three (3) most recent fiscal years that the Executive was employed by the Employer (or such shorter period as the Executive shall have been employed by the Employer.)

(D) *No Other Benefits or Compensation*. Except as may be provided under this Agreement, the Severance Agreement or the terms of any incentive compensation, employee benefit, long term compensation plan or fringe benefit plan applicable to the Executive as of the Termination Date, the Executive shall have no right to receive any other compensation, or to participate in any other plan, arrangement or benefit, with respect to future periods after the Termination Date.

6. NON-DISCLOSURE COVENANT; EXECUTIVE INVENTIONS

6.1 Acknowledgements by the Executive

The Executive acknowledges that (a) during the Employment Period and as a part of his/her employment, the Executive will be afforded access to Confidential Information; (b) public disclosure of such Confidential Information could have an adverse effect on the Employer and its business; (c) because the Executive possesses substantial technical expertise and skill with respect to the Employer's business, the Employer desires to obtain exclusive ownership of each Executive Invention, and the Employer will be at

a substantial competitive disadvantage if it fails to acquire exclusive ownership of each Executive Invention; and (d) the provisions of this Section 6 are reasonable and necessary to prevent the improper use or disclosure of Confidential Information and to provide the Employer with exclusive ownership of all Executive Inventions.

6.2 Agreements of the Executive

In consideration of the compensation and benefits to be paid or provided to the Executive by the Employer under this Agreement, the Executive covenants as follows:

(A) *Confidentiality.*

(i) During and following the Employment Period, the Executive will hold in confidence the Confidential Information and will not disclose it to any person except in the course of carrying out his/her duties as President and Chief Executive Officer of the Employer, with the specific prior written consent of the Employer or except as otherwise expressly permitted by the terms of this Agreement.

(ii) Any trade secrets of the Employer will be entitled to all of the protections and benefits under applicable law. If any information that the Employer deems to be a trade secret is found by a court of competent jurisdiction not to be a trade secret for purposes of this Agreement, such information will, nevertheless, be considered Confidential Information for purposes of this Agreement. The Executive hereby waives any requirement that the Employer submit proof of the economic value of any trade secret or post a bond or other security.

(iii) None of the foregoing obligations and restrictions applies to any part of the Confidential Information that the Executive demonstrates was or became generally available to the public other than as a result of a wrongful disclosure by the Executive.

(iv) The Executive will not remove from the Employer's premises (except to the extent such removal is for purposes of the performance of the Executive's duties at home or while traveling, or except as otherwise specifically authorized by the Employer) any document, record, notebook, plan, model, component, device, or computer software or code, whether embodied in a disk, hard drive of any computer, email or other electronic transmission, or in any other form (collectively, the "Proprietary Items"). The Executive recognizes that, as between the Employer and the Executive, all of the Proprietary Items, whether or not developed by the Executive, are the exclusive property of the Employer. Upon termination of this Agreement by either party, or upon the request of the Employer during the Employment Period, the Executive will return to the Employer all of the Proprietary Items in the Executive's possession or subject to the Executive's control, and the Executive sha ll not retain any copies, abstracts, sketches, or other physical embodiment of any of the Proprietary Items.

(B) *Executive Inventions.* Each Executive Invention will belong exclusively to the Employer. The Executive acknowledges that all Executive Inventions are works made for hire and the property of the Employer, including any copyrights, patents, or other intellectual property rights pertaining thereto. If it is determined that any such works are not Executive Inventions made for hire, the Executive hereby assigns to the Employer all of the Executive's right, title, and interest, including all rights of copyright, patent, and other intellectual property rights, to or in such Executive Inventions. The Executive covenants that he will promptly:

(i) assign to the Employer or to a party designated by the Employer, at the Employer's request and without additional compensation, all of the Executive's right to the Executive Invention for the United States and all foreign jurisdictions;

(ii) execute and deliver to the Employer such applications, assignments, and other documents as the Employer may request in order to apply for and obtain patents or other registrations with respect to any Executive Invention in the United States and any foreign jurisdictions;

(iii) sign all other papers necessary to carry out the above obligations; and

(iv) give testimony and render any other assistance but without expense to the Executive in support of the Employer's rights to any Executive Invention.

6.3 Confidentiality of Information in Disputes or Controversies

The Executive recognizes that should a dispute or controversy arising from or relating to this Agreement be submitted for adjudication to any court, arbitration panel, or other third party, the preservation of the secrecy of Confidential Information may be jeopardized. All pleadings, documents, testimony, and records relating to any such adjudication will be maintained in secrecy and will be available for inspection by the Employer, the Executive, and their respective attorneys and experts, who will agree, in advance and in writing, to receive and maintain all such information in secrecy, except as may be limited by them in writing.

7. NON COMPETITION AND NON INTERFERENCE

7.1 Acknowledgements by the Executive

The Executive acknowledges that: (a) the services to be performed by him under this Agreement are of a special, unique, unusual, extraordinary, and intellectual character; (b) the Employer's business is national in scope and its products and services are marketed in certain states throughout the United States; (c) the Employer competes with other businesses that are or could be located in any part of the United States; and (d) the provisions of this Section 7 are reasonable and necessary to protect the Employer's business.

7.2 Covenants of the Executive

In consideration of the acknowledgments by the parties hereto and the promises and consideration set forth herein, the Executive covenants that the Executive will not, directly or indirectly:

(A) during the Employment Period, except in the course of the Executive's employment hereunder, and the Post Employment Period, as defined below, engage or invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, associated with, or in any manner connected with, lend the Executive's name or any similar name to, lend Executive's credit to or render services or advice to, any direct competitor of the Employer in the retail electricity provider sector whose products or services directly compete with the products or services of the Employer in any state in which the Employer is engaged in business on the Termination Date; provided, however, that the Executive may purchase or otherwise acquire up to (but not more than) one percent of any class of securities of any enterprise (but without otherwise participating in the activities of su ch enterprise) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934;

(B) whether for the Executive's own account or for the account of any other person, at any time during the Employment Period and the Post Employment Period, solicit business in the retail electricity provider sector, from any person that is a customer or prospective customer of the Employer, whether or not the Executive had personal contact with such person during and by reason of the Executive's employment with the Employer;

(C) whether for the Executive's own account or the account of any other person (i) at any time during the Employment Period and the Post Employment Period, solicit, or otherwise engage as an employee, independent contractor, or otherwise, any person who is or was an employee of the Employer at any time during the Employment Period or in any manner induce or attempt to induce any employee of the Employer to terminate his/her employment with the Employer; or (ii) at any time during the Employment Period and the Post Employment Period, interfere with the Employer's business relationship with any person, including any person who at any time during the Employment Period was an employee, contractor, supplier, or customer of the Employer; or

(D) at any time during the Employment Period or the Post Employment Period, publicly disparage the Employer or any of its shareholders, directors, officers, employees, or agents.

For purposes of this Section 7.2, the term "Post Employment Period" means the two (2) year period beginning on the Termination Date. The Executive and the Employer acknowledge that this Agreement simply supplements and does not amend or modify any terms or conditions in the Executive's "Non-Disclosure and Non-Solicitation Agreement with Strategic Energy, L.L.C." (Non-Disclosure and Non-Solicitation Agreement). The Non-Disclosure and Non-Solicitation Agreement is incorporated by reference herein as if fully stated herein.

If any covenant in this Section 7.2 is held to be unreasonable, arbitrary, or against public policy, such covenant will be considered to be divisible with respect to scope, time, and geographic area, and such lesser scope, time, or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, and not against public policy, will be effective, binding, and enforceable against the Executive.

The period of time applicable to any covenant in this Section 7.2 will be extended by the duration of any violation by the Executive of such covenant.

The Executive will, while the covenant under this Section 7.2 is in effect, give notice to the Employer, within ten (10) days after accepting any other employment, of the identity of the Executive's employer. The Employer may notify such employer that the Executive is bound by this Agreement and, at the Employer's election, furnish such employer with a copy of this Agreement or relevant portions thereof.

7.3 Covenants of the Employer and Great Plains Energy

In consideration of the acknowledgements by the parties hereto and the promises and consideration set forth herein, each of the Employer and Great Plains Energy covenant that it will not, directly or indirectly:

(A) at any time during the Employment Period or the Post Employment Period, publicly disparage the Executive.

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8. GENERAL PROVISIONS

8.1 Injunctive Relief and Additional Remedy

The Executive acknowledges that the injury that would be suffered by the Employer as a result of a breach of the provisions of this Agreement (including any provision of Sections 6 and 7) would be irreparable and that an award of monetary damages to the Employer for such a breach would be an inadequate remedy. Consequently, the Employer will have the right, in addition to any other rights it may have, to obtain injunctive relief to restrain any breach or threatened breach or otherwise to specifically enforce any provision of this Agreement together with its costs and reasonable attorneys' fees, and the Employer will not be obligated to post bond or other security in seeking such relief. Without limiting the Employer's rights under this Section 8 or any other remedies of the Employer, if the Executive materially breaches any of the provisions of Section 6 or 7, the Employer will have the right to cease making any payments otherwise due to the Ex ecutive under this Agreement.

8.2 Covenants of Sections 6 and 7 Are Essential and Independent Covenants

The covenants by the Executive in Sections 6 and 7 are essential elements of this Agreement. The Employer and the Executive have had reasonable opportunity independently to consult their respective counsel concerning the reasonableness and propriety of such covenants, with specific regard to the nature of the business conducted by the Employer.

The Executive's covenants in Sections 6 and 7 are independent covenants and the existence of any claim by the Executive against the Employer under this Agreement or otherwise, or against the Buyer, will not excuse the Executive's breach of any covenant in Section 6 or 7.

If the Executive's employment hereunder expires or is terminated, this Agreement will continue in full force and effect as is necessary or appropriate to enforce the covenants and agreements of the Executive in Sections 6 and 7.

8.3 Representations and Warranties by the Executive

The Executive represents and warrants to the Employer that the execution and delivery by the Executive of this Agreement do not, and the performance by the Executive of the Executive's obligations hereunder will not, with or without the giving of notice or the passage of time, or both: (a) violate any judgment, writ, injunction, or order of any court, arbitrator, or governmental agency applicable to the Executive; or (b) conflict with, result in the breach of any provisions of or the termination of, or constitute a default under, any agreement to which the Executive is a party or by which the Executive is or may be bound.

8.4 Arbitration Of Disputes

Unless stated otherwise herein, the parties agree that arbitration shall be the sole and exclusive remedy to redress any dispute, claim or controversy involving the interpretation of this Agreement or the terms, conditions or termination of this Agreement or the terms, conditions or termination of Executive's employment with Employer. The parties intend that any arbitration award shall be final and binding and that a judgment on the award may be entered in any court of competent jurisdiction and enforcement may be had according to its terms. This paragraph shall survive the termination or expiration of this Agreement.

(A) Arbitration shall be held in Pittsburgh, PA, and shall be conducted by a retired federal judge or other qualified arbitrator mutually agreed upon by the parties in accordance with the Voluntary Arbitration Rules of the American Arbitration Association then in effect. The parties shall have the right to conduct discovery pursuant the Federal Rules of Civil Procedure; provided, however, that the Arbitrator shall have the authority to establish an expedited discovery schedule and cutoff or otherwise resolve any discovery disputes. The Arbitrator shall not have jurisdiction or authority to change any provision of this Agreement by alterations of, additions to or subtractions from the terms hereof. The Arbitrator's sole authority in this regard shall be to interpret or apply the provision(s) of this Agreement. The Arbitrator shall be limited to awarding compensatory damages, including unpaid wages or benefits, but shall have no authorit y to award; punitive, exemplary or similar-type damages.

(B) Any claim or controversy not sought to be submitted to arbitration, in writing, within 120 days of when it arose shall be deemed waived and the moving party shall have no further right to seek arbitration or recovery with respect to such claim or controversy.

(C) The arbitrator shall be entitled to award expenses, including the costs of the proceeding and reasonable counsel fees.

(D) The parties hereby acknowledge that since arbitration is the exclusive remedy, neither party has the right to resort to any federal, state or local court or administrative agency concerning breaches of this Agreement, except as otherwise provided herein in paragraph 5, and that the decision of the Arbitrator shall be a complete defense to any suit, action or proceeding instituted in any federal, state or local court before any administrative agency with respect to any arbitrable claim or controversy.

(E) The parties hereby agree to split evenly all fees of the Arbitrator and the American Arbitration Association in connection with any arbitration demanded under this provision.

8.5 Waiver

The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by either party in exercising any right, power, or privilege under this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of s uch party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

8.6 Binding Effect; Delegation of Duties Prohibited

This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors, assigns, heirs, and legal representatives, including any entity with which the Employer may merge or consolidate. The rights and benefits of the Executive under this Agreement are personal to him/her and no such right or benefit shall be subject to voluntary or involuntary alienation, assignment or transfer; provided however, that nothing in this Section 8.6 shall preclude the Executive from designating a beneficiary or beneficiaries to receive any benefit payable upon his/her death.

8.7 Notices

All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by facsimile (with written confirmation of receipt), provided that a copy is mailed by registered mail, return receipt requested, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and facsimile numbers set forth below (or to such other addresses and facsimile numbers as a party may designate by notice to the other parties):

If to Employer:

Strategic Energy, L.L.C
Two Gateway Center
Pittsburgh, PA 15222
Attention: General Counsel
Facsimile No.: 412-394-5618

With a copy to:

Strategic Energy, L.L.C
Two Gateway Center
Pittsburgh, PA 15222
Attention: Executive Vice President Human Resources
Facsimile No.: 412-394-6681

If to the Executive:

Shahid J. Malik
Strategic Energy, L.L.C.
Two Gateway Center
Pittsburgh, PA 15222
Telephone No.: 412-394-5601
Facsimile No.: 412-394-6681

With a copy to:

Richards Spears Kibbe & Orbe
1775 Eye Street, NW
Washington, DC 20006-2401

Attention: Paul A. Leder, Esq.
Telephone No.: 202-261-2960
Facsimile No.: 202-261-2999

8.8 Entire Agreement; Amendments

Except as provided in Section 5 with respect to the Severance Agreement and Section 7.2 with respect to the Non-Solicitation and Non-Disclosure Agreement, this Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, between the parties hereto with respect to the subject matter hereof. This Agreement may not be amended orally, but only by an agreement in writing signed by the parties hereto

8.9 Governing Law

This Agreement will be governed by the laws of the Commonwealth of Pennsylvania without regard to conflicts of laws principles.

8.10 Jurisdiction

Any action or proceeding under Section 8.1 shall be brought in the courts of the Commonwealth of Pennsylvania, or if it has or can acquire jurisdiction, in the United States District Court for the Western District of Pennsylvania, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on either party anywhere in the world.

8.11 Section Headings, Construction

The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement unless otherwise specified. All words used in this Agreement will be construed to be of such gender or number, as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

8.12 Severability

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

8.13 Counterparts and facsimile signatures

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The parties agree that for purposes of the execution of this Agreement, facsimile signatures shall constitute original signatures.

EXECUTIVE IS HEREBY ADVISED THAT EXECUTIVE HAS UP TO TWENTY-ONE (21) CALENDAR DAYS TO REVIEW THIS AGREEMENT AND TO CONSULT WITH AN ATTORNEY PRIOR TO EXECUTION OF THIS AGREEMENT. ANY MODIFICATIONS, MATERIAL OR OTHERWISE, MADE TO THIS AGREEMENT DO NOT RESTART OR AFFECT IN ANY MANNER THE ORIGINAL TWENTY-ONE (21) CALENDAR DAY CONSIDERATION PERIOD.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date above first written above.

GREAT PLAINS ENERGY INCORPORATED:	EXECUTIVE:
By: /s/Michael J. Chesser	/s/Shahid J. Malik
Name: Michael J. Chesser	
Title: Chief Executive Officer	Shahid J. Malik (PRINT NAME)

STRATEGIC ENERGY L.L.C.

By: /s/Andrew J. Washburn

Name: Andrew J. Washburn

Title: Chief Financial Officer &
Interim President

SEVERANCE AGREEMENT

THIS SEVERANCE AGREEMENT (this "Agreement") is entered into as of the 10th day of November, 2004, by and among Great Plains Energy Incorporated, a Missouri corporation, ("Great Plains Energy"), Strategic Energy, L.L.C. a Delaware limited liability company, (the "Company") and Shahid J. Malik ("Executive").

W I T N E S S E T H

WHEREAS, Executive currently serves as a key employee of the Company and the services and knowledge of Executive are valuable to the Company in connection with the management of the Company's business; and

WHEREAS, Great Plains Energy and the Company have determined that it is in the best interests of the Company and its members to secure Executive's continued services and to ensure Executive's continued dedication and objectivity in the event of any threat or occurrence of, or negotiation or other action that could lead to, or create the possibility of, a Change in Control (as defined in Section 1) of any Parent Company (as defined in Section 1) or the Company, without concern as to whether Executive might be hindered or distracted by personal uncertainties and risks created by any such possible Change in Control, and to encourage Executive's full attention and dedication to the Company, Great Plains Energy and the Company have entered into this Agreement with Executive.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, Great Plains Energy, the Company and Executive hereby agree as follows:

1. Definitions.

For the purposes of this Agreement, the following terms have the meanings specified or referred to in this Section 1.

(a) ***"Beneficial Owner"*** **-** the same meaning set forth in Rule 13d-3 under the Exchange Act.

(b) ***"Board"*** **-** the Board of Directors of Great Plains Energy Incorporated.

(c) ***"Cause"*** **-** the occurrence of any of the following after the date hereof: (1) a material breach by Executive of those duties and responsibilities of Executive which do not differ in any material respect from the duties and responsibilities of Executive during the 90-day period immediately prior to a Change in Control (or, for purposes of Section 3(d), during the 90-day period immediately preceding a Potential Change in Control), other than as a result of incapacity due to physical or mental illness, which is demonstrably willful and deliberate on Executive's part, committed in bad faith or without reasonable belief that such breach is in the best interests of the Company, and is not remedied in a reasonable period of time after receipt of written notice from the Company specifying such breach or (2) the commission by Executive of a felony involving moral turpitude.

(d) ***"Change in Control"*** **-** the occurrence of one of the following events:

(1) With respect to the Company:

(A) Any Person is or becomes the Beneficial Owner, directly or indirectly, of membership interests in the Company (not including in the membership interests beneficially owned by such Person any membership interests acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of the combined voting power of the Company's then outstanding membership interests; or

(B) The members of the Company approve a merger or consolidation of the Company with any other entity or approve the issuance of voting interests of the Company in connection with a merger or consolidation of the Company, other than (i) a merger, consolidation, or reorganization of the Company with or involving any other entity, other than a merger, consolidation, or reorganization that would result in the voting interests in the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting interests in the surviving entity) at least 50% of the combined voting power of the voting interests of the Company (or such surviving entity) outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes t he Beneficial Owner, directly or indirectly, of voting interests of the Company (not including in the voting interests Beneficially Owned by such Person any voting interests acquired directly from the Company other than in connection with the acquisition by the Company of a business) representing 50% or more of either the combined voting power of the Company's then outstanding membership interests; or

(C) The members of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

Notwithstanding the foregoing, no "Change in Control" shall be deemed to have occurred with respect to the Company if there is consummated any transaction or series of integrated transactions immediately following which the holders of the membership interests of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(2) With respect to Great Plains Energy:

(A) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Great Plains Energy (not including in the securities beneficially owned by such Person any securities acquired directly from Great Plains Energy or its affiliates other than in connection with the acquisition by Great Plains Energy or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of Great Plains Energy or the combined voting power of Great Plains Energy's then outstanding securities; or

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

(C) the stockholders of Great Plains Energy approve a merger or consolidation of Great Plains Energy with any other corporation or approve the issuance of voting securities of Great Plains Energy in connection with a merger or consolidation of Great Plains Energy (or any direct or indirect subsidiary of Great Plains Energy) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of Great Plains Energy outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of Great Energy Plains, at least 60% of the combined voting power of the voting securities of Great Plains Energ y or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of Great Plains Energy (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of Great Plains Energy (not including in the securities Beneficially Owned by such Person any securities acquired directly from Great Plains Energy or its affiliates other than in connection with the acquisition by such Parent Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of Great Plains Energy or the combined voting power of Great Plains Energy's then outstanding securities; or

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

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

(e) ***"Date of Termination"*** - (1) the effective date on which Executive's employment by the Company terminates in accordance with this Agreement as specified in a prior written notice by the Company or Executive, as the case may be, to the other, delivered pursuant to Section 11, or (2) if Executive's employment by the Company terminates by reason of death, the date of death of Executive.

(f) ***"Exchange Act"*** - the Securities Exchange Act of 1934, as amended from time to time.

(g) ***"Good Reason"*** - without Executive's express written consent, the occurrence of any of the following events after a Change in Control (or after any Potential Change in Control under the circumstances described in Clause (2) of Section 3 (d) hereof (treating all references in this paragraph (g) to a "Change in Control" as references to a "Potential Change in Control")):

(1) any of (i) the assignment to Executive of any duties inconsistent in any material respect with Executive's position(s), duties, responsibilities or status with the Company immediately prior to such Change in Control, (ii) a change in Executive's reporting responsibilities, titles or offices with the Company as in effect immediately prior to such Change in Control, or (iii) any removal or involuntary termination of Executive from the Company otherwise than as expressly permitted by this Agreement or any failure to re-elect Executive to any position with the Company held by Executive immediately prior to such Change in Control;

(2) a reduction by the Company in Executive's rate of annual base salary as in effect immediately prior to such Change in Control or as the same may be increased from time to time thereafter;

(3) any requirement of the Company that Executive (i) be based anywhere other than at the offices where the Executive is located at the time of the Change in Control, or (ii) travel on Company business to an extent substantially more burdensome than the travel obligations of Executive immediately prior to such Change in Control;

(4) the failure of any Parent Company, or the Company to (i) continue in effect any employee benefit plan or compensation plan in which Executive is participating immediately prior to such Change in Control, unless Executive is permitted to participate in other plans providing Executive with substantially comparable benefits, or the taking of any action by any Parent Company or the Company which would adversely affect Executive's participation in or materially reduce Executive's benefits under any such plan, (ii) provide Executive and Executive's dependents welfare benefits (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for Executive immedia tely prior to such Change in Control or, if more favorable to Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies, (iii) provide fringe benefits in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for Executive immediately prior to such Change in Control or, if more favorable to Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies, (iv) provide an office or offices of a size and with furnishings and other appointments, together with exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to Executive by the Company and its affiliated companies immediately prior to such Change in Control or, if more favorable to Executive, as provided generally at any time thereafter with respect to other pee r executives of the Company and its affiliated companies, (v) provide Executive with paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for Executive immediately prior to such Change in Control or, if more favorable to Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies, or (vi) reimburse Executive promptly for all reasonable employment expenses incurred by Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for Executive immediately prior to such Change in Control, or if more favorable to Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies; or

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(5) the failure of the Company to obtain the assumption agreement from any successor as contemplated in Section 10(b).

For purposes of this Agreement, any good faith determination of Good Reason made by Executive shall be conclusive; provided, however, that an isolated, insubstantial and inadvertent action taken in good faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive shall not constitute Good Reason.

(h) ***"Nonqualifying Termination"*** - a termination of Executive's employment (1) by the Company for Cause, (2) by Executive for any reason other than a Good Reason, (3) as a result of Executive's death, or (4) by the Company due to Executive's absence from Executive's duties with the Company on a full-time basis for at least 180 consecutive days as a result of Executive's incapacity due to physical or mental illness; provided, however, that a termination of Executive's employment for any reason whatsoever during the "Window Period" (hereinafter defined) shall not constitute a Nonqualifying Termination.

(i) ***"Parent Company"*** - Great Plains Energy or any other company which is a direct or indirect parent company of the Company.

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

(k) ***"Potential Change in Control"*** - the occurrence of one of the following events***:***

(1) With respect to the Company:

(A) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control;

(B) The Company, or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control;

(C) Any Person becomes the Beneficial Owner, directly or indirectly, of voting interests of the Company representing 10% or more of the combined voting power of the Company's then outstanding voting interests; or

(D) the members of the Company adopt a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(2) With respect to any Parent Company:

(A) Any Parent Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; or

(B) Any Parent Company or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control; or

(C) Any Person becomes the Beneficial Owner, directly or indirectly, of securities of any Parent Company representing 10% or more of either the then outstanding shares of common stock of such Parent Company or the combined voting power of such Parent Company's then outstanding securities; or

(D) the Board of Directors of any Parent Company adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(l) ***"Termination Period"*** - the period of time beginning with a Change in Control (or, if later, beginning with the consummation of the transaction, the approval of which by the Company's members constitutes a Change in Control under Section 1(d)(1)(B) or (C), or the approval of which by any Parent Company's stockholders constitutes a Change in Control under Section 1(d)(2)(C) or (D) hereof) and ending on the earliest to occur of (1) Executive's 70th birthday, (2) Executive's death, and (3) three (3) years following such Change in Control (or, if later, three (3) years following the consummation of the transaction, the approval of which by the Company's members constitutes a Change in Control under Section 1(d)(1)(B) or (C), or the approval of which by any Parent Company's stockholders constitutes a Change in Control under Section 1(d)(2)(C) or (D) hereof).

(m) ***"Window Period"*** - the thirty (30) day period commencing one year after the date of a Change in Control, or, if later, the thirty (30) day period commencing one year after the consummation of the transaction, the approval of which by the Company's members constitutes a Change in Control under Section 1(d)(1)(B) or (C), or the approval of which by any Parent Company's stockholders constitutes a Change in Control under Section 1(d)(2)(C) or (D) hereof).

2. Obligations of Executive.

(a) Executive agrees that in the event any person or group attempts a Change in Control, he shall not voluntarily leave the employ of the Company without Good Reason (1) until such attempted Change in Control terminates, or (2) if a Change in Control shall occur, until ninety (90) days following such Change in Control (or, if later, until the consummation of the transaction, the approval of which by the Company's members constitutes a Change in Control under Section 1(d)(1)(B) or (C), or the approval of which by any Parent Company's stockholders constitutes a Change in Control under Section 1(d)(2)(C) or (D) hereof). For purposes of the foregoing subsection (1), Good Reason shall be determined as if a Change in Control had occurred when such attempted Change in Control became known to the members of the Company.

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

confidentiality obligations as to the item or items involved. Executive agrees that Executive will not disclose any Confidential Material to any person or entity, either during or subsequent to Executive's employment by the Company, nor will Executive use any Confidential Material, except in the regular course of Executive's employment by the Company, without the Company's written consent. Executive agrees not to make use of the Confidential Material, except on behalf of the Company. Upon termination of Executive's employment, Executive agrees to surrender all Confidential Material and any copies thereof as may be in possession or under control of Executive.

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3. Payments Upon Termination of Employment.

(a) If during the Termination Period the employment of Executive shall terminate, other than by reason of a Nonqualifying Termination, then the Company shall pay to Executive (or Executive's beneficiary or estate) within thirty (30) days following the Date of Termination, as compensation for services rendered to the Company:

(1) a cash amount equal to the sum of (i) Executive's full annual base salary from the Company and its affiliated companies through the Date of Termination, to the extent not theretofore paid, (ii) a bonus in an amount at least equal to the average annualized incentive compensation awards paid or payable pursuant to any annual incentive compensation plan, including by reason of any deferral, to Executive by the Company and its affiliated companies during the five fiscal years of the Company (or if Executive shall have performed services for the Company and its affiliated companies for four (4) fiscal years or less, the years during which Executive performed services) immediately preceding the fiscal year in which the Change in Control occurs, multiplied by a fraction, the numerator of which is the number of days in the fiscal year in which the Date of Termination occurs through the Date of Termination and the denominator of which is 365 or 366, as applicable, to the extent not theretofore paid, (iii) any amount credited to Executive under any defined contribution nonqualified deferred compensation plan sponsored by any Parent Company or the Company, and any other compensation previously deferred by Executive (together with any interest and earnings thereon), in each case to the extent not theretofore paid, and (iv) any accrued unpaid vacation pay;

(2) a lump-sum cash amount in an amount equal to (i) three (3) times Executive's highest annual base salary from the Company and its affiliated companies in effect during the twelve (12) month period prior to the Date of Termination, plus (ii) three (3) times Executive's average annualized incentive compensation awards, paid or payable, including by reason of any deferral, to Executive by the Company and its affiliated companies during the five (5) fiscal years of the Company (or if Executive shall have performed services for the Company and its affiliated companies for four fiscal years or less, the years during which Executive performed services) immediately preceding the fiscal year in which the Change in Control occurs; provided, however, that in the event there are fewer than twenty-four (24) whole months remaining from the Date of Termination to the date of Executive's 70th birthday, the amount calculate d in accordance with this Section 3(a)(2) shall be reduced by multiplying such amount by a fraction the numerator of which is the number of months, including a partial month (with a partial month being expressed as a fraction the numerator of which is the number of days remaining in such month and the denominator of which is the number of days in such month), so remaining and the denominator of which is twenty-four (24) months; provided further, that any amount paid pursuant to this Section 3(a)(2) shall be paid in lieu of any other amount of severance pay to be received by Executive upon termination of employment of Executive under any severance plan, policy or arrangement of the Company.

(b) In addition to the payments to be made pursuant to paragraph (a) of this Section 3, the Company will pay Executive the following additional compensation and benefits

(1) For a period of three (3) years commencing on the Date of Termination, the Company shall continue to keep in full force and effect all medical, accident, disability and life insurance plans with respect to Executive and Executive's dependents with the same level of coverage, upon the same terms and otherwise to the same extent as such plans shall have been in effect immediately prior to the Date of Termination. Notwithstanding the foregoing sentence, if any of the medical, accident, disability or life insurance plans then in effect generally with respect to other peer executives of the Company and its affiliated companies would be more favorable to Executive, such plan coverage shall be substituted for the analogous plan coverage provided to Executive immediately prior to the Date of Termination, and the Company and Executive shall share the costs of such plan coverage in the same proportion as such costs were shared immediately prior to the Date of Termination. The obligation of the Company to continue coverage of Executive and Executive's dependents under such plans shall cease at such time as Executive and Executive's dependents obtain comparable coverage under another plan, including a plan maintained by a new employer. Execution of this Agreement by Executive shall not be considered a waiver of any rights or entitlements Executive and Executive's dependents may have under applicable law to continuation of coverage under the group health plan maintained by the Company or its affiliated companies.

(2) Company and Parent Company agree to amend this provision to include severance payments related to any deferred compensation after a Deferred Compensation Plan is defined for Executive. The failure to amend this provision in no way negates or any other provision of this Agreement which will remain in full force and effect.

(c) If during the Termination Period the employment of Executive shall terminate by reason of a Nonqualifying Termination, then the Company shall pay to Executive within thirty (30) days following the Date of Termination, a cash amount equal to the sum of (1) Executive's full annual base salary from the Company through the Date of Termination, to the extent not theretofore paid, and (2) any compensation previously deferred by Executive (together with any interest and earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid.

(d) Notwithstanding the foregoing or anything to the contrary herein, the Executive's employment shall also be deemed to have been terminated within the Termination Period other than by reason of a Nonqualifying Termination if:

(1) the Executive's employment is terminated without Cause prior to a Change in Control (or, if later, prior to the consummation of the transaction, the approval of which by the Company's members constitutes a Change in Control under Section 1(d)(1)(B) or (C), or the approval of which by any Parent Company's stockholders constitutes a Change in Control under Section 1(d)(2)(C) or (D) hereof) and such termination was at the request or direction of a Person who has entered into an agreement with the Company or Parent Company the consummation of which or the approval of which by the Company's members or Parent Company's stockholders would constitute a Change in Control;

(2) the Executive terminates his employment with Good Reason prior to a Change of Control (or, if later, prior to the consummation of the transaction, the approval of which by the Company's members constitutes a Change in Control under Section 1(d)(1)(B) or (C), or the approval of which by any Parent Company's stockholders constitutes a Change in Control under Section 1(d)(2)(C) or (D) hereof) and the circumstance or event which constitutes Good Reason occurs at the request, direction or in consideration of a Person who has entered into an agreement with the Company or Parent Company the consummation of which or the approval of which by the Company's members or Parent Company's stockholders would constitute a Change in Control; or

(3) the Executive's employment is terminated without Cause prior to a Change in Control (or, if later, prior to the consummation of the transaction, the approval of which by the Company's members constitutes a Change in Control under Section 1(d)(1)(B) or (C), or the approval of which by any Parent Company's stockholders constitutes a Change in Control under Section 1(d)(2)(C) or (D) hereof) and such termination is otherwise in connection with or in anticipation of a Change in Control which actually occurs.

4. Certain Additional Payments by the Company.

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

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

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

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

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

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

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

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

5. Withholding Taxes.

The Company may withhold from all payments due to Executive (or Executive's beneficiary or estate) hereunder all taxes which, by applicable federal, state, local or other law, the Company is required to withhold therefrom.

6. Reimbursement of Expenses.

If any contest or dispute shall arise under this Agreement involving termination of Executive's employment with the Company or involving the failure or refusal of the Company to perform fully in accordance with the terms hereof, the Company shall reimburse Executive, on a current basis, for all legal fees and expenses, if any, incurred by Executive in connection with such contest or dispute, together with interest at a rate equal to the rate of interest published in the Wall Street Journal under the caption "Money Rates" as the prime rate, but in no event higher than the maximum legal rate permissible under applicable law, such interest to accrue from the date the Company receives Executive's statement for such fees and expenses through the date of payment thereof; provided, however, that in the event the resolution of any such contest or dispute includes a finding denying, in total, Executive's claims in such contest or dispute, Executive shal l be required to reimburse the Company, over a period of twelve (12) months from the date of such resolution, for all sums advanced to Executive pursuant to this Section 6.

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7. Operative Event.

Except as provided in Section 3(d), but notwithstanding any other provision herein to the contrary, no amounts shall be payable hereunder unless and until there is a Change in Control at a time when Executive is employed by the Company.

8. Termination of Agreement.

(a) This Agreement shall be effective on the date hereof and shall continue until terminated by the Company as provided in paragraph (b) of this Section 8; provided, however, that this Agreement shall terminate in any event upon the first to occur of (1) Executive's 70th birthday, (2) Executive's death, or (3) except as provided in Section 3(d) hereof, termination of Executive's employment with the Company prior to a Change in Control.

(b) The Company shall have the right, prior to a Change in Control, in its sole discretion, pursuant to action by the Board, to terminate this Agreement, which termination shall not become effective until the date fixed by the Board for such termination, which date shall be at least 120 days after notice thereof is given by the Company to Executive in accordance with Section 11; provided, however, that no such action shall be taken by the Board during any period of time when the Board has knowledge that any person has taken steps reasonably calculated to effect a Change in Control until, in the opinion of the Board, such person has abandoned or terminated its efforts to effect a Change in Control; and provided further, that in no event shall this Agreement be terminated in the event of a Change in Control.

9. Scope of Agreement.

Nothing in this Agreement shall be deemed to entitle Executive to continued employment with the Company and its subsidiaries, and except as provided in Section 3(d) hereof, if Executive's employment with the Company shall terminate prior to a Change in Control, then Executive shall have no further rights under this Agreement; provided, however, that any termination of Executive's employment following a Change in Control (or as described in Section 3(d)) shall be subject to all of the provisions of this Agreement.

10. Successors; Binding Agreement.

(a) This Agreement shall not be terminated by any merger or consolidation of the Company whereby the Company is or is not the surviving or resulting corporation or as a result of any transfer of all or substantially all of the assets of the Company. In the event of any such merger, consolidation or transfer of assets, the provisions of this Agreement shall be binding upon the surviving or resulting corporation or the person or entity to which such assets are transferred.

(b) The Company agrees that concurrently with any merger, consolidation or transfer of assets referred to in paragraph (a) of this Section 10, it will cause any successor or transferee unconditionally to assume, by written instrument delivered to Executive (or Executive's beneficiary or estate), all of the obligations of the Company hereunder. Failure of the Company to obtain such assumption prior to the effectiveness of any such merger, consolidation or transfer of assets shall be a breach of this Agreement and shall entitle Executive to compensation and other benefits from the Company in the same amount and on the same terms as Executive would be entitled hereunder if Executive's employment were terminated following a Change in Control other than by reason of a Nonqualifying Termination. For purposes of implementing the foregoing, the date on which any such merger, consolidation or transfer becomes effective shall be deemed the Date of Termination.

(c) This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive shall die while any amounts would be payable to Executive hereunder had Executive continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to such person or persons appointed in writing by Executive to receive such amounts or, if no person is so appointed, to Executive's estate.

11. Notice.

(a) For purposes of this Agreement, all notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered or five days after deposit in the United States mail, certified and return receipt requested, postage prepaid, addressed (1) if to the Executive, to Shahid J. Malik, Strategic Energy, L.L.C., Two Gateway Center, Pittsburgh, Pennsylvania 15222 and if to the Company, to Strategic Energy L.L.C., Two Gateway Center, Pittsburgh, Pennsylvania 15222, Attention: General Counsel, or (2) to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

(b) A written notice of Executive's Date of Termination by the Company or Executive, as the case may be, to the other, shall (1) indicate the specific termination provision in this Agreement relied upon, (2) to the extent applicable, set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, and (3) specify the termination date (which date shall be not less than fifteen (15) days after the giving of such notice). The failure by Executive or the Company to set forth in such notice any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of Executive or the Company hereunder or preclude Executive or the Company from asserting such fact or circumstance in enforcing Executive's or the Company's rights hereunder.

12. Full Settlement; Resolution of Disputes.

(a) The Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and, such amounts shall not be reduced whether or not Executive obtains other employment.

(b) If there shall be any dispute between the Company and Executive in the event of any termination of Executive's employment, then, unless and until there is a final, nonappealable judgment by a court of competent jurisdiction declaring that such termination was for Cause, that the determination by Executive of the existence of Good Reason was not made in good faith, or that the Company is not otherwise obligated to pay any amount or provide any benefit to Executive and Executive's dependents or other beneficiaries, as the case may be, under paragraphs (a) and (b) of Section 3, the Company shall pay all amounts, and provide all benefits, to Executive and Executive's dependents or other beneficiaries, as the case may be, that the Company would be required to pay or provide pursuant to paragraphs (a) and (b) of Section 3 as though such termination were by the Company without Cause or by Executive with Good Reason; provid ed, however, that the Company shall not be required to pay any disputed amounts pursuant to this paragraph except upon receipt of an undertaking by or on behalf of Executive to repay all such amounts to which Executive is ultimately adjudged by such court not to be entitled.

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13. Employment with Subsidiaries.

Employment with the Company for purposes of this Agreement shall include employment with any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities of such corporation or other entity entitled to vote generally in the election of directors.

14. Governing Law; Validity.

The interpretation, construction and performance of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the Commonwealth of Pennsylvania without regard to the principle of conflicts of laws. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which other provisions shall remain in full force and effect.

15. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

16. Miscellaneous.

No provision of this Agreement may be modified or waived unless such modification or waiver is agreed to in writing and signed by Executive and by a duly authorized officer of the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. Failure by Executive or the Company to insist upon strict compliance with any provision of this Agreement or to assert any right Executive or the Company may have hereunder, including, without limitation, the right of Executive to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement. The rights and benefits payable hereunder are in addition to any rights of , or benefits payable to, Executive, Executive's estate or Executive's beneficiaries under any other employee benefit plan or compensation program of the Company, excluding any other severance plan, policy or arrangement of the Company.

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17. Guarantee of Payment.

Great Plains Energy hereby guarantees to Executive, the payment of any and all amounts that may be due Executive under this Agreement, and the performance and discharge of all other obligations of the Company under this Agreement after written demand has been delivered to the Company and the Company has refused to so pay or perform; provided, however, that Great Plains Energy's obligation to perform hereunder is subject to all the conditions to the obligations of the Company to pay or perform under this Agreement and any rights of non-payment or non-performance that the Company may have (other than bankruptcy or insolvency).

IN WITNESS WHEREOF, the Great Plains Energy and the Company each has caused this Severance Agreement to be executed by a duly authorized officer and Executive has executed this Agreement as of the day and year first above written.

GREAT PLAINS ENERGY INCORPORATED EXECUTIVE

By: /s/Michael J. Chesser
Name: Michael J. Chesser
Title: Chief Executive Officer

/s/Shahid J. Malik
Shahid J. Malik
(Print Name)

STRATEGIC ENERGY, L.L.C.

By: /s/Andrew J. Washburn
Name: Andrew J. Washburn
Title: Interim President

CREDIT AGREEMENT

Dated as of December 15, 2004

among

GREAT PLAINS ENERGY INCORPORATED,

CERTAIN LENDERS,

BANK OF AMERICA, N.A.,

as Syndication Agent,

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

BANC OF AMERICA SECURITIES LLC

and

J.P. MORGAN SECURITIES, INC.

Joint Lead Arrangers and Joint Book Runners

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CREDIT AGREEMENT

This Credit Agreement dated as of December 15, 2004 is among Great Plains Energy Incorporated, a Missouri corporation, the Lenders, Bank of America, N.A., as Syndication Agent, The Bank of Tokyo-Mitsubishi, Ltd., Wachovia Bank, National Association and BNP Paribas, as Co-Documentation Agents, and JPMorgan Chase Bank, N.A., as Administrative Agent. The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms have the following meanings (such meanings to be equally applicable to both the singular and plural forms of such terms):

"Administrative Agent" means JPMorgan in its capacity as contractual representative of the Lenders pursuant to Article X, and not in its individual capacity as a Lender, and any successor Administrative Agent appointed pursuant to Article X.

"Advance" means a borrowing hereunder (or conversion or continuation thereof) consisting of the aggregate amount of the several Loans made on the same Borrowing Date (or date of conversion or continuation) by the Lenders to the Borrower of the same Type and, in the case of Eurodollar Advances, for the same Interest Period.

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or by contract or otherwise.

"Agents" means, collectively, the Administrative Agent and the Syndication Agent, and "Agent" means either of them.

"Aggregate Commitment" means the aggregate of the Commitments of all Lenders, as changed from time to time pursuant to the terms hereof.

"Aggregate Outstanding Credit Exposure" means, at any time, the aggregate of the Outstanding Credit Exposure of all Lenders.

"Agreement" means this credit agreement, as it may be amended or modified and in effect from time to time.

"Alternate Base Rate" means, for any day, a rate of interest per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of the Federal Funds Effective Rate for such day plus 1/2% per annum.

"Applicable Margin" means, with respect to Advances of any Type at any time, the percentage rate per annum which is applicable at such time with respect to Advances of such Type as set forth in the Pricing Schedule.

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrangers" means J.P. Morgan Securities, Inc. and Banc of America Securities LLC, and "Arranger" means either of them.

"Article" means an article of this Agreement unless another document is specifically referenced.

"Assignment Agreement" means an assignment agreement substantially in the form of Exhibit C.

"Attributable Indebtedness" means, on any date, (i) in respect of any Capitalized Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (ii) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capitalized Lease.

"Authorized Officer" means any of the President, any Vice President, the chief financial officer or the Treasurer of the Borrower, in each case acting singly.

"Borrower" means Great Plains Energy Incorporated, a Missouri corporation, and its permitted successors and assigns.

"Borrowing Date" means a date on which an Advance is made hereunder.

"Borrowing Notice" is defined in Section 2.8.

"Business Day" means (i) with respect to any borrowing, payment or rate selection of Eurodollar Advances, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago and New York City for the conduct of substantially all of their commercial lending activities and on which dealings in United States dollars are carried on in the London interbank market and (ii) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago and New York City for the conduct of substantially all of their commercial lending activities.

"Capitalized Lease" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.

"Change of Control" means an event or series of events by which:

(i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of the Borrower or its Subsidiaries, or any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and

13d-5 under the Securities Exchange Act of 1934), directly or indirectly, of 33 1/3% or more of the equity interests of the Borrower; or

(ii) during any period of 12 consecutive months (or such lesser period of time as shall have elapsed since the formation of the Borrower), a majority of the members of the board of directors or other equivalent governing body of the Borrower ceases to be composed of individuals (x) who were members of that board or equivalent governing body on the first day of such period, (y) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (x) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (z) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (x) and (y) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"Code" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

"Commitment" means, for each Lender, the obligation of such Lender to make Loans and to participate in Letters of Credit in an aggregate amount not exceeding the amount set forth on Schedule I hereto or as set forth in any Assignment Agreement relating to any assignment that has become effective pursuant to Section 12.3.2, as such amount may be modified from time to time pursuant to the terms hereof.

"Consolidated Net Income" means, for any period, for the Borrower and its Consolidated Subsidiaries, the net income of the Borrower and its Consolidated Subsidiaries from continuing operations, excluding extraordinary items for that period.

"Consolidated Subsidiaries" means all Subsidiaries of the Borrower that are (or should be) included when preparing the consolidated financial statements of the Borrower.

"Consolidated Tangible Net Worth" means, as of any date of determination, for the Borrower and its Consolidated Subsidiaries, Shareholders' Equity of the Borrower and its Consolidated Subsidiaries on that date minus the Intangible Assets of the Borrower and its Consolidated Subsidiaries on that date.

"Contingent Obligation" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss.

"Controlled Group" means all members of a controlled group of corporations or other business entities and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

"Conversion/Continuation Notice" is defined in Section 2.9.

"Credit Extension" means the making of an Advance or the issuance of a Letter of Credit.

"Default" means an event described in Article VII.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (i) the protection of the environment, (ii) the effect of the environment on human health, (iii) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (iv) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.

"Equity-Linked Securities" means (i) all securities issued by the Borrower or any Subsidiary that contain two distinct components: (a) medium-term debt and (b) a forward contract for the issuance of common stock of the Borrower or such Subsidiary prior to the maturity of, and in an amount not less than, such debt, including the securities commonly referred to by the tradenames "FELINE PRIDES", "PEPS", "HITS" and "DECS" and generally referred to as "equity units"; provided that such securities shall not contain any provision permitting them to be put to the Borrower or any Subsidiary prior to the settlement of the related purchase contract and (ii) all other securities issued by the Borrower or any Subsidiary that are similar to those described in clause (i).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any rule or regulation issued thereunder.

"Eurodollar Advance" means an Advance which bears interest at the applicable Eurodollar Rate.

"Eurodollar Base Rate" means, with respect to a Eurodollar Advance for the relevant Interest Period, the applicable British Bankers' Association Interest Settlement Rate for deposits in U.S. dollars as reported by any generally recognized financial information service as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period; provided that if no such British Bankers' Association Interest Settlement Rate is available to the Administrative Agent, the applicable Eurodollar Base Rate for the relevant Interest Period shall instead be the rate determined

by the Administrative Agent to be the rate at which JPMorgan or one of its Affiliate banks offers to place deposits in U.S. dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, in the approximate amount of JP Morgan's relevant Eurodollar Loan and having a maturity equal to such Interest Period.

"Eurodollar Loan" means a Loan which bears interest at the applicable Eurodollar Rate.

"Eurodollar Rate" means, with respect to a Eurodollar Advance or Eurodollar Loan for the relevant Interest Period, the sum of (i) the quotient of (a) the Eurodollar Base Rate applicable to such Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such Interest Period, plus (ii) the Applicable Margin. The Eurodollar Rate shall be rounded to the next higher multiple of 1/16 of 1% if the rate is not such a multiple.

"Excluded Taxes" means, in the case of each Lender or applicable Lending Installation and the Administrative Agent, taxes imposed on its overall net income, and franchise taxes imposed on it, by (i) the jurisdiction under the laws of which such Lender or the Administrative Agent is incorporated or organized or (ii) the jurisdiction in which the Administrative Agent's or such Lender's principal executive office or such Lender's applicable Lending Installation is located.

"Exhibit" refers to an exhibit to this Agreement, unless another document is specifically referenced.

"Existing Credit Facilities" means the 364-Day Credit Agreement and the Three-Year Credit Agreement, each dated as of March 5, 2004 among the Borrower, various financial institutions and JPMorgan (as successor to Bank One, NA), as administrative agent.

"Facility Fee Rate" means, at any time, the percentage rate per annum at which facility fees are accruing at such time as set forth in the Pricing Schedule.

"Facility Termination Date" means December 15, 2009 or any earlier date on which the Aggregate Commitment is reduced to zero or otherwise terminated pursuant to the terms hereof.

"Federal Funds Effective Rate" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 11:00 a.m. (New York City time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"Floating Rate" means, for any day, a rate per annum equal to the sum of (i) the Alternate Base Rate for such day plus (ii) the Applicable Margin, in each case changing when and as the Alternate Base Rate changes.

"Floating Rate Advance" means an Advance which bears interest at the Floating Rate.

"Floating Rate Loan" means a Loan which bears interest at the Floating Rate.

"FRB" means the Board of Governors of the Federal Reserve System.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements of the Financial Accounting Standards Board.

"including" means "including without limiting the generality of the following".

"Indebtedness" means, as to any Person at a particular time, all of the following, without duplication, to the extent recourse may be had to the assets or properties of such Person in respect thereof: (i) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (ii) any direct or contingent obligations of such Person in the aggregate in excess of $2,000,000 arising under letters of credit (including standby and commercial), banker's acceptances, bank guaranties, surety bonds and similar instruments; (iii) net obligations of such Person under Swap Contracts; (iv) all obligations of such Person to pay the deferred purchase price of property or services (except trade accounts payable arising, and accrued expenses incurred, in the ordinary course of business), and indebtedness (excluding prepaid interest thereon) secured by a Lien on pro perty owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse; (v) Capitalized Lease Obligations and Synthetic Lease Obligations of such Person; and (vi) all Contingent Obligations of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer, unless such Indebtedness is non-recourse to such Person. It is understood and agreed that Indebtedness (including Contingent Obligations) shall not include any obligations of the Borrower with respect to (i) subordinated, deferrable interest debt securities, and any related securities issued by a trust or other special purpose entity in connection therewith, as long as the maturity date of such debt is subsequent to the Facility Termination Date; provided that the amount of mandatory principal amortization or defeasance of such debt prior to the Facility Termination Date shall be included in

this definition of Indebtedness; or (ii) Equity-Linked Securities until the mandatory redemption date therefor, provided that the principal amount of all outstanding Equ ity-Linked Securities in excess of 20% of Total Capitalization shall constitute Indebtedness. The amount of any Capitalized Lease Obligation or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

"Interest Period" means, with respect to a Eurodollar Advance, a period of one, two, three or six months commencing on a Business Day selected by the Borrower pursuant to this Agreement. Such Interest Period shall end on the day which corresponds numerically to such date one, two, three or six months thereafter; provided that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last Business Day of such next, second, third or sixth succeeding month. If an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day; provided that if said next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day.

"Issuer" means each of JPMorgan, Bank of America, N.A. and any other Lender approved by the Borrower and the Administrative Agent, in each case in its capacity as an issuer of Letters of Credit hereunder.

"Issuer Documents" means with respect to any Letter of Credit, the Letter Credit Application and any other document, agreement and instrument entered into by the applicable Issuer and the Borrower or in favor of the applicable Issuer and relating to such Letter of Credit.

"JPMorgan" means JPMorgan Chase Bank, N.A. in its individual capacity, and its successors.

"KCPL" means Kansas City Power & Light Company, a Missouri corporation.

"LC Collateral Account" is defined in Section 2.19(k).

"Lease Trust" means the special purpose entity that entered into a synthetic lease arrangement with KCPL in 2001 to finance the purchase, installation, assembly and construction of five combustion turbines and related property and equipment.

"Lenders" means the lending institutions listed on the signature pages of this Agreement and their respective successors and assigns.

"Lending Installation" means, with respect to a Lender or the Administrative Agent, the office, branch, subsidiary or affiliate of such Lender or the Administrative Agent listed on the signature pages hereof or on a Schedule or otherwise selected by such Lender or the Administrative Agent pursuant to Section 2.17.

"Letter of Credit" is defined in Section 2.19(a).

"Letter of Credit Application" is defined in Section 2.19(c).

"Letter of Credit Fee" is defined in Section 2.19(d).

"Letter of Credit Fee Rate" means, at any time, the percentage rate per annum applicable to Letter of Credit Fees at such time as set forth in the Pricing Schedule.

"Letter of Credit Obligations" means, at any time, the sum, without duplication, of (i) the aggregate undrawn stated amount of all Letters of Credit at such time plus (ii) the aggregate unpaid amount of all Reimbursement Obligations at such time.

"Lien" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

"Loan" means, with respect to a Lender, such Lender's loans made pursuant to Article II (or any conversion or continuation thereof).

"Loan Documents" means this Agreement, each Note issued pursuant to Section 2.13, each Letter of Credit and each Letter of Credit Application.

"Material Adverse Effect" means a material adverse effect on (i) the business, Property, condition (financial or otherwise), results of operations, or prospects of the Borrower and its Subsidiaries taken as a whole, (ii) the ability of the Borrower to perform its obligations under the Loan Documents or (iii) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Agents, the Lenders or the Issuers thereunder.

"Material Indebtedness" is defined in Section 7.5.

"Modification" and "Modify" are defined in Section 2.19(a).

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a Plan maintained pursuant to a collective bargaining agreement or any other arrangement to which the Borrower or any member of the Controlled Group is a party to which more than one employer is obligated to make contributions.

"Non-U.S. Lender" is defined in Section 3.5(iv).

"Note" is defined in Section 2.13.

"Obligations" means all unpaid principal of and accrued and unpaid interest on the Loans, all Reimbursement Obligations and accrued and unpaid interest thereon, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Borrower to any Lender, any Issuer, either Agent or any indemnified party arising under any Loan Document.

"Other Taxes" is defined in Section 3.5(ii).

"Outstanding Credit Exposure" means, as to any Lender at any time, the sum of (i) the aggregate principal amount of its Loans outstanding at such time, plus (ii) its Pro Rata Share of the Letter of Credit Obligations at such time.

"Participants" is defined in Section 12.2.1.

"Payment Date" means the last Business Day of each March, June, September and December.

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.

"Person" means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

"Plan" means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Borrower or any member of the Controlled Group may have any liability.

"Pricing Schedule" means the Schedule attached hereto identified as such.

"Prime Rate" means a rate per annum equal to the prime rate of interest announced by JPMorgan from time to time (which is not necessarily the lowest rate charged to any customer), changing when and as said prime rate changes.

"Project Finance Subsidiary" means any Subsidiary that meets the following requirements: (i) it is primarily engaged, directly or indirectly, in the ownership, operation and/or financing of independent power production and related facilities and assets; and (ii) neither the Borrower nor any other Subsidiary (other than another Project Finance Subsidiary) has any liability, contingent or otherwise, for the Indebtedness or other obligations of such Subsidiary (other than non-recourse liability resulting from the pledge of stock of such Subsidiary).

"Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Pro Rata Share" means, with respect to any Lender on any date of determination, the percentage which the amount of such Lender's Commitment is of the Aggregate Commitment (or, if the Commitments have terminated, which such Lender's Outstanding Credit Exposure is of the Aggregate Outstanding Credit Exposure) as of such date. For purposes of determining liability for any indemnity obligation under Section 2.19(j) or 10.8, each Lender's Pro Rata Share shall be determined as of the date the applicable Issuer or the Administrative Agent notifies the Lenders of such indemnity obligation (or, if such notice is given after termination of this Agreement, as of the date of such termination).

"PUHCA" means the Public Utility Holding Company Act of 1935, as amended.

"Purchasers" is defined in Section 12.3.1.

"Regulation D" means Regulation D of the FRB as from time to time in effect and any successor thereto or other regulation or official interpretation of the FRB relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Regulation U" means Regulation U of the FRB as from time to time in effect and any successor or other regulation or official interpretation of the FRB relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

"Reimbursement Obligations" means, at any time, the aggregate of all obligations of the Borrower then outstanding under Section 2.19 to reimburse the Issuers for amounts paid by the Issuers in respect of any one or more drawings under Letters of Credit.

"Reportable Event" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC has by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event; provided that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the

issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"Required Lenders" means Lenders in the aggregate having more than 50% of the Aggregate Commitment or, if the Aggregate Commitment has been terminated, Lenders in the aggregate holding more than 50% of the Aggregate Outstanding Credit Exposure.

"Reserve Requirement" means, with respect to an Interest Period, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D on Eurocurrency liabilities.

"S&P" means Standard and Poor's Ratings Services, a division of The McGraw Hill Companies, Inc.

"Schedule" refers to a specific schedule to this Agreement, unless another document is specifically referenced.

"SEC" means the Securities and Exchange Commission.

"SEC Order" means the order issued by the SEC to the Borrower and various Affiliates dated December 29, 2003 (Release No. 35-27784; 70-9861), or an extension, renewal or replacement of such order in form and substance satisfactory to the Lenders.

"Section" means a numbered section of this Agreement, unless another document is specifically referenced.

"Shareholders' Equity" means, as of any date of determination for the Borrower and its Consolidated Subsidiaries on a consolidated basis, shareholders' equity as of that date determined in accordance with GAAP.

"Significant Subsidiary" means, at any time, KCPL and each other Subsidiary which (i) as of the date of determination, owns consolidated assets equal to or greater than 15% of the consolidated assets of the Borrower and its Subsidiaries or (ii) which had consolidated net income from continuing operations (excluding extraordinary items) during the four most recently ended fiscal quarters equal to or greater than 15% of Consolidated Net Income during such period.

"Single Employer Plan" means a Plan maintained by the Borrower or any member of the Controlled Group for employees of the Borrower or any member of the Controlled Group.

"Subsidiary" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled; or (iii) any other Person the operations and/or financial results of which are required to be consolidated with those of such first Person in accordance with GAAP; provided that, except as used in the definition of "Consolidated Subsidiary", the Lease Trust shall be deemed not to be a Subsidiary of the Borrower. Unless otherwise expressly stated, all references herein to a "Subsidiary" shall mean a Subsidiary of the B orrower.

"Substantial Portion" means, with respect to the Property of the Borrower and its Subsidiaries, Property which (i) represents more than 10% of the consolidated assets of the Borrower and its Consolidated Subsidiaries as would be shown in the consolidated financial statements of the Borrower and its Consolidated Subsidiaries as at the beginning of the twelve-month period ending with the month in which such determination is made, or (ii) is responsible for more than 10% of the consolidated net sales or of the Consolidated Net Income of the Borrower and its Consolidated Subsidiaries as reflected in the financial statements referred to in clause (i) above.

"Swap Contract" means (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transaction, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master a greement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Syndication Agent" means Bank of America, N.A. in its capacity as syndication agent hereunder, and not in its individual capacity as a Lender, and any successor thereto.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (i) a so-called synthetic or off-balance sheet or tax retention lease, or (ii) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Taxes" means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings, and any and all liabilities with respect to the foregoing, but excluding Excluded Taxes.

"34 Act Reports" means the periodic reports of the Borrower filed with the SEC on Forms 10K, 10Q and 8K (or any successor forms thereto).

"Total Capitalization" means Total Indebtedness of the Borrower and its Consolidated Subsidiaries plus the sum of (i) Shareholder's Equity (without giving effect to the application of FASB Statement No. 133 or 149) and (ii) to the extent not otherwise included in Indebtedness or Shareholder's Equity, preferred and preference stock and securities of the Borrower and its Subsidiaries included in a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries in accordance with GAAP.

"Total Indebtedness" means all Indebtedness of the Borrower and its Consolidated Subsidiaries on a consolidated basis (and without duplication), excluding (i) Indebtedness arising under Swap Contracts entered into in the ordinary course of business to hedge bona fide transactions and business risks and not for speculation, (ii) Indebtedness of Project Finance Subsidiaries, (iii) Contingent Obligations incurred after May 15, 1996 with respect to obligations of Strategic Energy, L.L.C. in an aggregate amount not exceeding $275,000,000 and (iv) Indebtedness of KLT Investments Inc. incurred in connection with the acquisition and maintenance of its interests (whether direct or indirect) in low income housing projects.

"Transferee" is defined in Section 12.4.

"Type" means, with respect to any Advance, its nature as a Floating Rate Advance or a Eurodollar Advance.

"Unmatured Default" means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

"Utilization Fee Rate" means, at any time, the percentage rate per annum at which utilization fees are accruing at such time as set forth in the Pricing Schedule.

"Wholly-Owned Subsidiary" of a Person means (i) any Subsidiary all of the outstanding voting securities of which shall at the time be owned or controlled, directly or indirectly, by such Person or one or more Wholly-Owned Subsidiaries of such Person, or by such Person and one or more Wholly-Owned Subsidiaries of such Person, or (ii) any partnership, limited liability company, association, joint venture or similar business organization 100% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

1.2 Accounting Principles. Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made, in accordance with GAAP, consistently applied; provided that if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in Section 6 to eliminate the effect of any change in GAAP on the operation of such covenant (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend any covenant in Section 6 for such purpose), then the Borrower's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Require d Lenders.

1.3 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

ARTICLE II

THE CREDITS

2.1 Commitment. From and including the date of this Agreement and prior to the Facility Termination Date, subject to the terms and conditions set forth in this Agreement,(a) each Lender severally agrees to make Loans to the Borrower from time to time in amounts not to exceed in the aggregate at any one time outstanding the amount of its Commitment and (b) each Issuer agrees to issue Letters of Credit for the account of the Borrower from time to time (and each Lender severally agrees to participate in each such Letter of Credit as more fully set forth in Section 2.19); provided (i) that the Aggregate Outstanding Credit Exposure shall not at any time exceed the Aggregate Commitment; and (ii) the Outstanding Credit Exposure of any Lender shall not at any time exceed the amount of such Lender's Commitment. Subject to the terms of this Agreement, the Borrower may borrow , repay and reborrow at any time prior to the Facility Termination Date. The Commitments shall expire on the Facility Termination Date.

2.2 Required Payments; Termination. The Borrower shall (a) repay the principal amount of all Advances made to it on the Facility Termination Date and (b) deposit into the LC Collateral Account on the Facility Termination Date an amount in immediately available funds equal to the aggregate stated amount of all Letters of Credit that will remain outstanding after the Facility Termination Date.

2.3 Ratable Loans. Each Advance hereunder shall consist of Loans made from the several Lenders ratably in proportion to their respective Pro Rata Shares.

2.4 Types of Advances; Minimum Amount. The Advances may be Floating Rate Advances or Eurodollar Advances, or a combination thereof, selected by the Borrower in accordance with Sections 2.8 and 2.9. Each Eurodollar Advance shall be in the

amount of $5,000,000 or a higher integral multiple of $1,000,000, and each Floating Rate Advance shall be in the amount of $1,000,000 or an integral multiple thereof.

2.5 Facility Fee; Utilization Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Lender (a) a facility fee at a per annum rate equal to the Facility Fee Rate on such Lender's Commitment (regardless of usage) from the date hereof to but excluding the Facility Termination Date, payable on each Payment Date and on the Facility Termination Date and, if applicable, thereafter on demand and (b) a utilization fee at a rate per annum equal to the Utilization Fee Rate on such Lender's Outstanding Credit Exposure for any date on which the Aggregate Outstanding Credit Exposure exceeds 50% of the Aggregate Commitment such utilization fee to be payable on each Payment Date, on the Facility Termination Date and, if applicable, thereafter on demand.

2.6 Changes in Aggregate Commitment.

(a) The Borrower may permanently reduce the Aggregate Commitment in whole, or in part ratably among the Lenders (according to their respective Pro Rata Shares) in integral multiples of $5,000,000, upon at least three Business Days' prior written notice to the Administrative Agent, which notice shall specify the amount of any such reduction; provided that the amount of the Aggregate Commitment may not be reduced below the Aggregate Outstanding Credit Exposure. All accrued facility fees and utilization fees shall be payable on the effective date of any termination of the obligations of the Lenders to make Loans hereunder.

(b) The Borrower may, from time to time so long as no Default or Unmatured Default exists, by means of a letter delivered to the Administrative Agent substantially in the form of Exhibit F, request that the Aggregate Commitment be increased by up to $50,000,000 in the aggregate by (i) increasing the Commitment of one or more Lenders which have agreed to such increase and/or (ii) adding one or more commercial banks or other Persons as a party hereto (each an "Additional Lender") with a Commitment in an amount agreed to by any such Additional Lender; provided that no Additional Lender shall be added as a party hereto without the written consent of the Administrative Agent and each Issuer (which consents shall not be unreasonably withheld). Any increase in the Aggregate Commitment pursuant to this clause (b) shall be effective three Business Days after the date on which the Administrative Agent has received and accepted the applicable increase letter in the form of Annex 1 to Exhibit F (in the case of an increase in the Commitment of an existing Lender) or assumption letter in the form of Annex 2 to Exhibit F (in the case of the addition of a commercial bank or other Person as a new Lender). The Administrative Agent shall promptly notify the Borrower and the Lenders of any increase in the amount of the Aggregate Commitment pursuant to this clause (b) and of the Commitment of each Lender after giving effect thereto. The Borrower acknowledges that, in order to maintain Advances in accordance with each Lender's pro-rata share of all outstanding Advances prior to any increase in the Aggregate Commitment pursuant to this clause (b), a reallocation of the Commitments as a result of a non-pro-rata increase in the Aggregate Commitment may require prepayment of all or portions of certain Advances on the date of such increase (and any such prepayment shall be subject to the provisions of Section 3.4).

2.7 Optional Prepayments.

(a) The Borrower may from time to time prepay Floating Rate Advances upon one Business Day's prior notice to the Administrative Agent, without penalty or premium. Each partial prepayment of Floating Rate Advances shall be in an aggregate amount of $1,000,000 or an integral multiple thereof.

(b) The Borrower may from time to time prepay Eurodollar Advances (subject to the payment of any funding indemnification amounts required by Section 3.4) upon three Business Days' prior notice to the Administrative Agent, without penalty or premium. Each partial prepayment of Eurodollar Advances shall be in an aggregate amount of $5,000,000 or a higher integral multiple of $1,000,000.

(c) All prepayments of Advances shall be applied ratably to the Loans of the Lenders in accordance with their respective Pro Rata Shares.

2.8 Method of Selecting Types and Interest Periods for New Advances. The Borrower shall select the Type of Advance and, in the case of each Eurodollar Advance, the Interest Period applicable thereto from time to time. The Borrower shall give the Administrative Agent irrevocable notice (a "Borrowing Notice") not later than noon (New York City time) on the Borrowing Date of each Floating Rate Advance and not later than noon (New York City time) three Business Days before the Borrowing Date for each Eurodollar Advance, specifying:

(i) the Borrowing Date, which shall be a Business Day, of such Advance,

(ii) the aggregate amount of such Advance,

(iii) the Type of Advance selected, and

(iv) in the case of each Eurodollar Advance, the Interest Period applicable thereto.

Not later than 1:00 p.m. (New York City time) on each Borrowing Date, each Lender shall make available its Loan or Loans in funds immediately available to the Administrative Agent at its address specified pursuant to Article XIII. The Administrative Agent will make the funds so received from the Lenders available to the Borrower at the Administrative Agent's aforesaid address.

2.9 Conversion and Continuation of Outstanding Advances. Floating Rate Advances shall continue as Floating Rate Advances unless and until such Floating Rate Advances are converted into Eurodollar Advances pursuant to this Section 2.9 or are repaid in accordance with Section 2.7. Each Eurodollar Advance shall continue as a Eurodollar Advance until the end of the then applicable Interest Period therefor, at which time such Eurodollar Advance shall be automatically converted into a Floating Rate Advance unless (x) such Eurodollar Advance is or was repaid in accordance with Section 2.7 or (y) the Borrower shall have given the Administrative Agent a Conversion/Continuation Notice (as defined below) requesting that, at the end of such Interest Period, such Eurodollar Advance continue as a Eurodollar Advance for the same or another Interest Period. Subject to the terms of Se ction 2.4, the Borrower may elect from time to time to convert all or any part of a Floating Rate Advance into a Eurodollar Advance. The Borrower shall give the Administrative Agent irrevocable notice (a "Conversion/Continuation Notice") of each conversion of a Floating Rate Advance into a Eurodollar Advance or continuation of a Eurodollar Advance not later than 11:00 a.m. (New York City time) at least three Business Days prior to the date of the requested conversion or continuation, specifying:

(i) the requested date, which shall be a Business Day, of such conversion or continuation,

(ii) the aggregate amount and Type of the Advance which is to be converted or continued, and

(iii) the amount of such Advance which is to be converted into or continued as a Eurodollar Advance and the duration of the Interest Period applicable thereto.

2.10 Changes in Interest Rate, etc. Each Floating Rate Advance shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Advance is made or is automatically converted from a Eurodollar Advance into a Floating Rate Advance pursuant to Section 2.9, to but excluding the date it is paid or is converted into a Eurodollar Advance pursuant to Section 2.9 hereof, at a rate per annum equal to the Floating Rate for such day. Changes in the rate of interest on that portion of any Advance maintained as a Floating Rate Advance will take effect simultaneously with each change in the Alternate Base Rate. Each Eurodollar Advance shall bear interest on the outstanding principal amount thereof from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at the interest rate determined by the Administrative Agent as applicable to such Eurodollar Advance based upon the Borrower's selections under Sections 2.8 and 2.9 and otherwise in accordance with the terms hereof. No Interest Period may end after the Facility Termination Date.

2.11 Rates Applicable After Default. Notwithstanding anything to the contrary contained in Section 2.8 or 2.9, during the continuance of a Default or Unmatured Default the Required Lenders may, at their option, by notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 8.2 requiring unanimous consent of the Lenders to changes in interest rates), declare that no Advance may be made as, converted into or continued as a Eurodollar Advance. During the continuance of a Default the Required Lenders may, at their option, by notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 8.2 requiring unanimous consent of the Lenders to changes in interest rates), declare that (i) each Eurodollar Advance shall bear interest for the remainder of the applicable Interest Period at the rate otherwise applicable to such Interest Period plus 2% per annum, (ii) each Floating Rate Advance shall bear interest at a rate per annum equal to the Floating Rate in effect from time to time plus 2% per annum and (iii) the Letter of Credit Fee Rate shall be increased by 2% per annum; provided that, during the continuance of a Default under Section 7.6 or 7.7, the interest rates set forth in clauses (i) and (ii) above and the increase in the Letter of Credit Fee Rate set forth in clause (iii) above shall be applicable to all applicable Credit Extensions without any election or action on the part of the Administrative Agent or any Lender.

2.12 Method of Payment. All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Administrative Agent at the Administrative Agent's address specified pursuant to Article XIII, or at any other Lending Installation of the Administrative Agent specified in writing by the Administrative Agent to the Borrower, by 1:00 p.m. (New York City time) on the date when due and shall be applied ratably by the Administrative Agent among the Lenders in accordance with their respective Pro Rata Shares. Each payment delivered to the Administrative Agent for the account of any Lender shall be delivered promptly by the Administrative Agent to such Lender in the same type of funds that the Administrative Agent received at its address specified pursuant to Article XIII or at any Lending Installation specified in a notice received by t he Administrative Agent from such Lender.

2.13 Noteless Agreement; Evidence of Indebtedness.

(i) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(ii) The Administrative Agent shall also maintain accounts in which it will record (a) the amount of each Loan made hereunder, the Type thereof and the Interest Period with respect thereto, (b) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, (c) the original stated amount of each Letter of Credit and the amount of Letter of Credit Obligations outstanding at any time and (d) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(iii) The entries maintained in the accounts maintained pursuant to clauses (i) and (ii) above shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded; provided that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

(iv) Any Lender may request that its Loans be evidenced by a promissory note substantially in the form of Exhibit E (a "Note"). In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to the order of such Lender. Thereafter, the Loans evidenced by such Note and interest thereon shall at all times (including after any assignment pursuant to Section 12.3) be represented by one or more Notes payable to the order of the payee named therein or any assignee pursuant to Section 12.3, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in clauses (i) and (ii) above.

2.14 Telephonic Notices. The Borrower hereby authorizes the Lenders and the Administrative Agent to extend, convert or continue Advances, effect selections of Types of Advances and to transfer funds based on telephonic notices made by any person or persons the Administrative Agent or any Lender in good faith believes to be acting on behalf of the Borrower. The Borrower agrees to deliver promptly to the Administrative Agent a written confirmation, if such confirmation is requested by the Administrative Agent or any Lender, of each telephonic notice signed by an Authorized Officer. If the written confirmation differs in any material respect from the action taken by the Administrative Agent and the Lenders, the records of the Administrative Agent and the Lenders shall govern absent manifest error.

2.15 Interest Payment Dates; Interest and Fee Basis. Interest accrued on each Floating Rate Advance shall be payable on each Payment Date, commencing with the first such date to occur after the date hereof, and at maturity. Interest accrued on each Eurodollar Advance shall be payable on the last day of its applicable Interest Period, on any date on which such Eurodollar Advance is prepaid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Eurodollar Advance having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. All computations of interest for Floating Rate Loans when the Alternate Base Rate is determined by the Prime Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of interest and fees shall be calculated for actual days elapsed on the basis of a 360-day year. Interest shall be payable for the day an Advance is made but not for the day of any payment on the amount paid if payment is received prior to 1:00 p.m. (New York City time) at the place of payment (it being understood that the Administrative Agent shall be deemed to have received a payment prior to 1:00 p.m. (New York City time) if (x) the Borrower has provided the Administrative Agent with evidence satisfactory to the Administrative Agent that the Borrower has initiated a wire transfer of such payment prior to such time and (y) the Administrative Agent actually receives such payment on the same Business Day on which such wire transfer was initiated). If any payment of principal of or interest on an Advance shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest in connection with such pay ment.

2.16 Notification of Advances, Interest Rates, Prepayments and Commitment Reductions. Promptly after receipt thereof, the Administrative Agent will notify each Lender of the contents of each Aggregate Commitment reduction notice, Borrowing Notice, Conversion/Continuation Notice, and repayment notice received by it hereunder. The Administrative Agent will notify each Lender of the interest rate applicable to each Eurodollar Advance promptly upon determination of such interest rate and will give each Lender prompt notice of each change in the Alternate Base Rate.

2.17 Lending Installations. Each Lender may book its Loans at any Lending Installation selected by such Lender and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and the Loans and any Notes issued hereunder shall be deemed held by each Lender for the benefit of such Lending Installation. Each Lender may, by written notice to the Administrative Agent and the Borrower in accordance with Article XIII, designate replacement or additional Lending Installations through which Loans will be made by it and for whose account Loan payments are to be made.

2.18 Non-Receipt of Funds by the Administrative Agent. Unless the Borrower or a Lender, as the case may be, notifies the Administrative Agent prior to the date on which it is scheduled to make payment to the Administrative Agent of (i) in the case of a Lender, the proceeds of a Loan or (ii) in the case of the Borrower, a payment of principal, interest or fees to the Administrative Agent for the account of the Lenders, that it does not intend to make such payment, the Administrative Agent may assume that such payment has been made. The Administrative Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or the Borrower, as the case may be, has not in fact made such payment to the Administrative Agent, the recipient of such payment shall, on demand by the Administrative Agent, repay to the Admin istrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Administrative Agent until the date the Administrative Agent recovers such amount at a rate per annum equal to (x) in the case of payment by a Lender, the Federal Funds Effective Rate for such day or (y) in the case of payment by the Borrower, the interest rate applicable to the relevant Loan.

2.19 Letters of Credit.

(a) Issuance. Each Issuer hereby agrees, on the terms and conditions set forth in this Agreement, to issue standby letters of credit (each a "Letter of Credit") and to extend, increase, decrease or otherwise modify Letters of Credit ("Modify," and each such action a "Modification") from time to time from and including the date of this Agreement and prior to the Facility Termination Date upon the request of the Borrower; provided that immediately after each such Letter of Credit is issued or Modified, the Aggregate Outstanding Credit Exposure shall not exceed the Aggregate Commitment. No Letter of Credit shall have an expiry date later than the date that is five days prior to the scheduled Facility Termination Date.

(b) Participations. Upon the issuance or Modification by any Issuer of a Letter of Credit in accordance with this Section 2.19, such Issuer shall be deemed, without further action by any Person, to have unconditionally and irrevocably sold to each Lender, and each Lender shall be deemed, without further action by any Person, to have unconditionally and irrevocably purchased

from such Issuer, a participation in such Letter of Credit (and each Modification thereof) and the related Letter of Credit Obligations in proportion to its Pro Rata Share.

(c) Notice. Subject to Section 2.19(a), the Borrower shall give the applicable Issuer and the Administrative Agent notice prior to 11:00 a.m. (New York City time) at least three Business Days (or such lesser period of time as such Issuer may agree in its sole discretion) prior to the proposed date of issuance or Modification of each Letter of Credit, specifying the beneficiary, the proposed date of issuance (or Modification) and the expiry date of such Letter of Credit, and describing the proposed terms of such Letter of Credit and the nature of the transactions proposed to be supported thereby. Upon receipt of such notice, the applicable Issuer shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify each Lender, of the contents thereof and of the amount of such Lender's participation in such proposed Letter of Credit. The issuance or Modification by an Issuer of any Letter of Cr edit shall, in addition to the conditions precedent set forth in Article IV (the satisfaction of which such Issuer shall have no duty to ascertain, it being understood, however, that such Issuer shall not issue any Letter of Credit if it has received written notice from the Borrower, the Administrative Agent or any Lender that any such condition precedent has not been satisfied), be subject to the conditions precedent that such Letter of Credit shall be satisfactory to such Issuer and that the Borrower shall have executed and delivered such application agreement and/or such other instruments and agreements relating to such Letter of Credit as such Issuer shall have reasonably requested (each a "Letter of Credit Application"). In the event of any conflict between the terms of this Agreement and the terms of any Letter of Credit Application, the terms of this Agreement shall control.

(d) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent, for the account of the Lenders ratably in accordance with their respective Pro Rata Shares, with respect to each Letter of Credit, a letter of credit fee (the "Letter of Credit Fee") at a per annum rate equal to the Letter of Credit Fee Rate in effect from time to time on the daily maximum amount available under such Letter of Credit, such fee to be payable in arrears on each Payment Date, on the Facility Termination Date and, if applicable, thereafter on demand. The Borrower shall also pay to each Issuer for its own account (x) a fronting fee in the amount agreed to by such Issuer and the Borrower from time to time, with such fee to be payable in arrears on each Payment Date, and (y) documentary and processing charges in connection with the issuance or Modification of and draws under Letters of Credit in accordance with such Issuer's standard schedul e for such charges as in effect from time to time.

(e) Administration; Reimbursement by Lenders. Upon receipt from the beneficiary of any Letter of Credit of any demand for payment under such Letter of Credit, the applicable Issuer shall notify the Administrative Agent and the Administrative Agent shall promptly notify the Borrower and each Lender of the amount to be paid by such Issuer as a result of such demand and the proposed payment date (the "Letter of Credit Payment Date"). The responsibility of any Issuer to the Borrower and each Lender shall be only to determine that the documents delivered under each Letter of Credit issued by such Issuer in connection with a demand for payment are in conformity in all material respects with such Letter of Credit. Each Issuer shall endeavor to exercise the same care in its issuance and administration of Letters of Credit as it does with respect to letters of credit in which no participations are granted, it being understood that in the absence of any gross negligence or willful misconduct by such Issuer, each Lender shall be unconditionally and irrevocably obligated, without regard to the occurrence of any Default or any condition precedent whatsoever, to reimburse such Issuer on demand for (i) such Lender's Pro Rata Share of the amount of each payment made by such Issuer under each Letter of Credit to the extent such amount is not reimbursed by the Borrower pursuant to Section 2.19(f) below, plus (ii) interest on the foregoing amount, for each day from the date of the applicable payment by such Issuer to the date on which such Issuer is reimbursed by such Lender for its Pro Rata Share thereof, at a rate per annum equal to the Federal Funds Effective Rate or, beginning on third Business Day after demand for such amount by such Issuer, the rate applicable to Floating Rate Advances.

(f) Reimbursement by Borrower. The Borrower shall be irrevocably and unconditionally obligated to reimburse each Issuer through the Administrative Agent on or before the applicable Letter of Credit Payment Date for any amount to be paid by such Issuer upon any drawing under any Letter of Credit, without presentment, demand, protest or other formalities of any kind; provided that the Borrower shall not be precluded from asserting any claim for direct (but not consequential) damages suffered by the Borrower which the Borrower proves were caused by (i) the willful misconduct or gross negligence of such Issuer in determining whether a request presented under any Letter of Credit complied with the terms of such Letter of Credit or (ii) such Issuer's failure to pay under any Letter of Credit after the presentation to it of a request strictly complying with the terms and conditions of such Letter of Credit. All such am ounts paid by an Issuer and remaining unpaid by the Borrower shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the rate applicable to Floating Rate Advances. The Administrative Agent will pay to each Lender ratably in accordance with its Pro Rata Share all amounts received by it from the Borrower for application in payment, in whole or in part, of the Reimbursement Obligation in respect of any Letter of Credit, but only to the extent such Lender made payment to the applicable Issuer in respect of such Letter of Credit pursuant to Section 2.19(e).

(g) Obligations Absolute. The Borrower's obligations under this Section 2.19 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Borrower may have or have had against any Issuer, any Lender or any beneficiary of a Letter of Credit. The Borrower further agrees with the Issuers and the Lenders that neither any Issuer nor any Lender shall be responsible for, and the Borrower's Reimbursement Obligation in respect of any Letter of Credit shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged, or any dispute between or among the Borrower, any of its Affiliates, the beneficiary of any Letter of Credit or any financing institution or other party to whom any Letter of Credit may be transferred or any claims or defenses whatsoever of the Borrower or of any of its Affiliates against the beneficiary of any Letter of Credit or any such transferee. No Issuer shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit. The Borrower agrees that any action taken or omitted by any Issuer or any Lender under or in connection with any

Letter of Credit and the related drafts and documents, if done without gross negligence or willful misconduct, shall be binding upon the Borrower and shall not put any Issuer or any Lender under any liability to the Borrower. Nothing in this Section 2.19(g) is intended to limit the right of the Borrower to make a claim against any Issuer for damages as contemplated by the proviso to the first sentence of Section 2.19(f).

(h) Actions of Issuers. Each Issuer shall be entitled to rely, and shall be fully protected in relying, upon any Letter of Credit, draft, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, facsimile, telex or teletype message, statement, order or other document believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by such Issuer. Each Issuer shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first have received such advice or concurrence of the Required Lenders as it reasonably deems appropriate or it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Notwithstanding any other provision of this Section 2.19, each Issuer shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lenders and any future holder of a participation in any Letter of Credit issued by such Issuer.

(i) Indemnification. The Borrower agrees to indemnify and hold harmless each Lender, each Issuer and the Administrative Agent, and their respective directors, officers, agents and employees, from and against any and all claims and damages, losses, liabilities, costs or expenses which such Person may incur (or which may be claimed against such Person by any other Person whatsoever) by reason of or in connection with the issuance, execution and delivery or transfer of or payment or failure to pay under any Letter of Credit or any actual or proposed use of any Letter of Credit, including any claims, damages, losses, liabilities, costs or expenses which any Issuer may incur by reason of or in connection with (i) the failure of any other Lender to fulfill or comply with its obligations to such Issuer hereunder (but nothing herein contained shall affect any right the Borrower may have against any defaulting Lender) or (ii) b y reason of or on account of such Issuer issuing any Letter of Credit which specifies that the term "Beneficiary" therein includes any successor by operation of law of the named Beneficiary, but which Letter of Credit does not require that any drawing by any such successor Beneficiary be accompanied by a copy of a legal document, satisfactory to such Issuer, evidencing the appointment of such successor Beneficiary; provided that the Borrower shall not be required to indemnify any Person for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (x) the willful misconduct or gross negligence of any Issuer in determining whether a request presented under any Letter of Credit issued by such Issuer complied with the terms of such Letter of Credit or (y) any Issuer's failure to pay under any Letter of Credit issued by it after the presentation to it of a request strictly complying with the terms and conditions of such Letter of Credit. Nothing in this < U>Section 2.19(i) is intended to limit the obligations of the Borrower under any other provision of this Agreement.

(j) Lenders' Indemnification. Each Lender shall, ratably in accordance with its Pro Rata Share, indemnify each Issuer and its Affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) against any cost, expense (including reasonable counsel fees and charges), claim, demand, action, loss or liability (except such as result from such indemnitees' gross negligence or willful misconduct or such Issuer's failure to pay under any Letter of Credit issued by it after the presentation to it of a request strictly complying with the terms and conditions of such Letter of Credit) that such indemnitees may suffer or incur in connection with this Section 2.19 or any action taken or omitted by such indemnitees hereunder.

(k) LC Collateral Account. The Borrower agrees that it will establish on the Facility Termination Date (or on such earlier date as may be required pursuant to Section 8.1), and thereafter maintain so long as any Letter of Credit Obligation remains outstanding or any other amount is payable to any Issuer or the Lenders in respect of any Letter of Credit, a special collateral account pursuant to arrangements satisfactory to the Administrative Agent (the "LC Collateral Account") at the Administrative Agent's office at the address specified pursuant to Article XIII, in the name of the Borrower but under the sole dominion and control of the Administrative Agent, for the benefit of the Lenders, and in which the Borrower shall have no interest other than as set forth in Section 8.1. The Borrower hereby pledges, assigns and grants to the Administrative Agent, on behalf of and for the ratable benefit of the Le nders and the Issuers, a security interest in all of the Borrower's right, title and interest in and to all funds which may from time to time be on deposit in the LC Collateral Account, to secure the prompt and complete payment and performance of the Obligations. The Administrative Agent will invest any funds on deposit from time to time in the LC Collateral Account in certificates of deposit of JPMorgan having a maturity not exceeding 30 days. If funds are deposited in the LC Collateral Account pursuant to Section 2.2(b) and the provisions of Section 8.1 are not applicable, then the Administrative Agent shall release from the LC Collateral Account to the Borrower, upon the request of the Borrower, an amount equal to the excess (if any) of all funds in the LC Collateral Account over the Letter of Credit Obligations.

(l) Rights as a Lender. In its capacity as a Lender, each Issuer shall have the same rights and obligations as any other Lender.

ARTICLE III

YIELD PROTECTION; TAXES

3.1 Yield Protection. If, on or after the date of this Agreement, the adoption of any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any change in the interpretation or administration thereof by any governmental or quasi-governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender, any applicable Lending Installation or any Issuer with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

(i) subjects any Lender, any applicable Lending Installation or any Issuer to any Taxes, or changes the basis of taxation of payments (other than with respect to Excluded Taxes) to any Lender in respect of its Eurodollar Loans or Letters of Credit or participations therein, or

(ii) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender, any applicable Lending Installation or any Issuer (other than reserves and assessments taken into account in determining the interest rate applicable to Eurodollar Advances), or

(iii) imposes any other condition the result of which is to increase the cost to any Lender, any applicable Lending Installation or any Issuer of making, funding or maintaining its Eurodollar Loans or of issuing or participating in Letters of Credit or reduces any amount receivable by any Lender, any applicable Lending Installation or any Issuer in connection with its Eurodollar Loans or Letters of Credit, or requires any Lender, any applicable Lending Installation or any Issuer to make any payment calculated by reference to the amount of Eurodollar Loans or Letters of Credit held or interest received by it, by an amount deemed material by such Lender or such Issuer, as the case may be,

and the result of any of the foregoing is to increase the cost to such Lender, the applicable Lending Installation or such Issuer of making or maintaining its Eurodollar Loans, Letters of Credit or Commitment or to reduce the return received by such Lender, the applicable Lending Installation or such Issuer in connection with such Eurodollar Loans, Letters of Credit or Commitment, then, within 15 days of demand by such Lender or such Issuer, the Borrower shall pay such Lender or such Issuer such additional amount or amounts as will compensate such Lender or such Issuer for such increased cost or reduction in amount received.

3.2 Changes in Capital Adequacy Regulations. If a Lender or an Issuer determines the amount of capital required or expected to be maintained by such Lender, any Lending Installation of such Lender, such Issuer or any corporation controlling such Lender or such Issuer is increased as a result of a Change, then, within 15 days of demand by such Lender or such Issuer, the Borrower shall pay such Lender or such Issuer the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender or such Issuer determines is attributable to this Agreement, its Outstanding Credit Exposure or its Commitment to make Loans or to issue or participate in Letters of Credit hereunder (after taking into account such Lender's policies as to capital adequacy). "Change" means (i) any change after the date of this Agreement in (or in the interpretation of) the Risk - -Based Capital Guidelines or (ii) any adoption of or change in (or any change in the interpretation of) any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Lender, any Lending Installation, any Issuer or any corporation controlling any Lender or any Issuer. "Risk-Based Capital Guidelines" means (x) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (y) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basle Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards," including transition rules, and any amendments to such regulations adopted p rior to the date of this Agreement.

3.3 Availability of Types of Advances. If (i) any Lender determines that maintenance of its Eurodollar Loans at a suitable Lending Installation would violate any applicable law, rule, regulation, or directive, whether or not having the force of law, (ii) the Required Lenders determine that (a) deposits of a type and maturity appropriate to match fund Eurodollar Advances are not available or (b) the interest rate applicable to a Type of Advance does not accurately reflect the cost of making or maintaining such Advance or (iii) the Administrative Agent determines that adequate and reasonable means do not exist for determining the Eurodollar Base Rate, then the Administrative Agent shall suspend the availability of the affected Type of Advance and, in the case of clause (i), require any affected Eurodollar Advances to be repaid or converted to Floating Rate Advances, subject to the payme nt of any funding indemnification amounts required by Section 3.4.

3.4 Funding Indemnification. If any conversion, prepayment or payment of a Eurodollar Advance occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment or otherwise, or a Eurodollar Advance is not made, paid, continued or converted on the date or in the amount specified by the Borrower for any reason other than default by the Lenders, the Borrower will indemnify each Lender for any loss or cost incurred by it resulting therefrom, including any loss or cost in liquidating or employing deposits acquired to fund or maintain such Eurodollar Advance.

3.5 Taxes. (i) All payments by the Borrower to or for the account of any Lender, any Issuer or the Administrative Agent hereunder or under any Note shall be made free and clear of and without deduction for any and all Taxes. If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Lender, any Issuer or the Administrative Agent, (a) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.5) such Lender, such Issuer or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (b) the Borrower shall make such deductions, (c) the Borrower shall pay the full amount deducted to the relevant authority in accordance with applicable law and (d) the Borrower shall furnish to the Administrative Agent the original copy of a receipt evidencing payment thereof within 30 days after such payment is made.

(ii) In addition, the Borrower hereby agrees to pay any present or future stamp or documentary taxes and any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or under any Note or Letter of Credit Application or from the execution or delivery of, or otherwise with respect to, this Agreement, any Note or any Letter of Credit Application ("Other Taxes").

(iii) The Borrower hereby agrees to indemnify the Administrative Agent, each Lender and each Issuer for the full amount of Taxes or Other Taxes (including any Taxes or Other Taxes imposed on amounts payable under this Section 3.5) paid by the Administrative Agent, such Lender or such Issuer and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. Payments due under this indemnification shall be made within 30 days of the date the Administrative Agent, such Lender or such Issuer makes demand therefor pursuant to Section 3.6.

(iv) Each Lender that is not incorporated under the laws of the United States of America or a state thereof (each a "Non-U.S. Lender") agrees that it will, not less than ten Business Days after the date of this Agreement (or, if later, the date it becomes a party hereto), (i) deliver to each of the Borrower and the Administrative Agent two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI, certifying in either case that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, and (ii) deliver to each of the Borrower and the Administrative Agent a United States Internal Revenue Form W-8BEN or W-9, as the case may be, and certify that it is entitled to an exemption from United States backup withholding tax. Each Non-U.S. Lender further undertakes to deliver to each of the Borrower and the Administrative Agent (x) renewals or additional copies of such form (or any successor form) on or before the date that such form expires or becomes obsolete, and (y) after the occurrence of any event requiring a change in the most recent forms so delivered by it, such additional forms or amendments thereto as may be reasonably requested by the Borrower or the Administrative Agent. All forms or amendments described in the preceding sentence shall certify that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, unless an event (including any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form or amendment with respect to it and such Lender advises the Borrower and the Administrative Agent that it is not capable of receiving payments without any dedu ction or withholding of United States federal income tax.

(v) For any period during which a Non-U.S. Lender has failed to provide the Borrower with an appropriate form pursuant to clause (iv) above (unless such failure is due to a change in treaty, law or regulation, or any change in the interpretation or administration thereof by any governmental authority, occurring subsequent to the date on which a form originally was required to be provided), such Non-U.S. Lender shall not be entitled to indemnification under this Section 3.5 with respect to Taxes imposed by the United States; provided that, should a Non-U.S. Lender which is otherwise exempt from or subject to a reduced rate of withholding tax become subject to Taxes because of its failure to deliver a form required under clause (iv) above, the Borrower shall take such steps as such Non-U.S. Lender shall reasonably request to assist such Non-U.S. Lender to recover such Taxes.

(vi) Any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments under this Agreement or any Note pursuant to the law of any relevant jurisdiction or any treaty shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate.

3.6 Lender Statements; Survival of Indemnity. To the extent reasonably possible and upon the request of the Borrower, each Lender shall designate an alternate Lending Installation with respect to its Eurodollar Loans to reduce any liability of the Borrower to such Lender under Sections 3.1, 3.2 and 3.5 or to avoid the unavailability of Eurodollar Advances under Section 3.3, so long as such designation is not, in the judgment of such Lender, disadvantageous to such Lender. Each Lender or each Issuer, as applicable, shall deliver a written statement of such Lender or such Issuer to the Borrower (with a copy to the Administrative Agent) as to any amount due under Section 3.1, 3.2, 3.4 or 3.5. Such written statement shall set forth in reasonable detail the calculations upon which such Lender or such Issuer determined such amount and shall be final, conclu sive and binding on the Borrower in the absence of manifest error. Determination of amounts payable under such Sections in connection with a Eurodollar Loan shall be calculated as though each Lender funded its Eurodollar Loan through the purchase of a deposit of the type and maturity corresponding to the deposit used as a reference in determining the Eurodollar Rate applicable to such Loan, whether in fact that is the case or not. Unless otherwise provided herein, the amount specified in the written statement of any Lender or any Issuer shall be payable on demand after receipt by the Borrower of such written statement. The obligations of the Borrower under Sections 3.1, 3.2, 3.4 and 3.5 shall survive payment of the Obligations and termination of this Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

4.1 Initial Credit Extension. The Lenders and the Issuers shall not be required to make the initial Credit Extension hereunder until the Borrower has furnished the Administrative Agent with (a) all fees required to be paid to the Lenders on the date hereof, (b) evidence that all obligations under the Existing Credit Facilities have been (or, concurrently with the initial Credit Extension hereunder, will be) paid in full and (c) all of the following, in form and substance satisfactory to each Agent and each Lender, and in sufficient copies for each Lender:

(i) Copies of the articles or certificate of incorporation of the Borrower, together with all amendments, certified by the Secretary or an Assistant Secretary of the Borrower, and a certificate of good standing, certified by the appropriate governmental officer in its jurisdiction of incorporation, as well as any other information that any Lender may request that is required by Section 326 of the USA PATRIOT ACT or necessary for the Administrative Agent or any Lender to verify the identity of the Borrower as required by Section 326 of the USA PATRIOT ACT.

(ii) Copies, certified by the Secretary or an Assistant Secretary of the Borrower, of its by-laws and of its Board of Directors' resolutions and of resolutions or actions of any other body authorizing the execution of the Loan Documents to which the Borrower is a party.

(iii) An incumbency certificate, executed by the Secretary or an Assistant Secretary of the Borrower, which shall identify by name and title and bear the signatures of the Authorized Officers and any other officers of the Borrower authorized to sign the Loan Documents to which the Borrower is a party, upon which certificate the Administrative Agent and the Lenders shall be entitled to rely until informed of any change in writing by the Borrower.

(iv) A certificate, signed by the chief accounting officer or the chief financial officer of the Borrower, stating that on the initial Borrowing Date no Default or Unmatured Default has occurred and is continuing.

(v) A written opinion of the Borrower's counsel, addressed to the Administrative Agent and the Lenders in substantially the form of Exhibit A.

(vi) Executed counterparts of this Agreement executed by the Borrower and each Lender.

(vii) Any Notes requested by a Lender pursuant to Section 2.13 payable to the order of each such requesting Lender.

(viii) If the initial Credit Extension will be the issuance of a Letter of Credit, a properly completed Letter of Credit Application.

(ix) Evidence of the effectiveness of the Credit Agreement among KCPL, various financial institutions and JPMorgan, as administrative agent, having terms substantially similar to the terms hereof.

(x) A copy of the SEC Order authorizing the Borrower to incur the Indebtedness contemplated by the Loan Documents, certified by the Secretary or an Assistant Secretary of the Borrower.

(xi) Written money transfer instructions, in substantially the form of Exhibit D, addressed to the Administrative Agent and signed by an Authorized Officer who has executed and delivered an incumbency certificate in accordance with the terms hereof, together with such other related money transfer authorizations as the Administrative Agent may have reasonably requested.

(xii) Such other documents as any Lender or its counsel may have reasonably requested.

4.2 Each Credit Extension. The Lenders shall not be required to make any Credit Extension (other than a Credit Extension that, after giving effect thereto and to the application of the proceeds thereof, does not increase the aggregate amount of outstanding Credit Extensions), unless on the date of such Credit Extension:

(i) No Default or Unmatured Default exists or would result from such Credit Extension.

(ii) The representations and warranties contained in Article V are true and correct as of the date of such Credit Extension except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct on and as of such earlier date; provided that this clause (ii) shall not apply to the representations and warranties set forth in Section 5.5 (as it relates to clause (i) or (ii) of the definition of "Material Adverse Effect"), clause (a) of the first sentence of Section 5.7 and the second sentence of Section 5.7 with respect to a borrowing hereunder if the proceeds of such borrowing will be used exclusively to repay the Borrower's commercial paper (and, in the event of any such borrowing, the Administrative Agent may require the Borrower to deliver information sufficient to disburse the proceeds of such borrowing directly to the holders of such commercial paper or a paying agent therefor).

(iii) The SEC Order shall not have expired or been revoked and shall permit the Borrower to incur the Indebtedness evidenced by such Credit Extension. The Borrower shall, upon request, provide the Administrative Agent with evidence satisfactory to the Administrative Agent that, after giving effect to such Credit Extension, the aggregate amount of short-term debt instruments issued by the Borrower in reliance upon the SEC Order shall not exceed the maximum amount of Indebtedness authorized by the SEC Order.

Each delivery of a Borrowing Notice and each request for the issuance of a Letter of Credit shall constitute a representation and warranty by the Borrower that the conditions contained in Sections 4.2(i), (ii) and (iii) have been satisfied. Any Lender may require delivery of a duly completed compliance certificate in substantially the form of Exhibit B as a condition to making a Credit Extension.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders that:

5.1 Existence and Standing. Each of the Borrower and its Significant Subsidiaries is a corporation, partnership (in the case of Subsidiaries only) or limited liability company duly and properly incorporated or organized, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

5.2 Authorization and Validity. The Borrower has the power and authority and legal right to execute and deliver the Loan Documents and to perform its obligations thereunder. The execution and delivery by the Borrower of the Loan Documents and the performance of its obligations thereunder have been duly authorized by proper corporate proceedings, and the Loan Documents

constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5.3 No Conflict; Government Consent. Neither the execution and delivery by the Borrower of the Loan Documents, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or (ii) the Borrower's articles or certificate of incorporation or by-laws or (iii) the provisions of any indenture, instrument or agreement to which the Borrower is a party or is subject, or by which it, or its Property, is bound, or conflict with or constitute a default thereunder, or result in, or require, the creation or imposition of any Lien in, of or on the Property of the Borrower pursuant to the terms of any such indenture, instrument or agreement. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by the Borrower, is required to be obtained by the Borrower in connection with the execution and delivery of the Loan Documents, the borrowings under this Agreement, the payment and performance by the Borrower of the Obligations or the legality, validity, binding effect or enforceability of any of the Loan Documents.

5.4 Financial Statements. The December 31, 2003, March 31, 2004, June 30, 2004 and September 30, 2004 consolidated financial statements of the Borrower and its Subsidiaries heretofore delivered to the Lenders were prepared in accordance with GAAP and fairly present the consolidated financial condition and operations of the Borrower and its Subsidiaries at such dates and the consolidated results of their operations for the periods then ended subject, in the case of the March 31, 2004, June 30, 2004 and September 30, 2004 financial statements, to normal year-end adjustments.

5.5 Material Adverse Change. Since December 31, 2003, there has been no change in the business, Property, prospects, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries which could reasonably be expected to have a Material Adverse Effect, it being understood that the divestiture of KLT Gas Inc. and its Subsidiaries will be deemed not to have a Material Adverse Effect.

5.6 Taxes. The Borrower and its Significant Subsidiaries have filed all United States federal tax returns and all other material tax returns which are required to be filed and have paid all taxes due and payable pursuant to said returns or pursuant to any assessment received by the Borrower or any of its Significant Subsidiaries, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with GAAP and as to which no Lien exists. No tax liens have been filed and no material claims are being asserted against the Borrower or any Significant Subsidiary with respect to any such taxes. The charges, accruals and reserves on the books of the Borrower and its Significant Subsidiaries in respect of any taxes or other governmental charges are adequate.

5.7 Litigation; etc. Except as set forth in the Borrower's '34 Act Reports, there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting the Borrower or any of its Subsidiaries which (a) could reasonably be expected to have a Material Adverse Effect or (b) seeks to prevent, enjoin or delay the making of any Credit Extension. Other than any liability incident to any litigation, arbitration or proceeding which could not reasonably be expected to have a Material Adverse Effect, the Borrower has no material contingent obligations not provided for or disclosed in the financial statements referred to in Section 5.4.

5.8 ERISA. The Borrower and each other member of the Controlled Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code with respect to each Plan. Neither the Borrower nor any other member of the Controlled Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Code in respect of any Plan, (ii) failed to make any contribution or payment to any Plan or Multiemployer Plan, or made any amendment to any Plan which has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Code or (iii) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

5.9 Accuracy of Information. No information, exhibit or report furnished by the Borrower or any of its Subsidiaries to the Administrative Agent or to any Lender in connection with the negotiation of, or compliance with, the Loan Documents contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not misleading.

5.10 Regulation U. The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (as defined in Regulation U), or extending credit for the purpose of purchasing or carrying margin stock. Margin stock constitutes less than 25% of the value of those assets of the Borrower and its Subsidiaries which are subject to any limitation on sale, pledge or other restriction hereunder.

5.11 Material Agreements. Neither the Borrower nor any Subsidiary is a party to any agreement or instrument or subject to any charter or other corporate restriction which is reasonably likely to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement to which it is a party, which default could reasonably be expected to have a Material Adverse Effect.

5.12 Compliance With Laws. The Borrower and its Subsidiaries have complied with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property except for any failure to comply with any of the foregoing which could not reasonably be expected to have a Material Adverse Effect.

5.13 Ownership of Properties. On the date of this Agreement, the Borrower and its Significant Subsidiaries will have good title, free of all Liens other than those permitted by Section 6.12, to all of the Property and assets reflected in the Borrower's most recent consolidated financial statements provided to the Administrative Agent as owned by the Borrower and its Subsidiaries.

5.14 Plan Assets; Prohibited Transactions. The Borrower is not an entity deemed to hold "plan assets" within the meaning of 29 C.F.R. Subsection 2510.3-101 of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code), and neither the execution of this Agreement nor the making of Loans hereunder gives rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

5.15 Environmental Matters. Except as set forth in the Borrower's '34 Act Reports, there are no known risks and liabilities accruing to the Borrower or any of its Subsidiaries due to Environmental Laws that could reasonably be expected to have a Material Adverse Effect.

5.16 Investment Company Act. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

5.17 Public Utility Holding Company Act. The Borrower is a "holding company" within the meaning of PUHCA.

5.18 Pari Passu Indebtedness. The Indebtedness under the Loan Documents ranks at least pari passu with all other unsecured Indebtedness of the Borrower.

5.19 Solvency. As of the date hereof and after giving effect to the consummation of the transactions contemplated by the Loan Documents, the Borrower and each Significant Subsidiary is solvent. For purposes of the preceding sentence, solvent means (a) the fair saleable value (on a going concern basis) of the Borrower's assets or a Significant Subsidiary's assets, as applicable, exceed its liabilities, contingent or otherwise, fairly valued, (b) such Person will be able to pay its debts as they become due and (c) such Person will not be left with unreasonably small capital as is necessary to satisfy all of its current and reasonably anticipated obligations giving due consideration to the prevailing practice in the industry in which such Person is engaged. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, i n light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability. The Borrower is not entering into the Loan Documents with the actual intent to hinder, delay or defraud its current or future creditors, nor does the Borrower intend to or believe that it will incur, as a result of entering into this Agreement and the other Loan Documents, debts beyond its ability to repay.

ARTICLE VI

COVENANTS

During the term of this Agreement, unless the Required Lenders shall otherwise consent in writing:

6.1 Financial Reporting. The Borrower will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with generally accepted accounting principles, and furnish to the Lenders:

(i) Within 90 days after the close of each of its fiscal years, an unqualified audit report certified by a firm of independent certified public accountants which is a member of the "Big Four," prepared in accordance with GAAP on a consolidated basis for itself and its Consolidated Subsidiaries, including balance sheets as of the end of such period and related statements of income, retained earnings and cash flows, accompanied by any management letter prepared by said accountants.

(ii) Within 45 days after the close of the first three quarterly periods of each of its fiscal years, for itself and its Consolidated Subsidiaries, either (a) consolidated and consolidating unaudited balance sheets as at the close of each such period and consolidated and consolidating profit and loss and reconciliation of surplus statements and a statement of cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified by its chief accounting officer or chief financial officer or (b) if the Borrower is then a "registrant" within the meaning of Rule 1-01 of Regulation S-X of the SEC and required to file a report on Form 10-Q with the SEC, a copy of the Borrower's report on Form 10-Q for such quarterly period.

(iii) Together with the financial statements required under Sections 6.1(i) and (ii), a compliance certificate in substantially the form of Exhibit B signed by its chief accounting officer or chief financial officer setting forth calculations of the financial covenants contained in Section 6 and stating that no Default or Unmatured Default exists, or if any Default or Unmatured Default exists, stating the nature and status thereof.

(iv) As soon as possible and in any event within 10 days after the Borrower or any member of the Controlled Group knows that any Reportable Event has occurred with respect to any Plan, a statement, signed by the chief accounting or financial officer of the Borrower, describing said Reportable Event and the action which the Borrower or member of the Controlled Group proposes to take with respect thereto.

(v) As soon as possible and in any event within two days after receipt of notice by the Borrower or any member of the Controlled Group of the PBGC's intention to terminate any Plan or to have a trustee appointed to administer any Plan, a copy of such notice.

(vi) Promptly upon the furnishing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements so furnished.

(vii) Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports (other than any report on Form U-9C-3) which the Borrower files with the SEC.

(viii) As soon as possible, and in any event within three days after an Authorized Officer of the Borrower shall have knowledge thereof, notice of any change by Moody's or S&P in the senior unsecured debt rating of the Borrower.

(ix) Such other information (including non-financial information) as the Administrative Agent or any Lender may from time to time reasonably request.

The statements and reports required to be furnished by the Borrower pursuant to clauses (vi) and (vii) above shall be deemed furnished for such purpose upon becoming publicly available on the SEC's EDGAR web page.

6.2 Permits, Etc. The Borrower will, and will cause each Significant Subsidiary to, take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect; and preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

6.3 Use of Proceeds. The Borrower will use the proceeds of the Credit Extensions (i) to repay the Existing Credit Facilities and (ii) for the general corporate and working capital purposes of the Borrower and its Subsidiaries, including support for the Borrower's commercial paper. The Borrower will not use any of the proceeds of the Credit Extensions to purchase or carry any margin stock (as defined in Regulation U) or to extend credit for the purpose of purchasing or carrying margin stock; provided that the Borrower may repurchase its own stock so long as such stock is immediately retired. The Borrower will not permit margin stock to constitute 25% or more of the value of those assets of the Borrower and its Subsidiaries which are subject to any limitation on sale, pledge or other restriction hereunder.

6.4 Notice of Default. The Borrower will, and will cause each Subsidiary to, give prompt notice in writing to the Administrative Agent and the Lenders of the occurrence of any Default or Unmatured Default and of any other development, financial or otherwise, which could reasonably be expected to have a Material Adverse Effect.

6.5 Conduct of Business. The Borrower will, and will cause each Significant Subsidiary to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

6.6 Taxes. The Borrower will, and will cause each Significant Subsidiary to, timely file United States federal and applicable foreign, state and local tax returns required by law and pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with GAAP.

6.7 Insurance. The Borrower will, and will cause each Significant Subsidiary to, maintain with financially sound and reputable insurance companies that are not Affiliates of the Borrower or its Subsidiaries (other than any captive insurance company) insurance on all their Properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons, and the Borrower will furnish to any Lender upon request full information as to the insurance carried. Such insurance may be subject to co-insurance, deductibility or similar clauses which, in effect, result in self-insurance of certain losses; provided that such self-insurance is in accord with the customary industry practices for Persons in the same or similar businesses and adequat e insurance reserves are maintained in connection with such self-insurance to the extent required by GAAP.

6.8 Compliance with Laws. The Borrower will, and will cause each Significant Subsidiary to, comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including all Environmental Laws, the failure to comply with which could reasonably be expected to have a Material Adverse Effect.

6.9 Maintenance of Properties; Books of Record. The Borrower will, and will cause each Significant Subsidiary to, (i) do all things necessary to maintain, preserve, protect and keep its Property in good repair, working order and condition, and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times and (ii) keep proper books of record and account, in which full and correct entries shall be made of all material financial transactions and the assets and business of the Borrower and each Significant Subsidiary in accordance with GAAP; provided that nothing in this Section shall prevent the Borrower or any Significant Subsidiary from discontinuing the operation or maintenance of any of its Property or equipment if such discontinuance is, in the judgment of such Person, desirable in the condu ct of its business.

6.10 Inspection. The Borrower will, and if a Default or Unmatured Default exists, will cause each Subsidiary to, permit the Administrative Agent and the Lenders, by their respective representatives and agents, to inspect any of the Property, books and financial records of such Person, to examine and make copies of the books of accounts and other financial records of such Person,

and to discuss the affairs, finances and accounts of such Person with, and to be advised as to the same by, such Person's officers at such reasonable times and intervals as the Administrative Agent or any Lender may designate. After the occurrence and during the continuance of a Default, any such inspection shall be at the Borrower's expense; at all other times, the Borrower shall not be liable to pay the expenses of the Administrative Agent or any Lender in connection with such inspections.

6.11 Consolidations, Mergers and Sale of Assets. The Borrower will not, nor will it permit any Significant Subsidiary (other than any Project Finance Subsidiary) to, sell, lease, transfer, or otherwise dispose of all or substantially all of its assets (whether by a single transaction or a number of related transactions and whether at one time or over a period of time) or consolidate with or merge into any Person or permit any Person to merge into it, except

(i) A Wholly-Owned Subsidiary may be merged into the Borrower.

(ii) Any Significant Subsidiary may sell all or substantially all of its assets to, or consolidate or merge into, another Significant Subsidiary; provided that, immediately before and after such merger, consolidation or sale, no Default or Unmatured Default shall exist.

(iii) Strategic Energy, L.L.C. may sell accounts receivable and contracts that generate accounts receivable, and KCPL may sell accounts receivable, in each case pursuant to one or more securitization transactions.

(iv) The Borrower may sell all or substantially all of its assets to, or consolidate with or merge into, any other corporation, or permit another corporation to merge into it; provided that (a) the surviving corporation, if such surviving corporation is not the Borrower, or the transferee corporation in the case of a sale of all or substantially all of the Borrower's assets (1) shall be a corporation organized and existing under the laws of the United States of America or a state thereof or the District of Columbia, (2) shall expressly assume in a writing satisfactory to the Administrative Agent the due and punctual payment of the Obligations and the due and punctual performance of and compliance with all of the terms of this Agreement and the other Loan Documents to be performed or complied with by the Borrower and (3) shall deliver all documents required to be delivered pursuant to Sections 4.1(i), (ii), (iii), (v) and (ix), (b) immediately before and after such merger, consolidation or sale, there shall not exist any Default or Unmatured Default and (c) the surviving corporation of such merger or consolidation, or the transferee corporation of the assets of the Borrower, as applicable, has, both immediately before and after such merger, consolidation or sale, a Moody's Rating of Baa3 or better or an S&P Rating of BBB - or better.

Notwithstanding the foregoing, the Borrower and its Consolidated Subsidiaries (excluding the Lease Trust and Project Finance Subsidiaries) will not convey, transfer, lease or otherwise dispose of (whether in one transaction or a series of transactions, but excluding (a) sales of inventory in the ordinary course of business and sales of assets permitted by clause (iii) above and (b) sales of the capital stock or assets of KLT Gas Inc. and Subsidiaries thereof) in the aggregate within any 12-month period, more than 20% of the aggregate book value of the assets of the Borrower and its Consolidated Subsidiaries (excluding the Lease Trust and Project Finance Subsidiaries) as calculated as of the end of the most recent fiscal quarter.

6.12 Liens. The Borrower will not, nor will it permit any Significant Subsidiary (other than any Project Finance Subsidiary) to, create, incur, or suffer to exist any Lien in, of or on the Property of the Borrower or any of its Significant Subsidiaries (other than any Project Finance Subsidiary), except:

(i) Liens for taxes, assessments or governmental charges or levies on its Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

(ii) Liens imposed by law, such as carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations not more than 60 days past due or which are being contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on its books.

(iii) Liens arising out of pledges or deposits in the ordinary course of business under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation, other than any Lien imposed under ERISA.

(iv) Utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character and which are not substantial in amount and do not in any material way affect the marketability of the same or interfere with the use thereof in the business of the Borrower or its Significant Subsidiaries.

(v) The Lien of the General Mortgage Indenture and Deed of Trust Dated December 1, 1986 from KCPL to UMB, N.A.

(vi) Liens on Property of the Borrower or KCPL existing on the date hereof and any renewal or extension thereof; provided that the Property covered thereby is not increased and any renewal or extension of the obligations secured or benefited thereby is permitted by this Agreement.

(vii) Judgment Liens which secure payment of legal obligations that would not constitute a Default under Section 7.9.

(viii) Liens on Property acquired by the Borrower or a Significant Subsidiary after the date hereof, existing on such Property at the time of acquisition thereof (and not created in anticipation thereof); provided that in any such case no such Lien shall extend to

or cover any other Property of the Borrower or such Significant Subsidiary, as the case may be.

(ix) Deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business by the Borrower or any Significant Subsidiary; and Liens in favor of the provider of any surety or performance bond or similar arrangement on the underlying contract (and other associated documents and sums due or to become due under the underlying contract) with respect to which such bond was issued or such arrangement was made.

(x) Purchase money security interests on any Property acquired or held by such Person in the ordinary course of business, securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such Property; provided that (a) such Lien attaches to such Property concurrently with or within 90 days after the acquisition thereof, (b) such Lien attaches solely to the Property so acquired in such transaction and (c) the principal amount of the Indebtedness secured thereby does not exceed the cost or fair market value determined at the date of incurrence, whichever is lower, of the Property being acquired on the date of acquisition.

(xi) Liens on or over gas, oil, coal, fissionable material, or other fuel or fuel products as security for any obligations incurred by such Person for the sole purpose of financing the acquisition or storage of such fuel or fuel products or, with respect to nuclear fuel, the processing, reprocessing, sorting, storage and disposal thereof.

(xii) Liens on (including Liens arising out of the sale of) accounts receivable and/or contracts which will give rise to accounts receivable of KCPL and Strategic Energy, L.L.C.; and other Liens on (including Liens arising out of the sale of) accounts receivable and/or contracts which will give rise to accounts receivable of the Borrower or any Subsidiary in an aggregate amount not at any time exceeding $10,000,000.

(xiii) Liens on Property of KLT Gas Inc. and its Subsidiaries in favor of operators and non-operators under joint operating agreements, pooling orders or agreements, unitization agreements or similar contractual arrangements arising in the ordinary course of the business of such Person relating to the development or operation of oil and gas Properties to secure amounts owing, which amounts are not yet due or are being contested in good faith by appropriate proceedings if adequate reserves are maintained on the books of such Person in accordance with GAAP.

(xiv) Liens on Property of KLT Gas Inc. and its Subsidiaries under production sales agreements, division orders, operating agreements and other agreements customary in the oil and gas business for processing, production and selling hydrocarbons; provided that such Liens do not secure obligations to deliver hydrocarbons at some future date without receiving full payment therefor within 90 days of delivery.

(xv) Liens on Property or assets of a Significant Subsidiary securing obligations owing to the Borrower or any Significant Subsidiary (other than a Project Finance Subsidiary).

(xvi) Liens on the stock or other equity interests of any Project Finance Subsidiary to secure obligations of such Project Finance Subsidiary (provided that the agreement under which any such Lien is created shall expressly state that it is non-recourse to the pledgor).

(xvii) Liens on Property of Strategic Energy, L.L.C. and its Subsidiaries securing Indebtedness of Strategic Energy, L.L.C. under a credit facility providing for revolving credit advances to Strategic Energy, L.L.C. in an aggregate amount not exceeding $175,000,000.

(xviii) Liens which would otherwise not be permitted by clauses (i) through (xvii) securing additional Indebtedness of the Borrower or a Significant Subsidiary (other than a Project Finance Subsidiary); provided that after giving effect thereto the aggregate unpaid principal amount of Indebtedness (including Capitalized Lease Obligations) of the Borrower and its Significant Subsidiaries (other than any Project Finance Subsidiary) (including prepayment premiums and penalties) secured by Liens permitted by this clause (xviii) shall not exceed the greater of (a) $50,000,000 and (b) 10% of Consolidated Tangible Net Worth.

6.13 Affiliates. Except to the extent required by applicable law with respect to transactions among the Borrower and its Subsidiaries (excluding any Project Finance Subsidiary), the Borrower will not, and will not permit any Subsidiary (other than any Project Finance Subsidiary) to, enter into any transaction (including the purchase or sale of any Property or service) with, or make any payment or transfer to, any Affiliate except in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than the Borrower or such Subsidiary would obtain in a comparable arms-length transaction.

6.14 ERISA. The Borrower will not, nor will it permit any Significant Subsidiary to, (i) voluntarily terminate any Plan, so as to result in any material liability of the Borrower or any Significant Subsidiary to the PBGC or (ii) enter into any Prohibited Transaction (as defined in Section 4975 of the Code and in Section 406 of ERISA) involving any Plan which results in any material liability of the Borrower or any Significant Subsidiary or (iii) cause any occurrence of any Reportable Event which results in any material liability of the Borrower or any Significant Subsidiary to the PBGC or (iv) allow or suffer to exist any other event or condition known to the Borrower which results in any material liability of the Borrower or any Significant Subsidiary to the PBGC.

6.15 Total Indebtedness to Total Capitalization. The Borrower shall at all times cause the ratio of (i) Total Indebtedness to (ii) Total Capitalization to be less than or equal to 0.65 to 1.0.

6.16 Restrictions on Subsidiary Dividends. The Borrower will not, nor will it permit any Significant Subsidiary (other than any Project Finance Subsidiary) to, be a party to any agreement prohibiting or restricting the ability of such Significant Subsidiary to declare or pay dividends to the Borrower; provided that Strategic Energy, L.L.C. may be a party to a credit agreement restricting its ability to pay dividends to the Borrower if a breach of any financial covenant in such agreement exists or would result from such payment so long as any such financial covenant is customary for similarly-situated companies.

ARTICLE VII

DEFAULTS

The occurrence of any one or more of the following events shall constitute a Default:

7.1 Any representation or warranty made or deemed made by or on behalf of the Borrower to the Lenders or the Administrative Agent under or in connection with this Agreement, any Loan, or any certificate or information delivered in connection with this Agreement or any other Loan Document shall be materially false on the date as of which made.

7.2 Nonpayment of principal of any Loan when due, nonpayment of any Reimbursement Obligations within one Business Day after the same becomes due, or nonpayment of interest upon any Loan or of any fee or other obligation under any of the Loan Documents within three Business Days after the same becomes due.

7.3 The breach by the Borrower of any of the terms or provisions of Section 6.3, 6.10 (with respect to the Borrower and its Significant Subsidiaries only), 6.11, 6.12, 6.13, 6.15 or 6.16.

7.4 The breach by the Borrower (other than a breach which constitutes a Default under another Section of this Article VII) of any of the terms or provisions of this Agreement which is not remedied within 30 days after the earlier of (a) the Borrower becoming aware of such breach and (b) receipt by the Borrower of written notice from the Administrative Agent or any Lender; provided that if such breach is capable of cure but (i) cannot be cured by payment of money and (ii) cannot be cured by diligent efforts within such 30-day period, but such diligent efforts shall be properly commenced within such 30-day period and the Borrower is diligently pursuing, and shall continue to pursue diligently, remedy of such failure, the cure period shall be extended for an additional 90 days, but in no event beyond the Facility Termination Date.

7.5 Failure of the Borrower or any of its Significant Subsidiaries to pay when due any Indebtedness aggregating in excess of $25,000,000 ("Material Indebtedness"); or the default by the Borrower or any of its Significant Subsidiaries in the performance of any term, provision or condition contained in any agreement under which any such Material Indebtedness was created or is governed, or any other event shall occur or condition exist, the effect of which default or event is to cause, or to permit the holder or holders of such Material Indebtedness to cause, such Material Indebtedness to become due prior to its stated maturity; or any Material Indebtedness of the Borrower or any of its Significant Subsidiaries shall be declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof; or the Borrower or any of its Significant S ubsidiaries shall not pay, or admit in writing its inability to pay, its debts generally as they become due.

7.6 The Borrower or any of its Significant Subsidiaries shall (i) have an order for relief entered with respect to it under the Federal bankruptcy laws as now or hereafter in effect, (ii) make an assignment for the benefit of creditors, (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any Substantial Portion of its Property, (iv) institute any proceeding seeking an order for relief under the Federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) take any corporate, partnership or limited liability company action to authorize or effect any of the foregoing actions set forth in this Section 7.6 or (vi) fail to contest in good faith any appointment or proceeding described in Section 7.7.

7.7 Without the application, approval or consent of the Borrower or any of its Subsidiaries, a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or any of its Subsidiaries or any Substantial Portion of its Property, or a proceeding described in Section 7.6(iv) shall be instituted against the Borrower or any of its Subsidiaries and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 30 consecutive days.

7.8 Any court, government or governmental agency shall condemn, seize or otherwise appropriate, or take custody or control of, all or any portion of the Property of the Borrower and its Subsidiaries which, when taken together with all other Property of the Borrower and its Subsidiaries so condemned, seized, appropriated, or taken custody or control of, during the twelve-month period ending with the month in which any such action occurs, constitutes a Substantial Portion.

7.9 The Borrower or any of its Significant Subsidiaries shall fail within 30 days to pay, bond or otherwise discharge (i) any judgment or order for the payment of money in excess of $25,000,000 (either singly or in the aggregate with other such judgments) or (ii) any non-monetary final judgment that has, or could reasonably be expected to have, a Material Adverse Effect, in either case which is not stayed on appeal or otherwise being appropriately contested in good faith.

7.10 A Change of Control shall occur.

7.11 A Reportable Event shall have occurred with respect to a Plan which could reasonably be expected to have a Material Adverse Effect and, 30 days after notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender,

such Reportable Event shall still exist.

7.12 Any authorization or approval or other action by any governmental authority or regulatory body required for the execution, delivery or performance of this Agreement or any other Loan Document by the Borrower shall fail to have been obtained or be terminated, revoked or rescinded or shall otherwise no longer be in full force and effect, and such occurrence shall adversely affect the enforceability of the Loan Documents against the Borrower and to the extent that such occurrence can be cured, shall continue for five days.

7.13 The Borrower shall fail to own, directly or indirectly, all of the outstanding stock of KCPL which, in the absence of any contingency, has the right to vote in an election of directors of KCPL.

ARTICLE VIII

ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

8.1 Acceleration; Letter of Credit Account.

(a) If any Default described in Section 7.6 or 7.7 occurs with respect to the Borrower, the obligations of the Lenders to make Loans hereunder and the obligation and power of the Issuers to issue Letters of Credit shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Administrative Agent, any Lender or any Issuer and the Borrower will be and become thereby unconditionally obligated, without any further notice, act or demand, to pay to the Administrative Agent an amount in immediately available funds, which funds shall be held in the LC Collateral Account, equal to the excess of (i) the amount of Letter of Credit Obligations at such time over (ii) the amount on deposit in the LC Collateral Account at such time which is free and clear of all rights and claims of third parties and has not been applied against the Obligations (suc h difference, the "Collateral Shortfall Amount"). If any other Default occurs, the Administrative Agent may with the consent, or shall at the request, of the Required Lenders, (x) terminate or suspend the obligations of the Lenders to make Loans hereunder and the obligation and power of the Issuers to issue Letters of Credit, or declare the Obligations to be due and payable, or both, whereupon the Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives, and (y) upon notice to the Borrower and in addition to the continuing right to demand payment of all amounts payable under this Agreement, make demand on the Borrower to pay, and the Borrower will, forthwith upon such demand and without any further notice or act, pay to the Administrative Agent in immediately available funds the Collateral Shortfall Amount, which funds shall be deposited in the LC Collateral Account.

If (a) within 30 days after acceleration of the maturity of the Obligations or termination of the obligations of the Lenders to make Loans hereunder as a result of any Default (other than any Default as described in Section 7.6 or 7.7 with respect to the Borrower) and (b) before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Administrative Agent shall, by notice to the Borrower, rescind and annul such acceleration and/or termination.

8.2 Amendments. Subject to the provisions of this Article VIII, the Required Lenders (or the Administrative Agent with the consent in writing of the Required Lenders) and the Borrower may enter into agreements supplemental hereto for the purpose of adding or modifying any provisions to the Loan Documents or changing in any manner the rights of the Lenders or the Borrower hereunder or waiving any Default hereunder; provided that no such supplemental agreement shall, without the consent of all of the Lenders:

(i) Extend the final maturity of any Loan or the expiry date of any Letter of Credit to a date after the Facility Termination Date or forgive all or any portion of the principal amount thereof, or reduce the rate or extend the time of payment of interest or fees thereon.

(ii) Reduce the percentage specified in the definition of Required Lenders.

(iii) Extend the Facility Termination Date, or reduce the amount or extend the payment date for, the mandatory payments required under Section 2.2, or increase the amount of the Commitment of any Lender hereunder, or permit the Borrower to assign its rights under this Agreement.

(iv) Amend this Section 8.2.

(v) Release any funds from the LC Collateral Account, except to the extent such release is expressly permitted hereunder.

No amendment of any provision of this Agreement relating to the Administrative Agent shall be effective without the written consent of the Administrative Agent, and no amendment of any provision of this Agreement relating to any Issuer shall be effective without the written consent of such Issuer. The Administrative Agent may waive payment of the fee required under Section 12.3.2 without obtaining the consent of any other party to this Agreement.

8.3 Preservation of Rights. No delay or omission of the Lenders, the Issuers or the Administrative Agent to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Credit Extension notwithstanding the existence of a Default or the inability of the Borrower to satisfy the conditions precedent to such Credit Extension shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other

variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Lenders required pursuant to Section 8.2, and then only to the extent in such writing specifically set forth. All remedies contained in th e Loan Documents or by law afforded shall be cumulative and all shall be available to the Administrative Agent, the Lenders and the Issuers until the Obligations have been paid in full.

ARTICLE IX

GENERAL PROVISIONS

9.1 Survival of Representations. All representations and warranties of the Borrower contained in this Agreement shall survive the making of the Credit Extensions herein contemplated.

9.2 Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

9.3 Headings. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

9.4 Entire Agreement. The Loan Documents embody the entire agreement and understanding among the Borrower, the Administrative Agent, the Lenders and the Issuers and supersede all prior agreements and understandings among the Borrower, the Administrative Agent, the Lenders and the Issuers relating to the subject matter thereof other than the fee letter described in Section 10.13.

9.5 Several Obligations; Benefits of this Agreement. The respective obligations of the Lenders hereunder are several and not joint and no Lender shall be the partner or agent of any other (except to the extent to which the Administrative Agent is authorized to act as such). The failure of any Lender to perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns; provided that the parties hereto expressly agree that each Arranger shall enjoy the benefits of the provisions of Sections 9.6, 9.10 and 10.11 to the extent specifically set forth therein and shall have the right to enforce such provisions on its own behalf and in its own name to the same exten t as if it were a party to this Agreement.

9.6 Expenses; Indemnification.

(i) The Borrower shall reimburse the Agents and the Arrangers for any reasonable costs and expenses (including fees and charges of outside counsel for the Agents) paid or incurred by the Agents or the Arrangers in connection with the preparation, negotiation, execution, delivery, syndication, distribution (including via the internet), review, amendment, modification, and administration of the Loan Documents. The Borrower also agrees to reimburse each Agent, each Arranger, each Lender and each Issuer for any reasonable costs, internal charges and expenses (including fees and charges of attorneys for such Agent, such Arranger, such Lender and such Issuer, which attorneys may be employees of such Agent, such Arranger, such Lender or such Issuer) paid or incurred by either Agent, either Arranger, any Lender or any Issuer in connection with the collection and enforcement, attempted enforcement, and preservation of rights and remedies under, any of the Loan Documents (including all such costs and expenses incurred during any "workout" or restructuring in respect of the Obligations and during any legal proceeding).

(ii) The Borrower hereby further agrees to indemnify each Agent, each Arranger, each Lender, each Issuer, their respective affiliates and the directors, officers and employees of the foregoing against all losses, claims, damages, penalties, judgments, liabilities and expenses (including all expenses of litigation or preparation therefor whether or not either Agent, either Arranger, any Lender or any Issuer or any affiliate is a party thereto) which any of them may pay or incur arising out of or relating to this Agreement, the other Loan Documents, the transactions contemplated hereby or the direct or indirect application or proposed application of the proceeds of any Credit Extension hereunder except to the extent that they are determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the party seeking indemnification. In the case of any investigatio n, litigation or proceeding to which the indemnity in this Section applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by a third party, by the Borrower or by any affiliate of the Borrower. The obligations of the Borrower under this Section 9.6 shall survive the payment of the Obligations and termination of this Agreement.

9.7 Numbers of Documents. All statements, notices, closing documents, and requests hereunder shall be furnished to the Administrative Agent with sufficient counterparts so that the Administrative Agent may furnish one to each of the Lenders.

9.8 Accounting. Except as provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP.

9.9 Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

9.10 Nonliability of Lenders. The relationship between the Borrower on the one hand and the Lenders, the Issuers and the Agents on the other hand shall be solely that of borrower and lender. None of either Agent, either Arranger, any Lender or any Issuer shall have any fiduciary responsibilities to the Borrower. None of either Agent, either Arranger, any Lender or any Issuer undertakes any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations. The Borrower agrees that none of either Agent, either Arranger, any Lender or any Issuer shall have liability to the Borrower (whether sounding in tort, contract or otherwise) for losses suffered by the Borrower in connection with, arising out of, or in any way related to, the transactions contemplated and the relationship established by the Loan Documents, or any act, omiss ion or event occurring in connection therewith, unless it is determined in a final non-appealable judgment by a court of competent jurisdiction that such losses resulted from the gross negligence or willful misconduct of the party from which recovery is sought. None of either Agent, either Arranger, any Lender or any Issuer shall have any liability with respect to, and the Borrower hereby waives, releases and agrees not to sue for, any special, indirect or consequential damages suffered by the Borrower in connection with, arising out of, or in any way related to the Loan Documents or the transactions contemplated thereby.

9.11 Limited Disclosure.

(a) Neither the Administrative Agent nor any Lender may disclose to any Person any Specified Information (as defined below) except (i) to its, and its Affiliates', officers, employees, agents, accountants, legal counsel, advisors and other representatives who have a need to know such Specified Information or (ii) with the Borrower's prior consent. "Specified Information" means information that the Borrower furnishes to the Administrative Agent or any Lender that is designated in writing as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent or such Lender from a source other than the Borrower.

(b) The provisions of clause (a) above shall not apply to Specified Information (i) that is a matter of general public knowledge or has heretofore been or is hereafter published in any source generally available to the public, (ii) that is required to be disclosed by law, regulation or judicial order, (iii) that is requested by any regulatory body with jurisdiction over the Administrative Agent or any Lender, or (iv) that is disclosed (A) to legal counsel, accountants and other professional advisors to such Lender, (B) in connection with the exercise of any right or remedy hereunder or under any Note or any suit or other litigation or proceeding relating to this Agreement or any Note, (C) to a rating agency if required by such agency in connection with a rating relating to Credit Extensions hereunder or (D) to assignees or participants or potential assignees or participants who agree to be bound by the provisions of this Section 9.11.

9.12 USA PATRIOT ACT NOTIFICATION. The following notification is provided to the Borrower pursuant to Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318: IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person or entity that opens an account, including any deposit account, treasury management account, loan, other extension of credit or other financial services product. What this means for the Borrower: When the Borrower opens an account, the Lenders will ask for the Borrower's name, tax identification number, business address and other information that will allow the Administrative Agent and the Lenders to identify the Borrower. The Administrative Agent and the Lenders may also as k to see the Borrower's legal organizational documents or other identifying documents.

9.13 Nonreliance. Each Lender hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U of the FRB) for the repayment of the Loans provided for herein.

ARTICLE X

THE ADMINISTRATIVE AGENT

10.1 Appointment; Nature of Relationship. (a) JPMorgan is hereby appointed by each of the Lenders as its contractual representative (herein referred to as the "Administrative Agent") hereunder and under each other Loan Document, and each of the Lenders irrevocably authorizes the Administrative Agent to act as the contractual representative of such Lender with the rights and duties expressly set forth herein and in the other Loan Documents. The Administrative Agent agrees to act as such contractual representative upon the express conditions contained in this Article X. Notwithstanding the use of the defined term "Administrative Agent," it is expressly understood and agreed that the Administrative Agent shall not have any fiduciary responsibilities to any Lender by reason of this Agreement or any other Loan Document and that the Administrative Agent is merely acting as the contractual represen tative of the Lenders with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In its capacity as the Lenders' contractual representative, the Administrative Agent does not hereby assume any fiduciary duties to any of the Lenders and is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Lenders hereby agrees to assert no claim against the Administrative Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Lender hereby waives.

(b) Each Issuer shall act on behalf of the Lenders with respect to any Letter of Credit issued by it and the documents associated therewith. Each Issuer shall have all of the benefits and immunities provided to the Administrative Agent in this Article X with respect to any acts taken or omissions suffered by such Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and the applications and agreements for letters of credit pertaining to such Letters of Credit as fully as if the term "Administrative Agent", as used in this Article X, included such Issuer with respect to such acts or omissions and as additionally provided in this Agreement with respect to such Issuer.

10.2 Powers. The Administrative Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Administrative Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall have no implied duties to the Lenders, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Administrative Agent.

10.3 General Immunity. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except to the extent such action or inaction is determined in a final non-appealable judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of such Person.

10.4 No Responsibility for Loans, Recitals, etc. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (i) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document, including any agreement by an obligor to furnish information directly to each Lender; (iii) the satisfaction of any condition specified in Article IV, except receipt of items required to be delivered solely to the Administrative Agent; (iv) the existence or possible existence of any Default or Unmatured Default; (v) the validity, enforceability, effectiveness, sufficiency or genuineness of any Loan Document or any other instrument or wr iting furnished in connection therewith; (vi) the value, sufficiency, creation, perfection or priority of any Lien in any collateral security; or (vii) the financial condition of the Borrower or any guarantor of any of the Obligations or of any of the Borrower's or any such guarantor's respective Subsidiaries. The Administrative Agent shall have no duty to disclose to the Lenders information that is not required to be furnished by the Borrower to the Administrative Agent at such time, but is voluntarily furnished by the Borrower to the Administrative Agent (either in its capacity as Administrative Agent or in its individual capacity).

10.5 Action on Instructions of Lenders. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Required Lenders or all Lenders, as appropriate, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders. The Lenders hereby acknowledge that the Administrative Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement or any other Loan Document unless it shall be requested in writing to do so by the Required Lenders. The Administrative Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction by the Lenders pro rata ag ainst any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

10.6 Employment of Agents and Counsel. The Administrative Agent may execute any of its duties as Administrative Agent hereunder and under any other Loan Document by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Administrative Agent and the Lenders and all matters pertaining to the Administrative Agent's duties hereunder and under any other Loan Document.

10.7 Reliance on Documents; Counsel. The Administrative Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by the Administrative Agent, which counsel may be employees of the Administrative Agent.

10.8 Administrative Agent's Reimbursement and Indemnification. The Lenders agree to reimburse and indemnify the Administrative Agent, ratably in proportion to their respective Pro Rata Shares, (i) for any amounts not reimbursed by the Borrower for which the Administrative Agent is entitled to reimbursement by the Borrower under the Loan Documents, (ii) for any other expenses incurred by the Administrative Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents (including for any expenses incurred by the Administrative Agent in connection with any dispute between the Administrative Agent and any Lender or between two or more of the Lenders) and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever whic h may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby (including for any such amounts incurred by or asserted against the Administrative Agent in connection with any dispute between the Administrative Agent and any Lender or between two or more of the Lenders), or the enforcement of any of the terms of the Loan Documents or of any such other documents; provided that no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Administrative Agent. The obligations of the Lenders under this Section 10.8 shall survive payment of the Obligations and termination of this Agreement.

10.9 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Unmatured Default hereunder (other than any Default resulting from the failure of the Borrower to make any payment of principal, interest or fees payable to the Administrative Agent pursuant to the terms of this Agreement) unless the Administrative Agent has received written notice from a Lender or the Borrower referring to this Agreement describing such Default or Unmatured Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give prompt notice thereof to the Lenders.

10.10 Rights as a Lender. In the event the Administrative Agent is a Lender, the Administrative Agent shall have the same rights and powers hereunder and under any other Loan Document with respect to its Commitment and its Loans as any Lender and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" shall, at any time when the Administrative Agent is a Lender, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. The Administrative Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Borrower or any of its Subsidiaries in which the Borrower or such Subsidiary is not restricted hereby from engaging with any other Person.

10.11 Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, either Arranger, any Issuer or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, either Arranger, any Issuer any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

10.12 Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower, such resignation to be effective upon the appointment of a successor Administrative Agent or, if no successor Administrative Agent has been appointed, 45 days after the retiring Administrative Agent gives notice of its intention to resign. The Administrative Agent may be removed at any time with or without cause by written notice received by the Administrative Agent from the Required Lenders, such removal to be effective on the date specified by the Required Lenders; provided that the Administrative Agent may not be removed unless the Administrative Agent (in its individual capacity) and any affiliate thereof acting as Issuer is relieved of all of its duties as Issuer pursuant to documentation reasonably satisfactory to such Person on or prior to the date of such removal. Upon any such resignation or removal, the Required Lenders shall have the right to appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders within 30 days after the resigning Administrative Agent's giving notice of its intention to resign, then the resigning Administrative Agent may appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. Notwithstanding the previous sentence, the Administrative Agent may at any time without the consent of the Borrower or any Lender, appoint any of its Affiliates which is a commercial bank as a successor Administrative Agent hereunder. If the Administrative Agent has resigned or been removed and no successor Administrative Agent has been appointed within the applicable time period, the Lenders may perform all the duties of the Administrative Agent hereunder and the Borrower shall make all payments in respec t of the Obligations to the applicable Lender and for all other purposes shall deal directly with the Lenders. No successor Administrative Agent shall be deemed to be appointed hereunder until such successor Administrative Agent has accepted the appointment. Any such successor Administrative Agent shall be a commercial bank having capital and retained earnings of at least $100,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Administrative Agent. Upon the effectiveness of the resignation or removal of the Administrative Agent, the resigning or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the Loan Documents. After the effectiveness of the resignation or removal of an Administrative Agent, the provisions of this Article X shall continue in effect for the benefit of such Administrative Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder and under the other Loan Documents. In the event that there is a successor to the Administrative Agent by merger, or the Administrative Agent assigns its duties and obligations to an Affiliate pursuant to this Section 10.12, then the term "Prime Rate" as used in this Agreement shall mean the prime rate, base rate or other analogous rate of the new Administrative Agent.

10.13 Administrative Agent's and Arrangers' Fees. The Borrower agrees to pay to the Administrative Agent and the Arrangers, for their own account, the fees agreed to by the Borrower, the Administrative Agent and the Arrangers pursuant to the letter agreement dated November 12, 2004 or as otherwise agreed from time to time.

10.14 Delegation to Affiliates. The Borrower and the Lenders agree that the Administrative Agent may delegate any of its duties under this Agreement to any of its Affiliates. Any such Affiliate (and such Affiliate's directors, officers, agents and employees) which performs duties in connection with this Agreement shall be entitled to the same benefits of the indemnification, waiver and other protective provisions to which the Administrative Agent is entitled under Articles IX and X.

ARTICLE XI

SETOFF; RATABLE PAYMENTS

11.1 Setoff. In addition to, and without limitation of, any rights of the Lenders under applicable law, if the Borrower becomes insolvent, however evidenced, or any Default occurs, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available) and any other Indebtedness at any time held or owing by any Lender or any Affiliate of any Lender to or for the credit or account of the Borrower may be offset and applied toward the payment of the Obligations owing to such Lender, whether or not the Obligations, or any part hereof, shall then be due.

11.2 Ratable Payments. If any Lender, whether by setoff or otherwise, has payment made to it upon its Outstanding Credit Exposure (other than payments received pursuant to Section 3.1, 3.2, 3.4 or 3.5 and payments made to any Issuer in respect of Reimbursement Obligations so long as the Lenders have not funded their participations therein) in a greater proportion than that

received by any other Lender, such Lender agrees, promptly upon demand, to purchase a portion of the Aggregate Outstanding Credit Exposure held by the other Lenders so that after such purchase each Lender will hold its Pro Rata Share of the Aggregate Outstanding Credit Exposure. If any Lender, whether in connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Obligations or such amounts which may be subject to setoff, such Lender agrees, promptly upon demand, to take such action necessary such that all Lenders share in the benefits of such collateral ratably in accordance with their respective Pro Rata Shares. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

ARTICLE XII

BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

12.1 Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower and the Lenders and their respective successors and assigns, except that (i) the Borrower shall not have the right to assign its rights or obligations under the Loan Documents and (ii) any assignment by any Lender must be made in compliance with Section 12.3. Notwithstanding clause (ii) of this Section, any Lender may at any time, without the consent of the Borrower or the Administrative Agent, assign all or any portion of its rights under this Agreement and any Note to a Federal Reserve Bank; provided that no such assignment to a Federal Reserve Bank shall release the transferor Lender from its obligations hereunder. The Administrative Agent may treat the Person which made any Loan or which holds any Note as the owner there of for all purposes hereof unless and until such Person complies with Section 12.3 in the case of an assignment thereof or, in the case of any other transfer, a written notice of the transfer is filed with the Administrative Agent. Any assignee or transferee of the rights to any Loan or any Note agrees by acceptance of such transfer or assignment to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any Loan (whether or not a Note has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder, transferee or assignee of the rights to such Loan.

12.2 Participations.

12.2.1 Permitted Participants; Effect. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other Persons ("Participants") participating interests in any Outstanding Credit Exposure owing to such Lender, any Note held by such Lender, any Commitment of such Lender or any other interest, right and/or obligation of such Lender under the Loan Documents. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the owner of its Outstanding Credit Exposure and the holder of any Note issued to it in evidence thereof for all purposes under the Loan Documents, all amounts payable by the Borrower u nder this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents.

12.2.2 Voting Rights. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents other than any amendment, modification or waiver with respect to any Credit Extension or Commitment in which such Participant has an interest which forgives principal, Reimbursement Obligations, interest or fees, reduces the interest rate or fees payable with respect to any such Credit Extension or Commitment, extends the Facility Termination Date, postpones any date fixed for any regularly-scheduled payment of principal of, or interest or fees on, any such Credit Extension or Commitment or releases any funds from the LC Collateral Account, except to the extent such release is expressly permitted hereunder.

12.2.3 Benefit of Setoff. The Borrower agrees that each Participant shall be deemed to have the right of setoff provided in Section 11.1 in respect of its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Loan Documents; provided that each Lender shall retain the right of setoff provided in Section 11.1 with respect to the amount of participating interests sold to each Participant. The Lenders agree to share with each Participant, and each Participant, by exercising the right of setoff provided in Section 11.1, agrees to share with each Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with Section 11.2 as if each Participant were a Lender.

12.3 Assignments.

12.3.1 Permitted Assignments. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time assign to one or more banks or other entities ("Purchasers") all or any part of its rights and obligations under the Loan Documents. The consent of the Borrower, each Issuer and the Administrative Agent shall be required prior to an assignment becoming effective with respect to a Purchaser which is not a Lender, an Affiliate thereof or an Approved Fund; provided that if a Default or an Unmatured Default has occurred and is continuing, the consent of the Borrower shall not be required. Such consent shall not be unreasonably withheld or delayed. Each such assignment shall (unless each of the Borrower and the Administrative Agent otherwise consents or such assignment is to a Lender or an Affiliate of a Lender) be in an amount not less than the lesser of (i) $5,000 ,000 or (ii) the remaining amount of the assigning Lender's Commitment (calculated as at the date of such assignment) or outstanding Loans (if such Lender's Commitment has been terminated).

12.3.2 Effect of Assignment; Effective Date. Upon (i) delivery to the Administrative Agent of an executed Assignment Agreement and (ii) payment of a $4,000 fee to the Administrative Agent for processing such assignment, such assignment shall become effective on the effective date specified in such Assignment Agreement and the transferor Lender shall, to the extent provided in such Assignment Agreement, be released from its obligations under this Agreement (and in the case of an Assignment Agreement covering all of the transferor Lender's rights and obligations under this Agreement, such transferor Lender shall cease to be a party hereto). The applicable Assignment Agreement shall contain a representation by the Purchaser to the effect that none of the consideration used to make the purchase of the Commitment and the Outstanding Credit Exposure under such Assignment Agreement are "plan assets" as defined under ERISA and that the rights and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by or on behalf of the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party hereto, and no further consent or action by the Borrower, the Lenders or the Administrative Agent shall be required to release the transferor Lender with respect to the percentage of the Aggregate Commitment and the Aggregate Outstanding Credit Exposure assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this Section 12.3.2, the transferor Lender, the Administrative Agent and the Borrower shall, if the transferor Lender or the Purchaser desires that its Loans be evidenced by Notes, make appropriat e arrangements so that new Notes or, as appropriate, replacement Notes are issued to such transferor Lender and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective Commitments, as adjusted pursuant to such assignment.

12.3.3 Resignation as Issuer. Notwithstanding anything to the contrary contained herein, if at any time any Lender assigns all of its Commitment and Loans pursuant to this Section 12.3, such Lender may, upon 30 days' notice to the Borrower and the Lenders, resign as an Issuer. If any Lender so assigns all of its Commitment and Loans, it shall (i) retain all the rights and obligations of an Issuer hereunder with respect to all Letters of Credit issued by it that are outstanding as of the effective date of such assignment (including the right to require the Lenders to fund risk participations in respect of such Letters of Credit) and (ii) have no right or obligation to issue Letters of Credit on or after the effective date of such assignment.

12.4 Dissemination of Information. The Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "Transferee") and any prospective Transferee any and all information in such Lender's possession concerning the creditworthiness of the Borrower and its Subsidiaries; provided that each Transferee and prospective Transferee agrees to be bound by Section 9.11.

12.5 Tax Treatment. If any interest in any Loan Document is transferred to any Transferee which is organized under the laws of any jurisdiction other than the United States or any State thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to comply with the provisions of Section 3.5(iv).

ARTICLE XIII

NOTICES

13.1 Notices. Except as otherwise permitted by Section 2.14 with respect to borrowing notices, all notices, requests and other communications to any party hereunder shall be in writing (including electronic transmission, facsimile transmission or similar writing) and shall be given to such party: (i) in the case of the Borrower or the Administrative Agent, at its address or facsimile number set forth on the signature pages hereof, (ii) in the case of any Lender, at its address or facsimile number set forth below its signature hereto or (iii) in the case of any party, at such other address or facsimile number as such party may hereafter specify for the purpose by notice to the Administrative Agent and the Borrower in accordance with the provisions of this Section 13.1. Each such notice, request or other communication shall be effective (a) if given by facsimile transmiss ion, when transmitted to the facsimile number specified in this Section and confirmation of receipt is received, (b) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid, or (c) if given by any other means, when delivered (or, in the case of electronic transmission, received) at the address specified in this Section; provided that notices to the Administrative Agent under Article II shall not be effective until received.

13.2 Change of Address. The Borrower, the Administrative Agent and any Lender may each change the address for service of notice upon it by a notice in writing to the other parties hereto.

ARTICLE XIV

COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement shall be effective when it has been executed by the Borrower, the Administrative Agent and the Lenders and each party has notified the Administrative Agent by facsimile transmission or telephone that it has taken such action.

ARTICLE XV

OTHER AGENTS

No Lender identified on the cover page, the signature pages or otherwise in this Agreement, or in any document related hereto, as being the "Syndication Agent" or a "Co-Documentation Agent" shall have any right, power, obligation, liability, responsibility or duty under this Agreement in such capacity other than those applicable to all Lenders. Each Lender acknowledges that it has not relied, and will not rely, on the Syndication Agent or any Co-Documentation Agent in deciding to enter into this Agreement or in taking or refraining from taking any action hereunder or pursuant hereto.

ARTICLE XVI

CHOICE OF LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

16.1 CHOICE OF LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF NEW YORK, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

16.2 CONSENT TO JURISDICTION. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN NEW YORK CITY, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY ISSUER TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY THE BORROWER AGAINST THE ADMINISTRATIVE AGENT OR ANY LENDER OR ANY AFFILIATE OF THE ADMINISTRATIVE AGENT OR ANY LENDER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT SHALL BE BROUGHT ONLY IN A COURT IN NEW YORK CITY, NEW YORK.

16.3 WAIVER OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT, EACH LENDER AND EACH ISSUER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.

ARTICLE XVII

Termination of Existing Credit FacilitIES

Lenders which are parties to each Existing Credit Facility (and which constitute "Required Lenders" under and as defined in such Existing Credit Facility) hereby waive any advance notice requirement for terminating the commitments under such Existing Credit Facility, and the Borrower and the applicable Lenders agree that the Existing Credit Facilities and the commitments thereunder shall be terminated on the date hereof (except for any provisions thereof which by their terms survive termination thereof).

IN WITNESS WHEREOF, the Borrower, the Lenders, the Issuers and the Administrative Agent have executed this Agreement as of the date first above written.

GREAT PLAINS ENERGY INCORPORATED

By: /s/Andrea F. Bielsker
Title: Senior VP-Finance, CFO and Treasurer

Address:
1201 Walnut
Kansas City, Missouri 64106-2124
Attention: Andrea F. Bielsker, Senior Vice President - Finance, Chief Financial Officer and Treasurer
Telephone: 816-556-2595
Fax: 816-556-2992
Email: Andrea.Bielsker@kcpl.com

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent, as an Issuer and as a Lender

By: /s/Jane Bek Keil

Title: Director

Address:
1 Bank One Plaza
Chicago, Illinois 60670
Attention: Jane Bek Keil
Telephone: 312-325-3026
Fax: 312-325-3020
Email: Jane_Bek@bankone.com

Operations Contact:

Debbie Turner
Telephone: 312-385-7081
Fax: 312-385-7097
E-mail: deborah_turner@bankone.com

BANK OF AMERICA, N.A., as Syndication Agent, as an Issuer and as a Lender

By: /s/Michelle A. Schoenfeld
Title: Senior Vice President

THE BANK OF TOKYO-MITSUBISHI, LTD., as Co-Documentation Agent and as a Lender

By: /s/Shinichiro Munechika
Title: Deputy General Manager

WACHOVIA BANK, NATIONAL ASSOCIATION, as Co-Documentation Agent and as a Lender

By: /s/Rocher Watkins
Title: Managing Director

BNP PARIBAS, as Co-Documentation Agent and as a Lender

By: /s/Mark A. Renaud
Title: Managing Director

By: /s/Timothy F. Vincent
Title: Director

THE BANK OF NEW YORK

By: /s/Daniel Csillas
Title: Vice President

KEYBANK NATIONAL ASSOCIATION

By: /s/Keven D. Smith

Title: Vice President

THE BANK OF NOVA SCOTIA

By: /s/Thane A. Ranew
Title: Managing Director

U.S. BANK NATIONAL ASSOCIATION

By: /s/Martin Nay
Title: Martin Nay, Vice President

MERRILL LYNCH BANK USA

By: /s/Louis Alder
Title: LOUIS ALDER, DIRECTOR

MORGAN STANLEY BANK

By: /s/Daniel Twenge
Title: Daniel Twenge
Vice President
Morgan Stanley Bank

MIZUHO CORPORATE BANK, LTD.

By: /s/Mark Granich
Title: Senior Vice President

UMB BANK, N.A.

By: /s/Robert P. Elbert
Title: Robert P. Elbert, Sr. Vice President

PNC BANK, NATIONAL ASSOCIATION

By: /s/Norm Harkleroad
Title: Vice President

BANK MIDWEST, N.A.

By: /s/Paul Holewinski
Title: EVP

UFJ BANK LIMITED

By: /s/John Feeney
Title: Vice President

SCHEDULE I
COMMITMENTS

Lender	Commitment
JPMorgan Chase Bank, N.A.	$52,250,000
Bank of America, N.A.	$52,250,000
The Bank of Tokyo-Mitsubishi, Ltd.	$51,562,500
Wachovia Bank, National Association	$51,562,500
BNP Paribas	$51,562,500
The Bank of New York	$36,437,500
KeyBank National Association	$36,437,500
The Bank of Nova Scotia	$36,437,500
U.S. Bank National Association	$32,312,500
Merrill Lynch Bank USA	$26,125,000
Morgan Stanley Bank	$26,125,000
Mizuho Corporate Bank, Ltd.	$26,125,000
UMB Bank, N.A.	$26,125,000
PNC Bank, National Association	$17,187,500
Bank Midwest, N.A.	$13,750,000
UFJ Bank Limited	$13,750,000
TOTAL	$550,000,000

PRICING SCHEDULE

	A/A2	**A-/A3**	**BBB+/Baa1**	**BBB/Baa2**	**BBB-/Baa3**	**<BBB-/Baa3**
Pricing	**Level I Status**	**Level II Status**	**Level III Status**	**Level IV Status**	**Level V Status**	**Level VI Status**
Applicable Margin for Eurodollar Rate Loans/Letter of Credit Fee Rate	*0.315%*	*0.400%*	*0.500%*	*0.600%*	*0.675%*	*1.000%*
Facility Fee Rate	*0.085%*	*0.100%*	*0.125%*	*0.150%*	*0.200%*	*0.250%*
Utilization Fee Rate	*0.125%*	*0.125%*	*0.125%*	*0.125%*	*0.125%*	*0.250%*

"Level I Status" exists at any date if, on such date, the Borrower's Moody's Rating is A2 or better *or* the Borrower's S&P Rating is A or better.

"Level II Status" exists at any date if, on such date, (i) the Borrower has not qualified for Level I Status and (ii) the Borrower's Moody's Rating is A3 or better *or* the Borrower's S&P Rating is A- or better.

"Level III Status" exists at any date if, on such date, (i) the Borrower has not qualified for Level I Status or Level II Status and (ii) the Borrower's Moody's Rating is Baa1 or better *or* the Borrower's S&P Rating is BBB+ or better.

"Level IV Status" exists at any date if, on such date, (i) the Borrower has not qualified for Level I Status, Level II Status or Level III Status and (ii) the Borrower's Moody's Rating is Baa2 or better *or* the Borrower's S&P Rating is BBB or better.

"Level V Status" exists at any date if, on such date, (i) the Borrower has not qualified for Level I Status, Level II Status, Level III Status or Level IV Status and (ii) the Borrower's Moody's Rating is Baa3 or better *or* the Borrower's S&P Rating is BBB- or better.

"Level VI Status" exists at any date if, on such date, the Borrower has not qualified for Level I Status, Level II Status, Level III Status, Level IV Status or Level V Status.

"Moody's Rating" means, at any time, the rating issued by Moody's and then in effect with respect to the Borrower's senior unsecured long-term debt securities without third-party credit enhancement (or, if there is no such debt outstanding, the Moody's rating then in effect for the Borrower's senior unsecured bank loans without third-party credit enhancement).

"S&P Rating" means, at any time, the rating issued by S&P and then in effect with respect to the Borrower's senior unsecured long-term debt securities without third-party credit enhancement (or, if there is no such debt outstanding, the indicative rating issued by S&P for debt of such type).

"Status" means Level I Status, Level II Status, Level III Status, Level IV Status, Level V Status or Level VI Status.

The Applicable Margin, the Letter of Credit Fee Rate, the Facility Fee Rate and the Utilization Fee Rate shall be determined in accordance with the foregoing table based on the Borrower's Status as determined from its then-current Moody's and S&P Ratings. The credit rating in effect on any date for purposes of this Schedule is that in effect at the close of business on such date. If at any time the Borrower ceases to have a Moody's Rating or an S&P Rating, Level VI Status shall exist.

Notwithstanding the foregoing, (a) if the Borrower is split-rated and the ratings differential is one level, the higher rating will apply; and (b) if the Borrower is split-rated and the ratings differential is two levels or more, the intermediate rating at the midpoint will apply. If there is no midpoint, the higher of the two intermediate ratings will apply.

AGREEMENT

This Agreement is made and entered into by and between GREAT PLAINS ENERGY INCORPORATED (hereinafter the "Company") and ANDREA F. BIELSKER (hereinafter the "Executive"). In consideration of the mutual promises set forth herein, the parties agree as follows:

1. Executive has submitted her resignation from employment with the Company, and she resigns effective March 25, 2005 (hereinafter referred to as Executive's "Resignation Date") from her position as Vice President and Chief Financial Officer ("CFO") of Company and its affiliates and subsidiaries. Until her Resignation Date, Executive covenants to continue to perform her duties as Vice President and CFO and to assist in the transition of the CFO's responsibilities to applicable Company personnel.

a. After the Resignation Date, in accordance with the Company's normal policy, Company shall pay Executive a lump sum cash payment of all unpaid salary and any accrued but unused vacation days owed to Executive as of her Resignation Date.

b. Executive shall also remain entitled to payment of any annual incentive award, pursuant to Company's Annual Incentive Plan and attributable to calendar year 2004, if such award has not been paid to Executive prior to her Resignation Date. The amount of such annual incentive award shall be paid in accordance with the annual incentive plan in effect for calendar year 2004, and Executive's eligibility for such award shall in no way be affected by whether she has actually terminated prior to payment of such annual incentive award.

c. Executive shall be entitled to receive benefits under Company's plans and programs in accordance with the terms of such plans and programs. Such entitlement shall include, but not necessarily be limited to, vested retirement benefits under the Management Pension Plan and Supplemental Executive Retirement Plan, the Employee Savings Plus Plan, the Capital Accumulation Plan, and the Deferred Compensation Plan.

2. Executive shall provide such consulting services as the Company may desire from Executive's Resignation Date until May 1, 2005. Executive and Company agree that Executive is not entitled to, and shall not receive, any additional consideration or compensation for such consulting services. Company shall reimburse Executive for reasonable expenditures associated with such consulting services.

3. On March 25, 2005, Company shall also pay to Executive by wire transfer a lump sum cash payment of One Million One Hundred and Eighty-Five Thousand Dollars ($1,185,000), less applicable federal, state, and local tax or other withholdings. Executive acknowledges and agrees that she is responsible for all federal, state, and local income or earnings taxes, the Executive's portion of any employment taxes. In consideration for amounts received under this Agreement, Executive voluntarily releases and discharges the Company, its

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affiliates, or its subsidiaries (and each of their agents, officers, directors, employees, and former employees), of and from all claims, demands, counterclaims, liabilities, obligations, suits, or causes of action of any kind or nature whatsoever whether in their personal or representative capacities, which the Executive may have had, or may now have, arising from or in any connected with Executive's employment by Company and her resignation from Company's employment, or relating to matters occurring on or before the date hereof. Without limiting in any way the foregoing, the Executive specifically releases the above persons and entities from any and all claims, demands, counterclaims, liabilities, obligations, causes of action or suits arising:

a. Out of or in any manner related to the employment or termination of the Executive; or

b. Under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. (section symbol) 2000e-5; or

c. Under the Age Discrimination in Employment Act ("ADEA"), as amended, 29 U.S.C. (section symbol) 621, et seq., including the provisions of the Older Workers Benefits Protection Act amendments to the ADEA; or

d. Under the Americans With Disabilities Act of 1990, 42 U.S.C. Subsection 12101, et seq.; or

e. Under any and all federal, state or local discrimination statutes, laws, ordinances, regulations or Executive Orders including but not limited to the Missouri Human Rights Act, or other applicable state discrimination act; or

f. Under Family and Medical Leave Act ("FMLA"), or any comparable state statute; or

g. Under any exception to the employment-at-will doctrine, including any common-law theory sounding in tort, contract, or public policy; or

h. Under the provisions of any state or local wage and hour law or ordinance; or

i. Under the National Labor Relations Act, as amended, 29 U.S.C. Subsection 141, et seq.; or

j. Under any state "service letter" statute, including but not limited to Missouri's Service Letter Statute, R.S.Mo., 290.140; or

k. Under the Equal Pay Act of 1963, as amended; or

l. Under the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended; or

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m. Under the Severance Agreement dated November 1, 1997, as later amended and/or restated.

4. In the event that a trading window for GXP stock has not been opened for GXP Executives on or before March 25, 2005, the Company shall also pay to Executive a lump sum of $122,900 (less applicable federal, state and local tax or other withholdings) representing the difference between the exercise price of $25.55 per share and $31.00 for the 2001 option grant of 8,000 shares and the difference between the exercise price of $24.90 and $31.00 for the 2002 option grant of 13,000 shares.

5. The Company hereby releases and forever discharges Executive from any and all liability, claims, and charges, for services Executive has performed prior to her Resignation Date. In addition, this Agreement will not cause the termination of or extinguish Executive's rights, under the indemnification agreement, dated January 1, 1996, as amended October 1, 2001, between Executive and Company.

6. Executive shall have no duty to seek other employment or mitigate any payments or benefits granted under this agreement. Furthermore, should Executive obtain comparable employment, such employment shall not be deemed to mitigate any payments or benefits provided in this agreement except as specifically provided herein.

7. Executive agrees that any and all Company property in her possession shall be returned on her Resignation Date.

8. Executive covenants and agrees that all prior agreements relating to confidentiality of proprietary Company information and trade secrets which Executive has gained knowledge of through her employment shall remain in effect and survive this agreement. The terms "confidential information" and "trade secrets" shall not be deemed to include information that is accessible to or otherwise known by the public.

9. The parties agree and covenant that they will not disparage one another for any reason, or make any comments that might be harmful to the other party's reputation. This includes any reference to Executive's competency or ability. Company agrees to provide positive employment or other recommendations upon Executive's request.

10. The Company has advised the Executive to consult with counsel prior to the execution of this Agreement, and the parties hereto acknowledge that they have fully read and considered the contents of this release, and that they have had the opportunity to consult with and receive independent legal advice from counsel of their choice regarding the advisability hereof. The parties fully, completely, and totally comprehend the provisions hereof and are in full agreement with each and every one of its terms, conditions, and provisions.

11. This Agreement shall be construed in accordance with the laws of the State of Missouri. Any dispute relating to this Agreement shall be brought in an appropriate Circuit Court of Missouri or the U.S. District Court for the Western District of Missouri.

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12. This Agreement contains the entire agreement between the Executive and Company concerning the foregoing matters and no change, modification, or waiver of any provision hereof will be valid unless in writing and signed by the parties to be bound.

13. The provisions of this Agreement are severable, and if any paragraph or part of any paragraph is found to be unenforceable or inoperable, then other paragraphs or the remainder of the particular paragraph, whichever applies, shall remain fully valid and enforceable.

14. The Executive acknowledges that she has been advised and recognizes that she has twenty-one (21) days from March 3, 2005, the date this Agreement was hand-delivered to the Employee, within which to consider this Agreement; and she has chosen to execute this Agreement on the date appearing below. Executive additionally acknowledges that she has consulted with able and competent counsel regarding the terms and execution of this Agreement, and has had ample time and opportunity to do so.

THE EXECUTIVE ACKNOWLEDGES THAT SHE HAS CAREFULLY READ THIS AGREEMENT, THAT SHE KNOWS AND UNDERSTANDS THE CONTENTS THEREOF AND THAT SHE EXECUTES THE SAME AS HER OWN FREE ACT AND DEED. FURTHERMORE, IT IS AGREED THAT SHE SHALL HAVE THE RIGHT TO REVOKE ASSENT TO THIS AGREEMENT BY WRITTEN NOTICE TO THE CHIEF EXECUTIVE OFFICER OF THE COMPANY WITHIN THE SEVEN (7) DAY PERIOD FOLLOWING EXECUTION OF THIS AGREEMENT, AND THAT THIS AGREEMENT SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL SUCH SEVEN (7) DAY PERIOD HAS EXPIRED.

GREAT PLAINS ENERGY INCORPORATED

By: /s/Michael J. Chesser
Name Michael J. Chesser
Title Chairman and CEO

ANDREA F. BIELSKER

By: /s/Andrea F. Bielsker
Andrea F. Bielsker

Dated: March 4, 2005

GREAT PLAINS ENERGY

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

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

(a) An $87.1 million deficiency in earnings caused the ratio of earnings to fixed charges to be less than a one-to-one coverage. A $195.8 million net write-off before income taxes related to the bankruptcy filing of DTI was recorded in 2001.

Exhibit 21.1

Subsidiaries of Great Plains Energy Incorporated (1)

Name of Company	State of Incorporation
Kansas City Power & Light Company	Missouri
Innovative Energy Consultants Inc.	Missouri
KLT Inc.	Missouri
KLT Energy Services Inc.	Missouri
Custom Energy Holdings, L.L.C.	Delaware
Strategic Energy, L.L.C.	Delaware

(1) Certain subsidiaries of Great Plains Energy Incorporated have been omitted pursuant to Item 601(b)(21)(ii) of Regulation S-K. The indentation of the subsidiaries indicates ownership relationship to Great Plains Energy Incorporated.

Exhibit 23.1.a

CONSENT OF COUNSEL

As Executive Vice President-Corporate and Shared Services and Secretary of Great Plains Energy Incorporated, I have reviewed the statements as to matters of law and legal conclusions in the Annual Report on Form 10-K for the fiscal year ended December 31, 2004, and consent to the incorporation by reference of such statements in the Company's previously-filed Form S-3 Registration Statements (Registration No. 333-97263, Registration No. 333-87190 and Registration No. 333-114486) and Form S-8 Registration Statements (Registration No. 33-45618, Registration No. 333-98781 and Registration No. 333-120172).

/s/Jeanie Sell Latz
Jeanie Sell Latz

Kansas City, Missouri
March 7, 2005

Exhibit 23.1.b

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-97263 and 333-114486 on Form S-3, Amendment No. 1 to Registration Statement No. 333-87190 on Form S-3 and Registration Nos. 333-98781, 333-120172 and 33-45618 on Form S-8 of our reports dated March 4, 2005, relating to the consolidated financial statements and financial statement schedules of Great Plains Energy Incorporated and subsidiaries (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the adoption of new accounting principles) and management's report of the effectiveness of internal control over financial reporting, appearing in this Annual Report on Form 10-K of Great Plains Energy Incorporated for the year ended December 31, 2004.

/s/Deloitte & Touche LLP

Kansas City, Missouri
March 4, 2005

Exhibit 24.1

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Great Plains Energy Incorporated, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/David L. Bodde
David L. Bodde

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared David L. Bodde, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Great Plains Energy Incorporated, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 9th day of February 2005.

/s/Mark A. Ernst
Mark A. Ernst

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 9th day of February 2005, before me the undersigned, a Notary Public, personally appeared Mark A. Ernst, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Paula C. Panarisi
Notary Public

My Commission Expires:
12-25-08

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Great Plains Energy Incorporated, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/Randall C. Ferguson, Jr.
Randall C. Ferguson, Jr.

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared Randall C. Ferguson, Jr., to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Great Plains Energy Incorporated, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/William K. Hall
William K. Hall

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared William K. Hall, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Great Plains Energy Incorporated, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/Luis A. Jimenez
Luis A. Jimenez

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared Luis A. Jimenez, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Great Plains Energy Incorporated, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/James A. Mitchell
James A. Mitchell

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared James A. Mitchell, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Great Plains Energy Incorporated, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/William C. Nelson
William C. Nelson

STATE OF MISSOURI)
) Ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared William C. Nelson, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Great Plains Energy Incorporated, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney

and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/Linda H. Talbott
Linda H. Talbott

STATE OF MISSOURI)
) Ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared Linda H. Talbott, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Great Plains Energy Incorporated, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/Robert H. West
Robert H. West

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared Robert H. West, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

CERTIFICATIONS

I, Michael J. Chesser, certify that:

1. I have reviewed this annual report on Form 10-K of Great Plains Energy Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report:

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2005

/s/Michael J. Chesser

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

CERTIFICATIONS

I, Andrea F. Bielsker, certify that:

1. I have reviewed this annual report on Form 10-K of Great Plains Energy Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report:

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2005

/s/Andrea F. Bielsker

[redacted]

Andrea F. Bielsker
Senior Vice President - Finance, Chief Financial Officer and Treasurer

Exhibit 32.1

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 10-K of Great Plains Energy Incorporated (the "Company") for the annual period ended December 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michael J. Chesser, as Chairman of the Board and Chief Executive Officer of the Company, and Andrea F. Bielsker, as Senior Vice President - Finance, Chief Financial Officer and Treasurer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his or her knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/Michael J. Chesser

[redacted]

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

Date: March 7, 2005

/s/Andrea F. Bielsker

[redacted]

Name: Andrea F. Bielsker
Title: Senior Vice President - Finance, Chief Financial Officer and Treasurer

Date: March 7, 2005

This certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 except to the extent this Exhibit 32.1 is expressly and specifically incorporated by reference in any such filing.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Great Plains Energy Incorporated and will be retained by Great Plains Energy Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

CREDIT AGREEMENT

Dated as of December 15, 2004

among

KANSAS CITY POWER & LIGHT COMPANY,

CERTAIN LENDERS,

BANK OF AMERICA, N.A.,

as Syndication Agent,

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

BANC OF AMERICA SECURITIES LLC

and

J.P. MORGAN SECURITIES, INC.

Joint Lead Arrangers and Joint Book Runners

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CREDIT AGREEMENT

This Credit Agreement dated as of December 15, 2004 is among Kansas City Power & Light Company, a Missouri corporation, the Lenders, Bank of America, N.A., as Syndication Agent, The Bank of Tokyo-Mitsubishi, Ltd., Wachovia Bank, National Association and BNP Paribas, as Co-Documentation Agents, and JPMorgan Chase Bank, N.A., as Administrative Agent. The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms have the following meanings (such meanings to be equally applicable to both the singular and plural forms of such terms):

"Administrative Agent" means JPMorgan in its capacity as contractual representative of the Lenders pursuant to Article X, and not in its individual capacity as a Lender, and any successor Administrative Agent appointed pursuant to Article X.

"Advance" means a borrowing hereunder (or conversion or continuation thereof) consisting of the aggregate amount of the several Loans made on the same Borrowing Date (or date of conversion or continuation) by the Lenders to the Borrower of the same Type and, in the case of Eurodollar Advances, for the same Interest Period.

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or by contract or otherwise.

"Agents" means, collectively, the Administrative Agent and the Syndication Agent, and "Agent" means either of them.

"Aggregate Commitment" means the aggregate of the Commitments of all Lenders, as changed from time to time pursuant to the terms hereof.

"Aggregate Outstanding Credit Exposure" means, at any time, the aggregate of the Outstanding Credit Exposure of all Lenders.

"Agreement" means this credit agreement, as it may be amended or modified and in effect from time to time.

"Alternate Base Rate" means, for any day, a rate of interest per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of the Federal Funds Effective Rate for such day plus 1/2% per annum.

"Applicable Margin" means, with respect to Advances of any Type at any time, the percentage rate per annum which is applicable at such time with respect to Advances of such Type as set forth in the Pricing Schedule.

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrangers" means J.P. Morgan Securities, Inc. and Banc of America Securities LLC, and "Arranger" means either of them.

"Article" means an article of this Agreement unless another document is specifically referenced.

"Assignment Agreement" means an assignment agreement substantially in the form of Exhibit C.

"Attributable Indebtedness" means, on any date, (i) in respect of any Capitalized Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (ii) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capitalized Lease.

"Authorized Officer" means any of the President, any Vice President, the chief financial officer or the Treasurer of the Borrower, in each case acting singly.

"Borrower" means Kansas City Power & Light Company, a Missouri corporation, and its permitted successors and assigns.

"Borrowing Date" means a date on which an Advance is made hereunder.

"Borrowing Notice" is defined in Section 2.8.

"Business Day" means (i) with respect to any borrowing, payment or rate selection of Eurodollar Advances, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago and New York City for the conduct of substantially all of their commercial lending activities and on which dealings in United States dollars are carried on in the London interbank market and (ii) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago and New York City for the conduct of substantially all of their commercial lending activities.

"Capitalized Lease" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.

"Change of Control" means an event or series of events by which:

(i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of Great Plains or its Subsidiaries, or any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934), directly or indirectly, of 33 1/3% or more of the equity interests of Great Plains; or

(ii) during any period of 12 consecutive months (or such lesser period of time as shall have elapsed since the formation of Great Plains), a majority of the members of the board of directors or other equivalent governing body of Great Plains ceases to be composed of individuals (x) who were members of that board or equivalent governing body on the first day of such period, (y) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (x) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (z) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (x) and (y) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"Code" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

"Commitment" means, for each Lender, the obligation of such Lender to make Loans and to participate in Letters of Credit in an aggregate amount not exceeding the amount set forth on Schedule I hereto or as set forth in any Assignment Agreement relating to any assignment that has become effective pursuant to Section 12.3.2, as such amount may be modified from time to time pursuant to the terms hereof.

"Consolidated Net Income" means, for any period, for the Borrower and its Consolidated Subsidiaries, the net income of the Borrower and its Consolidated Subsidiaries from continuing operations, excluding extraordinary items for that period.

"Consolidated Subsidiaries" means all Subsidiaries of the Borrower that are (or should be) included when preparing the consolidated financial statements of the Borrower.

"Consolidated Tangible Net Worth" means, as of any date of determination, for the Borrower and its Consolidated Subsidiaries, Shareholders' Equity of the Borrower and its Consolidated Subsidiaries on that date minus the Intangible Assets of the Borrower and its Consolidated Subsidiaries on that date.

"Contingent Obligation" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss.

"Controlled Group" means all members of a controlled group of corporations or other business entities and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

"Conversion/Continuation Notice" is defined in Section 2.9.

"Credit Extension" means the making of an Advance or the issuance of a Letter of Credit.

"Default" means an event described in Article VII.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (i) the protection of the environment, (ii) the effect of the environment on human health, (iii) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (iv) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any rule or regulation issued thereunder.

"Eurodollar Advance" means an Advance which bears interest at the applicable Eurodollar Rate.

"Eurodollar Base Rate" means, with respect to a Eurodollar Advance for the relevant Interest Period, the applicable British Bankers' Association Interest Settlement Rate for deposits in U.S. dollars as reported by any generally recognized financial information service as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period; provided that if no such British Bankers' Association Interest Settlement Rate is available to the Administrative Agent, the applicable Eurodollar Base Rate for the relevant Interest Period shall instead be the rate determined by the Administrative Agent to be the rate at which JPMorgan or one of its Affiliate banks offers to place deposits in U.S. dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, in the approximate amount of JP Morgan's relevant Eurodollar Loan and having a maturity equal to such Interest Period.

"Eurodollar Loan" means a Loan which bears interest at the applicable Eurodollar Rate.

"Eurodollar Rate" means, with respect to a Eurodollar Advance or Eurodollar Loan for the relevant Interest Period, the sum of (i) the quotient of (a) the Eurodollar Base Rate applicable to such Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such Interest Period, plus (ii) the Applicable Margin. The Eurodollar Rate shall be rounded to the next higher multiple of 1/16 of 1% if the rate is not such a multiple.

"Excluded Taxes" means, in the case of each Lender or applicable Lending Installation and the Administrative Agent, taxes imposed on its overall net income, and franchise taxes imposed on it, by (i) the jurisdiction under the laws of which such Lender or the Administrative Agent is incorporated or organized or (ii) the jurisdiction in which the Administrative Agent's or such Lender's principal executive office or such Lender's applicable Lending Installation is located.

"Exhibit" refers to an exhibit to this Agreement, unless another document is specifically referenced.

"Existing Credit Facilities" means the following facilities between the Borrower and the indicated banks: (i) line of credit agreement with Bank of New York dated as of October 1, 2004 in the maximum principal amount of $20,000,000; (ii) line of credit agreement with JPMorgan Chase Bank, N.A. (as successor to Bank One, NA) dated as of March 30, 2004 in the maximum principal amount of $35,000,000; (iii) line of credit agreement with The Bank of Tokyo-Mitsubishi Ltd. dated as of October 25, 2004 in the maximum principal amount of $20,000,000; (iv) line of credit agreement with Commerce Bank, NA dated as of June 29, 2004 in the maximum principal amount of $20,000,000; (v) line of credit agreement with First National Bank of Kansas dated as of July 22, 2004 in the maximum principal amount of $15,000,000; (vi) line of credit agreement with Gold Bank dated as of June 29, 2004 in the maximum principal amount of $20,000,000; and (vii) line of credit agreement with UMB Bank, N.A. dated as of June 15, 2004 in the maximum principal amount of $20,000,000.

"Facility Fee Rate" means, at any time, the percentage rate per annum at which facility fees are accruing at such time as set forth in the Pricing Schedule.

"Facility Termination Date" means December 15, 2009 or any earlier date on which the Aggregate Commitment is reduced to zero or otherwise terminated pursuant to the terms hereof.

"Federal Funds Effective Rate" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at

approximately 11:00 a.m. (New York City time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"Floating Rate" means, for any day, a rate per annum equal to the sum of (i) the Alternate Base Rate for such day plus (ii) the Applicable Margin, in each case changing when and as the Alternate Base Rate changes.

"Floating Rate Advance" means an Advance which bears interest at the Floating Rate.

"Floating Rate Loan" means a Loan which bears interest at the Floating Rate.

"FRB" means the Board of Governors of the Federal Reserve System.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements of the Financial Accounting Standards Board.

"Great Plains" means Great Plains Energy Incorporated, a Missouri corporation.

"including" means "including without limiting the generality of the following".

"Indebtedness" means, as to any Person at a particular time, all of the following, without duplication, to the extent recourse may be had to the assets or properties of such Person in respect thereof: (i) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (ii) any direct or contingent obligations of such Person in the aggregate in excess of $2,000,000 arising under letters of credit (including standby and commercial), banker's acceptances, bank guaranties, surety bonds and similar instruments; (iii) net obligations of such Person under Swap Contracts; (iv) all obligations of such Person to pay the deferred purchase price of property or services (except trade accounts payable arising, and accrued expenses incurred, in the ordinary course of business), and indebtedness (excluding prepaid interest thereon) secured by a Lien on pro perty owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse; (v) Capitalized Lease Obligations and Synthetic Lease Obligations of such Person; and (vi) all Contingent Obligations of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer, unless such Indebtedness is non-recourse to such Person. It is understood and agreed that Indebtedness (including Contingent Obligations) shall not include any obligations of the Borrower with respect to subordinated, deferrable interest debt securities, and any related securities issued by a trust or other special purpose entity in connection therewith, as long as the maturity date of such debt is subsequent to the Facility Termination Date; provided that the amount of mandatory principal amortization or defeasance of such debt prior to the Facility Termination Date shall be included in this definition of Indebtedness. The amount of any Capitalized Lease Obligation or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

"Interest Period" means, with respect to a Eurodollar Advance, a period of one, two, three or six months commencing on a Business Day selected by the Borrower pursuant to this Agreement. Such Interest Period shall end on the day which corresponds numerically to such date one, two, three or six months thereafter; provided that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last Business Day of such next, second, third or sixth succeeding month. If an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day; provided that if said next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day.

"Issuer" means each of JPMorgan, Bank of America, N.A. and any other Lender approved by the Borrower and the Administrative Agent, in each case in its capacity as an issuer of Letters of Credit hereunder.

"Issuer Documents" means with respect to any Letter of Credit, the Letter Credit Application and any other document, agreement and instrument entered into by the applicable Issuer and the Borrower or in favor of the applicable Issuer and relating to such Letter of Credit.

"JPMorgan" means JPMorgan Chase Bank, N.A. in its individual capacity, and its successors.

"LC Collateral Account" is defined in Section 2.19(k).

"Lease Trust" means the special purpose entity that entered into a synthetic lease arrangement with the Borrower in 2001 to finance the purchase, installation, assembly and construction of five combustion turbines and related property and equipment.

"Lenders" means the lending institutions listed on the signature pages of this Agreement and their respective successors and assigns.

"Lending Installation" means, with respect to a Lender or the Administrative Agent, the office, branch, subsidiary or affiliate of such Lender or the Administrative Agent listed on the signature pages hereof or on a Schedule or otherwise selected by such Lender or the Administrative Agent pursuant to Section 2.17.

"Letter of Credit" is defined in Section 2.19(a).

"Letter of Credit Application" is defined in Section 2.19(c).

"Letter of Credit Fee" is defined in Section 2.19(d).

"Letter of Credit Fee Rate" means, at any time, the percentage rate per annum applicable to Letter of Credit Fees at such time as set forth in the Pricing Schedule.

"Letter of Credit Obligations" means, at any time, the sum, without duplication, of (i) the aggregate undrawn stated amount of all Letters of Credit at such time plus (ii) the aggregate unpaid amount of all Reimbursement Obligations at such time.

"Lien" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

"Loan" means, with respect to a Lender, such Lender's loans made pursuant to Article II (or any conversion or continuation thereof).

"Loan Documents" means this Agreement, each Note issued pursuant to Section 2.13, each Letter of Credit and each Letter of Credit Application.

"Material Adverse Effect" means a material adverse effect on (i) the business, Property, condition (financial or otherwise), results of operations, or prospects of the Borrower and its Subsidiaries taken as a whole, (ii) the ability of the Borrower to perform its obligations under the Loan Documents or (iii) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Agents, the Lenders or the Issuers thereunder.

"Material Indebtedness" is defined in Section 7.5.

"Modification" and "Modify" are defined in Section 2.19(a).

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a Plan maintained pursuant to a collective bargaining agreement or any other arrangement to which the Borrower or any member of the Controlled Group is a party to which more than one employer is obligated to make contributions.

"Non-U.S. Lender" is defined in Section 3.5(iv).

"Note" is defined in Section 2.13.

"Obligations" means all unpaid principal of and accrued and unpaid interest on the Loans, all Reimbursement Obligations and accrued and unpaid interest thereon, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Borrower to any Lender, any Issuer, either Agent or any indemnified party arising under any Loan Document.

"Other Taxes" is defined in Section 3.5(ii).

"Outstanding Credit Exposure" means, as to any Lender at any time, the sum of (i) the aggregate principal amount of its Loans outstanding at such time, plus (ii) its Pro Rata Share of the Letter of Credit Obligations at such time.

"Participants" is defined in Section 12.2.1.

"Payment Date" means the last Business Day of each March, June, September and December.

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.

"Person" means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

"Plan" means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Borrower or any member of the Controlled Group may have any liability.

"Pricing Schedule" means the Schedule attached hereto identified as such.

"Prime Rate" means a rate per annum equal to the prime rate of interest announced by JPMorgan from time to time (which is not necessarily the lowest rate charged to any customer), changing when and as said prime rate changes.

"Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Pro Rata Share" means, with respect to any Lender on any date of determination, the percentage which the amount of such Lender's Commitment is of the Aggregate Commitment (or, if the Commitments have terminated, which such Lender's Outstanding Credit Exposure is of the Aggregate Outstanding Credit Exposure) as of such date. For purposes of determining liability for any indemnity obligation under Section 2.19(j) or 10.8, each Lender's Pro Rata Share shall be determined as of the date the applicable Issuer or the Administrative Agent notifies the Lenders of such indemnity obligation (or, if such notice is given after termination of this Agreement, as of the date of such termination).

"PUHCA" means the Public Utility Holding Company Act of 1935, as amended.

"Purchasers" is defined in Section 12.3.1.

"Regulation D" means Regulation D of the FRB as from time to time in effect and any successor thereto or other regulation or official interpretation of the FRB relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Regulation U" means Regulation U of the FRB as from time to time in effect and any successor or other regulation or official interpretation of the FRB relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

"Reimbursement Obligations" means, at any time, the aggregate of all obligations of the Borrower then outstanding under Section 2.19 to reimburse the Issuers for amounts paid by the Issuers in respect of any one or more drawings under Letters of Credit.

"Reportable Event" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC has by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event; provided that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"Required Lenders" means Lenders in the aggregate having more than 50% of the Aggregate Commitment or, if the Aggregate Commitment has been terminated, Lenders in the aggregate holding more than 50% of the Aggregate Outstanding Credit Exposure.

"Reserve Requirement" means, with respect to an Interest Period, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D on Eurocurrency liabilities.

"S&P" means Standard and Poor's Ratings Services, a division of The McGraw Hill Companies, Inc.

"Schedule" refers to a specific schedule to this Agreement, unless another document is specifically referenced.

"SEC" means the Securities and Exchange Commission.

"SEC Order" means the order issued by the SEC to the Borrower and various Affiliates dated December 29, 2003 (Release No. 35-27784; 70-9861), or an extension, renewal or replacement of such order in form and substance satisfactory to the Lenders.

"Section" means a numbered section of this Agreement, unless another document is specifically referenced.

"Shareholders' Equity" means, as of any date of determination for the Borrower and its Consolidated Subsidiaries on a consolidated basis, shareholders' equity as of that date determined in accordance with GAAP.

"Significant Subsidiary" means, at any time, each Subsidiary which (i) as of the date of determination, owns consolidated assets equal to or greater than 15% of the consolidated assets of the Borrower and its Subsidiaries or (ii) which had consolidated net income from continuing operations (excluding extraordinary items) during the four most recently ended fiscal quarters equal to or greater than 15% of Consolidated Net Income during such period.

"Single Employer Plan" means a Plan maintained by the Borrower or any member of the Controlled Group for employees of the Borrower or any member of the Controlled Group.

"Subsidiary" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled; or (iii) any other Person the operations and/or financial results of which are required to be consolidated with those of such first Person in accordance with GAAP; provided that, except as used in the definition of "Consolidated Subsidiary", the Lease Trust shall be deemed not to be a Subsidiary of the Borrower. Unless otherwise expressly stated, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"Substantial Portion" means, with respect to the Property of the Borrower and its Subsidiaries, Property which (i) represents more than 10% of the consolidated assets of the Borrower and its Consolidated Subsidiaries as would be shown in the consolidated financial statements of the Borrower and its Consolidated Subsidiaries as at the beginning of the twelve-month period ending with the month in which such determination is made, or (ii) is responsible for more than 10% of the consolidated net sales or of the Consolidated Net Income of the Borrower and its Consolidated Subsidiaries as reflected in the financial statements referred to in clause (i) above.

"Swap Contract" means (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transaction, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master a greement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Syndication Agent" means Bank of America, N.A. in its capacity as syndication agent hereunder, and not in its individual capacity as a Lender, and any successor thereto.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (i) a so-called synthetic or off-balance sheet or tax retention lease, or (ii) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Taxes" means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings, and any and all liabilities with respect to the foregoing, but excluding Excluded Taxes.

"34 Act Reports" means the periodic reports of the Borrower filed with the SEC on Forms 10K, 10Q and 8K (or any successor forms thereto).

"Total Capitalization" means Total Indebtedness of the Borrower and its Consolidated Subsidiaries plus the sum of (i) Shareholder's Equity (without giving effect to the application of FASB Statement No. 133 or 149) and (ii) to the extent not otherwise included in Indebtedness or Shareholder's Equity, preferred and preference stock and securities of the Borrower and its Subsidiaries included in a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries in accordance with GAAP.

"Total Indebtedness" means all Indebtedness of the Borrower and its Consolidated Subsidiaries on a consolidated basis (and without duplication), excluding Indebtedness arising under Swap Contracts entered into in the ordinary course of business to hedge bona fide transactions and business risks and not for speculation.

"Transferee" is defined in Section 12.4.

"Type" means, with respect to any Advance, its nature as a Floating Rate Advance or a Eurodollar Advance.

"Unmatured Default" means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

"Utilization Fee Rate" means, at any time, the percentage rate per annum at which utilization fees are accruing at such time as set forth in the Pricing Schedule.

"Wholly-Owned Subsidiary" of a Person means (i) any Subsidiary all of the outstanding voting securities of which shall at the time be owned or controlled, directly or indirectly, by such Person or one or more Wholly-Owned Subsidiaries of such Person, or by such Person and one or more Wholly-Owned Subsidiaries of such Person, or (ii) any partnership, limited liability company, association, joint venture or similar business organization 100% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

1.2 Accounting Principles. Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made, in accordance with GAAP, consistently applied; provided that if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in Section 6 to eliminate the effect of any change in GAAP on the operation of such covenant (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend any covenant in Section 6 for such purpose), then the Borrower's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Require d Lenders.

1.3 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

ARTICLE II

THE CREDITS

2.1 Commitment. From and including the date of this Agreement and prior to the Facility Termination Date, subject to the terms and conditions set forth in this Agreement, (a) each Lender severally agrees to make Loans to the Borrower from time to time in amounts not to exceed in the aggregate at any one time outstanding the amount of its Commitment and (b) each Issuer agrees to issue Letters of Credit for the account of the Borrower from time to time (and each Lender severally agrees to participate in each such Letter of Credit as more fully set forth in Section 2.19); provided (i) that the Aggregate Outstanding Credit Exposure shall not at any time exceed the Aggregate Commitment; (ii) the aggregate outstanding amount of Letter of Credit Obligations shall not at any time exceed $100,000,000; and (iii) the Outstanding Credit Exposure of any Lender shall not at any time exceed the amount of such Lender's Commitment. Subject to the terms of this Agreement, the Borrower may borrow, repay and reborrow at any time prior to the Facility Termination Date. The Commitments shall expire on the Facility Termination Date.

2.2 Required Payments; Termination. The Borrower shall (a) repay the principal amount of all Advances made to it on the Facility Termination Date and (b) deposit into the LC Collateral Account on the Facility Termination Date an amount in immediately available funds equal to the aggregate stated amount of all Letters of Credit that will remain outstanding after the Facility Termination Date.

2.3 Ratable Loans. Each Advance hereunder shall consist of Loans made from the several Lenders ratably in proportion to their respective Pro Rata Shares.

2.4 Types of Advances; Minimum Amount. The Advances may be Floating Rate Advances or Eurodollar Advances, or a combination thereof, selected by the Borrower in accordance with Sections 2.8 and 2.9. Each Eurodollar Advance shall be in the amount of $5,000,000 or a higher integral multiple of $1,000,000, and each Floating Rate Advance shall be in the amount of $1,000,000 or an integral multiple thereof.

2.5 Facility Fee; Utilization Fee. The Borrower agrees to pay to the Administrative Agent for the account of each Lender (a) a facility fee at a per annum rate equal to the Facility Fee Rate on such Lender's Commitment (regardless of usage) from the date hereof to but excluding the Facility Termination Date, payable on each Payment Date and on the Facility Termination Date and, if applicable, thereafter on demand and (b) a utilization fee at a rate per annum equal to the Utilization Fee Rate on such Lender's Outstanding Credit Exposure for any date on which the Aggregate Outstanding Credit Exposure exceeds 50% of the

Aggregate Commitment such utilization fee to be payable on each Payment Date, on the Facility Termination Date and, if applicable, thereafter on demand.

2.6 Changes in Aggregate Commitment.

(a) The Borrower may permanently reduce the Aggregate Commitment in whole, or in part ratably among the Lenders (according to their respective Pro Rata Shares) in integral multiples of $5,000,000, upon at least three Business Days' prior written notice to the Administrative Agent, which notice shall specify the amount of any such reduction; provided that the amount of the Aggregate Commitment may not be reduced below the Aggregate Outstanding Credit Exposure. All accrued facility fees and utilization fees shall be payable on the effective date of any termination of the obligations of the Lenders to make Loans hereunder.

(b) The Borrower may, from time to time so long as no Default or Unmatured Default exists, by means of a letter delivered to the Administrative Agent substantially in the form of Exhibit F, request that the Aggregate Commitment be increased by up to $50,000,000 in the aggregate by (i) increasing the Commitment of one or more Lenders which have agreed to such increase and/or (ii) adding one or more commercial banks or other Persons as a party hereto (each an "Additional Lender") with a Commitment in an amount agreed to by any such Additional Lender; provided that no Additional Lender shall be added as a party hereto without the written consent of the Administrative Agent and each Issuer (which consents shall not be unreasonably withheld). Any increase in the Aggregate Commitment pursuant to this clause (b) shall be effective three Business Days after the date on which the Administrative Agent has received and accepted the applicable increase letter in the form of Annex 1 to Exhibit F (in the case of an increase in the Commitment of an existing Lender) or assumption letter in the form of Annex 2 to Exhibit F (in the case of the addition of a commercial bank or other Person as a new Lender). The Administrative Agent shall promptly notify the Borrower and the Lenders of any increase in the amount of the Aggregate Commitment pursuant to this clause (b) and of the Commitment of each Lender after giving effect thereto. The Borrower acknowledges that, in order to maintain Advances in accordance with each Lender's pro-rata share of all outstanding Advances prior to any increase in the Aggregate Commitment pursuant to this clause (b), a reallocation of the Commitments as a result of a non-pro-rata increase in the Aggregate Commitment may require prepayment of all or portions of certain Advances on the date of such increase (and any such prepayment shall be subject to the provisions of Section 3.4).

2.7 Optional Prepayments.

(a) The Borrower may from time to time prepay Floating Rate Advances upon one Business Day's prior notice to the Administrative Agent, without penalty or premium. Each partial prepayment of Floating Rate Advances shall be in an aggregate amount of $1,000,000 or an integral multiple thereof.

(a) The Borrower may from time to time prepay Eurodollar Advances (subject to the payment of any funding indemnification amounts required by Section 3.4) upon three Business Days' prior notice to the Administrative Agent, without penalty or premium. Each partial prepayment of Eurodollar Advances shall be in an aggregate amount of $5,000,000 or a higher integral multiple of $1,000,000.

(b) All prepayments of Advances shall be applied ratably to the Loans of the Lenders in accordance with their respective Pro Rata Shares.

2.8 Method of Selecting Types and Interest Periods for New Advances. The Borrower shall select the Type of Advance and, in the case of each Eurodollar Advance, the Interest Period applicable thereto from time to time. The Borrower shall give the Administrative Agent irrevocable notice (a "Borrowing Notice") not later than noon (New York City time) on the Borrowing Date of each Floating Rate Advance and not later than noon (New York City time) three Business Days before the Borrowing Date for each Eurodollar Advance, specifying:

(i) the Borrowing Date, which shall be a Business Day, of such Advance,

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(ii) the aggregate amount of such Advance,

(iii) the Type of Advance selected, and

(iv) in the case of each Eurodollar Advance, the Interest Period applicable thereto.

Not later than 1:00 p.m. (New York City time) on each Borrowing Date, each Lender shall make available its Loan or Loans in funds immediately available to the Administrative Agent at its address specified pursuant to Article XIII. The Administrative Agent will make the funds so received from the Lenders available to the Borrower at the Administrative Agent's aforesaid address.

2.9 Conversion and Continuation of Outstanding Advances. Floating Rate Advances shall continue as Floating Rate Advances unless and until such Floating Rate Advances are converted into Eurodollar Advances pursuant to this Section 2.9 or are

repaid in accordance with Section 2.7. Each Eurodollar Advance shall continue as a Eurodollar Advance until the end of the then applicable Interest Period therefor, at which time such Eurodollar Advance shall be automatically converted into a Floating Rate Advance unless (x) such Eurodollar Advance is or was repaid in accordance with Section 2.7 or (y) the Borrower shall have given the Administrative Agent a Conversion/Continuation Notice (as defined below) requesting that, at the end of such Interest Period, such Eurodollar Advance continue as a Eurodollar Advance for the same or another Interest Period. Subject to the terms of Section 2.4, the Borrower may elect from time to time to convert all or any part of a Floating Rate Advance into a Eurodollar Advance. The Borrower shall give the Administrative Agent irrevocable notice (a "Conversion/Continuation Notice") of each conversion of a Floating Rate Advance into a Eurodollar Advance or continuation of a Eurodollar Advance not later than 11:00 a.m. (New York City time) at least three Business Days prior to the date of the requested conversion or continuation, specifying:

(i) the requested date, which shall be a Business Day, of such conversion or continuation,

(ii) the aggregate amount and Type of the Advance which is to be converted or continued, and

(iii) the amount of such Advance which is to be converted into or continued as a Eurodollar Advance and the duration of the Interest Period applicable thereto.

2.10 Changes in Interest Rate, etc. Each Floating Rate Advance shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Advance is made or is automatically converted from a Eurodollar Advance into a Floating Rate Advance pursuant to Section 2.9, to but excluding the date it is paid or is converted into a Eurodollar Advance pursuant to Section 2.9 hereof, at a rate per annum equal to the Floating Rate for such day. Changes in the rate of interest on that portion of any Advance maintained as a Floating Rate Advance will take effect simultaneously with each change in the Alternate Base Rate. Each Eurodollar Advance shall bear interest on the outstanding principal amount thereof from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at the interest rate determined by the Administrative Agent as applicable to such Eurodollar Advance based upon the Borrower's selections under Sections 2.8 and 2.9 and otherwise in accordance with the terms hereof. No Interest Period may end after the Facility Termination Date.

2.11 Rates Applicable After Default. Notwithstanding anything to the contrary contained in Section 2.8 or 2.9, during the continuance of a Default or Unmatured Default the Required Lenders may, at their option, by notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 8.2 requiring unanimous consent of the Lenders to changes in interest rates), declare that no Advance may be made as, converted into or continued as a Eurodollar Advance. During the continuance of a Default the Required Lenders may, at their option, by notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 8.2 requiring unanimous consent of the Lenders to changes in interest rates), declare that (i) each Eurodollar Advance shall bear interest for the remainder of the applicable Interest Period at the rate otherwise applicable to such Interest Period plus 2% per annum, (ii) each Floating Rate Advance shall bear interest at a rate per annum equal to the Floating Rate in effect from time to time plus 2% per annum and (iii) the Letter of Credit Fee Rate shall be increased by 2% per annum; provided that, during the continuance of a Default under Section 7.6 or 7.7, the interest rates set forth in clauses (i) and (ii) above and the increase in the Letter of Credit Fee Rate set forth in clause (iii) above shall be applicable to all applicable Credit Extensions without any election or action on the part of the Administrative Agent or any Lender.

2.12 Method of Payment. All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Administrative Agent at the Administrative Agent's address specified pursuant to Article XIII, or at any other Lending Installation of the Administrative Agent specified in writing by the Administrative Agent to the Borrower, by 1:00 p.m. (New York City time) on the date when due and shall be applied ratably by the Administrative Agent among the Lenders in accordance with their respective Pro Rata Shares. Each payment delivered to the Administrative Agent for the account of any Lender shall be delivered promptly by the Administrative Agent to such Lender in the same type of funds that the Administrative Agent received at its address specified pursuant to Article XIII or at any Lending Installation specified in a notice received by t he Administrative Agent from such Lender.

2.13 Noteless Agreement; Evidence of Indebtedness.

(i) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(ii) The Administrative Agent shall also maintain accounts in which it will record (a) the amount of each Loan made hereunder, the Type thereof and the Interest Period with respect thereto, (b) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, (c) the original stated amount of each Letter of Credit and the amount of Letter of Credit Obligations outstanding at any time and (d) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(iii) The entries maintained in the accounts maintained pursuant to clauses (i) and (ii) above shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded; provided that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

(iv) Any Lender may request that its Loans be evidenced by a promissory note substantially in the form of Exhibit E (a "Note"). In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to the order of such Lender. Thereafter, the Loans evidenced by such Note and interest thereon shall at all times (including after any assignment pursuant to Section 12.3) be represented by one or more Notes payable to the order of the payee named therein or any assignee pursuant to Section 12.3, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in clauses (i) and (ii) above.

2.14 Telephonic Notices. The Borrower hereby authorizes the Lenders and the Administrative Agent to extend, convert or continue Advances, effect selections of Types of Advances and to transfer funds based on telephonic notices made by any person or persons the Administrative Agent or any Lender in good faith believes to be acting on behalf of the Borrower. The Borrower agrees to deliver promptly to the Administrative Agent a written confirmation, if such confirmation is requested by the Administrative Agent or any Lender, of each telephonic notice signed by an Authorized Officer. If the written confirmation differs in any material respect from the action taken by the Administrative Agent and the Lenders, the records of the Administrative Agent and the Lenders shall govern absent manifest error.

2.15 Interest Payment Dates; Interest and Fee Basis. Interest accrued on each Floating Rate Advance shall be payable on each Payment Date, commencing with the first such date to occur after the date hereof, and at maturity. Interest accrued on each Eurodollar Advance shall be payable on the last day of its applicable Interest Period, on any date on which such Eurodollar Advance is prepaid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Eurodollar Advance having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. All computations of interest for Floating Rate Loans when the Alternate Base Rate is determined by the Prime Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of interest and fees shall be calculated for actual days elapsed on the basis of a 360-day year. Interest shall be payable for the day an Advance is made but not for the day of any payment on the amount paid if payment is received prior to 1:00 p.m. (New York City time) at the place of payment (it being understood that the Administrative Agent shall be deemed to have received a payment prior to 1:00 p.m. (New York City time) if (x) the Borrower has provided the Administrative Agent with evidence satisfactory to the Administrative Agent that the Borrower has initiated a wire transfer of such payment prior to such time and (y) the Administrative Agent actually receives such payment on the same Business Day on which such wire transfer was initiated). If any payment of principal of or interest on an Advance shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest in connection with such pay ment.

2.16 Notification of Advances, Interest Rates, Prepayments and Commitment Reductions. Promptly after receipt thereof, the Administrative Agent will notify each Lender of the contents of each Aggregate Commitment reduction notice, Borrowing Notice, Conversion/Continuation Notice, and repayment notice received by it hereunder. The Administrative Agent will notify each Lender of the interest rate applicable to each Eurodollar Advance promptly upon determination of such interest rate and will give each Lender prompt notice of each change in the Alternate Base Rate.

2.17 Lending Installations. Each Lender may book its Loans at any Lending Installation selected by such Lender and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and the Loans and any Notes issued hereunder shall be deemed held by each Lender for the benefit of such Lending Installation. Each Lender may, by written notice to the Administrative Agent and the Borrower in accordance with Article XIII, designate replacement or additional Lending Installations through which Loans will be made by it and for whose account Loan payments are to be made.

2.18 Non-Receipt of Funds by the Administrative Agent. Unless the Borrower or a Lender, as the case may be, notifies the Administrative Agent prior to the date on which it is scheduled to make payment to the Administrative Agent of (i) in the case of a Lender, the proceeds of a Loan or (ii) in the case of the Borrower, a payment of principal, interest or fees to the Administrative Agent for the account of the Lenders, that it does not intend to make such payment, the Administrative Agent may assume that such payment has been made. The Administrative Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or the Borrower, as the case may be, has not in fact made such payment to the Administrative Agent, the recipient of such payment shall, on demand by the Administrative Agent, repay to the Admin istrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Administrative Agent until the date the Administrative Agent recovers such amount at a rate per annum equal to (x) in the case of payment by a Lender, the Federal Funds Effective Rate for such day or (y) in the case of payment by the Borrower, the interest rate applicable to the relevant Loan.

2.19 Letters of Credit.

(a) Issuance. Each Issuer hereby agrees, on the terms and conditions set forth in this Agreement, to issue standby letters of credit (each a "Letter of Credit") and to extend, increase, decrease or otherwise modify Letters of Credit ("Modify," and each such

action a "Modification") from time to time from and including the date of this Agreement and prior to the Facility Termination Date upon the request of the Borrower; provided that immediately after each such Letter of Credit is issued or Modified, (i) the Aggregate Outstanding Credit Exposure shall not exceed the Aggregate Commitment and (ii) the aggregate outstanding amount of Letter of Credit Obligations shall not exceed $100,000,000. No Letter of Credit shall have an expiry date later than the date that is five days prior to the scheduled Facility Termination Date.

(b) Participations. Upon the issuance or Modification by any Issuer of a Letter of Credit in accordance with this Section 2.19, such Issuer shall be deemed, without further action by any Person, to have unconditionally and irrevocably sold to each Lender, and each Lender shall be deemed, without further action by any Person, to have unconditionally and irrevocably purchased from such Issuer, a participation in such Letter of Credit (and each Modification thereof) and the related Letter of Credit Obligations in proportion to its Pro Rata Share.

(c) Notice. Subject to Section 2.19(a), the Borrower shall give the applicable Issuer and the Administrative Agent notice prior to 11:00 a.m. (New York City time) at least three Business Days (or such lesser period of time as such Issuer may agree in its sole discretion) prior to the proposed date of issuance or Modification of each Letter of Credit, specifying the beneficiary, the proposed date of issuance (or Modification) and the expiry date of such Letter of Credit, and describing the proposed terms of such Letter of Credit and the nature of the transactions proposed to be supported thereby. Upon receipt of such notice, the applicable Issuer shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify each Lender, of the contents thereof and of the amount of such Lender's participation in such proposed Letter of Credit. The issuance or Modification by an Issuer of any Letter of Cr edit shall, in addition to the conditions precedent set forth in Article IV (the satisfaction of which such Issuer shall have no duty to ascertain, it being understood, however, that such Issuer shall not issue any Letter of Credit if it has received written notice from the Borrower, the Administrative Agent or any Lender that any such condition precedent has not been satisfied), be subject to the conditions precedent that such Letter of Credit shall be satisfactory to such Issuer and that the Borrower shall have executed and delivered such application agreement and/or such other instruments and agreements relating to such Letter of Credit as such Issuer shall have reasonably requested (each a "Letter of Credit Application"). In the event of any conflict between the terms of this Agreement and the terms of any Letter of Credit Application, the terms of this Agreement shall control.

(d) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent, for the account of the Lenders ratably in accordance with their respective Pro Rata Shares, with respect to each Letter of Credit, a letter of credit fee (the "Letter of Credit Fee") at a per annum rate equal to the Letter of Credit Fee Rate in effect from time to time on the daily maximum amount available under such Letter of Credit, such fee to be payable in arrears on each Payment Date, on the Facility Termination Date and, if applicable, thereafter on demand. The Borrower shall also pay to each Issuer for its own account (x) a fronting fee in the amount agreed to by such Issuer and the Borrower from time to time, with such fee to be payable in arrears on each Payment Date, and (y) documentary and processing charges in connection with the issuance or Modification of and draws under Letters of Credit in accordance with such Issuer's standard schedul e for such charges as in effect from time to time.

(e) Administration; Reimbursement by Lenders. Upon receipt from the beneficiary of any Letter of Credit of any demand for payment under such Letter of Credit, the applicable Issuer shall notify the Administrative Agent and the Administrative Agent shall promptly notify the Borrower and each Lender of the amount to be paid by such Issuer as a result of such demand and the proposed payment date (the "Letter of Credit Payment Date"). The responsibility of any Issuer to the Borrower and each Lender shall be only to determine that the documents delivered under each Letter of Credit issued by such Issuer in connection with a demand for payment are in conformity in all material respects with such Letter of Credit. Each Issuer shall endeavor to exercise the same care in its issuance and administration of Letters of Credit as it does with respect to letters of credit in which no participations are granted, it being understood that in the absence of any gross negligence or willful misconduct by such Issuer, each Lender shall be unconditionally and irrevocably obligated, without regard to the occurrence of any Default or any condition precedent whatsoever, to reimburse such Issuer on demand for (i) such Lender's Pro Rata Share of the amount of each payment made by such Issuer under each Letter of Credit to the extent such amount is not reimbursed by the Borrower pursuant to Section 2.19(f) below, plus (ii) interest on the foregoing amount, for each day from the date of the applicable payment by such Issuer to the date on which such Issuer is reimbursed by such Lender for its Pro Rata Share thereof, at a rate per annum equal to the Federal Funds Effective Rate or, beginning on third Business Day after demand for such amount by such Issuer, the rate applicable to Floating Rate Advances.

(f) Reimbursement by Borrower. The Borrower shall be irrevocably and unconditionally obligated to reimburse each Issuer through the Administrative Agent on or before the applicable Letter of Credit Payment Date for any amount to be paid by such Issuer upon any drawing under any Letter of Credit, without presentment, demand, protest or other formalities of any kind; provided that the Borrower shall not be precluded from asserting any claim for direct (but not consequential) damages suffered by the Borrower which the Borrower proves were caused by (i) the willful misconduct or gross negligence of such Issuer in determining whether a request presented under any Letter of Credit complied with the terms of such Letter of Credit or (ii) such Issuer's failure to pay under any Letter of Credit after the presentation to it of a request strictly complying with the terms and conditions of such Letter of Credit. All such am ounts paid by an Issuer and remaining unpaid by the Borrower shall bear interest, payable on demand, for each day until paid at a rate per annum equal to the sum of 2% plus the rate applicable to Floating Rate Advances. The Administrative Agent will pay to each Lender ratably in accordance with its Pro Rata Share all amounts received by

it from the Borrower for application in payment, in whole or in part, of the Reimbursement Obligation in respect of any Letter of Credit, but only to the extent such Lender made payment to the applicable Issuer in respect of such Letter of Credit pursuant to Section 2.19(e).

(g) Obligations Absolute. The Borrower's obligations under this Section 2.19 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Borrower may have or have had against any Issuer, any Lender or any beneficiary of a Letter of Credit. The Borrower further agrees with the Issuers and the Lenders that neither any Issuer nor any Lender shall be responsible for, and the Borrower's Reimbursement Obligation in respect of any Letter of Credit shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged, or any dispute between or among the Borrower, any of its Affiliates, the beneficiary of any Letter of Credit or any financing institution or other party to whom any Letter of Credit may be transferred or any claims or defenses whatsoever of the Borrower or of any of its Affiliates against the beneficiary of any Letter of Credit or any such transferee. No Issuer shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit. The Borrower agrees that any action taken or omitted by any Issuer or any Lender under or in connection with any Letter of Credit and the related drafts and documents, if done without gross negligence or willful misconduct, shall be binding upon the Borrower and shall not put any Issuer or any Lender under any liability to the Borrower. Nothing in this Section 2.19(g) is intended to limit the right of the Borrower to make a claim against any Issuer for damages as contemplated by the proviso to the first sentence of Section 2.19(f).

(h) Actions of Issuers. Each Issuer shall be entitled to rely, and shall be fully protected in relying, upon any Letter of Credit, draft, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, facsimile, telex or teletype message, statement, order or other document believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by such Issuer. Each Issuer shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first have received such advice or concurrence of the Required Lenders as it reasonably deems appropriate or it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Notwithstanding any other provision of this Section 2.19, each Issuer shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lenders and any future holder of a participation in any Letter of Credit issued by such Issuer.

(i) Indemnification. The Borrower agrees to indemnify and hold harmless each Lender, each Issuer and the Administrative Agent, and their respective directors, officers, agents and employees, from and against any and all claims and damages, losses, liabilities, costs or expenses which such Person may incur (or which may be claimed against such Person by any other Person whatsoever) by reason of or in connection with the issuance, execution and delivery or transfer of or payment or failure to pay under any Letter of Credit or any actual or proposed use of any Letter of Credit, including any claims, damages, losses, liabilities, costs or expenses which any Issuer may incur by reason of or in connection with (i) the failure of any other Lender to fulfill or comply with its obligations to such Issuer hereunder (but nothing herein contained shall affect any right the Borrower may have against any defaulting Lender) or (ii) b y reason of or on account of such Issuer issuing any Letter of Credit which specifies that the term "Beneficiary" therein includes any successor by operation of law of the named Beneficiary, but which Letter of Credit does not require that any drawing by any such successor Beneficiary be accompanied by a copy of a legal document, satisfactory to such Issuer, evidencing the appointment of such successor Beneficiary; provided that the Borrower shall not be required to indemnify any Person for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (x) the willful misconduct or gross negligence of any Issuer in determining whether a request presented under any Letter of Credit issued by such Issuer complied with the terms of such Letter of Credit or (y) any Issuer's failure to pay under any Letter of Credit issued by it after the presentation to it of a request strictly complying with the terms and conditions of such Letter of Credit. Nothing in this < U>Section 2.19(i) is intended to limit the obligations of the Borrower under any other provision of this Agreement.

(j) Lenders' Indemnification. Each Lender shall, ratably in accordance with its Pro Rata Share, indemnify each Issuer and its Affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Borrower) against any cost, expense (including reasonable counsel fees and charges), claim, demand, action, loss or liability (except such as result from such indemnitees' gross negligence or willful misconduct or such Issuer's failure to pay under any Letter of Credit issued by it after the presentation to it of a request strictly complying with the terms and conditions of such Letter of Credit) that such indemnitees may suffer or incur in connection with this Section 2.19 or any action taken or omitted by such indemnitees hereunder.

(k) LC Collateral Account. The Borrower agrees that it will establish on the Facility Termination Date (or on such earlier date as may be required pursuant to Section 8.1), and thereafter maintain so long as any Letter of Credit Obligation remains outstanding or any other amount is payable to any Issuer or the Lenders in respect of any Letter of Credit, a special collateral account pursuant to arrangements satisfactory to the Administrative Agent (the "LC Collateral Account") at the Administrative Agent's office at the address specified pursuant to Article XIII, in the name of the Borrower but under the sole dominion and control of the Administrative Agent, for the benefit of the Lenders, and in which the Borrower shall have no interest other than as

set forth in Section 8.1. The Borrower hereby pledges, assigns and grants to the Administrative Agent, on behalf of and for the ratable benefit of the Le nders and the Issuers, a security interest in all of the Borrower's right, title and interest in and to all funds which may from time to time be on deposit in the LC Collateral Account, to secure the prompt and complete payment and performance of the Obligations. The Administrative Agent will invest any funds on deposit from time to time in the LC Collateral Account in certificates of deposit of JPMorgan having a maturity not exceeding 30 days. If funds are deposited in the LC Collateral Account pursuant to Section 2.2(b) and the provisions of Section 8.1 are not applicable, then the Administrative Agent shall release from the LC Collateral Account to the Borrower, upon the request of the Borrower, an amount equal to the excess (if any) of all funds in the LC Collateral Account over the Letter of Credit Obligations.

(l) Rights as a Lender. In its capacity as a Lender, each Issuer shall have the same rights and obligations as any other Lender.

ARTICLE III

YIELD PROTECTION; TAXES

3.1 Yield Protection. If, on or after the date of this Agreement, the adoption of any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any change in the interpretation or administration thereof by any governmental or quasi-governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender, any applicable Lending Installation or any Issuer with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

(i) subjects any Lender, any applicable Lending Installation or any Issuer to any Taxes, or changes the basis of taxation of payments (other than with respect to Excluded Taxes) to any Lender in respect of its Eurodollar Loans or Letters of Credit or participations therein, or

(ii) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender, any applicable Lending Installation or any Issuer (other than reserves and assessments taken into account in determining the interest rate applicable to Eurodollar Advances), or

(iii) imposes any other condition the result of which is to increase the cost to any Lender, any applicable Lending Installation or any Issuer of making, funding or maintaining its Eurodollar Loans or of issuing or participating in Letters of Credit or reduces any amount receivable by any Lender, any applicable Lending Installation or any Issuer in connection with its Eurodollar Loans or Letters of Credit, or requires any Lender, any applicable Lending Installation or any Issuer to make any payment calculated by reference to the amount of Eurodollar Loans or Letters of Credit held or interest received by it, by an amount deemed material by such Lender or such Issuer, as the case may be,

and the result of any of the foregoing is to increase the cost to such Lender, the applicable Lending Installation or such Issuer of making or maintaining its Eurodollar Loans, Letters of Credit or Commitment or to reduce the return received by such Lender, the applicable Lending Installation or such Issuer in connection with such Eurodollar Loans, Letters of Credit or Commitment, then, within 15 days of demand by such Lender or such Issuer, the Borrower shall pay such Lender or such Issuer such additional amount or amounts as will compensate such Lender or such Issuer for such increased cost or reduction in amount received.

3.2 Changes in Capital Adequacy Regulations. If a Lender or an Issuer determines the amount of capital required or expected to be maintained by such Lender, any Lending Installation of such Lender, such Issuer or any corporation controlling such Lender or such Issuer is increased as a result of a Change, then, within 15 days of demand by such Lender or such Issuer, the Borrower shall pay such Lender or such Issuer the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender or such Issuer determines is attributable to this Agreement, its Outstanding Credit Exposure or its Commitment to make Loans or to issue or participate in Letters of Credit hereunder (after taking into account such Lender's policies as to capital adequacy). "Change" means (i) any change after the date of this Agreement in (or in the interpretation of) the Risk - -Based Capital Guidelines or (ii) any adoption of or change in (or any change in the interpretation of) any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Lender, any Lending Installation, any Issuer or any corporation controlling any Lender or any Issuer. "Risk-Based Capital Guidelines" means (x) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (y) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basle Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards," including transition rules, and any amendments to such regulations adopted p rior to the date of this Agreement.

3.3 Availability of Types of Advances. If (i) any Lender determines that maintenance of its Eurodollar Loans at a suitable Lending Installation would violate any applicable law, rule, regulation, or directive, whether or not having the force of law, (ii) the

Required Lenders determine that (a) deposits of a type and maturity appropriate to match fund Eurodollar Advances are not available or (b) the interest rate applicable to a Type of Advance does not accurately reflect the cost of making or maintaining such Advance or (iii) the Administrative Agent determines that adequate and reasonable means do not exist for determining the Eurodollar Base Rate, then the Administrative Agent shall suspend the availability of the affected Type of Advance and, in the case of clause (i), require any affected Eurodollar Advances to be repaid or converted to Floating Rate Advances, subject to the payment of any funding indemnification amounts required by Section 3.4.

3.4 Funding Indemnification. If any conversion, prepayment or payment of a Eurodollar Advance occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment or otherwise, or a Eurodollar Advance is not made, paid, continued or converted on the date or in the amount specified by the Borrower for any reason other than default by the Lenders, the Borrower will indemnify each Lender for any loss or cost incurred by it resulting therefrom, including any loss or cost in liquidating or employing deposits acquired to fund or maintain such Eurodollar Advance.

3.5 Taxes. (i) All payments by the Borrower to or for the account of any Lender, any Issuer or the Administrative Agent hereunder or under any Note shall be made free and clear of and without deduction for any and all Taxes. If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Lender, any Issuer or the Administrative Agent, (a) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.5) such Lender, such Issuer or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (b) the Borrower shall make such deductions, (c) the Borrower shall pay the full amount deducted to the relevant authority in accordance with applicable law and (d) the Borrower shall furnish to the Administrative Agent the original copy of a receipt evidencing payment thereof within 30 days after such payment is made.

(ii) In addition, the Borrower hereby agrees to pay any present or future stamp or documentary taxes and any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or under any Note or Letter of Credit Application or from the execution or delivery of, or otherwise with respect to, this Agreement, any Note or any Letter of Credit Application ("Other Taxes").

(iii) The Borrower hereby agrees to indemnify the Administrative Agent, each Lender and each Issuer for the full amount of Taxes or Other Taxes (including any Taxes or Other Taxes imposed on amounts payable under this Section 3.5) paid by the Administrative Agent, such Lender or such Issuer and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. Payments due under this indemnification shall be made within 30 days of the date the Administrative Agent, such Lender or such Issuer makes demand therefor pursuant to Section 3.6.

(iv) Each Lender that is not incorporated under the laws of the United States of America or a state thereof (each a "Non-U.S. Lender") agrees that it will, not less than ten Business Days after the date of this Agreement (or, if later, the date it becomes a party hereto), (i) deliver to each of the Borrower and the Administrative Agent two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI, certifying in either case that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, and (ii) deliver to each of the Borrower and the Administrative Agent a United States Internal Revenue Form W-8BEN or W-9, as the case may be, and certify that it is entitled to an exemption from United States backup withholding tax. Each Non-U.S. Lender further undertakes to deliver to each of the Borrower and the Administrative Agent (x) renewals or additional copies of such form (or any successor form) on or before the date that such form expires or becomes obsolete, and (y) after the occurrence of any event requiring a change in the most recent forms so delivered by it, such additional forms or amendments thereto as may be reasonably requested by the Borrower or the Administrative Agent. All forms or amendments described in the preceding sentence shall certify that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, unless an event (including any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form or amendment with respect to it and such Lender advises the Borrower and the Administrative Agent that it is not capable of receiving payments without any deduction or withholding of United States federal in come tax.

(v) For any period during which a Non-U.S. Lender has failed to provide the Borrower with an appropriate form pursuant to clause (iv) above (unless such failure is due to a change in treaty, law or regulation, or any change in the interpretation or administration thereof by any governmental authority, occurring subsequent to the date on which a form originally was required to be provided), such Non-U.S. Lender shall not be entitled to indemnification under this Section 3.5 with respect to Taxes imposed by the United States; provided that, should a Non-U.S. Lender which is otherwise exempt from or subject to a reduced rate of withholding tax become subject to Taxes because of its failure to deliver a form required under clause (iv) above, the Borrower shall take such steps as such Non-U.S. Lender shall reasonably request to assist such Non-U.S. Lender to recover such Taxes.

(vi) Any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments under this Agreement or any Note pursuant to the law of any relevant jurisdiction or any treaty shall deliver to the Borrower (with a

copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate.

3.6 Lender Statements; Survival of Indemnity. To the extent reasonably possible and upon the request of the Borrower, each Lender shall designate an alternate Lending Installation with respect to its Eurodollar Loans to reduce any liability of the Borrower to such Lender under Sections 3.1, 3.2 and 3.5 or to avoid the unavailability of Eurodollar Advances under Section 3.3, so long as such designation is not, in the judgment of such Lender, disadvantageous to such Lender. Each Lender or each Issuer, as applicable, shall deliver a written statement of such Lender or such Issuer to the Borrower (with a copy to the Administrative Agent) as to any amount due under Section 3.1, 3.2, 3.4 or 3.5. Such written statement shall set forth in reasonable detail the calculations upon which such Lender or such Issuer determined such amount and shall be final, conclu sive and binding on the Borrower in the absence of manifest error. Determination of amounts payable under such Sections in connection with a Eurodollar Loan shall be calculated as though each Lender funded its Eurodollar Loan through the purchase of a deposit of the type and maturity corresponding to the deposit used as a reference in determining the Eurodollar Rate applicable to such Loan, whether in fact that is the case or not. Unless otherwise provided herein, the amount specified in the written statement of any Lender or any Issuer shall be payable on demand after receipt by the Borrower of such written statement. The obligations of the Borrower under Sections 3.1, 3.2, 3.4 and 3.5 shall survive payment of the Obligations and termination of this Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

4.1 Initial Credit Extension. The Lenders and the Issuers shall not be required to make the initial Credit Extension hereunder until the Borrower has furnished the Administrative Agent with (a) all fees required to be paid to the Lenders on the date hereof, (b) evidence that, prior to or concurrently with the initial Credit Extension hereunder, all obligations under the Existing Credit Facilities have been paid in full and all commitments to lend thereunder have been terminated and (c) all of the following, in form and substance satisfactory to each Agent and each Lender, and in sufficient copies for each Lender:

(i) Copies of the articles or certificate of incorporation of the Borrower, together with all amendments, certified by the Secretary or an Assistant Secretary of the Borrower, and a certificate of good standing, certified by the appropriate governmental officer in its jurisdiction of incorporation, as well as any other information that any Lender may request that is required by Section 326 of the USA PATRIOT ACT or necessary for the Administrative Agent or any Lender to verify the identity of the Borrower as required by Section 326 of the USA PATRIOT ACT.

(ii) Copies, certified by the Secretary or an Assistant Secretary of the Borrower, of its by-laws and of its Board of Directors' resolutions and of resolutions or actions of any other body authorizing the execution of the Loan Documents to which the Borrower is a party.

(iii) An incumbency certificate, executed by the Secretary or an Assistant Secretary of the Borrower, which shall identify by name and title and bear the signatures of the Authorized Officers and any other officers of the Borrower authorized to sign the Loan Documents to which the Borrower is a party, upon which certificate the Administrative Agent and the Lenders shall be entitled to rely until informed of any change in writing by the Borrower.

(iv) A certificate, signed by the chief accounting officer or the chief financial officer of the Borrower, stating that on the initial Borrowing Date no Default or Unmatured Default has occurred and is continuing.

(v) A written opinion of the Borrower's counsel, addressed to the Administrative Agent and the Lenders in substantially the form of Exhibit A.

(vi) Executed counterparts of this Agreement executed by the Borrower and each Lender.

(vii) Any Notes requested by a Lender pursuant to Section 2.13 payable to the order of each such requesting Lender.

(viii) If the initial Credit Extension will be the issuance of a Letter of Credit, a properly completed Letter of Credit Application.

(ix) Evidence of the effectiveness of the Credit Agreement among Great Plains, various financial institutions and JPMorgan, as administrative agent, having terms substantially similar to the terms hereof.

(x) A copy of the SEC Order authorizing the Borrower to incur the Indebtedness contemplated by the Loan Documents, certified by the Secretary or an Assistant Secretary of the Borrower.

(xi) Written money transfer instructions, in substantially the form of Exhibit D, addressed to the Administrative Agent and signed by an Authorized Officer who has executed and delivered an incumbency certificate in accordance with the terms hereof, together with such other related money transfer authorizations as the Administrative Agent may have reasonably requested.

(xii) Such other documents as any Lender or its counsel may have reasonably requested.

4.2 Each Credit Extension. The Lenders shall not be required to make any Credit Extension (other than a Credit Extension that, after giving effect thereto and to the application of the proceeds thereof, does not increase the aggregate amount of outstanding Credit Extensions), unless on the date of such Credit Extension:

(i) No Default or Unmatured Default exists or would result from such Credit Extension.

(ii) The representations and warranties contained in Article V are true and correct as of the date of such Credit Extension except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct on and as of such earlier date; provided that this clause (ii) shall not apply to the representations and warranties set forth in Section 5.5 (as it relates to clause (i) or (ii) of the definition of "Material Adverse Effect"), clause (a) of the first sentence of Section 5.7 and the second sentence of Section 5.7 with respect to a borrowing hereunder if the proceeds of such borrowing will be used exclusively to repay the Borrower's commercial paper (and, in the event of any such borrowing, the Administrative Agent may require the Borrower to deliver information sufficient to disburse the proceeds of such borrowing direc tly to the holders of such commercial paper or a paying agent therefor).

(iii) The SEC Order shall not have expired or been revoked and shall permit the Borrower to incur the Indebtedness evidenced by such Credit Extension. The Borrower shall, upon request, provide the Administrative Agent with evidence satisfactory to the Administrative Agent that, after giving effect to such Credit Extension, the aggregate amount of short-term debt instruments issued by the Borrower in reliance upon the SEC Order shall not exceed the maximum amount of Indebtedness authorized by the SEC Order.

Each delivery of a Borrowing Notice and each request for the issuance of a Letter of Credit shall constitute a representation and warranty by the Borrower that the conditions contained in Sections 4.2(i), (ii) and (iii) have been satisfied. Any Lender may require delivery of a duly completed compliance certificate in substantially the form of Exhibit B as a condition to making a Credit Extension.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders that:

5.1 Existence and Standing. Each of the Borrower and its Significant Subsidiaries is a corporation, partnership (in the case of Subsidiaries only) or limited liability company duly and properly incorporated or organized, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

5.2 Authorization and Validity. The Borrower has the power and authority and legal right to execute and deliver the Loan Documents and to perform its obligations thereunder. The execution and delivery by the Borrower of the Loan Documents and the performance of its obligations thereunder have been duly authorized by proper corporate proceedings, and the Loan Documents constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5.3 No Conflict; Government Consent. Neither the execution and delivery by the Borrower of the Loan Documents, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or (ii) the Borrower's articles or certificate of incorporation or by-laws or (iii) the provisions of any indenture, instrument or agreement to which the Borrower is a party or is subject, or by which it, or its Property, is bound, or conflict with or constitute a default thereunder, or result in, or require, the creation or imposition of any Lien in, of or on the Property of the Borrower pursuant to the terms of any such indenture, instrument or agreement. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by the Borrower, is required to be obtained by the Borrower in connection with the execution and delivery of the Loan Documents, the borrowings under this Agreement, the payment and performance by the Borrower of the Obligations or the legality, validity, binding effect or enforceability of any of the Loan Documents.

5.4 Financial Statements. The December 31, 2003, March 31, 2004, June 30, 2004 and September 30, 2004 consolidated financial statements of the Borrower and its Subsidiaries heretofore delivered to the Lenders were prepared in accordance with GAAP and fairly present the consolidated financial condition and operations of the Borrower and its Subsidiaries at such dates and

the consolidated results of their operations for the periods then ended subject, in the case of the March 31, 2004, June 30, 2004 and September 30, 2004 financial statements, to normal year-end adjustments.

5.5 Material Adverse Change. Since December 31, 2003, there has been no change in the business, Property, prospects, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries which could reasonably be expected to have a Material Adverse Effect.

5.6 Taxes. The Borrower and its Significant Subsidiaries have filed all United States federal tax returns and all other material tax returns which are required to be filed and have paid all taxes due and payable pursuant to said returns or pursuant to any assessment received by the Borrower or any of its Significant Subsidiaries, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with GAAP and as to which no Lien exists. No tax liens have been filed and no material claims are being asserted against the Borrower or any Significant Subsidiary with respect to any such taxes. The charges, accruals and reserves on the books of the Borrower and its Significant Subsidiaries in respect of any taxes or other governmental charges are adequate.

5.7 Litigation; etc. Except as set forth in the Borrower's '34 Act Reports, there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting the Borrower or any of its Subsidiaries which (a) could reasonably be expected to have a Material Adverse Effect or (b) seeks to prevent, enjoin or delay the making of any Credit Extension. Other than any liability incident to any litigation, arbitration or proceeding which could not reasonably be expected to have a Material Adverse Effect, the Borrower has no material contingent obligations not provided for or disclosed in the financial statements referred to in Section 5.4.

5.8 ERISA. The Borrower and each other member of the Controlled Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code with respect to each Plan. Neither the Borrower nor any other member of the Controlled Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Code in respect of any Plan, (ii) failed to make any contribution or payment to any Plan or Multiemployer Plan, or made any amendment to any Plan which has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Code or (iii) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

5.9 Accuracy of Information. No information, exhibit or report furnished by the Borrower or any of its Subsidiaries to the Administrative Agent or to any Lender in connection with the negotiation of, or compliance with, the Loan Documents contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not misleading.

5.10 Regulation U. The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (as defined in Regulation U), or extending credit for the purpose of purchasing or carrying margin stock. Margin stock constitutes less than 25% of the value of those assets of the Borrower and its Subsidiaries which are subject to any limitation on sale, pledge or other restriction hereunder.

5.11 Material Agreements. Neither the Borrower nor any Subsidiary is a party to any agreement or instrument or subject to any charter or other corporate restriction which is reasonably likely to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement to which it is a party, which default could reasonably be expected to have a Material Adverse Effect.

5.12 Compliance With Laws. The Borrower and its Subsidiaries have complied with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property except for any failure to comply with any of the foregoing which could not reasonably be expected to have a Material Adverse Effect.

5.13 Ownership of Properties. On the date of this Agreement, the Borrower and its Significant Subsidiaries will have good title, free of all Liens other than those permitted by Section 6.12, to all of the Property and assets reflected in the Borrower's most recent consolidated financial statements provided to the Administrative Agent as owned by the Borrower and its Subsidiaries.

5.14 Plan Assets; Prohibited Transactions. The Borrower is not an entity deemed to hold "plan assets" within the meaning of 29 C.F.R. (Section symbol) 2510.3-101 of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code), and neither the execution of this Agreement nor the making of Loans hereunder gives rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

5.15 Environmental Matters. Except as set forth in the Borrower's '34 Act Reports, there are no known risks and liabilities accruing to the Borrower or any of its Subsidiaries due to Environmental Laws that could reasonably be expected to have a Material Adverse Effect.

5.16 Investment Company Act. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

5.17 Public Utility Holding Company Act. The Borrower is a "subsidiary company" of a "holding company" within the meaning of PUHCA.

5.18 Pari Passu Indebtedness. The Indebtedness under the Loan Documents ranks at least pari passu with all other unsecured Indebtedness of the Borrower.

5.19 Solvency. As of the date hereof and after giving effect to the consummation of the transactions contemplated by the Loan Documents, the Borrower and each Significant Subsidiary is solvent. For purposes of the preceding sentence, solvent means (a) the fair saleable value (on a going concern basis) of the Borrower's assets or a Significant Subsidiary's assets, as applicable, exceed its liabilities, contingent or otherwise, fairly valued, (b) such Person will be able to pay its debts as they become due and (c) such Person will not be left with unreasonably small capital as is necessary to satisfy all of its current and reasonably anticipated obligations giving due consideration to the prevailing practice in the industry in which such Person is engaged. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, i n light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability. The Borrower is not entering into the Loan Documents with the actual intent to hinder, delay or defraud its current or future creditors, nor does the Borrower intend to or believe that it will incur, as a result of entering into this Agreement and the other Loan Documents, debts beyond its ability to repay.

ARTICLE VI

COVENANTS

During the term of this Agreement, unless the Required Lenders shall otherwise consent in writing:

6.1 Financial Reporting. The Borrower will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with generally accepted accounting principles, and furnish to the Lenders:

(i) Within 90 days after the close of each of its fiscal years, an unqualified audit report certified by a firm of independent certified public accountants which is a member of the "Big Four," prepared in accordance with GAAP on a consolidated basis for itself and its Consolidated Subsidiaries, including balance sheets as of the end of such period and related statements of income, retained earnings and cash flows, accompanied by any management letter prepared by said accountants.

(ii) Within 45 days after the close of the first three quarterly periods of each of its fiscal years, for itself and its Consolidated Subsidiaries, either (a) consolidated and consolidating unaudited balance sheets as at the close of each such period and consolidated and consolidating profit and loss and reconciliation of surplus statements and a statement of cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified by its chief accounting officer or chief financial officer or (b) if the Borrower is then a "registrant" within the meaning of Rule 1-01 of Regulation S-X of the SEC and required to file a report on Form 10-Q with the SEC, a copy of the Borrower's report on Form 10-Q for such quarterly period.

(iii) Together with the financial statements required under Sections 6.1(i) and (ii), a compliance certificate in substantially the form of Exhibit B signed by its chief accounting officer or chief financial officer setting forth calculations of the financial covenants contained in Section 6 and stating that no Default or Unmatured Default exists, or if any Default or Unmatured Default exists, stating the nature and status thereof.

(iv) As soon as possible and in any event within 10 days after the Borrower or any member of the Controlled Group knows that any Reportable Event has occurred with respect to any Plan, a statement, signed by the chief accounting or financial officer of the Borrower, describing said Reportable Event and the action which the Borrower or member of the Controlled Group proposes to take with respect thereto.

(v) As soon as possible and in any event within two days after receipt of notice by the Borrower or any member of the Controlled Group of the PBGC's intention to terminate any Plan or to have a trustee appointed to administer any Plan, a copy of such notice.

(vi) Promptly upon the furnishing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements so furnished.

(vii) Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports (other than any report on Form U-9C-3) which the Borrower files with the SEC.

(viii) As soon as possible, and in any event within three days after an Authorized Officer of the Borrower shall have knowledge thereof, notice of any change by Moody's or S&P in the senior unsecured debt rating of the Borrower.

(ix) Such other information (including non-financial information) as the Administrative Agent or any Lender may from time to time reasonably request.

The statements and reports required to be furnished by the Borrower pursuant to clauses (vi) and (vii) above shall be deemed furnished for such purpose upon becoming publicly available on the SEC's EDGAR web page.

6.2 Permits, Etc. The Borrower will, and will cause each Significant Subsidiary to, take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect; and preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

6.3 Use of Proceeds. The Borrower will use the proceeds of the Credit Extensions (i) to repay the Existing Credit Facilities and (ii) for the general corporate and working capital purposes of the Borrower and its Subsidiaries, including support for the Borrower's commercial paper. The Borrower will not use any of the proceeds of the Credit Extensions to purchase or carry any margin stock (as defined in Regulation U) or to extend credit for the purpose of purchasing or carrying margin stock. The Borrower will not permit margin stock to constitute 25% or more of the value of those assets of the Borrower and its Subsidiaries which are subject to any limitation on sale, pledge or other restriction hereunder.

6.4 Notice of Default. The Borrower will, and will cause each Subsidiary to, give prompt notice in writing to the Administrative Agent and the Lenders of the occurrence of any Default or Unmatured Default and of any other development, financial or otherwise, which could reasonably be expected to have a Material Adverse Effect.

6.5 Conduct of Business. The Borrower will, and will cause each Significant Subsidiary to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

6.6 Taxes. The Borrower will, and will cause each Significant Subsidiary to, timely file United States federal and applicable foreign, state and local tax returns required by law and pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with GAAP.

6.7 Insurance. The Borrower will, and will cause each Significant Subsidiary to, maintain with financially sound and reputable insurance companies that are not Affiliates of the Borrower or its Subsidiaries (other than any captive insurance company) insurance on all their Properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons, and the Borrower will furnish to any Lender upon request full information as to the insurance carried. Such insurance may be subject to co-insurance, deductibility or similar clauses which, in effect, result in self-insurance of certain losses; provided that such self-insurance is in accord with the customary industry practices for Persons in the same or similar businesses and adequat e insurance reserves are maintained in connection with such self-insurance to the extent required by GAAP.

6.8 Compliance with Laws. The Borrower will, and will cause each Significant Subsidiary to, comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including all Environmental Laws, the failure to comply with which could reasonably be expected to have a Material Adverse Effect.

6.9 Maintenance of Properties; Books of Record. The Borrower will, and will cause each Significant Subsidiary to, (i) do all things necessary to maintain, preserve, protect and keep its Property in good repair, working order and condition, and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times and (ii) keep proper books of record and account, in which full and correct entries shall be made of all material financial transactions and the assets and business of the Borrower and each Significant Subsidiary in accordance with GAAP; provided that nothing in this Section shall prevent the Borrower or any Significant Subsidiary from discontinuing the operation or maintenance of any of its Property or equipment if such discontinuance is, in the judgment of such Person, desirable in the condu ct of its business.

6.10 Inspection. The Borrower will, and if a Default or Unmatured Default exists, will cause each Subsidiary to, permit the Administrative Agent and the Lenders, by their respective representatives and agents, to inspect any of the Property, books and financial records of such Person, to examine and make copies of the books of accounts and other financial records of such Person, and to discuss the affairs, finances and accounts of such Person with, and to be advised as to the same by, such Person's officers at

such reasonable times and intervals as the Administrative Agent or any Lender may designate. After the occurrence and during the continuance of a Default, any such inspection shall be at the Borrower's expense; at all other times, the Borrower shall not be liable to pay the expenses of the Administrative Agent or any Lender in connection with such inspections.

6.11 Consolidations, Mergers and Sale of Assets. The Borrower will not, nor will it permit any Significant Subsidiary to, sell, lease, transfer, or otherwise dispose of all or substantially all of its assets (whether by a single transaction or a number of related transactions and whether at one time or over a period of time) or consolidate with or merge into any Person or permit any Person to merge into it, except

(i) A Wholly-Owned Subsidiary may be merged into the Borrower.

(ii) Any Significant Subsidiary may sell all or substantially all of its assets to, or consolidate or merge into, another Significant Subsidiary; provided that, immediately before and after such merger, consolidation or sale, no Default or Unmatured Default shall exist.

(iii) The Borrower may sell accounts receivable pursuant to one or more securitization transactions.

(iv) The Borrower may sell all or substantially all of its assets to, or consolidate with or merge into, any other corporation, or permit another corporation to merge into it; provided that (a) the surviving corporation, if such surviving corporation is not the Borrower, or the transferee corporation in the case of a sale of all or substantially all of the Borrower's assets (1) shall be a corporation organized and existing under the laws of the United States of America or a state thereof or the District of Columbia, (2) shall be a Wholly-Owned Subsidiary of Great Plains, (3) shall expressly assume in a writing satisfactory to the Administrative Agent the due and punctual payment of the Obligations and the due and punctual performance of and compliance with all of the terms of this Agreement and the other Loan Documents to be performed or complied with by the Borrower and (4) shall deliver all documents required to be delivered pursuant to Sections 4.1(i), (ii), (iii), (v) and (ix), (b) immediately before and after such merger, consolidation or sale, there shall not exist any Default or Unmatured Default and (c) the surviving corporation of such merger or consolidation, or the transferee corporation of the assets of the Borrower, as applicable, has, both immediately before and after such merger, consolidation or sale, a Moody's Rating of Baa3 or better or an S&P Rating of BBB - or better.

Notwithstanding the foregoing, the Borrower and its Consolidated Subsidiaries (excluding the Lease Trust) will not convey, transfer, lease or otherwise dispose of (whether in one transaction or a series of transactions, but excluding sales of inventory in the ordinary course of business and sales of assets permitted by clause (iii) above) in the aggregate within any 12-month period, more than 20% of the aggregate book value of the assets of the Borrower and its Consolidated Subsidiaries (excluding the Lease Trust) as calculated as of the end of the most recent fiscal quarter.

6.12 Liens. The Borrower will not, nor will it permit any Significant Subsidiary to, create, incur, or suffer to exist any Lien in, of or on the Property of the Borrower or any of its Significant Subsidiaries, except:

(i) Liens for taxes, assessments or governmental charges or levies on its Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

(ii) Liens imposed by law, such as carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations not more than 60 days past due or which are being contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on its books.

(iii) Liens arising out of pledges or deposits in the ordinary course of business under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation, other than any Lien imposed under ERISA.

(iv) Utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character and which are not substantial in amount and do not in any material way affect the marketability of the same or interfere with the use thereof in the business of the Borrower or its Significant Subsidiaries.

(v) The Lien of the General Mortgage Indenture and Deed of Trust Dated December 1, 1986 from the Borrower to UMB, N.A.

(vi) Liens on Property of the Borrower existing on the date hereof and any renewal or extension thereof; provided that the Property covered thereby is not increased and any renewal or extension of the obligations secured or benefited thereby is permitted by this Agreement.

(vii) Judgment Liens which secure payment of legal obligations that would not constitute a Default under Section 7.9.

(viii) Liens on Property acquired by the Borrower or a Significant Subsidiary after the date hereof, existing on such Property at the time of acquisition thereof (and not created in anticipation thereof); provided that in any such case no such Lien shall extend to or cover any other Property of the Borrower or such Significant Subsidiary, as the case may be.

(ix) Deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business by the Borrower or any Significant Subsidiary; and Liens in favor of the provider of any surety or performance bond or similar arrangement on the underlying contract (and other associated documents and sums due or to become due under the underlying contract) with respect to which such bond was issued or such arrangement was made.

(x) Purchase money security interests on any Property acquired or held by such Person in the ordinary course of business, securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such Property; provided that (a) such Lien attaches to such Property concurrently with or within 90 days after the acquisition thereof, (b) such Lien attaches solely to the Property so acquired in such transaction and (c) the principal amount of the Indebtedness secured thereby does not exceed the cost or fair market value determined at the date of incurrence, whichever is lower, of the Property being acquired on the date of acquisition.

(xi) Liens on or over gas, oil, coal, fissionable material, or other fuel or fuel products as security for any obligations incurred by such Person for the sole purpose of financing the acquisition or storage of such fuel or fuel products or, with respect to nuclear fuel, the processing, reprocessing, sorting, storage and disposal thereof.

(xii) Liens on (including Liens arising out of the sale of) accounts receivable and/or contracts which will give rise to accounts receivable of the Borrower; and other Liens on (including Liens arising out of the sale of) accounts receivable and/or contracts which will give rise to accounts receivable of the Borrower or any Subsidiary in an aggregate amount not at any time exceeding $10,000,000.

(xiii) Liens on Property or assets of a Significant Subsidiary securing obligations owing to the Borrower or any Significant Subsidiary.

(xiv) Liens which would otherwise not be permitted by clauses (i) through (xiii) securing additional Indebtedness of the Borrower or a Significant Subsidiary; provided that after giving effect thereto the aggregate unpaid principal amount of Indebtedness (including Capitalized Lease Obligations) of the Borrower and its Significant Subsidiaries (including prepayment premiums and penalties) secured by Liens permitted by this clause (xiv) shall not exceed the greater of (a) $35,000,000 and (b) 10% of Consolidated Tangible Net Worth.

6.13 Affiliates. Except to the extent required by applicable law with respect to transactions among the Borrower and its Subsidiaries, the Borrower will not, and will not permit any Subsidiary to, enter into any transaction (including the purchase or sale of any Property or service) with, or make any payment or transfer to, any Affiliate except in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than the Borrower or such Subsidiary would obtain in a comparable arms-length transaction.

6.14 ERISA. The Borrower will not, nor will it permit any Significant Subsidiary to, (i) voluntarily terminate any Plan, so as to result in any material liability of the Borrower or any Significant Subsidiary to the PBGC or (ii) enter into any Prohibited Transaction (as defined in Section 4975 of the Code and in Section 406 of ERISA) involving any Plan which results in any material liability of the Borrower or any Significant Subsidiary or (iii) cause any occurrence of any Reportable Event which results in any material liability of the Borrower or any Significant Subsidiary to the PBGC or (iv) allow or suffer to exist any other event or condition known to the Borrower which results in any material liability of the Borrower or any Significant Subsidiary to the PBGC.

6.15 Total Indebtedness to Total Capitalization. The Borrower shall at all times cause the ratio of (i) Total Indebtedness to (ii) Total Capitalization to be less than or equal to 0.65 to 1.0.

6.16 Restrictions on Subsidiary Dividends. The Borrower will not, nor will it permit any Significant Subsidiary to, be a party to any agreement prohibiting or restricting the ability of such Significant Subsidiary to declare or pay dividends to the Borrower.

ARTICLE VII

DEFAULTS

The occurrence of any one or more of the following events shall constitute a Default:

7.1 Any representation or warranty made or deemed made by or on behalf of the Borrower to the Lenders or the Administrative Agent under or in connection with this Agreement, any Loan, or any certificate or information delivered in connection with this Agreement or any other Loan Document shall be materially false on the date as of which made.

7.2 Nonpayment of principal of any Loan when due, nonpayment of any Reimbursement Obligations within one Business Day after the same becomes due, or nonpayment of interest upon any Loan or of any fee or other obligation under any of the Loan Documents within three Business Days after the same becomes due.

7.3 The breach by the Borrower of any of the terms or provisions of Section 6.3, 6.10 (with respect to the Borrower and its Significant Subsidiaries only), 6.11, 6.12, 6.13, 6.15 or 6.16.

7.4 The breach by the Borrower (other than a breach which constitutes a Default under another Section of this Article VII) of any of the terms or provisions of this Agreement which is not remedied within 30 days after the earlier of (a) the Borrower becoming aware of such breach and (b) receipt by the Borrower of written notice from the Administrative Agent or any Lender; provided that if such breach is capable of cure but (i) cannot be cured by payment of money and (ii) cannot be cured by diligent efforts within such 30-day period, but such diligent efforts shall be properly commenced within such 30-day period and the Borrower is diligently pursuing, and shall continue to pursue diligently, remedy of such failure, the cure period shall be extended for an additional 90 days, but in no event beyond the Facility Termination Date.

7.5 Failure of the Borrower or any of its Significant Subsidiaries to pay when due any Indebtedness aggregating in excess of $25,000,000 ("Material Indebtedness"); or the default by the Borrower or any of its Significant Subsidiaries in the performance of any term, provision or condition contained in any agreement under which any such Material Indebtedness was created or is governed, or any other event shall occur or condition exist, the effect of which default or event is to cause, or to permit the holder or holders of such Material Indebtedness to cause, such Material Indebtedness to become due prior to its stated maturity; or any Material Indebtedness of the Borrower or any of its Significant Subsidiaries shall be declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof; or the Borrower or any of its Significant S ubsidiaries shall not pay, or admit in writing its inability to pay, its debts generally as they become due.

7.6 The Borrower or any of its Significant Subsidiaries shall (i) have an order for relief entered with respect to it under the Federal bankruptcy laws as now or hereafter in effect, (ii) make an assignment for the benefit of creditors, (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any Substantial Portion of its Property, (iv) institute any proceeding seeking an order for relief under the Federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) take any corporate, partnership or limited liability company action to authorize or effect any of the foregoing actions set forth in this Section 7.6 or (vi) fail to contest in good faith any appointment or proceeding described in Section 7.7.

7.7 Without the application, approval or consent of the Borrower or any of its Subsidiaries, a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or any of its Subsidiaries or any Substantial Portion of its Property, or a proceeding described in Section 7.6(iv) shall be instituted against the Borrower or any of its Subsidiaries and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 30 consecutive days.

7.8 Any court, government or governmental agency shall condemn, seize or otherwise appropriate, or take custody or control of, all or any portion of the Property of the Borrower and its Subsidiaries which, when taken together with all other Property of the Borrower and its Subsidiaries so condemned, seized, appropriated, or taken custody or control of, during the twelve-month period ending with the month in which any such action occurs, constitutes a Substantial Portion.

7.9 The Borrower or any of its Significant Subsidiaries shall fail within 30 days to pay, bond or otherwise discharge (i) any judgment or order for the payment of money in excess of $25,000,000 (either singly or in the aggregate with other such judgments) or (ii) any non-monetary final judgment that has, or could reasonably be expected to have, a Material Adverse Effect, in either case which is not stayed on appeal or otherwise being appropriately contested in good faith.

7.10 A Change of Control shall occur.

7.11 A Reportable Event shall have occurred with respect to a Plan which could reasonably be expected to have a Material Adverse Effect and, 30 days after notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender, such Reportable Event shall still exist.

7.12 Any authorization or approval or other action by any governmental authority or regulatory body required for the execution, delivery or performance of this Agreement or any other Loan Document by the Borrower shall fail to have been obtained or be terminated, revoked or rescinded or shall otherwise no longer be in full force and effect, and such occurrence shall

(i) adversely affect the enforceability of the Loan Documents against the Borrower and (ii) to the extent that such occurrence can be cured, shall continue for five days.

7.13 Great Plains shall fail to own, directly or indirectly, all of the outstanding stock of the Borrower which, in the absence of any contingency, has the right to vote in an election of directors of the Borrower.

ARTICLE VIII

ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

8.1 Acceleration; Letter of Credit Account.

(a) If any Default described in Section 7.6 or 7.7 occurs with respect to the Borrower, the obligations of the Lenders to make Loans hereunder and the obligation and power of the Issuers to issue Letters of Credit shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Administrative Agent, any Lender or any Issuer and the Borrower will be and become thereby unconditionally obligated, without any further notice, act or demand, to pay to the Administrative Agent an amount in immediately available funds, which funds shall be held in the LC Collateral Account, equal to the excess of (i) the amount of Letter of Credit Obligations at such time over (ii) the amount on deposit in the LC Collateral Account at such time which is free and clear of all rights and claims of third parties and has not been applied against the Obligations (suc h difference, the "Collateral Shortfall Amount"). If any other Default occurs, the Administrative Agent may with the consent, or shall at the request, of the Required Lenders, (x) terminate or suspend the obligations of the Lenders to make Loans hereunder and the obligation and power of the Issuers to issue Letters of Credit, or declare the Obligations to be due and payable, or both, whereupon the Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives, and (y) upon notice to the Borrower and in addition to the continuing right to demand payment of all amounts payable under this Agreement, make demand on the Borrower to pay, and the Borrower will, forthwith upon such demand and without any further notice or act, pay to the Administrative Agent in immediately available funds the Collateral Shortfall Amount, which funds shall be deposited in the LC Collateral Account.

If (a) within 30 days after acceleration of the maturity of the Obligations or termination of the obligations of the Lenders to make Loans hereunder as a result of any Default (other than any Default as described in Section 7.6 or 7.7 with respect to the Borrower) and (b) before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Administrative Agent shall, by notice to the Borrower, rescind and annul such acceleration and/or termination.

8.2 Amendments. Subject to the provisions of this Article VIII, the Required Lenders (or the Administrative Agent with the consent in writing of the Required Lenders) and the Borrower may enter into agreements supplemental hereto for the purpose of adding or modifying any provisions to the Loan Documents or changing in any manner the rights of the Lenders or the Borrower hereunder or waiving any Default hereunder; provided that no such supplemental agreement shall, without the consent of all of the Lenders:

(i) Extend the final maturity of any Loan or the expiry date of any Letter of Credit to a date after the Facility Termination Date or forgive all or any portion of the principal amount thereof, or reduce the rate or extend the time of payment of interest or fees thereon.

(ii) Reduce the percentage specified in the definition of Required Lenders.

(iii) Extend the Facility Termination Date, or reduce the amount or extend the payment date for, the mandatory payments required under Section 2.2, or increase the amount of the Commitment of any Lender hereunder, or permit the Borrower to assign its rights under this Agreement.

(iv) Amend this Section 8.2.

(v) Release any funds from the LC Collateral Account, except to the extent such release is expressly permitted hereunder.

No amendment of any provision of this Agreement relating to the Administrative Agent shall be effective without the written consent of the Administrative Agent, and no amendment of any provision of this Agreement relating to any Issuer shall be effective without the written consent of such Issuer. The Administrative Agent may waive payment of the fee required under Section 12.3.2 without obtaining the consent of any other party to this Agreement.

8.3 Preservation of Rights. No delay or omission of the Lenders, the Issuers or the Administrative Agent to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Credit Extension notwithstanding the existence of a Default or the inability of the Borrower to satisfy the conditions precedent to such Credit Extension shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Lenders required pursuant to Section 8.2, and then only to the extent in such writing specifically set forth. All remedies contained

in th e Loan Documents or by law afforded shall be cumulative and all shall be available to the Administrative Agent, the Lenders and the Issuers until the Obligations have been paid in full.

ARTICLE IX

GENERAL PROVISIONS

9.1 Survival of Representations. All representations and warranties of the Borrower contained in this Agreement shall survive the making of the Credit Extensions herein contemplated.

9.2 Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

9.3 Headings. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

9.4 Entire Agreement. The Loan Documents embody the entire agreement and understanding among the Borrower, the Administrative Agent, the Lenders and the Issuers and supersede all prior agreements and understandings among the Borrower, the Administrative Agent, the Lenders and the Issuers relating to the subject matter thereof other than the fee letter described in Section 10.13.

9.5 Several Obligations; Benefits of this Agreement. The respective obligations of the Lenders hereunder are several and not joint and no Lender shall be the partner or agent of any other (except to the extent to which the Administrative Agent is authorized to act as such). The failure of any Lender to perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns; provided that the parties hereto expressly agree that each Arranger shall enjoy the benefits of the provisions of Sections 9.6, 9.10 and 10.11 to the extent specifically set forth therein and shall have the right to enforce such provisions on its own behalf and in its own name to the same exten t as if it were a party to this Agreement.

9.6 Expenses; Indemnification.

(i) The Borrower shall reimburse the Agents and the Arrangers for any reasonable costs and expenses (including fees and charges of outside counsel for the Agents) paid or incurred by the Agents or the Arrangers in connection with the preparation, negotiation, execution, delivery, syndication, distribution (including via the internet), review, amendment, modification, and administration of the Loan Documents. The Borrower also agrees to reimburse each Agent, each Arranger, each Lender and each Issuer for any reasonable costs, internal charges and expenses (including fees and charges of attorneys for such Agent, such Arranger, such Lender and such Issuer, which attorneys may be employees of such Agent, such Arranger, such Lender or such Issuer) paid or incurred by either Agent, either Arranger, any Lender or any Issuer in connection with the collection and enforcement, attempted enforcement, and preservation of rights and remedies under, any of the Loan Documents (including all such costs and expenses incurred during any "workout" or restructuring in respect of the Obligations and during any legal proceeding).

(ii) The Borrower hereby further agrees to indemnify each Agent, each Arranger, each Lender, each Issuer, their respective affiliates and the directors, officers and employees of the foregoing against all losses, claims, damages, penalties, judgments, liabilities and expenses (including all expenses of litigation or preparation therefor whether or not either Agent, either Arranger, any Lender or any Issuer or any affiliate is a party thereto) which any of them may pay or incur arising out of or relating to this Agreement, the other Loan Documents, the transactions contemplated hereby or the direct or indirect application or proposed application of the proceeds of any Credit Extension hereunder except to the extent that they are determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the party seeking indemnification. In the case of any investigation, litigation or proceeding to which the i ndemnity in this Section applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by a third party, by the Borrower or by any affiliate of the Borrower. The obligations of the Borrower under this Section 9.6 shall survive the payment of the Obligations and termination of this Agreement.

9.7 Numbers of Documents. All statements, notices, closing documents, and requests hereunder shall be furnished to the Administrative Agent with sufficient counterparts so that the Administrative Agent may furnish one to each of the Lenders.

9.8 Accounting. Except as provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP.

9.9 Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

9.10 Nonliability of Lenders. The relationship between the Borrower on the one hand and the Lenders, the Issuers and the Agents on the other hand shall be solely that of borrower and lender. None of either Agent, either Arranger, any Lender or any Issuer shall have any fiduciary responsibilities to the Borrower. None of either Agent, either Arranger, any Lender or any Issuer undertakes any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations. The Borrower agrees that none of either Agent, either Arranger, any Lender or any Issuer shall have liability to the Borrower (whether sounding in tort, contract or otherwise) for losses suffered by the Borrower in connection with, arising out of, or in any way related to, the transactions contemplated and the relationship established by the Loan Documents, or any act, omiss ion or event occurring in connection therewith, unless it is determined in a final non-appealable judgment by a court of competent jurisdiction that such losses resulted from the gross negligence or willful misconduct of the party from which recovery is sought. None of either Agent, either Arranger, any Lender or any Issuer shall have any liability with respect to, and the Borrower hereby waives, releases and agrees not to sue for, any special, indirect or consequential damages suffered by the Borrower in connection with, arising out of, or in any way related to the Loan Documents or the transactions contemplated thereby.

9.11 Limited Disclosure.

(a) Neither the Administrative Agent nor any Lender may disclose to any Person any Specified Information (as defined below) except (i) to its, and its Affiliates', officers, employees, agents, accountants, legal counsel, advisors and other representatives who have a need to know such Specified Information or (ii) with the Borrower's prior consent. "Specified Information" means information that the Borrower furnishes to the Administrative Agent or any Lender that is designated in writing as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available to the Administrative Agent or such Lender from a source other than the Borrower.

(b) The provisions of clause (a) above shall not apply to Specified Information (i) that is a matter of general public knowledge or has heretofore been or is hereafter published in any source generally available to the public, (ii) that is required to be disclosed by law, regulation or judicial order, (iii) that is requested by any regulatory body with jurisdiction over the Administrative Agent or any Lender, or (iv) that is disclosed (A) to legal counsel, accountants and other professional advisors to such Lender, (B) in connection with the exercise of any right or remedy hereunder or under any Note or any suit or other litigation or proceeding relating to this Agreement or any Note, (C) to a rating agency if required by such agency in connection with a rating relating to Credit Extensions hereunder or (D) to assignees or participants or potential assignees or participants who agree to be bound by the provisions of this Section 9.11.

9.12 USA PATRIOT ACT NOTIFICATION. The following notification is provided to the Borrower pursuant to Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318: IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person or entity that opens an account, including any deposit account, treasury management account, loan, other extension of credit or other financial services product. What this means for the Borrower: When the Borrower opens an account, the Lenders will ask for the Borrower's name, tax identification number, business address and other information that will allow the Administrative Agent and the Lenders to identify the Borrower. The Administrative Agent and the Lenders may also as k to see the Borrower's legal organizational documents or other identifying documents.

9.13 Nonreliance. Each Lender hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U of the FRB) for the repayment of the Loans provided for herein.

ARTICLE X

THE ADMINISTRATIVE AGENT

10.1 Appointment; Nature of Relationship. (a) JPMorgan is hereby appointed by each of the Lenders as its contractual representative (herein referred to as the "Administrative Agent") hereunder and under each other Loan Document, and each of the Lenders irrevocably authorizes the Administrative Agent to act as the contractual representative of such Lender with the rights and duties expressly set forth herein and in the other Loan Documents. The Administrative Agent agrees to act as such contractual representative upon the express conditions contained in this Article X. Notwithstanding the use of the defined term "Administrative Agent," it is expressly understood and agreed that the Administrative Agent shall not have any fiduciary responsibilities to any Lender by reason of this Agreement or any other Loan Document and that the Administrative Agent is merely acting as the contractual rep resentative of the Lenders with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In its capacity as the Lenders' contractual representative, the Administrative Agent (i) does not hereby assume any

fiduciary duties to any of the Lenders and (ii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Lenders hereby agrees to assert no claim against the Administrative Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Lender hereby waives.

(b) Each Issuer shall act on behalf of the Lenders with respect to any Letter of Credit issued by it and the documents associated therewith. Each Issuer shall have all of the benefits and immunities provided to the Administrative Agent in this Article X with respect to any acts taken or omissions suffered by such Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and the applications and agreements for letters of credit pertaining to such Letters of Credit as fully as if the term "Administrative Agent", as used in this Article X, included such Issuer with respect to such acts or omissions and as additionally provided in this Agreement with respect to such Issuer.

10.2 Powers. The Administrative Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Administrative Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall have no implied duties to the Lenders, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Administrative Agent.

10.3 General Immunity. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except to the extent such action or inaction is determined in a final non-appealable judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of such Person.

10.4 No Responsibility for Loans, Recitals, etc. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (i) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document, including any agreement by an obligor to furnish information directly to each Lender; (iii) the satisfaction of any condition specified in Article IV, except receipt of items required to be delivered solely to the Administrative Agent; (iv) the existence or possible existence of any Default or Unmatured Default; (v) the validity, enforceability, effectiveness, sufficiency or genuineness of any Loan Document or any other instrument or wr iting furnished in connection therewith; (vi) the value, sufficiency, creation, perfection or priority of any Lien in any collateral security; or (vii) the financial condition of the Borrower or any guarantor of any of the Obligations or of any of the Borrower's or any such guarantor's respective Subsidiaries. The Administrative Agent shall have no duty to disclose to the Lenders information that is not required to be furnished by the Borrower to the Administrative Agent at such time, but is voluntarily furnished by the Borrower to the Administrative Agent (either in its capacity as Administrative Agent or in its individual capacity).

10.5 Action on Instructions of Lenders. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Required Lenders or all Lenders, as appropriate, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders. The Lenders hereby acknowledge that the Administrative Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement or any other Loan Document unless it shall be requested in writing to do so by the Required Lenders. The Administrative Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction by the Lenders pro rata ag ainst any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

10.6 Employment of Agents and Counsel. The Administrative Agent may execute any of its duties as Administrative Agent hereunder and under any other Loan Document by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Administrative Agent and the Lenders and all matters pertaining to the Administrative Agent's duties hereunder and under any other Loan Document.

10.7 Reliance on Documents; Counsel. The Administrative Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by the Administrative Agent, which counsel may be employees of the Administrative Agent.

10.8 Administrative Agent's Reimbursement and Indemnification. The Lenders agree to reimburse and indemnify the Administrative Agent, ratably in proportion to their respective Pro Rata Shares, (i) for any amounts not reimbursed by the Borrower for which the Administrative Agent is entitled to reimbursement by the Borrower under the Loan Documents, (ii) for any other expenses incurred by the Administrative Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents (including for any expenses incurred by the Administrative Agent in connection with any dispute between the Administrative Agent and any Lender or between two or more of the Lenders) and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever whic h may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or

arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby (including for any such amounts incurred by or asserted against the Administrative Agent in connection with any dispute between the Administrative Agent and any Lender or between two or more of the Lenders), or the enforcement of any of the terms of the Loan Documents or of any such other documents; provided that no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Administrative Agent. The obligations of the Lenders under this Section 10.8 shall survive payment of the Obligations and termination of this Agreement.

10.9 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Unmatured Default hereunder (other than any Default resulting from the failure of the Borrower to make any payment of principal, interest or fees payable to the Administrative Agent pursuant to the terms of this Agreement) unless the Administrative Agent has received written notice from a Lender or the Borrower referring to this Agreement describing such Default or Unmatured Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give prompt notice thereof to the Lenders.

10.10 Rights as a Lender. In the event the Administrative Agent is a Lender, the Administrative Agent shall have the same rights and powers hereunder and under any other Loan Document with respect to its Commitment and its Loans as any Lender and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" shall, at any time when the Administrative Agent is a Lender, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. The Administrative Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Borrower or any of its Subsidiaries in which the Borrower or such Subsidiary is not restricted hereby from engaging with any other Person.

10.11 Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, either Arranger, any Issuer or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, either Arranger, any Issuer any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

10.12 Successor Administrative Agent. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower, such resignation to be effective upon the appointment of a successor Administrative Agent or, if no successor Administrative Agent has been appointed, 45 days after the retiring Administrative Agent gives notice of its intention to resign. The Administrative Agent may be removed at any time with or without cause by written notice received by the Administrative Agent from the Required Lenders, such removal to be effective on the date specified by the Required Lenders; provided that the Administrative Agent may not be removed unless the Administrative Agent (in its individual capacity) and any affiliate thereof acting as Issuer is relieved of all of its duties as Issuer pursuant to documentation reasonably satisfactory to such Person on or prior to the date of such removal. Upon any such resignation or removal, the Required Lenders shall have the right to appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders within 30 days after the resigning Administrative Agent's giving notice of its intention to resign, then the resigning Administrative Agent may appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. Notwithstanding the previous sentence, the Administrative Agent may at any time without the consent of the Borrower or any Lender, appoint any of its Affiliates which is a commercial bank as a successor Administrative Agent hereunder. If the Administrative Agent has resigned or been removed and no successor Administrative Agent has been appointed within the applicable time period, the Lenders may perform all the duties of the Administrative Agent hereunder and the Borrower shall make all payments in respec t of the Obligations to the applicable Lender and for all other purposes shall deal directly with the Lenders. No successor Administrative Agent shall be deemed to be appointed hereunder until such successor Administrative Agent has accepted the appointment. Any such successor Administrative Agent shall be a commercial bank having capital and retained earnings of at least $100,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Administrative Agent. Upon the effectiveness of the resignation or removal of the Administrative Agent, the resigning or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the Loan Documents. After the effectiveness of the resignation or removal of an Administrative Agent, the provisions of this Article X shall continue in effect for the benefit of such Administrative Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder and under the other Loan Documents. In the event that there is a successor to the Administrative Agent by merger, or the Administrative Agent assigns its duties and obligations to an Affiliate pursuant to this Section 10.12, then the term "Prime Rate" as used in this Agreement shall mean the prime rate, base rate or other analogous rate of the new Administrative Agent.

10.13 Administrative Agent's and Arrangers' Fees. The Borrower agrees to pay to the Administrative Agent and the Arrangers, for their own account, the fees agreed to by the Borrower, the Administrative Agent and the Arrangers pursuant to the letter agreement dated November 12, 2004 or as otherwise agreed from time to time.

10.14 Delegation to Affiliates. The Borrower and the Lenders agree that the Administrative Agent may delegate any of its duties under this Agreement to any of its Affiliates. Any such Affiliate (and such Affiliate's directors, officers, agents and employees) which performs duties in connection with this Agreement shall be entitled to the same benefits of the indemnification, waiver and other protective provisions to which the Administrative Agent is entitled under Articles IX and X.

ARTICLE XI

SETOFF; RATABLE PAYMENTS

11.1 Setoff. In addition to, and without limitation of, any rights of the Lenders under applicable law, if the Borrower becomes insolvent, however evidenced, or any Default occurs, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available) and any other Indebtedness at any time held or owing by any Lender or any Affiliate of any Lender to or for the credit or account of the Borrower may be offset and applied toward the payment of the Obligations owing to such Lender, whether or not the Obligations, or any part hereof, shall then be due.

11.2 Ratable Payments. If any Lender, whether by setoff or otherwise, has payment made to it upon its Outstanding Credit Exposure (other than payments received pursuant to Section 3.1, 3.2, 3.4 or 3.5 and payments made to any Issuer in respect of Reimbursement Obligations so long as the Lenders have not funded their participations therein) in a greater proportion than that received by any other Lender, such Lender agrees, promptly upon demand, to purchase a portion of the Aggregate Outstanding Credit Exposure held by the other Lenders so that after such purchase each Lender will hold its Pro Rata Share of the Aggregate Outstanding Credit Exposure. If any Lender, whether in connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Obligations or such amounts which may be subject to setoff, such Lender agrees, promptly upon demand, to take such action necessary such that all Lenders share in the benefits of such collateral ratably in accordance with their respective Pro Rata Shares. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

ARTICLE XII

BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

12.1 Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower and the Lenders and their respective successors and assigns, except that (i) the Borrower shall not have the right to assign its rights or obligations under the Loan Documents and (ii) any assignment by any Lender must be made in compliance with Section 12.3. Notwithstanding clause (ii) of this Section, any Lender may at any time, without the consent of the Borrower or the Administrative Agent, assign all or any portion of its rights under this Agreement and any Note to a Federal Reserve Bank; provided that no such assignment to a Federal Reserve Bank shall release the transferor Lender from its obligations hereunder. The Administrative Agent may treat the Person which made any Loan or which holds any Note as the owner there of for all purposes hereof unless and until such Person complies with Section 12.3 in the case of an assignment thereof or, in the case of any other transfer, a written notice of the transfer is filed with the Administrative Agent. Any assignee or transferee of the rights to any Loan or any Note agrees by acceptance of such transfer or assignment to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any Loan (whether or not a Note has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder, transferee or assignee of the rights to such Loan.

12.2 Participations.

12.2.1 Permitted Participants; Effect. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other Persons ("Participants") participating interests in any Outstanding Credit Exposure owing to such Lender, any Note held by such Lender, any Commitment of such Lender or any other interest, right and/or obligation of such Lender under the Loan Documents. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the owner of its Outstanding Credit Exposure and the holder of any Note issued to it in evidence thereof for all purposes under the Loan Documents, all amounts payable by the Borrower u nder this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents.

12.2.2 Voting Rights. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents other than any amendment, modification or

waiver with respect to any Credit Extension or Commitment in which such Participant has an interest which forgives principal, Reimbursement Obligations, interest or fees, reduces the interest rate or fees payable with respect to any such Credit Extension or Commitment, extends the Facility Termination Date, postpones any date fixed for any regularly-scheduled payment of principal of, or interest or fees on, any such Credit Extension or Commitment or releases any funds from the LC Collateral Account, except to the extent such release is expressly permitted hereunder.

12.2.3 Benefit of Setoff. The Borrower agrees that each Participant shall be deemed to have the right of setoff provided in Section 11.1 in respect of its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Loan Documents; provided that each Lender shall retain the right of setoff provided in Section 11.1 with respect to the amount of participating interests sold to each Participant. The Lenders agree to share with each Participant, and each Participant, by exercising the right of setoff provided in Section 11.1, agrees to share with each Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with Section 11.2 as if each Participant were a Lender.

12.3 Assignments.

12.3.1 Permitted Assignments. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time assign to one or more banks or other entities ("Purchasers") all or any part of its rights and obligations under the Loan Documents. The consent of the Borrower, each Issuer and the Administrative Agent shall be required prior to an assignment becoming effective with respect to a Purchaser which is not a Lender, an Affiliate thereof or an Approved Fund; provided that if a Default or an Unmatured Default has occurred and is continuing, the consent of the Borrower shall not be required. Such consent shall not be unreasonably withheld or delayed. Each such assignment shall (unless each of the Borrower and the Administrative Agent otherwise consents or such assignment is to a Lender or an Affiliate of a Lender) be in an amount not less than the lesser of (i) $5,000 ,000 or (ii) the remaining amount of the assigning Lender's Commitment (calculated as at the date of such assignment) or outstanding Loans (if such Lender's Commitment has been terminated).

12.3.2 Effect of Assignment; Effective Date. Upon (i) delivery to the Administrative Agent of an executed Assignment Agreement and (ii) payment of a $4,000 fee to the Administrative Agent for processing such assignment, (A) such assignment shall become effective on the effective date specified in such Assignment Agreement and (B) the transferor Lender shall, to the extent provided in such Assignment Agreement, be released from its obligations under this Agreement (and in the case of an Assignment Agreement covering all of the transferor Lender's rights and obligations under this Agreement, such transferor Lender shall cease to be a party hereto). The applicable Assignment Agreement shall contain a representation by the Purchaser to the effect that none of the consideration used to make the purchase of the Commitment and the Outstanding Credit Exposure under such Assignment Agreement are "plan assets" as defined under ERISA and that the rights and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by or on behalf of the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party hereto, and no further consent or action by the Borrower, the Lenders or the Administrative Agent shall be required to release the transferor Lender with respect to the percentage of the Aggregate Commitment and the Aggregate Outstanding Credit Exposure assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this Section 12.3.2, the transferor Lender, the Administrative Agent and the Borrower shall, if the transferor Lender or the Purchaser desires that its Loans be evidenced by Note s, make appropriate arrangements so that new Notes or, as appropriate, replacement Notes are issued to such transferor Lender and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective Commitments, as adjusted pursuant to such assignment.

12.3.3 Resignation as Issuer. Notwithstanding anything to the contrary contained herein, if at any time any Lender assigns all of its Commitment and Loans pursuant to this Section 12.3, such Lender may, upon 30 days' notice to the Borrower and the Lenders, resign as an Issuer. If any Lender so assigns all of its Commitment and Loans, it shall (i) retain all the rights and obligations of an Issuer hereunder with respect to all Letters of Credit issued by it that are outstanding as of the effective date of such assignment (including the right to require the Lenders to fund risk participations in respect of such Letters of Credit) and (ii) have no right or obligation to issue Letters of Credit on or after the effective date of such assignment.

12.4 Dissemination of Information. The Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "Transferee") and any prospective Transferee any and all information in such Lender's possession concerning the creditworthiness of the Borrower and its Subsidiaries; provided that each Transferee and prospective Transferee agrees to be bound by Section 9.11.

12.5 Tax Treatment. If any interest in any Loan Document is transferred to any Transferee which is organized under the laws of any jurisdiction other than the United States or any State thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to comply with the provisions of Section 3.5(iv).

ARTICLE XIII

NOTICES

13.1 Notices. Except as otherwise permitted by Section 2.14 with respect to borrowing notices, all notices, requests and other communications to any party hereunder shall be in writing (including electronic transmission, facsimile transmission or similar writing) and shall be given to such party: (i) in the case of the Borrower or the Administrative Agent, at its address or facsimile number set forth on the signature pages hereof, (ii) in the case of any Lender, at its address or facsimile number set forth below its signature hereto or (iii) in the case of any party, at such other address or facsimile number as such party may hereafter specify for the purpose by notice to the Administrative Agent and the Borrower in accordance with the provisions of this Section 13.1. Each such notice, request or other communication shall be effective (a) if given by facsimile tran smission, when transmitted to the facsimile number specified in this Section and confirmation of receipt is received, (b) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid, or (c) if given by any other means, when delivered (or, in the case of electronic transmission, received) at the address specified in this Section; provided that notices to the Administrative Agent under Article II shall not be effective until received.

13.2 Change of Address. The Borrower, the Administrative Agent and any Lender may each change the address for service of notice upon it by a notice in writing to the other parties hereto.

ARTICLE XIV

COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement shall be effective when it has been executed by the Borrower, the Administrative Agent and the Lenders and each party has notified the Administrative Agent by facsimile transmission or telephone that it has taken such action.

ARTICLE XV

OTHER AGENTS

No Lender identified on the cover page, the signature pages or otherwise in this Agreement, or in any document related hereto, as being the "Syndication Agent" or a "Co-Documentation Agent" shall have any right, power, obligation, liability, responsibility or duty under this Agreement in such capacity other than those applicable to all Lenders. Each Lender acknowledges that it has not relied, and will not rely, on the Syndication Agent or any Co-Documentation Agent in deciding to enter into this Agreement or in taking or refraining from taking any action hereunder or pursuant hereto.

ARTICLE XVI

CHOICE OF LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

16.1 CHOICE OF LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF NEW YORK, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

16.2 CONSENT TO JURISDICTION. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN NEW YORK CITY, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY ISSUER TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY THE BORROWER AGAINST THE ADMINISTRATIVE AGENT OR ANY LENDER OR ANY AFFILIATE OF THE ADMINISTRATIVE AGENT OR ANY LENDER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT SHALL BE BROUGHT ONLY IN A COURT IN NEW YORK CITY, NEW YORK.

16.3 WAIVER OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT, EACH LENDER AND EACH ISSUER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.

IN WITNESS WHEREOF, the Borrower, the Lenders, the Issuers and the Administrative Agent have executed this Agreement as of the date first above written.

KANSAS CITY POWER & LIGHT COMPANY

By: /s/Andrea F. Bielsker
Title: Sr. V.P. - Finance & CFO

Address:
1201 Walnut
Kansas City, Missouri 64106-2124
Attention: Andrea F. Bielsker, Senior Vice President - Finance, Chief Financial Officer and Treasurer
Telephone: 816-556-2595
Fax: 816-556-2992
Email: Andrea.Bielsker@kcpl.com

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent, as an Issuer and as a Lender

/s/Jane Bek Keil
By: JANE BEK KEIL
Title: DIRECTOR

Address:
1 Bank One Plaza
Chicago, Illinois 60670
Attention: Jane Bek Keil
Telephone: 312-325-3026
Fax: 312-325-3020
Email: Jane_Bek@bankone.com

Operations Contact:

Debbie Turner
Telephone: 312-385-7081
Fax: 312-385-7097
E-mail: deborah_turner@bankone.com

BANK OF AMERICA, N.A., as Syndication Agent, as an Issuer and as a Lender

By: /s/Michelle A. Schoenfeld
Title: Senior Vice President

THE BANK OF TOKYO-MITSUBISHI, LTD., as Co-Documentation Agent and as a Lender

By: /s/Shinichiro Mlinechiga
Title: SHINICHIRO MLINECHIGA
DEPUTY GENERAL MANAGER

WACHOVIA BANK, NATIONAL ASSOCIATION, as Co-Documentation Agent and as a Lender

By: /s/Rocher Watkins
Title: MANAGING DIRECTOR

BNP PARIBAS, as Co-Documentation Agent and as a Lender

By: /s/Mark A. Renaud
Title: MARK A. RENAUD
Managing Director

By: /s/Timothy F. Vincent
Title: TIMOTHY F. VINCENT
Director

THE BANK OF NEW YORK

/s/Daniel Csillay
By: Daniel Csillay
Title: Vice President

KEYBANK NATIONAL ASSOCIATION

By: /s/Keven D. Smith
Title: Vice President

THE BANK OF NOVA SCOTIA

By: /s/Thang A. Rattew
Title: Thang A. Rattew
Managing Director

U.S. BANK NATIONAL ASSOCIATION

By: /s/Martin Nay
Title: Martin Nay, Vice President

MERRILL LYNCH BANK USA

By: /s/Louis Alder
Title: LOUIS ALDER, DIRECTOR

MORGAN STANLEY BANK

By: /s/Daniel Twenge
Title: Daniel Twenge
Vice President
Morgan Stanley Bank

MIZUHO CORPORATE BANK, LTD.

/s/Mark Granich
By: Mark Granich
Title: Senior Vice President

UMB BANK, N.A.

By: /s/Robert P. Elbert
Title: Robert P. Elbert, Sr. Vice President

PNC BANK, NATIONAL ASSOCIATION

By: /s/Norm Harkleroad
Title: Vice President

BANK MIDWEST, N.A.

By: /s/Paul Holewinski
Title: EVP

UFJ BANK LIMITED

By: /s/John Feeney
Title: Vice President

SCHEDULE I
COMMITMENTS

Lender	**Commitment**
JPMorgan Chase Bank, N.A.	$23,750,000
Bank of America, N.A.	$23,750,000
The Bank of Tokyo-Mitsubishi, Ltd.	$23,437,500
Wachovia Bank, National Association	$23,437,500
BNP Paribas	$23,437,500
The Bank of New York	$16,562,500
KeyBank National Association	$16,562,500
The Bank of Nova Scotia	$16,562,500
U.S. Bank National Association	$14,687,500
Merrill Lynch Bank USA	$11,875,000
Morgan Stanley Bank	$11,875,000
Mizuho Corporate Bank, Ltd.	$11,875,000
UMB Bank, N.A.	$11,875,000
PNC Bank, National Association	$7,812,500
Bank Midwest, N.A.	$6,250,000
UFJ Bank Limited	$6,250,000
TOTAL	$250,000,000

PRICING SCHEDULE

	A/A2	**A-/A3**	**BBB+/Baa1**	**BBB/Baa2**	**BBB-/Baa3**	**<BBB-/Baa3**
Pricing	**Level I Status**	**Level II Status**	**Level III Status**	**Level IV Status**	**Level V Status**	**Level VI Status**
Applicable Margin for	*0.315%*	*0.400%*	*0.500%*	*0.600%*	*0.675%*	*1.000%*

Applicable Margin for Eurodollar Rate Loans/Letter of Credit Fee Rate	*0.[illegible]%*	*0.[illegible]%*	*0.[illegible]%*	*0.[illegible]%*	*0.[illegible]%*	*1.000%*
Facility Fee Rate	*0.085%*	*0.100%*	*0.125%*	*0.150%*	*0.200%*	*0.250%*
Utilization Fee Rate	*0.125%*	*0.125%*	*0.125%*	*0.125%*	*0.125%*	*0.250%*

"Level I Status" exists at any date if, on such date, the Borrower's Moody's Rating is A2 or better *or* the Borrower's S&P Rating is A or better.

"Level II Status" exists at any date if, on such date, (i) the Borrower has not qualified for Level I Status and (ii) the Borrower's Moody's Rating is A3 or better *or* the Borrower's S&P Rating is A- or better.

"Level III Status" exists at any date if, on such date, (i) the Borrower has not qualified for Level I Status or Level II Status and (ii) the Borrower's Moody's Rating is Baa1 or better *or* the Borrower's S&P Rating is BBB+ or better.

"Level IV Status" exists at any date if, on such date, (i) the Borrower has not qualified for Level I Status, Level II Status or Level III Status and (ii) the Borrower's Moody's Rating is Baa2 or better *or* the Borrower's S&P Rating is BBB or better.

"Level V Status" exists at any date if, on such date, (i) the Borrower has not qualified for Level I Status, Level II Status, Level III Status or Level IV Status and (ii) the Borrower's Moody's Rating is Baa3 or better *or* the Borrower's S&P Rating is BBB- or better.

"Level VI Status" exists at any date if, on such date, the Borrower has not qualified for Level I Status, Level II Status, Level III Status, Level IV Status or Level V Status.

"Moody's Rating" means, at any time, the rating issued by Moody's and then in effect with respect to the Borrower's senior unsecured long-term debt securities without third-party credit enhancement (or, if there is no such debt outstanding, the Moody's rating then in effect for the Borrower's senior unsecured bank loans without third-party credit enhancement).

"S&P Rating" means, at any time, the rating issued by S&P and then in effect with respect to the Borrower's senior unsecured long-term debt securities without third-party credit enhancement (or, if there is no such debt outstanding, the indicative rating issued by S&P for debt of such type).

"Status" means Level I Status, Level II Status, Level III Status, Level IV Status, Level V Status or Level VI Status.

The Applicable Margin, the Letter of Credit Fee Rate, the Facility Fee Rate and the Utilization Fee Rate shall be determined in accordance with the foregoing table based on the Borrower's Status as determined from its then-current Moody's and S&P Ratings. The credit rating in effect on any date for purposes of this Schedule is that in effect at the close of business on such date. If at any time the Borrower ceases to have a Moody's Rating or an S&P Rating, Level VI Status shall exist.

Notwithstanding the foregoing, (a) if the Borrower is split-rated and the ratings differential is one level, the higher rating will apply; and (b) if the Borrower is split-rated and the ratings differential is two levels or more, the intermediate rating at the midpoint will apply. If there is no midpoint, the higher of the two intermediate ratings will apply.

Exhibit 12.2

KANSAS CITY POWER & LIGHT COMPANY

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	2004	2003	2002	2001	2000
			(thousands)		
Income from continuing operations	$143,292	$125,845	$102,666	$116,065	$ 53,014
Add					
Equity investment (income) loss	-	-	-	(23,516)	22,994
Minority interests in subsidiaries	(5,087)	(1,263)	-	(897)	-
Income subtotal	138,205	124,582	102,666	91,652	76,008
Add					
Taxes on income	52,763	83,572	62,857	31,935	7,926
Kansas City earnings tax	602	418	635	583	421
Total taxes on income	53,365	83,990	63,492	32,518	8,347
Interest on value of leased property	6,222	5,944	7,093	10,679	11,806
Interest on long-term debt	61,237	57,697	63,845	78,915	57,896
Interest on short-term debt	480	560	1,218	8,883	11,050
Mandatorily redeemable Preferred Securities	-	9,338	12,450	12,450	12,450
Other interest expense and amortization	13,951	4,067	3,772	5,188	2,927
Total fixed charges	81,890	77,606	88,378	116,115	96,129
Earnings before taxes on income and fixed charges	$273,460	$286,178	$254,536	$240,285	$180,484
Ratio of earnings to fixed charges	3.34	3.69	2.88	2.07	1.88

Exhibit 23.2.a

CONSENT OF COUNSEL

As Secretary of Kansas City Power & Light Company, I have reviewed the statements as to matters of law and legal conclusions in the Annual Report on Form 10-K for the fiscal year ended December 31, 2004, and consent to the incorporation by reference of such statements in the Company's previously-filed Form S-3 Registration Statement (Registration No. 333-108215).

/s/Jeanie Sell Latz
Jeanie Sell Latz

Kansas City, Missouri
March 7, 2005

Exhibit 23.2.b

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-108215 on Form S-3 of our reports dated March 4, 2005, relating to the consolidated financial statements and financial statement schedules of Kansas City Power & Light Company and subsidiaries (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the adoption of new accounting principles) and management's report on the effectiveness of internal control over financial reporting, appearing in this Annual Report on Form 10-K of Kansas City Power & Light Company for the year ended December 31, 2004.

/s/Deloitte & Touche LLP

Kansas City, Missouri
March 4, 2005

Exhibit 24.2

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/David L. Bodde
David L. Bodde

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared David L. Bodde, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 9th day of February 2005.

/s/Mark A. Ernst
Mark A. Ernst

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 9th day of February 2005, before me the undersigned, a Notary Public, personally appeared Mark A. Ernst, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Paula C. Panarisi
Notary Public

My Commission Expires:
12-25-08

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/Randall C. Ferguson, Jr.
Randall C. Ferguson, Jr.

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared Randall C. Ferguson, Jr., to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/William K. Hall
William K. Hall

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared William K. Hall, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/Luis A. Jimenez
Luis A. Jimenez

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared Luis A. Jimenez, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/James A. Mitchell
James A. Mitchell

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared James A. Mitchell, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/William C. Nelson
William C. Nelson

STATE OF MISSOURI)
) Ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared William C. Nelson, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney

and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/Linda H. Talbott
Linda H. Talbott

STATE OF MISSOURI)
) Ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared Linda H. Talbott, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, a Director of Kansas City Power & Light Company, a Missouri corporation, does hereby constitute and appoint Michael J. Chesser or Jeanie Sell Latz, his true and lawful attorney and agent, with full power and authority to execute in the name and on behalf of the undersigned as such director an Annual Report on Form 10-K, and any amendments thereto, hereby granting unto such attorney and agent full power of substitution and revocation in the premises; and hereby ratifying and confirming all that such attorney and agent may do or cause to be done by virtue of these presents.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of February 2005.

/s/Robert H. West
Robert H. West

STATE OF MISSOURI)
) ss
COUNTY OF JACKSON)

On this 1st day of February 2005, before me the undersigned, a Notary Public, personally appeared Robert H. West, to be known to be the person described in and who executed the foregoing instrument, and who, being by me first duly sworn, acknowledged that he/she executed the same as his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

My Commission Expires:
April 8, 2008

Exhibit 31.2.a

CERTIFICATIONS

I, William H. Downey, certify that:

1. I have reviewed this annual report on Form 10-K of Kansas City Power & Light Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report:

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2005

/s/William H. Downey

[redacted]

William H. Downey
President and Chief Executive Officer

Exhibit 31.2.b

CERTIFICATIONS

I, Andrea F. Bielsker, certify that:

1. I have reviewed this annual report on Form 10-K of Kansas City Power & Light Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report:

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2005

/s/Andrea F. Bielsker

[redacted]

Andrea F. Bielsker
Senior Vice President - Finance, Chief Financial Officer and Treasurer

Exhibit 32.2

Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 10-K of Kansas City Power & Light Company (the "Company") for the annual period ended December 31, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), William H. Downey, as President and Chief Executive Officer of the Company, and Andrea F. Bielsker, as Senior Vice President - Finance, Chief Financial Officer and Treasurer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his or her knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/William H. Downey

[redacted]

Name: William H. Downey
Title: President and Chief Executive Officer

Date: March 7, 2005

/s/Andrea F. Bielsker

[redacted]

Name: Andrea F. Bielsker
Title: Senior Vice President - Finance, Chief Financial Officer and Treasurer

Date: March 7, 2005

This certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 except to the extent this Exhibit 32.2 is expressly and specifically incorporated by reference in any such filing.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Kansas City Power & Light Company and will be retained by Kansas City Power & Light Company and furnished to the Securities and Exchange Commission or its staff upon request.

March 7, 2005

WRITER'S DIRECT TELEPHONE NO.: (816) 556-2936

Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Ladies and Gentlemen:

Great Plains Energy Incorporated and Kansas City Power & Light Company hereby separately file through the Securities and Exchange Commission's EDGAR System a combined Annual Report on Form 10-K for the fiscal year ended December 31, 2004.

The financial statements contained in the report do not reflect a change from the preceding year in any accounting principle or practices, or in the method of applying such principles or practices.

A copy of the Annual Report on Form 10-K is being forwarded to the New York Stock Exchange.

Very truly yours,

/s/Jeanie Sell Latz

Executive Vice President - Corporate and
Shared Services and Secretary

JSL:jh

c w/enc.: New York Stock Exchange